

IV. COMPENSATION

POLICY

AURA is an Affirmative Action/Equal Opportunity employer. As such, it is the policy of AURA that employees receive equivalent pay for work of equivalent knowledge, skill, ability, seniority, internal equity, performance responsibility and/or working conditions. Compensation management is delegated to the Center Directors, or designee, for their respective operations. It is AURA policy that total compensation, including award and bonuses, is competitive and equitable. Subject to any limitations set forth in AURA's contractual obligations, it is the policy of AURA that, in determining position titles and compensation schedules, AURA shall endeavor:

- To maintain pay levels that are competitive in relevant job markets;
- To attract, motivate, develop, and retain the highly competent employees necessary to achieve the AURA Center's goals;
- To ensure compliance with laws and regulations; and,
- Opportunities for performing overtime work, earning bonuses or otherwise earning increased compensation will be afforded without regard to race, color, national origin, religion, age, sex, handicap, sexual orientation or other protected classifications.

It is the policy of AURA to review the competitiveness of the Centers' pay practices on an annual basis.

Center Human Resources is responsible for ensuring that all jobs in the AURA Centers are defined and documented by a Position Description. The description will include a current representation of responsibilities, duties, and requirements for the position. Each AURA Center may adjust this requirement and its administration to recognize its unique operating structure.

Each AURA Center will adopt such procedures and processes necessary to execute this policy.

Position Descriptions

Each job is described with a summary of the most important features of the job, including the general nature of the work performed, specific responsibilities and employee characteristics and skills and abilities required to perform the job.

Job information is obtained directly from the manager and/or the incumbent in the position. Whenever a new job is established or an existing job changes significantly, the supervisor of the area concerned is responsible for notifying Center Human Resources and assisting in developing a new or revised functional description.

Job Pricing

Center Human Resources works with supervisors to evaluate jobs in each supervisor's activity area. Survey data is analyzed to determine the external value of jobs or their "market price". Jobs with similar market values are generally placed within the same range of pay.

All jobs are assigned to a grade and pay range which has a midpoint closest to the prevailing rate being paid for that job, or the most similar job, in the market.

All evaluations and placements are approved by Center Human Resources and appropriate management.

Compensation Range Structure

AURA, in establishing salary ranges, measures actual pay rates against relevant positions in the market. In order to make this comparison, AURA utilizes a number of salary surveys for each staff category. Under this method, the labor market rate for a given job is most often the prevailing factor considered in determining the salary range for a job. To maintain internal equity, a comparison of the salary range of internal positions with similar responsibilities may also be used. Surveys are selected based on the appropriateness of the participating organizations and the positions included in the review.

AURA salary ranges state the minimum and maximum salaries that can be paid for the positions within each grade.

- Salary ranges for the Center Directors are recommended by the President, and approved by the AURA Board.
- Ranges for scientific positions are established by the AURA Corporate Office in conjunction with the Centers' Human Resources Managers and are based on annual surveys of AURA member universities, and other appropriate market data. Statistical data and recommendation for salary grades/ranges relating to the science staff shall be consistently applied and agreed upon by all Centers.
- Ranges for non-scientific positions are established by the Center management and are based on annual review and analysis conducted by the Human Resources Office of the appropriate Center and are reviewed and approved by the appropriate Center Director or designee.
- Ranges may be subject to approval by the Contracting Agency.
- Salaries above the maximum of a salary range, either at hire or at any other time of employment, require the review and approval of the Center Director, or designee, and may be subject to review and approval by the AURA President
- When salary ranges are adjusted upward, there are no general or "across the board" increases.

ANNUAL COMPENSATION REVIEW

The Center Directors shall report their annual compensation plans to the respective Management Councils. The report is timed to coincide with the annual merit increase process set for each Center under their respective contract. The Management Councils shall review the compensation plans and upon appropriate action, then inform the Board of Directors of the Council's approval. This report will generally include:

- Overall percent difference from market \pm

- Recommended merit adjustment to maintain competitive posture
- Promotion and special adjustment pools
- Total salary increase fund recommendation

SALARY ADJUSTMENTS

Salary adjustments for AURA employees are based on the following criteria:

- c. Individual contribution
- d. Performance level
- e. Internal equity
- f. Relationship to market
- g. Penetration in salary range
- h. Retention management

Center Directors' compensation shall be recommended to the Board of Directors by the President for approval. Such recommendations shall be consistent with the compensation offered by comparable organizations for equivalent positions.

Upon termination of the position of Director, other than for cause, the compensation paid to a Director who determines to continue employment with AURA shall be at least equivalent to the average of the salaries paid¹ to the five highest compensated tenured research scientists of the Center, excepting the Director.

Contract specifications regarding key personnel salaries, such as Center Directors, may require government approval.

Salary increases for senior managers reporting to the Director will follow a process designed to inform governance at each level, Management Council and Board of Directors, of the performance of key managers with significant responsibilities within the Centers. Final approval rests with the Board of Directors. The following procedure will be followed:

- Center Directors will recommend to the Management Council Chair the actual positions requiring final Board approval. These positions will include deputy director (grade 65 positions) and in addition, other equivalent top management positions ("senior management"). These will include site directors and other senior managers that have significant supervisory responsibility.
- The Center Director, having reached agreement with the Council Chair, will inform the President of the list of names and titles that will comprise the senior management of the Center.
- The President will inform the Chair of the Board of Directors of the recommended list of staff and positions making up the senior management of each Center. The President and Chair will ensure Center-to-Center consistency taking into account any Center specific management structures or unique needs.
- Management Councils will review and discuss the Director's performance evaluation and recommended pay increases for senior management and forward to the Board a final set of recommended pay actions.

- The Center Director will prepare a table summarizing all recommended pay increases together with an executive summary of each performance evaluation.
- The recommendations submitted to the Board will contain the summary information prepared by the Director together with an explanation of any changes the Council recommends from what was recommended by the Director. For Deputy Directors, the Board will be provided the complete performance evaluation by the Director.
- The Board can request to review, on an individual basis, the full performance evaluation for any case.
- The Board of Directors shall approve salaries of the President and Vice President(s) of the corporation regardless of the amount. The authority for all other AURA Corporate Office salary approvals shall rest with the President in accordance with his/her issued procedures. The AURA President is also authorized to accept salary recommendations as applied to AURA personnel who are designated to work at other organizations in accordance with specific Consortium Agreements.

Temporary Responsibility Premium

The Center Director, or designee, may grant a temporary responsibility premium in addition to the base pay level to any employee who has been given a temporary management assignment that includes a significant increase in responsibility for a duration of generally one (1) year or less.

The amount of the premium shall be determined by the Center Director, or designee, and shall be consistent with the pay ranges established for comparable permanent positions.

Upon reversion to his or her former assignment, or to another assignment with a reduced level of responsibility, the Center Director, or designee, will review the change of scope and adjust or remove the premium as appropriate.

Award – Bonus Policy

Center Directors may authorize one-time financial awards either as an alternative to, and/or in addition to, an annual merit increase in base salary or to recognize instances of extraordinary work performed by employees.

- 1) Lump Sum Performance Awards
 - a) A lump-sum amount may be paid to an employee or group of employees in lieu of, or in addition to, an annual merit increase. The amount allocated for lump-sum payments shall be included as part of the annual AURA-approved “merit increase” plan. The total payments of merit increase amounts and these performance awards shall not exceed the total amount of payroll dollars available within the approved annual merit increase plan amounts. The Center Director, or designee, shall develop criteria for the allocation of Performance Awards as compared to the individual employee’s performance. Performance Awards will normally be paid at the time merit increases

become effective, but at the Center Director's discretion, may be paid at other times.

- 2) Meritorious Performance Awards
 - a) A lump-sum payment may be paid to an employee or group of employees in recognition of exceptional performance. Examples of such performance may include:
 - i) Single-instance services that are of outstanding quality or of unusual importance to the Center's program;
 - ii) Outstanding effort above and beyond the prescribed duties and workload of the individual's job; and,
 - iii) Identification of methods to increase safety aspects or to save significant time or money.
 - b) The total amount of such awards, annually, shall not exceed three-quarters of one percent of the Center's total annual payroll dollars. Nominations for such awards shall be made to the Center Director in accordance with a procedure prepared and implemented by the Center Director.

Job Transfers

A job transfer is defined as the temporary or permanent movement of an employee from one job to another job that is in the same grade range. A job transfer may be between jobs within one department or between departments. Job transfers generally do not warrant a salary increase.

Promotions

A promotion is defined as the movement of an employee from one job to another job or one rank to another rank, which is generally one or more grades higher and which materially increase the complexity of an employee's duties and requires significantly greater responsibility. Promotions will be made on the basis of individual merit.

At the time the employee is promoted, an appropriate promotional increase may be granted. Where the maximum promotional increase would leave the employee's salary below the minimum of the range for the job to which the employee was promoted, salary should be increased to that minimum.

The amount of the promotional increase will be established by Center Human Resources and will take into consideration such factors as place in range in current position as well as anticipated place in range in new position. Should an employee's salary before increase already be substantially "in range" for the new position, the overall amount of increase may be adjusted and/or capped to preserve equity with others already in the new range.

Demotions

A demotion is defined as the movement of an employee from one job to another which is in a lower salary grade. AURA policy is flexible in the case of demotions. Depending upon the circumstances of each individual case, a demoted employee's salary may be left unchanged or reduced to an appropriate point within the salary range for the new position. This decision will be made by Center Human Resources in consultation with appropriate management.