

Staff Compensation Policy

The University's workforce is its most vital resource and it is the intention of the university that the compensation plan demonstrates the high value the university holds for its employees. Therefore, the American University in Bulgaria system strives to maintain a total compensation package for staff that is directed toward attracting, retaining and rewarding a highly qualified, engaged, committed and diverse workforce to serve the university's students.

Compensation Philosophy

The University strives to provide base compensation that is (a) externally competitive with the relevant market and (b) internally aligned with market reference ranges of individuals who have similar responsibilities, demonstrated competencies and experience. The University may utilize variable compensation (incentive plans and recognition awards) as appropriate to further support the achievement of the University's goals and core values while considering the competitive market for positions.

The American University in Bulgaria does not discriminate in making pay decisions based on race, color, sex, age and disability status, national or ethnic origin.

Employee and Manager Responsibilities Related to Pay

Employee Responsibilities

Each employee must take responsibility for his or her job performance, professional development, and growth. While the University strives to provide an environment that fosters growth, the University does not guarantee advancement for employees within their current position or at the University at large.

Manager Responsibilities

The University is committed to providing managers with the tools, training and information necessary to make sound compensation decisions. Each manager is responsible for ensuring that performance management processes are completed each year for employees and that increases to base pay are based on performance and within policy guidelines, to ensure equity and consistency throughout the University.

Salary Administration Guidelines

Compensation structure at the University refers to a series of payment items that composes the total compensation paid to an employee on a monthly base. It comprised of the base salary, percentage for length of service, allowances, paid leaves and deductions.

All positions are classified in accordance with the job requirements of the position and set the appropriate level of payment upon:

- Required education, skills and professional experience
- English language skills
- Complexity of work and level of responsibility
- Workload
- Parameters of the working environment

The job classification system consists of job families, jobs, positions, pay grades and salary ranges. The difference between the salary levels reflects the differences between the classifications of the positions.

At each level, the additional cost for length of service can vary up to 44% depending on the service before coming to AUBG, length of service at AUBG and additional salary adjustments in the future.

New Hire Rates / Determining base salary on a labor contract

Base salary, which is listed in the labor contract is determined according to the position and is pre-approved by the President as part of AUBG Staff Sheet. Before the announcement of any position in HR office shall be submitted approved Hiring Requisition Form signed by the HR Director, Vice-President for Finance and Administration and/or the President (for Executive/Director positions only). The HR office makes a recommendation on the level of payment for the position. When the applicant meets the minimum qualifications required for the position but lacks experience, a modified job description can be recommended to the President and the individual may be hired at lower pay level.

Rules and method for determination and modification of the additional remunerations

In determining individual salary, the HR office makes a recommendation on the recognition of pre-service, taking into account its relevance to the position to which the employee is appointed. Additional payment shall be determined by the HR Business partner in consultation with the HR Director and may include:

- For each recognized year of relevant work experience the employee can receive 0.6% extra pay on top of the base salary
- For each completed year at AUBG the employee may receive an additional 1% compensation on the base salary
- Overtime work is paid with an additional compensation under Art. 262, para 1 of the Labor Code. Overtime to employees is applied after an order issued by the President and approved by the direct and division manager.

Compensation for internal substitution

In case the employee performs part of the duties of an absent employee, he receives an additional 5% to 15% to his basic salary, upon a formal order outlining the list of the obligations that the employee performs, the percentage he receives and the period for which the additional compensation is due.

Staff Compensation for Instructing Academic Courses

A staff employee may be allowed to instruct an undergraduate or graduate course with Division manager level approval. Compensation for this additional work should be similar to that of an adjunct faculty for comparable instruction. In case the teaching obligations coincide with the working hours of the employee primary position, the employee must use his available annual leave to compensate for his absence under its principal employment contract. If the teaching obligations are with higher density throughout the term, a temporary decrease in the working time and the compensation on the principal contract should apply.

Promotion

Promotion is defined as a regular employee moving to a position of greater responsibility or scope which is in a different career (grade) level. Many factors should be considered when determining a promotional pay increase. Promotional pay increases may not exceed 20 % without approval from the HR Director and Vice-President for Finance and Administration and should be at least to the minimum of the market reference range of the new position.

Transfer

Transfer is defined as a regular employee moving from one position at the University to another that is not classified as a promotion. To be considered a transfer the change must include moving between subfamilies or market reference ranges while staying in the same career stream. Transferring to another position is an opportunity for an employee to expand their depth of knowledge and increase their career development opportunities. Individuals asked to transfer for career development or business need purposes may be eligible for an increase up to 7 % on the base salary, if the amount does not exceed the established salary band. If there are extenuating circumstances, a higher increase may be appropriate and requires the HR Director and Vice-President for Finance and Administration approval.

Pay for Performance/Merit

Merit pay bonus based on employee's performance, if any, take effect on October 1 of each year. The amount of merit money available for distribution is determined on a yearly basis through the budget, market analysis (salary survey), and a process of recommendations and approvals involving Human Resources, the Finance Division, the President and the Board of Trustees.

Merit pay bonus is a one-off payment and does not constitute a permanent salary adjustment.

Merit pay bonus is not associated with workload. Normally, workload is unevenly distributed throughout time and there are peaks, as well as low activity periods. Thus, increased work activity for a certain period of time is not necessarily a reason for a bonus/merit pay.

In-Grade Salary Adjustment

Requests for in-grade salary adjustments are submitted by the direct manager after the end of the annual evaluation process and cannot exceed 5 % of the employee base salary. At the beginning of October, a commission composed of the HR Director, VP for Finance and Administration, the Provost and the President convenes and reviews the proposals. In-grade adjustments can be proposed for the following reasons:

- Change in the duties – an employee may assume higher level of duties and responsibilities but does not warrant a reallocation in a different career level
- Professional development – new knowledge and skills acquired through job-related training, education, certification and/or license recognized in industry as having market value and which is not paid by the employer
- Internal alignment - consideration of a more appropriate alignment between the salaries of similarly situated employees performing work at the same family, sub-family and career level, with similar levels of experience, background, and performance
- Retention – retain a high performing employee

Please note that an employee must receive an overall rating of “Exceeds Expectations” (AA or greater) on the most recent performance evaluation. An employee whose pay is at the maximum of the salary range may not be granted an increase that would cause the base salary to exceed the maximum of the range for that position. In-grade salary adjustments do not occur in conjunction with a change in title or grade level.

Market Adjustment

Market adjustments of the basic salary grades will be carried out on a three-year basis. All salary adjustments are subject to Human Resources and Finance Division approval as well as budget constraints.
