Compensation Guide

Penn
University of Pennsylvania

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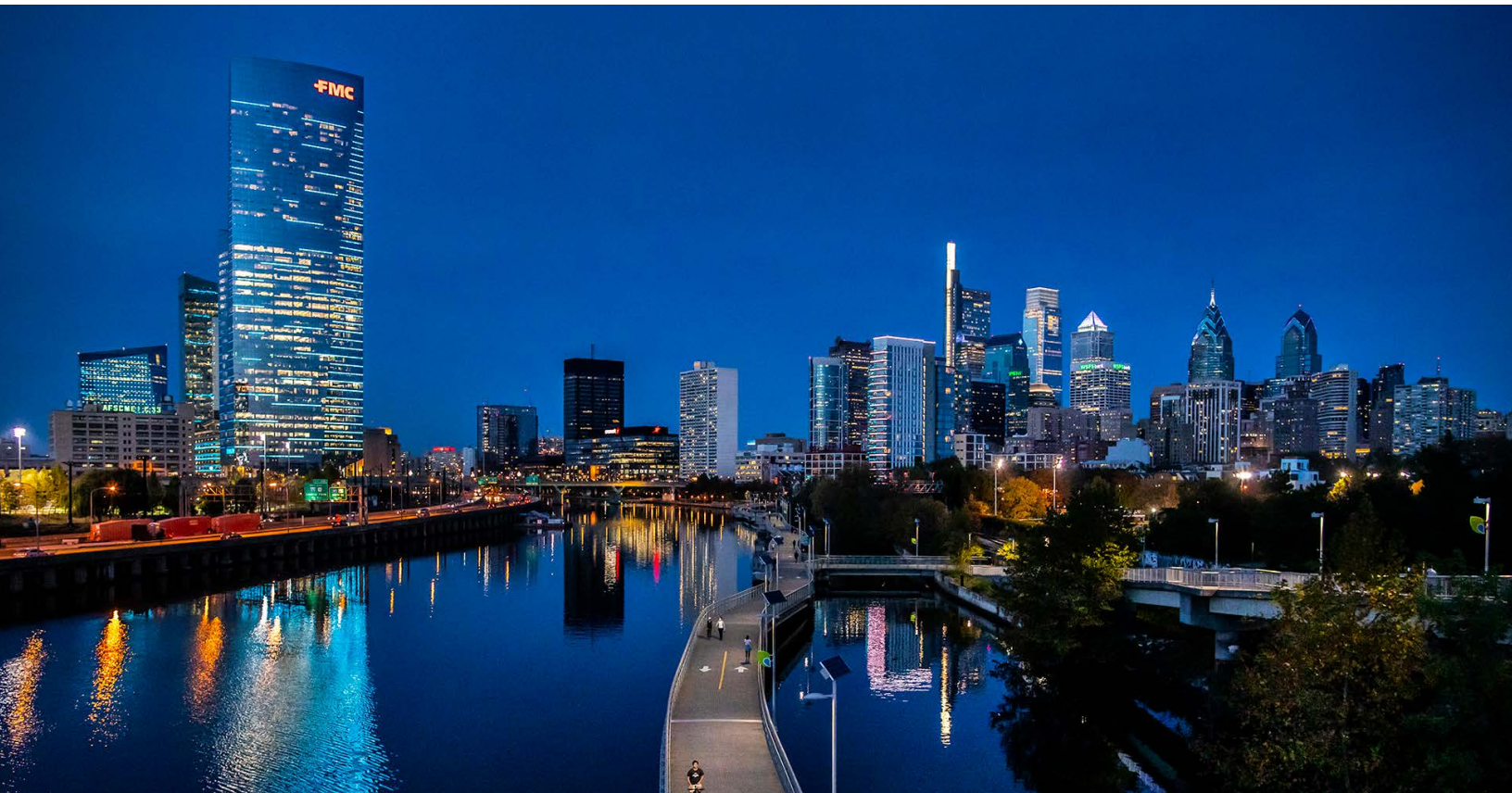
Note: The Compensation Guide applies to individuals in positions with a staff employee type. University staff members covered by collective bargaining agreements should refer to the appropriate articles in their contracts.



Dear Colleague,

I am pleased to share with you the University of Pennsylvania's Compensation Guide, a comprehensive resource designed to provide clarity, transparency, and support as you navigate your career at Penn. Thank you to the Penn Compensation team for penning this inaugural edition.

At Penn, we recognize that our greatest strength lies in the talent and dedication of our people. Our commitment to supporting you—through meaningful work, career mobility, and a competitive total rewards program—is central to our mission. This guide reflects that commitment. It outlines the structure, philosophy, and practices that inform how we compensate and support our staff, and it aligns with our goal to attract, retain, and reward a world-class workforce.

The Guide includes key information such as:

- Our **Compensation Philosophy**, which supports fair and market-competitive pay practices
- An overview of **Job Architecture**, including career streams, job families, subfamilies and levels to support your growth and advancement
- Information about **Salary Structures**, **How Salaries Are Determined**, and **Performance and Merit Increases**
- Guidance for **Position Reclassifications and Compensation Changes**
- A **Glossary** of terms related to compensation and career development at Penn and a variety of **Resources** to explore and learn more

This resource is intended to empower you with a clearer understanding of how your role fits within the broader structure of the University, and how your contributions are recognized and rewarded.

I encourage you to review the Guide, explore the highlighted Resources, and talk with your manager about any questions you have. Our Human Resources team remains committed to supporting your career journey and ensuring that every staff member has the opportunity to thrive here at Penn.

Thank you for all that you do to make Penn a remarkable place to work.

Sincerely,

Felicia A. Washington
Vice President, Division of Human Resources

Compensation Guiding Principles and Philosophy

1. Align to market prevalent best practices with flexibility to accommodate changes in the market and University priorities
2. Comply with federal/state/local rules and regulations, as well as established policies and procedures
3. Consistent approach to enable fair compensation across similar staff roles
4. Design with consideration for the affordability and resource constraints of University budgets
5. Open and clear communication about how salaries are structured and managed to maximize the performance, engagement, and commitment of staff
6. Position salaries competitively to support recruitment and retention
7. Support performance-based salary growth

Our compensation program is designed to

Compete

with the markets in which we attract exceptional talent

Motivate

and reward high levels of performance, innovation and commitment to the University's principles and goals and the community

Support

our staff members as they build successful careers at the University of Pennsylvania

Penn's comprehensive total rewards package includes competitive salaries and outstanding benefits; health and life insurance, tuition, retirement, time off, family-friendly programs, wellness and work-life programs, Penn benefit extras, and career development opportunities.

Job Architecture to Support Your Career Path at Penn

The University employs over 20,000 individuals who bring a wide range of knowledge, skills, and abilities to their jobs. There are career paths across a wide variety of fields for staff to explore. Penn's career and compensation structures are designed to provide staff with flexibility, mobility and opportunity.

Penn's Job Architecture provides an infrastructure for jobs across the University. It enables staff to view how their roles fit into the larger University network and navigate their individual career paths at Penn.

Jobs at Penn are grouped in various ways:

By **job families and subfamilies**, to represent different areas of focus

By **job level**, to represent a job's responsibility, scope, complexity and required skills, education or experience

By **career streams**, to offer different career paths (support, individual contributor, management)

By **job profiles**, to summarize essential characteristics, including job responsibilities and minimum qualifications

For a detailed look at these areas, explore the Job Architecture module below. There, you'll find definitions and information on career streams and job levels, along with Penn's complete catalogue of job families and subfamilies

Find your job profile, job family and career stream/management level from the home page of your Workday record:

1. Click on person icon in top right hand corner
2. Click on view profile
3. Under Job Details, find your job profile, job family, and career stream/ management level.

Resources

- **My Career Path**
  Explore how your current job profile compares with others across the University
- **Penn's Job Architecture**
  Learn about job families, subfamilies, career streams, and job levels through an interactive tool.

Job Profiles and Position Descriptions

Job Profiles summarize the essential characteristics of a job and the minimum qualifications. Position descriptions are more detailed and outline specific responsibilities and duties.

Resources:

- Position Description Form
- Writing An Effective Position Description

Job Profiles	Position Descriptions
Summarize the essential characteristics of a job and the minimum qualifications	Summarize a position and provide detail about specific responsibilities and qualifications. Outlines the knowledge, skills and abilities required for the job.
Enable staff to view how positions fit into the larger University network of jobs	Provide the basis for assignment of job profile and Fair Labor Standards Act (FLSA) exemption status.
Facilitate access to competitive compensation data for similar jobs in the external market	Guide the recruiting and hiring process
Provide clarity for navigating individual career paths	Facilitate development of performance expectations
Employees can view their job profile and explore others in Workday - My Career Path	Employees can request position descriptions from their manager

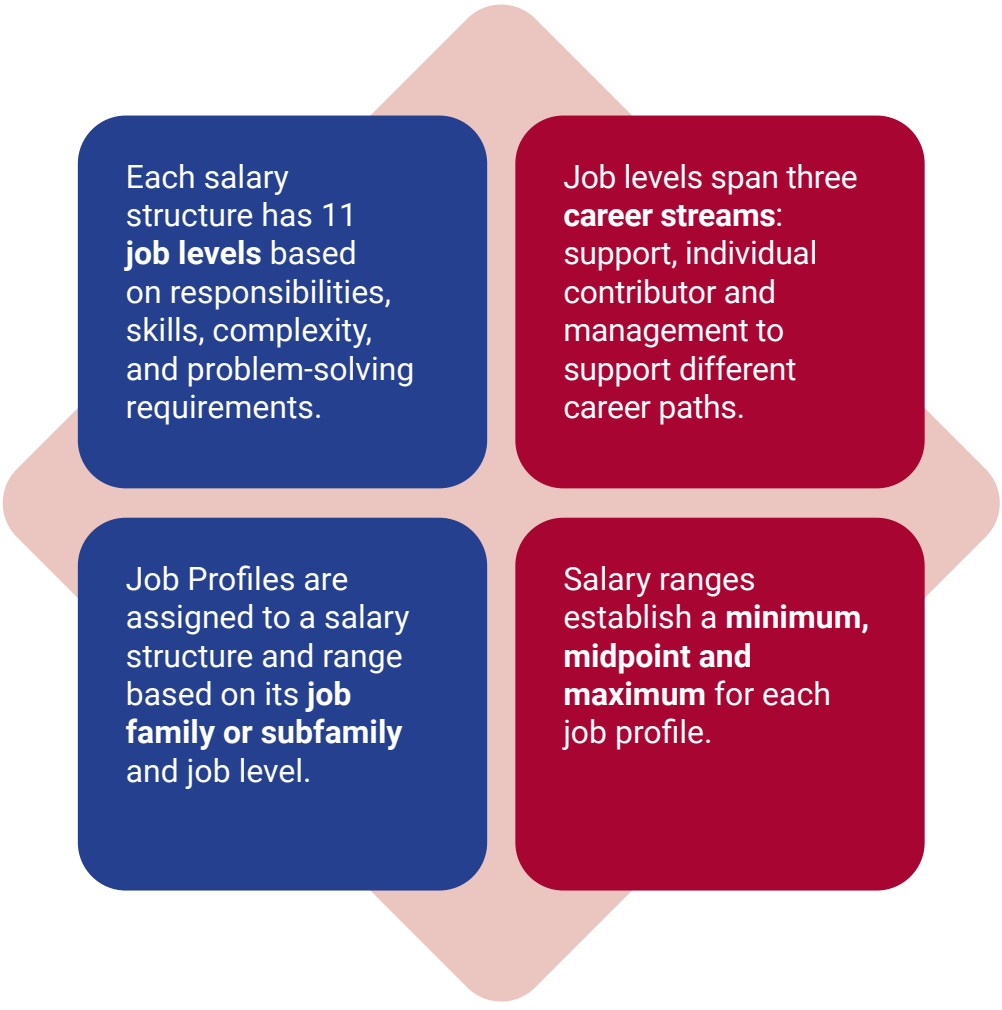
Salary Structures and Ranges

Penn's compensation program is designed to pay market-competitive salaries to recruit, retain, and motivate talented employees. To that end, our program focuses on these key objectives:

- Create and support a system that provides flexibility to staff for career development and to managers for pay administration.
- Ensure salary ranges are competitive for comparable positions in the external market.
- Evaluate positions consistently and fairly and classify them in the appropriate job profile.
- Regularly measure the external market value for comparable jobs and adjust salary structures accordingly.

Penn job families are carefully reviewed to ensure alignment with competitive market data, considering industry, geography and role-specific benchmarks. Each salary range is aligned to a job level, providing staff with clear career paths and ensuring that compensation practices remain, fair, consistent, and competitive across the University.

The University maintains four competitive market salary structures (academic, arts and culture; clinical research and animal care; core; and information technology) that align to the many different types of job families and subfamilies across the University.



How Salaries Are Determined

Salaries at Penn are based on qualifications, experience, skills, and education as they directly relate to the requirements of the position, and in alignment with salary ranges based on external market data for the job's level. Internal organization and peer data at Penn are also considered, as well as affordability.

Individual Qualifications

Experience, skills, education as they directly relate to the requirements of the position.

Internal Peer and University Data

Similar positions in a department, school/center, and across the University are reviewed for appropriate alignment.

External Market Data

The Division of Human Resources, Compensation conducts ongoing reviews of University positions to remain competitive in the marketplace. The University participates in a broad range of third-party salary surveys to assess the market, and advise Schools and Centers on salary administration and offers.

Affordability

Budget considerations across Schools and Centers influence compensation offers and decisions.

- Staff members will not be offered a salary below the minimum or above the maximum of the salary range for their applicable job profile.
- No salary offer, or promise of an offer, may be made without prior approval from the Division of Human Resources, Compensation.

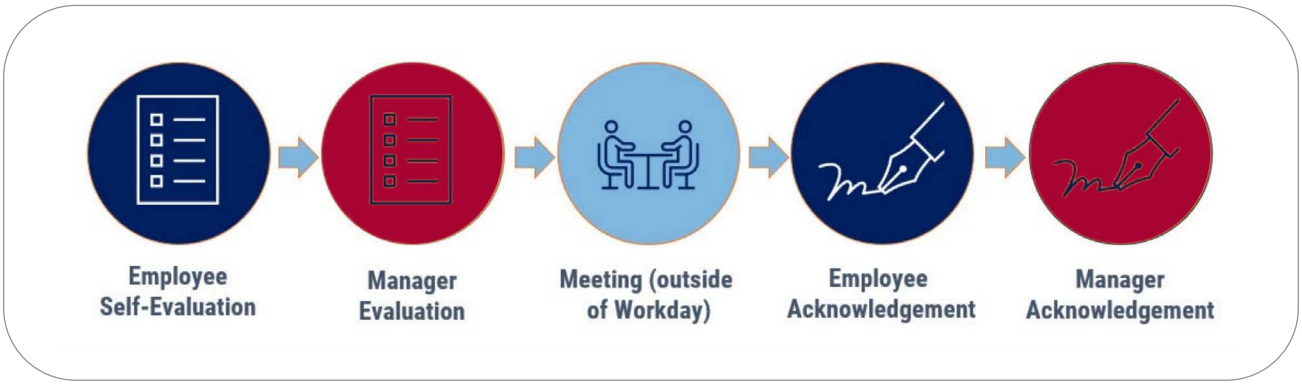
Performance and Merit Increases

The University of Pennsylvania's Merit Increase Program is designed to recognize and reward the valuable contributions of faculty and staff by paying market competitive salaries in a fiscally responsible manner.

The performance review cycle includes a mid-year and year-end review. This process improves understanding of ongoing job responsibilities, promotes effective performance, provides ongoing opportunities to establish career goals, supports professional development, and provides a structure for salary growth.

Resources:

- Merit Increase Program
- Performance Management Guide
- Merit Planning Resources in Workday



Merit Increase Program

Performance Review Process and Timing	• Performance reviews must be completed for all eligible staff to support the merit increase recommendation. • Year-end performance reviews must be completed in the spring. • Mid-year performance reviews must be completed in the fall.
Merit Increase Eligibility	• Individuals in positions with a staff employee type and who were employed by the university on or before the last day of February. • Refer to linked resources for all eligibility criteria.
Merit Increase Process and Timing	Annual staff merit increases are typically effective on or around July 1. Guidelines for administering the merit increase program are available in the spring.

Position Reclassifications and Compensation Changes

Significant change to a position may warrant a review for position reclassification or compensation adjustment. Managers are responsible for working with Human Resources to identify positions for review. Schools and Centers may have different timelines and eligibility requirements.

Position Reclassification

A position is eligible for a reclassification review when there has been an authorized and necessary significant increase in that position's scope, impact, complexity, responsibilities, and accountability such that the incumbent is required to exercise greater judgment and discretion, and to rely on a larger and more specific skill set than previously necessary in order to perform the work successfully. The evaluation may result in a change to the job profile and level; and, in some cases, to the job family.

Compensation Changes

Compensation changes to a staff member's pay outside of the merit increase process may at times be warranted due to external market pressure, internal peer data, and/or changes in duties that may or may not warrant a position reclassification.

While years of service, performance, and an increase in volume of work are valued and appreciated, please note that these factors on their own do not qualify a staff member for position reclassification or a change in compensation.

Resources:

- Position Reclassification and Compensation Changes Policy

Career and Compensation Misconceptions and Facts

Misconceptions	Facts
The only way to grow your career is up or by becoming a manager.	There are a variety of ways to grow at Penn. Career paths may take any direction. The job architecture reflects the breadth of opportunity available at Penn.
Years of service and experience determine staff salaries at Penn.	Salaries at Penn are based on qualifications, experience, skills, and education as they directly relate to the requirements of the position, and in alignment with salary ranges based on external market data for the job's level. Internal organization and peer data at Penn are also considered, as well as affordability.
Staff promotions/ reclassifications are based on seniority.	Promotions/reclassifications are not based on seniority. A position may be eligible for a reclassification review when there has been an authorized and necessary significant increase in that position's scope, impact, complexity, responsibilities, and accountability.
There is a cap on the increase for a reclassification or promotion.	There is no set limit on how much a salary can increase when a job is reclassified or a staff member is promoted. Salaries are based on qualifications, experience, skills, and education as they directly relate to the requirements of the position, and they are aligned with salary ranges based on external market data. Internal organization and peer data, as well as affordability, are also considered.
The current salary of a prior incumbent determines the new salary.	Salaries at Penn are based on qualifications, experience, skills, and education as they directly relate to the requirements of the position, and in alignment with the salary ranges based on external market data for the job's level. Internal organization and peer data at Penn are also considered, as well as affordablity, but not the salary of the prior incumbent.

Glossary

Base Salary: The salary paid for a job performed. It does not include any premium pay such as shift differentials, overtime pay, additional or supplemental pay or any pay element other than the base rate. The job profile and exemption status determine if the salary is paid on weekly hourly or monthly salaried basis.

Career Path: Staff at Penn are able to explore a wide variety of positions across the University. Penn's job architecture is designed to provide staff with flexibility, mobility and opportunity to navigate your individual career path.

Career Stream/Management Level: Job families at Penn contain jobs in three distinct career streams (support, individual contributor, management) that represent different types of work and responsibilities.

Compensation Changes: Include pay changes outside of the merit increase process which may at times be warranted due to market factors, internal peer data analysis, and/or changes in duties.

Exempt Staff: Exempt employees, as identified by Compensation in accordance with applicable state and federal laws, are exempt from being paid overtime.

External Market Data: The University participates in a broad range of third-party salary surveys to assess the market, establish salary ranges, recommend competitive merit increase pools, and advise Schools and Centers on salary administration and salary offers.

Federal and State Wage and Hour Laws: Federal and state laws governing minimum wage, overtime pay, child labor and record-keeping requirements. These laws also define the differences between exempt and non-exempt work. The Fair Labor Standards Act (FLSA) includes the federal regulations.

Job Architecture: Common framework of jobs across the University, including job families, subfamilies, levels, and career streams. Facilitates mobility, development and communication of career paths at Penn.

Job Level: Based on multiple factors, including a job's level of responsibility, scope, complexity, problem-solving, and impact. Job leveling organizes Job Profiles across the University and considers the knowledge, skills, education, and experience required.

Internal Peer Data: Similar positions in a department, school/center, and across the University are reviewed for appropriate compensation alignment.

Job Profile: Represents the essential characteristics of a job, including its job responsibilities and minimum qualifications.

Job Profile Description: Provides an overview of a job profile's purpose and scope. Outlines a job's responsibilities and the minimum qualifications required. Each job profile is assigned to a job family, subfamily, job level, and career stream/management level. Reflects the general nature of the job across all incumbents as distinct from the position description, which outlines tasks unique to an individual role.

Job Family: Jobs at Penn are grouped into Job Families, which broadly represent groups of job with a similar area of focus (e.g. Academic Affairs, Administrative Support). Many families have subfamilies which represent even more specific areas of focus (e.g. Admissions, Procurement).

Merit Increase: Annual increase program to recognize and reward the valuable contributions of staff as supported by the performance review process.

Non-exempt Hourly Staff: Compensation classifies positions as exempt or non-exempt based on the nature of the duties and responsibilities of the position and in accordance with the Fair Labor Standards Act (FLSA). Non-exempt staff are paid for each hour worked, and track their time worked on an hourly basis.Non-exempt staff are subject to the overtime provisions of the FLSA. Refer to the policies on Overtime Compensation for more information.

Position Description: More detailed than a job profile, position descriptions outline specific responsibilities and duties.

Position Reclassification: The assignment of a new job profile to an existing position based on an evaluation of the duties, responsibilities, scope, impact, and minimum qualifications of the position.

Salary Structure: The University maintains four competitive market salary structures that align to the many different types of job families and subfamilies across the University. Each salary structure has 11 job levels based on responsibilities, skills, complexity, and problem solving requirements.

Total Rewards: Penn's comprehensive total rewards package includes competitive salaries and outstanding benefits; health and life insurance, tuition, retirement, time off, family-friendly programs, wellness and work-life programs, Penn benefit extras, and career development opportunities.

Penn

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