Salary Loadings and Performance Payments Procedure

Section 1 - Purpose and Scope

(1) This Procedure outlines the processes at The University of Queensland (UQ) which underpin the conditions and application of the following arrangements:

a. Salary Loadings
b. Performance Payments.

(2) This Procedure applies to all UQ employees, excluding casual employees. Any exceptions are detailed in the relevant section.

Section 2 - Process and Key Controls

(3) Salary loadings and performance payments will be paid in accordance with this Procedure, the Salary Loadings and Performance Payments Policy and the relevant provisions under the Enterprise Agreement.

(4) Arrangements must be processed through the Human Resources Division (HR).

(5) All remuneration at UQ will be undertaken in accordance with the principles outlined in the Diversity, Equity and Inclusive Behaviours Policy and associated procedures.

Section 3 - Key Requirements

(6) An employee's job profile, job classification, remuneration and employment conditions will be agreed prior to the commencement of their employment, or change of their existing position, with UQ. Details of remuneration will be contained within the employment contract or any approved variations, in addition to entitlements where applicable under the Enterprise Agreement and/or under policy.

(7) Remuneration arrangements for employees who are not covered by the Enterprise Agreement will be outlined in the individual employment contract.

Section 4 - Salary Loadings

(8) Salary loadings are payable to continuing, fixed-term and research contingent funded employees.

(9) Salary loadings may be paid to employees with specific skill sets or expertise, or in recognition of supervisory, management or project responsibilities, in addition to an employee's base salary, and are subject to approval.

(10) An employee in receipt of a salary loading at the date of ceasing employment with UQ will have the salary loading included as salary for the purposes of calculating any entitlements upon cessation of employment.

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Market Loading

(11) A market loading is subject to approval and may be paid to attract or retain highly skilled, experienced and high performing employees in a particular field or position, especially where the labour market conditions are limited.

Eligibility

(12) A market loading may be considered for certain appointments where one or more of the following criteria are met:

a. there is evidence of sustained difficulty in recruiting and/or retaining highly skilled and experienced employees in a particular field or position(s) as a result of market demand or competition; or
b. there is a significant strategic or operational advantage to UQ in attracting a candidate or retaining the services of the employee, and it is evidenced that the person would be able to command a higher remuneration from other employers.

Payment

(13) A market loading is an annual fixed amount paid pro-rata based on FTE. The fixed amount will not increase for the duration of the term of the loading (for example by CPI or Enterprise Agreement increase). A market loading may be payable for up to three (3) years for a continuing role and for the duration of fixed-term contract up to a maximum of five (5) years. The market loading is not superannuable unless required by the superannuation guarantee legislation.

(14) A market loading does not impact the classification level of a position. Where an employee is receiving a historical loading, this will be considered a market loading and will be paid in accordance with their contract of employment.

Review

(15) The payment of a market loading must be reviewed at least three months prior to the end date and annually as part of UQ's performance and development process. The market loading may be increased, decreased, maintained or, if appropriate, removed. The loading must be considered in line with the employee's fraction of employment and any changes to working arrangements. This review may include an assessment of the current labour market to determine if payment of the loading remains appropriate. The supervisor is responsible for submitting recommendations for approval in accordance with the Human Resources Sub-delegations Schedules.

(16) The employee should be advised in writing at least one month prior to the end date of the market loading whether it will be extended for a further period.

Management Loading

(17) A management loading is a fixed amount and is subject to approval and may be paid to compensate employees in positions with significant management or supervisory responsibility.

Eligibility

(18) Management loadings are available to academic employees in the following positions within UQ:

a. Head of School;
b. Associate Dean;
c. President of the Academic Board;
d. Deputy President of the Academic Board; or
e. Any other role as authorised by the Chief Human Resources Officer.

Payment

(19) A Head of School/Associate Dean can be paid a maximum management loading of $30,000 per annum or pro-rated (as required) expressed as a fixed dollar amount in addition to base salary and may be payable for up to five (5) years. The management loading is not superannuable unless required by the superannuation guarantee legislation.

(20) The President of the Academic Board and Deputy President of the Academic Board can be paid a maximum management loading of $80,000 per annum or pro-rated (as required), expressed as a fixed dollar amount in addition to base salary, may be payable for up to five (5) years and is superannuable in accordance with the superannuation guarantee legislation.

(21) Management loadings will be suspended during a Special Studies Program exceeding three (3) months.

Review

(22) The payment of a management loading will cease when the requirement to perform the management responsibility has ceased. The supervisor is responsible for submitting recommendations for approval.

Clinical Loadings

(23) A clinical loading is paid to eligible academic employees who have clinically-related qualifications and may consist of the one of the following:

a. Clinical loading – paid to medically qualified academic employees employed in (or funded by) the Faculty of Health, Medicine and Behavioural Sciences and who are responsible for patient care.
b. Para-clinical loading – paid to medically qualified teaching and research academic employees or clinical academic employees (Academic Level B – E) employed in a para-clinical discipline.
c. Pre-clinical loading – paid to medically qualified teaching and research academic employees or clinical academic employees (Academic Level B – E) employed in a pre-clinical discipline.
d. Dental loading - paid to qualified dental academic employees (Academic Level B – E) employed in the Faculty of Health, Medicine and Behavioural Sciences in the teaching of medical or dental students.

Eligibility

(24) A clinical loading will be payable to an academic employee who meets the following criteria:

a. the employee must be a registered medical practitioner in the relevant discipline in Australia; and
b. the employee teaches students in the Bachelor of Medicine/Surgery (MBBS) or other program requiring clinical input for the Faculty of Health, Medicine and Behavioural Sciences or students in the School of Dentistry; and
c. the employee has a continuing commitment to hospital, health centre or general practice involving clinical responsibility of patient-care on a regular basis relevant to their duties with UQ. Occasional sessions in general practice does not qualify.

Payment

(25) A clinical loading is approved in accordance with the Human Resources Sub-delegations Schedules. The loading is expressed as a fixed dollar amount in accordance with the relevant amounts outlined in Schedule 2 of the Enterprise Agreement. A clinical loading is superannuable. Academic employees on part-time appointments will receive the loading on a pro-rata basis. This loading is payable during periods of study leave, recreation leave and long service leave.

State Supplementary Loadings

(26) An additional State Supplementary loading may be payable to academic employees who undertake public hospital clinical responsibilities. The amount payable shall be determined by the relevant Executive Dean in consultation with HR. This loading is not payable during periods of Study Leave, Recreation Leave and Long Service Leave.

Approval for Salary Loadings

Market and Management Loadings

(27) The approval of a salary loading is in accordance with the Human Resources Sub-delegations Schedules following consultation with HR and is dependent on the amount of loading sought.

Loadings up to and Including 25% of Base Salary

(28) Salary loadings that are individually or collectively a combined total of 25% of base salary or below are to be approved in accordance with the Human Resources Sub-delegations Schedules.

Loadings Exceeding 25% of Base Salary

(29) A recommendation must be submitted by the relevant Executive Dean/Institute Director/Head of Division (or equivalent) for prior endorsement before the recommendation is considered in accordance with the Human Resources Sub-delegations Schedules where:

a. a loading exceeds 25% of base salary; and/or
b. the combined total of the loadings exceeds 25% of base salary.

(30) The Organisational Unit recommending the market loading will be responsible for funding the loading. In exceptional circumstances, Organisational Units may apply for central funding of the loading in part or in full.

Clinical Loadings

(31) A recommendation to pay a clinical loading must be made by the Head of School to the approver specified in accordance with the Human Resources Sub-delegations Schedules.

(32) Where other loadings are sought in combination with clinical loadings, additional approvals may be required in accordance with the Human Resources Sub-delegations Schedules.

Removal or Reduction of a Salary Loading

(33) The payment of a salary loading may decrease, cease or be adjusted for one or more of the following reasons:

a. upon conclusion of its term; or
b. [for market loading] the Authorised Officer determines that based on market indicators or operational requirements, a salary loading should cease or be reduced; or
c. where the supervisor assesses that the employee’s performance is diminished or unsatisfactory following a performance review; or
d. the employee is promoted, their position is reclassified or moves to a different role.

(34) Except in the case of allegations of misconduct/serious misconduct having been substantiated where the decision of the relevant Senior Executive is final, the removal or reduction of a salary loading is considered in accordance with the Human Resources Sub-delegations Schedules. The decision to remove or reduce the loading will be final.

Section 5 - Performance Payments

(35) Performance payments are a one-off payment for current eligible employees based on performance achievements within a specified performance cycle.

(36) Performance payments, for eligible employees, are made once a year as a lump sum up to a maximum of 15% of base salary or as approved by the Chief Human Resources Officer in a different arrangement in accordance with the employment contract. Subject to requirements under the Superannuation Guarantee legislation, the performance payment will not be superannuable but may be salary sacrificed into the employee's UQ superannuation fund, provided a nomination to salary sacrifice in line with regulatory requirements is made to the UQ's Payroll Services prior to the quantum of the performance payment being determined and declared as payable.

(37) A performance payment is for a specified performance cycle and creates no obligation on UQ to make a performance payment in subsequent years unless it is written into a contract of employment.

Eligibility Criteria

(38) Upon receiving a written recommendation from the Head and/or supervisor (where required), a performance payment may be approved in accordance with the Human Resources Sub-delegations Schedules if it is determined that one of the following criteria has been met:

a. a performance payment is written into the employment contract, normally requiring agreed annual key performance indicators (KPI) to be achieved and documented in the annual performance appraisal process; or
b. individual achievement on a significant project or other accomplishment which has an impact at least at faculty level or equivalent; or
c. the employee is a member of a group of employees who have contributed significantly to a project or outcome that has advantaged UQ; or
d. a significant individual contribution to the Organisational Unit, both in quality and quantity, which the Head/supervisor believes merits a performance payment.

(39) Normally, a performance payment would be approved only when the employee and the Head and/or supervisor have agreed in advance on clearly defined targets in situations where UQ will derive a significant advantage from the achievement of these targets by the employee. Targets may be quantitative or qualitative. Approval from the relevant Authorised Officer is required prior to entering into any performance agreement that is intended to, or may create an expectation for, a performance payment.

Performance Payment Process

Recommendation and Approval

(40) Following the performance appraisal process, a recommendation for a performance payment is made by the Head and/or supervisor (where required) in accordance with the Human Resources Sub-delegations Schedules.

(41) Further discussions may be pursued by the Authorised Officer with the Head of Organisational Unit and/or supervisor with regard to the merit or payment amount. In the event of an approved performance payment recommendation, the employee will receive a letter confirming the successful outcome and the performance payment amount.

(42) Any performance payment will be funded from the relevant Organisational Unit budget, unless the Authorised Officer agrees to subsidise the performance payment in part or in full. UQ has the discretion to modify all or part of the payment due to the financial results of UQ or other circumstances.

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(43) There will be no appeal against the decision of the relevant Head to not recommend a performance payment to the Authorised Officer and there will be no appeal against the decision of the Authorised Officer to approve or not approve a recommended performance payment, whether discussed as part of the performance review or not.

Payment

(44) Performance payments will normally be paid each year after the annual performance appraisal process has been completed for the prior year.

(45) In order to ensure compliance with superannuation legislative requirements, UQ applies the performance payment in a lump sum payment to the employee, less the employer superannuation contribution in line with the requirements of the Superannuation Guarantee Legislation.

Section 6 - Roles, Responsibilities and Accountabilities

Authorised Officers

(46) Ensure all measures concerning salary loadings and performance payments are appropriately identified and managed in respect to approving such payments.

(47) Consider all applications in respect to this Procedure in a timely manner.

Heads of Organisational Units

(48) Ensure all measures concerning conflict of interest are appropriately identified and managed in respect to approving salary loadings and performance payments.

(49) Consider all applications in respect to this Procedure in a timely manner.

Supervisors

(50) Consider applications and undertake any reviews that impact upon remuneration of employees within required timeframes.

(51) Ensure that work performed by employees under their authority is in accordance with the employee's employment contract and within the experience and tasks expected of the employee's classification.

Employees

(52) Ensure all issues concerning conflict of interest are appropriately identified and managed in respect to claiming salary loadings and performance payments.

(53) Notify their supervisor of any circumstances which may prohibit the employee from performing their duties outlined in their employment contract.

(54) Apply for entitlements in accordance with the Enterprise Agreement and UQ policies and procedures.

Human Resources Division

(55) Ensure all HR processes comply with the requirements of the Salary Loadings and Performance Payments Policy and this Procedure.

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Section 7 - Monitoring, Review and Assurance

(56) The Chief Human Resources Officer is responsible for continuous monitoring on the effectiveness, application and improvement of this Procedure. Payments paid to employees are monitored, reviewed and quality assured in accordance with legislative requirements and UQ's policies and procedures.

Section 8 - Recording and Reporting

(57) Recording and reporting for salary loadings and performance payments is completed in accordance with legislative and UQ requirements.

(58) HR is responsible for retaining records of salary loadings and performance payments in accordance with the Information Management Policy and the Privacy Management Policy.

(59) Transactions and approvals referred to in this Procedure are recorded in the relevant Human Management Capital System.

Section 9 - Appendix

Definitions

Term	Definition
Authorised Officer	The officer authorised to exercise the relevant HR power or function in accordance with the Human Resources Sub-delegations Schedules.
Enterprise Agreement	The University of Queensland Enterprise Agreement 2021-2026, or as amended or replaced.
Head of Organisational Unit	Management Level 4 (Group Manager) as outlined in the Human Resources Sub-delegations Schedules.
Human Resources Sub-delegations Schedules	Gives power and authority for approved positions to exercise decision making authority of HR related activities

Status and Details

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Enquiries Contact	Human Resources Division

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