Out-of-Cycle Remuneration Adjustments Procedure

GOVERNING POLICY

This Procedure is made under the Remuneration and Benefits Policy (MPF1223) (**Policy**).

To support compliance with relevant employment, taxation and superannuation legislative requirements, including but not limited to the following instruments, as may be varied from time to time:

a) Enterprise Agreement
b) *Fair Work Act 2009*
c) *Superannuation Guarantee (Administration) Act 1992*

SCOPE

This procedure applies to all University of Melbourne (**University**) employees engaged on continuing or fixed-term contracts.

Governs Out-of-Cycle changes relating to:
a) Base Salary, for employees to whom the Enterprise Agreement (**EA**) applies
b) Fixed Annual Remuneration (**FAR**), for employees not covered by the EA

OoC adjustments, where applicable, typically include:
a) market or internal equity adjustments
b) retention interventions
c) job-sizing or role re-classification amendments
d) accelerated increments
e) loadings and allowances, including but not limited to Higher Duties Allowances
f) corrections of administrative or payroll errors

Standard remuneration changes arising through the University's Remuneration Review Cycle(s)

PROCEDURE

Part 1 - Eligibility

1.1 Eligibility criteria

1.1.1 An OoC adjustment may be considered, upon provision of evidence, where at least one of the following criteria apply:

a) Market alignment / critical skills: remuneration is materially below validated market benchmarks or there is a demonstrable impact on attraction, retention or institutional capability.
b) Targeted retention: a credible, time-bound competing offer exists for critical talent, presenting material business risk.
c) Internal equity adjustment: a material and sustained misalignment relative to comparable roles, having regard to role scope and ongoing performance, including pay-equity remediation (subject to University approved market benchmarking).
d) Job size change (re-sizing or promotion): there is a substantive and enduring increase in role scope, validated through the job evaluation process.

Part 2 - Evidence, funding and assessment requirements

2.1 Evidence / substantiation requirements

2.1.1 All OoC proposals must be supported by evidence, including relevant:

a) Market validation: current reputable survey data, including like-for-like role matching, compa-ratio and percentile positioning as provided by the Remuneration and Benefits team (R&B).
b) Targeted Retention: documented competing offer (or verified external recruitment terms), together with a risk assessment and business impact analysis.
c) Internal equity review: internal relativities for comparable roles, including pay-equity analysis across gender and other relevant attributes as provided by the R&B team.
d) Job evaluation: new position or revised position description reflecting substantive changes to job scope/responsibilities to determine job evaluation classification outcome.
e) Funding confirmation: written approval by the relevant budget owner.

2.2 Funding / budget

2.2.1 All OoC remuneration adjustments must be funded from within existing budget allocations.

Part 3 - Approvals, governance and exemptions

3.1 Approvals and governance

3.1.1 All OoC requests:

a) must be reviewed by R&B team
b) must be approved by a member of the University Executive (UE). Where the affected employee is a direct report to a member of VCAG, Vice-Chancellor approval is also required.

3.1.2 The Supervisor or Requestor cannot act as the final approver;

3.1.3 Consultation with the Employment Compliance Directorate (ECD) is required for any non-standard terms and conditions

3.1.4 Internal R&B audits will be conducted, including sample reviews and tracking remedial actions

3.2 Other guiding principles, adjustments & exceptions

3.2.1 Higher Duties Allowance (HDA) - **Employees not covered by the EA:**

a) A HDA may be applied where an employee performs a higher-level role for a continuous period of one month or more.
b) The HDA is typically 5–10 per cent of the incumbent's current FAR, calibrated to increased job scope, complexity and time fraction of the acting arrangement
c) A HDA can be applied for a maximum six-month duration, with extensions requiring further approval by R&B and/or ED ECD. Any extension beyond six months will typically be considered a temporary internal transfer.

3.2.2 Higher Duties Allowance – **EA covered employees:**

a) The EA includes provision for payment to UOM9/10 professional employees who perform higher duties for no more than six months in a senior manager role. Although substantive senior management roles are not covered by the EA, the provision allows the UOM9/10 employee to perform the higher duties within the six month period without having to vacate the coverage of the EA.

b) Separate to clause 3.2.2 a) above, professional employees classified UOM1 to UOM9 may also temporarily act in and be paid at a higher classified position, as set out in the EA

3.2.3 Key talent / retention adjustments: where a credible written external offer exists and the assessed business risk is material:

a) remuneration may be adjusted towards the market median

b) a time-bound retention allowance (typically equivalent to 5–10% Base Salary/FAR and maximum period of 12 months), subject to a clawback provision if resignation occurs within six months of payment.

c) mandatory six-month review for any retention allowance; may convert or cease based on prevailing conditions

3.2.4 Pay-Equity Adjustments: internal relativities and pay-equity analysis to determine target(s); corrections typically lift to peer median for like roles/performance (subject to market benchmarking).

3.2.5 Market Alignment / Critical Skills: market benchmarking will be completed by R&B to validate requests

3.3 Exemptions

3.3.1 Exemptions are granted only in exceptional circumstances and require written approval from the Chief People Officer (CPO) and VC. This may include but not limited to, adjustments required for compliance.

3.3.2 The Human Resources, Remuneration & Employment Compliance Committee (HRRECC) must approve all remuneration adjustments to VCAG roles, with endorsement under delegation of the Council.

3.3.3 All exceptions will be reported included in the regular reporting to VCAG.

Part 4 - Reporting and audit(s)

Periodic reporting: volumes, spend, justifications, gender and internal equities, exceptions to thresholds will be reported to HRRECC/RGC/VCAG: Annual audits with findings tracked to closure.

Shadow ARR process: If pattern of OoC indicates systemic issues, escalate to structural review rather than fragmentary/separate OoC adjustments.

DEFINITIONS

Term	Definition
Base Salary	Base Salary rates for academic and professional employees covered by the University's EA are detailed by classifications in Schedule A of the EA
Compa-Ratio (CR)	Position of remuneration (Base Salary/FAR) relative to the market reference data point (e.g. market median) – only applicable for non-EA employees
Fixed Annual Remuneration (FAR)	Base salary plus superannuation, in accordance with non-EA employment contracts and/or as defined by University policy

Higher Duties Allowance	Discretionary payment/allowance when acting in a higher-level role for a temporary period
Out-of-Cycle (OoC) Adjustment	Any remuneration change implemented outside the University's Remuneration Review Cycle(s)
RGC	Remuneration Governance Committee
Remuneration Review Cycle	a) the ARR cycle for employees not covered by the EA (effective around April) b) standard periodic salary adjustments and incremental progression arising under the University's EA
VCAG	Vice-Chancellor Advisory Group: includes the Vice-Chancellor (**VC**) VC Direct Reports

RELATED DOCUMENTS

- Remuneration and Benefits Policy (MPF1223)
- Supplementary Payments Procedure
- Annual Remuneration Review Procedure

RESPONSIBLE OFFICER

Chief People Officer

IMPLEMENTATION OFFICER

Director, Remuneration and Benefits

REVIEW

This Procedure takes effect on the date of approval as noted above. The Procedure will be reviewed in line with the University guidelines and is due to be reviewed by 2 September 2027.