

Creighton University Market Pay Plan – Minimum Wage Change Frequently Asked Questions

1. Why is Creighton giving market adjustments now?

A: Creighton is committed to continually reviewing pay ranges of its positions to retain employees, recruit people into the organization and remain competitive with the Omaha job market. Nebraska raised its minimum wage to \$8.00/hour on January 1, 2015 and will raise its minimum wage to \$9.00 on January 1, 2016. Omaha's unemployment rate is 2.6% compared to the national rate of 5.5%.

With the current and pending increase in the minimum wage, we felt the need to act to minimize potential wage compression and maintain some level of pay equity for our employees to remain competitive with our workplace market.

2. What is the current minimum wage?

A: The federal minimum wage is currently \$7.25/hour. However, Nebraska raised its minimum wage to \$8.00/hour on January 1, 2015 and will raise the minimum wage to \$9.00/hour on January 1, 2016.

3. What is Creighton doing in response to the change in the minimum wage?

A: Historically, Creighton has paid its employees a rate that is higher than the minimum wage and will continue to do so. With the minimum wage increasing to \$9.00/hour Creighton felt it was important to review the salaries of our employees and provide pay adjustments to some workers to retain them and in an effort to minimize internal wage compression.

4. How much of an increase will a person receive, or what factors were used to determine the amount of the pay increase.

A: It depends. The market pay adjustments were determined solely on an employee's current pay, with length of service and job performance not considered. Majority of the pay increases ranged between \$0.10 and \$1.00/hour with employees earning less money receiving larger increases.

5. Why am I receiving an increase?

A: The University reviewed your current pay and felt that a pay adjustment was needed due to the current and pending increase in the minimum wage.

6. Will I still receive a merit increase in October?

A: You will be eligible for a merit increase in October, based on your job performance. Additionally, any merit you receive will not be reduced by this salary adjustment.

7. What is wage compression?

A. Pay compression is defined as when a new employee receives a starting wage that is comparable to current employee with higher qualifications and more job experience. With the increase in the minimum wage, our plan is to offer a higher starting rate to new employees. To avoid potential compression, we are offering market pay adjustments to employees impacted by the minimum wage change.

8. What do you mean by pay equity?

A. Each position has a certain value or worth based on the duties and tasks of the position. Based on this, Creighton has determined a minimum and maximum pay to compensate an employee in the position. How much Creighton pays an employee is then based on his/her qualifications, experience, and performance. To maintain a differentiation in pay based on experience and qualifications for existing employees, a market pay adjustment is being offered to some employees.

Questions, please contact the Human Resources department at 402-280-2709 or via email at humanresources@creighton.edu.