

Human Resources Terminology

TERM NAME	DEFINITION
ADA (Americans with Disabilities Act)	Prohibits discrimination against individuals with disabilities in employment, transportation, public accommodation, communications, and governmental activities in regard to hiring or discharge, compensation, training, and advancement.
Classification	Measuring the elements of a job against standard criteria in order to place it into a pay grade or pay ranges.
COBRA (Consolidated Omnibus Budget Reconciliation Act)	Gives workers and their families that lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances (such as voluntary or involuntary job loss, reduction in hours worked, transition between jobs, death, divorce, and other life events).
Compensation	Wages or payment for work performed or services rendered.
Demotion	Corrective actions or disciplinary reductions in an employee's job assignment or pay.
Equal Employment Opportunity (EEO)	A system of employment practices regulated by the EEOC under which individuals are not excluded from any participation, advancement, or benefits due to race, color, religion, sex, national origin, or any other action that cannot lawfully be the basis for employment actions.
Equal Employment Opportunity Commission (EEOC)	The federal agency responsible for administration of several statutes that prohibit discrimination; has power to subpoena witnesses, issue guidelines that have the force of the law, render decisions, provide technical assistance to employers, and provide legal assistance to complainants.
ERISA (Employee Retirement Income Security Act)	A federal law that sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans.
Exempt	Employees who are not covered by the Fair Labor Standards Act's minimum wage and overtime provisions. These employees are typically salaried.
Federal Withholding Tax	Taxes withheld from wages. The amount of tax is based on earnings, marital status, and the number of exemptions the employee claims on his/her W-4 form.
FICA	The Federal Insurance Contribution Act, commonly known as Social Security.
FMLA (Family Medical Leave Act of 1993)	The FMLA is a federal regulation requiring covered employers to provide up to a total of twelve (12) work weeks or 480 hours of unpaid, job-protected leave during any 12-month period for one or more of the following reasons: the birth and care of a newborn child of the employee; placement with the employee of a son or daughter for adoption or foster care; or to take medical leave when the employee is unable to work because of a serious health condition or a serious health condition of an immediate family member.
Form I-9	Federal form required of all applicants to verify their U.S. citizenship, or if they are aliens, their eligibility for employment in accordance with the Immigration and Naturalization Act of 1986.
FTE (Full-Time Equivalent)	Full-time equivalency employee. Relates to the number of hours worked as a percentage of full-time hours (i.e., an FTE of 0.50 means a person works half-time).
Incentive Plan	Distribution of monetary or other awards through incentive payments based upon completion or achievement of previously identified plan objectives.
Job Description	A written statement that describes the work to be performed by the job incumbent. The description includes general information, a summary sentence(s), detailed duties and responsibilities, and minimum qualifications.

Job Title	The word or words that identify a job.
Medicaid	A public health program through which certain medical and hospital expenses of those having no income, or a low income, are paid for from State and Federal funds.
Medicare	A national health program through which certain medical and hospital expenses of the aged and needy are paid for from Federal (mostly Social Security) funds.
Non-Exempt	Employees who are covered by the Fair Labor Standards Act's minimum wage and overtime pay provisions. These employees are typically paid on an hourly basis.
Overtime Pay	Extra pay for working hours in excess of 40 hours in a work week.
Performance Evaluation	The method of evaluating an employee's performance which involves tracking, evaluating, and giving feedback on actual performance based on key behaviors/competencies established in the overall organizational mission.
Promotion	A job change within the employee's present employment that involves movement to a higher level, resulting in an increase in pay.
Salary	A fixed payment for work performed.
Salary Survey	A published summary report of salary information of jobs from various employers.
Severance Pay	Payment granted to employees upon termination of employment. Severance pay is a matter of agreement between an employer and an employee (or the employee's representative).
Social Security	A federal system of old age, unemployment, or disability insurance for various categories of employed and dependent persons, financed by a fund maintained jointly by employees, employers, and the government.
Unemployment Insurance	Unemployment benefits available to eligible workers who become unemployed through no fault of their own (as determined under state law), and meet certain other eligibility requirements.
Workers' Compensation Insurance	This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment.