GUIDELINES FOR ADMINISTERING MERIT INCREASES FOR POLICY-COVERED STAFF IN MERIT-BASED PAY PLANS
FY 2006-2007

Guidelines for administering the 2006 merit program for policy-covered staff employees in merit-based pay plans are provided below. Merit rosters and instructions for processing merit increases for eligible employees will be provided separately.

1. The fund pool for merit increases (including range and merit funding) is 3.5%, effective October 1, 2006. (See Attachments A and B for salary range structures.)

2. Employees appointed and on payroll by April 1, 2006 are eligible to be considered for a merit increase effective October 1, 2006.

3. Performance appraisals pursuant to Personnel Policies for Staff Members (PPSM 23) should be completed within the twelve months preceding the processing of a merit increase. The performance appraisal is intended as a means of measuring and enhancing individual, team, and institutional performance, fostering professional development and career growth, aiding in the determination of merit increases, and meeting the internal and external demands for documentation of individual performance.

4. Within-grade salary advancement is based primarily on merit. The amount of an increase should depend on the individual’s performance as it relates to current pay and the accomplishment of assigned responsibilities and performance expectations, position within the salary range, performance relative to other members of the review unit, and the availability of funds for merit increase purposes.

5. In granting an increase, the resultant pay and position in the range are the primary focus of attention rather than the percent of the increase. For tools to guide supervisors in setting resultant pay levels based on position in the range and level of performance, please contact CHR Compensation Services. An individual whose performance is judged unsatisfactory or “Does Not Meet Expectations” should not be recommended for a merit increase. Additionally, it is recommended that an individual whose performance rating is “Partially Meets Expectations” should receive less than the average merit increase percentage.

6. Pursuant to PPSM 30, the total increase (including merit, promotional increases or equity adjustments) during FY 2006-2007 may not exceed 25% of the individual’s salary prior to July 1, 2006. Requests for exception require approval by the Assistant Vice Chancellor—Campus Human Resources or the Senior Associate Director—Healthcare Human Resources.

7. All salaries (after all increases) are to be within range. No increase is to result in the final salary exceeding the range maximum and no salary is to fall below the range minimum. Actions that may result in compensation above the range maximum require advance review and approval by Campus Human Resources.

8. For Management and Senior Professional positions, salary actions at or above $168,000 require prior review by Campus Human Resources. Increases at this level should result in annual salaries that are rounded to the nearest $100. Additionally, any salary actions that will result in total cash compensation above $200,000 require prior review by Campus Human Resources as well as approval by the Chancellor, the President, and The Regents.

Note: Salary increases for employees represented by collective bargaining agreements will be made in accordance with the existing bargaining agreements and/or meeting and conferring in accordance with the Higher Education Employer-Employee Relations Act (HEERA), as appropriate.