



To: Vice Chancellors, Deans, Unit Heads, and Non-Represented Staff

From: Chancellor Kim A. Wilcox

Date: July 25, 2018

Re: 2018-19 UCR merit increases

I am pleased to confirm that UCR will implement a 3% merit based salary program for non-represented staff for FY2018-19. Increases will be retroactively effective to July 1, 2018 for monthly and biweekly paid staff. The anticipated payout date reflecting this merit increase is August 22nd for biweekly paid staff and September 1st for monthly paid staff.

In President Napolitano's communication to UC Chancellors regarding this year's salary program, she continues to emphasize that salary increases must be based on individual performance and contribution. UCR has been working to create a consistent culture across the campus that provides merit based pay as a mechanism to recognize and incentivize excellent performance and contributions. Based on input from campus workgroups, we have continued to refine our performance appraisal rating process to measure performance against objective behavioral standards and achievement of pre-established goals. Each organizational unit has been asked to calibrate performance ratings for consistent application, in order to recognize and reward truly exceptional work.

I am grateful to the leadership from Human Resources for organizing our annual performance appraisal and merit processes. Please visit the [Human Resources web site](#) for more specific instructions regarding this year's implementation.

Merit Program Instructions to Organizational Units

Taking into consideration the performance management process, merit budget, and in keeping with best practices, the merit matrix model below is provided as a guide to assist organizational units in differentiating merit awards. Organizational units may choose to adopt and modify as needed based on their specific rating distributions. **Organizational Unit Aggregate Merit Increases must balance to 3.0%**

Performance Rating	Unsatisfactory	Needs Improvements	Successfully Meets	Exceeds	Exceptional
Increase %	0%	0%	2.0 - 3.0%	3.0 - 4.5%	4.5 - 6.0%
% Population receiving	5%	5%	75%	10%	5%

- The merit increase shall be performance-based and should distinguish top performers.
- Organizations are required to incorporate an internal review process and a merit distribution methodology that will support the reward and recognition of top performers within the parameters of the system-wide budgeted control figure of 3.0 percent.
- Merit increases are reserved for performance that is rated as “successfully meets expectations” (3) or higher.
- Employees rated as “Unsatisfactory” (1) or “Needs Improvement” (2) shall not receive a merit increase.
- Performance appraisals, pursuant to Personnel Policies for Staff Members (PPSM) 23, shall pertain to performance during the April 1, 2017- March 31, 2018 review period for PSS and MSP employees.
- All recommended merit increases must be reviewed and approved at the organizational unit level **before** being communicated to employees.
- A merit increase in excess of six percent (6%) requires consultation with the Chancellor and approval by the dean, vice chancellor, or organizational unit head, as designated by the Chancellor.
- One-over-one approval for all merit increases is required i.e. merit increases for an individual’s direct reports must be approved by the next higher level of management.
- An **across-the-board approach** to awarding merit increases **is not acceptable**.
- Communication to employees concerning the merit increase should emphasize a performance-based focus that allows for varying levels of increase based on performance.

Eligible Employees:

1. Non-represented employees in career or partial year career appointments who:
 - a. Were hired on or before January 2, 2018 and who have successfully completed their probationary period as indicated by the employee’s status in payroll as of July 1, 2018. Questions regarding probationary status are addressed in PPSM 22 and Local Procedure 22.
 - b. Are on active pay status as of July 1, 2018 for both bi-weekly and monthly paid employees AND on active pay status on the payout date (August 22nd for biweekly paid staff and September 1st for monthly paid staff).
2. Contract employees whose **contracts specifically indicate that they are eligible** to participate in the campus salary program.

3. Employees who transferred from another University of California location who are otherwise eligible will be eligible at UCR **providing that there was no break in service** between their appointments.
4. PPSM 30 requires that “an individual salary shall be within the salary range that is assigned to the position.” Individuals who are at or near the range maximum will be eligible for an increase up to the range maximum with any equivalent portion in excess of maximum given as a lump sum payment that does not add to base salary.
5. Members of the Senior Management Group (SMG) are eligible subject to the usual limits and approval processes.

Ineligible Employees:

1. Employees rated as “Needs Improvement” (1) or “Unsatisfactory” (2) on their most recent performance evaluation are not eligible for a merit increase.
2. Probationary employees.
3. Employees in contract appointments where the contract does **NOT** specifically include provisions for participation in the campus-wide salary programs.
4. Employees covered under collective bargaining agreements as their compensation is determined by the contract terms in their respective labor agreements.
5. Student employees in casual/restricted appointments, anyone covered by Academic Personnel Policies and employees in limited appointments.
6. Employees who separate from the University on or before the payout date.

Questions about eligibility, pay dates, increase amounts, etc. should be directed to the Human Resources representative for your organizational unit.

Funding

Central campus merit funding will be provided for staff that are permanently budgeted on July 1, 2018 and paid on general core funds (19900/19924/19942) or student services fees (20000/20027). Organizational units must ensure that the total 3% merit funding is fully allocated.

Human Resources will be working with the organizational units and the UCPC in the coming weeks to ensure timely and consistent implementation of the staff merit program.

If you have questions related to the staff merit program, please contact John-Stephen Henderson, Director, Total Compensation at extension 2-2256 or email john.henderson@ucr.edu.