



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

From: Chancellor Kim A. Wilcox

Date: June 7, 2016

Re: Information about fiscal year 2016-2017 UC merit increases

I am pleased to confirm that UCR will implement a 3% merit based salary program for non-represented staff for FY2016-17. Increases will be effective July 1, 2016 for monthly paid staff and June 19, 2016 for biweekly paid staff. In her communication to UC Chancellors regarding this year's salary program, President Napolitano emphasized that salary increases must be based on individual performance and contribution.

UCR has been working to create an environment that is supportive of merit based pay as a mechanism to recognize and incentivize excellent performance. Staff from across campus developed recommendations to inform our way forward in four key areas: (1) Last October the campus transitioned to Career Tracks, a market based pay structure as a framework for compensation decisions; (2) Enhancements to the effectiveness of our performance management process went into effect on April 1, 2016; (3) We are implementing strategies to reduce the campus reliance on individual reclassification and equity increases; and we are making refinements to the merit process to improve the consistency in distribution of available merit dollars; and (4) For 16/17, the merit program will continue to be administered at the organizational unit level, as it has been in the past.

In keeping with our campus commitment to improving our administrative processes, we changed the timing of our performance evaluations. As a result, this year for the first time we will be able to implement individual merits on the effective date rather than processing them retroactively. By doing so we will get money into the hands of staff sooner, as well as dramatically reducing the time spent processing retroactive increases.

Merit Program Instructions to Organizational Units*

- 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 satisfactory or better.
- Employees rated as “Unsatisfactory” or “Needs Improvement” shall not receive a merit increase.
- Performance appraisals, pursuant to Personnel Policies for Staff Members (PPSM) 23, shall pertain to performance during the July 1, 2015- March 31, 2016 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.
- Merit increases for an individual’s direct reports must be approved by the next higher level of management, i.e., one-over-one approval for all merit increases is required.
- An **across-the-board approach** to awarding the merit increase **is not acceptable**.
- Communication to employees concerning the merit increase should emphasize a performance-based focus that allows for varying levels of a merit increase based on performance.

***Organizational Unit Average Merit Increases must balance to 3% control point.**

Eligible

1. Employees who are on active pay status as of June 19, 2016 for bi-weekly paid employees and July 1, 2016 for monthly paid employees.
2. Non-represented career staff who were hired on or before January 4, 2016 and who have successfully completed their probationary period as indicated by the employee’s status in PPS as of June 30, 2016. Questions regarding probationary status are addressed in PPSM 22 and Local Procedure 22.
3. Contract employees whose **contract specifically indicates that they are eligible** to participate in the campus salary program.
4. Employees who transferred from another University of California campus or the Office of President who are otherwise eligible will be eligible at UCR **providing that there was no break in service** between their appointment at the other UC location and UCR.
5. 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 a lump-sum increase that does not add to base salary.
6. Members of the Senior Management Group (SMG) are eligible subject to the usual limits and approval processes.

Ineligible

1. Employees rated as “Needs Improvement” or “Unsatisfactory” on their 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. Students and employees in casual/restricted and limited appointment types.
6. Employees who separate from the University on or before June 19, 2016 for biweekly paid staff or July 1, 2016 for monthly paid staff.

If you have questions about eligibility, pay dates, increase amounts, etc. please contact the Human Resources representative for your organizational unit.

Effective Dates

- Increases for biweekly paid staff will be effective June 19, 2016 and are expected to be paid on 7/13/2016 paychecks.
- Increases for monthly paid staff will be effective July 1, 2016, and are expected to be paid on 8/1/2016 paychecks.

Funding

Central campus merit funding will be provided for staff that are permanently budgeted on July 1, 2016 and paid on general core funds (19900/19924/19942) or student services fees (20000/20027). Funding will be based on actual merit increases up to a maximum of 3% of total eligible base salaries.

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

If you have questions related to the staff programs, please contact Tami Brown, Director, Compensation and Benefits, Human Resources, at extension 2-2256 or email tami.brown@ucr.edu.