UNIVERSITY OF PENNSYLVANIA
FACULTY/STAFF MERIT INCREASE PROGRAM
FY 2018

I. MERIT INCREASE PROGRAM

The University of Pennsylvania's merit increase program is designed to recognize and reward the valuable contributions of faculty and staff to the University's commitment to the highest levels of excellence in teaching, research, and administration by paying market competitive salaries in a fiscally responsible manner. The merit increase pool for fiscal year 2018 is based on market trends and economic conditions.

II. FUNDING PARAMETERS

Salary increases for FY18 for continuing faculty and staff are to be funded from each School, Center, or administrative budget.

III. FACULTY INCREASE GUIDELINES

Below are the standards for faculty increases that the Deans are asked to follow. The Deans will give the department chairs their own guidelines at the School level regarding available resources.

- The minimum academic salary for new assistant professors will be $69,000.
- Merit increases for faculty should be based solely on performance as evidenced by scholarship, research, teaching, and service to the University and the profession. As in previous years, there will be no cost of living increase for continuing faculty.
- The aggregated merit increase pool for faculty will be 3.0 percent. Some Schools and Centers may have financial constraints that can only support budget growth of less than 3.0 percent. Salary increase recommendations that are below 1.0 percent for non-meritorious performance, as contrasted with general limits applied to an entire class of faculty, must be made in consultation with the Provost. Likewise, salary increases that exceed 5.0 percent due to market conditions must also be made in consultation with the Provost. Deans may wish to give careful consideration to salary adjustments for faculty who have strong performance records but whose salaries may have lagged behind the market.
- The Provost's Office will request additional documentation from the Deans' Offices as necessary for out-of-range increases by June 12, 2017.
- Complete Faculty Compensation package information must be updated for all active faculty no later than August 31, 2017 for FY18 compensation.

IV.   STAFF INCREASE GUIDELINES

1. Salary Increase Guidelines

This year, the University has set an aggregate merit salary increase pool of 3.0 percent with a range for individual increases of zero to5.0 percent. Some schools and centers may have financial constraints that affect the salary increase percentage that can be awarded, resulting in a merit increase pool of less than 3.0 percent. Administrators of these schools and centers will communicate this information separately, after consultation with the Provost and the Executive Vice President.

Staff salary increases are based on performance. A Performance and Staff Development Plan must be completed for all staff to support the merit increase awarded. The percentage increase should correlate with the performance rating. **If performance is unacceptable, no increase will be awarded**. Staff that are given performance improvement plans are not eligible for delayed merit increases.

2. Program Eligibility

Exempt and non-exempt (monthly-paid, weekly-paid, hourly, limited service, and phased retirement, excluding bargaining units) staff are eligible for the FY18 Faculty/Staff Merit Increase Program if:

- They were employed with the University on or before **February 28, 2017**
- They are in regular full-time, regular part-time, or limited service status

The following classifications are **NOT** eligible for the FY18 Faculty/Staff Merit Increase Program (a comprehensive list is on page 10):

- Student Workers, Occasional Workers, and Temporary Workers
- Interns and Residents
- Staff on unpaid leaves of absence
- Staff on long-term disability
- Staff in collective bargaining units
- Acting Rates

3. Salary Structures

The University's salary ranges were adjusted, effective **April 1, 2017**. All staff salaries must be at or above the minimum for their corresponding grades as of April 1, 2017. The new salary ranges may be viewed at:
https://www.hr.upenn.edu/myhr/payandperform/salary

4. Performance-Based Increases

The merit increase program is designed to recognize and reward performance. The foundation of this program is the Performance and Staff Development Plan. Salary increases should be based on performance contributions within the parameters of the merit increase budget. The performance appraisal system documents each employee's performance and contributions and establishes performance goals for the new fiscal year. All employees must receive a Performance and Staff Development Plan for the next review cycle whether or not they receive a merit increase. Schools and Centers are requested to submit performance appraisals by June 1, 2017. The Division of Human Resources' Staff and Labor Relations team is available to discuss performance management issues.

The aggregated salary pool within a School or Center may not exceed 3.0 percent, regardless of performance rating distributions, and may average less if a School or Center establishes a lower percentage merit pool based on financial considerations. Performance expectations should be raised each year as employees grow in experience and job mastery. Performance ratings and raises should reflect a normal distribution for all employees. Employees with unacceptable performance are not eligible for merit increases.

There will be no bonuses, in keeping with the elimination of discretionary bonuses announced in prior years.

The Division of Human Resources' Compensation office (215-898-1317) is available to discuss specific merit increase parameters with Schools and Centers. The Staff and Labor Relations office (215-898-6093) is available to discuss performance management issues.

5. Staff with Salaries Above Salary Range Maximum

Schools and Centers may provide staff whose salaries are above the salary grade maximum with a base pay increase or a lump sum payment within the range of zero to 5.0 percent of their FY17 salaries based on performance.

It is important to remember that all increases, whether to base pay or as lump sum payments, cannot exceed the 3.0 percent budgeted salary increase for a School or Center. All salary increases and lump sum payments must be based on individuals' performance contributions.

Lump sum payments are processed in the PennWorks Additional Pay module by selecting the SAL additional pay type.

6. **New Hires/Job Changes/Department Transfers**

Staff members hired into the University after **February 28, 2017** are not eligible for merit increases until the FY19 Faculty/Staff Merit Increase Program.

University staff members who have changed jobs or transferred to different departments are eligible for July 1st merit increases unless these were included in their original salary offers. In that case, the offer letter must have specified that the new salary includes the July 1 merit increase. The merit increase may not be awarded after the close of the Faculty/Staff Merit Increase Program for FY18.

7. **Staff on Medical Leave and Workers' Compensation**

Staff members who are on paid medical leave **prior to July 1st** may be eligible to receive merit increases in the first pay of the new fiscal year as long as they are in University paid status. Paid status is defined as:

- Staff member is receiving pay through the use of his/her sick, vacation, and, if applicable, short-term disability balances;
- Staff member's salary continues beyond July 1st based on combined sick, vacation, and short-term disability balances.

In the event that a staff member receives an increase through the Faculty/Staff Merit Increase Program and is receiving short-term disability payments, contact the Division of Human Resources-Benefits (215-898-7282) and notify the FMLA Administrator at FMLA@upenn.edu of the merit increase and the effective date.

Staff members who are on unpaid leaves may be eligible for merit increases upon returning to work. The effective date of the increase may be no earlier than the date of the staff member's first day back to work. Please contact the Division of Human Resources-Compensation (215-898-1317) to facilitate this process.

Staff members who are placed on Workers' Compensation prior to July 1st are not eligible to receive merit increases while receiving pay through Workers' Compensation, and they may not be considered for merit increases until they return to work. The effective date of the increase may be no earlier than the date of the staff member's first day back to work.

8. **Merit Increase Percent Average Analysis**

Each July, the Division of Human Resources-Compensation completes a detailed analysis of the Staff Merit Increase Program for increases awarded to eligible staff.

A comparison is made of individual staff members' salaries before and after the Merit Increase Program. To determine the average percentage increase, the data is "cleaned" by the Division of Human Resources- Compensation as follows:

- Staff must meet the program eligibility criteria. (See Page 2)

- **Excluded from the Calculation of the Merit Increase Pool Average:**
  - Grades FAC, MED, CPUP, BEN, INT and CNT
  - Faculty/Staff with administrative appointments and positions that are designed to receive merit increases at other times of the year
  - Staff that are terminated prior to July 1, 2017
  - Zero percent increases for vacant positions
  - Zero percent increases for department transfers where merit increase percentages cannot be determined
  - Zero percent increases for individuals receiving Workers' Compensation
- **Included:**
  - Merit increase percentages that were determined to be part of approved reclassifications or salary adjustments prior to July 1, 2017
  - Zero percent increases for staff due to documented poor performance.
  - Zero percent increases due to a School's or Center's financial constraints.

V.   PROCESSING

1. PennWorks Salary Increase Program

- The Salary Increase Program is incorporated into PennWorks. University Schools and Centers use either PennWorks Role Export or the web-based program, PennWorks Modeling, for salary planning.

2. Access

- School or Center Senior Business Administrators were requested in February to review listings of users in their organizations who had access to the Salary Increase function in PennWorks at that time. They were instructed to submit a Logon Access Forms for any new users and/or for existing users requiring new functions by March 3rd. Each of these individuals received a separate e-mail informing him/her of the appropriate training required in order to be granted access.
- PennKey is the authentication. Security will be structured based on the Function (Role Export, Role Rapid Entry, etc.) and Organization.

3. Training

- Training for the Salary Increase Program includes multi-module web-based courses available via Knowledge Link (http://knowledgelink.upenn.edu) for users involved in the annual merit increase process.
- Training is required for all new Salary Increase Program users and for existing users requiring new functions, and was made available on **March 27, 2017.** This training **must** be completed by **April 14, 2017** in order for the user to be granted access to the Salary Increase Program functions within PennWorks, which are available on **April 17, 2017**.

- Existing users who are not adding new functions are not required to complete the web-based training; however, they may access the training through Knowledge Link for reference or as refreshers. "How To…" information is also available on the Financial Training Department's documentation page under Salary Increase Program:
  http://www.finance.upenn.edu/ftd/documentation.shtml#salinc
- The complete Salary Increase Program Training & Access Form Requirements for FY18 can be found in Appendix D.
- As of April 1, 2017, the Salary Increase Program courses can be accessed as follows:

  1. Go to http://knowledgelink.upenn.edu/ and click the Login link.
  2. Authenticate with your PennKey and PennKey password.
  3. Search on any of the course names below
  4. Click on the course link; click on [Go to Content]
  5. Successfully pass the quiz at the end of the course to complete training – be sure to click on [Finish] at the end

- PennWorks Salary Increase Program Knowledge Building
- PennWorks Salary Increase Program Export Training
- PennWorks Salary Increase Program Role Rapid Entry Training
- PennWorks Salary Increase Program Faculty Compensation Rapid Entry Training

4. Salary Increase Modeling

- PennWorks Salary Increase Modeling is a web-based tool that allows users to electronically plan pay changes for the coming fiscal year for employees eligible for salary increases. Approved annual salary increase information will be updated automatically in the PennWorks Role Rapid Entry module once the increases are approved at the School or Center level. The PennWorks Role Rapid Entry module will only be used by Business Administrators to enter distribution information, not to update the annual salary increase.

5. Role Function Export

- Schools and Centers that did not elect to use PennWorks Modeling this year will generate reports for salary planning via Role Export. Role Export allows users to generate Excel worksheets for modeling and approval of pay changes for eligible and non-eligible faculty and staff. Designated School or Center coordinators will use this function to download the most current role and salary information for groups of employees at any time during the process.

- Faculty Compensation Export will allow designated Home ORG users who process faculty compensation to generate Excel spreadsheets to facilitate the collection of information about faculty compensation components such as academic base, base salary supplement, etc.

6. **Role Rapid Entry Function**

- **Role Rapid Entry, Faculty/Staff** will allow users to update pay information and distributions for those Schools and Centers using **Export** for faculty and staff. It provides the ability to apply the same percent or amount increase to an entire group or set of selected records, to enter justifications for out-of-range increases, and to copy distributions. For those Schools and Centers using **Modeling**, approved annual salary increase information will be updated automatically in the Role Rapid Entry module once the increases are approved at the School level. The Role Rapid Entry module will only be used by Business Administrators to enter distribution information, not to update annual salary increases.

- **Role Rapid Entry, Union** will allow users to process increases and distributions for Collective Bargaining Units. This option provides the ability to update groups (e.g., bargaining units) with increase effective dates other than July 1.

- **Faculty Compensation Rapid Entry** will allow users to update faculty compensation package information, including Academic Base, Base Salary Supplement, Administrative Stipend, Faculty Salary, and Staff Salary.

7. **Rounding**

- Please contact the Senior Business Administrator of your School or Center for any guidelines regarding the rounding of new salaries.

8. **Notification of Salary Increases**

- Individuals should **NOT** be notified of their raises until the salary increases receive final approval from the senior administrator in each School and Center.

9. **PennWorks Functionality during the Salary Increase Program**

- **Processes that are entered into PennWorks during the Salary Increase Program are:**
  New Hires
  Terminations
  Faculty Summer Session Salaries
  Paid or Unpaid Leaves of Absence
  Employee Transfers

- **Employee Transfers during the Salary Increase Program (April 17-June 7)** Transfers can be processed in regular PennWorks using the Transfer Home ORG task. If a new Position Inventory Number is entered by the new ORG, the employee's unprocessed salary increase data will be deleted automatically from the Salary Increase Program and must be re-entered by the new ORG.

IMPORTANT NOTES!

Changes made in PennWorks **Salary Increase Program** <u>do not</u> have a real-time impact.

Changes made in PennWorks using **'Find/Add a Person'** <u>do</u> have an immediate, real-time impact.

After the Salary Increase Program closes (June 8th-July 1) for monthly-paid faculty and staff, all necessary salary changes must be entered by the Division of Human Resources Compensation.

After the Salary Increase Program closes (June 8th-July 3rd) for weekly-paid faculty and staff, all necessary salary changes must be entered by the Division of Human Resources Compensation.

VI.   <u>WHERE TO GO FOR ASSISTANCE</u>

<u>Questions</u>	<u>Office</u>
• Role and Faculty Comp Export Worksheets	School/Center Senior BA http://www.finance.upenn.edu/comptroller/sbo.shtml
• Funding/Account Number	School/Center Senior BA http://www.finance.upenn.edu/comptroller/sbo.shtml
• General Questions on the Salary Increase Program	School/Center Human Resources Administration
• General Questions on Faculty Compensation	School/Center Faculty Affairs Office
• Job Performance Issues • Performance and Staff Development Program	Division of Human Resources Staff and Labor Relations 898-6093
• Salary Increase Program Training	Financial Training Department doftraining@pobox.upenn.edu

VII. APPENDICES

APPENDIX A

FY18 FACULTY/STAFF MERIT INCREASE PROGRAM TIMELINE

February 14th	➤ List of users with prior year access to Salary Increase Program modules sent to Schools/Centers for review and updating. ➤ Merit Increase Program timeline communication sent to School/Centers
February 28th	➤ Last new hire date eligible for FY18 Faculty/Staff Merit Increase Program
March 3rd	➤ Schools/Centers to submit to Human Resources the reviewed **Salary Increase User Worksheet**. ➤ The **PennWorks Salary Increase program Logon Access Form** must be sent to Financial Training Dept. *Please note: Access forms are required **only** for changes to existing users or new users.*
March 14th	➤ **Online Performance Appraisal System** available for entering Performance Appraisals ➤ Any **Draft Appraisal** previously entered into system **may not** be completed or shared until this date
March 27th	➤ **Role Export and Role Rapid Entry training** begins (New Users)
April 3rd	➤ School/Centers declare if they plan to participate in Modeling. Schools/Centers participating in Modeling submit to HR Compensation the name of the Modeling Manager and the Modeling Final Approver.
Week of April 10th	FY18 **Faculty and Staff Merit Increase Guidelines** available on the web at: https://www.hr.upenn.edu/docs/default-source/pay-and-performance/merit-increase-guidelines.pdf?sfvrsn=2
April 14th	➤ **Role Export and Role Rapid Entry training** must be completed for access on April 17th
April 17th	➤ **Export (Role and Faculty Compensation)**, **Rapid Entry (Role and Faculty Compensation), and Modeling modules** available
June 1st	➤ **Performance Appraisals** to be entered into the **Online Performance Appraisal System** by 11:59 p.m.
June 2nd	➤ **Modeling** closes at 11:59 p.m.
June 7th	➤ **Role Rapid Entry** closes at 11:59 p.m. ➤ Per the normal schedule, there will be a **brief outage at 8 p.m.** for payroll processing
June 8th – July 1st	➤ Required changes for the Salary Increase Program can only be made by HR Compensation
June 12th	➤ **Provost's Office notification** to Schools requesting additional documentation needed for out of range faculty increases
June 19th	➤ Notification of approvals for faculty salary increases
June 22nd	➤ Email Salary Increase Program overlay reminder sent Payroll Listserv by Payroll

June 30th	➢ Salary Increase Program closes for Human Resources Compensation for monthly-paid employees at 5:00p.m. ➢ Roles/Distributions for **monthly-paid** employees moved from the Salary Increase program to PennWorks and can be viewed on July 1st
June 30th	➢ **Salary Increase Program reports** with approval signatures from School/Center HR to be submitted to HR Compensation for those Schools/Centers **NOT** participating in Modeling.
July 1st	➢ Effective date of faculty and staff merit increase for **monthly-paid** employees
July 3rd	➢ Effective date of merit increases for **weekly-paid** employees
July 3rd	➢ Salary Increase Program closes for Division of Human Resources Compensation for **weekly-paid** employees at 5:00 p.m. ➢ Roles/Distributions for weekly-paid employees moved from Salary Increase Program to PennWorks and can be viewed on July 4th.
July 14th	➢ First **weekly** pay to reflect FY18 merit increase (pay period 7/03/17 through 7/09/17)
July 31st	➢ First **monthly** pay to reflect FY18 merit increase
August 31st	➢ Complete **Faculty Compensation** information for FY18 compensation must be entered in PennWorks for all active faculty

APPENDIX B

SALARY INCREASE PROGRAM USER GUIDELINES

Distribution Dates

Stop Dates for FY17	Exempt A-1, A-2	(monthly)	6/30/17
	Non-Exempt A-3, A-4	(weekly)	7/02/17
Start Dates for FY18	Exempt A-1, A-2	(monthly)	7/01/17
	Non-Exempt A-3, A-4	(weekly)	7/03/17
Stop Dates for FY18	Exempt A-1, A-2	(monthly)	6/30/18
	Non-Exempt A-3, A-4	(weekly)	7/01/18

Eligible Classifications   All exempt and non-exempt staff (monthly-paid, weekly-paid, and hourly, excluding bargaining units) who are regular full-time, regular part-time, limited service, or phased retirement, and hired on or before February 28, 2017; and Faculty.

Ineligible Classifications   Staff on unpaid leaves of absence
Staff on long-term disability
Staff in collective bargaining units
Acting Rate (Job Class 899000)
Summer appointments (Job Classes 296001 or 296002)
Interns (Job Class 315300)
Residents (Job Class 315305 or 399055)
Student Workers (Job Classes 599070 or 599071)
Occasional workers (Job Class 855100)
Temporary workers (Job Class 599050)
Faculty Early Retirement, Emeritus, Secondary Appointment, Visiting Faculty (Faculty classes FER, EMF, SEC, VIS)
Lecturer B, Evening Teaching, Visiting Scholar (Job classes 206045, 296003, 246040)

SAMPLE NOTIFICATIONS

1. NOTIFICATION OF NEW SALARY

Dear_____:

In recognition of your performance contribution over the past year, your increase is
_____%, which is reflected in your new annual salary for 2017-2018 of
$_____, or $_____ per (week, hour or month).

Thank you for your contribution toward meeting the goals of our department and the
University of Pennsylvania.

Sincerely

(Immediate Supervisor)

cc: (Department Head)

> **Worth Repeating: Individuals should NOT be notified of their raises until the salary increases receive final approval from the senior administrator in each School and Center.**

2. PERFORMANCE REQUIRES IMPROVEMENT

To: (Staff Member)
From: (Supervisor)
Subject: Performance Requires Improvement
Date:

Your performance over the past year has not consistently met the established
requirements of the position and requires improvement in the areas documented as
part of the Performance and Staff Development Program.

An action plan for areas that require improvement was included in your Performance
and Staff Development Plan. Time frames for these improvements, as well as
expected outcomes, will be monitored over the next _____ months.

I expect that your performance will improve over this period and welcome the
opportunity to work with you during this time.

APPROVED: (Signature of Dean, VP, Head of Unit or Center)

CC: Staff and Labor Relations Office
        Dean, VP, Head of Unit or Center

Salary Increase Program Training & Access Form Requirements FY18

Module *If you aren't sure of your current access,* *please contact your School/Center Senior Business Officer*	Training Requirements…		Training Available for FY18 Access	Module Available
	…if I *had* access in FY17* (Existing Users)	…if I am *adding* access in FY18** (New Users)		
Modeling	Optional	KB Optional	March 27th – June 2nd	April 17th
Role Export	Optional	KB & Export App	March 27th – April 14th	April 17th
Role Rapid Entry (RRE) Inquiry	Optional	KB & RRE App#	March 27th – April 14th	April 17th
Role Rapid Entry (RRE) Update	Optional	KB & RRE App#	March 27th – April 14th	April 17th
Distribution Rapid Entry Inquiry	Optional	KB & RRE App#	March 27th – April 14th	April 17th
Distribution Rapid Entry Update	Optional	KB & RRE App#	March 27th – April 14th	April 17th
Faculty Comp Export	Optional	KB &Export App	March 27th – April 14th	Always
Faculty Comp Rapid Entry Inquiry	Optional	KB &Fac Comp App	March 27th – April 14th	Always
Faculty Comp Rapid Entry Update	Optional	KB &Fac Comp App	March 27th – April 14th	Always

Key: KB = Knowledge Building   App = Application Training
* <u>Logon Access Form</u> required ONLY for Responsibility add or remove and/or ORG add or remove
** Requires <u>Logon Access Form</u> for all except Modeling
 # Must have access to PennWorks Bio and Role Responsibilities

Please Note: The Knowledge Building is the same for all modules; the Application training is specific to each course.