

**UC SAN DIEGO**  
**GUIDELINES FOR ADMINISTRATION OF 2018-2019 MERIT-BASED SALARY PROGRAM FOR POLICY COVERED (NON-EXCLUSIVELY REPRESENTED) EMPLOYEES**

**MERIT-BASED SALARY PROGRAM CONTROL FIGURE AND EFFECTIVE DATE:**

The merit-based budget pool is 3% and the increases for employees **cannot be processed as across-the-board increases.**

The effective date of the increase is 07/01/18 for both biweekly and monthly paid employees. The increase will appear on the 08/31/18 monthly paycheck and on the 09/05/18 biweekly paycheck.

This is a merit-based salary program and the amount of the increase for each employee must be based on the employee’s overall performance rating. Employees may be given up to a 4.5% increase if their overall performance rating is “Exceptional.” Each department should use a consistent application in determining the amount that is given to an employee based on their overall performance rating. The chart below provides an example of how differentiation in merits could be attained with a 3% merit-based budget.

Performance Rating	Unsatisfactory	Improvement Needed	Solid Performance	Above Expectations	Exceptional Performance
	Consistently below	Periodically below	Meets Standards	Periodically Above	Exceeds / Consistently Above
Increase %	0%	0%	2.0% to 3.0%		3.1% to 4.5%

Please note that although an exceptional employee can receive up to a 4.5% increase, the departments and VC areas should stay within their 3% overall merit-based budget allocation. **This means that in some cases in order to stay within the 3% budgeted allocation, an exceptional employee may only receive a 3% increase.**

**APPROVAL PROCESS:**

The merit-based salary increase will require one-over-one (one level up) approval; therefore, each VC HR contact will need to send Caprece Speaks-Toler, Senior Director of Compensation and Interim Director of Benefits, an email stating that their Vice Chancellor has approved all the eligible increases for their VC area by close of business on 08/13/18. Please copy Kenric Yu and Liz Duenas Girgis on all emails to Caprece. The VC HR contact will also need to complete and return the spreadsheets sent to them by the Compensation unit with all eligible employees’ overall ratings and the percentage of increase recommended for each employee. Caprece or Kenric or Liz will ensure that no VC area exceeds their 3% budgeted allocation.

Increases for the Senior Management Group (SMG) and highly compensated (total cash compensation in excess of \$310,000) Management and Senior Professional (MSP) employees will be coordinated by Caprece Speaks-Toler who is also the SMG Coordinator. Caprece will coordinate salary increase approvals from the Chancellor, President or Regents, as required. Caprece can be reached at (858) 534-4130 or via email at [cspeaks@ucsd.edu](mailto:cspeaks@ucsd.edu).

**ELIGIBILITY - (INCLUSIONS):**

To be eligible for the merit-based increase, non-represented employees (SMG, MSP and PSS) must have been hired on or before 01/03/18 into a career or contract position with an appointment at 50% or more for at least a year. Contracts should be amended via the addendum process to reflect the new rate. Employees' most recent performance rating must be satisfactory/solid or better.

**In cases where an employee does not receive a performance appraisal, the overall performance rating on the most recent performance appraisal will be used. In cases where employees who were hired on or before 01/03/18, and would otherwise be non-probationary, but did not receive a performance appraisal by the deadline, they will receive an overall rating of "Solid". Supervisors who did not complete performance appraisals by the 06/15/18 deadline are not eligible to receive a merit-based increase this year.**

Employees who transfer from another department or another UC location are eligible if they would otherwise qualify prior to transferring.

Employees who received a salary increase during the past 12 months are eligible.

**INELIGIBILITY - (EXCLUSIONS):**

The following employees are excluded and are not eligible for the merit-based increase:

- a) Per diems, students, floaters and non-represented employees on limited or casual restricted appointments
- b) Non-represented employees hired after 01/03/18
- c) Probationary employees
- d) Employees who separate before the pay date (payroll compute)
- e) Supervisors who did not complete their staff performance appraisals by 06/15/18

**EMPLOYEES AT OR CLOSE TO THE MAXIMUM OF THE SALARY RANGE:**

No lump sum payments will be paid in lieu of the merit-based increase this year. Employees who are at or close to the maximum of the salary range will receive their full merit-based increase, as long as; they are otherwise eligible, even if it takes them over the maximum of the salary range. Please note that we have been informed by UCOP that we cannot adjust our salary ranges at this time.

**COMMON ELIGIBILITY QUESTIONS:**

The following are common eligibility questions:

- a) Are employees who were represented by a union prior to January 1<sup>st</sup> (monthly paid employees) or January 3<sup>rd</sup> (bi-weekly paid employees), and then became non-represented prior to July 1<sup>st</sup> eligible for the merit-based increase? **Yes, if they would otherwise qualify.**
- b) Does a department have discretion to add an additional equity increase to the salary increase amount that an employee would receive based on their overall performance rating, if they are

willing and able to fund it? **No, there is no additional allocation for an equity increase pool on top of the 3% merit-based budgeted allocation. An equity increase can be given as usual if it is processed outside of this merit-based salary program.**

- c) Are employees who transfer from another UC campus eligible for the merit-based salary increase? **Yes, if they have successfully completed their probationary period at the other UC campus and are otherwise eligible.**
- d) Does time worked in a limited appointment count toward the probationary period? **Up to 1,000 hours on pay status (excluding overtime and on-call) in a limited appointment may be credited towards completion of the probationary period, if it is in the same position with the same supervisor immediately preceding the career appointment.**
- e) Does time served in an academic appointment prior to being hired into a career staff appointment count towards the probationary period? **No, when an employee is hired or transfers from an academic to a career non-MSP staff appointment, they must serve a six-month probationary period.**
- f) Will the current salary range maximums for non-represented employees be increased? **No, we have been informed by UCOP that we cannot make any changes to our salary ranges at this time.**
- g) Are employees at the maximum or above the maximum of their salary range eligible for the increase? **Yes, if they would otherwise qualify.**
- h) Are employees who have retired or separated prior to the salary program announcement, who were active employees on the effective date eligible for the merit-based increase? **No, employees who retired or separated are not eligible for the increase.**
- i) Are employees who separate before the pay date eligible for the increases? **It depends on their separation date and/or if the biweekly or monthly compute has been processed. If the compute has already taken place, then they will receive the increase. If the compute has not taken place, then they will not receive the increase.**
- j) Will the departments be able to use the 3% budgeted allocation for employees whose overall performance rating is “Unsatisfactory” or “Improvement Needed”? **Yes, the department can use the 3% budgeted allocation for other employees who received an overall rating of Exceptional, Above Expectations or Satisfactory. However, there must be a consistent application used for employees whose overall performance rating is the same.**
- k) Is the merit pool based on the home department code, cost center/index, or total VC area? **The 3% merit-based pool is based on all the eligible current employees within a home department code and their corresponding annual salaries multiplied by 3%.**
- l) What happens if an employee does not have a performance evaluation on file? **It is expected that all employees have a current performance appraisal and that it was presented by June 15<sup>th</sup>. However, in cases where a supervisor did not prepare and/or present an appraisal within the allocated timeframe, the overall rating from the most recent performance appraisal will be used. In cases where employees who were hired prior to January 3<sup>rd</sup> and who would otherwise**

**be non-probationary, but did not receive a performance appraisal by the deadline, they will receive an overall rating of “Solid”. Supervisors who have any outstanding performance appraisals after the deadline are not eligible to receive a merit-based increase this year. No exceptions will be allowed, even if a performance appraisal is prepared and presented after the deadline.**

- m) SMG performance evaluations are on a different cycle and are due at the end of August. How will this be handled? **Caprece Speaks-Toler, SMG Coordinator, will obtain the percentage increase approvals from the President, Regents’ and Chancellor and ensure that the information is entered into our Payroll and Personnel System (PPS).**
- n) Since MSP Staff Physicians are contract employees and do not have formal performance evaluations, is it safe to assume a 3% increase on base salary across the board for this population? **No. When a contract is extended, it implies that MSP Staff Physicians’ overall performance was at least “Solid”. Any deviation on how much of an increase is given upon the renewal of their contract should be discussed between Chancellor Khosla and VC Brenner.**
- o) If a MSP Staff Physician was hired on or before the eligibility date and have had previous appointments at greater than 50% with no break in service, but their most current appointment is less than 50%, are they eligible for the increase? In other words, should we base their eligibility on their most recent appointment? **Yes. A MSP Staff Physician is eligible ONLY if they have a current career or contract appointment at 50% or more for a least a year.**
- p) We are treating MSP Staff Physicians the same as faculty when it comes to base increases, the negotiated total salary is maintained unless they are getting base salary only. If departments have already negotiated a salary as of 7/1 and have indicated that the 3% increase was factored into the negotiated salary, do we need to readjust the base salary further? **Yes. Since the contracts are renewed effective 7/1 and the local guidelines will be posted after that date, there should be documentation as to the performance that would determine the percentage of increase. Any deviation on how much of an increase is given upon the renewal of their contract, should be discussed between Chancellor Khosla and VC Brenner.**

#### **PROBATIONARY PERIOD:**

Please see PPSM 22 Probationary Period for more information on probationary requirements for policy covered career staff employees. If you have questions regarding the probationary status of an employee Campus employees should contact Employee Relations at (858) 534-4115. Health employees should call 619-543-3200 or submit a case on the website ([hhr.ucsd.edu](http://hhr.ucsd.edu)).

#### **BUDGETS:**

Budgets and the corresponding spending targets for each department are calculated based on the salaries of the eligible employees, not the permanent budget base. The Campus Budget Office will coordinate the 3% merit-based budget allocation funding for employees paid on core funds who are eligible for the increase. Departments are responsible for funding increases for employees who are not paid on core funds. Contact the Campus Budget Office at (858) 534-7270 or (858) 534-3481 if you have additional questions regarding the funding departments are to receive.

#### **PERFORMANCE APPRAISALS:**

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. An individual whose performance rating is “Unsatisfactory” or “Needs Improvement” may not receive the merit-based salary increase. Departments will need to send HR the names of employees whose performance rating is “Unsatisfactory” or “Needs Improvement” by the close of business on 08/13/18.

**AMOUNT OF INCREASE:**

The total amount of the salary increases for employees in a department may not exceed the 3% budgeted allocation pool per department and/or VC area.

**WEB MERIT:**

We are using our local Web Merit system to process the merit-based salary increases. Web Merit is web-based application that enables authorized users to recommend increases for eligible employees and/or enables HR to set the eligibility criteria to include and exclude employees based on pre-set eligibility criteria. HR will define and set the eligibility criteria in Web Merit.

Departments will need to send HR the names of employees whose performance rating is “Unsatisfactory” or “Needs Improvement” by close of business on 08/13/18. HR will delete these ineligible employees from the Web Merit roster prior to uploading the new rates into our Payroll Personnel System (PPS). Web Merit will be programmed to allow up to a 4.5% increase for eligible employees. HR will enter all performance ratings and salary increase percentages into Web Merit. Therefore, there is no need to open up Web Merit to departments for entry of performance or salary information.

**WEB MERIT TIMELINE:**

- a) Morning of July 30th: Web Merit will be loaded with PPS data. Please note that the PPS freeze will begin August 1<sup>st</sup> and will end on August 24<sup>th</sup>.
- b) Evening of August 1<sup>st</sup> thru August 3<sup>rd</sup>: HR will send out the Web Merit spreadsheets to VC offices for completion. Departments will need to list the performance appraisal date, overall rating and percentage of increase for all eligible employees.
- c) Evening of August 13th: Completed Web Merit spreadsheets due back to HR by close of business.
- d) Morning of August 21st: Web Merit will be opened for final HR review. HR will delete employees with “Unsatisfactory” or “Needs Improvement” and any other exclusions from Web Merit.
- e) Evening of August 21st: Web Merit is set to the “Final Ready” status by HR.
- f) Evening of August 22nd: PPS update. UCOP will process transactions created from Web Merit in an EDB file maintenance. New rates appear in PPS.
- g) Morning of August 23rd: HR audits the PPS update and checks to ensure that the new rates were processed accurately in PPS.

**DEPARTMENT ROSTERS:**

Department rosters will be emailed to your department by HR between August 27<sup>th</sup> and August 31<sup>st</sup>. Your department roster is based upon the PPS upload into Web Merit. If an employee is missing from your roster, you may have a PPS coding problem. If an employee who is eligible for the merit-based increase is missing, you will need to process the increase manually. (Use PPS Action Code 04 and indicate in the comments section that the merit-based increase is being processed manually because the employee is missing from Web Merit.)

When you receive your department rosters, and if you are not sure why an employee does or does not appear on your roster, consider the four questions that follow below. If you answer “yes” to all of the questions below, the employee should appear on your roster. Contact Liz Duenas Girgis, Records Analyst and Salary Program Coordinator in the HR Office at (858) 534-3847 or via email at [eduenas@ucsd.edu](mailto:eduenas@ucsd.edu) for assistance or questions related to PPS or the department rosters.

1. Is the employee coded as a career employee (type 2 and 7) or a contract employee (type 1) in PPS?
2. Is the employee’s hire date “01/03/18” or earlier in PPS?
3. Does the employee have an active REG distribution line(s) in PPS in effect beyond 07/01/18 for both biweekly and monthly paid employees?
4. Is your department listed as the home department in PPS?

**ORDER OF INCREASES:**

There may be more than one salary action (merit, equity, reclassification, etc.) with the same effective date. The merit-based increase should be processed first, before any other salary action that is effective on 07/01/18 for both biweekly and monthly paid employees.

Eligibility and Web Merit questions may be directed to Caprece Speaks-Toler, Senior Director of Compensation and Interim Director of Benefits, at (858) 534-4130 or via email at [cspeaks@ucsd.edu](mailto:cspeaks@ucsd.edu). Please copy Kenric Yu at [kmyu@ucsd.edu](mailto:kmyu@ucsd.edu) and Liz Duenas Girgis at [eduenas@ucsd.edu](mailto:eduenas@ucsd.edu) on all emails sent to Caprece. Health employees should call 619-543-3200 or submit a case on the website ([hhr.ucsd.edu](http://hhr.ucsd.edu)).