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I. MERIT INCREASE PROGRAM

Salary increases for FY23 for continuing faculty and staff are to be funded from each School, Center, or administrative budget.

II. FUNDING PARAMETERS

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. Based on market trends and economic conditions, the University will provide a merit increase pool of 4.5 percent. With this in mind, the following guidelines are recommended.

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 $82,200.
- 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 4.5 percent. Some Schools and Centers may have financial constraints that can only support budget growth of less than 4.5 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 6.0 percent must also be made in consultation with the Provost. Deans may wish to give careful consideration to salary adjustments for faculty who have a strong performance record but whose salaries may have lagged behind the market.
IV. STAFF INCREASE GUIDELINES

1. Salary Increase Guidelines

This year’s aggregate salary increase pool is 4.5 percent. The merit increase range is zero to 6.0 percent. It is important to note that any variation of the merit increase pool for a School/Center less than a 4.5 percent average must be approved by the Provost and/or the EVP.

Staff salary increases are based on performance. A Performance and Staff Development Plan should 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 should be awarded.** For those areas utilizing the Ongoing Feedback Program as the performance assessment tool, no increase should be awarded if there have been consistent, documented challenges across the quarterly reviews for the 2022 fiscal year. Staff that are given performance improvement plans are not eligible for delayed merit increases.

2. Program Eligibility

Workers in exempt and non-exempt positions (i.e., positions that are monthly-paid, weekly-paid, or limited service) are eligible for the FY23 Faculty/Staff Merit Increase Program if:

- They were employed with the University on or before **February 28, 2022**
- Their Time Type is full-time (including Phased Retirement) or part-time

Workers in the following categories are **NOT** eligible for the FY23 Faculty/Staff Merit Increase Program (A comprehensive list is on page 9.):

- Students, Contingent Workers, Courtesy Appointments, or Temporary Workers
- Interns and Residents
- Workers who are covered by collective bargaining agreements
- Workers on unpaid leaves of absence
- Workers on long-term disability

Allowance Plans, One-Time Payments, and Period Activity Pay are not included in base salary for purposes of merit increase planning.

3. Compensation Ranges for Job Profiles

The University’s compensation ranges for job profiles were adjusted effective **April 1, 2022.** All staff salaries must be at or above the minimum of the compensation range for their grade profile as of April 1, 2022.
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 should receive Performance and Staff Development Plans for the next review cycle whether or not they receive merit increases. Schools and Centers are requested to submit performance appraisals by June 1, 2022. The Division of Human Resources’ Staff and Labor Relations team is available to discuss performance management issues.

Merit increases should average no more than 4.5 percent for staff, and may average less if a School or Center establishes a lower percentage merit pool based on financial considerations. The aggregated salary increases within a School or Center may not exceed 4.5 percent, regardless of performance rating distributions. 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/Hourly Rates Above Job Profile Maximum**

Schools and Centers may provide staff members whose salaries/hourly rates are above the range maximums for their Job Profiles with base pay increases or lump sum payments within the range of zero to 4.5 percent of their FY22 salaries, based on performance.

It is important to remember that all increases, whether to base pay or as lump sum payments, may not exceed the 4.5 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 Workday using the One-Time Payment business process and selecting “Lump Sum Salary Increase.”

6. **New Hires**

Staff members hired into the University after **February 28, 2022** are not eligible for merit increases until the FY24 Faculty/Staff Merit Increase Program.
7. **Limited Service Staff**

Merit-eligible Limited Service staff paid over 12 months will appear in Schools’ and Centers’ merit grids. Limited Service staff who work 9 or 10 months, and who are paid over 9 or 10 months, will not appear in merit grids if their merit plans were removed. The effective date of any increases they may receive will be the first day of their return to work. Schools/Centers should contact the Division of Human Resources-Compensation (215-898-1317) to facilitate this process.

8. **Job Changes/Supervisory Organization Transfers**

University staff members who have changed jobs or who have transferred to different supervisory organizations in FY22 are eligible for July 1st merit increases. However, staff members in non-merit eligible job profiles (see page 9) who transfer to merit-eligible job profiles after 2/28/2022 are **not** eligible for FY23 merit increases.

As with the FY22 merit increase process, FY22 salary increases resulting from promotions to new positions or from reclassification/salary adjustment reviews may **NOT** include merit increases for FY23. **All** merit increases for FY23 must be processed through Workday with an effective date of July 1, 2022.

**Schools and Centers should ensure that FY22 Compensation Changes and the following FY22 Change Job business processes have been completed and approved in Workday prior to May 9, 2022; AND have effective dates no later than June 12, 2022. NONE of these processes may have an effective date between June 13, 2022 and June 30, 2022:**

- Compensation Change
- Promotion
- Demotion
- Transfer
- Change Job Details
- Supervisory Organization changes

**Schools/Centers that miss the May 9th deadline should contact their Compensation Specialists for guidance.** Compensation contact information is available on the Division of Human Resources’ website at [https://www.hr.upenn.edu/PennHR/benefits-pay/compensation/compensation-contact-information](https://www.hr.upenn.edu/PennHR/benefits-pay/compensation/compensation-contact-information)

9. **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 while they are receiving short-term disability payments at 75% of base salary, the July 1st merit increase will be based on the 75% rate until the worker returns from leave, at which point the merit increase will be reflected in their base salary at 100%.

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.

10. Merit Increase Percent Average Review

The Division of Human Resources-Compensation completes a detailed analysis of the increases awarded to eligible staff during the Staff Merit Increase Program to ensure adherence to Program parameters. A comparison of individual staff members’ salaries before and after merit increases will yield the average percentage increase for a School or Center. Only the following are included in the review:

• Staff who meet the program eligibility criteria (See page 9.)
• Zero percent increases for staff due to documented poor performance
• Zero percent increases due to a School or Center’s financial constraints

V. PROCESSING

1. Workday Training

Workday training for the Staff Merit Increase program begins on May 2. A KnowledgeLink notification indicating that the Workday Staff Merit Training has been assigned will be sent to Merit Planners responsible for proposing merit increases for eligible staff. The training provides instruction on the processes and procedures involved in proposing, submitting, and approving staff merit increases; and will remain accessible after it has been completed. Additional support is also available in the form of:

• Tip Sheets
2. Pre-processing Audits

To ensure that all eligible staff and academic workers are included in their merit grids, and that any merit increase is processed appropriately, Schools and Centers are responsible for running the following reports in Workday and making all necessary changes:

- **Compensation Plan Assignments with Actual End Dates in the Future**
  Merit-eligible staff with Compensation Plan End Dates prior to July 1, 2022 should have those end dates extended into FY23 OR removed completely.

- **Merit Audit – Merit Plan Assignments**
  All merit-eligible staff and academic workers must be assigned a Merit Plan with an effective date on or before February 28, 2022. Merit-ineligible staff with Merit Plans must have those Plans removed.

All changes must have received final approval by May 8, 2022.

3. Processing Merit Increases in Workday

On May 9, the Merit Increase Program will open, and access will be made available to the Merit Planners, giving them the ability to enter increases for eligible staff workers. The merit grids for all Schools and Centers will be pre-populated with a 4.5 percent merit increase for each eligible worker. Their Merit Planners may adjust individual staff members’ merit increases within the range of zero to 6.0 percent.

Merit increases for eligible Faculty will also be processed in Workday. On May 9, Merit Planners will have the ability to enter increases for eligible Faculty members. The merit grids for all Schools will be pre-populated with a 4.5 percent merit increase for each eligible faculty member. Their Merit Planners may adjust individual faculty members’ increases within the range of zero to 6.0 percent.

Merit-eligible employees receiving zero-percent increases based on performance should not be deleted from a School/Center’s merit grid. Merit grids will include a Notes column, which Merit Planners must use to provide information on why no increase was awarded.

4. Internal Merit Planning Submission and Approval Timelines

To ensure University Merit Increase Program deadlines are met, each School and Center is responsible for establishing a timeline, as well as coordinating internal workflows and processes, for its own merit planning and management activities. This includes running audit reports in Workday and making necessary changes prior to the
opening of the Merit Increase Program. Schools and Centers should communicate this timeline to their leadership and Merit Planners, and follow up appropriately to ensure completion of all internal activities before official submissions are due for the University’s Merit Process for Staff and Academics in Workday.

5. **Notification of Salary Increases**

Individuals should **NOT** be notified of their raises until the salary increases have received final approval from the Senior Administrator at the School or Center. All merit increases will have an Employee Visibility Date of July 1, 2022.

### VI. WHERE TO GO FOR ASSISTANCE

<table>
<thead>
<tr>
<th>Questions</th>
<th>Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>• General Questions on the Merit Increase Program</td>
<td>Penn Employee Solution Center 898-7372 OR School/Center Human Resources Administration</td>
</tr>
<tr>
<td>• General Questions on Faculty Compensation</td>
<td>Penn Employee Solution Center 898-7372 OR School/Center Faculty Affairs Office</td>
</tr>
<tr>
<td>• Job Performance Issues</td>
<td>Division of Human Resources Staff and Labor Relations 898-6093</td>
</tr>
<tr>
<td>• Performance and Staff Development Program</td>
<td></td>
</tr>
</tbody>
</table>

### VII. APPENDICES

APPENDIX A

**FY23 FACULTY/STAFF MERIT INCREASE PROGRAM TIMELINE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 28th</td>
<td>➢ Last new hire date eligible for FY23 Faculty/Staff Merit Increase Program</td>
</tr>
</tbody>
</table>
| 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 |
| April 19th      | ➢ FY23 **Faculty and Staff Merit Increase Guidelines** available on the Penn HR website. |
### May 2nd
- Open Workday Merit Increase Planner Training

### May 8th
- Changes to **Staff and Academic Merit Plan Assignments** for FY 22 and/or changes to **Compensation Plan End Dates** must be approved in Workday by 11:59 PM.
- **Change Job business processes** must be approved in Workday by 11:59 PM and must have effective dates prior to 6/13/22.

### May 9th
- Begin Workday Merit Process for Staff and Academics

### May 27th
- Submissions due for Workday Merit for Staff and Academics

### June 1st
- **Staff Performance Appraisals** to be entered into the **Online Performance Appraisal System** by 11:59 p.m.

### June 13th – June 30th
- **Compensation Changes and Change Job business processes may not have effective dates during this period.**

### July 1st
- Effective date of academic and staff merit increases for exempt (monthly-paid) workers. Closing schedule available at: [https://www.finance.upenn.edu/payroll-taxes/payroll-schedules/](https://www.finance.upenn.edu/payroll-taxes/payroll-schedules/) (PennKey required)
- Effective date of merit increases for non-exempt (weekly-paid) workers; effective date is mid-week. Closing schedule available at: [https://www.finance.upenn.edu/payroll-taxes/payroll-schedules/](https://www.finance.upenn.edu/payroll-taxes/payroll-schedules/) (PennKey required)

### July 8th
- First weekly pay for non-exempt staff for pay period ending 7/3/22 - reflects pay at FY22 (6/27-6/30) & FY23 (7/1-7/3) hourly rates

### July 15th
- First weekly pay for non-exempt staff for pay period ending 7/10/22 - reflects FY23 hourly rate

### July 31st
- First monthly pay for exempt staff and academics reflects FY23 merit increase

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**APPENDIX B**

**MERIT INCREASE PROGRAM USER GUIDELINES**

**Compensation Plan Dates:**

<table>
<thead>
<tr>
<th>Minimum</th>
<th>Maximum</th>
<th>Frequency</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/01/22</td>
<td>7/01/22</td>
<td>Exempt Faculty &amp; Staff</td>
<td>(monthly)</td>
</tr>
<tr>
<td>7/01/22</td>
<td>7/01/22</td>
<td>Non-Exempt Staff</td>
<td>(weekly)</td>
</tr>
</tbody>
</table>

- In Workday, all merit increases are effective on July 1, 2022 regardless of a worker’s pay group
- Costing allocations do not need to be updated for faculty and staff whose costing allocations have no end date
Costing allocations must be updated beyond June 30, 2022 for those faculty and staff whose costing allocations have end dates; otherwise, Workday will apply the default costing allocations.

**Eligible Employees:**
Faculty members and all workers in exempt and non-exempt positions (i.e., positions that are monthly-paid, weekly-paid, or limited service), whose Time Type is full-time (including Phased Retirement) or part-time, and who were hired on or before February 28, 2022.

**Ineligible Employees:**
Workers hired on or after March 1, 2022
Workers who move from non-merit eligible to merit eligible job profiles on or after March 1, 2022.
Workers on unpaid leaves of absence
Workers on long-term disability
Workers in collective bargaining units
Interns
Residents
Student Workers
Temporary workers
Faculty Early Retirement, Emeritus, Secondary Appointment, Part-Time Lecturers
APPENDIX C

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 2022-2023 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)

Reminder: 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