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I.  MERIT INCREASE PROGRAM

Salary increases for FY24 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 4.25 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 guidelines at the School level regarding available resources.

- The minimum academic salary for new assistant professors will be $85,700.

- Merit increases for faculty should be based solely on performance as evidenced by scholarship, research, teaching, and service to the University and the profession.

- The aggregated merit increase pool for faculty will be 4.25 percent. Some Schools and Centers may have financial constraints that can only support budget growth of less than 4.25 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

The aggregated merit increase pool for staff will be 4.25 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 4.25 percent average must be approved by the Provost and/or the EVP.

Staff salary increases are based on performance. A Workday Performance Review should be completed for all staff to support the merit increase awarded. The percentage increase should correlate with the performance rating. **If performance does not meet expectations, no increase should be awarded.** Staff who are given performance improvement plans are not eligible for delayed merit increases.

2. Program Eligibility

Staff in monthly-paid, weekly-paid, or limited service positions are eligible for the FY24 Merit Increase Program if:

- They were employed with the University on or before **February 28, 2023**, and
- Their time type is full-time (including phased retirement) or part-time

The following groups are **not** eligible for the FY24 Merit Increase Program (a comprehensive list is on page 9):

- Student workers, contingent workers, temporary workers
- Interns and residents
- Postdoctoral trainees
- Staff 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. Performance-based Increases

The merit increase program is designed to recognize and reward performance. The foundation of this program is the Workday Performance process. Salary increases should be based on performance contributions within the parameters of the merit increase budget. The Performance Review in Workday documents each staff member’s performance and contributions and establishes performance goals for the new fiscal year. All staff members should receive a Performance Review for the next review period whether or not they receive merit increases. Schools and Centers are requested to submit Performance Reviews in Workday by June 16, 2023. The Division of Human
Resources’ Staff and Labor Relations team is available to discuss performance management issues.

Aggregated merit increases within a School or Center may not average more than 4.25 percent regardless of staff performance rating distributions however, may average less if a School or Center establishes a lower percentage merit pool based on financial constraints. Performance expectations should be raised each year as staff grow in experience and job mastery. Performance ratings and merit increases should reflect a normal distribution for all staff. Staff members who do not meet expectations are not eligible for merit increases.

The merit increase program does not include bonuses, the same as in prior years.

Within the Division of Human Resources, the Compensation team (215-898-1317) is available to discuss merit increase parameters and the Staff and Labor Relations team (215-898-6093) is available to discuss performance management issues.

4. **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 either base pay increases or lump sum payments within the range of zero to 4.25 percent of their FY23 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 4.25 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.”

5. **New Hires**

Staff members hired into the University after **February 28, 2023** are not eligible for merit increases until the FY25 Merit Increase Program.

6. **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 and Centers should contact the Division of Human Resources-Compensation (215-898-1317) to facilitate this process.
7. **Job Changes/Supervisory Organization Transfers**

University staff members who have changed jobs or who have transferred to different supervisory organizations in FY23 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 **February 28, 2023** are **not** eligible for FY24 merit increases.

As in past years, salary increases resulting from promotions to new positions or from reclassification/salary adjustment reviews will **not** include the merit increase for FY24. **All** merit increases for FY24 must be processed through Workday with an effective date of July 1, 2023.

**Schools and Centers should ensure that FY23 Compensation Changes and the following Change Job business processes have been completed and approved in Workday prior to **May 15, 2023** and have effective dates no later than **June 11, 2023**.**

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

**Note that NONE of the above business processes may have an effective date between June 12, 2023 and June 30, 2023.**

**Schools/Centers that miss the May 15, 2023 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)

8. **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 their 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 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 they return 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. Schools and Centers should 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.

9. **Merit Increase Percent Average Review**

The Division of Human Resources-Compensation completes a detailed analysis of the increases awarded to eligible staff during the 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 Merit Increase program begins on May 8th. Merit Planners responsible for proposing merit increases for eligible staff must complete training via Workday Learning. The training provides instruction on the processes and procedures involved in proposing, submitting, and approving staff merit increases. Additional support is also available in the form of:

- Tip Sheets
- Supplemental Guidance
- Merit Planner virtual office hours
- Information published in the Workday@Penn Digest
- Penn Employee Solution Center
  - (215) 898-7372
  - solutioncenter@upenn.edu
2. **Pre-processing Audits**

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

- Merit Eligibility Audit for Staff and Academic Workers
- Merit Eligibility Audit - Employees with Mismatched Merit Plans that Require Removal
- Merit Audit - Allowance Plans with End Dates

Merit eligibility audit reports can be accessed within the Compensation Review dashboard on the Workday homepage, or by typing the above report names into the Workday search bar.

**All changes must have received final approval in Workday by May 14, 2023.**

3. **Processing Merit Increases in Workday**

On May 15th, 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 faculty and staff.

Merit-eligible employees receiving zero-percent increases based on performance should not be deleted from a School or 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 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 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, 2023.
## VI. WHERE TO GO FOR ASSISTANCE

<table>
<thead>
<tr>
<th>Questions</th>
<th>Office</th>
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<tbody>
<tr>
<td>• General Questions on Merit Increase Program</td>
<td>Penn Employee Solution Center 215-898-7372 OR School/Center Human Resources Administration</td>
</tr>
<tr>
<td>• General Questions on Faculty Compensation</td>
<td>Penn Employee Solution Center 215-898-7372 OR School/Center Faculty Affairs Office</td>
</tr>
<tr>
<td>• Job Performance Issues</td>
<td>Division of HR Staff &amp; Labor Relations 215-898-6093</td>
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<tr>
<td>• Performance Management in Workday</td>
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## FY24 FACULTY/STAFF MERIT INCREASE PROGRAM TIMELINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>February 28</td>
<td>Last new hire date eligible for FY24 Faculty/Staff Merit Increase Program</td>
</tr>
</tbody>
</table>
| April 3    | **Workday Performance** available for entering Performance Reviews.  
             | Information from completed mid-year reviews will be viewable in Workday Performance. |
| April 7    | FY24 Faculty and Staff Merit Increase Guidelines available on the Penn HR website |
| May 8      | Workday Merit Increase Planner Training begins                          |
| May 14     | Changes to **Staff and Academic Merit Plan Assignments** for FY 23 and/or changes to **Compensation Plan End Dates** must be approved in Workday by 11:59 p.m.  
             | **Change Job business processes** must be approved in Workday by 11:59 p.m. and must have effective dates prior to June 12. |
| May 15     | **Workday Merit Process OPENS for Staff and Academics**                |
| June 9     | Submissions due for Workday Merit for Staff and Academics at the School and Center level |
| June 16    | **Workday Performance** to be completed (including acknowledgement by both staff member and their manager) by 11:59 p.m. |
| June 12 – June 30 | **Compensation Changes and Change Job business processes may not have effective dates during this period** |
| July 1     | Effective date of academic and staff merit increases for exempt (monthly-paid) and non-exempt (weekly-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) |
| July 7     | First weekly pay for non-exempt staff for pay period ending 7/2/23 - reflects pay at FY23 (6/26 - 6/30) & FY24 (7/1 - 7/2) hourly rates |
| July 14    | First weekly pay for non-exempt staff for pay period ending 7/9/23 - reflects FY24 hourly rate |
| July 31    | First monthly pay for exempt staff and academics reflects FY24 merit increase |
COMPENSATION PLAN DATES:

Begin dates for FY24
- Exempt Faculty & Staff (monthly) 7/01/2023
- Non-Exempt Staff (weekly) 7/01/2023

- In Workday, all merit increases are effective on July 1, 2023 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, 2023 for those faculty and staff whose costing allocations have end dates; otherwise, Workday will apply the default costing allocations.

ELIGIBLE EMPLOYEES:

Faculty and staff in monthly-paid, weekly-paid, or limited service positions are eligible for the FY24 Merit Increase Program if:

- They were employed with the University on or before February 28, 2023, and
- Their time type is full-time (including phased retirement) or part-time

INELIGIBLE EMPLOYEES:

- Workers hired on or after March 1, 2023
  Workers who move from non-merit eligible to merit eligible job profiles on or after March 1, 2023.
- Student workers, contingent workers, temporary workers
- Interns and residents
- Postdoctoral trainees
- Staff who are covered by collective bargaining agreements
- Workers on unpaid leaves of absence
- Workers on long-term disability
- 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 2023-2024 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