



**UNIVERSITY OF PENNSYLVANIA  
FACULTY/STAFF MERIT INCREASE PROGRAM  
FY 2021**

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## **I. MERIT INCREASE PROGRAM**

Salary increases for FY21 for continuing faculty and staff are to be funded from each School, Center, or administrative budget.

## **II. FUNDING PARAMETERS**

These are unprecedented times that require the University to strategically plan for the coming fiscal year in a fiscally responsible manner. 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. Because of these unprecedented times, the merit increase pool will be 2.5 percent and will be available to employees (faculty and staff) with salaries at or below \$70,000.

## **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 standing faculty assistant professors will be \$72,600.
- 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.
- Salary increases for faculty due to promotions in rank, retention or other commitments are permitted and must be made in consultation with the Provost.

## IV. STAFF INCREASE GUIDELINES

### 1. Salary Increase Guidelines

This year's aggregate salary increase pool is 2.5 percent for staff with salaries at or below \$70,000. The merit increase range is zero to 3.0 percent. It is important to note that any variation of the merit increase pool for a School/Center less than a 2.5 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 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.** For those areas utilizing the Ongoing Feedback Program as the performance assessment tool, no increase should be awarded if there have been challenges and/ or no accomplishments to list. Staff that are given performance improvement plans are not eligible for delayed merit increases.

### 2. Program Eligibility

Staff eligibility will be limited to staff with salaries at or below \$70,000. Workers in exempt and non-exempt positions (i.e., positions that are monthly-paid, weekly-paid, or limited service) who meet this salary requirement are eligible for the FY21 Faculty/Staff Merit Increase Program if:

- They were employed with the University on or before **February 29, 2020**
- Their Time Type is full-time (including Phased Retirement) or part-time

Workers in the following categories are **NOT** eligible for the FY21 Faculty/Staff Merit Increase Program (a comprehensive list is on page 7):

- Student, Contingent Worker, Courtesy 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. 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 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 8, 2020. The Division of Human Resources' Staff and Labor Relations team is available to discuss performance management issues.

Merit increases should average no more than 2.5 percent for staff earning at or below \$70,000 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 2.5 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.

#### **4. Staff with Salaries/Hourly Rates Above Grade Profile Maximum**

Schools and Centers may provide staff members whose salaries/hourly rates are above the Grade Profile maximum for their Job Profiles, but at or below \$70,000, with base pay increases or lump sum payments within the range of zero to 3.0 percent of their FY20 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 2.5 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."

#### **5. New Hires/Job Changes/Supervisory Organization Transfers**

Staff members hired into the University after **February 29, 2020** are not eligible for merit increases until the FY22 Faculty/Staff Merit Increase Program.

University staff members who have changed jobs, or who have transferred to different supervisory organizations, are eligible for July 1<sup>st</sup> merit increases, provided that they are currently earning at or below \$70,000. Unlike in previous years, FY20 salary increases that result from promotions to new positions or from reclassification/salary adjustment reviews may NOT include merit increases for FY21. All merit increases for FY21 must be processed through Workday with an effective date of July 1, 2020.

Schools and Centers should make every effort to complete as many change job processes with FY 20 effective dates as possible prior to May 4, 2020.

## **6. Staff on Medical Leave and Workers' Compensation**

Staff members who are on paid medical leave **prior to July 1<sup>st</sup>** 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 and currently earn at or below \$70,000. 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 he/she 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](mailto: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 1<sup>st</sup> 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, provided that their current salaries are at or below \$70,000. The effective date of the increase may be no earlier than the date of the staff member's first day back to work.

## **7. Merit Increase Percent Average Review**

The Division of Human Resources- Compensation completes a detailed analysis of the Staff Merit Increase Program for increases awarded to eligible staff for 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 7)
- 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 April 24. 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
  - Supplemental Guidance
  - Merit Planner office hours
  - Information published in the Workday@Penn Digest

### 2. Processing Merit Increases in Workday

- On May 4, the Merit Increase Program will open and access will be pushed out to the Merit Planners giving them the ability to enter increases for eligible staff workers.
- Merit increases for eligible Faculty earning at or below \$70,000 will be processed in Workday via bulk upload/EIB; specific guidance on this process will be sent to Merit Planners

### 3. 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 should have an Employee Visibility Date of July 1, 2020

## VI. WHERE TO GO FOR ASSISTANCE

<u>Questions</u>	<u>Office</u>
<ul style="list-style-type: none"><li>• General Questions on the Salary Increase Program</li></ul>	Penn Employee Solution Center 898-7372 <b>OR</b> School/Center Human Resources Administration
<ul style="list-style-type: none"><li>• General Questions on Faculty Compensation</li></ul>	Penn Employee Solution Center 898-7372 <b>OR</b> School/Center Faculty Affairs Office
<ul style="list-style-type: none"><li>• Job Performance Issues</li><li>• Performance and Staff Development Program</li></ul>	Division of Human Resources Staff and Labor Relations 898-6093

**VII. APPENDICES**  
*APPENDIX A*

**FY21 FACULTY/STAFF MERIT INCREASE PROGRAM TIMELINE**

February 29 <sup>th</sup>	➤ Last new hire date eligible for FY21 Faculty/Staff Merit Increase Program
March 16 <sup>th</sup>	➤ <b>Online Performance Appraisal System</b> available for entering Performance Appraisals ➤ Any <b>Draft Appraisal</b> previously entered into system <b>may not</b> be completed or shared until this date
April 21 <sup>st</sup>	FY21 <b>Faculty and Staff Merit Increase Guidelines</b> available on the web at: <a href="https://www.hr.upenn.edu/docs/default-source/pay-and-performance/merit-increase-guidelines.pdf?sfvrsn=2">https://www.hr.upenn.edu/docs/default-source/pay-and-performance/merit-increase-guidelines.pdf?sfvrsn=2</a>
April 24 <sup>th</sup>	➤ Open Workday Staff Merit Training
May 4 <sup>th</sup>	➤ Begin Workday Merit Process for Staff
May 29 <sup>th</sup>	➤ Submissions due for Workday Merit for Staff
June 5 <sup>th</sup>	➤ Submissions due for Academic Merit EIB
June 8 <sup>th</sup>	➤ <b>Staff Performance Appraisals</b> to be entered into the <b>Online Performance Appraisal System</b> by 11:59 p.m.
July 1 <sup>st</sup>	➤ Effective date of academic and staff merit increase for exempt (monthly-paid) workers. See closing schedule: <a href="https://www.finance.upenn.edu/disbursements-payroll/monthly-payroll-schedule-january-through-december-2020">https://www.finance.upenn.edu/disbursements-payroll/monthly-payroll-schedule-january-through-december-2020</a> ➤ Effective date of merit increase for non-exempt (weekly-paid) workers; effective date is mid-week. See closing schedule: <a href="https://www.finance.upenn.edu/disbursements-payroll/weekly-payroll-schedule-january-through-december-2020">https://www.finance.upenn.edu/disbursements-payroll/weekly-payroll-schedule-january-through-december-2020</a>
July 10 <sup>th</sup>	➤ First weekly pay for non-exempt staff for pay period ending 7/5/20 - reflects pay at FY20 (6/29-6/30) & FY21 (7/1- 7/5) hourly rates
July 17 <sup>th</sup>	➤ First weekly pay for non-exempt staff for pay period ending 7/12/20 - reflects FY21 hourly rate
July 31 <sup>st</sup>	➤ First monthly pay for exempt staff and academics reflects FY21 merit increase

APPENDIX B

**MERIT INCREASE PROGRAM USER GUIDELINES**

**Compensation Plan Dates:**

Begin dates for FY21	Exempt Faculty & Staff	(monthly)	7/01/2020
	Non-Exempt Staff	(weekly)	7/01/2020

- In Workday, all merit increases are applied on July 1, 2020 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, 2020 for those faculty and staff whose costing allocations have end dates; otherwise, Workday will apply the default costing allocations

**Eligible Employees**

Faculty; and all workers in exempt and non-exempt positions (i.e., positions that are monthly-paid, weekly-paid, or limited service), excluding those covered by collective bargaining agreements, whose Time Type is full-time (including Phased Retirement) or part-time; who were hired on or before February 29, 2020; and who are currently earning at or below \$70,000.

**Ineligible Employees**

Workers earning above \$70,000  
Workers hired on or after March 1, 2020  
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

**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 2020-2021 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