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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 2017 is based on market trends and economic conditions.

II. FUNDING PARAMETERS

Salary increases for FY17 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 $67,000.
- 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 a strong performance record 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 13, 2016.
- Complete Faculty Compensation package information must be updated for all active faculty no later than August 31, 2016 for FY17 compensation.
IV. STAFF INCREASE GUIDELINES

1. Salary Increase Guidelines

This year’s aggregate salary increase pool is 3.0 percent with a range of zero to 5.0 percent. Merit increases should not exceed 5.0 percent. Any variation less than a 3.0 percent pool must be approved by the Provost and/or the EVP and will be communicated separately by the School or Center administration.

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 a performance improvement plan are not eligible for a delayed merit increase.

2. Program Eligibility

Exempt and non-exempt (monthly, weekly, hourly, limited service, and phased retirement, excluding bargaining units) staff are eligible for the FY17 Faculty/Staff Merit Increase Program if:

- They were employed with the University on or before February 29, 2016
- They are in a regular full-time, regular part-time, or limited service status

The following classifications are NOT eligible for the FY17 Faculty/Staff Merit Increase Program (a comprehensive list is on page 10):

- Student Workers, Occasional 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 have been increased effective April 1, 2016. All staff salaries must be at or above the minimum of their respective grades as of April 1, 2016. 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, 2016. 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 a merit increase.

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

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

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 FY16 salary based on performance.

It is important to remember that all increases, whether to base pay or a lump sum payment, 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 the individual’s 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 29, 2016** are not eligible for a merit increase until the FY18 Faculty/Staff Merit Increase Program.

University staff members who have changed jobs or transferred to a different department are eligible for a July 1st merit increase unless it was included in the original salary offer. The offer letter to the staff member who accepted a new position must specify that it includes the July merit increase. The merit increase may not be awarded after the close of the Faculty/Staff Merit Increase Program for FY17.

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 a merit increase in the first pay of the 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 has received an increase through the Faculty/Staff Merit Increase Program and will be receiving short-term disability payments, contact the Division of Human Resources Benefits and notify the FMLA Administrator at **FMLA@upenn.edu** of the merit increase and the effective date.

Staff members who are on an unpaid leave may be eligible for a merit increase upon 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. Please contact the Division of Human Resources Compensation to facilitate this process.

Staff members who are placed on Workers’ Compensation prior to July 1st are not eligible to receive a merit increase while receiving pay through Workers’ Compensation and may not be considered for a merit increase until they return to work. The effective date of the increase can be the same date the staff member returns to work, but not sooner.

8. **Merit Increase Percent Average Analysis**

In 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)

• Not Included:
  o Grades FAC, MED, CPUP, BEN, INT and CNT
  o Faculty/Staff with administrative appointments and positions that are
designed to receive merit increases at other times of the year
  o Staff that are terminated prior to July 1, 2016
  o Zero percent increases for vacant positions
  o Zero percent increases for department transfers where merit increase
  percentages cannot be determined
  o Zero percent increases for individuals receiving Workers’ Compensation

• Included:
  o Merit increase percentages that were determined to be part of approved
reclassifications or salary adjustments prior to July 1, 2016
  o Zero percent increases for staff due to documented poor performance.
  o 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 for salary planning or the web-
based program PennWorks Modeling.

2. Access

• School or Center Senior Business Administrators were notified in February to
review a listing of users in their organizations who had current access to the Salary
Increase function in PennWorks. They were instructed to submit a “Logon Access
Form” for any new users or existing users requiring a new function by March 4th.
Each of these individuals received a separate e-mail instructing 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
training courses available via Knowledge Link (http://knowledgelink.upenn.edu)
for users who are involved in the annual merit increase process at Penn.
• Training is required for all new Salary Increase Program users and for existing
users requiring a new function(s), and was made available on March 28, 2016.
This training must be completed by April 15, 2016 in order to be granted access
to the Salary Increase Program functions within PennWorks, which are available
on April 18, 2016.
• Existing users who are not adding a new function(s) are not required to complete
the web-based training; however, they may access the training through Knowledge
Link for reference or a refresher. “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 FY17 can be found in Appendix D.
- As of April 1, 2016, 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, enter justifications for out-of-range increases, and 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 the annual salary increase.

- **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.

- **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 Leave of Absence
  - Employee Transfers

- **Employee Transfers during the Salary Increase Program (April 18-June 8)** 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 do not have a real-time impact.

Changes made in PennWorks using ‘Find/Add a Person’ do have an immediate, real-time impact.

**After the Salary Increase Program closes (June 8th-30th) for monthly paid faculty and staff,** all necessary salary increases must be entered by the Division of Human Resources Compensation.

**After the Salary Increase Program closes (June 8th-July 5th) for weekly paid faculty and staff,** all necessary salary increases must be entered by the Division of Human Resources Compensation.

### VI. WHERE TO GO FOR ASSISTANCE

<table>
<thead>
<tr>
<th>Questions</th>
<th>Office</th>
</tr>
</thead>
</table>
| • 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                      | Division of Human Resources Staff and Labor Relations  
898-6093                                                 |
| • Performance and Staff Development Program   |                                                                        |
| • Salary Increase Program Training            | Financial Training Department  
training @exchange.upenn.edu                                          |
## APPENDIX A

**FY17 FACULTY/STAFF MERIT INCREASE PROGRAM TIMELINE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 15th</td>
<td>List of users with prior year access to Salary Increase Program modules sent to Schools/Centers for review and updating.</td>
</tr>
<tr>
<td></td>
<td>Merit Increase Program timeline communication sent to School/Centers.</td>
</tr>
<tr>
<td>February 29th</td>
<td>Last new hire date eligible for FY17 Faculty/Staff Merit Increase Program.</td>
</tr>
<tr>
<td>March 4th</td>
<td>Schools/Centers to submit to Human Resources the reviewed <strong>Salary Increase User Worksheet</strong>.</td>
</tr>
<tr>
<td></td>
<td>The <strong>PennWorks Salary Increase program Logon Access Form</strong> must be sent to Financial Training Dept. <em>Please note: Access forms are required only for changes to existing users or new users.</em></td>
</tr>
<tr>
<td>March 14th</td>
<td><strong>Online Performance Appraisal System</strong> available for entering Performance Appraisals.</td>
</tr>
<tr>
<td></td>
<td>Any <strong>Draft Appraisal</strong> previously entered into system <strong>may not</strong> be completed or shared until this date.</td>
</tr>
<tr>
<td>March 28th</td>
<td><strong>Role Export and Role Rapid Entry training</strong> begins (New Users).</td>
</tr>
<tr>
<td>April 4th</td>
<td>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.</td>
</tr>
<tr>
<td>Week of April 11th</td>
<td><strong>FY17 Faculty and Staff Merit Increase Guidelines</strong> 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></td>
</tr>
<tr>
<td>April 15th</td>
<td><strong>Role Export and Role Rapid Entry training</strong> must be completed for access on April 18th.</td>
</tr>
<tr>
<td>April 18th</td>
<td><strong>Export (Role and Faculty Compensation), Rapid Entry (Role and Faculty Compensation), and Modeling modules</strong> available.</td>
</tr>
<tr>
<td>June 1st</td>
<td><strong>Performance Appraisals</strong> to be entered into the <strong>Online Performance Appraisal System</strong> by 11:59 p.m.</td>
</tr>
<tr>
<td>June 3rd</td>
<td><strong>Modeling</strong> closes at 11:59 p.m.</td>
</tr>
<tr>
<td>June 8th</td>
<td><strong>Role Rapid Entry</strong> closes at 11:59 p.m.</td>
</tr>
<tr>
<td></td>
<td>Per the normal schedule, there will be a <strong>brief outage at 8 p.m.</strong> for payroll processing.</td>
</tr>
<tr>
<td>June 9th – July 1st</td>
<td>Required changes for the Salary Increase Program can only be made by HR Compensation.</td>
</tr>
<tr>
<td>June 13th</td>
<td><strong>Provost's Office notification</strong> to Schools requesting additional documentation needed for out of range faculty increases.</td>
</tr>
<tr>
<td>June 20th</td>
<td>Notification of approvals for faculty salary increases.</td>
</tr>
<tr>
<td>June 23rd</td>
<td>Email Salary Increase Program overlay reminder sent Payroll Listserv by Payroll.</td>
</tr>
<tr>
<td>Date</td>
<td>Event</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 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 4th     | - Effective date of merit increases for **weekly-paid** employees |
| July 5th     | - 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 6th. |
| July 15th    | - First **weekly** pay to reflect FY17 merit increase (pay period 7/04/16 through 7/10/16) |
| July 31st    | - First **monthly** pay to reflect FY17 merit increase |
| August 31st  | - Complete **Faculty Compensation** information for FY17 compensation must be entered in PennWorks for all active faculty |
APPENDIX B

SALARY INCREASE PROGRAM USER GUIDELINES

Distribution Dates

Stop Dates for FY16
Exempt A-1, A-2 (monthly) 6/30/16
Non-Exempt A-3, A-4 (weekly) 7/03/16

Start Dates for FY17
Exempt A-1, A-2 (monthly) 7/01/16
Non-Exempt A-3, A-4 (weekly) 7/04/16

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

Eligible Classifications
All exempt and non-exempt, (monthly, weekly, and hourly, excluding bargaining units) who are regular full-time, regular part-time, limited service staffs, phased retirement, hired on or before February 29, 2016 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)
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 2016-2017 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 FY17

<table>
<thead>
<tr>
<th>Module</th>
<th>Training Requirements...</th>
<th>Training Available for FY17 Access</th>
<th>Module Available</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>...if I had access in FY16* (Existing Users)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>...if I am adding access in FY17** (New Users)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modeling</td>
<td>Optional</td>
<td>KB Optional</td>
<td>March 28th – June 3rd</td>
</tr>
<tr>
<td>Role Export</td>
<td>Optional</td>
<td>KB &amp; Export App</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Role Rapid Entry (RRE) Inquiry</td>
<td>Optional</td>
<td>KB &amp; RRE App#</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Role Rapid Entry (RRE) Update</td>
<td>Optional</td>
<td>KB &amp; RRE App#</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Distribution Rapid Entry Inquiry</td>
<td>Optional</td>
<td>KB &amp; RRE App#</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Distribution Rapid Entry Update</td>
<td>Optional</td>
<td>KB &amp; RRE App#</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Faculty Comp Export</td>
<td>Optional</td>
<td>KB &amp; Export App</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Faculty Comp Rapid Entry Inquiry</td>
<td>Optional</td>
<td>KB &amp; Fac Comp App</td>
<td>March 28th – April 15th</td>
</tr>
<tr>
<td>Faculty Comp Rapid Entry Update</td>
<td>Optional</td>
<td>KB &amp; Fac Comp App</td>
<td>March 28th – April 15th</td>
</tr>
</tbody>
</table>

**Key:** KB = Knowledge Building     App = Application Training  
* Logon Access Form required ONLY for Responsibility add or remove and/or ORG add or remove  
** Requires Logon Access Form 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.*