2015-2016 University of Michigan Health System Merit Salary Program

Main components of the 2015 Merit Salary Program:
1. Merit based salary program of 2.50%, effective September 2015.

General Performance Evaluation Guidelines:
1. Departments, units, and ACUs are expected to meet various Unit of Service and P&L targets established by Health System leadership.
2. Performance evaluations must be done annually for all staff as part of our performance management process and should be completed prior to allocation of an individual’s merit increase. Individual merit increases will vary and should be based on each staff member’s individual performance relative to the requirements of his or her position. Evaluation forms are available on-line at: http://www.med.umich.edu/umhshr/supervisor/performance-planning.html
3. Management performance evaluations should consider FY15 outcomes on financial and operational indicators (including patient and/or customer satisfaction), as well as outcomes on employee satisfaction and other relevant performance measures.

Guidelines for Determining Merit Increases:
1. The overall average for the department’s staff merit program can be no more than 2.50% without Corporate Officer/Dean’s Office approval.
2. Individual increases greater than 5.0% require approval by your Corporate Officer/Dean’s Office prior to the final submission of the merit program worksheet.
3. An individual merit increase may consist of:
   - An adjustment to base salary up to 5.0% ; or
   - A one-time Salary Supplement up to 5.0% ; or
   - A combination of base and one-time Salary Supplement up to 5.0%
4. Staff members with a full time base pay rate greater than the 9/1/2015 pay zone maximum assigned to their respective market/job title are eligible for a one-time Salary Supplement in lieu of an increase to base. Exceptions require approval by a Corporate Officer/Dean’s Office. All exception letters should be submitted with your merit program worksheet.
   - Departments who have staff members paid on sponsored projects and are required to use the one-time Salary Supplement, may charge the sponsored project at a percent equal to their current effort distribution.
4. Merit program distribution averages for FLSA exempt staff in the Professional or Managerial job roles may not exceed FLSA non-exempt staff in the Professional job role.
5. Staff members are not eligible for a merit increase under the following circumstances:
   - Staff who have consistently not met job expectations over the last fiscal year Staff whose RIF, LOA, retirement, or termination status is effective prior to or on the program effective dates. If a staff member on RIF status is subsequently placed, the unit may determine whether or not to provide a base pay increase and/or one-time Salary Supplement during the remainder of the fiscal year.
6. A merit increase should be deferred for a staff member who:
   - Was hired on or after March 1, 2015; and/or

cc: R. Winfield, M.D; M. Comstock
2015-2016 UMHS Salary Program Guidelines

- Who is new to the role and/or whose annual (fiscal year) performance could not yet be assessed; or
- Staff members who were on a leave of absence status prior to the program effective date (and are on the active payroll as of the program effective date) and whose annual (fiscal year) performance could not yet be assessed.

<table>
<thead>
<tr>
<th>DATE</th>
<th>WHAT HAPPENS</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/18/2015</td>
<td>Regents’ approval of FY16 Budget.</td>
</tr>
<tr>
<td>6/19/2015</td>
<td>2015-2016 Staff Salary Program Guidelines are located here: <a href="http://www.med.umich.edu/umhshr/supervisor/salary.html">http://www.med.umich.edu/umhshr/supervisor/salary.html</a> and <a href="http://www.med.umich.edu/totalreward">http://www.med.umich.edu/totalreward</a></td>
</tr>
<tr>
<td>8/15/2015</td>
<td>Performance evaluations (name and employee I.D. typed/printed on each page) due to Human Resources.</td>
</tr>
<tr>
<td>7/17/2015</td>
<td>Distribution of Faculty Worksheets.</td>
</tr>
<tr>
<td>7/20/2015</td>
<td>Distribution of Staff Worksheets.</td>
</tr>
<tr>
<td>8/7/2015</td>
<td>Completed Staff Merit Program Worksheets (electronic file) due to your Human Resources Partner. Please attach all Exception Request Letters/Emails in the submission email.</td>
</tr>
<tr>
<td>8/30/2015</td>
<td>Effective date of increase for bi-weekly-paid staff</td>
</tr>
<tr>
<td>9/18/2015</td>
<td>Bi-weekly paychecks reflect new rates</td>
</tr>
<tr>
<td>9/1/2015</td>
<td>Effective date of increase for monthly-paid staff</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>Monthly paychecks reflect new rates</td>
</tr>
<tr>
<td>9/1/2015</td>
<td>Staff Salary Supplemental Payment</td>
</tr>
<tr>
<td>8/30/2015</td>
<td>• Effective date of increase for monthly paid staff</td>
</tr>
<tr>
<td></td>
<td>• Effective date of increase for bi-weekly paid staff</td>
</tr>
</tbody>
</table>

Important Notes:
- If there are issues with your returned staff worksheet, your UMHS HR Business Partner will notify your department.
- UMHS staff performance evaluation forms are available at: http://www.med.umich.edu/umhshr/supervisor/performance-planning.html.

PROCESSING FOR STAFF:
Submit the following to Human Resources no later than August 14, 2015.

Completed Performance Evaluations (name and employee I.D. typed/printed on each page)
Directed to: N. Campus Administrative Complex (NCAC)
2901 Hubbard/SPC 2435
OR
Hand-deliver to: N. Campus Administrative Complex, 1st Floor Reception Area (located to the right when you enter bldg.). A directional map to NCAC can be found at: http://www.umich.edu/~newsinfo/umnc2.html
2015-2016 UMHS Salary Program Guidelines

- **Additional Information: Staff Performance ratings** will be entered via the electronic Salary/Merit program worksheets issued on 7/20/2015.
- Processing of the **base increases and/or salary supplements** will occur via electronic worksheets (See UMHS Salary Program Worksheet Instructions) issued on 7/20/2015.
- **Appointment changes** (including funding changes) may not be processed on program worksheets and will require the use of an appropriate submittal form from Wolverine Access.
- **Split Funding:** When an employee is paid from more than one funding source, the same percentage increase must be given for each funding source. Note: This needs to be coordinated between departments and submitted by the appointing department.

**STAFF FUNDING:**

- Funding for eligible staff must be funded by the department or unit.