Monday, June 13, 2016

TO:      Business Officers and PPS Preparers/Reviewers

FR:      Cynthia Señeriz, Director, Human Resources

RE:      Important Update: Balancing to the Merit Fund Pool

Two important updates are included in this communication that impact the accuracy of the merit fund pool reported in the Cost Summary within the Web Merit application.

1.      A programming error has been discovered in Web Merit that will overestimate the merit fund pool for departments with *active ERIT\*participants*.  The Web Merit incorrectly *adds* the ERIT reduction to the payroll base.  As a result, the totals reported in the Cost Summary under the columns titled “Current Salary Base” and “Merit Allocation” have been overstated by the ERIT reduction.  A total of 31 departments have been identified with an overstatement in their Merit Allocation dollars as reported in Web Merit.  The divisional control points will be provided a list of active ERIT participants and the corresponding excess merit allocation overstatement for each of the impacted departments.

2.      In addition to ensuring that the sum of all salary increases do not exceed the merit fund pool, the control figure for “**Core**” funds *cannot be exceeded*.  The control figure for “Non-Core” funds can be exceeded, however this would require a decrease in the amount of Core funds to be used since the sum of all salary increases cannot exceed the merit fund pool calculation.

EXAMPLE

|  |  |  |  |
| --- | --- | --- | --- |
|   | CORE | NON-CORE | TOTAL |
| Total Department Payroll | 600,000 | 300,000 | 900,000 |
| Merit Control Figure | 3.00% | 3.00% | 3.00% |
| Maximum Dollar Amount | 18,000 | 9,000 | 27,000 |

One additional item to report includes a correction to the Merit Program Administration Instructions.  In instances where the Performance Rating should be entered as “X” (no performance evaluation conducted), an Evaluation Date of “**06/16**” should be entered.  The business rules in Web Merit prevent a future date from being entered.  The original Instructions incorrectly stated “07/16” as the date to be entered.

Additional Questions:

Please contact Amy Arnold, Senior Human Resources Analyst: extension 4068, or email at amy.arnold@hr.ucsb.edu (link sends e-mail)

Reference Links to the HR web site are provided below.

June 2 Memo regarding Merit Program Administration Instructions

<http://www.hr.ucsb.edu/memos/2016/merit-program-administration-instructions-policy-coverednon-represented-staff-fy-20162017>

June 1 Memo regarding Merit Program Guidelines

<http://www.hr.ucsb.edu/memos/2016/merit-program-guidelines-non-represented-policy-covered-staff-fy2016-2017>

\*Employee-Initiated Reduction in Time (ERIT) is a program which provides the opportunity for eligible career staff (except Senior Management Group members) to voluntarily reduce their appointment percentage and corresponding pay.