Deans, Department Heads, Management Services Officers, and Administrative Assistants:

The memo below is being sent to the dlist-l listserv. Thank you for serving as one of the representatives for your department to receive this memo. Please distribute this message to the colleagues in your department.

Thank you.

**********PLEASE GIVE WIDEST DISTRIBUTION**********

July 30, 2018

TO: Campus Community
FR: Cynthia Señeriz, Director, Human Resources
RE: Merit Program Guidelines for Non-Represented (Policy-Covered) Staff (FY 2018-19)

The following guidelines are intended to assist with the implementation of the merit program for non-represented career PSS and MSP staff.

**Eligibility**

Non-represented career PSS and MSP staff are eligible to participate in the merit program if:

1. Appointed to a career position on or before January 2, 2018; and
2. On pay status or approved leave on July 1, 2018 for monthly and bi-weekly paid employees.
3. Transfers from another UC location are eligible assuming no break in service and the above eligibility criteria is met.

Excluded from the merit program are:

- Non-represented PSS and MSP staff in limited, contract, or per diem appointments.
- Student employees in casual-restricted appointments.
- Employees covered under collective bargaining agreements.
- Bi-weekly paid employees who separate from the University, with or without notice, before August 22, 2018.
- Monthly paid employees who separate from the University, with or without notice, before August 31, 2018.

**Effective Date**

- The merit increase is effective retroactively to July 1, 2018 for eligible monthly and bi-weekly paid non-represented staff.
- Merit increases will be reflected in the August 22, 2018 paycheck for bi-weekly paid employees and in the August 31, 2018 paycheck for monthly paid employees, including retroactive pay.

**Performance Evaluations and Ratings**
Every non-represented staff member should be appraised at least annually in writing by the employee’s immediate supervisor. This year’s merit program will require the submission of performance ratings for merit processing, as well as the submission of completed performance evaluation forms for audit purposes. The procedure to submit the completed performance evaluation forms to Human Resources will be included in the Merit Administration Instructions.

**Merit Program Principles**

As announced by UC President Napolitano, this year’s salary program will be merit-based, with any salary increases based on the individual’s performance and contribution. The merit-based approach is also consistent with feedback received from staff in the last Staff Engagement Survey.

- An effective merit program is supported by meaningful and timely performance evaluations in relation to the merit increase effective date.
- The merit fund pool will be calculated at 3% of the payroll base of eligible career non-represented staff\(^i\). The sum of all salary increases must balance to the 3% control figure within each department and division. The fixed budget means that there may be instances where employees rated as Exceeds Expectations or Exceptional will only receive a 3% merit increase because the cumulative total of actual merit increases cannot exceed the merit fund pool allocated to each department and division.
- Across the board increases are not permitted (defined as all eligible staff receiving the same percentage increase regardless of performance rating).
- Merit decisions concerning individuals who have not received a performance evaluation will be made by the VC/EVC of the division.
- Each department/division should use a consistent method in determining individual merit increases.
- Pro-rataion of merit increases is acceptable for situations in which an equity, reclassification, or promotional increase was granted in the prior 12 months, or if hired within the past 12 months.
- Eligible non-represented staff should be informed of their merit increase after final approval by the divisional control points.
- The maximum permissible merit increase is capped at 5.0 percent. All recommended salaries must fall within the salary range minimums and maximums.
- The merit matrix shown below is a suggested approach in allocating merit increases. Each division has the flexibility to administer their internal process in the manner that is most effective for them.

<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Consistently Below Expectations</th>
<th>Improvement Needed</th>
<th>Fully Meets Expectations/Solid Performance</th>
<th>Exceeds Expectations</th>
<th>Exceptional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase %</td>
<td>0% - 1%</td>
<td>2% - 3%</td>
<td>3% - 5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Salary Ranges**

The new Career Tracks salary grade ranges, implemented effective May 1, 2018, remain in effect for FY 2018-19. Legacy PSS and MSP salary grade ranges remain in effect for positions that have not transitioned to Career Tracks.
**Funding**
The department is responsible for covering the merit increase for eligible non-core funded positions. The fund source(s) used for the merit increase should be the same fund source(s) from which the employee is paid. Specific questions concerning funding for the merit program should be directed to Sandra Perez, Assistant Budget Director (email at sandra.perez@ucsb.edu or phone extension 4052).

**Balancing to the Merit Fund Pool**
In addition to ensuring the sum of all salary increases does not exceed the merit fund pool, the 3% 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 3% merit fund pool calculation.

**Approvals**
Merit increase recommendations require the approval of the appropriate next higher level authority to the manager/supervisor of the employee receiving the merit increase.

**Merit Administration Instructions**
Specific instructions for web merit processing, including timelines, will be communicated separately via the PPS Listserv by Tuesday, July 31st.

**Web Resources**
- Merit Program (Guidelines, FAQs, Campus communications) - [https://www.hr.ucsb.edu/compensation/salary-increase-programs/merit-program-policy-covered](https://www.hr.ucsb.edu/compensation/salary-increase-programs/merit-program-policy-covered)
- Performance Evaluations - [https://www.hr.ucsb.edu/managers-supervisors/performance-evaluations](https://www.hr.ucsb.edu/managers-supervisors/performance-evaluations)

**Contacts**
If you have questions regarding the merit program guidelines, please contact:
- Amy Arnold, Senior Human Resources Analyst, extension 4068, or email at amy.arnold@hr.ucsb.edu
- Kathy Moore, Compensation Manager, extension 7137, or email at kathy.moore@hr.ucsb.edu

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**i** Non-represented career staff includes individuals whose career appointment is in the Professional and Support Staff (PSS) personnel program and the Managers and Senior Professionals (MSP) personnel program. Additional policies may apply if total cash compensation exceeds the Indexed Compensation Level (ICL) established by the Office of the President. Eligibility of SMG members are subject to applicable SMG policies and guidelines issued by the Office of the President.

**ii** The campus Web Merit System will calculate the available merit fund pool by division/department and display it within the Web Merit system. Additional information will be available in the Merit Administration Instructions that will be distributed under separate cover.