

University of Wisconsin-Eau Claire
University of Wisconsin-Eau Claire – Barron County
University Staff Policy: Comprehensive Pay Plan for 2019-2021
Approved by University Staff Council 03/19/2019
Based upon UPS Operational Policy TC4

Participation

The following policies apply to all University Staff, with the following exceptions:

- University Staff in out-of-pay-status will be eligible for salary adjustment only upon return-to-pay-status.
- University Staff represented by collective bargaining will be compensated according to their respective agreements; this pay plan is not applicable.

All policies apply only to funds remaining after any minimum guidelines mandated by the State of Wisconsin or Board of Regents are distributed.

Base Salary Adjustments from the University Staff Pay Plan

Salary adjustments will be distributed following any guidelines issued by the Board of Regents. If the Board of Regents awards any amount above 1%, the Comprehensive Pay Plan is enacted. If the award is 1% or less, typically the amount will be distributed equally across the board for anyone with an overall salary rating of “meets expectations” or higher (see Table 3).

Table 1 indicates the distribution percentages under each UW-Eau Claire category assuming the Comprehensive Pay Plan is enacted. The total pool of salary adjustment dollars is distributed based on performance (85%), and at the Chancellor’s discretion as the *Chancellor’s Discretionary Fund* for special compensation needs (15%). The Chancellor shall strive to ensure equity across all employee categories, including University Staff. The performance portion is distributed based on the individual employee’s salary rating, as assigned by their immediate supervisor, according to the guidelines described in the section titled Performance Salary Adjustments.

Table 1. Distribution of University Staff Salary Adjustment Funds

<i>Discretionary Pool</i>	<i>Performance Pool</i>	
Equity/Merit	Merit	Solid Performance
15%	40%	45%

Performance Salary Adjustments

Each immediate supervisor shall distribute to his/her supervisee(s) a pool of salary adjustment dollars (hereafter called the *performance pool*) equal to (85%) of the pay plan increase generated by the base salaries of eligible supervised University Staff. For purposes of performance pool distribution, the definition of immediate supervisor and immediate supervisees is shown in Table 2:

Table 2. Definition of Supervisory Reporting Structure

Immediate Supervisor	Immediate Supervisees
Department Chair(s)	All university staff of the department
Unit Director(s)	All university staff of the unit
College Dean(s)	All university staff of the college or those who report to the Dean
Division Head	All university staff who report to the respective Division Vice Chancellor or equivalent
Chancellor	All university staff who report to the Chancellor

The immediate supervisor, in consultation with other levels of intradepartmental supervision and the affected University Staff, shall define the criteria for each salary rating and may choose to refine the scale, shown in Table 3, by adding additional levels within each rating (i.e., 3.1, 3.2, up to a maximum of 4.0). Once this is completed, supervisors are responsible for submitting their recommendations up through their reporting structure, shown in Table 2.

Each subsequent supervisor is responsible for reviewing, then either accepting, modifying, or denying, then forwarding the entire list of recommendations received (including any supporting materials submitted) to the next level of supervision. Each supervisor may add additional recommendations, as deemed appropriate. Each supervisor may attach additional information to the recommendation form as necessary to support their ratings and recommendations.

The salary rating (not the actual salary increase amount), along with any documentation supporting this rating, shall be shared with the staff member at least five business days prior to submission to the next higher level of administration. During this time, the staff member may request a meeting with the immediate supervisor to appeal his/her salary rating and to review his/her salary rating relative to the other ratings (without names) assigned by the immediate supervisor. In the event that the immediate supervisor and the staff member cannot reach an agreement on an appropriate salary rating, the next higher supervisor shall meet with both the immediate supervisor and the staff member to arbitrate the disagreement. The decision of this arbitrating supervisor is final subject to the authority of the next level supervisor.

Since the salary rating is influenced, in part, on the performance appraisal process, employees are encouraged to bring any concerns over their performance appraisal during the actual review process. Employees who need assistance broaching this subject with their supervisor(s) may contact Human Resources.

Table 3. Salary Rating Scale

Rating	Meaning	Eligible for:
3.0 - 4.0	Outstanding Employee considerably and consistently surpasses expectations and goals, and achieves beyond regular assignment throughout the performance cycle. Employee demonstrates mastery of the skills and tasks involved and is a role model for others.	Raise and merit
2.0 – 2.9	Exceeding Expectations Employee is fully competent and efficient. Employee regularly meets and sometimes surpasses expectations and goals throughout the performance cycle.	Raise and merit
1.0 - 1.9	Meets Expectations Employee fulfills the requirements of the job. Performs duties in an acceptable manner.	Raise, not merit
0 – 0.9	Unsatisfactory performance Employee is not meeting expectations or goals.	Neither raise nor merit

The Office of the Provost and Vice Chancellor, in conjunction with the Division of Finance and Administration, shall be responsible for development, maintenance, and distribution of the electronic Salary Adjustment Form. In addition, they shall be responsible for the official dissemination of the actual salary adjustment amounts (based on the salary plan increase, the department’s chosen merit salary adjustment model, and the immediate supervisor’s submitted salary ratings).

Merit Adjustments

The department/unit head must select a ratio to use in distributing merit funding using a flat dollar formula, percentage formula, or a combination of the two. For example, a 100/0 ratio indicates that the department/unit wants only the flat dollar formula to be used, a 0/100 ratio indicates that the department/unit wants only the percentage formula to be

used, while a 50/50 ratio indicates that half of the money should be distributed according to the flat dollar formula, and half according to the percentage formula. A 50/50 model is the default unless the department/unit chooses another.

- **Flat Dollar Formula:** Merit portion salary adjustments increase in constant dollar increments with each increase in the salary rating. The exact amount of the constant dollar increase depends on the size of merit salary portion and the number of people receiving each of the salary ratings. The formula calculates the merit pay dollars for employee *I* based on their performance rating, the total merit portion dollars for the department/unit, and the sum of the ratings of all *n* employees in the department/unit.

$$\text{Merit Pay for Employee} = \frac{\text{Merit Dollars for Department/Unit}}{\text{Sum of all Department/Unit Employee Ratings}} \times \text{Employee's Rating}$$

- **Percentage Formula:** Merit portion salary adjustments increase in constant salary percentage increments with each increase in the salary rating. The exact amount of the constant percentage increase depends on the size of the merit salary portion and the number of people receiving each of the salary ratings. The adjustment for employee *i* is calculated using the following formula based on their performance rating, the total merit portion dollars for the department/unit, and the salaries and ratings of all *n* employees in the department/unit.

$$\text{Merit Pay for Employee} = \frac{\text{Merit Dollars for Department/Unit}}{\text{Sum of each Dept./Unit Employee's Rating} \times \text{Salary}} \times \text{Employee's Rating} \times \text{Employee's Salary}$$

- **A 50/50 split** would allocate 50% of the money to be distributed via the Flat Dollar formula, and 50% of the money to be distributed via the Percentage formula. For example, if the same fictional department/unit chose a 50/50 split, then each employee receives 50% of the increase they would have received under the Flat Dollar formula, and 50% of the amount they would have received under the Percentage formula.

For example, shown in Table 4, a fictional department/unit with 3 employees and \$1,000 to distribute, and using the aforementioned formulas, results in the following merit pay increases:

Table 4. Merit Pay Distribution Examples

	Salary Rating (SR)	Annual Base Salary (ABS)	SR x ABS	Merit Pay for Employee:		
				Flat Dollar (FD) <i>\$1,000/9.4*SR</i>	Percentage (P) <i>(\$1,000/\$356,400)*SR*ABS</i>	50/50 <i>(FD+P)*0.5</i>
<i>Employee A</i>	3.2	\$42,000	\$134,400	\$ 340.42	\$ 377.10	\$ 358.76
<i>Employee B</i>	2.2	\$50,000	\$110,000	\$ 234.04	\$ 308.64	\$ 271.34
<i>Employee C</i>	4.0	\$28,000	\$112,000	\$ 425.53	\$ 314.25	\$ 369.89
Totals	9.4		\$356,400			

Chancellor’s Discretionary Fund Adjustment Procedures

Fifteen percent (15%) of the total pay plan increase (see Table 1) shall be distributed to meet special compensation needs such as: to correct internal pay inequity, to reward members of the University Staff for exceptional performance in support of institutional goals, and/or for innovative or collaborative programming.

Assessment of meritorious performance and solid performance for all University Staff shall be based on an annual performance evaluation, which allows supervisory assessment of solid and meritorious performance in their areas of assigned responsibility.

For the purpose of this pay plan, “internal pay inequity” refers to hourly base pay differences within the university, among individuals with comparable job descriptions, that cannot be explained by factors such as classification, education, training, and job performance. This may include both pay compression and pay inversion.

Merit criteria/factors to consider include, but are not limited to: 1) Length or frequency of the outstanding performance; 2) Overall significance or importance of the employee’s work products to the organization; 3) Regularity with which the outstanding performance or unique contribution is demonstrated (e.g., an employee who routinely demonstrates exceptional performance and performs special projects on an ongoing basis, as compared to an employee who completes a one-time special project; 4) Whether the employee has acquired additional competencies (e.g., educational attainment, certifications, etc.), which are both specialized and critical in carrying out the permanent functions of the position.

An employee may only receive an internal equity adjustment if the employee has a rating of “meets expectations” or higher for the current performance evaluation. An employee may only receive a merit adjustment if the employee has a rating of “exceeding expectations” or higher for the current performance evaluation. Employees are excluded from this process if they have received a rating of “unsatisfactory performance” or are on a Performance Improvement Plan for the current performance evaluation.

In the event that a pay plan is approved, all employees must be notified that a salary adjustment process will be underway, and that equity adjustments may be made. Division administrators will distribute to each direct supervisor (department chair or unit director):

1. A list of all employees under their supervision, with current base rate salary information; and
2. A template to be used for submitting a ranked list of equity adjustment recommendations.

Individual employees may request recommendation by their Department Chair or Unit Director, but such an appeal is not necessary in order to be included on the ranked list. Department chairs and unit directors are responsible for submitting a ranked list of discretionary fund adjustment recommendations to their immediate supervisors. The list shall provide a suggested adjustment amount and the type of adjustment for each individual recommended. The list shall include: 1) Inequity - short rationale that describes the internal salary difference being addressed, with appropriate reference to other relevant factors such as rank, education, training, job performance, etc.; 2) Merit - a short rationale that describes an individual’s meritorious performance. These recommendations will be forwarded through successively higher levels of administration. Each administrator may revise adjustment amounts as deemed appropriate, in order to provide rational response to the recommendations made by different supervisors.

Each Division Administrator (Provost, Vice Chancellors, and Chancellor) shall create a complete ranked list of recommendations including all recommendations submitted through the supervisory reporting structure. Based on the funds available and the amount of discretionary fund adjustments requested per division, the top *n* equity recommendations for each division will be recommended for funding.

Salary Distribution Analysis Data

Comprehensive salary data will be furnished to the University Staff Compensation Committee, along with additional salary plan analysis information, to analyze this plan prior to recommending future plans.

Compensation Distribution Plans

The University Staff Compensation Committee will be consulted on the processes and procedures for application and distribution of any compensation plans that are funded entirely by internal university funds. Distribution can either be as lump-sum or base salary adjustments.