2016 Salary Increase Guidelines

General Guidelines

UMKC is committed to a performance-based salary increase process in that it is important to align employee compensation with the level of performance and organizational contributions, and to differentiate exceptional levels of performance from satisfactory ones.

Merit Information

On a university-wide basis, an employee may be considered for a merit increase once a year in accordance with the organizational guidelines established for merit increases. A merit increase occurs when an employee’s base pay is increased based on budget, the employee’s performance and taking into consideration additional factors related to the employee’s compensation.

Departmental supervisors and leaders are responsible for collaborating to determine merit increases for each of their employees. Supervisors should offer feedback on each employee’s merit increase based on an employee’s performance evaluation for the performance period immediately preceding the review period. Supervisors should ensure that increases align with the Compensation Leadership Administration Guidelines. Leaders with questions on how to successfully implement the pay-per-performance model discussed in this handbook may request a consultation by contacting Human Resources prior to communicating with the employee. You can reach the Human Resources office at (816) 235-1621.

It is important to remember that individual performance influences merit pay. Leaders will conduct performance evaluations based on the previous year’s goals and work. It is recommended that departmental leaders hold calibration sessions with their team(s) after evaluations have been completed. These sessions provide a means to compare employees’ relative contributions and how they equate to merit increases. It is anticipated that some staff will be in the unacceptable or improvement expected categories, the majority of employees will be in the successful category; and, some employees in the exceeds expectations or outstanding categories.

Additional Considerations:

Leaders should take into consideration any other salary increases provided during the previous 12 months such as reclassifications, promotions, additional duties, market, equity increases and compa-ratio (where an employee’s salary is within his/her global grade.)

If he/she is on the low end or the high end of the global grade, it may have an impact on the amount of his/her potential merit increase. If the performance is the same for two employees and one is on the low end of their global grade and the other on the high end of their global grade,
then the person on the low end should receive a higher increase than the person on the high end. This helps with internal equity (see glossary).

**FLSA (Fair Labor Standards Act)** - Please note: Currently it is unclear how potential changes and resulting consequences will affect range changes and exempt status over time.

**Eligibility**
All Exempt and Non-Exempt benefit eligible employees are eligible for increases. Variable hour administrative staff who are not benefit eligible are also eligible. Excluded from eligibility are employees with student titles, probationary employees, temporary employees and employees on leave other than FMLA and Military are excluded. This year, Union eligible employees are excluded from performance-based salary increases, however, may be eligible for increases based on salary range changes.

**Effective Date**
Salary increases for monthly paid employees will be effective September 1, 2016 and reflected in the September 30, 2016 paycheck. Increases for bi-weekly paid employees will also be effective August 28, 2016 and reflected in the September 21, 2016 paycheck.

**Funding**
The following are the salary and wage guidelines for the fiscal year 2016-2017. Merit-based salary increases have been budgeted at 2%. Each administrative and academic unit is strongly encouraged to establish a contingency salary pool to cover strategic salary increases which may occur during the 2016-2017 fiscal year. The following are examples of situations in which the contingency salary pool would be utilized:

- **Faculty:** Market increases for tenure-track and tenured faculty who meet a level of satisfactory performance, but fall below market peers as well as Academic progression (e.g., Assistant Professor to Associate Professor) and/or the award of tenure salary increases

- **Staff:** Reclassifications, equity adjustments and counter offers are other examples of HR activities occurring throughout the fiscal year for which the contingency pool would be utilized.

- **Service and Maintenance Staff Increases (union eligible titles):** Pay for service and maintenance staff assigned to the four step salary matrix will be adjusted in accordance with the range movement. Through meet and confer sessions, specific job titles may be reassigned to higher pay grades requiring further pay adjustments. Service or “step” increases will take place following approved schedules per Human Resources Policy HR-208. Wage increases for Service and Maintenance staff (union eligible) will be determined through the annual meet and confer process, expected to conclude in mid-summer 2016 and will be announced following.
**Performance Appraisal**

It is important to communicate with your employees about their performance. We encourage you to share these guidelines with your employees so that they understand the basis for your decisions. The employee’s annual performance review should support the description that best describes the employee’s performance throughout the year.

All performance reviews are to be completed and submitted via myPerformance by July 15, 2016. Information on UMKC’s Administrative employee performance appraisal plan including the timeline, can be found on the HR website: [http://info.umkc.edu/hr/talent-management/myperformance](http://info.umkc.edu/hr/talent-management/myperformance)

**Salary Recommendations for Exempt and Non-Exempt Staff**

The chart below is a guide to assist leaders in determining merit increases based on performance. The chart reflects recommended guidelines for employees receiving performance appraisal ratings within a range.

The merit increase guideline is 0% to 5%. In addition to employee performance during the last review period, as indicated above, managers should also take into consideration other salary increases provided in the previous 12 months.

It is also important to remember that all allotted increases need to be maintained within your unit’s budget.

Salary increases should not be communicated to employees until departmental/division calibration has taken place and increases have been approved by division leadership and university leadership.

The following Salary Increase Guidelines are provided to assist with determining appropriate merit increases for Administrative Staff. In addition to the performance factor other contributing factors that should be taken into consideration include: length of service, internal equity and strategic priorities of the unit.
<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Recommended Increase</th>
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<tbody>
<tr>
<td>4.0 – 5.0</td>
<td>Employees receiving this overall performance rating may receive the highest increases and that are in the upper end of the range. Recommended range: 2.5% plus</td>
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| Exceeds Expectations or Outstanding | - Employees with this overall performance rating may receive more than 2.5% as long as the department has the appropriate funding for this increase.  
- Increases greater than 5% must be accompanied by a written explanation, and must be approved by the appropriate Senior Division Head; and the Provost (for all academic positions) or the Chancellor. |
| 3.0 – 3.99         | Employees with this overall performance rating may receive increases that are in the middle to high end of the range. Recommended range: 1.5 – 2.5%. |
| Successful         |                      |
| 2.0 – 2.99         | Employees with this overall performance rating may receive increases that are in the middle to lower end of the range. Recommended range: 1 – 2%. |
| Improvement Expected |                    |
| 0-1.99             | It is recommended that employees with overall performance ratings in this range not receive a salary increase. *If you have an employee whose performance is unacceptable, please discuss this with a Human Resources Representative.*  
- A recommendation for no increase must be accompanied by a development plan and an established timeframe for follow up. |
| Unacceptable       |                      |
Glossary

**Base Pay:** The fixed compensation rate paid to an employee for performing specific duties. It does not include extra pay such as shift premium, call pay and overtime.

**Compa-Ratio:** A calculation used to reference how an employee’s salary relates to the salary range. The calculation is: (Salary/Midpoint). A result of less than 1.0 indicates that the salary is less than midpoint and more than 1.0 indicates that the salary is greater than the midpoint. It is a useful gauge for leadership in assessing experience versus salary level, magnitude of salary adjustment, etc.

**Compensation Administration Guidelines:** A document to provide information to assist Human Resources and university leaders in setting and administering employee compensation. It is available as a PDF [https://www.umsystem.edu/totalrewards/compensation/compensation_resources_for_managers](https://www.umsystem.edu/totalrewards/compensation/compensation_resources_for_managers)

**Global Grade:** The level of a job and associated salary range, established as a result of having gone through the job evaluation process.

**Internal Equity:** The relative relationship of employee’s salaries to one another within like positions, based upon experience, performance, etc.

**Salary Range Maximum:** The highest level of pay for a position within the university’s pay grade for an employee whose performance consistently exceeds most position requirements.

**Salary Range Midpoint:** The middle point between the minimum and maximum of the salary range/grade. This value typically represents the market value or “going rate” for an experienced individual in the position.

**Salary Range Minimum:** The rate paid to an employee who possesses the minimum qualification of the position and who is expected to be able to perform the basic duties and responsibilities of the position.