

## General FAQs

### 1. What is performance-based merit pay?

In a performance-based merit pay program, salary increases are differentiated based on performance rather than distributed equally as an across-the-board increase. An employee's performance is evaluated over a period of time (typically twelve months) and then a merit award is determined based on the employee's performance contributions during that period.

### 2. Why does UCI base merit pay on performance?

In July 2015, President Napolitano announced that all UC campuses and locations will be required to implement a merit-based pay for performance model for non-represented employees beginning in fiscal year 2016-2017. Rewarding high performers improves organizational performance, increases employee engagement, and lays the foundation for effective workforce planning and talent management. In addition, performance-based pay is the most widely used base pay program in organizations today. According to a study conducted by WorldatWork in June 2015, 92% of the 1,421 organizations that participated in the study use performance-based pay increases (merit increases).

### 3. Who is eligible for a merit increase?

To be eligible for a 2017/18 merit increase, an employee must meet the following criteria:

- Hold a non-represented career or partial year career appointment as of July 1, 2017
- Completed the probationary period by July 1, 2017
- Be on active status (or on approved leave) on July 1, 2017
- Have a merit level of "On Target Performer" or above
- Serve as a contract employee whose contract allows for a merit increase

### 4. Last year, the FAQs stated that in 2017 employees would also be required to be on active status (or on approved leave) on the applicable payout date to be eligible for a merit increase. Is that still the case?

No, that eligibility criteria has been eliminated.

### 5. What if an employee is on an approved leave on July 1, 2017 and they receive a merit increase? When will the employee's increase be effective?

The employee's merit increase will be effective the day they return from leave.

### 6. Do MSP employees have to be hired by a particular date in order to be eligible for the merit increase?

No, however they must meet the eligibility criteria outlined in Question 3. MSPs do not serve probation, therefore, the criteria regarding completion of probation period does not apply.

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### **7. Will the performance evaluation form or effective date change for the July 1, 2017 merits?**

No, there will be no change to the performance evaluation form or effective date for merits this year; however, the performance cycle for non-represented staff at the campus and for some at Health Sciences will be truncated (or shortened). This year, the performance cycle will go from July 1, 2016 through March 30, 2017 rather than June 30, 2017. This will allow performance evaluations to be completed before merit awards are determined.

### **8. How is performance linked to merit?**

Managers/Supervisors will use the UCI merit criteria to assess employee performance and accomplishments demonstrated during the merit period (July 1, 2016 through March 30, 2017) and determine employee merit levels. There are three merit levels: above target performer, on target performer or below target performer.

### **9. How will the merit increase amount be determined?**

Once the manager or supervisor determines the employee's merit level, a merit award will be determined. Above target performers will receive increases between 3.0% and 6.0% of current salary. On target performers will receive increases between 1.5% and 2.9% of current salary. Below target performers will not receive an increase. The amount of the merit award will vary according to the employee's performance contributions and the available budget. The merit program is dependent on available funding. Our program is supported by a limited budget provided by the campus/medical center and individual schools and departments. Every organization will be operating with the same percent merit budget allocation. The fixed budget means that the actual merit increases will also be limited. The total of all employee increases within a department cannot exceed that organization's allocated budget.

### **10. What are UCI Merit Criteria?**

To increase transparency and help employees understand what leaders, managers, and supervisors will use to determine merit levels, UCI has developed consistent, performance-based merit criteria and level guides for eligible non-represented staff. There are two guides: one for individual contributors who do not supervise staff, and one for people managers who do supervise staff. There are four merit criteria which include Job Mastery, Goal Accomplishment, Enterprise Contributor and Innovation. For more information, go to [hr.uci.edu/partnership/merit](http://hr.uci.edu/partnership/merit).

### **11. How will consistency be achieved?**

To ensure consistency in the application of the merit program across the UCI enterprise, calibration meetings will be required. School/Division/Department leaders or their designees will meet with their respective management teams to calibrate employee merit levels and merit awards within their respective organizations. Calibration meetings will ensure consistency in the distribution of merit increases, ensure total distribution equals allocated budget amount, and ensure leadership

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support. HR will also review the distribution spreadsheets to ensure compliance with merit guidelines.

### **12. Does UCI use forced distribution to determine merit levels?**

No, UCI does not use the method of forced distribution to determine merit levels. With forced distribution, managers would be required to force a certain percentage of employees into each of the three merit levels rather than determining merit levels freely based on performance contributions. As mentioned in Questions 8 and 9, managers are required only to use performance-based merit criteria and adhere to their allocated budgets when determining employee merit levels.

### **13. Why do schools/divisions/departments distribute merit awards differently?**

UCI is a very large and complex organization with three distinct business units - campus, health sciences and medical center. We unite all UCI employees under one merit program with one set of merit guidelines; however, within those merit guidelines, we allow schools/divisions/departments to determine how best to distribute merit awards to support their unique needs. For example, one department may choose to use the entire range of merit guidelines for each merit level while another may choose to use a sub-section of the merit guidelines for each merit level.

### **14. Are the merit awards competitive with market?**

Yes, according to the 2016-2017 Salary Budget Survey conducted by Culpepper and Associates and the 2016-17 WorldatWork Salary Budget Survey, the 2017 projected average base increase for the Los Angeles-Long Beach area is 3%.

### **15. The merit award I received was less than the 3% fund amount, does that mean I received less than “cost of living”?**

A cost of living (COL) adjustment is the amount needed to sustain a certain level of living. One indicator of this is the change in price level of consumer goods and services as measured by the Consumer Price Index (CPI). The annual average percent change in CPI over the past twelve months for the Los Angeles-Riverside-Orange County area was 1.9%. This means that any employee who receives at least a 1.9% merit increase in July 2017 will sustain their level of living.

### **16. Will any other factor be considered other than performance?**

No, merit increase guidelines will be based on performance only as opposed to performance and/or position in range, seniority, time in classification, etc. The entire fund will be used to reward employee performance rather than attempt to address equity, compression or market lags.

### **17. When will managers/supervisors discuss merit distribution with their employees?**

In mid-June, after HR has reviewed the proposed increases and executive leadership has approved them, managers and supervisors will meet with their employees to discuss merit distribution.

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**18. Will schools/divisions/departments be able to supplement their allocated merit funds with additional funds?**

No, each school/division/department will work with the same percent merit budget allocation.

**19. Will employees receive evaluations for their 2016/17 performance?**

Yes, performance evaluations will be completed in accordance with local requirements and timeline.

**20. Will training resources be available for merit 2017?**

Yes, multiple training videos will be available for employees, supervisors and managers. In addition, local HR departments at campus, Health Sciences and the medical center will offer in-person training and reach out to departments to provide customized training as requested. Go to [hr.uci.edu/partnership/merit](http://hr.uci.edu/partnership/merit) for information regarding training videos and scheduled training sessions.

**21. Will pay ranges be adjusted in July 2017?**

No, UCI HR is conducting a salary study to determine the position of pay ranges relative to market and will evaluate whether adjustments need to be made to UCI pay ranges. Adjustments to pay ranges, if any, will not be made until after July 2017.

**22. What if my salary is at the pay range maximum?**

If an employee with a salary at or near pay range maximum receives a merit increase, his/her salary will be increased to no higher than the pay range maximum and then the portion of the merit increase that exceeds pay range maximum will be paid out as a one-time lump sum payment.

**23. When will merit increases be effective? When will they be paid out?**

Increases for monthly paid non-represented employees will be effective July 1, 2017 and paid out starting with August 1, 2017 paychecks. Increases for bi-weekly paid non-represented employees will be effective June 18, 2017, and paid out starting with July 12, 2017 paycheck.

**24. Where can I go for more information on the merit model?**

Additional information, training resources, FAQs and tools can be found at [hr.uci.edu/partnership/merit](http://hr.uci.edu/partnership/merit).

**25. What if I have questions regarding information contained in the FAQs or any other resource?**

Questions regarding FAQs and any other tools or resources can be submitted at [hr.uci.edu/partnership/merit](http://hr.uci.edu/partnership/merit).

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### **26. Are there any mechanisms for feedback?**

Yes, employees will have several opportunities to provide feedback.

- Employees can submit concerns and feedback regarding the merit program to [merit@uci.edu](mailto:merit@uci.edu)
- An online survey will be conducted 30 days after implementation
- Focus groups will be conducted 60 days after implementation

### **27. Will there be an appeal process for merit increases?**

No, there is no appeal process for merit increases. Determining merit increase amounts is a management responsibility. In addition, the merit increase fund is a limited resource. Once all of the increases are reviewed, calibrated and approved by the organization and submitted to HR, no additional funds remain from which to make changes.

### **28. Who should an employee contact with concerns?**

Employees should go to their immediate manager/supervisor with questions or concerns.

### **29. What if an employee has a concern that their manager/supervisor could not address?**

Employees should contact their Campus HR Business Partner [\[link\]](#), Health Sciences HR Consultant [\[link\]](#) or Medical Center HR Business Partner [\[link\]](#).

### **30. How will merit be distributed next year?**

It is anticipated that merits will be distributed next year the same way they are distributed this year, subject to funding availability and program approval; however, a new performance management program will be implemented in 2017 for non-represented employees. Information regarding the new program will be released in May 2017.