

TO: Andrew Leavitt, Chancellor

FROM: John Koker, Provost and Vice Chancellor *JK*

DATE: December 9, 2019

RE: UWS Merit Pay Policy

On the recommendations of the Faculty Senate, Senate of Academic Staff, University Staff Senate, and Oshkosh Student Association Senate, I am recommending your approval of the UWS Merit Pay Policy.

I have attached the policy for your review. Please contact me if you have questions regarding the proposal.

JK/eh

Attachment

Approve

Do not approve

*Ch/Leavitt*  
\_\_\_\_\_  
Signature

*12/17/2019*  
\_\_\_\_\_  
Date

**OFFICE OF THE PROVOST AND VICE CHANCELLOR**

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**The University of Wisconsin System**  
**UPS OPERATIONAL POLICY: 1277 APPENDIX 2**



**SUBJECT: MERIT PAY**

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**Original Issuance Date:** July 22, 2019 [DRAFT]  
**Last Revision Date:**

**1. PURPOSE:**

The purpose of this policy is to provide minimum requirements for salary increases, specifically for merit, outside of the State of Wisconsin pay plan. This guideline outlines minimum standards and required documentation for merit increases in order to promote consistent and transparent compensation practices within the UW System.

UW System Operational Policy SYS 1278 (formerly TC4).

**2. BACKGROUND:**

This policy establishes merit guidelines for university staff, academic staff, faculty, and limited appointees who are eligible for compensation changes for meritorious performance in accordance with UW System Operational Policy SYS 1277 (formerly TC 3). Merit criteria/factors to consider include but are not limited to:

- Length or frequency of outstanding performance
- Overall significance or importance of the employee's work products to the organization.
- 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)
- 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

Institutions may consider additional factors for the award of merit increases as long as such factors are pre-approved; based on the needs of the department and/or campus community; funding is available and has the approval of the appropriate chancellor [designee] and/or president.

**3. ELIBIBILITY CRITERIA:**

**1. Minimum Eligibility Requirements:**

- a. Employees must be continuously employed by the institution position for at least twelve months prior to the effective date of the merit increase.
- b. Employees must have completed mandatory training and required requests for information, if applicable, necessary for institution compliance (not limited to Executive Order 54 training and Outside Activity Reporting).
- c. Employees who are supervisors must have completed performance reviews for all their subordinates by scheduled timelines for the fiscal year.

- d. Employees must have a current performance review documented and on file in Human Resources with a rating equivalent to performance being above expectation.
2. **Employees Ineligible for Merit:**
    - a. Employees who have begun a new appointment within 6 months of the request and/or are on probationary period.
    - b. Employees currently under a performance improvement plan.
    - c. Employees who have received a promotion or other salary adjustment within the preceding 6 months from the request.
    - d. Employees who have received merit increase outside of pay plan in two consecutive years.
    - e. Employees in the following classifications are ineligible for merit increases:
      1. Ad hoc employees
      2. Interns
      3. Interim, acting appointments, or employees with temporary base adjustments
      4. Graduate assistants and fellows
      5. Student Hourly Staff
      6. Employees on an approved leave of absence
      7. Temporary employees
4. **Lump Sum or Base Building Salary Increase**
    1. An institution can provide an employee with either a base building increase salary or a one-time lump sum to recognize merit, as deemed appropriate by the institution.
    2. A merit increase cannot be used to exceed the maximum salary of the range, including an Extraordinary Salary Range (ESR). Employees at or near the maximum of the pay range may receive a merit distribution via a lump sum payment.
5. **REQUIRED DOCUMENTATION:**

Each institution shall adopt a policy that outlines the process for approving merit pay increases. At a minimum the policy must define:

    1. Meritorious performance for the Institution which, at a minimum, includes the factors noted in Section 2: Background.
    2. Required documentation to substantiate the merit increase, which may include either a performance evaluation within the past 12 months or other documentation specified in a written policy, and/or evidence that supports the recognition.
6. **POLICY HISTORY:**

Reviewed by

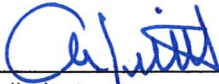
**HR – Presented Policy from System**  
**USP Operational Policy- 12777 – Appendix 2 -**  
**Merit Pay**

**1. USP Operational Policy – 1277-Appendix 2 – Merit Pay**

**2. REVISION HISTORY**

|                   |                                    |
|-------------------|------------------------------------|
| <b>10/22/2019</b> | Faculty Senate                     |
| <b>10/24/2019</b> | Senate of Academic Staff           |
| <b>10/23/2019</b> | Oshkosh Student Association Senate |
| <b>11/13/2019</b> | University Staff Senate            |

**3. CHANCELLOR'S APPROVAL**

  
\_\_\_\_\_  
Chancellor's Signature

12/17/2019  
Date