Memorandum

Date       June 28, 2013
To         Deans, Department Heads, Directors and Administrators
From       Kathleen Cheng, Manager, Compensation
Subject    2013 Performance-Based Merit Pay Program

About the UBC Merit Pay Program

The University’s performance-based Merit Pay program recognizes and rewards meritorious performance. The following employee groups are eligible for this program:
- Management & Professional,
- Executive Administrative staff (i.e., excluded clerical),
- Farmworkers, and
- Non-union Technicians and Research Assistants.

This program is designed to provide a tool to move employees who have demonstrated above average performance from the midpoint toward the maximum of their salary ranges.

Important Considerations

- Faculty/department participation in the merit program is a requirement and not optional. Consistent commitment to the program helps ensure its integrity, as well as the University’s ability to retain and recruit outstanding staff.
- Staff members should be evaluated on the basis of their meritorious performance, and not other factors such as equity and market pressures. This focus on performance helps to reinforce the purpose of the program – recognition and reinforcement of outstanding performance.
- It is important that managers communicate with staff who are eligible for merit increases, whether they are awarded 0%, 3%, or something in between. This is an excellent opportunity to discuss the staff member’s performance and development, and is a key element of the Merit Pay program.
- Staff who are in job exchange and secondment situations are generally eligible for the merit program, and HR will review the situation on a case by case basis with Faculties and Departments to determine eligibility.

Eligibility Criteria

Staff are eligible for merit increases, effective July 1, 2013 if, as of June 30, 2012:
- They were at the midpoint of their salary range or above, and
- They had completed their probationary period.

Staff members who are currently at the maximum of their salary ranges are not eligible for ongoing salary increases. However, these employees can still be rewarded within the merit scale for meritorious performance through a one-time merit payment, extra vacation time, or professional development opportunities.
Performance reviews should be conducted for staff members on an annual basis, and are required to support performance based Merit Pay decisions. Reviews may be conducted for all staff members at a single point in time each year, or they may be staggered throughout the year as staff members reach their anniversary dates. The Organizational Development & Learning unit of Human Resources offers a performance evaluation tool that may assist in conducting performance reviews: http://www.hr.ubc.ca/administrators/performance-development/.

Note that due to the current government compensation freeze, excluded management and professional staff are not eligible for merit increases at this time.

Funding

This is a reminder that Faculties/Departments at the Vancouver campus are required to fund the implementation of the 2013 Merit Pay program from existing budgets regardless of funding source.

The Okanagan campus will fund merit increases for eligible GPO positions at an average of 2% for the 2013 Merit Pay program. The allocations have been loaded into departmental GPO funding as of April 1, 2013, and units will be responsible for any differences between actual merit pay and the funding allocation provided. For future Merit Pay programs (2014 and beyond) it is anticipated that Faculties/Departments at the Okanagan campus will be required to fund implementation of the merit program from existing budgets. Okanagan budget questions can be directed to Amy Hobbs (250-807-8103) or amy.hobbs@ubc.ca.

Points to Remember

1. The midpoint of a job range signifies that the staff member is performing fully in the job. Merit is for salary increases above the midpoint, so “meeting the job requirements” is 0% on the merit rating scale. Staff members must demonstrate above average, excellent, or extraordinary (role model) performance in order to receive 1%, 2%, or 3% merit increases:

   0% - Meets job requirements
   Up to 1% - demonstrates above average performance
   Over 1% and up to 2% - demonstrates excellent performance
   Over 2% and up to 3% - demonstrates extraordinary performance (role model)

   Additional information can be found on the following web page: http://www.hr.ubc.ca/compensation/salary-administration/salary-progression/merit-pay/.

2. The guideline for awarded Merit continues to be an average of 2% of eligible salaries. However, this may vary up or down depending on a unit’s staff performance during the merit period. No individual’s merit increase should exceed 3%. As in past years, the Compensation Team will review faculty/department results and follow up as required.

3. Merit paperwork, such as the departmental spreadsheet should be submitted to Human Resources, and the Staff Appointment Forms should be submitted to Payroll. Payroll will then require time to process the merit payments. For example, if you submit Staff Appointment Forms to Payroll by August 14, 2013, then merit payments will likely appear on staff members’ August 31, 2013 pay cheques.
4. If your department used July 1st as the implementation date for Merit, then you can continue to use this date. If your department uses the anniversary date of staff members, or the department’s business year, then the effective date should fall between July 1, 2013 and June 30, 2014.

5. In some cases staff members have dual departmental reporting relationships. While this complicates the performance evaluation, consultation across departments is important in order to ensure that there is a common understanding of performance criteria, and that a consistent framework is used to evaluate performance.

6. It is most common to award merit increases through an increase to staff members’ base salary. However, another option is to offer an alternative, such as a one-time bonus, extra vacation, or professional development.

7. It’s a good practice to keep your staff notified. Payroll is often contacted directly with inquiries about Merit increases when Administrators are a better source of information about merit results and the reasons for them. With the employee self-service web application, Merit increases can be viewed online once the Merit paperwork has been processed by Payroll (http://www.msp.ubc.ca). When possible, encourage your staff to use the self-service web application to view their pay cheques online.

Instructions and Attachments

Attached to this memo is a spreadsheet of the staff members in your department/faculty who are eligible for the 2013 Merit Pay program.

There are a number of factors that may result in a staff member being excluded from your department spreadsheet. Inquiries about your spreadsheet can be directed to Joyce Wei at 604-822-8665 or joyce.wei@ubc.ca.

Please visit the Merit web page for merit related information:
http://www.hr.ubc.ca/compensation/salary-administration/salary-progression/merit-pay/
Here you will find the following resources:
• Instructions for completing your Department Spreadsheet
• Step-by-Step Instructions for implementing Merit
• Merit FAQs

Thank you.

cc: HR Advisors/HR Associates
Compensation Consultants/Associates
Joanne Young, Payroll Manager, Payment & Procurement Services - Payroll
Amy Hobbs, Financial Analyst, Finance - UBC Okanagan

Attachments: Department Spreadsheet of Eligible Employees