



Date: August 12, 2014

To: Deans, Department Heads, Directors and Administrators

From: Kathleen Cheng, Manager, Compensation

Re: 2014 Performance-Based Merit Pay Program

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### **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, 2014 if, as of June 30, 2013:



- 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 both the Vancouver campus and the Okanagan campus are required to fund the implementation of the 2014 Merit Pay program from existing budgets regardless of funding source.

Okanagan funding questions can be directed to Amy Hobbs (250-807-8103 or [amy.hobbs@ubc.ca](mailto: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/ePAFs 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 September 12, 2014, then merit payments will likely appear on staff members' September 30, 2014 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, 2014 and June 30, 2015.
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 is 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.
8. There will be the 4th and final phase of the M&P Compensation Review implemented effective December 1, 2014. It is important to have your 2014 merit completed by October 31, 2014 to avoid delay.

### **Instructions and Attachments**

The spreadsheet(s) of the staff members in your faculty/department who are eligible for the 2014 Merit Pay program will be distributed to faculty/department contacts through UBC Workspace, a



cloud-based file sharing system (<http://workspace.ubc.ca>). If you have difficulties accessing the spreadsheets, please contact Alex Brand (604-822-3101 or [alex.brand@ubc.ca](mailto:alex.brand@ubc.ca)).

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 604-822-6865 or [joyce.wei@ubc.ca](mailto: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  
Wade Noseworthy, Payroll Supervisor, Payment & Procurement Services  
Amy Hobbs, Financial Analyst, Finance - UBC Okanagan

Attachments: Department Spreadsheet of Eligible Employees