



# Annual Merit Compensation Process FY12 Administrative Procedures

## I. GENERAL INFORMATION FOR FACULTY AND STAFF INCREASES:

FY12 salary increases become effective on September 25, 2011 for biweekly employees and October 1, 2011 for monthly employees.

At the close of the Annual Merit Compensation Process, please communicate salary increases in writing to all faculty and staff.

1. **General Salary Increases: To be effective on the agreed upon date**, all annual rate increases associated with the FY12 salary increase process must be entered into the salary planning pages by August 29, 2011.

### **PLEASE NOTE:**

**Faculty and staff annual rate increases in excess of 10% must be submitted to OAA for approval.**

**Approved exceptions should be listed on the “AMCP Increase Exception Request Listing” for OHR to verify with OAA prior to running aggregate reports. The form is available at**

**[hr.osu.edu/comp/amcpformincreaseexception.pdf](http://hr.osu.edu/comp/amcpformincreaseexception.pdf). All employees listed as an exception must have at least 2% of their salary included as merit (Code A) in this year’s AMCP.**

**All contractual cash awards must also be listed on the form for verification. All other cash awards do not need approval, but must be included in the aggregate.**

**Any faculty or staff member receiving a zero salary increase due to performance or market position must be notified in writing with supporting rationale. There is no need to include them on the exception form, but OHR will provide a list to the Provost for review.**

Salary increases are to be distributed in the following manner:

- A. **Annual Rate Increases** – Annual rate increases should be entered into the Annual Merit Compensation Process Salary Plan page using the following codes:

#### Annual Merit (A)

- Users enter increases based on merit that include the concepts of performance, internal and external equity, and impact of the position or team on the mission of the unit and university.
- Used by OHR to bring individuals up to the established minimum of a pay range.
- Every employee who has a salary increase in the other codes listed below, must have at least 2% annual merit in the ‘A’ code.

#### Counter-Offer (W)<sup>1</sup>

- Used to record increases relating to previously approved bona fide counter-offers taking effect on October 1.
- Counter-offers should be administered according to Policy 3.10 Salary Administration.

#### Employment Agreement (X)<sup>1</sup>

- Increases provided in accordance with pre-approved signed contract that clearly defines increase amounts.
- Use of this code should be pre-approved by OAA/OHR with supporting documentation.

#### Major Equity (Z)<sup>1</sup>

- This column is for equity increases above 10% or that cannot be accommodated in the AMCP aggregate and that have been approved by OAA.

<sup>1</sup> Not included in aggregate calculation

- B. Cash Awards** – Cash payments can be used to recognize outstanding performance, retain individuals whose salaries are most significantly behind market or to aid the lowest paid staff to offset healthcare and other fee increases. All non-contractual cash awards must be included in the AMCP aggregate. In cases where individuals have pre-approved, contractual cash awards, at least 2% of the award amount must be entered as part of the individual’s annual merit.

Cash payments should be entered into the Annual Merit Compensation Process Cash Award page in the following manner:

- ◆ Cash payments that are a percentage of an employee’s base salary use the SON code (60121), for both faculty and staff. Use of this code ensures that retirement is withheld in keeping with OPERS and STRS rules.
- ◆ A cash payment that is a flat amount (e.g. \$500.00 use the SNR code (60111); retirement will **not** be withheld.

If you choose to gross up the flat amount, you must contact Payroll Services via the Payroll notice board at [payrolloffice@osu.edu](mailto:payrolloffice@osu.edu).

- 2. Eligibility:** All regular faculty and staff with at least 50% FTE, with the exception of bargaining unit and Medical Center employees, are considered eligible for an annual merit adjustment, regardless of the date of hire or probationary status. Please refer to Section III (5) for more information regarding Classified Civil Service employees who are serving a probationary period.

Colleges/Administrative units may request in writing to Payroll Services that recent hires; individuals who are resigning, retiring, being laid off, or on severance; and staff in probationary status be made ineligible and excluded from the aggregate percent calculation. Each case should be supported by a letter of offer, unit policy, or other communication that the hiring salary is intended to remain constant until some other planned review date. These letters should be retained in your college/office as a part of your FY12 Annual Merit Compensation Process documentation.

Salaries for members of the President’s staff will be determined by the President; salaries for Deans will be determined by the Provost. Funds should be set aside within the planning budgets for these increases. Increases for these individuals will be entered into the Salary Plan pages by Payroll Services.

- 3. Reporting:** The Annual Merit Compensation Process reports can be accessed through the university's reporting tool, eReports Portal at [ereports.osu.edu](http://ereports.osu.edu). Ten Annual Merit Compensation Process reports are available for use throughout the Annual Merit Compensation Process and include pre-run batch, parameterized, and Hyperion reports, many of which are available for export into Excel.

Final salary rosters should be printed from the e-Reports Portal once notified by OHR that the college/unit's salary plan has been approved; a copy of the final roster should be maintained in the college or VP unit.

College/unit salary budget pool summaries will be posted on the Office of Human Resources web site once the process has been completed. Last year’s reporting format will be used, which separately lists faculty and staff increase aggregates.

## II. FACULTY

1. Faculty approved for promotion will receive a 6% salary adjustment from central funds. In addition, they should receive a merit increase from the college equal to the average merit increase distributed in the college, with a minimum of 2%. Payroll Services will enter the 6% promotional increase into the Salary Plan pages at the start of the Annual Merit Compensation Process; Departments/Colleges are responsible for entering the annual merit adjustment increases.
2. Any exceptional situations involving adjustments in excess of 10% must be pre-approved by OAA before being entered into the Salary Plan pages.

3. Faculty who receive the Distinguished Teaching Award or Distinguished Service Award will have their full-time annual salary adjusted by \$1,200 through central funding. Payroll Services will enter the award into the Salary Plan pages at the start of the process.
4. Faculty denied tenure who have completed their 7<sup>th</sup> or other final year of employment must be terminated **effective 7/1/12**. Department/College users should enter termination rows in Job Data in accordance with the deadlines for June payroll processing.

### III. UNCLASSIFIED AND CLASSIFIED CIVIL SERVICE STAFF

1. The salary grade tables (minimums-midpoints-maximums) **will not be adjusted for FY 12**. The tables are as follows:
  - Administrative & Professional
  - Broadbanded Pay Grades
  - Classified Civil Service
  - Professional & Technical

Staff whose rates are below the minimum of their pay range will be brought up to the minimum at the start of the Annual Merit Compensation Process. The increase will be noted on the Salary Plan pages and the “Up To Minimum Report”, SAP155OS which can be accessed through the e-Reports Portal will provide a complete listing of all individuals who have been brought up to the minimum salary grade during this process.

2. Temporary staff whose rates are below the minimum of the pay range, but **not included** in the Annual Merit Compensation Process, will be brought up to the minimum of their pay range effective October 1, 2011. Rows to change the compensation rate will be inserted into the Job Data pages when the Annual Merit Compensation Process annual increase rows are inserted. However, these increases have no impact on the College /VP unit aggregate.
3. Any exceptional situations involving adjustments in excess of 10% must be pre-approved by OAA before being entered into the Salary Plan pages.
4. Staff members who receive the Distinguished Staff Award will have their full-time annual salary adjusted by \$700.00 through central funding. Payroll Services will enter the award into the Salary Plan pages at the start of the process.
5. Classified Civil Service non-bargaining unit staff who are serving a promotional or initial probationary period will be considered *eligible* in the Annual Merit Compensation Process and can receive an annual merit adjustment increase at the discretion of the department. However, departments should be very cautious about giving raises to probationary staff, as it complicates the ability to discharge an employee whose performance is unsatisfactory at the end of the probationary period. The *best practice* is to delay increases, other than those necessary to bring the employee to the new pay range minimum, until the successful completion of probation.
6. Hourly rate increases for Classified Civil Service employees who are members of a bargaining unit will be processed in accordance with the approved bargaining unit contact.

### IV. ADDITIONAL RESOURCES

1. Salary Range Tables for Administrative and Professional, Classified Civil Service, CWA, Broadbanded, and Student titles – [hr.osu.edu/comp/saltable](http://hr.osu.edu/comp/saltable)
2. Pay Schedules – [www.ctlr.ohio-state.edu/pay/pay-calendars.shtm](http://www.ctlr.ohio-state.edu/pay/pay-calendars.shtm)
3. Title Deck – [hr.osu.edu/statistics/titledck](http://hr.osu.edu/statistics/titledck)
4. Annual Merit Compensation Process Manual and related Assist Pages – <https://assist-erp.osu.edu/assisthr89/WebHelp/assisthr89.htm>
5. Provost’s Compensation Guidance Document – [hr.osu.edu/comp/guidance.pdf](http://hr.osu.edu/comp/guidance.pdf)
6. Annual Merit Compensation Process Timeline – [hr.osu.edu/comp/AMCPTimeline.pdf](http://hr.osu.edu/comp/AMCPTimeline.pdf)