



Payroll Services

Office of the Controller
2nd Floor Blankenship Hall
901 Woody Hayes Drive
Columbus, OH 43210

Phone: (614) 292-2311

Fax: (614) 688-3640

E-mail: payrolloffice@osu.edu

MEMORANDUM

To: Senior Fiscal Officers and Senior Human Resource Professionals

From: Tyrome Alexander, Interim Director of Payroll

Date: August 15, 2011

Subject: **2011-12 Annual Merit Compensation Process**

This document is intended as a supplement to the Compensation Guidance document for FY12 distributed by Joseph A. Alutto, Executive Vice President and Provost, on August 5, 2011. It provides specific processing instructions necessary for the planning and administration of salary increases for FY12.

The Provost provided specific guidance on the following items for the FY12 process, many of which are changes from previous years:

- Equity and market adjustments are included in the AMCP;
- All increases to faculty and staff base salaries effective October 1, 2011 must be included in the College/VP unit's AMCP totals;
- A merit pool aggregate total of 2% has been established for each College/VP unit, although units have the option of increasing this total based upon resource availability and Provost approval;
- Increases must be submitted to the Office of Human Resources no later than August 29, 2011;
- The first 2% of salary increases associated with previously approved promotions, counter offers, equity adjustments, contractual bonuses, or incentive agreements must be included in the AMCP aggregate total;
- Treatment of returning graduate associates with equivalent appointments should similarly follow these guidelines. Those who are performing well should receive compensation increases consistent with unit decision rules;
- Requests for any salary adjustments of 10% or more for any reason must be submitted to OAA for approval by August 19, 2011 with a brief rationale. Requests based on market or equity considerations must include relevant market data;
- At the end of the AMCP, the Provost will review a list of all faculty or staff receiving no salary raise. Faculty and staff receiving no raise should be notified in writing and given a rationale for the decision;
- Instances in which market factors or internal equity would require increases in salary of 10% or more are to be identified and submitted to OAA with a brief rationale and market consideration by August 19, 2011. Individuals being considered for such increases must receive at least 2% of the increase from the aggregate AMCP pool;
- Non-contractual bonuses are permitted, but must be included in the 2.0% AMCP aggregate total for the unit;
- Faculty who are appointed or re-appointed into administrative positions may be compensated for additional responsibilities associated with those appointments through administrative attachments and/or quarter off duty salary. Adjustments to the base salary for administrative positions must be included in the AMCP process;

- The 6% centrally-funded increases for faculty who have been promoted to a higher rank are transferred to the colleges directly and are not included in the AMCP total. Such faculty members must receive a minimum 2% base salary raise in the AMCP process.

Provided below is a quick reference of key dates, expectations, and/or items to be considered during the AMCP process:

| Key Dates:¹ | |
|------------------------------------|---|
| August 15 - August 29 ¹ | Annual Merit Compensation Process pages available to users |
| August 19 | Last day to submit salary exceptions to OAA for approval |
| August 29 | Last day to submit Annual Merit Compensation Process information to OHR |

¹ A complete timeline for the AMCP process is attached to this memo.

| Expectations: | |
|----------------------|--|
| A/R Exceptions | Prior approval from OAA is required for any individual increase exceeding 10% (including annual merit, counter-offer, employment agreement, major equity, for overall unit increases greater than 2.05%, and other approved exceptions). |
| Zero Increases | Individuals not receiving a salary increase due to performance or market position must be notified in writing explaining the 0% increase. Although approval is not required, a list of these individuals along with confirmation that each will receive a letter of explanation must be kept in the College/VP Unit. OHR will provide a listing of 0% increases to the Provost for review. |
| Cash Awards | Cash Awards must be part of the AMCP aggregate. |
| Ineligibles | A written request to Payroll Services is required to change an individual's eligibility on the AMCP panels. |

| Contacts: | | |
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| AMCP Procedures | Tyrome Alexander | 8-5605 or Alexander.17@osu.edu |
| Payroll | Kristi Todd | 2-5444 or Todd.22@osu.edu |
| Compensation | Tom Bond | 2-4383 or Bond.5@osu.edu |
| Budget Process | Susan Ballinger | 7-8205 or Ballinger.56@osu.edu |
| AMCP Reports | Ken Orr | 8-4427 or Orr.7@osu.edu |

Attachments: Annual Merit Compensation Process Administrative Procedures
Expanded Annual Merit Compensation Process Timeline

c: Joseph A. Alutto
Susan F. Ballinger
Lori Barreras
Geoffrey S. Chatas
Leslie W. Flesch
Brendan P. Foley
Kathleen McCutcheon
Greta J. Russell
Susan S. Williams
Henry Y. Zheng
Senior Human Resources Professionals
Human Resources Information and Technology Services
Organization and Human Resources Consulting
Payroll Services