ANNUAL
SALARY INCREASE POLICIES AND
PROCEDURES MANUAL

annual increase administration & eligibility
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ANNUAL SALARY INCREASES

policies and procedures overview

This manual is designed to provide guidance on the University annual salary increase policies and procedures.
The annual salary increases provided by the University of Pittsburgh are intended to address:

- Maintenance salary increases for satisfactory performance
- Merit salary increases
- Market and equity adjustments

The annual salary increase guidelines outlined within this manual are intended to assist with processing annual salary increases in accordance with the University policies and procedures.

For step-by-step guidance on how to set up roster security and submit annual salary increases via the online roster, a How to Submit Annual Salary Increases Guide is available online.

WHO CAN RECEIVE AN ANNUAL SALARY INCREASE

The following employees can receive an increase via the online roster:

- Full-time and part-time Staff
  - Excludes: Union and Temporary Employees
- Full-time Faculty and Research Associates
- Part-time tenure, tenure stream, non-tenure stream Faculty
  - Excludes: Single term appointments

HOW TO SUBMIT ANNUAL SALARY INCREASES

Annual salary increases are submitted online through the annual increase roster. If an annual increase cannot be processed online due to an eligibility reason (see STAFF SALARY ADMINISTRATION section, p. 6), it may be processed via the Employee Record (ER).

APPROVALS

All annual increases must be approved by senior leadership. When using the online process, the final rosters cannot be submitted without the necessary senior leadership approvals. If submitting an Employee Record (ER) to process the annual increase, senior leadership signatures must be obtained first. Increases will not be processed without all required approvals present.

IMPORTANT DATES

JULY 1, 2016
Effective date of data extracted from the HR/Payroll system for the online salary increase roster
Effective date of Fiscal Year 2017 salary ranges*
*FY17 ranges are displayed on the roster and can be viewed online: Staff Salary Ranges

JULY 25, 2016
Annual salary increase roster is made available to departments

AUGUST 26, 2016
Final date for RC Administrators to approve salary increase roster and return for final processing

SEPTEMBER 1, 2016
Final rosters must be approved by the Final Approver (Senior Officer representative) by NOON with all records marked Approved

SEPTEMBER 8, 2016
Employee Records are due, complete with all required signatures, in the Compensation Department to ensure processing for September payroll

SEPTEMBER 30, 2016
September payroll is paid. Includes FY17 annual salary and retroactive salary payment for increases effective between July 1 & September 1, 2016
INCREASE POOL
For fiscal year 2017 (FY17) the operating budget approved by the Budget and Executive Committees included a 1.5% salary increase pool.

The 1.5% allocation includes:
- 0.75% for maintenance (Satisfactory Performance)
- 0.5% distributed to the responsibility center (Merit, Market, & Equity)
- 0.25% distributed to the senior officers of the University to address unit-level compensation issues

Note: For FY17, an additional 0.5% increase for salary maintenance has been approved to be awarded to employees who are eligible for the FY17 salary increase process and whose base earnings are $45,000 or less. The salary rosters include this additional 0.5% increase for eligible employees.

RETROACTIVE PAY
Retroactive pay eligibility is based on the effective date of the annual salary increase, not on the processing date. Annual salary increases are effective at the start of the new fiscal year, July 1, 2016, with limited exceptions. The exceptions to this rule include those individuals who are on a Provisional Period, Performance Improvement Plan (PIP), or an Unpaid Leave of Absence between July 1, 2016 and September 14, 2016 and staff on a less than twelve month assignment. For these annual increases, the effective annual increase date is determined based upon return to work or start of the new assignment period (FIGURE 1, p. 8).

Annual increases with an effective date between July 1, 2016 and September 1, 2016 are processed in the September 2016 paycheck. Any retroactive pay for these employees will be calculated appropriately by the Payroll department and included in this paycheck. Those employees with an annual increase effective date later than September 1, 2016 will receive their annual increase in a subsequent paycheck, based on when the increase is processed.

COMMUNICATING INCREASES TO EMPLOYEES
All employees should receive a letter from their department explaining the amount and basis of their annual salary increase. Those whose performance is deemed unsatisfactory should be informed in writing of the specific reasons for that judgment. Should poor performance result in a lower than maintenance annual increase, documentation should be provided to the Compensation Department. To assist with this process, a sample letter is available on the Human Resources website.

Employees have the ability to dispute annual increases. Providing detailed and accurate communications is essential to assist with mitigating these rebuttals.

Note: When communicating increases to employees, emphasis can be placed on the VALUE of an increase, rather than the percentage.
ANNUAL SALARY INCREASE COMPONENTS

MAINTENANCE (SATISFACTORY PERFORMANCE) All University staff members who have maintained satisfactory performance over the prior year are eligible to receive a maintenance salary increase. For FY17, the maintenance increase is 0.75%. Any increase provided in excess of the maintenance amount should be provided to award for exemplary performance or to address equity concerns.

For FY17, the allocation for MERIT & PERFORMANCE and MARKET & EQUITY equals 0.5%.

MERIT & PERFORMANCE If an employee has performed above expectations and received a positive annual performance review, annual salary increases can be used to provide a merit increase to those individuals.

MARKET & EQUITY ADJUSTMENTS In situations where salary inequities exist or market adjustments are necessary, annual salary increases can also be used to address those concerns.

Note: Additional increases for MERIT & PERFORMANCE or for MARKET & EQUITY adjustments must not exceed the salary increase funds available.

MANAGER RESOURCES

ANNUAL SALARY INCREASE POOL: OVERVIEW
Annual salary increases are intended to reward employees for work performance over the prior year (JULY 1, 2015 THROUGH JUNE 30, 2016). All University faculty and staff members who have maintained satisfactory performance over the prior year are eligible to receive an annual salary increase. Staff members who are grant funded and have met satisfactory performance expectations must be provided an annual salary increase in the same manner as University funded positions.

The total annual salary increase pool for FY17 is 1.5%. It is important to note that an annual salary increase pool of 1.5% does not ensure that each employee will receive an annual increase of 1.5%. As a result, it is important to use the increase pool strategically to produce the most impactful outcome. To most effectively utilize the annual salary increase pool, it is recommended that annual salary increases be awarded with consideration of both annual performance reviews and effective budget management.

HELPFUL HINT
The ANNUAL INCREASE POLICY (University of Pittsburgh Policy 07-09-01) can be found online: http://www.cfo.pitt.edu/policies/policy/07/07-09-01.html.
The salary administration guidelines below provide an overview of annual increase policies and procedures and how to process annual increases in each circumstance. Annual increases not processed online must be submitted on an Employee Record.

**Note:** Some situations will require the department to submit a zero percent increase through the online roster. Roster **NO INCREASE REASONS** are documented in the How to Submit Annual Salary Increases Guide. For each guideline below, if applicable, the zero percent increase reasons have been notated. Departments should set aside sufficient funds to cover any increases later in the year, which may result from any of the reasons outlined below.

**LEAVE OF ABSENCE**
A Leave of Absence is any authorized leave from the University for medical or personal reasons and can be either paid or unpaid. Short Term Disability (STD) is considered an Unpaid Leave of Absence for the purposes of calculating annual increases. Staff members who have been on a Leave of Absence at any time on or after July 1, 2016 are eligible to receive an annual increase upon return to Active Assignment. The effective date for the annual salary increase is based upon the date the staff member returns to work (Active Assignment). To determine the effective date, refer to **FIGURE 1** (p. 8).

**Note:** Must be submitted via Employee Record.

No Increase Reason: **LEAVE OF ABSENCE**

**MAXIMUM OF SALARY RANGE**
Staff salaries cannot exceed the maximum of their respective salary range. When determining annual increases for those staff members nearing the maximum of the pay grade, the new annual salary must be at or below the maximum. There are two exceptions to this policy, both of which allow for regular increases under the annual salary increase policy. These exceptions are notated on the annual increase roster.

**GRANDFATHERED** Staff who were authorized for an exception at the time of the SCS implementation on July 1, 1999.

**EXCEPTION** Staff who have been approved for exception status by an Officer of the University and by the Associate Vice Chancellor of the Office of Human Resources.

No Increase Reason: **MAXIMUM OF SALARY RANGE**

**LESS THAN 12 MONTH STAFF**
Staff members who work 8, 9, or 10 months out of the year but are paid over 12 months are eligible for annual salary increases effective at the beginning of the new Assignment Period. Using the first day of the new Assignment Period, reference **FIGURE 1** (p. 8) to determine the effective date of the annual increase.

**MINIMUM OF SALARY RANGE**
All staff salaries must be equal to or greater than the minimum of their respective salary ranges. If a staff member has fallen below the minimum of the salary range due to the movement of the salary ranges, the annual increase must be great enough to bring the staff member up to the minimum of the salary range. FY17 ranges are displayed on the roster and can be viewed online: Staff Salary Ranges.
NEW HIRES
Staff members who are newly hired to the University will appear on the annual increase roster as long as the hire date is earlier than July 1, 2016. Staff members hired later than July 1, 2016 are not eligible to receive an annual increase for FY17. Annual increases for FY17 are intended to reward staff for performance over the prior year (July 1, 2015 – June 30, 2016). If a staff member has not been in the department long enough to establish satisfactory performance, it is acceptable to not award an annual salary increase until FY18 (e.g. staff who have been with the University for less than a quarter of the fiscal year – date of hire April 1, 2016 or later). 1 Staff members who are newly hired may be on a Provisional Period at the time of annual increases. If these individuals have demonstrated satisfactory performance to receive an annual increase, eligibility should be assessed at the end of the Provisional Period, using FIGURE 1 (p. 8) as a reference. 2

1 No Increase Reason: NEW HIRE
2 No Increase Reason: PROVISIONAL PERIOD

PERCENT OF EFFORT CHANGE
Staff members who have a change in Percent of Effort between July 1, 2016 and August 31, 2016 cannot receive annual salary increases via the online roster. Annual increases for these individuals must be submitted on an Employee Record. (Note: Staff members whose change in Percent of Effort occurs September 1st or later can be processed via the online roster). Regardless of the date of Percent of Effort change between July 1st and August 31st, the effective date of the annual increase is July 1, 2016. Retroactive salary payment will be determined by Payroll with appropriate consideration of percent of effort changes.

No Increase Reason: PERCENT EFFORT CHANGE

HELPFUL HINT
For processing instructions, see the
How to Submit
Annual Salary Increases Guide

PROVISIONAL PERIOD
Staff members who are on a provisional status as of July 1, 2016 will be eligible for a salary review of annual increase eligibility upon the successful completion of the provisional period. This review may result in eligibility. A provisional status can result from: (1) New Hire, (2) Transfer to a New Position, or (3) Reclassification. The effective date of the annual increase is determined using FIGURE 1 (pg. 8).

No Increase Reason: PROVISIONAL PERIOD

PERFORMANCE: PERFORMANCE IMPROVEMENT PLAN
Staff members who have not demonstrated satisfactory performance over the prior year may be ineligible for an annual salary increase. A staff member who is on a Performance Improvement Plan (PIP) as of July 1, 2016 may be eligible for an annual salary increase upon successful completion of the PIP. Staff members on a PIP are not eligible for retroactive salary payments. The effective date of the annual increase is determined using FIGURE 1 (pg. 8).

No Increase Reason: PERFORMANCE/PIP
TERMINATED STAFF MEMBERS
Staff members who terminate from the University between July 1, 2016 and August 31, 2016 are not eligible to receive retroactive annual salary increases. Staff members who terminate on or after September 1, 2016 are eligible for a retroactive salary increase.

No Increase Reason: TERMINATION

TRANSFERS: OUT OF, WITHIN, OR INTO A DEPARTMENT
Staff members who transfer out of a department after July 1, 2016 will still be present on the roster in their old department, and should be marked ineligible. ¹ Staff members who transfer within or into a department may be on a Provisional Period at the time of annual increases. Eligibility for these individuals should be assessed at the end of the Provisional Period, per FIGURE 1 (below). ²

¹ No Increase Reason: TRANSFER
² No Increase Reason: PROVISIONAL PERIOD

FIGURE 1: Staff Effective Dates

<table>
<thead>
<tr>
<th>Date: (1) Return to Active Assignment, (2) End of Provisional Period, (3) Start New Assignment Period, or (4) Complete PIP</th>
<th>Salary Increase Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1 - July 14</td>
<td>July 1st</td>
</tr>
<tr>
<td>July 15 - August 14</td>
<td>August 1st</td>
</tr>
<tr>
<td>August 15 - September 14</td>
<td>September 1st (No retroactivity) *</td>
</tr>
<tr>
<td>September 15 or Later</td>
<td>TBD * (Submit on an ER)</td>
</tr>
</tbody>
</table>

* The effective date for annual increases provided after September 15th is based on the date of return to work following a leave of absence, the successful completion of a provisional period or PIP, or the start of the active assignment for less than 12 month staff. If this date falls between the 1st and 14th of the month, then the increase is retroactive to the first day of the month; if it is between the 15th and the end of the month, the increase effective date is the first day of the following month.

Note: The annual increase is not retroactive for provisional periods, less than 12 month staff, leave of absence, or staff completing a PIP.
FACULTY SALARY ADMINISTRATION

guidelines for administering faculty annual salary increases

FACULTY ELIGIBILITY
Full-time and part-time Faculty (except for the School of Medicine) who have demonstrated satisfactory performance during the past year are eligible to receive a maintenance of real salary increase of their annual or contract salary as announced in the Annual Salary Increase Memorandum.

FACULTY SALARY ADMINISTRATION
Information regarding University of Pittsburgh average Faculty salaries compared to AAU goal salaries is provided online: Average Salaries Relative to Peer Group Goal Salaries

SATISFACTORY PERFORMANCE
Defined as having fulfilled the “common responsibilities” of Faculty articulated in the Faculty Handbook:

The role of individual faculty members in supporting the mission of the University of Pittsburgh will depend on the specific missions of their departments or schools. All Faculty members, however, have certain common responsibilities: to commit themselves fully to their teaching obligations, to participate in the development of the programs of their departments and schools and of the University as a whole, to engage in scholarly activities, and as appropriate, to support the University in its goal to render public service.

LEAVE OF ABSENCE
Faculty members on any type of Unpaid Leave of Absence as of July 1, 2014 are eligible for the annual salary increase upon returning to work based on the following schedule.

FIGURE 2: Faculty Effective Dates

<table>
<thead>
<tr>
<th>Date Return to Active Assignment</th>
<th>Salary Increase Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1 - July 14</td>
<td>July 1st</td>
</tr>
<tr>
<td>July 15 - August 14</td>
<td>August 1st</td>
</tr>
<tr>
<td>August 15 - September 14</td>
<td>September 1st (No retroactivity)</td>
</tr>
<tr>
<td>September 15 or Later</td>
<td>TBD * (Submit on an ER)</td>
</tr>
</tbody>
</table>

* The effective date for annual increases provided after September 15th is based on the date of return to work following a leave of absence. If this date falls between the 1st and 14th of the month, then the increase is retroactive to the first day of the month; if it is between the 15th and the end of the month, then the increase effective date is the first day of the following month.

EXCEPTIONS
Other actions that would affect a change in salary (i.e., promotion, change in percent of effort, department transfer, etc.) occurring during the period of July 1st through September 1st should be processed separately on an Employee Record. A zero (0) should be entered in the percentage increase field on the roster.

The salary increase rosters are ONLY used to process the annual salary increase. All other actions, such as reappointments and demographic changes, must be submitted on an Employee Record. ☀

QUESTIONs?
Faculty Records (412) 624-4232
RESOURCES

UNIVERSITY OF PITTSBURGH
4200 Fifth Avenue
Pittsburgh, PA 15260
(412) 624-4141
www.pitt.edu

OFFICE OF HUMAN RESOURCES
(412) 624-7000
hradsup@pitt.edu
hr.pitt.edu

COMPENSATION DEPARTMENT
(412) 648-5049
hr.pitt.edu/compensation-classification

FACULTY RECORDS
(412) 624-4232
www.provost.pitt.edu/faculty-affairs

PAYROLL
(412) 624-8070
payrollinfo@cfo.pitt.edu
cfo.pitt.edu/payroll

TECHNOLOGY HELP DESK
(412) 624-HELP (4357)

HELPFUL LINKS
How to Submit Annual Salary Increases Guide
Annual Salary Increases Policy