UVM is committed to compensating employees competitively and equitably, always with attention to student affordability and within the scope of available resources.

The quality and commitment of UVM’s employees are critical for maintaining excellence in instruction, research and public service to the citizens of Vermont.

**FY 2020 WAGE/SALARY INCREASE GUIDELINES**

Pending approval of the FY20 budget by the Board of Trustees, wage/salary base budgets for FY20 will be incremented as follows:

- For employees earning $40,000 per year or more\(^1\), a 2% total pool, comprised of a 1.5% cost of living adjustment for all employees with satisfactory or above performance, and a 0.5% merit pool to reward individual exceptional performance.
- For employees earning less than $40,000 per year\(^1\), a 3% total pool, comprised of a 2.5% cost of living adjustment for all employees with satisfactory or above performance, and a 0.5% merit pool to reward individual exceptional performance.

As in the past, this pool of money is to be used specifically for employee salary increases and not for other purposes.

These wage and salary guidelines apply to non-represented employees paid on restricted, income/expense, and general funds only, and do not apply to employees represented by a union. For represented employees, FY20 increases will be determined in accordance with the terms of applicable collective bargaining agreements.

Issues regarding apportionment of salary increases among employees, eligibility requirements for salary increases, and increase levels are addressed in the section below titled “Individual

\(^1\) An annualized salary of $40,000 assuming 12 months at 1.0 FTE.
Increases.” Additional questions regarding these issues should be directed to Human Resource Services.

Issues regarding how College and Division budgets will be reviewed by the Financial Analysis and Budget Office (FAB) are addressed in the section below titled “Budget Review.” Additional questions regarding these issues should be directed to the FAB office.

Employee performance reviews are an integral part of the salary increase process. The 0.5% merit pool will be distributed only to individual non-represented employees who have performed over the course of the year at an exceptional level as determined by their supervisor through the performance review process, with approval by the relevant vice president or dean. This year, all supervisors must complete performance reviews by April 30, 2019. Decisions about a merit increase should not be conveyed to employees until after their annual performance review is complete.

**INDIVIDUAL INCREASES**

**Cost-of-Living Adjustment**

Employees who began work at UVM prior to April 1, 2019, and whose performance was rated as satisfactory or better should receive a minimum wage/salary increase equal to the FY 2020 cost-of-living increase of 1.5% for those making more than $40,000 and 2.5% for those making less than $40,000. In cases of documented deficient performance or prior written agreement, a lesser or no increase may be appropriate (*documentation must accompany budget submissions*).

Increases for new employees hired from outside of UVM between April 1, 2019 and June 30, 2019 are optional, except for increases required to meet new pay band minimums that become effective July 1, 2019.

Internal UVM employees who are promoted or hired into new positions between April 1, 2019 and June 30, 2019 must receive their July 1st increase in addition to any promotional increase that they may have received prior to July 1, 2019.

**Merit Increases**

A merit pool of 0.5% of the FY20 staff salary budget will be apportioned to each vice president in a support center or allocated by each dean in a responsibility center for the purpose of funding the merit pool. The results of each individual’s annual performance review will play a key role in the determination of exceptional performance warranting a merit increase. Please note that an individual’s merit increase may exceed 0.5%, so long as each College or Department/Division’s total increases do not exceed their FY20 total non-represented employee salary apportionment. See below for more guidance.
To award a merit increase, supervisors should have supporting documentation of an up-to-date performance evaluation or a detailed memo documenting exceptional individual performance. The department or unit administrator/ chair will review each supervisor’s recommendations and supporting documentation with their Dean or VP’s office for final approval.

**Total Increases Above 4.0%**
For total increases (both cost of living and merit) above 4.0%, where no promotion is involved, *documentation must accompany budget submissions* for review and approval by the Vice President for Human Resources, Diversity and Multicultural Affairs.

**Equal Distribution of 0.5% to All Employees in a Department or Unit**
In cases where the full 0.5% merit increase has been distributed equally to a significant portion of employees in a department/unit, the Vice President for Human Resources, Diversity, and Multicultural affairs may require the involved department/ unit to prepare a written memo explaining and justifying the distribution.

**Compression**
The merit increase pool will not be used to address salary compression. If you have concerns about salary compression, please discuss them with the HR Administrator for your college/unit, who will work with Classification and Compensation staff to assist you.

**Pay Band Minimums and Maximums**
Employees cannot be paid below the pay band minimum. Likewise, if an employee’s current wage/salary is above the new pay band maximum, their FY20 increase will be limited to the 1.5% general increase. Exceptions to this practice must be approved in advance by the Vice President for Human Resources, Diversity and Multicultural Affairs.

Pay bands will be adjusted as needed to reflect changes in market values, based on the annual review of survey data. Guidelines and pay bands will be available after March 4 and April 1, 2019 respectively on the FAB web site.

**Probationary Employees and External Funding**
Adjustments after July 1, 2019 will be allowed in situations where unassigned wage dollars become available for distribution, such as:

- Some staff in a college or business unit are in their probationary period, and successfully complete their probationary period after July 1. The college or business unit may award these staff members the general increase (1.5%) when they successfully complete probation.
- External funding is still unknown at the time of budget submission. Such adjustments may be retroactive to July 1 (or a specified date between July 1 and the beginning date of a granting period) only when they are funded by external sources.
that were not available on July 1. Retroactive dates must be specified in the submitted plan.

**Wage/Salary Reconsideration Procedure**

Staff who believe that their business unit did not correctly adhere to the salary guidelines should first bring their concerns to their supervisor, business manager, or Dean/VP, as appropriate. Further concerns should be directed to Greg Paradiso, Director of Benefits, Compensation, and HRIS.

**Shift Differential Premiums and Minimum Wage Rate**

Shift differentials for eligible non-represented employees are paid as a percentage of hourly rates as follows:
- 6% of pay band minimum for second shift;
- 8% of pay band minimum for third or rotating shifts.

The State of Vermont minimum wage is currently $10.78/hour, and this is the lowest allowable rate for temporary employees. If the State of Vermont increases the minimum wage, the lowest allowable rate for temporary staff will increase accordingly. For regular (non-temporary) employees, the lowest allowable rate is $14.00/hour.

**Questions**

Questions regarding information in this section should be directed to Greg Paradiso, Director of Benefits, Compensation, and HRIS, at 656-3102.

**BUDGET REVIEW**

All support centers will see increments provided to their staff salary budgets of 2.0%. Vice Presidents and Deans within responsibility centers and hybrid cost centers will be responsible for ensuring that their salary budgets for non-represented employees are increased by 2.0%. The FAB office will review budgets at the College or Division level, not at the individual department level, to ensure they have been incremented by 2.0% in the following manner:

\[
\text{FY20 Wage/Salary of Non-Represented Continuing Employees} = \% \text{ Increase} \\
\text{FY19 Wage/Salary of Non-Represented Continuing Employees}
\]

This calculation includes employees paid from all sources: general, income/expense, or restricted funds. It excludes employees with changes in title, pay band, FTE or term of appointment. If a Vice President or Dean expects to exceed the total salary increase (both cost-of-living increase and

\[2 \text{ The incremental increase of 1% for the cost of living component of those making under $40,000 will be added to the E-level budget for filled positions, but not unfilled positions.} \]
merit increase) by more than 0.1% plus an adjustment for those making under $40,000\(^3\), they must submit written justification to the Department of Financial Analysis & Budgeting by May 17, 2019. Pool percentage increases for areas will be reviewed to ensure that Vice Presidents and Deans adhere to the intent of these guidelines.

**Use of Cost of Living and Merit Increase Funds**
Funds for both the cost of living and merit increases can only be used for wage or salary increases, and cannot be used to create positions, fund parts of existing positions, or for other budget categories. Each College and Division’s increases will be reviewed to ensure that there is a consistent application of these guidelines across campus.

**Area Wage/Salary Increases**
Funds available as a result of staff turnover or other changes may be used to supplement individual percentage increases for ongoing employees, as long as unfilled position budgets remain adequately funded. Any use of funds in this manner resulting in the above calculation exceeding the 2.0% pool by more than 0.1% will require a notice to the FAB office by May 17 as indicated above. In addition, managers are encouraged to maintain sufficient unassigned dollars to fund overlaps in employment, reclassifications, off cycle increases, overtime costs, changes in FTE, etc.

**SUMMARY OF SITUATIONS THAT REQUIRE DOCUMENTATION TO FAB**

Written justification to the Department of Financial Analysis & Budgeting is required for area pool increases prior to May 17th, when:
- A Vice President or Dean expects to exceed the general and merit pools by 0.1%.

Written justification submitted to the Department of Financial Analysis & Budgeting is required with budget submissions by May 24\(^\text{th}\) for individual employee wage/salary increases in any of the following circumstances, which are also subject to review and approval by VP-HRDMA:
- An individual receives less than the cost-of-living increase of 1.5%;
- An individual receives an increase of more than 4.0%;
- An individual’s FY 2020 salary is greater than the FY 2020 pay band maximum and they receive more than 1.5%;
- Post-July 1 fiscal year adjustments are planned.

**WAGE/SALARY NOTIFICATION DEADLINES:** Wage/salary adjustments, including all required documentation, are due with budget submissions no later than May 24, 2019.

\(^3\) The FAB office will provide units with information regarding which individuals are eligible for the additional 1% cost of living adjustment.
The guidelines above will be used to review wage and salary decisions for accuracy and compliance. Exceptions must be approved in advance by the Vice President for Human Resources, Diversity and Multicultural Affairs. Both the review and approval processes should be completed by June 20, 2019; employee wages/salaries are not official prior to that date.

*It is important for each budget director to ensure that employees in their College or Division are appropriately informed of their new compensation (and its rationale) once the approval process is complete.*

If you have specific questions about these guidelines, please contact Greg Paradiso, Director of Benefits, Compensation, and HRIS at greg.paradiso@uvm.edu or 656-3102, or Financial Analysis & Budgeting at 656-3244.

**APPENDIX:**

**Definitions of Performance Ratings**

**Exceptional Performance (EP):**
Employee significantly and consistently surpasses performance expectations in the majority of competencies or accountabilities. Exceeds role requirements. Demonstrates exceptional depth and breadth of role knowledge. Recognized as a role model by others.

**Solid Performance/Satisfactory (SP):**
Employee consistently and satisfactorily meets requirements for this position. May have one or more areas of exceptional performance and/or may have one or more competencies or accountabilities that need development or enhancement.

**Improvement Needed (IN):**
Employee's performance needs to improve in one or more areas of competency and/or accountability for position. Improvement is immediately required in areas critical for success in position. If the supervisor identifies that performance improvement is needed, a Performance Improvement Plan may be initiated to contribute to growth in identified area(s).

**Unsatisfactory (UN):**
Employee's performance consistently fails to meet the job requirements in one or more areas and adversely affects the department's ability to accomplish its mission. Substantial improvement is immediately required in areas critical for success in position. Formalized documentation of issues and/or expectations is appropriate and must be completed. If the supervisor identifies that performance is unsatisfactory a Performance Improvement Plan will be initiated to contribute to growth in identified area(s).