

March 16, 2006

To: Administrative, Professional, Supervisory and Confidential Employees  
From: Sandra L. Russell  
Subject: Pay-for-Performance Program for FY 2006-2007

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We are pleased to announce the FY 2006-2007 pay-for-performance compensation program. This base salary increase plan for all administrative, professional, supervisory (A/P/S) and confidential employees is 7.6% of the total current eligible staff salaries. Because of the significant and extremely competitive investment in the 7.6% pool for permanent salary increases, this year's program does not include a separate bonus pool. Managers will have the flexibility of using up to 15% of their permanent pool for one-time bonuses in those cases where they wish to reward a particularly significant achievement or clearly exceptional performance. This year's program again clearly reflects our ongoing commitment to a performance-based program that promotes and rewards excellence among our A/P/S staff.

Salary increases of 2% to 9% will be awarded to those eligible employees who meet standards based on each individual's performance. For those departments that choose to award a bonus from their allocation pool, it must be between 2% and 5% of the employee's salary. The program will be implemented in two phases. One half of the base increase that each employee receives will be applied effective July 1st with the remaining half effective on January 1, 2007. In addition, the minimum and maximum of each grade will increase by 2.5% effective July 1st and by an additional 2.5% on January 1<sup>st</sup>, both based on the salary structures in place on January 1, 2006.

The overview that follows provides a summary of this year's program. We encourage you to visit the Human Resources web site at <http://uhr.rutgers.edu/comp/P4POverview.htm> for program details, schedule, appraisal forms, and other resources. If you have any questions, please contact Sonia Robell at (732) 932-3020, ext. 4080 or by email at [robell@hr.rutgers.edu](mailto:robell@hr.rutgers.edu).

c: Karen Kavanagh

Attachment

## Overview of FY 2006-2007 Pay-for-Performance Program (P4P)

### *What are the performance rating categories?*

The two performance rating categories are: Meets Standards and Does Not Meet Standards. These rating categories are defined as follows:

- **Meets the performance standards of the job**

This rating encompasses a wide range of performance from employees satisfactorily meeting job expectations to making exceptional contributions in advancing the objectives of their departments and/or the university. Almost all A/P/S employees perform their jobs efficiently and with professionalism so it is expected that most will be rated in this category.

- **Does not meet the performance standards of the job**

This rating applies to employees who do not satisfactorily meet job expectations and, **overall**, do not consistently perform their assigned responsibilities adequately. Employees rated in this category receive specific guidelines on how to improve performance and will be re-evaluated in six months.

### *How will salary improvements be related to performance standards?*

All eligible staff who meet their performance standards will receive permanent salary increases. The A/P/S and IT salary grade structures will be increased by 2.5% effective July 1, 2006, and by another 2.5% on January 1, 2007, based on the January 1, 2006 structures.

Those who meet standards will be eligible for the following:

- If you are **currently below the maximum of your salary range or grade** and are rated as “meets standards”, you will receive a permanent increase of between 2% and 9%, not to exceed the January 1, 2007 maximum for your salary range or grade.
- If you are **at the maximum of your salary range or grade**, you will be eligible for a performance-based permanent salary increase of 2% to 5%, up to the new maximum of your salary range or grade.

For those who do not meet their job standards:

- No base salary increase for July 1, 2006. Employees not meeting performance standards this spring will be given specific goals to address prior to a follow-up review to be held in October 2006. If an employee’s performance is then rated as meeting standards, a prospective base increase of 1% to 3% will then be granted.

### *How many employees normally meet performance standards each year?*

In the history of the program, 97 – 99% of A/P/S staff have been rated as meeting their performance standards.

***Will there be any bonus awards this year?***

Because of the significant and extremely competitive investment in the 7.6% pool for permanent salary increases, this year's program does not include a separate bonus pool. A limited number of one-time bonus awards, ranging between 2% to 5% of an employee's base salary, may be granted to those employees who have made an exceptional contribution or have had a significant achievement that advanced the objectives of the department and/or the university during the rating period. While departments will have the flexibility to award bonuses, they will not be able to exceed 15% of their permanent pool for one-time bonus awards.

One-time performance bonus awards for twelve-month employees selected to receive them will be paid in the July 28, 2006 paycheck. Ten-month employees awarded performance bonuses will receive them in the September 22, 2006 paycheck.

***Will there again be a mechanism for reviewing pay-for-performance decisions?***

Yes. Employees who believe that program procedures were not followed or that they were not evaluated according to the performance standards for their job may seek review. The review process is available at the University Human Resources web site at <http://uhr.rutgers.edu/comp/P4PReviewProcess.htm> .

***When will I be scheduled for my performance evaluation meeting?***

All performance reviews should take place during the months of March and April. Please discuss the schedule within your department with your supervisor.

***When will I receive my increase?***

Salary increases awarded as a result of P4P will be implemented in two phases:

- Effective July 1, 2006, twelve-month employees will receive half of the salary increase amount awarded to them as a result of their performance appraisal and will be reflected in their July 14th paycheck.
- The second half of the salary award amounts will be implemented effective January 1, 2007 and will be reflected in the January 12, 2007 paycheck.
- Ten-month employees will receive the first half of their salary increase effective September 1, 2006, in their September 8th paycheck and the remaining amount effective January 1, 2007, in the January 12, 2007 paycheck.