

RUTGERS

THE STATE UNIVERSITY OF NEW JERSEY

<p style="text-align: center;">ADMINISTRATIVE, PROFESSIONAL, SUPERVISORY, AND CONFIDENTIAL STAFF PAY-FOR-PERFORMANCE PROGRAM (P4P) FISCAL YEAR 2006/2007 DEANS AND DIRECTORS GUIDELINES UPDATED OCTOBER 2006</p>

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I. PROGRAM OVERVIEW

The Pay-for-Performance (P4P) Program is the process that links pay to performance for eligible staff of Rutgers, The State University of New Jersey. Spring 2006 performance appraisals will determine salary increases for Fiscal Year (FY) 2006/2007. *Due to the delay in implementing this program, all appraisals must have been completed by September 8, 2006.*

The salary program for FY 2006/2007 is as follows:

- The base salary increase plan for all administrative, professional and supervisory (A/P/S) and confidential employees, both on range and on grade, is 7.6% of the total current eligible staff salaries. This salary program is highly competitive both regionally and nationally.
- Because of the significant investment in the 7.6% pool for permanent salary increases, this year's program does not include a separate bonus pool. However, because bonus payments are an important way of rewarding outstanding achievements, managers will have the flexibility of using up to 15% of their permanent pool for one-time bonuses.
- Salary increases awarded as a result of P4P will be implemented in two phases:
 - The first half of the salary increase amounts is retroactive to July 1, 2006 and includes the 2% awarded on September 22nd, with related retroactive pay to be paid in the November 3rd paycheck.
 - The second half of the salary award amounts will be implemented effective January 1, 2007 and will be reflected in the January 12th paycheck.
 - Any additional retroactive pay owed for the first half of the salary increase amounts will be paid in the March 9, 2007 paycheck.
- The A/P/S and IT salary grade structures will be increased by 2% effective July 1, 2006, and by another 3% on January 1, 2007, based on the January 1, 2006 structures.

- All salary increases will be based on performance and current position in the salary range or grade. Details can be found in Section III, Performance-Based Salary Program Details.
- One-time performance bonus awards for employees selected to receive them will be paid in the January 12, 2007 paycheck.

II. PERFORMANCE APPRAISAL PROCESS

The performance appraisal form is available at <http://uhr.rutgers.edu/comp/P4PDD.htm>.

The two rating categories are:

- **Meets Standards**

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 Standards**

Employees who do not satisfactorily meet job expectations and **overall** do not consistently perform their assigned responsibilities adequately will be given this designation. Employees rated in this category will be provided specific guidelines on how to improve performance and be re-evaluated again in six months.

Performance appraisal ratings will originate with the immediate supervisor and be reviewed by subsequent supervisory levels up to the Vice President or Provost or his/her designee, who will give final approval and ensure compliance with the program guidelines before salary decisions are finalized. The specific process steps are:

- Performance appraisals were conducted during March and April 2006, which included the setting of performance standards for next year's rating period. ***Due to the delay in implementing this program, all appraisals must have been completed by September 8, 2006.***
- Appraisees were evaluated against the performance standards established during the last appraisal process.
- To ensure consistency and accuracy, prior to the appraisals being completed, Deans and Directors discussed with their direct reports how the ratings were to be applied throughout their areas.
- A data entry/modeling system, the Pay-for-Performance On-line System, will be available for facilitating the process of awarding the increases.
- Performance appraisal preliminary ratings were reviewed by the Vice Presidents and Provosts or their designees to ensure consistency with standards ***prior*** to being discussed with appraisees.
- Supervisors notified appraisees of their performance appraisal ratings by September 2006 and provided them with the opportunity to comment.
- Salary increase and bonus award recommendations will be based on the final performance rating, but, in order to ensure consistency with the program standards, ***will not be final until approved by the Vice President or Provost.***
- Supervisors may notify staff of their performance-based salary increases and bonus amounts ***once they are approved by their Vice President or Provost.***
- University Human Resources will prepare and distribute letters to all appraisees by January 5, 2007 notifying them of their performance-based salary increases and bonuses.

III. PERFORMANCE-BASED SALARY PROGRAM DETAILS

Performance-based salary increases for FY 2006/2007 will be based on performance rating levels as defined below and within the budgetary allocations that will be provided to each Vice President and Provost. The increases and any bonus payments will be implemented according to the pay period dates provided in Section I, Program Overview.

Staff hired after **January 3, 2006** are not eligible for the following salary increases, but performance standards must be established for the next rating period.

Rated as 'Meets Standards'

- Staff rated as 'meets standards' will receive a permanent salary increase for FY 2006/2007 of a minimum of 2% and ranging up to 9%, but not to exceed the new range or grade maximum effective January 1, 2007. Staff at or close to the current minimum of their range or grade who 'meet standards' must be given sufficient salary increase to bring them to at least the new minimum for the range or grade. **NOTE: Salary increase percents given must include the 2% already awarded to eligible employees on September 22, 2006.**
- For those few instances where staff **currently are at the maximum of their salary range or grade**, the ranges and grades are being increased to permit these employees to receive a permanent salary increase for FY 2006/2007 of a minimum of 2% and ranging up to 5%, but not to exceed the new range or grade maximum effective January 1, 2007. **NOTE: Salary increase percents given must include the 2% already awarded to eligible employees on September 22, 2006.**

Salaries of employees with positions in grades are expected to cluster around the grade midpoint, which is the measure of the market for jobs in that grade.

Performance Bonus Program

- There will not be a separate allocation designated for bonuses this year, but Deans and Directors will have the flexibility of using up to 15% of their permanent increase pool for bonus awards if they so choose. As in the past, bonuses should recognize truly significant accomplishments that advanced the objectives of the department and/or the university during the rating period.
- The performance bonuses may range from 2% to 5% of the individual's pre-increase salary rate. Bonuses awarded will be paid on January 12, 2007.

Rated as 'Does Not Meet Standards'

- Staff rated in this category will not be eligible for any salary increase.
- To encourage performance improvement, departments with staff rated in this category will re-evaluate them in November 2006 to determine if their performance has improved.
- If the employee's performance on the re-evaluation meets standards, he/she will be granted a prospective base salary increase of 1% to 3%, not to exceed the new range maximum. Half of the salary increase amount awarded will be retroactive to November 1, 2006 and be reflected in the January 12, 2007 paycheck. The remaining amount awarded will be effective January 1, 2007 and reflected in the January 12th paycheck.

Performance-based increases granted to:

- Eligible **ten-month or part-time staff** – salary increases will be based on their prorated salary, according to the usual payroll procedures.

- **Extension Service staff** who are partially paid by a county – increases will be based upon their full salary, including the county portion.
- Eligible staff currently in an **acting assignment** – salary increases will be based on the pre-acting salary and then the acting rate will be recomputed.
- Eligible staff that have been **promoted or reclassified** with an effective date of **June 30, 2006 or earlier**– the percentage of P4P increase will be based on the salary in effect on this date.
- Eligible staff paid from **grant or self-supporting accounts** must be treated the same as those paid from State-funded accounts. Occasionally, specific grant rules or constraints may not allow for a salary increase. In these circumstances, departmental grant account administrators should contact Grant and Contract Accounting for specific guidance. Self-supporting account administrators with similar concerns should address them with their Vice President or Provost.

IV. REVIEW PROCESS IF PROCEDURE IS NOT FOLLOWED

Employees who claim that Pay-for-Performance procedures were not followed, that there was a demonstrable factual inconsistency, or that they were not evaluated according to the performance standards for their job may seek review only as follows:

- The employee may initiate a review within 30 calendar days of receipt of the salary notification letter from University Human Resources or notification by the department where there is no salary change. The employee must inform his/her immediate supervisor in writing on a *P4P Review Request Form* (http://uhr.rutgers.edu/documents/P4P_Review_Form_1.27.06.doc) of the claim that procedures have not have been followed and/or describe why the employee believes that the evaluation was not conducted according to the performance standards for the job. The supervisor must provide a written resolution to the employee within 30 calendar days of receipt of the employee's completed form invoking the review process.
- If the employee is not satisfied with the supervisor's written resolution, the employee may, within 30 calendar days of receipt of the supervisor's written response, request in writing a review of the matter by the next level supervisor. The next level supervisor also shall meet with the employee and provide a written resolution within 30 calendar days of receiving the request.
- If the employee is not satisfied with the next level supervisor's written resolution, he/she may request in writing a review of the matter by subsequent levels of supervision up to the Vice President or Provost for the employee's area. Each request must be submitted in writing within 30 calendar days of receiving the written resolution from the last level of supervision, must copy each prior level of supervision, and must include copies of prior requests and resolutions by each supervisor. Supervisors at each subsequent level must provide written resolutions to the employee within 30 calendar days of receiving the employee's written review request.

Each level of supervision must meet with the employee as requested, except that a Vice President or Provost may review the matter based upon the employee's written requests for review and prior supervisor resolutions.

A determination at any level that an adjustment in performance rating or salary should be made must be forwarded through supervisory channels, including the Vice President or Provost, for approval. In all cases, the decision of the Vice President or Provost is final.

Nothing in this review process prevents an employee from meeting with his/her supervisor at any mutually agreed upon time to discuss the employee's job performance and the supervisor's assessment of that performance.

V. ELIGIBILITY

The program applies to all regular full and part-time non-aligned Administrative, Professional, Supervisory (A/P/S) and Confidential staff and Community Assistants on a salary range or grade.

Staff who were newly hired at the university after January 3, 2006 are not eligible for salary increases, but performance standards must be established for the next rating period.

Staff who have been on a leave of absence for more than six months as of January 3, 2006 are not eligible for the salary increase program, but performance standards must be established upon their return.

Staff who change from a union position to an A/P/S or other program-covered position with an effective date after **January 3, 2006** are not able to participate in this P4P cycle, but performance standards must be established for the next rating period.

Eligible staff who move to another program-covered position in a different area are expected to participate in this P4P cycle. Department heads from both the former and current units should collaborate on the performance appraisal and salary recommendations, as appropriate.

Eligible staff who report to a new supervisor are able to participate in this P4P cycle. The new supervisor is responsible for discussing and collaborating with the former supervisor or department head to arrive at an evaluation approach that will ensure the appraisee a fair performance review and salary recommendations, as appropriate.

Staff who retire after being appraised as required by this year's program, but are still on the university's payroll on the dates the awards are scheduled to be paid, are eligible to receive their performance awards. Staff who announce their intent to retire must still be appraised and considered.

Staff who are temporarily red-circled (T-coded) as the result of the no-fault downgrade policy are not eligible for base salary increases, but must be appraised and may be considered for a performance bonus.

VI. UPDATED PROCESS SCHEDULE

- September 2006 Eligible staff who met standards received a P4P salary increase of 2% retroactive to July 1, 2006 in the September 22nd paycheck.
- October 2006 VP/Provosts receive updated P4P instructions and allocations that they distribute to their units.
- November 2006 Deans/Directors submit salary and bonus recommendations.

VPs/Provosts review and approve salary and bonus payments.

Retroactive pay for the 2% P4P increase included in the November 3rd paycheck.

Re-evaluation of employees rated "Does Not Meet Standards."

- December 2006 VPs/Provosts notify University Human Resources by December 1st that salary and bonus payments for their areas have been approved.
- January 2007 Human Resources prepares and distributes salary and bonus payment notification letters to appraisees by January 5th.

The January 12th paycheck will include the:

Second half of salary increases that are effective January 1st

One-time performance bonus awards for those employees selected to receive them

Prospective base salary increases for employees whose re-evaluation in November resulted in a rating of meets standards. First phase of the salary increase amount awarded will be retroactive to November 1st, with the remaining half effective January 1st.

- March 2007 Any additional retroactive pay owed for the first half of the salary increase amounts will be included in the March 9th paycheck.

VII. PROGRAM ASSISTANCE

If you have questions about or need further assistance regarding this program:

- Contact University Human Resources at 732/932-3020, ext. 4080 or via e-mail to robell@hr.rutgers.edu or visit the P4P website at <http://uhr.rutgers.edu/comp/P4PDD.htm> . Your Human Resources Consultant is also available for questions regarding this program.