

Salary Increase Cycles and Impact to Performance Reviews October 2018

With the adoption of the new University budget model, there is now more flexibility to determine when annual salary increases occur. Deans and Vice Presidents have each adopted either a January 1 or a July 1 salary increase cycle. To complement the salary increase cycle, two performance review compliance cycles have been established. To simplify these requirements, each employee will be assigned to only one cycle and be required to receive at least one performance review annually. The salary increase cycle period will remain consistent and will not change without approval from University leadership.

Senior HR leaders are expected to work with their leadership to determine annual performance review completion dates that work best for their business needs. It is also expected that performance reviews will be completed prior to, and used to inform salary decisions.

Implementation:

Cycle 1: July 1

The March 31 Annual Performance Review compliance deadline will remain in effect for employees with at least one position that is: Merit, SEIU, in UI Health Care, or in an Org that is selecting a July 1 salary increase date.

Cycle 2: January 1

A compliance period from January 1 – December 31 for non-bargaining P&S employees who only have positions in Orgs that choose a January 1 salary increase date.

To facilitate the transition for Cycle 2, a 'bridge period' for non-bargaining P&S will be enacted. The bridge period extends from April 1, 2018 to December 31, 2019. During the bridge period it is expected that all employees in Cycle 2 will receive a performance review. The bridge period allows for moving performance reviews from a spring to a fall review to ensure performance is informing the January 1 salary decisions.

Bridge Period:

To guide the bridge period, UHR is recommending the following performance review practices for employees in Cycle 2:

For January 1, 2019

To begin, supervisors must first decide if the rating given in the period ending March 31, 2018 is still valid. The Mid-Year Adjustment Salary Application will be open November 28 through December 14, 2018. Seniors and Org leadership will need to factor this into performance and salary discussions and timelines.

1. If the rating is valid (no changes in performance) -- Mid-Year Check-in:
The supervisor should have a verbal conversation with the employee indicating their performance rating has not changed and will be used to support January 1, 2019 salary decisions.
2. If the rating needs to be changed (for performance that has changed since the previous cycle ended) -- Abbreviated Review*:
The supervisor will complete a new, Abbreviated Review prior to salary decision discussions taking place. Recommendations for an abbreviated review:
 1. Launch a review and provide an opportunity for the employee to complete a self-review;
 2. The Request Feedback tool is available and UHR encourages feedback for those who supervise others;
 3. Conduct a review discussion;
 4. Enter the date of the review discussion and the new rating; and
 5. Route the review to the employee for acknowledgement.

* Universal Competencies and goals do not need to be completed unless new, relevant information is helpful. Supervisors can instead write 'see previous review' in the required fields.

3. If you have new employees who did not receive a review in the cycle ending March 31, 2018 AND they are eligible for a raise on January 1, 2019 AND you intend to give them a raise -- Abbreviated Review.*

To determine salary increase eligibility criteria:

- Employees hired less than two months prior to a college/division budget increase date are not eligible for a fiscal year salary increase or lump sum payment.
- Employees hired 2-6 months prior to a college/division budget increase date will be eligible for a fiscal year salary increase and/or lump sum payment, unless stated otherwise in their offer letter.
- Employees hired more than six months prior to a college/division budget increase date are eligible for a fiscal year salary increase and/or lump sum payment.
- Colleges and divisions will determine appropriate salary increase and/or lump sum payment based upon individual circumstances.

For January 1, 2020

A review must be completed by December 31, 2019. Orgs can set review expectations that meet their business needs. It is recommended that reviews are completed close to, and used to inform, salary decisions (i.e., prior to the Mid-Year Adjustment Salary Application becoming available).

Overarching Guidelines and Expectations

- All regular Merit, P&S and SEIU employees must receive a performance review annually. See the Operations Manual for details – <https://opsmanual.uiowa.edu/services/professional-and-scientific-staff/performance-review-university-staff>.
- Senior HR leaders are expected to lead the effort to create processes and timelines to ensure consistency and compliance with University policy.
- The Mid-Year Adjustment Salary Application for this year will be open November 28 through December 14, 2018. Seniors and Org leadership will need to factor this into performance review and salary discussions and timelines.
- Salary decision resources can be found in the Compensation Philosophy - <https://hr.uiowa.edu/dept-comp-class/philosophy> and the Pay Practices <https://hr.uiowa.edu/dept-comp-class/july-1-pay-practices>.
- When determining the performance review cycle, Senior HR leaders should keep in mind any regulatory or compliance requirements that are specific to their Org.
- University HR will run two campus-wide reports annually (on March 31 and December 31) to ensure compliance with the BOR and campus-wide policy. 100% compliance is expected.
- Contract covered employees will result in salary increases on July 1 as outlined in the contract with these employees.