

Regular Exempt and Faculty UMB Merit Allocation Guidelines

This document outlines the merit eligibility, allocation requirements, the central administration team and processing timelines, and considerations for developing school/administrative unit specific criteria for merit allocation considerations for Exempt and Nonexempt Staff Employees, Contingent II Status Employees, and Faculty. The guidelines apply to these eligible employee groups regardless of the source of funding for the employee's position.

Eligible Employee Groups

A. Regular Exempt and CII Staff (33 and 35)

1. Employees assigned .50 FTE or higher, with a merit eligible earnings code of ANNLEL, ADSPEL, and/or ACSPEL.
2. Employees actively employed at UMB in a merit eligible status six months prior to the merit effective date, must have been hired by December 1, 2023. In cases where merit is granted on July 1st, employment must begin on or before December 1st of the prior calendar year in an eligible employee class.
3. Note:
 - Eligible exempt employees whose salary meets or exceeds the maximum of their assigned pay grade will receive a one-time lump sum payment for the difference of the merit increase provided that exceeds the pay grade maximum. Note that COLA can exceed the maximum of the pay grade while merit cannot.

B. Faculty and Librarians (01, 02, 03, and 15)

1. Employees assigned .50 FTE or higher or coded as geographic full-time "yes", with a merit eligible earnings code of ANNLEL, ADSPEL, and/or ACSPEL.
2. Faculty appointed on or before April 1, 2024.
3. Faculty with an administrative supplement identified as "eligible" such as ADSPEL, and/or ACSPEL.
4. Note:
 - Faculty with dual appointments (more than one school or USM institution) will be determined by the assigned UMB department.
 - School of Medicine faculty classified as "clinical" are subject to approval of the President to maintain compliance with USM policies and UMB bond covenants that relate to this group.

C. Regular Nonexempt and CII Staff (20 and 22)

1. Employees assigned .50 FTE or higher, with a merit eligible earnings code of ANNLEL, and regular nonexempt staff who have successfully completed their original probationary period prior to June 1, 2024.
2. Employees in their UMB position for at least 120 days by the end of the cycle: March 31, 2024. For the 2023 – 2024 cycle, must have been hired by December 1, 2023.

3. Employees who have completed their initial probationary period, have been promoted and are on probation at the time of merit application remain eligible for merit.
4. Note:
 - Eligible nonexempt employees whose salary meets or exceeds the maximum of their assigned pay grade will receive a one-time lump sum payment for the difference of the merit increase provided that exceeds the pay grade maximum. Note that COLA can exceed the maximum of the pay grade while merit cannot.
 - Employees represented by the American Federation of State, County and Municipal Employees (AFSCME) bargaining unit whose overall performance evaluation is “Meets Standards” or better will receive an increase in accordance with the memorandum of understanding between the University and AFSCME and consistent with USM Policy VII 9.20.
 - Employees represented by the Fraternal Order of Police (FOP) will receive a step increase in accordance with the memorandum of understanding between the University and FOP.

D. Employees in Non-State Funded Jobs

1. While not included in the merit pool of dollars available for increases (e.g., not included in the school/admin unit’s aggregate pool calculation), employees in non-state funded jobs should receive a performance evaluation and be considered for a merit increase.
2. Each department will work with their employee’s sponsors and school/admin unit’s finance area to plan to obtain the funding for merit, as well as COLA.

Ineligible Groups

1. Student employees (14, 14W, 16, and 16W), Graduate Assistants (04), Contingent I Staff (31T and 34), Post Doc Fellows coded ANNLIN (19 coded with ANNLIN earnings code), and Adjunct Contractual Faculty (36).
2. Exempt and nonexempt employees (20, 22, 33, 35) who started employment with UMB on or after December 2, 2023.
3. Faculty (01, 02, 03, 15) and Fellows (19) who started employment on or after April 2, 2024.
4. Regular exempt and nonexempt employees who have not been in their UMB position for at least 120 days by the end of the cycle, March 31, 2024, and hired after December 1, 2023.
5. Employees assigned to .49 FTE or lower and not coded as geographic full-time = “yes”. Note: earnings code should be changed to ANNLIN for employees that fit such category.
6. Visiting faculty who have an ineligible earnings code (e.g., ANNLIN).
7. Post doctoral fellows and fellows who have an ineligible earnings code (e.g., ANNLIN). Note: Post Docs with an earnings code of ANNLEL may be eligible.
8. Employees who have received a formal disciplinary action or have been placed on a Performance Improvement Plan (PIP) based upon the overall rating of the 2023 – 2024 evaluation. NOTE: This does not apply to performance evaluations, disciplinary actions, and PIPs that have been overturned through a grievance process.
9. Employee who are on an approved leave of absence. Employees who otherwise meet eligibility criteria who are on an approved leave of absence may be eligible for a merit increase upon return to work once their performance evaluation is on file. The performance evaluation must be completed within 30 days of the employee’s return to work. The employee’s merit increase will be adjusted for the time on leave upon return to work that correlates to the period of leave.
10. Employees who receive an overall rating of “Below Standards” or “Unsatisfactory”.

11. Employees who end employment from UMB either voluntarily or involuntarily between June 30th and July 15th.

Merit Pool Allocation

The performance evaluation cycle for merit application is April 1st of the prior year through March 31st of the current year.

- A. The HRS, Compensation Team will work with the budget and finance team to calculate merit allocation amounts, develop the merit allocation guidelines, and electronic spreadsheets for schools/admin units to identify and submit their merit requests.
- B. Each school/admin unit will receive a base merit pool budget allocation of 3.3%, based on actual salary expenses (not budgeted) for eligible employees as of April 22, 2024. The supplemental pool of funds will be managed at the campus level. Schools/admin units will not be allowed to use their own funding to provide additional increases beyond the total merit pool allocation.
- C. Eligible employees who receive an evaluation rating of “Meets Standards” will receive a 2.5% increase. SOM employees will receive additional guidance on performance ratings and percentages.
- D. At the school/admin unit’s discretion, eligible employees who receive an evaluation rating of “Above Standards” or “Outstanding” should receive a higher percentage level variable merit increase, but at minimum a 2.5% increase. Faculty may also a variable merit increase. The total of the increase may not exceed the remaining allocated merit budget pool.
- E. Each school/admin unit will be responsible for developing criteria that outlines how merit is expected to be allocated for eligible employees who receive a performance evaluation rating of “Above Standards” or “Outstanding”, required approvals, and deadlines that align with the guidelines and processing timelines outlined in this document. This information should be communicated to employees at the start of the performance period and submitted to the central HRS, Compensation team for review to ensure appropriate and consistent application of merit pool.
- F. Employees that receive an evaluation rating of, “Below Standards” or “Unsatisfactory” are ineligible for a merit increase.
- G. Eligible employees that are not evaluated by the deadline will be considered to have “Meet Standards” rating for the purposes of merit pay, see USM policy VII – 5.20 – Policy on The Performance Management Program.
- H. Each school/admin unit will be required to complete a merit allocation spreadsheet to capture the performance evaluation ratings, and associated percentage increases for merit eligible staff. Direction should be given to supervisors on how this information will be collected, with a timeline.
- I. The school/admin unit HR and/or Payroll Staff are responsible for reviewing performance evaluation ratings when necessary, creating and distributing the missing Evaluation Ratings Report/Submission Report to supervisors and identifying and notifying managers who have not completed all of their performance evaluations.
- J. Schools/admin units must ensure that merit allocations do not exceed the maximum department allocated merit budget pool. The merit allocation spreadsheet must be approved by the Dean's office/Department Budget office before submitting to the HRS, Compensation team for entry into the PITP.

Merit Allocation Sequence of Processing

Sequence of concurrent salary adjustments. When adjustments occur on the same day (July 1), the following sequence is applied:

1. Salary Structure Adjustment
2. Cost of Living Adjustment
3. Merit increase
4. Other Compensation changes (i.e. Promotion, New appointments, FTE changes, etc.)

Note: The last day to process Annual Equity Adjustments will be June 30

Processing Timeline

Date	Description
December 1	<ul style="list-style-type: none">Regular Exempt, Regular Nonexempt Staff employees, and CII status employees must be in their UMB position for at least 120 days by the end of the cycle: March 31, 2024. For the 2023 – 2024 cycle, eligible employees must have been hired by 12/1/2023.Employees must not have any formal disciplinary actions on file as of this date to be eligible for a merit award. NOTE: This does not apply to performance evaluations, disciplinary actions, and Performance Improvement Plans (PIPs) that have been overturned through a grievance process.
February	<ul style="list-style-type: none">Schools/admin units begin preparing FY working budget.
March	<ul style="list-style-type: none">Training for use of variable merit plan and merit allocation spreadsheet.
March 15-April 25 (between)	<ul style="list-style-type: none">School's/admin units will disseminate Merit Allocation Criteria applicable to respective school/admin unit.
March 31	<ul style="list-style-type: none">End of performance evaluation cycle for exempt staff. The performance evaluation cycle for merit application is April 1st of the prior year through March 31st of the current year.
April 1	<ul style="list-style-type: none">HRMS PITP team meets to define campus-wide eligibility and programming for PITP.
April 22 (week of)	<ul style="list-style-type: none">HRS Compensation team will begin building the merit allocation spreadsheet with employee data and merit pool calculation once Budget and Financial Analysis provides merit % increase.
April 30	<ul style="list-style-type: none">PITP or Batch Processing testing completed.
May 16th	<ul style="list-style-type: none">HRS, Compensation team distributes merit allocation spreadsheet to schools/admin units that includes a list of all merit eligible employees, funding source, with recommended percentages to use in determining compliance with budget pool.School/admin unit leadership provides merit allocation spreadsheet to supervisors to begin entering data into merit allocation spreadsheet.
May 18	<ul style="list-style-type: none">The missing Performance Evaluation ratings report/Performance Evaluation submission Report is created and distributed by the school/admin unit HR Director to ensure each supervisor has completed their direct report PDPs.
June 3	<ul style="list-style-type: none">Last day for exempt performance evaluations to be submitted in the online performance evaluation system.

	<ul style="list-style-type: none"> Supervisors enter performance ratings on merit allocation spreadsheet if not already included.
June 6	<ul style="list-style-type: none"> Completed merit allocation spreadsheet submitted to school/admin unit dean's or budget office for approval. CITS will pull performance evaluation ratings into PITP Template.
June 10	<ul style="list-style-type: none"> Schools/admin units must submit their approved merit allocation spreadsheet to HRS, Compensation team.
July 1	<ul style="list-style-type: none"> Effective date of merit increases.
July 15	<ul style="list-style-type: none"> Employees who terminate on or before this date are not eligible for COLA or merit.
July 16	<ul style="list-style-type: none"> CITS populates PITP tables in Production PeopleSoft.
July 16-18	<ul style="list-style-type: none"> The HRS Compensation team updates the PITP using VP/Dean approved list of additional merit, "Below" or "Unsatisfactory" evaluation rating lists and validates the COLA and Merit.
July 18-19	<ul style="list-style-type: none"> CITS loads the PITP to PeopleSoft creating a COLA and merit job record.

Developing School/Administrative Unit Specific Merit Allocation Guidelines

The UMB criteria for allocating merit increases to eligible employees is rooted in our UMB Core Values. This ensures a fair, transparent, and equitable approach that adheres to our commitment to equal opportunity, prohibition of discrimination, and anti-discrimination practices. The following considerations are offered to assist with developing school/admin unit specific guidance for supervisors and employees. Any school/admin unit criteria should align with the UMB merit allocation guidelines and timeline outlined in this document.

1. **Performance Evaluations:** All merit increase allocations shall be based on objective performance evaluations. Factors to be considered include, but are not limited to, the quality of work, achievement of objectives, contribution to team success, and demonstration of our Core Values and competencies.
2. **Transparency and Accountability:** The process for determining merit increases will be transparent and documented, with clear criteria that align with our institutional goals and Core Values. Supervisors are accountable for ensuring that merit increase recommendations are made in a fair and unbiased manner, consistent with this criterion.
3. **Communication with Supervisors.** Schools/admin units should develop guidance and criteria for supervisors on how merit is expected to be allocated for work performance rated "Above Standards" or "Outstanding", required approvals, and deadlines that align with the central HR processing timelines.
4. **Communication with Employees.** School/admin unit specific guidelines and timelines should be communicated to all employees and implemented across all departments. Follow-up training or meetings should be held to ensure that all managers and supervisors understand their responsibilities regarding school/admin unit specific expectations and timelines, including the importance of making merit-based decisions free from discrimination or retaliation.
5. **Non-Discrimination Requirements:** The University of Maryland, Baltimore (UMB) is firmly committed to providing equal employment opportunities for all employees and applicants and strictly prohibits discrimination of any kind. Accordingly, merit increase allocations shall be made without regard to race,

color, religion, sex, national origin, age, disability, genetic information, veteran status, marital status, sexual orientation, gender identity, or any other category protected by applicable federal, state, or local laws.

6. **Prohibition of Retaliation:** Retaliation against any employee who, in good faith, reports a concern, files a complaint, testifies, assists, or participates in any manner in an investigation, proceeding, or hearing regarding any discrimination or unfair employment practices is strictly prohibited. Such retaliation is contrary to our values and legal obligations, and it will not be tolerated. Any decision regarding merit increases shall be free from any retaliatory bias or influence.
7. **AFSCME/Bargaining Unit Employees:** UMB is governed by a Memorandum of Understanding (MOU) or contract that covers employees represented by these group. The MOU or contract takes precedence except as otherwise allowed by law. All merit increase allocations for bargaining unit employees will be conducted in full compliance with the stipulations, guidelines, and procedures specified in the MOU. This ensures that the merit increase process respects the MOU and maintains the integrity of negotiated terms.

Frequently Asked Questions

1. Are eligibility requirements waived for state agency or USM transfers?

An employee in an eligible employee class must meet the eligibility requirements for merit which requires adherence to the following:

- Exempt, Nonexempt Staff employees, and CII status employees must be in their UMB position for at least 120 days by the end of the cycle: March 31, 2024. For the 2023 – 2024 cycle, eligible employees must have been hired by December 1, 2023.
- Employees must have an evaluation for the 2023 – 2024 performance cycle with a rating of “Outstanding”, “Above Standards”, or “Meets Standards”.

2. What if an employee has changed jobs within UMB since the last performance evaluation?

This employee remains eligible for a merit increase if the prior job was in an eligible employee class, such as regular or Contingent Category II (CII). Employees whose prior job was in a non-eligible employee class, must be in a regular or CII employee class on or before December 1, 2023.

3. What if an employee does not receive an evaluation by the stated deadline?

The employee will be considered to have a “Meets Standards” evaluation rating and will receive a 2.5% merit increase unless there are school/admin unit merit guidelines that determine a different percentage.

4. How is my evaluation completed if I transferred to a different job within the year?

Employees who changed jobs within the same department should have a performance evaluation completed with the assessment of their performance for the past performance year cycle. If the employee changed jobs in a different department prior to December 1st, the new department would complete a performance evaluation for at least the past 120-days.

5. How does being on leave impact an exempt employee’s merit increase?

Employees who otherwise meet eligibility criteria who are on an approved leave of absence may be eligible for a merit increase upon return to work once their performance evaluation is on file. The performance evaluation must be completed within 30 days of the employee's return to work. The employee's merit increase will be adjusted for the period between the employee's approved leave and return to work.

6. If a CII employee is auto termed and rehired on the same day, are they eligible for merit?

Yes, they are eligible for merit if they meet the eligibility criteria and did not have a break in service.

7. How should merit increases be handled for employees who are separating from UMB after the effective date of the merit increase to occur on July 1, 2024?

UMB establishes an eligibility period in which an employee must be actively employed that runs from June 30, 2024, to July 15, 2024. If the employee voluntarily or involuntarily separates from UMB during this period, they are not eligible for merit or COLA. If they separate from UMB on July 16, 2024, or after, they are eligible for merit and COLA assuming they meet all other eligibility criteria.