



July 12, 2013

(Via Email Only)

MEMORANDUM

To: Deans, Directors and Budget Officers

From: Vice Chancellor Darrell Bazzell

Subj: 2013-14 Unclassified Pay Plan – Phase II Budget Process

The state 2013-15 compensation plan approved by the Joint Committee on Employment Relations on June 26<sup>th</sup> provides authority to increase salaries for faculty, academic staff, classified staff, and limited positions by one percent in 2013-14. Fund 101 allocations will be provided to cover the costs of the increases. For unclassified staff, the allocation will be based on the average of the October 2012 and March 2013 payrolls; for classified staff, the allocation will be based on the funding for increases recorded on the July 25<sup>th</sup> (7A) payroll. Allocations for other GPR funds will be determined by UW System, based on the October 2012 payroll.

The compensation plan also requires us to raise salaries for individuals paid less than \$15 per hour (\$31,320 A-Basis) after the one percent increase has been applied. Such individuals must receive an increase up to a maximum of an additional \$0.25 per hour. However, the additional amount is limited by the full-time rate threshold of \$31,320. In other words, the additional rate increase cannot raise an individual's full-time rate above \$31,320. This provision does not apply to unclassified employees-in-training.

The information below relates specifically to the 2013-14 Phase II budget process and unclassified pay plan implementation. The pay plan for classified staff is being implemented through a separate process by the Service Center on an across-the-board basis, consistent with rules and guidelines that apply to classified staff statewide and in all state agencies. Divisional human resources staff should have already received detailed instructions for the classified staff process, which is well underway at this time. Please see the attached July 3<sup>rd</sup> memorandum for additional information.

Earlier today, the Board of Regents approved unclassified pay plan distribution guidelines that give institutions authority to “develop, oversee, and coordinate pay plan administration.” In light of the fact

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that we have gone nearly five years without a pay plan, UW-Madison will distribute the one percent increase on an across-the-board basis. The unclassified pay plan will not be treated as a traditional merit exercise. One percent increases will be provided to all faculty, academic staff, limited appointees, and research associates and research interns, with the following possible exceptions:

1. Unsatisfactory Performance. Employees who have documented unsatisfactory performance evaluations. Please see the attached Chapter 5 of the Budget Instructions for additional information.
2. New Hires. Individuals hired on or after April 1, 2013 for whom the employing unit would not have a reasonable basis for evaluation given the time of hiring and/or individuals who have an appointment letters that specify that the salary is effective through 2013-14.
3. Rehired Annuitants. Rehired annuitants are eligible. However, rehired annuitants can be excluded if their original rate was intended to apply to employment during 2013-14.
4. Extraordinary Salary Ranges. In a few cases, established maxima for extraordinary salary ranges will limit the amount of an increase that an employee may receive, because the maxima do not automatically increase.

Full-time rate increases of one percent have been automatically generated in the budget file (merit field) based on the Phase I budgeted full-time rates for all unclassified employees eligible for the pay plan, except for two categories of employees: a) employees with Proportional Funding Indicator set to "N," and; b) employees with New Record Flag set to "B" or "C." The Budget Office will distribute a list of such employees next week to help you with your review.

Unclassified form 2As showing the results of the increases will be delivered via RMS to each budget unit on Monday, July 15<sup>th</sup>. On that morning, the budget file will be open for your review, changes, and corrections. You will have until the end of the day, August 5<sup>th</sup>, to review your rate increases and to make changes and corrections. At that time, the new rates will be loaded directly from the budget system to HRS and will be reflected on the September paycheck (August earned). A lump sum payment for the July earned will also be issued. Any changes after the August 5<sup>th</sup> deadline will have to be entered manually in HRS through the Academic Personnel Office. See the attached Chapter 5 for additional instructions.

When conducting your review of the automatic load, it will be particularly important that you verify the full-time rate in the budget file. Employees may have had new midyear or proposed or promotional increases approved since the budget was locked in Phase I. In such cases, the full-time rate will need to be updated, along with the corresponding one percent increase based on the new full-time rate.

Please note that the automatic load will not take into account the additional requirement of up to \$0.25 per hour for employees earning less than \$31,320 (A-Basis) after the one percent increase has been applied. The Budget Office will distribute a list of such employees next week along with the required supplemental base increase. You will have to manually enter the supplemental increases in the budget file in the separate field (\$15/HR ADJ) labeled for this purpose. Note that this requirement does not apply to Research Associates and Research Interns.

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Revised Chapters 5 and 6 of the Budget Instructions are attached. The documents also are available at the Budget Office website. 2013-14 unclassified staff minima and salary ranges are available on the Office of Human Resources website (<http://www.ohr.wisc.edu/polproced/UTG/SalRng.html>). On-line merit increase control reports have also been reactivated on the Budget Development Reports page of the Budget Office website.

As indicated, allocations for GPR funds for both unclassified and classified pay plans will be provided as part of the Phase II budget process. Other allocations that have been approved or determined since the Phase I budget lock will also be included in the Phase II process. Note that the Phase II process will not conclude on August 5<sup>th</sup>. You will have additional time (August 19<sup>th</sup>) to rebalance your budget to your new allocation levels and make any other changes you deem necessary before the budget is locked and uploaded to the accounting system. The August 5<sup>th</sup> deadline relates only to your review of the unclassified rate increases.

If you foresee any problems meeting the August 5<sup>th</sup> deadline, please contact the Budget Office immediately. Other questions should be addressed to Steve Lund or Catharine DeRubeis in the Academic Personnel Office, or Tim Norris in the Budget Office, as appropriate.

Attachments:

1. Chapters 5 and 6
2. Timeline and Process for Classified and Unclassified Pay Plan Implementation
3. Template for Employees Excluded from Budget

xc: Chancellor Ward  
Provost DeLuca  
Andrea Poehling  
Jo Ann Carr

Bob Lavigna  
Steve Lund  
Catharine DeRubeis  
Tim Norris