

Lump Sum Compensation Adjustment Guidelines

Fall 2016: August 26, 2016, updated September 20, 2016

Introduction

UWM will be using one-time funds to support retention of UWM's long-term employees who have not experienced regular market or merit-based compensation adjustments and have seen the value of their employee benefits packages eroded over a number of years. While it is a strategic goal of the campus to continue to work to address base compensation, the available funds at this time are one-time funds. Thus, this compensation adjustment will occur as a one-time, lump-sum adjustment. This adjustment is intended to provide a bridge to a System-wide pay plan that we anticipate will be requested by the Board of Regents for the next biennium.

The amount of the one-time, lump-sum compensation adjustment is 1.75% of an employee's base salary or \$1,175, whichever is greater. Lump-sum adjustments will be prorated against an employee's full-time equivalency (FTE). Eligibility criteria and examples are below.

Eligibility and Limitations

A lump-sum compensation adjustment is not an entitlement but rather is intended to assist the Chancellor in meeting the strategic priority of employee compensation. The lump-sum adjustments defined in this document are one-time, do not affect an employee's base salary, and are intended to be distributed in the fall of 2016.

Who is Eligible for a Lump-Sum Adjustment?

- Employees with a start date at UWM prior to July 1, 2015, including Faculty, Academic Staff, University Staff (including craft workers) with an expectation of continued employment and University Staff Project appointees, and Limited Appointees
- Employees from the above categories considered solid performers

Who is Ineligible for a Lump Sum Adjustment?

- Any employee who began employment at UWM on or after July 1, 2015 (existing UWM employees who were promoted or who moved to a different position at UWM after July 1, 2015, are eligible)
- University Staff Temporary employees (LTEs)
- Student employees
- Rehired UWM Annuitants who are subject to the restrictions outlined in UWM's Post-Retirement Employment Policy, [S-62](#)
- Any employee paid exclusively on a lump-sum basis
- Any employee not deemed a solid performer (see description below)
- Any employee not employed by UWM at the date of payment of the lump sum

How is Solid Performance Determined?

- Faculty: Schools/colleges will follow established procedure (e.g., Executive Committee procedures) for determination of solid performance, which could include use of solid

performance determinations already completed, if completed after July 1, 2015. Faculty who are under a pending notification of non-renewal due to reason of performance are not solid performers.

- Academic Staff, University Staff, and Limited Staff: For the purposes of these lump-sum adjustments, an eligible staff member with an overall rating of at least “meets expectations” or “satisfactory” (or equivalent) on a performance evaluation since July 1, 2015, is a solid performer. If a performance evaluation has not been conducted since July 1, 2015, the employee is considered a solid performer. Academic Staff who are under a pending notification of non-renewal due to reason of performance or who are under a formal performance improvement plan are not eligible. University Staff who are under a pending process of dismissal for performance or who are under a formal concentrated performance evaluation plan are not considered solid performers.
- Solid performance is a yes/no determination.

How will the Amount of the Lump-Sum Adjustment be Calculated?

Note that the below numbers are used for purposes of describing the method.

- If the employee is full-time and the calculated adjustment is equal to or greater than \$1,175, the calculated adjustment is the amount of their lump-sum adjustment.
 - For example, if an employee is full-time and has a base salary of \$75,000, the base salary multiplied by 1.75% equals a lump-sum adjustment of \$1,312.50.
- If calculated adjustment is less than \$1,175, the number will be raised to \$1,175. If the employee is full-time, the amount of the lump-sum adjustment will be \$1,175.
 - For example, if an employee is full-time and has a base salary of \$40,000, the base salary multiplied by 1.75% equals \$700. The employee’s lump-sum adjustment will be \$1,175.
- If the employee is part-time, the lump-sum adjustment will be multiplied by the employee’s FTE to yield a final amount.
 - For example, if the employee’s base salary is \$75,000 and the employee is .5 FTE, the base salary multiplied by 1.75% equals \$1,312.50, multiplied by the employee’s FTE equals a lump-sum adjustment of \$656.25.
 - As a second example, if the employee’s base salary is \$40,000 and the employee is .5 FTE, the base salary multiplied by 1.75% equals \$700, which is below the minimum adjustment of \$1,175. The adjustment is raised to \$1,175, then multiplied by the employee’s FTE (.5) which equals a final lump-sum adjustment of \$587.50.

Timeline:

- Each division head is responsible for the collection of solid performance determinations within their division by October 1, 2016. Failure to submit complete solid performance determinations by October 1, 2016, will result in a delay of the below payment dates for that unit by approximately one month, or until the month following the completion of collection of solid performance determinations, whichever is later.
- For monthly paid employees, the plan is for lump-sum payments to be made on the November 1, 2016, paycheck. For bi-weekly paid employees, the plan is for lump-sum payments to be made on the November 10, 2016, paycheck. The dates of payment are contingent upon employees' solid performance designation being identified by October 1, 2016, as well as certain other technical steps requiring assistance from the UW Service Center.

Other Conditions:

- Funding source of an employee's appointment is not relevant to eligibility. Auxiliary units will pay for the adjustment from auxiliary funding.
- Lump-sum adjustments are derived from the employee's base salary as of September 1, 2016.
- Other income outside the employee's base salary, e.g., overload or overtime, are not considered in determining the employee's lump-sum adjustment.
- These one-time, lump-sum adjustments count toward creditable earnings under the Wisconsin Retirement System.
- Employees on a leave of absence will receive their lump-sum adjustment upon their return to active employment.
- Eligibility for a lump-sum adjustment is not an appealable issue. If an employee believes a procedural/mathematical error has occurred in the process, they should contact the central HR office.