

## 2024-2025 ANNUAL SALARY PROGRAM PROCEDURES

*Memorandum From:*

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Date: June 21, 2024

### **General Information**

This announcement includes instructions for preparing the 2024-25 annual salary program recommendations for individuals in the Career Family Classification System, as well as those in faculty and primary job families. Please note that pay increases for faculty or staff members in positions covered by collective bargaining agreements are governed by those labor contracts rather than the instructions in this memorandum.

### **Implementation Dates**

Annual salary program increases for eligible faculty and staff for 2024-25 will be effective as follows:

- September 1, 2024, for staff paid bi-weekly (first pay date at the new rate will be September 20, 2024); and
- September 1, 2024, for faculty and staff paid monthly (first pay date at the new rate will be September 30, 2024).

### **Due Dates and Routing**

Ann Arbor Campus units are encouraged to submit merit increases, lump sum recommendations, and performance ratings (optional) via the file-attach method available through HRMS. The process for using the file-attach method can be found in My LINC at Wolverine Access <http://wolverineaccess.umich.edu/>. Once signed into My LINC, enter “pay rate change” in the activity search box and press “Enter.” The procedures and templates will then appear. Please reference Payroll cutoff dates at <http://www.finance.umich.edu/finops/payroll/forms/cutoffsdeadlines> to ensure timely system load.

Comp Rate Change via the PAR workflow may be used for instances where the file-attach method cannot be used (see [HRRIS Job Aids](#)), then select the google document “PAR Transaction: Comp Rate Change (Job Data)”. See Payroll cutoff dates above for system load information (Biweekly Pay Frequency 2024/Monthly Pay Frequency 2024).

Units within Michigan Medicine, and the regional campuses should note that due dates and routing could be different from those detailed in this memorandum. They should consult the specific procedures distributed to leadership or the regional campus instructions.

### **Merit Considerations**

Meritorious performance is the most important consideration in recommending individual increases. Different increase amounts should be determined on the basis of an evaluation of the performance of each faculty and staff member relative to the requirements of their position.

### **Affirmative Action and EEO in Performance Evaluations**

The University of Michigan is committed to meeting its Affirmative Action and Equal Employment Opportunity goals and objectives. Affirmative Action and Equal Employment Opportunity responsibilities are important components of all supervisory and management positions. Accordingly, the performance evaluations of staff members who have supervisory and management responsibilities need to include an assessment of their

effectiveness in meeting their Affirmative Action recruitment goals and their success in retention of a diverse work force.

### **Salary Equity Considerations**

Each Executive Officer, Dean or Director of a major operating unit has the responsibility of assuring that equitable salary relationships, and their appropriate documentation, are to be maintained within their area as follows:

- Appropriate salary relationships should be maintained for staff within the same classification or related classifications, taking into consideration distinguishing factors such as performance, skills, and experience.
- Special care should be exercised to ensure that salary differences are neutral with regard to race, color, age, national origin, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, veteran status, FMLA status, and other categories protected by state and federal law.
- Unit salary programs should consider the distribution of staff members' pay and performance and incorporate appropriate recognition of the needs of the lowest paid. UHR can provide advice on various strategies.

### **Fair Labor Standards Act (FLSA) Salary Level Threshold**

On July 1, 2024 the FLSA salary level threshold exemption test is scheduled to change from \$684/week (the equivalent of \$35,568/year) to \$844/week (the equivalent of \$43,888/year). For employees in part-time exempt positions, the University Human Resources' (UHR) Compensation and Classification team will continue to centrally monitor for compliance and notify units when an individual's part-time salary (compensated rate) puts them below the FLSA exempt salary threshold to offer options.

In addition to the change noted above, another change has been announced. As of January 1, 2025, the FLSA salary threshold exemption test is scheduled to move to \$1,128/week (the equivalent of \$58,656/year). As a university, we are currently evaluating how to implement this proposed change and will be issuing further guidance on this matter when it is available.

### **Salary Ranges**

Units may develop pay ranges that support their compensation philosophy as part of the Career Family Classification System using labor market referenced data available through HRMS.

The University expects units to ensure that all regular staff members have an hourly rate of at least **\$15.15/hour (the equivalent of \$31,520/year for full-time)**. This is a change from the current \$15.00/hour minimum for regular staff.

### **Optional Lump-Sum Payment**

Each Executive Officer, Dean or Director of a major operating unit may elect to pay faculty or staff members a lump-sum one-time salary supplement. Therefore, an individual merit increase may consist of (1) an adjustment to base salary, (2) a one-time lump-sum payment, or (3) a combination of base salary adjustment and lump sum payment. If a unit elects to grant a lump-sum payment, the following guidelines apply:

- Only staff demonstrating satisfactory performance may be considered for a one-time, lump-sum salary supplement payment (earning code: SAL).
- A one-time lump-sum payment is a non-recurring expense.
- One-time lump-sum payments may be paid at any time during the 2024-25 program year for faculty and staff.
- A 2024-25 lump-sum salary payment may not be considered to be an advance against a 2024-25 base salary increase.

### **Optional Performance Ratings Upload**

Each Executive Officer, Dean or Director of a major operating unit may elect to submit performance ratings for staff members. While this is optional, it is recommended and allows for future reporting and analysis. Performance ratings may be entered in the columns to the far right of the pay rate change template spreadsheet that is a part of the file-attach method. Procedures and templates for the file-attach method can be found in My LINC at Wolverine Access <http://wolverineaccess.umich.edu/>.

### **Guidance and Information**

If you need assistance regarding salary equity concerns or working with the merit increase procedures, contact the appropriate Human Resources Office for guidance and information.

### **2024-25 SALARY PROCEDURES:**

#### **INSTRUCTIONAL STAFF, RESEARCH FACULTY; AND FACULTY WITH ADMINISTRATIVE APPOINTMENTS**

The salary procedures provide for increases, to be effective September 1, 2024, based on individual merit and labor market factors by discipline.

#### **CAREER FAMILY CLASSIFICATION STAFF (Michigan Medicine, please refer to Michigan Medicine specific salary program guidelines)**

- **Salary increase recommendations, including any salary supplement payments, that exceed 10%**, must be approved by the appropriate Dean or Director and Vice President or designee. With recommendations of this nature, please maintain appropriate documentation within your unit.
- **Lump sum payments that exceed \$10,000** must be approved by the appropriate Dean or Director and Vice President or designee. With recommendations of this nature, please maintain appropriate documentation within your unit.
- **Recommendations for -0- salary increase due to less than satisfactory performance** are to be accompanied by a plan for the future, and/or appraisal of the individual's performance. With recommendations of this nature, please maintain appropriate documentation within your unit.

#### **TEMPORARY STAFF**

Temporary Staff wage schedules (Office, Professional/Administrative, Technical, and Trades/Service Maintenance) for all campuses reflect the university minimum wage of \$15/hour. These schedules can be accessed via the web link at <http://www.hr.umich.edu/compclass/schedules/index.html>

#### **2024-25 SHIFT PREMIUM POLICY:**

The shift premium policy can be accessed at <http://spg.umich.edu/policy/201.55> and shift premium rates are available at <http://hr.umich.edu/compclass/schedules/shifton.html>

#### **2024-25 ON-CALL PAY POLICY:**

The on-call policy can be accessed at <http://spg.umich.edu/policy/201.36> and on-call rates are available at <http://hr.umich.edu/compclass/schedules/shifton.html>