The following information provides salary and wage guidelines for the University of Missouri, including annual merit increases and atypical increases such as reclassifications, market adjustments, and other pay adjustments throughout the year.

According to Human Resources policy HR-205, annual increases, reclassification pay adjustments, and other pay rates should be determined based on the individuals’ experience and qualifications, market salary information, internal equity, budget, and other similar factors. The weight given to each criterion may vary in individual cases.

Please note: All employees are required to complete annual compliance training (e.g., Building a Foundation, IT Security Basics, Campus Alert). Non-compliance will be a factor in determining pay increases.

I. ANNUAL MERIT INCREASES

A. FUNDING - For Fiscal Year 2022, units funded by General Operation Funds will receive an allocation equal to 1.5% of salary expenditures. The college, school, and division where funds other than general operating funding is the source of compensation are expected to provide similar merit pool increases.

Additional central funding (above the 1.5%) is for increases to base pay based on exceptional performance that significantly advance the mission of student success, research and scholarship befitting an AAU institution, and meaningful engagement. The amounts available to support this additional funding will be provided to the senior leader of every college, school, or division. The college, school, and division may also award non-base building lump sum payments based on exceptional performance that significantly advance the mission of student success, research and scholarship befitting an AAU institution, and meaningful engagement. These lump sum payments will be funded by the college, school, or division. The University will continue to provide funding for ranked faculty promotions - $7,500 for faculty promoted to the Associate Professor rank, and $10,000 for faculty promoted to the Full Professor rank.

Any increase in permanent pay and lump sum payment that exceed 10% will require approval by Provost Ramchand for faculty and Vice President Fischer for staff.

Units are encouraged to give priority to benefit eligible employees; however, part-time employees are also eligible to receive merit increases.

B. STRATEGIES TO CONSIDER - The following strategies are options for prioritizing merit increases. Performance and strategic priorities should be considerations. Leaders who effectively differentiate merit increases based on performance in a fair and transparent way are better positioned to maximize the efficacy of the overall salary budget.
1. **Combination of Performance and Strategic Priorities** – Prioritize increases to employees who exceed performance expectations and work in functions or positions where turnover could have the greatest impact on meeting the missions of the University.

2. **Staff Compa-Ratio** – Compa-ratio is a comparison of individual salaries within the pay grade of the job title. A 1.0 compa-ratio indicates the individual is at the mid-point of the pay grade. Focusing merit on employees with high-performance ratings who are paid in the lower 1/3rd of their salary range is recommended. Please note that staff compa-ratio reports have been distributed to each college, school and division from the Office of Human Resources.

3. **Lump Sum Payment for Exceptional Performance** – Lump sum payments, in conjunction with a merit increase, is a strategy which may be provided to benefit-eligible employees who have exceptional performance.

   a. Lump sum payments for performance require documentation of exceptional performance and must be supported by an increase in the base of at least 1.5%.

   b. Unlike previous years, benefit eligible employees with salaries that equal or exceed the range maximum will not be eligible for a lump sum payment. Exceptions will be reviewed on a case-by-case basis.

   c. Lump sum payments do not count towards retirement or other benefits where base salary is used to calculate value and are subject to applicable taxes and withholdings.

   d. Employees recommended for a lump sum payment must continue to be employed in the same position by the awarding department at the time the lump sum is scheduled to be distributed as they were at the time it was approved.

C. **OTHER CONSIDERATIONS** - Leaders may also keep in mind other factors that may influence their decisions regarding merit allocations. Examples of other considerations may include:

1. **Hire Date** - Proration of pay increases is one way to account for more recently hired employees. For example, any employee hired after April 1st could have their pay increase prorated based on the time between their hire date and the end of the evaluation period. Likewise, employees hired after April 1st may not receive an increase at all because they have not been in their role an adequate amount of time to evaluate performance.

2. **Increases received throughout the previous year** – Employees may have received salary increases during the previous 12-months due to reclassifications, promotions, additional duties, market & equity reasons. Like with new hires, proration is one way to account for increases previously received during the year.

3. **Additional duties** - An employee who had a job change, and received a base pay increase, could have their merit increase amount prorated based on the time between their job change and the end of the evaluation period.
D. PAY RANGES - All employees must maintain a salary that is no less than the pay range minimum.

E. REQUIRED APPROVALS FOR INCREASES - Departments must obtain approval from the college, school, or division senior leader or their delegate for all recommended base pay increases and lump sum payments. Merit increases or lump sum payments that exceed 10% require Provost Ramchand approval for faculty and Vice President Fischer for staff.

F. COMMUNICATING WITH EMPLOYEES - Employees should receive written notification of approved increases. Departments shall file the written notification in the employees' personnel file (eHRFile). Employees must only be notified about their annual increase after all necessary approvals are received. As in prior years, the Office of Human Resources will provide template letters.

G. EFFECTIVE DATES - The effective date for merit-based pay rate changes will be August 22, 2021 for biweekly paid employees and September 1, 2021 for monthly paid employees. All lump sum payments will be distributed in or around November.

II. OTHER INCREASES

A. RANKED FACULTY PROMOTIONS

1. BASE PAY INCREASE - For ranked faculty promotions, faculty will be provided $7,500 for promotion to associate professor/librarian III and $10,000 for promotion to full professor/librarian IV.

2. INTERSECTION OF MERIT AND PROMOTION – Faculty who receive a promotional increase to associate professor/librarian III or full professor/librarian IV are eligible for merit increase.

B. OFF-CYCLE / MID-YEAR INCREASES

According to HR Policy HR-205, atypical increases provided during times other than annual/merit pay cycles are considered "off-cycle increases" or "mid-year increases" (e.g., transfers, reclassifications, temporary pay increases, market adjustments).

The effective date for an off-cycle increase will be no earlier than the beginning of the pay period in which the Office of Human Resources (staff) or Office of the Provost (academic) has approved the Justification for Increase (JFI). Please Note: Coinciding pay increase ePAFs that do not meet the payroll deadline will be paid on the next paycheck (i.e., off-cycle checks will not be allowed.) The Office of Human Resources may approve an earlier effective date based on extenuating circumstances.

For additional questions about pay increases, please contact your Human Resources Partner.