

MICHIGAN STATE UNIVERSITY

September 2010

MEMORANDUM

TO: Vice Presidents and Heads of Major Administrative Units

FROM: Brent K. Bowditch, Assistant Vice President of Human Resources *BK Bowditch*

SUBJECT: Salary Increases for Employees in the Administrative Professional Association (APA)

MSU Human Resources is preparing to process the October 1, 2010 salary increases for employees in the Administrative Professional Association (APA). Please note that this raise process is the last series of raises covered under the previous MSU/Coalition Health Care Agreement. The new MSU/Coalition Health Care Agreement, which requires a 0% increase for the first year of the next wage cycle, will be in effect for APA and APSA's next raise cycle, which will occur in October 2011. This memorandum provides important information about the annual salary increase program and outlines your role in the process. The APA Merit Pay Guidelines and Frequently Asked Questions can also be found on the Human Resources website at www.hr.msu.edu under *HR News*.

The following information is provided to assist you in determining the merit increase portion of the salary raise pool:

- Description of effective dates, allocation method, and eligibility criteria
- APA salary raise list instructions



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EFFECTIVE DATE, ALLOCATION METHOD, AND ELIGIBILITY CRITERIA

10/1/10 General/Merit Increase: 2.75% salary increase funds calculated on the total salary base as of August 31, 2010, will be made available for eligible employees. Of the 2.75% total increase, 40% will be allocated across-the-board and 60% will be allocated on the basis of merit. The 2.75% raise pool will be awarded on 10/1/10 as follows:

- 1) 1.10% will be provided as a general increase.
- 2) 1.65% is to be allocated on the basis of merit to those employees that meet or exceed expectations.

The pay range minimum and Automatic Progression Level (APL) of each grade level will be increased by 2.75% effective on October 1, 2010.

APA SALARY RAISE LIST INSTRUCTIONS

Completion of Salary Raise Lists

The enclosed lists are to be used to implement the 2010 APA salary increase. Please note that the lists are based on the August 31, 2010 salary base, and that dual positions and control totals are reflected only on the primary department lists. "Primary" and "Dual" positions are noted as such on the raise lists.

- **Overdue Performance Evaluations:** The first column on the raise list indicates overdue evaluations. Please ensure that all overdue performance evaluations are completed immediately.
- **Base Salary as of 8/31/10 (Column A)**
Note: Please verify the base salary for those employees who have had salary adjustments or any other personnel change (e.g. terminations, new appointments and transfers) processed after August 31, 2010. Make any necessary corrections to the base salary, general increase, and control totals on the raise list.
- **General Increase (Column B):** The general increase has been pre-calculated as shown under Column B, “General Inc”.
- **Merit Increase (Column C):** Please review the Merit Pay Guidelines for detailed information on making merit pay allocations and communicating with employees. The merit amount you determine should be entered in Column C, “Merit Inc”. When no merit amount is given, please enter a zero. Control totals for the merit increase are printed at the end of each department and MAU report. ***MAUs are to distribute the entire control total amount; however, the control total should not be exceeded.***
- **Final 10/1/10 Salary (Column D):** Calculate the “Final 10/1/10 Salary” by adding the “Base Salary” (Column A), “General Inc” (Column B), “Merit Inc” (Column C). Enter the sum of A+B+C in “Final 10/1/10 Salary” (Column D).
- **New 10/1/10 Salary Range Minimum (Column E).** If the final 10/1/10 salary is below the amount in Column E, Human Resources will automatically increase it to the minimum.
- If you wish to provide a special salary increase beyond the contract total, you must submit a PAN form to process the special salary increase.

Communication and Compliance with APA Merit Pay Guidelines

Both the APA and the University place a high value on thorough communication about merit awards. An important step and contractual requirement of the annual raise process is to communicate with employees about the rationale upon which their merit allocations were based.

Please ensure that immediate supervisors in your unit communicate with each individual employee regarding his/her October 1, 2010 general and merit salary raise prior to the distribution of the October 29, 2010 paycheck.

To emphasize the importance of salary increase decisions and the resulting communication process, please share the enclosed memorandum to all individuals in your unit who are responsible for merit pay decisions.

Finalization and Submission of APA Salary Raise Lists

1. First level (immediate) supervisors are required to *sign the raise lists* certifying their compliance with the APA Merit Pay Guidelines. Should changes be made to the immediate supervisor’s merit pay recommendations, the department administrator(s) authorizing the changes must also sign the list certifying his/her compliance with the APA Merit Pay Guidelines.
2. Department Heads should sign all lists and return them to Human Resources/Records, 110 Nisbet by 5:00 p.m. September 27, 2010. Formal salary increase notification letters and updated PAN forms will be mailed the week of October 18, 2010. Updated salaries will be reflected in the October 2010 paychecks. **If you have any questions, please call Rosy Ovenhouse at 884-0129.**