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Subject: FY26 Merit Increase Information
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The following correspondence is being sent on behalf of the Division of Human Resources, the Office of the Vice Provost for Faculty, the Provost Office, and Workday Operations:

Colleagues –

On behalf of the Division of Human Resources, the Office of the Vice Provost for Faculty, the Provost Office, and Workday Operations, we would like to provide important information as we prepare for the FY26 merit process which will open in May.

New Hires Eligibility

Staff in monthly-paid, weekly-paid, or limited-service positions are eligible for a merit increase if their time type is full-time (including phased retirement) or part-time and they were employed by the University on or before February 28, 2025.

FY25 Reclassifications and Salary Adjustments Timing

If you are still seeking to implement FY25 reclassifications and salary adjustments, April 1, 2025 is the deadline for submitting the requests to core Compensation, including all [required documentation](#) so the request can be timely evaluated and returned. These requests must have an effective date of no later than May 1, 2025. Some areas may have earlier submission deadlines than April 1, such as the Perelman School of Medicine (March 1) or centers reporting to the Provost (January 15).

Requests received by core Compensation after April 1 will be evaluated starting July 1 for an FY26 effective date.

Promotions

Merit increases cannot be combined with salary increases resulting from promotions or reclassifications/salary adjustments. Merit eligible employees (staff and [academic workers*](#)) being promoted/reclassified effective July 1st or later receive their **merit increase first** and then their **promotion/reclassification second**. *Promotions effective July 1st or later must be initiated and completed in Workday **after July 1st** but prior to the close of monthly payroll for which the promotion is effective.* If a promotion effective July 1st or later is initiated in Workday before the merit increase submission, it will be overridden by the merit process and will need to be re-initiated in Workday after July 1st.

For academic workers, promotion cases can be entered into the Interfolio Review, Promotion, and Tenure (RPT) online platform and reviewed at **any** Provost's Staff Conference or Provost's Staff Conference Subcommittee meeting prior to the promotion's effective date. However, in order for promotions effective July 1st or later to not be overridden by the merit process, they *must be initiated and completed in Workday **after July 1st** but prior to the close of monthly payroll for which*

the promotion is effective.

Merit Plan Dates with Promotions

In the Workday record click only once on the X of a merit plan

If a staff or academic worker is moving from one merit-eligible job to another merit-eligible job, the HR Partner security role must click only once on the X of the employee's merit plan to **ensure that the merit plan eligibility effective date is accurate (i.e., is the same as the employee's original effective date)**. Instructions can be found [here](#).

Importance of Running Merit Audit Reports Prior to Merit Launch

Schools and centers are responsible for ensuring the accuracy of compensation records for their eligible staff and academic workers **before the launch** of the merit increase program. Therefore, in order to effectively prepare for the launch of merit later this year, schools and centers must **use the following merit audit reports early and often** to ensure that all merit eligible employees have active merit plans. Merit eligibility audit reports can be accessed within the Compensation Review dashboard, or by typing the report names below into the Workday search bar. The audit reports allow for streamlined identification of records that need correction or review **prior to merit launching**.

- **Merit Eligibility Audit for Staff and Academic Workers** – This report provides an analysis of merit eligibility for Staff and Academic Workers. Descriptive flags are included in the results to highlight potential issues that require review, which may impact eligibility or inclusion in the merit process in Workday. Utilize the descriptions on the following columns: *Eligibility Status/Description*, *Ineligible for Merit Reason*, and *Investigation Needed Reason* for the explanation of the investigation.
- **Merit Eligibility Audit - Employees with Mismatched Merit Plans that Require Removal** - This report displays employees with mismatched merit plan types. For example: An Academic worker has a Staff Merit plan assigned. In this case, that plan is not appropriate and should be removed and replaced with an Academic Merit Plan via a compensation change. Employees displayed in this report should have the merit plan removed via a compensation change. **The removal must have an effective date before March 1 of the current year to be excluded from the merit process.**

Thank you in advance for your cooperation and attention to this.

*Merit eligible academic workers are tenured, assistant rank, Clinician Educators, or Lecturers (depending upon their school and appointment/offer letter).

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The Penn Employee Solution Center is now available to help with your HR/payroll questions. Knowledgeable Center Specialists are available Monday through Friday, during business hours, to answer your questions. The number to call is 215-898-7372 or you may send an email to solutioncenter@upenn.edu.