

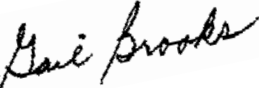
Date: January 30, 2009

Code: HR 2009-03

To: CSU Presidents

Supersedes: HR 2000-04

From: Gail E. Brooks
Vice Chancellor,
Human Resources



Reference: HR 2009-01, HR/Salary 2000-02

Subject: Management Personnel Plan – Merit Bonus Program Update

Overview

Audience: CSU Presidents, HR Officers, AVPs/Deans of Faculty Affairs and campus designees responsible for administering compensation

Action Items: Follow new procedures for merit bonuses for vice presidential salary transactions

Affected Employee Groups/Units: All Management Personnel Plan (MPP) employees

Summary

This policy has been updated to incorporate the new compensation approval requirements for vice presidents and to provide additional clarification.

The California State University (CSU) Management Personnel Plan (MPP) Merit Bonus Program has been updated to incorporate new procedures for vice presidential compensation pursuant to the Board of Trustees Resolution RBOT 01-08-01, requiring the chancellor to review and approve all vice presidential compensation actions.

This policy has been updated to incorporate the new compensation approval requirements for vice presidents and to provide additional clarification. Campus designees responsible for CSU compensation and employment programs should read the program guidelines listed below for more details. Changes are noted in underlined text.

MPP Merit Bonus Program:

Presidents have the discretionary authority to award a merit bonus if either of the following occurs:

- An employee meets specific measurable standards that were spelled out at the beginning of an evaluation period that indicate if specific actions are met a merit bonus pay adjustment will be provided.
- An employee meets a specific stated objective that is both articulated in advance and is measurable.

A campus electing to use the merit bonus option would be required to have in place specific evaluation plans outlining the criteria and/or objectives for provision of the bonus.

Distribution:

CSU Chancellor
Executive Vice Chancellors
Vice Chancellors
Vice Presidents (all campus vice presidents)

Associate Vice Presidents/Deans of Faculty Affairs
Human Resources Officers
Payroll Officers

It is important that a total cash perspective be maintained to ensure pay levels stay within competitive ranges and that bonuses are proportionate to employees' contributions and achievements. Bonus payments may not exceed fifteen percent (15%) of the individual's annual base pay. MPP bonus funding may come from either the annual MPP merit salary increase pool (unless otherwise instructed by the chancellor) or from campus funds. The annual campus bonus pool cannot exceed one percent (1%) of the campus MPP salary base using campus funds. This augmentation will be for bonus payments only, not for base pay adjustments.

Approval Process for Vice Presidents: Pursuant to the Board of Trustees Resolution RBOT 01-08-01, all vice presidential compensation must be approved by the CSU Chancellor and this authority cannot be delegated. As such, presidents must follow the approval procedure outlined in [HR 2009-01](#) (Compensation for Vice Presidents).

Payroll processing instructions for MPP salary programs are available on the Web at: <http://www.calstate.edu/HRAdm/SalaryProgram/MPP/index.shtml>. This document is available on the Human Resources Administration Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

Questions regarding MPP compensation may be directed to Human Resources Administration at (562) 951-4411.

GEB/en