



The university intends to reward employees for performance through merit increases in accordance with annual guidelines provided by university leadership and vary by performance.

The following situations require a lump sum payment request because the merit increase has been determined as "red-circled":

- The employee's current base pay is at or above the pay grade maximum, and the merit increase would bring the employee's salary to an amount that exceeds the maximum for the job's pay grade.
- The current base pay is below the pay grade maximum, but the new increase would place the salary above the pay grade maximum. In this case, the first portion of the raise will be processed as a regular increase to the base salary bringing the new base pay up to the pay grade maximum. The remaining portion of the raise will be provided as a lump-sum payment.

For payment accuracy, complete the following form and attach this document in the MSS transaction for each salary lump sum payment request.

**1. Complete the Lump Sum Payment Information Form**

Employee Information			
Employee ID:	Last Name:	First Name:	
Position #:	Effective Date:	Pay Grade:	Pay Grade Max:
Lump Sum Payment Information			
Total Lump Sum Payment Amount:			
Does the base compensation need to be brought up to the maximum of the pay grade?			
Comments:			
<p><b>Note:</b> Lump sum payments are issued as a one-time amount and included in the employee's regular paycheck. The lump sum portion of a raise is subject to retirement withholding and does count in the calculation of retirement income. Normal raises "compound" with each year's raise being calculated on a higher base pay; "Red-Circled" raises do not increase the base pay until the pay structure reaches the maximum.</p>			
Requestor's Information			
Name:		Phone Number:	

**2. Request MSS Transactions**

- Navigation: Request MSS Transactions> MSS Exceptions> MSS Exception Request
- Select Create New Exception
- Enter Effective Date
- Select Transaction Type: Job Change
- DeptID for Routing: Enter Position Department Number
- Request Description: Lump Sum Payment
- Request Justification: New salary exceeds the pay grade maximum, employee is "red-circled"

**3. Attach this form to the MSS transaction and Submit.**

Contact Workforce Systems at [workforcesystems@arizona.edu](mailto:workforcesystems@arizona.edu) for questions.