**Sideletter on Merit Increases at UCD and UCSD**

The University and the UC-AFT agree that in addition to Article 21 Salary and Article 22 - Merit Review Process, the following provisions shall govern merit increases at the UCD and UCSD campuses.

1. **It is the understanding of both UC-AFT and the University of California that the current contract language permits the Davis campus to continue to award merit increases in the amount of four increments OR that the campus can change its current practice to define a step as one increment and award merit increases of two steps, in order to align themselves with the other campuses. Any change to current practice can take place as of July 2, 2008.**

2. **It is the understanding of both UC-AFT and the University of California that the current contract language permits the San Diego campus to continue to award merit increases in the amount of four increments OR that the campus can change its current practice to define a step as one increment and award merit increases of two steps, in order to align themselves with the other campuses. Any change to current practice can take place as of July 2, 2010.**

Agreed to by the University of California:

[Signature]

Date: August 17, 2007

Agreed to by UC-AFT:

[Signature]

Date: 17 August 2007