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UW–Madison to implement 2027 compensation strategy

University of Wisconsin–Madison leadership has approved the allocation of \$12.5 million in this fiscal year to maintain the university's salary market competitiveness, and to reward and retain high performing faculty and staff. The funding will also be aimed at increasing the compensation of lower-paid employees, and addressing salary compression and parity concerns. Pay compression occurs when there is little difference in compensation between employees who have distinct differences in their knowledge, skills, experience, and abilities. Parity concerns occur when employees in the same title with similar training, experience, and responsibilities are paid differently.

The central compensation fund allocation includes \$7.5 million for base-building pay adjustments for eligible faculty, academics staff, university staff and limited appointees, with the remaining \$5 million dedicated to employee performance bonuses. These central compensation funds supplement a 2 percent pay increase for Universities of Wisconsin employees that went into effect in July 2026.

Pay adjustments become effective on November 29, 2026. All performance bonuses will be paid by December 2026.