Merit Distribution
Frequently Asked Questions

Q. How is the merit pool percentage determined?
A. Several factors go into the determination of the annual merit pool, including what other Universities and industry are planning as salary increase budgets, and the overall financial health of the University.

Q. How should I determine how much to recommend for merit for each of my employees?
A. A merit increase is intended to be an opportunity to reward and recognize staff for their performance during the evaluation period. This year’s merit pool is competitive with similar institutions, reflects the University’s fiscal strength, and represents a major commitment to rewarding staff for their accomplishments and contributions to the institution’s mission. Merit increases should clearly recognize your staff for their individual performance, with special attention to differentiating salary increases for high-performing staff (those with performance evaluation ratings of “4” or “5”).

Below is a guideline for applying merit increases based on performance. Since actual performance rating distributions vary by unit and by level, this is only a guide -- depending on your unit’s distribution of performance ratings, applying these percentages may over- or under-spend your merit pool, so you should adjust accordingly to remain within your merit pool allocation.

<table>
<thead>
<tr>
<th>PERFORMANCE RATING</th>
<th>EXPECTED % OF STAFF IN PERFORMANCE CATEGORY*</th>
<th>SUGGESTED MERIT INCREASE RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding (5)</td>
<td>10%</td>
<td>4%-5%+</td>
</tr>
<tr>
<td>Excellent (4)</td>
<td>20-25%</td>
<td>3.25%-4.25%</td>
</tr>
<tr>
<td>Successful (3)</td>
<td>40-50%</td>
<td>2-3%</td>
</tr>
<tr>
<td>Needs Improvement (2)</td>
<td>5-10%</td>
<td>0-1%</td>
</tr>
<tr>
<td>Unacceptable (1)</td>
<td>0-5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Reflects a typical expected performance distribution for populations of 10 or more staff

Q. Is it acceptable to distribute the merit pool evenly in my department so that each employee is recommended for the same percentage?
A. No. You should not apply the merit pool percentage evenly across the board to all staff. As stated above, merit increases should be allocated to individuals in alignment with an individual’s performance. It is important to reward your highest performers with a higher merit percentage to ensure you are sending a message that you acknowledge their significant contributions.
Q. Can I give a merit increase to an employee that has a rating of “Unacceptable” or “Needs Improvement”?
A. Merit should only be provided to those employees that have a rating of “Successful”, “Excellent”, or “Outstanding”. Employees with a rating of “Needs Improvement” should not be recommended for an increase unless justification is provided. Employees with a rating of “Unacceptable” should not be recommended for a merit increase.

Q. What if someone is missing from my list of employees in the Merit Increase System?
A. Contact your Position Analyst at the Budget Office.

Q. What if there is an employee that is on my list that has been transferred to another department?
A. Contact your Position Analyst at the Budget Office. Budget will need to make a manual update in the Merit Increase System so that the employee is displayed in the correct department, if necessary.

Q. What if there is an employee on my list with the wrong information (i.e. salary, grade, title)
A. Contact your Position Analyst at the Budget Office so that Budget can make a correction in the Merit Increase System.

Q. What should I do if I have an employee that is new or if an employee has announced they are leaving or retiring in January?
A. If an employee was hired after September 1, 2015 or has announced they are leaving (Retirement or termination), the Manager can put an “N” in the evaluation score field and input $0 as a Recommended increase for that employee, with an appropriate comment detailing the reason for the “N”.

Q. What if an employee is on a Leave of Absence?
A. Employees on leave of absence are still eligible to be considered for a merit increase, and should be planned for in the merit system the same as employees who are not on leave. The PA form to process the merit increase should be submitted upon the employee’s return to work.

Q. Can I go over my pool amount?
A. No. All departments must stay within their pool amount. Because recommendations to exempt employees’ salaries must be rounded to the nearest hundred dollars, we are aware that this may cause a small overage. An exempt pool overage of $100 or less due to rounding is considered to be within pool.

Q. How will these recommendations be reviewed?
A. Your HR Business Partner will review the salary recommendations and performance evaluations for alignment and will contact you to discuss any concerns.