Staff Merit Recommendations – Calculating Hourly Rate Increase for Non-Exempt Employees

This instruction sheet explains how you can plan and recommend the merit increase for non-exempt, weekly paid employees.

<table>
<thead>
<tr>
<th>How to Enter/Calculate the Hourly Rate Increase for Non-Exempts</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="https://via.placeholder.com/150" alt="Image" /></td>
</tr>
</tbody>
</table>

In the example, Silvio Dante is to receive a $2000 merit increase, his current salary is $39,439. The total should approximate $41,439:

$2000 ÷ 52 weeks = $38.4615384 week

$38.4615384 ÷ 35 hours = 1.09890; round to 1.10

Enter only the hourly rate increase of 1.10 into the Merit Amount column, and hit enter. The New Salary/Rate column will update.

<table>
<thead>
<tr>
<th>Name</th>
<th>Curr Yr Rating</th>
<th>Assign Duration</th>
<th>Scheduled Hr</th>
<th>Assign Duration</th>
<th>New Salary/Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>DANTE, SILVIO</td>
<td>3</td>
<td>12 Month - 52 Weeks</td>
<td>35.00</td>
<td></td>
<td>22.7700</td>
</tr>
</tbody>
</table>

You can check what the new annual salary is by multiplying the new rate by hours and assignment duration:

$22.77 * 35 hours = $796.95 * 52 weeks = $41,441.40* a year

*System rounding will cause a slight difference between the approximation of $41,139 & actual update of $41,441.40.

If you know the new hourly rate for a non-exempt employee, you just need to enter the difference between the old hourly rate and the new hourly rate in the Merit Amt column. OR if you already know the % increase for just enter the number of the % increase into the Merit % column.

If you only know the new annualized increase for a non-exempt employee you will want to do the following to find the amount that needs to be entered onto the Planning Worksheet in the Merit Amt column.

You will need:

- Annualized merit increase
- Current Assignment Duration (can be found on worksheet, see left)
- Current Scheduled Hours (can be found on worksheet, see left)

The calculation is as follows (for an example, see left):

Annualized merit increase ÷ assignment duration in weeks =  weekly rate

weekly rate ÷ scheduled hours = hourly rate increase

If necessary round the hundredth/second decimal up and enter that amount into the Merit Amt column on the planning worksheet.

To check that your entry will result in the correct annual salary take the updated amount from the New Salary/Rate and do the following:

New Salary/Rate * scheduled hours * assignment duration

Please e-mail hrcomp@bu.edu if you have any process questions.