

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.

How to Enter/Calculate the Hourly Rate Increase for Non-Exempts

View: * Default Compensatic Export Individual Planning Salary History								
Check	Name	△	Curr Yr Rating	Assign Duration	Scheduled Hrs	Merit %	Merit Amt	Curr Salary / Rate
								0.01-99,999,999.00
								* 1.4700
△	DANTE, SILVIO			12 Month - 52 Weeks	35.00	0.00	0.0000	21.6700
■	DUNPHY, CLAIRE	3		12 Month - 52 Weeks	35.00	1.00	0.2300	22.7500

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

Check	Name	△	Curr Yr Rating	Assign Duration	Scheduled Hrs
△	DANTE, SILVIO			12 Month - 52 Weeks	35.00

$$\$2000 \div 52 \text{ weeks} = \$38.4615384 \text{ week}$$

$$\$38.4615384 \div 35 \text{ hours} = 1.09890; \text{ round to } 1.10$$

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

Name	△	Curr Yr Rating	Merit %	Merit Amt	Curr Salary / Rate	New Salary / Rat
					0.01-99,999,999.00	
						* 2.5700
DANTE, SILVIO	3		5.08	1.1000	21.6700	22.7700

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

$$\$22.77 * 35 \text{ hours} = \$796.95 * 52 \text{ weeks} = \$41,441.40 * \text{ a year}$$

*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