

APA MERIT PAY GUIDELINES

~ 2010 ~

Merit increase allocation decisions should be based on objective performance-related criteria as much as possible; however, subjective judgments will have to be made. Following are steps you may follow to enhance consistency.

Step One

Consider each employee's performance over the past year based on unit-designated criteria (made known to the employee), including:

- Results achieved.
- Behaviors that relate to organizational success (e.g., teamwork, creativity, initiative, innovation -- see Performance Development Program form for others).
- Overall productivity and work quality.

Your conclusions about performance should have previously been discussed with employees through the appraisal process or thereafter. Summarizing key performance results may be useful in merit pay discussions with unit administrators and employees.

Step Two

Where possible, group eligible staff into a few performance levels (e.g., exceptional, commendable, and competent) and **construct a merit allocation guideline** for the different performance levels. Merit allocation guidelines may be structured in a number of ways, including:

- Using percentages.
- Using flat dollar amounts.
- Recognizing performance/achievements of work teams.

Step Three

Determine merit pay allocations. It is important to understand that, regardless of the approach used, actual allocations will not be based on a fixed formula, since numerous factors will affect merit allocations, including:

- The spread of performance levels in a unit.
- Whether some exceptional employees substantially exceeded performance expectations.
- The number of employees in the unit.

The following should *not* be considered in determining merit pay:

- Eligibility for APL (Automatic Progression Level) increases.
- Age, race, gender, handicap, etc.

Step Four

Communicate with employees about the specific reasons for their merit allocations. Both the APA and the University place a high value on thorough communication about merit awards. Topics to discuss may include the performance criteria you used, key performance results, and the APA merit pay guidelines you used. This dialog should occur before distribution of the Salary Notification letter (and certainly before it is received in the employee's paycheck). Compliance with the APA merit pay guidelines shall be certified by the immediate supervisor and by anyone modifying the original recommendation on an individual employee's merit raise.