

## FY2010-11 Annual Merit Compensation Guidelines for Staff

1. The FY2010-11 compensation budget for staff has been revised to reflect the following adjustments to cash compensation and benefits:

Budget Component	Exempt and Nonexempt Staff
Annual Merit Compensation	1.5%
Benefits <sup>1</sup>	2.9%
Total Compensation <sup>2</sup>	1.9%
<sup>1</sup> Represents increased dollars allocated to benefits accounts. <sup>2</sup> Represents the percentage increase in budgetary support to total compensation which includes both staff salaries and staff benefits.	

2. Goals of the Annual Merit Compensation Policy for Staff:
  - a) Continuing staff with salaries within the range for the position's salary grade receive increases to their base salaries in recognition of meritorious performance.
  - b) Continuing staff with salaries near, at, or beyond the maximum for the position's salary grade receive Cash Merit Payments that are not added to their base salaries for meeting or exceeding performance expectations.
3. Merit Increases and Cash Merit Payments are made in recognition of the individual's performance during 2009. To ensure the equitable allocation of the limited resources available at the departmental level, individual merit compensation must not exceed two (2) times the budgeted amount available to the department for this purpose.
4. Hiring salaries for vacant positions filled on or after March 1, 2010 should be adjusted to reflect FY2010-11 hiring range minimums. Individuals hired on or after **March 1, 2010** are not eligible for merit compensation effective July 1, 2010.
5. Each staff member employed before **March 1, 2010** is eligible for merit compensation effective July 1, 2010. All merit compensation is based on merit, consequently it is not guaranteed to any individual. There is no minimum merit compensation for staff members. For staff members exhibiting performance problems whose overall appraisal rating was less than fully satisfactory, it is recommended that no merit compensation be provided and a Performance Improvement Plan be established. Contact Human Resources for assistance in these cases.
6. If the current salary of a staff member exceeds the FY2010-11 range maximum for his/her position's salary grade, the staff member will receive a Cash Merit Payment in lieu of an increase to base salary. Cash Merit Payments will be paid in two (2) equal installments. The first payment will be included in the staff member's July 30, 2010 pay [or the first end of month pay for the current fiscal year that is not a salary payback payment for individuals not working a 12 month schedule], assuming continuous employment through that date. The second payment will be included in the staff member's January 31, 2011 pay, assuming continuous employment through January 31, 2011.

7. If the sum of the staff member's current salary and the salary adjustment exceed the FY2010-11 range maximum for the position's salary grade, the staff member's base salary will be increased to an amount equivalent to the range maximum. The difference between the range maximum and the sum of the staff member's current salary and the proposed merit compensation will be paid to the staff member as a Cash Merit Payment. Cash Merit Payments will be paid in two (2) equal installments. The first payment will be included in the staff member's July 30, 2010 pay [or the first end of month pay for the current fiscal year that is not a salary payback payment for individuals not working a 12 month schedule], assuming continuous employment through that date. The second payment will be included in the staff member's January 31, 2011 pay, assuming continuous employment through January 31, 2011.
8. If the sum of the staff member's current salary and merit compensation does not exceed the range maximum for the position's salary grade, the staff member's base salary for FY2010-11 will be increased to an amount equal to the current salary plus merit compensation (as adjusted for any changes in FTE).