



2023 MERIT INCREASE PROGRAM

RECOMMENDATIONS FOR LEADERS

PAY FOR PERFORMANCE AWARD RECOMMENDATIONS

Employees’ current salary grade position and performance should be considered when determining appropriate merit increases as part of this salary program.

While this merit program seeks to reward and incentivize sustained high levels of contributions, there is good reason to differentiate based on salary grade position.

Leaders should first look to bucket employees by their performance levels;

- Outstanding/Exemplary/Commendable/Above Satisfactory/Very Good would be defined as “above expectations”
- Satisfactory/Effective performance ratings are defined as “meets expectations”
- All other performance ratings would be considered below expectations.

Naturally, employees that are below expectations would not be incented in a pay for performance structure. Conversely employees that are above expectations should reasonably expect some type of adjustment that exceeds those who were meeting expectations.

After distributing talent across the three performance buckets - we then look to identify salary grade position. This exploration can highlight ways to differentiate employees that are performing at similar levels - but have disparity in their salary grade position. The buckets concerning pay position are anchored on salary grade placement by thirds. Those in the lowest third are considered “emerging in grade”. Those that are in the upper third are considered “advanced in grade” and those that are in the middle third are “established in grade.”

Where pay level meets performance level, Leaders and units should look to provide an increase that falls within the spirit of the table below.

	Advanced in Grade (4th Quartile)	Established in Grade (2nd and 3rd Quartiles)	Emerging in Grade (1st Quartile)
Above Expectations (Outstanding/Exemplary/ Commendable/Above Satisfactory/Very Good)			Highest Increase Anticipated Star performers that are situated low in salary grade
Meets Expectations (Satisfactory/Effective)		Average Increase Anticipated Core performers that are situated between the 25th percentile and the 75th percentile	
Below Expectations (Conditional/Marginal/ Unsatisfactory)	No Increase Anticipated Low performers that are well situated in salary grade		

Eligible employees should not receive less than .5% increase and there should be no increases awarded that exceed 5% of the employee's base salary.

SPECIAL NOTE

Employees that are not eligible for base-building increases due to salary grade position, and are being awarded one-time payments, should still fall within the applicable range based on performance level.