Table of Contents

Merit Information 3

Important Dates for Merit Process 4

Merit Guidelines for Exempt and Non-Exempt Staff 5

Performance Calibration 6

Merit Table and Performance Rating Categories 7

Merit Distribution Considerations and Restrictions 9

Lump Sum Payments 11

Student Compensation for 2018-2019 12
Merit Information

Overview of allocation, merit, and adjustment determinations

Each division will be allocated a pool of resources for fiscal 2019/2020 to be utilized for all salary adjustments and promotions throughout the year. This allocation will be communicated to departments by the Dean or Vice President of the area. The allocation is based on all positions within a department; including filled and open staff positions, student, contingency and other pooled positions.

Ensuring equity across departments

Departments must determine merit increases using the allocated funds from their Dean/Vice President and based on the performance of each employee. Funding from restricted accounts or other sources should not be used to provide increases higher than the merit guidelines. This is important to ensure equity across departments and to abide by the Uniform Guidance for Federal Awards government guidelines which stipulate:

“Compensation for services provided must be in accordance with institutional policy and procedure and federal statute.”

Handling pay adjustments

Other pay adjustments for July 1, 2019, which are consistent with the compensation policy, must be approved by the appropriate Dean or Vice President of the area. Further adjustments, such as equity, require HR Compensation review. If your department/division has these situations please contact either HR Compensation or your HR Consultant.

These Staff Merit Guidelines include the following information:

- Important Dates for Merit Processes
- Merit Guidelines for Exempt and Non-Exempt Staff
- Performance Calibration Instructions
- Lump Sum Payment Information
- Performance Rating Categories
- Student Compensation for 2019-2020
Important Dates for Merit Process

- **March 4**: Workforce Planning opens for Staff and Faculty. Employees newly hired or promoted on or after this date are not eligible for an increase on July 1, 2019. They are not eligible until July 1, 2020.
- **April 1**: Endeavor Closes. Deadline for Year-End Staff Performance Review.
- **May 15**: Workforce Planning locked for all campus units. Some departments will have an earlier lockout date for completing their work based on the needs of the department/division officer.
- **May 24**: Last day to submit a Personnel Action Form (PAF) to process a change in merit and/or hours worked with an effective date of 7/1/2019 to be reflected in first payroll in July.
- **June 1**: Staff Salary Notifications available online. Note: Notifications will not be available for employees on leave without pay.
- **June 23-31**: Merit increases are effective. Merit increases are given once annually and are effective July 1 of each year. Any salary increase outside of the July 1 annual merit cycle requires HR Compensation approval.
Merit Guidelines for Exempt and Non-Exempt Staff

In setting salaries for fiscal 2019/2020, use the following considerations:

As the university continues its goal to create a performance culture, individual performance impacts merit pay; therefore, managers must assess employees’ performance for the year prior to determining merit pay for their area. Holding recommended performance calibration sessions provides a method to compare employees’ relative contributions and how it equates to merit increases. The Endeavor performance management system closes on May 15, 2019 and the Workforce Planning tool for Staff closes May 24, 2019.
Performance Calibration

The process in which managers (typically within a department or function) come together to discuss the performance of employees and achieve agreement on performance appraisal ratings. The practice of performance calibration refers to the steps taken to make sure that managers apply a consistent set of standards in making performance ratings. The process ensures:

- A fair and objective appraisal of past performance is made for each employee in relation to others in similar roles and/or job levels with similar expectations.
- Managers apply similar standards to all employees.

**Step 1 - Appraisal:** The process begins with performance appraisal. At the start of the process, managers need to understand their role in rating their team and to learn about the performance standards and measurement scales that are in place. Close attention should be paid to the rating scale definitions that will be used to make appraisals (see page 7).

**Step 2 - Calibration:** Once the appraisal process is complete, the appraisals are submitted to the Senior Leadership/HR team for higher-level review. At this point, an HR Consultant can facilitate calibration meetings with the managers and other Senior Leaders. Calibration discussions should include both an executive summary and analysis of the aggregate organizational and department level data, as well as discussion of individual performance.

**Step 3 – Feedback:** After post-calibration changes are made to performance ratings, managers should have their one-on-one performance review discussions with employees. At this point, managers should have a comprehensive understanding of the organizational performance standards as well as how their team members are performing relative to others within and outside of the team.
## Merit Table

The table is a guideline to assist you in establishing merit increases based on performance, as assessed through the performance management system. The merit increase for each staff employee may not exceed the merit table unless there are other adjustments approved in advance by HR Compensation. A detailed analysis will be performed on the data to make sure the merit table and performance ratings are in accord with the guidelines.

<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Merit Increase Percentage</th>
<th>Definition</th>
</tr>
</thead>
</table>
| **Significantly Exceeds Expectations** | Up to 5.5% | • Consistently and substantially exceeds requirements  
• Frequently seeks opportunities to accomplish additional goals and/or duties  
• Initiates transformation with significant positive impact  
• Extremely contributive and impactful to work environment through frequent and consistent behavior that results in positive change |
| **Exceeds Expectations** | Up to 4% | • Performs at maximum levels of effectiveness during challenging situations producing exceptional quality  
• Exhibits role model level behaviors consistent with University values  
• Proactively and creatively solves problems resulting in positive change  
• Willingly takes on new or additional work |
| **Meets Expectations** | Up to 2.5% | • Consistently meets expectations and occasionally goes beyond requirements in terms of quality, quantity, and initiative  
• Achieves established goals and sometimes accomplishes additional goals as opportunities arise  
• Applies creativity and problem solving skills in certain situations and willingly implements and adapts to new process or enhancements  
• Consistent with University values |
| **Meets Some But Not All Expectations** | Up to 1% | • Not fully functional in all aspects but is progressing at the expected pace  
• Needs to gain proficiency in certain skills, knowledge, processes, speed and job standards due to newness of the position or change in task assignment  
• Continued development and progress is seen and/or anticipated  
• Shows positive change, progress in ability, and promise when advised and/or taught  
• Exhibits strength and consistency in many if not most area |
| **Does Not Meet Expectations** | No Increase | • Fails to use resources appropriately  
• Lacks required skills and/or knowledge to meet established standards and goals  
• Lacks willingness or capability to perform expectations  
• Does not make necessary changes when advised of the need  
• Behaviors are not consistent with University values  
• May already be under corrective action or a performance improvement plan  
• Immediate and sustained improvement required for staff in this category |

Please Click Here to view the more detailed Rating Scale document
The University strives to create and maintain an environment that emphasizes the importance of relating work performance to University goals and values. ND Voice survey results told us that employees desire and expect differentiation in the performance management process. As a general guideline, based on the performance rating scale being utilized by the University, we would expect to see the distribution of merit increases within a given department as follows:

- 8% of employees should receive a performance rating of Meets Some but Not All Expectations or Does Not Meet Expectations
- 55% of employees should receive a performance rating of Meets Expectations
- 37% of employees should receive a performance rating of Meets Exceeds Expectations or Significantly Exceeds Expectations

Salary increases should not be communicated to individual employees until departments/divisions are notified by HR Compensation that audits have been completed and the labor budget distributions are approved.
Merit Distribution Considerations

• The location of an individual’s current salary within the market reference range should impact whether the increase is at the low or the high end of the merit increase guidelines.

For example, assuming performance is the same, a person who is low in the range should receive a higher merit increase than a person who is high in the range. Here is a specific example:

- Employees whose salaries are at, near or above the maximum of their market reference range may be eligible for a base pay increase and/or a merit lump sum depending on their performance rating. Please refer to the Lump Sum Payment information on page 11.

- A current performance review must be submitted through the performance management system by May 15, 2019 for all employees as documentation supporting the merit increase request. You will not be able to submit an increase without a current performance review unless a specific exception has been made and approved through HR.

- If a requested merit amount is greater than 5.5% a memo of explanation must be attached in the notes section of Workforce Planning prior to its closing on May 25, 2019.

- Merit increases are given once annually and are effective July 1 of each year; any salary increase outside of the July 1 annual merit cycle requires HR/Compensation approval.
Merit Distribution Restrictions

• Individuals hired between April 1 and July 1, 2019 are not eligible for merit increases until July 1, 2020.

• Individuals promoted to a new position between April 1 and July 1, 2019 are not eligible for a July 1 increase; therefore, when setting the promotional salary, keep in mind the employee will not be eligible for a merit increase until July 1, 2020.

• Individuals with a job change (transfer/promotion/retirement) on or after April 1, 2019 are not eligible for a merit increase.

• Other than a Merit Increase, the following should be handled outside Workforce Planning through the use of the Staff Personnel Action online tool (pa.nd.edu) such as: a change in hours; return from a leave; or a position change after Workforce Planning has opened.

Salary increases should not be communicated to individual employees until departments/divisions are notified by HR Compensation that audits have been completed and the labor budget distributions are approved.

Reports and Audits

Once a division inputs all salaries into Workforce Planning, HR Compensation will be performing various audits to ensure merit adjustments are within the merit guidelines and compensation policy. Departments/divisions should review all reports available to ensure compliance prior to submitting the salaries for review: https://tableau.nd.edu/#/workbooks/2285/views
Lump Sum Payments

This information will assist in addressing employees with base pay that is at, near, or over the maximum of the market reference range. All staff increases, including lump sum payments, must abide by allocated budget and merit guidelines. The employee’s performance rating influences the options available.

a. Steps to Process Base Pay Increase & Lump Sum
   - Enter base salary increase in Workforce Planning.
   - Follow steps in item “b” below to process lump sum amount.

b. Steps to Process Lump Sum Payments
   - Enter the base salary increase of 0% in Workforce Planning, select “Max of Range” for reason.
   - Enter the lump sum amount on the “I/P Comp Items” tab in Workforce Planning for the July 2019 period. This information is for budgeting and reporting purposes and must be accompanied by an Additional Pay Form to generate the payroll transaction.
   - An Additional Pay Form should be completed for the lump sum increase, and it must be submitted to addpay@nd.edu on or before June 1, 2019.
   - If a large group of employees (greater than 10) within a department have lump sum payments, an Excel spreadsheet can be provided to HR Compensation Department in lieu of separate Additional Pay forms. The spreadsheet must include ND ID, Name, Position Number, and the Lump Sum Payment Amount. These forms are due no later than June 1, 2019.
Student Compensation

The wage rates for Notre Dame Student employees have changed for 2018/2019 and are as follows:

**Regular Payroll Jobs:**
Effective with the 2019/2020 academic year

<table>
<thead>
<tr>
<th>Rate</th>
<th>Rate (in $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$8.32</td>
</tr>
<tr>
<td>Intermediate</td>
<td>$8.75</td>
</tr>
<tr>
<td>Skilled</td>
<td>$9.17</td>
</tr>
</tbody>
</table>

The following definitions should be used to determine the student rate of pay:

**Basic:** Initial employment opportunities for students should be paid at the basic rate. Only positions with responsibilities as outlined below should be considered for the higher rates. The majority of student employment positions are paid at this rate.

**Intermediate:** Positions involving a lead role (providing direction to other students) or requiring substantial working knowledge of applicable systems/processes may be considered for this rate.

**Skilled:** This rate is reserved for exceptional circumstances involving one or more of the following responsibilities:

- Primary role is managing other student employees
- Research/analysis support (requiring graduate course work) in an academic program
- Work that requires advanced computer systems or programming knowledge
- Work of the nature that requires advanced foreign language competence