FY 2021
STAFF MERIT GUIDELINES

Learn more at our website
hr.nd.edu
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Merit Information

Overview of allocation, merit, and adjustment determinations
Each division will be allocated a pool of resources for fiscal year 2021 to be utilized for 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.

Merit Distribution Restrictions:
- Individuals hired between April 1 and July 1, 2020 are NOT eligible for merit increases until July 1, 2021.
- Individuals promoted to a new position between April 1 and July 1, 2020 are NOT eligible for a July 1 increase. They will be eligible on July 1, 2021.

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.”

Pay adjustments outside of merit
Other pay adjustments for July 1, 2020, 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.
**Important Dates for Merit Process**

**MARCH 2**
Workforce Planning opens for Staff and Faculty

**APRIL 1**
Employees newly hired or promoted on or after this date are not eligible for an increase on July 1, 2020

**MAY 15**
Endeavor closes and year-end staff performance reviews are due

**MAY 22**
Workforce planning is locked for all campus units
Some departments will have an earlier lock out date for completing their work, based on the needs of the department or division
Documentation to HR Compensation is needed

**JUNE 1**
Last day to submit a Personnel Action Form (PAF) to process a change in merit and/or hours worked, with an effective date of 7/1/2020, to be reflected in the first payroll in July

**JUNE 23 - 31**
Staff salary notifications are available online
Note: Notifications will not be available for employees on leave without pay

**JULY 1**
Merit increases effective
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 year 2021, 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 in order to determine 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.

**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 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:** Managers need to understand their role in rating their team. There are performance standards and measurement scales that help the managers determine the correct rating. (See rating scale page 7).

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

**Step 3 - Feedback:** Managers should now have their one-on-one performance review discussions with employees. There should be a comprehensive understanding of the organizational performance standards. Managers should know how their team members are performing relative to others throughout the University.
### Merit Scale

- **Merit For Performance:** This table is a guideline to assist you in establishing merit increases based on performance, as assessed through the performance calibration.

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.

<table>
<thead>
<tr>
<th>Performance Rating</th>
<th>Merit Increase Percentage</th>
<th>Definition</th>
</tr>
</thead>
</table>
| **Significantly Exceeds Expectations** | Up to 5.75% | - 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 4.25% | - 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 2.75% | - 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 1.25% | - 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 |
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.
  
  The 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.

- 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. (See Lump Sum Payment information on page 9)

- A current performance review must be submitted through the performance management system by May 15, 2020.

- If a requested merit amount is greater than 5.75% a memo of explanation must be attached in the notes section of Workforce Planning prior to its closing on May 22, 2020.

- Merit increases are given once annually and are effective July 1 of each year. Salary increases outside of the July 1 annual merit cycle require HR/Compensation approval.

Jordan and Chris work in the same department and have similar years of experience in their roles.

- Jordan has a meets expectations performance rating and is in the low end of the market reference range.
- Chris has a meets expectations performance rating and is in the high end of the market reference range

Jordan should receive a higher merit increase because her current salary is lower in the market reference range, regardless of the fact that their performance is the same.
Lump Sum Payments

When an employee’s salary has exceeded the maximum of their position’s market reference range, they must meet certain performance criteria to receive a salary increase or a lump sum payment. If they do not meet the performance criteria, they may be eligible for a lump sum payment. Lump sum payments must abide by allocated budget and merit guidelines. The criteria for a salary increase or lump sum payment are as follows:

1. The employee’s salary is currently 15% or higher than their maximum market reference range and they receive a significantly exceeds expectations score on their performance review.

2. The employee’s salary is currently above the maximum of their market reference range.
   - If the employee receives a “Significantly Exceeds Expectations” performance review
     An employee at or above the maximum of the range may be eligible for a base salary increase if they receive a significantly exceeds expectations performance rating for that merit cycle and is not more than 15% above the market reference range.
     Enter the base salary increase in Workforce Planning, select “Max of Range” for reason.
   - If the employee receives any other performance review score
     i. An employee at or above the maximum of the market reference range may be eligible for a lump sum payment with the approval of the Dean/Vice President of their division. This will not result in an increase in base salary, follows steps in item “b” below to process lump sum payments.

If an employee is near the maximum of the range, the merit increase may be split between a base pay increase and a lump sum. Follow steps in item “b” below to process. The base pay increase can only take the person to the maximum of the range (unless the employee is a significantly exceeds expectations performer – see item “a” below. The remaining increase, if applicable, should be provided in a lump sum amount.
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 2020 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, 2020.
   - 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, 2020.

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/](https://tableau.nd.edu/)
Performance Review Distribution

The University strives to create and maintain an environment that emphasizes the importance of relating work performance to University goals and values.

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 Exceeds Expectations or Significantly Exceeds Expectations
Student Compensation

The wage rates for Notre Dame Student employees have changed for the 2020/2021 academic year and are as follows:

Regular Student Position:

<table>
<thead>
<tr>
<th>Level</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>$8.53</td>
</tr>
<tr>
<td>Intermediate</td>
<td>$8.97</td>
</tr>
<tr>
<td>Skilled</td>
<td>$9.40</td>
</tr>
</tbody>
</table>

The following are definitions of the three pay levels:

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

The rates above are the minimum to be paid for each level of work. Students may be paid a higher rate if required by the market.