



FY 2022 STAFF MERIT GUIDELINES

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HUMAN RESOURCES



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FY22 Special COVID Guidance

COVID-19 continues to have a financial impact on the University. Even with continued uncertainty, providing a merit pool for FY22 is important. In addition, the lack of merit increases in FY21 necessitate that units utilize this pool to ensure that we remain competitive with our peers and equitable internally. In this spirit, additional guidelines are being provided for FY22.

Special FY22 Guidance:

- Units must use the entire 2.5% merit pool for salary actions: merit or future promotions. They should not use these funds as a part of the 2.5% budget cut for FY22.
- At this time, hiring remains frozen. However, starting July 1, 2021, standard promotional policies and practices will resume. Staff that previously received an approved promotion that did not have a salary increase associated with the change may now have their salaries increased. The new salary can be made effective no sooner than July 1st and cannot be made retroactive. New promotions offered after this date may provide an increase. All promotional salary changes must follow standard compensation guidelines. The primary purpose of the merit pool is to fund annual salary increases for employees and should be used sparingly, modestly and selectively for promotional funds so as to not dilute the merit raise pool for non-promoted employees.
- Variable Pay programs (recognition and spot awards) will be available during FY22. Per policy, no more than 7.5% of a division/unit's staff population may receive a Recognition Award within a fiscal year.
- Merit decisions should be based on 2021 performance reviews.
- External funding may not be used to supplement the merit pool. One exception to this is for Zone 1 adjustments. As in past years, staff in Zone 1 of the market reference range (MRR) are eligible for up to an additional 5% merit increase if additional unit funds are available to augment merit pools.



Merit Information

Allocation, merit, and adjustment determinations

Each unit will be allocated a pool of resources for fiscal year 2022 to be utilized for salary adjustments and promotions throughout the year. This allocation will be communicated to units by their Dean or Vice President. The allocation is based on all positions within a unit; including filled and open staff positions, student, contingency and other pooled positions.

Merit Distribution Restriction:

- Individuals hired between April 1 and July 1, 2021 are NOT eligible for merit increases until July 1, 2022.

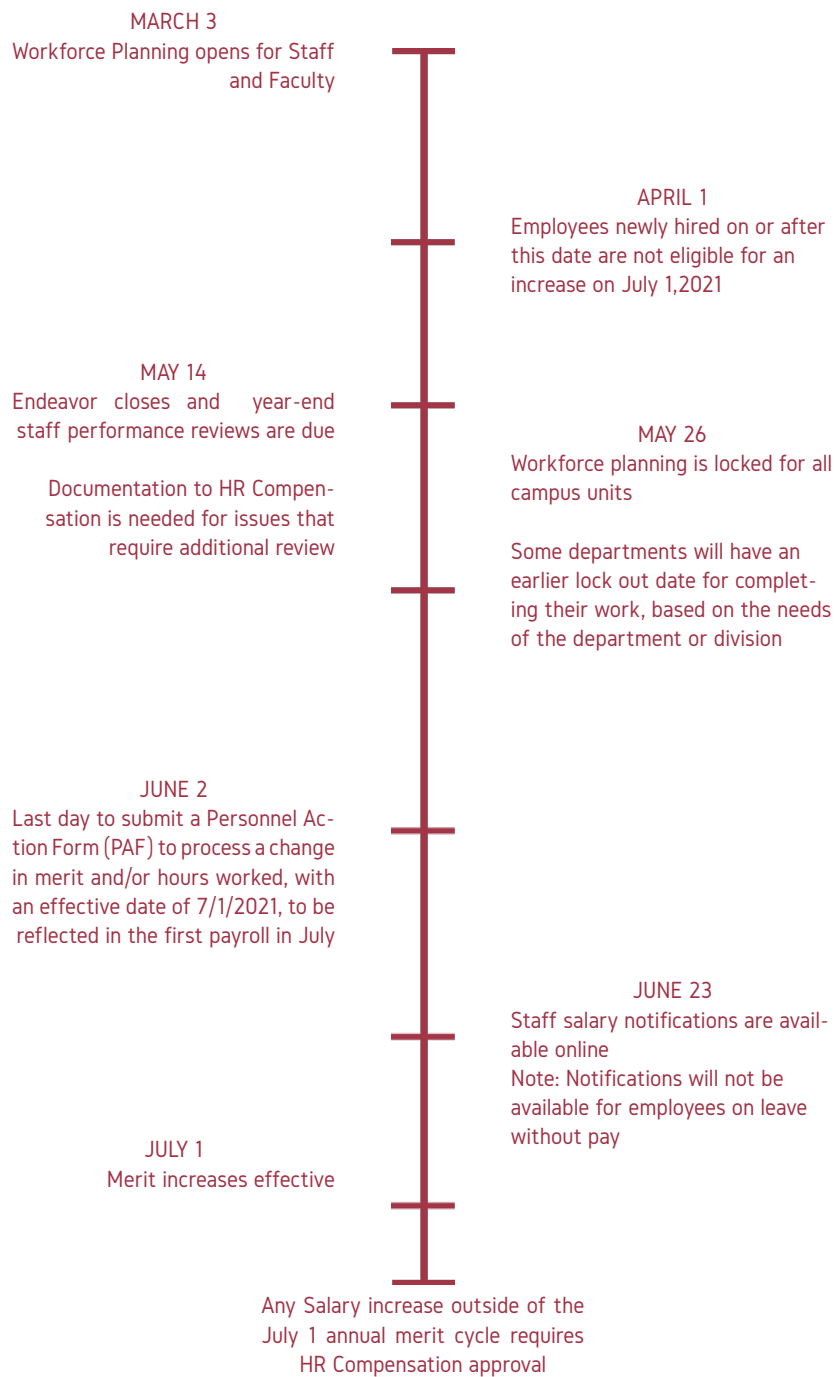
Equity across units

Units 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 units 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, 2021, which are consistent with the compensation policy, such as Zone 1 adjustments, must be approved by the appropriate Dean or Vice President of the unit. Further adjustments, such as equity, require HR Compensation review and approval. If your unit/division has these situations please contact either HR Compensation or your HR Consultant.

Important Dates for Merit Process



Merit Guidelines for Exempt and Non-Exempt Staff

In setting salaries for fiscal year 2022, 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**. 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 unit) come together to discuss the performance of employees and achieve agreement on performance appraisal ratings.

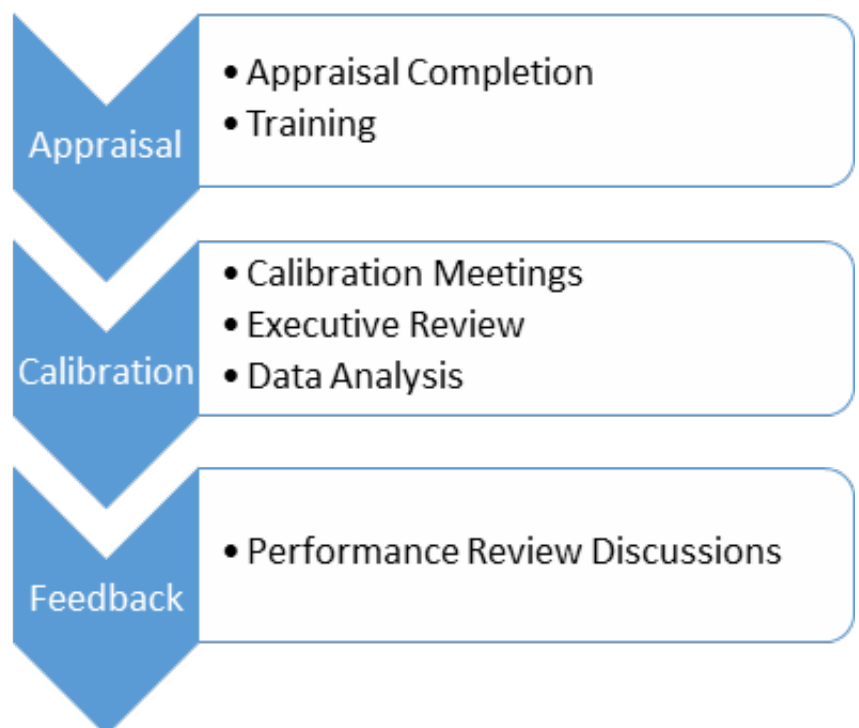
The process ensures:

- 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 play an important 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 managers complete their reviews of their staff, the assessments must be submitted to the Senior Leadership for a higher-level review. The HR Consultants 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: After calibration, managers should 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 their unit or division.



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.

| Performance Rating | Merit Increase Percentage | Definition |
|-------------------------------------|---------------------------|---|
| Significantly Exceeds Expectations | Up to 5.75% | <ul style="list-style-type: none"> ▪ 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% | <ul style="list-style-type: none"> ▪ 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% | <ul style="list-style-type: none"> ▪ 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% | <ul style="list-style-type: none"> ▪ 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 | <ul style="list-style-type: none"> ▪ 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 MRR should impact whether the increase is at the low or the high end of the merit increase guidelines.

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 MRR 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 14, 2021**.
- If a requested merit amount is greater than 5.75%, a memo of explanation must be attached in the notes section of Workforce Planning at least one week prior (**May 14, 2021**) to its closing on **May 21, 2021**.
- 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.

Lump Sum Payments

When an employee’s salary has exceeded the maximum of their position’s MRR, 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 MRR and they receive a “significantly exceeds expectations” score on their performance review.



The employee may be eligible for a lump sum payment with the approval of the Dean/Vice President of their unit if they receive a “significantly exceeds expectations” during their performance review. This will not result in an increase in base.

Follow steps in item “b” on page 10 to process this lump sum payment.

2. The employee’s salary is currently above the maximum of their MRR.



- 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 MRR.

Enter the base salary increase in Workforce Planning and select “Max of Range” for the reason.

- If the employee receives any other performance review score

An employee at or above the maximum of the MRR may be eligible for a lump sum payment with the approval of the Dean/Vice President of their unit. This will not result in an increase in base salary. Follow steps in item “b” on page 10 to process a lump sum payment.

If an employee is near the maximum of their MRR, the merit increase may be split between a base pay increase and a lump sum. Follow steps in item “a” on page 10 to process a base salary increase and a lump sum payment. The base pay increase can only take the person to the maximum of the range (unless the employee is a “significantly exceeds expectations” performer.

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 2021** 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, 2021**.
- If a large group of employees (greater than 10) within a unit have lump sum payments, an Excel spreadsheet can be provided to HR Compensation 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, 2021**.

Salary increases should not be communicated to individual employees until units 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. Units/divisions should review all reports available to ensure compliance prior to submitting the salaries for review. Visit <https://tableau.nd.edu/> and search for “Workforce Planning Reports”

[Explore](#) / [DataND](#) / [Support Files](#) / [Reports](#) / [Workforce Planning Reports \(FY 2022\)](#)

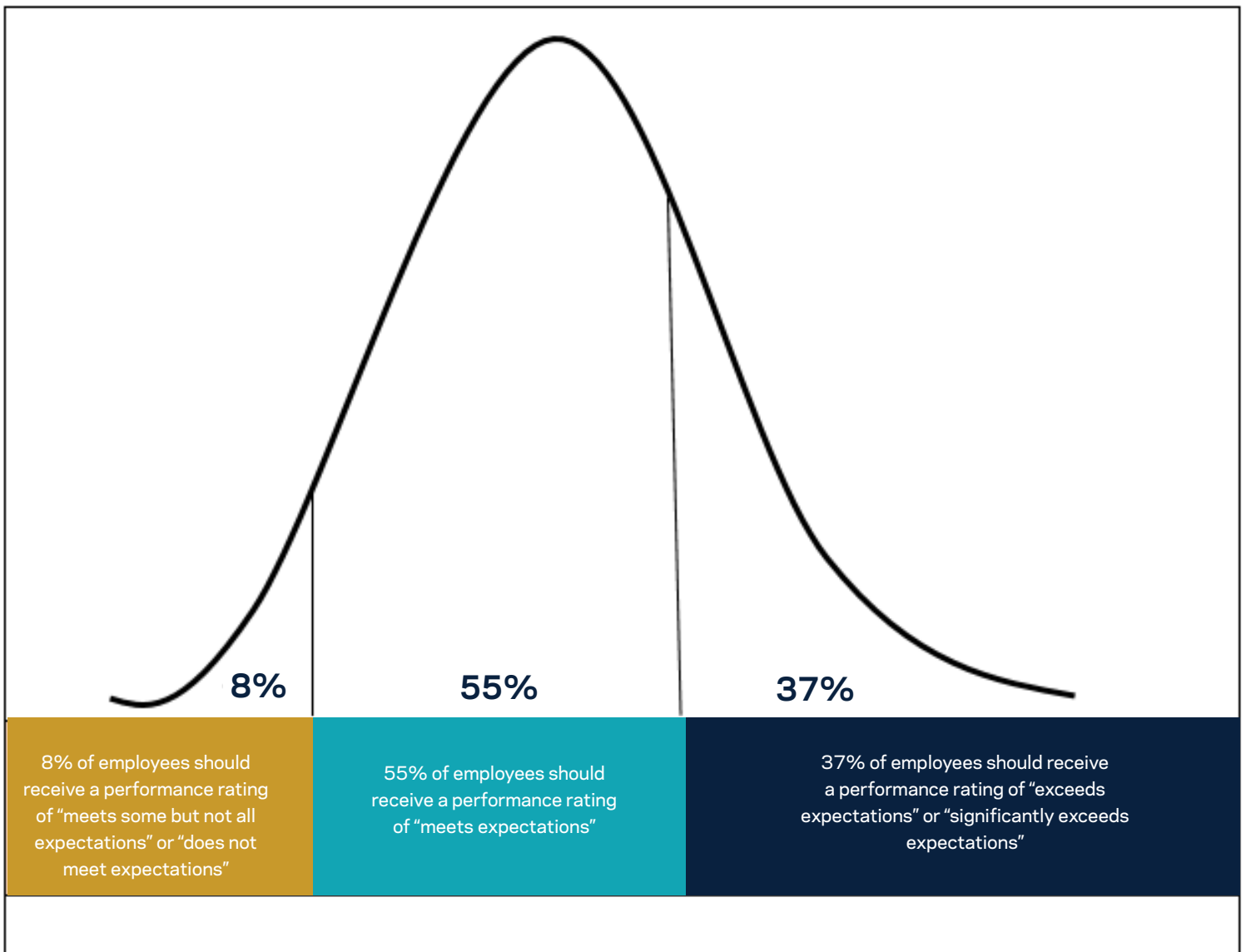


Workforce Planning Reports (FY 2022)

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:





Student Compensation

The wage rates for Notre Dame Student employees have changed for the 2021/2022 academic year and are as follows:

Regular Student Position:

| | |
|--------------|--------|
| Basic | \$8.53 |
| Intermediate | \$8.97 |
| Skilled | \$9.40 |

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.

Frequently Asked Questions

Q: If a staff member has received a promotion or transfer with no pay increase, is a department allowed to increase their salary above merit guidelines at this time?

A: Staff who received an approved promotion during the merit freeze are now eligible to have their salary increased. The final salary must follow all merit and promotion guidelines.

Reminder: The primary purpose of the merit pool is to fund annual salary increases for employees and should be used sparingly, modestly and selectively for promotional funds so as to not dilute the merit raise pool for non-promoted employees.

Q: Can a department use discretionary funds to increase the size of their merit pool?

A: No. For purposes of equity, departments may not supplement their merit pool with discretionary funds.

Q: How can a department provide a pay increase above the standard merit process?

A: Up to a 5% increase above a standard merit increase is available for staff in Zone 1 of the MRR. If a staff member is not in Zone 1, the department should contact their HR Consultant or the HR Compensation to discuss alternative solutions.

