

AUSTIN PEAY STATE UNIVERSITY
POLICIES AND PROCEDURES MANUAL

Policy Number: 5:052	Supersedes Policy Number: 5:052
Date: June 16, 1999	Dated: August 20, 1991
Subject: Merit Pay Policy for Non-Faculty Employees	
Initiating Authority: Vice President for Finance and Administration	TBR Policy/Guideline Reference: N/A
Approved:  President	

1. The purpose of Austin Peay State University's salary merit increase policy for non-faculty personnel is to:
 - a. Improve morale by providing visible job and salary growth.
 - b. Provide positive incentives for outstanding performance.
 - c. Provide controls that will result in the equitable distribution of salary merit increases.
 - d. Keep pace with the current job market and enable us to retain present and attract new employees.
2. Merit increases are recommended by the Division Heads after discussion with subordinate level supervisors. All merit increases are subject to approval by the President. The following factors should be considered when recommending merit increases:
 - a. Quality and quantity of performance during the past year. This should be documented in the employee's latest performance evaluation.
 - b. Personal commitment to advancement of university goals.
 - c. Assumption of added responsibility in the position without a change in job classification.

- d. Length of time since the last merit increase. This factor does not prohibit annual merit increases in consecutive years.
3. Each year that merit will be funded, the Human Resources Office will provide each Division Head a listing of all exempt and non-exempt personnel. Those employees who are recommended for merit will be indicated on the listing and returned to the Human Resources Office no later than April 30. Recommendations are subject to the following procedures and restrictions:
 - a. Classified Employees (Clerical and Support Personnel who are not exempt from the provisions of the Fair Labor Standards Act, e.g., secretaries, clerks, custodians, maintenance workers, etc.)
 - (1) A merit pay pool for classified employees will be established each year. From the pool, an amount will be designated for exclusive control of the President, and the remainder will be used to fund merit increases in each major functional area. Each Division Head will receive an equitable percentage of the merit pool equal to the percentage of their permanent employees in the classified area. Any unused merit funds in a functional area will revert to the merit money controlled by the President.
 - (2) Merit increases for classified employees will be designated in terms of merit levels. There will be two merit levels with level two being the highest and level one being the lowest. Level two merit will generally be in an amount equal to 1 1/2 times level one amounts, e.g., if level one is \$500, then level two would be \$750. Level two merit will be used only for exceptional performance generally requiring unique and unusual accomplishment on the part of the employee.
 - (3) All merit recommendations must be justified in writing by the appropriate supervisor.
 - (4) It is the intent of this policy that the merit program be managed to ensure all employees meeting the criteria will be given equal consideration for an increase. Therefore, if any Division Head has merit recommendations which cannot be accommodated through his or her merit pool, the additional recommendations containing written justification will be submitted to the Human Resources Office.

If approved by the President, these extra merit awards will be funded from the President's merit funds.

- (5) Personnel paid from restricted funds will receive merit pay if it is included in the appropriate budget and recommended by the supervisor. Merit raises, if available, are programmed into grants twelve months in advance and are not included in the Division Heads' merit pay pools. Amounts provided for merit increases for restricted personnel will not exceed amounts designated for merit levels of unrestricted employees.
- (6) Division Heads should ensure that only exceptional performance is rewarded with a merit increase. To receive a merit increase, an employee must have received an overall rating of above average on his/her latest performance evaluation. Additionally, the factors outlined in Paragraph 2 of this policy must receive careful consideration in determining recipients.
- (7) The total amount of money in the classified merit pool and the amount associated with each merit level will be determined each year based upon budget guidance from the Tennessee Board of Regents. Dollar amounts to be awarded will be equal for each employee at a given merit level. The Vice President for Finance and Administration will recommend the appropriate amounts each year to the President.

b. Administrative/Professional Employees

- (1) Merit increases for these employees will be designated in dollar amounts based upon available money in the salary merit pool provided to each Division Head. In the event available money cannot be determined by April 30, submission of merit recommendations for these employees will be delayed until three (3) working days after amounts have been provided to Division Heads.
- (2) Division Heads must ensure that recipients of merit increases received an above average evaluation on their latest performance evaluation. Additionally, the factors outlined in Paragraph 2 of this policy must also receive careful consideration in determining recipients.

- (3) Merit recommendation for administrative/professional employees may not exceed five percent (5%) of the current base salary. Exceptions to this restriction will require written justification from the Division Head and must be approved by the President.

c. Restrictions

- (1) New employees of the University are not eligible for a merit increase until one full year of regular employment has been completed. Any merit increases for these employees will be effective at the beginning of the fiscal year following completion of the initial year of employment.
 - (2) Proposed increases based upon educational achievement must be reported with merit recommendations, and may impact money available in the salary merit pools according to TBR salary guidelines.
 - (3) Reclassifications effective at the beginning of a fiscal year requiring a change in job title and a salary increase will be considered as a promotion unless otherwise required by TBR salary guidelines.
 - (4) Equity increases can be used only when it can be documented that employees are being paid less than personnel with similar duties and responsibilities for reasons other than longevity or continued outstanding performance by other employees. These increases require written justification by the Division Head, review by the Director of Human Resources, and approval of the President. Equity increases are not the subject of this policy and have no effect on merit considerations except as TBR guidelines may cause them to impact funds available for merit.
4. All merit increases are subject to the availability of funding and guidance provided by the Tennessee Board of Regents during the annual budget process. In the event funding is insufficient to cover the recommendations, the Vice President for Finance and Administration will make appropriate recommendations to the President on reductions or alternative methods of funding.
 5. All employees will be officially notified of the amount of their salary increase at the conclusion of the annual budget process in June of each year.