FY 2019 PROPOSED MERIT PROGRAM

A 3% merit program has been approved by the Board of Regents. An additional .5% optional merit may be awarded from departmental resources. Merit is intended to reward performance and should not be allocated across the board.

The University will assist in funding merit awards for accounts that receive a central budget allocation (1xxxx, 237xxx, 24xxxx, and 337xxx accounts) by providing 3% of eligible salaries in the FY2019 Salary Budget (Prep Budget) on Part 02 funds. All other merit awards will be self-funded.

GENERAL SALARY RECOMMENDATION PROCESS

Budget, Payroll and Personnel Workday Merit

FY2019 salary budget preparation will begin July 9, 2018. Vice Presidents, Deans and/or Department Heads are responsible for approving salary recommendations prior to, or during Phase II. These recommendations should be approved by designated persons and entered into the Workday Merit Business Process. All recommended salary changes should be entered by submitting a change in the Workday Merit Business Process prior to July 25, 2018. Please see unit head for internal deadlines.

To verify accuracy of the data entered, a HCM Prep 901 Salary Report will be distributed electronically on a daily basis to all divisions and colleges beginning July 10, 2018. This report will be a useful tool throughout Phase II. The report will update daily with new information feeding from the Workday Merit Process, as well as from the Costing Allocation Application.

The lump sum totals in FAMIS will be adjusted automatically by the re-allocator process, or manually by the Budget Office. This re-allocation process is necessary so that salary categories on FAMIS Screen 599 match the salaries in Workday and the total budget remains within Board of Regents approved limits.

After all corrections and adjustments are made in the Workday Merit Process, the Costing Allocation Application and FAMIS, access will be turned off. Workday Merit access ends July 25, 2018 with access ending for the Costing Allocation Application and FAMIS on August 4, 2018.

The Budget Office will make final adjustments and the FY 2019 Budget Process will be complete no later than August 17, 2018.
**Phase II – Important Dates**

- **June 25th** – Initiation date for Workday Merit Process
- **June 25-July 3rd** – In-progress event clean up
- **July 3rd** – In progress event cancellation date
- **July 9th** – Workday Merit Process launch date
- **July 9th – July 25th** – Salary change entry in the Workday Merit Process
- **July 9th – August 17th** – HCM Prep 901 Salary Report runs daily and reallocation process to FAMIS runs nightly.
- **July 25th** – Last day to submit merit
- **June 9th – August 4th** – Costing Allocation and FAMIS Budget Module adjustments
- **August 4th** – Last day to make Costing Allocation and FAMIS Budget Module adjustments
- **July 9th – August 17th** – Nightly updates (reallocation process) from Business Objects to FAMIS will begin. FAMIS Budget Module opens for adjustments related to Phase II (Screen 599).
- **August 17th** – Merit, costing allocations and FAMIS are reconciled and closed. “Goldplate” budgeted salaries date.
- **August 28th** – Costing Allocations loaded to Workday

**Access to FAMIS during Phase II**

Access to the Budget Module in FAMIS will re-open July 9th. During Phase II, users may make adjustments within expenditure categories or between salary accounts (in the same fund group). These changes may be necessary to keep the Phase II budget equal to the Phase I lump sum budget by account.

**Please Note**: You may not make any changes that would cause your Ending Balance to differ from the Ending Balance that was submitted during Phase I (i.e. changes to Beginning Balance, Revenues or Total Expenses).

**PHASE II GUIDELINES**

**Salaries**

Budgeted salaries should be entered as Salaries Non-Faculty or Salaries Faculty, as appropriate. In developing these amounts, the applicable appointments should be split between accounts and/or fund groups, based on effort. This will ensure consistency with actual results, and thus, compliance with federally required cost allocations in computing the Texas A&M University indirect cost rate. As
indicated previously, Phase I consists of lump sum salary budgets, while Phase II will include individual salary increases.

1. **Merit**
   What is merit and when and how can it be given:
   - A merit increase is defined as an increase in recognition of meritorious job performance but is not associated with a promotion or a change in job title resulting from a demonstrable, substantive change in job duties.
   - To be eligible for a merit award, an employee must have been employed for the six months immediately preceding the effective date of the merit salary increase, and six months have elapsed since the employee’s last merit salary increase or lump sum merit payment (See University Rule 31.01.01.M7, Employee Compensation Administration for further information).
   - Staff employees in System-wide Pay Plan titles who are paid close to or above the maximum of the pay grade for their title are eligible for a merit increase if they otherwise meet the merit criteria. However, departments are strongly encouraged to provide one-time merit payments to such individuals in lieu of a percentage merit increase to base salary. Any base pay increases to employees that result in a salary over the maximum will be tracked by Human Resources and Organizational Effectiveness (HROE) and reported to University leadership. This is in accordance with System Regulation 31.01.01 Compensation Administration which requires the System Member CEO or designee to approve an employee’s salary that exceeds the maximum of the established pay grade.
   - To receive a merit increase, an employee must have demonstrated meritorious performance as documented on a current year, formal performance evaluation with a “Meets Expectations” or higher overall rating (or equivalent language) that has been conducted in accordance with university rules.
   - Although not required for FY2019 merit awards, it is recommended that an employee's compliance status with required employee training be taken into consideration when determining merit awards.
   - A merit award may be given as a combination of a merit salary increase and a one-time lump sum merit payment with the same effective date.
   - Merit salary increases for individuals exceeding ten percent (10%) require documented approval of the appropriate Vice President or Provost.
   - One-time lump sum merit payments must follow University Rule 31.01.01.M5.
   - **Faculty and Staff Merit Increases** - FY 2019 merit increases for faculty and staff should not exceed an aggregate average of **the 3.5% approved merit** for each college/division (excluding promotion, reclassification, one-time merit and equity increases) of the Budgeted positions eligible for merit raises, as defined above.

   **Please Note:** Merit increases awarded during Phase II, aggregated at the college/division level, will be reviewed to verify total merit awards were within authorized limits and that merit was not allocated across the board.

2. **Faculty Promotions**
   Central funds have been provided to colleges on the main campus and Health Science Center, as appropriate for salary increases for promotions in faculty rank based on 5% of the current 9-month salary of the individuals being promoted. Colleges may supplement these funds from internal sources.
3. **New Positions (Faculty & Non-Faculty) and Title Changes for Existing Non-Faculty Positions**

New positions are created in Workday through applicable business processes and are not restricted during the Merit Process for filled positions. In order for a non-faculty promotional pay increase to be included in the Workday Merit Process for a 9/1/18 effective date, the Edit Position Restrictions business process in Workday must be approved. The Change Job process that changes the title in Workday must also be approved prior to the Workday Merit Process Launch in order for the new title to appear in Workday Merit. However, the Change Job for the title change can be done after the conclusion of the Merit Process and may be most appropriate for faculty promotions in case other Change Job processes are needed in Workday prior to 9/1. Title changes for existing non-faculty positions must have applicable approval through the Workday process for that division. All requests must demonstrate how the increases will be funded from existing allocations and are sustainable in future years. If the position has not received final approval, the salary amount for the promotion should not be added during the Merit Process but should be completed in Workday with an effective date after 9/1/18.

4. **Equity/Retention Adjustments**

In some cases, equity adjustments may be necessary to address gender and ethnic disparities, internal salary compression or high external demand for both faculty and staff. These should be made from existing funds available to the department. All equity adjustment requests must be supported by strong evidence of necessity and should have been budgeted in the appropriate Unallocated Salaries category for Phase I purposes. Non-faculty equity adjustments must be reviewed and approved by HROE via memo prior to being submitted to the Vice President or Provost for approval and prior to including the increase in the Merit Process under the Additional Adjustments section. **All equity adjustments must receive advanced approval by Vice President or Provost**, must be sustainable in future years, and should be made effective no earlier than September 1, 2018.

5. **Eliminating Positions**

Non-academic positions may not be eliminated without prior approval. If approval has been granted, please forward to the budget office.

For additional assistance please contact the budget office at budget@tamu.edu or 845-8145.