



**DEPARTMENT OF CORRECTIONS
Human Resources**



Title:	Merit Pay System	DOC Policy: 20.2.1
Supersedes:	DOC Policy 20.2.1, "Merit Pay System," dated 07/15/98	
Applicability:	Management service and executive service employees. Refer to applicable labor agreements for represented employees.	
Directives Cross-Reference:	State Policy 20.005.05	

I. PURPOSE

The department's merit pay system is intended to recognize and reward employees who achieve an overall performance evaluation that meets or exceeds the performance expectations established in their annual performance plans as required by DOC Policy 20.5.3, Performance Management Program.

II. POLICY

The Department of Corrections has established the following alternate merit pay plan that meets the requirements of State Policy 20.005.05.

By November 1 of each year, each supervisor shall have completed a performance evaluation for each executive and/or management service employee supervised as prescribed by DOC Policy 20.5.3.

By September 1 of each year, the Executive Staff shall determine if the department's fiscal situation enables the awards described in paragraphs II., C., D., and/or E., for the performance plan year ending September 30, and notify the executive and management service employees of the decision.

Step eligible employees who meet or exceed performance expectations shall get a merit step increase, and the step increase shall be withheld for those employees who do not meet expectations per State Policy 20.005.05, unless the pay for Performance Plan as described in C., below is implemented

A. Pay for Performance Plan

1. This plan requires open salary ranges within the current minimum and maximum rates without steps in between and provides for variable percentage merit increases for employees who are eligible for step increases: 10% for those employees who Far Exceed Expectations, 7.5% for those that Exceed Expectations, and 5% for employees that successfully Meet Expectations. In no case shall the increase amount exceed the maximum of the salary range. In such instances, the award may also include the applicable lump sum

award available for employees at the maximum of their salary range described in paragraph II., C., 3., below.

2. This plan allows faster progression to the maximum of the salary range for employees exceeding performance expectations while maintaining the current 5% increase for employees successfully meeting expectations.
3. Pay for performance awards for employees at the maximum of their salary range are limited to those who have either exceeded or far exceeded their performance plan expectations as evaluated by their supervisor. A lump sum cash award of \$500 is awarded to those employees who Far Exceed Expectations and a lump sum cash award of \$250 is awarded to those employees who Exceed Expectations. Lump sum awards are not added to base salary.

B. Performance Awards:

This plan may be implemented in conjunction with the traditional compensation plan which includes specific steps within the salary range. Employees who are eligible for a step increase will receive the increase on their salary eligibility date, provided the employee at least successfully meets the expectations of the job. In addition, employees who Far Exceed Expectations, whether eligible for a step increase or not, will receive a lump sum cash award of up to \$500; employees who Exceed Expectations will receive a lump sum cash award of up to \$250, as determined by the Executive Staff. Lump sum awards are not added to base salary.

C. Performance Recognition Leave:

All employees who have exceeded or far exceeded their performance plan expectations are also eligible for Performance Recognition Leave: 40 hours for those who Far Exceeds Expectations and 20 hours for those who Exceed Expectations, as determined by the Executive Staff.

This leave shall be scheduled in advance with the supervisor, taken prior to October 1 of the following year, and not cause a negative fiscal impact to the functional unit. It is neither cumulative or compensable in cash.

- D. Each supervisor will send a copy of the completed performance evaluation to the department's central personnel office for system input, record keeping, and notification of any necessary action to the payroll office by November 1 of each year.

Lump sum cash awards are payable by separate check on December 1 and merit step increases are effective on the employee's salary eligibility date (SED).

E. IMPLEMENTATION

This policy will be adopted immediately without further modification.