

## Fiscal Year 2020 Merit Salary Adjustment Guidelines

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### Background

The Governor is expected to sign the Fiscal Year 2020 State Budget (Appropriations Bill), which includes the following language in the University of System of Georgia's (USG's) section pertaining to limited merit pay increases: *"Increase funds for merit-based pay adjustments, employee recruitment, or retention initiatives effective July 1, 2019."*

The Board of Regents (BOR) approved its Fiscal Year 2020 merit salary policy for institutions at its April 16 meeting, along with the funding allocations for individual institutions. Georgia Tech will allocate the merit salary funding provided by the BOR to divisions.

Below are the points included in the **BOR policy**:

- Salary increases shall be awarded solely on merit and range from 0% to 4%
- No across-the-board increases are permitted
- No merit increases in excess of 4% are allowed
- The established salary pool for merit may not exceed 2%
- Individual salary increases should be reasonably distributed among qualified employees
- Institutions will present a consolidated table to the USG to demonstrate a reasonable and equitable distribution based on employee performance
- Institutions are encouraged to prioritize adjustments for lower paid employees contingent upon available funding.

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### Georgia Tech's Basic Guidelines

For **Georgia Tech**, the following will apply:

- The merit raises should average 2% for each major campus unit, regardless of the funding sources. Deans and other division heads may determine the level of aggregation within their divisions at which the averages are computed.
- Pay raises must be based on employee performance as determined by the calendar year 2018 performance appraisals and can range from 0% to 4%.

Managers should work with their budget and human resources staff throughout the Original Budget process to ensure coordination of budget allocations and merit raise decisions.

**NOTE:** Funding has been established for a corresponding increase for graduate students which will be outside of this merit salary process. Specific directions to the units will be provided.

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## Effective Dates

- Increases for academic faculty on a 9-month contract will be effective August 15, 2019.
- Increases for all eligible 12-month staff and faculty and will be effective at the start of the 2020 fiscal year – July 1, 2019, for monthly employees and June 30, 2019 for hourly employees. This includes administrative faculty, librarians, and research faculty.

**NOTE:** Faculty promotion (academic and research) raises will be 6% of the Fiscal 2019 base salary and will be effective on the same date as merit increases. These will be computed prior to the FY 2020 merit increases. All eligible nine and twelve month contract faculty, who receive Fiscal 2020 promotion/tenure raises (Academic, Research, Librarian), are eligible for Fiscal 2020 merit increases, if they meet other requirements stated in these guidelines.

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## Funding Sources

- Allocations for employees paid from Resident Instruction/General Operations (RI/Gen Ops) will be provided to divisions equivalent to the funding provided by the State through the Board of Regents. The Budget Office will communicate funding allocations to divisions.
- *Equivalent pay adjustments for all other employees shall be covered through the respective funding sources for those individuals*, including, but not limited to, sponsored programs, student activities, departmental sales and services, auxiliaries, Georgia Tech Research Institute, Enterprise Innovation Institute, Georgia Tech Athletic Association, Affiliate Organizations, and Alumni Association.

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## Eligible Employees and Limits on Adjustments

- Merit increases should reflect differentiation, demonstrating a reasonable and equitable distribution based on performance ranging from 0% to 4% with no “across-the-board” increases permitted per BOR policy.
- To ensure equity across departments, no merit increase can be awarded over 4%, regardless of funding source.
- Departments should determine merit increases based on the performance of each employee during the measurement period of Jan. 1 to Dec. 31, 2018.
- Employees must be currently in good performance standing (not currently on a performance improvement plan or in receipt of a disciplinary notice containing final warning) to be eligible to receive merit.
- Employees who received Jan. 1, 2019, merit increases will be eligible for the FY 20 merit increase.
- An employee, near the maximum of their salary range, will only be eligible to receive merit up to the maximum of their salary range.
- An employee at or above the maximum of their salary range is not eligible for a merit increase.
- An eligible employee on a temporary or interim pay is eligible for a merit adjustment but any merit awarded must be based on their base pay excluding increase for temporary or interim increases
- Individuals with a job change (lateral transfer with no increase) on or after Jan. 1, 2019, are eligible for merit.

- Employees who have received increases due to equity or retention are eligible to be considered for merit.
  - Other considerations:
    - Managers should differentiate merit increase amounts based on performance.
    - Managers should consider internal equity in making pay adjustments.
    - Managers should consider the employee's placement in the salary range.
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### Employees **Ineligible** for Increases

The following employees are **not** eligible for merit increases:

- Temporary employees and contractors, including Retired but Working employees
- Individuals hired between Jan. 1 and June 30, 2019, are not eligible for merit until July 1, 2020.
- Individuals promoted or reclassified to a new position between Jan. 1 and June 30, 2019, are not eligible for merit until July 1, 2020.
- Employees currently on a performance improvement plan or in receipt of a disciplinary notice containing final warning.
- An employee already at or over the maximum of their salary range is not eligible to be considered for a merit increase.
- Employees who have **not** completed the 2019 Integrity and Compliance campaign including training and certifications for Ethical Standards, Conflict of Interest, and Cyber Security Standards.

**All increases are subject to the USG Salary Administration and other related policies.**

**Any information regarding individual increases should not be communicated to employees until units have been notified of final approval by Georgia Tech Human Resources (GTHR), following review at the Institute level by the Office of the President.**

**NOTE: Please see detailed HR FY20 Merit Increase information located on the [GTHR Managers webpage](#).**

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### Schedule for Submissions

- Detailed Original Budgets, to include pay adjustments, are due from campus units by **5 PM on Friday, April 26, 2019**. The original budget must include the final merit rate for each individual. GTHR Compensation will be performing various audits to ensure merit adjustments are within the merit guidelines and compensation policy. Salary increases must not be communicated to individual employees until audits have been completed.
- Additional Guidance – The Budget Office has been conducting workshops for unit financial staff. Additional assistance is always available by contacting your assigned Budget Analyst for budget-related questions or the GTHR Compensation Consultant for questions about salary adjustment guidelines.

**NOTE: Detailed budget preparation information is available on the Budget Office's [Budget Development webpage](#)**

## **From the BOR**

### **Fiscal Year 2020 Salary and Wage Administration Guidelines**

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The FY 2020 budget includes \$47.0 million in state funds for merit-based pay adjustments and employee recruitment and retention initiatives. The merit increase is to be effective July 1, 2019. The FY 2020 Allocation Sheet reflects the institution's share of these funds.

The Board of Regents allocated to each institution funds to provide for salary increases for employees. Salary increases shall be awarded solely on merit, ranging from 0% to a high of 4%. Institution presidents are permitted to narrow the range but may not exceed the range. Institutions are strongly encouraged to give priority to salary increases for teaching faculty. The established salary pool for merit may not exceed 2%.

Institutions are required to develop and submit a merit increase matrix demonstrating reasonable distribution based on employee performance. This matrix must align with your established performance management/evaluation rating scale. Across-the-board increases are not permitted. This matrix must be submitted as a part of the FY 2020 budget submission.

Employees covered from other fund sources such as sponsored funds and auxiliary funds will be subject to the same policy requirements noted above and must be paid from the corresponding fund source rather than state funds.

Institutions will need to identify other appropriate sources to fund salary adjustments related to promotions or position reclassifications, adjustments for targeted populations or adjustments to address market and compression issues. Institutions are encouraged to prioritize adjustments for lower paid employees contingent upon availability of funding. These salary adjustments must be supported by appropriate documentation (e.g., market analysis or internal salary studies) and must be in compliance with Board of Regents Policy 8.2.24 Policy on Salary Administration and Incentive Rewards Program. These salary adjustments may also be effective July 1, 2019.

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