

DAS Statewide Policy

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| SUBJECT: Merit Pay System | NUMBER: 20.005.05 |
| DIVISION: Human Resource Services Division | EFFECTIVE DATE: 10/21/04 |

APPROVED: Signature on file with the Human Resource Services Division

POLICY STATEMENT: The state shall establish and implement a merit pay system to encourage outstanding individual performance and organizational accomplishments. The merit pay system shall provide for monetary awards to employees based on past meritorious service and contribution to the mission and goals of the organization.

AUTHORITY: ORS 240.240; 240.250; 240.430

APPLICABILITY: Classified unrepresented, management service, unclassified executive service and unclassified unrepresented employees

ATTACHMENTS: None

DEFINITIONS: See HRSD State Policy 10.000.01, Definitions; and OAR 105-010-0000

POLICY:

(1) The state shall establish and implement a merit pay system to encourage outstanding individual performance and organizational accomplishments. The merit pay system shall provide for monetary awards to employees based on past meritorious service and contribution to the mission and goals of the organization.

- (a) The state merit pay system, as adopted by the Division, shall be the standard. It allows for the orderly progression of an employee's pay from the established minimum to the maximum of the rate range based on documented meritorious performance. Accordingly:
 - (A) Appointing authorities shall ensure that merit pay awards are based on employees' work performance and organizational accomplishments, documented, and entered into the PPDB personnel system.
 - (B) Salary rates shall be administered within the salary range to which each employee's job has been assigned in the state's compensation plan.
 - (C) Agency heads shall ensure merit pay awards are within budgeted salary parameters and funding and legislatively approved salary policies.

(2) **Policy Clarification:**

- (a) Increases to salaries generally advance employees one step, or the equivalent thereof, in the salary range.
- (b) Generally, eligibility for merit pay increases follows a 12 month cycle.
- (c) An appointing authority may grant a special salary increase for exceptional individual performance. A special salary

increase normally does not affect the employee's eligibility for a six month or annual merit increase.

- (d) Leave without pay resulting from job-incurred time loss or other qualifying family and medical leave covered by HRSD State Policy 60.000.15, Family and Medical Leave does not affect an employee's salary eligibility date.

Performance Measure: Percent of merit pay documented and **consistent with policy**.

Performance Standard: 100%