Salary increases for FY2016 will be considered in two categories:

1. The FY2016 Merit Pool, which forms the bulk of the salary increase program.
2. The FY2016 Special Situation Pool, which is intended to address special cases such as promotion, salary equity, salary compression, salary inversion issues, or extraordinary employee performance of an unusual nature.

**FY 2016 Merit Pool**

A merit salary adjustment pool equal to 3% of March 1, 2015 salaries for filled positions has been established for FY 2016 to reward faculty and staff meritorious service. Central funding will be provided for cost centers funded with State funds, designated tuition, and certain mandatory fees. All other merit awards must be funded from existing departmental operating resources but must stay within the 3% pool.

Merit increases, including one-time payments, must be applied in accordance with the UTD Compensation Standards and Practices. For questions or additional details, please contact the Director of Employment Services or review the standards at http://www.utdallas.edu/hr/compensation/standards/.

Total merit award recommendations may not exceed the aggregate pool without prior approval from the Provost (Schools and Academic Units) or the President (all other Divisions). **No supplemental funding will be provided for merit increases awarded beyond the 3% calculated pool. Departments should ensure that requested increases can be sustained with departmental resources in the future.**

**Instructions for Processing Annual Salary Merit Increases**

Increases in merit are considered as a part of the annual merit pay cycle and implemented during the annual operating budget planning process. Merit increases are performance-based increases in compensation granted to employees whose performance and productivity are sufficient to earn an increase. Merit increases are granted to those employees who consistently perform above what is normally expected and required of his or her job.

Supervisors are responsible for recommending a merit increase based on the employees’ performance as documented in a current year performance evaluation. Merit increases, in general, may be awarded to individuals in a range from zero (0) to five (5) percent and may be granted to faculty and staff employed in their current job when:

- They have been employed in their current job for at least six (6) continuous months before the effective date of the increase.
- The effective date of a merit increase is at least six (6) months after the employee’s last promotion, salary increase or one-time merit payment.

Individual increases will be recommended by supervisors within each school/division with final decisions to be determined by the Provost, the respective Vice President or the President. Merit increases will be effective September 1, 2015. All recommendations will be reviewed by Human Resources.
Classified Staff Pay Ranges

If an employee’s current annual salary is at the maximum of the pay grade, a one-time merit payment (see below) should be made in lieu of an increase in base salary.

All employees must be paid at least the minimum for their assigned pay range. For salaries falling under the designated pay grade, an adjustment will be necessary to ensure the employee’s salary falls within the range for the pay grade of their job.

Increases greater than 5%

Executive approval is required for all proposed merit increases greater than 5% of the employee’s current salary. Schools will request approval through the Provost, while administrative offices will request approval directly from the President. A written request from the Vice President or Dean is required for any increase greater than 5% and must provide justification for the increase. This request should be sent to the Associate Vice President for Human Resources, who will evaluate the proposal, advise the respective administrator as to the appropriateness of the requested amount based on internal and external data, and forward to the President or Provost for final approval. The required higher-level approval should not be viewed as discouraging increases greater than 5% when the employee has earned such an increase but rather as an administrative check aimed at ensuring institutional consistency.

All requests for merit increases in excess of 5% should be submitted to the Associate Vice President for Human Resources by May 1 so that a determination can be made before the budget preparation process is complete. Funding for all salary increases in the FY2016 Merit Pool, including those greater than 5%, must come from the 3% merit adjustment salary pool unless the employee qualifies for the Special Situation Pool, and with approval of the Provost or President. Departments should ensure that requested increases can be sustained with departmental resources in the future.

FY 2016 Special Situation Pool

In addition to the 3% merit pool, the President and Provost have established a small fund to address other employee salary adjustments which may include promotions, exceptional performance of an unusual nature, salary market adjustments, compression, inversion or equity. Supplemental funding will be provided to support salaries paid from core operating budgets only. All other units will be required to fund the increases from existing resources and must be sustainable in future years.

Schools will request funding through the Provost, while administrative offices will request funding directly from the President. A written request and justification from the Vice President or Dean is required for any Special Situation based increase. This request should be sent to the Associate Vice President for Human Resources, who will evaluate the proposal, advise the respective administrator as to the appropriateness of the requested amount based on internal and external data, and forward to the President or Provost for final approval.
One Time Merit Payments

One-time merit payments are effective at the beginning of the fiscal year (September 1) and may normally not exceed 5% of the employee’s current base pay within a fiscal year. If a one-time merit payment is awarded in conjunction with a merit salary adjustment, the total amount (one-time and recurring) may not exceed 5% without prior approval by the President (administrative units) or Provost (school or academic units). **No supplemental funding will be provided for one-time merit payments.** Departments should ensure that the requested payments can be supported from existing department resources.

Market / Equity Adjustments

The deadline to submit a market/equity review request to Human Resources was April 1. Requests submitted by the deadline will be completed no later than May 4, 2015 and any approved increases will be effective September 1, 2015.

Any request for a market/equity adjustment, no matter the amount, must include written justification and be recommended by the dean and/or Provost (where applicable), or the division vice president, and will require review by Human Resources/Compensation and approval by the President (administrative units) or the Provost (schools and Academic units). **A limited amount of supplemental funding is available and may be requested from the President or Provost. [See FY 2016 Special Situation Pool]**

Merit Processing Calendar

The FY 2016 merit award process will begin on April 22 and all recommendations should be entered by May 6. The Budget Office will be distributing information to your staff with specific instructions on awarding merit within the Budget Planning Module.

Additional Resources

For assistance with the FY 2016 merit process, please contact the following individuals.

<table>
<thead>
<tr>
<th>For Questions Related to</th>
<th>Contact Office</th>
</tr>
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</table>
| Compensation, including merit | Ilyce Murray, Director of Employment Services  
AD 2.208  
Ilyce.Murray@utdallas.edu  
972-883-5153 |
| Operating Budget Process, including merit | Barbara Manzi, Manager of Budget Systems  
AD 3.108  
Barbara.Manzi@utdallas.edu  
972-883-6344 |