

## 31.01.08.D1 Merit Salary Increases



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### Rule Summary

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Texas A&M University-Central Texas (A&M-Central Texas) awards salary increases, including merit raises and merit payments, to employees that demonstrate meritorious job performance in accordance with System Regulation 31.01.08, *Merit Salary Increases*.

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### Definitions

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**Base Salary:** The base salary is the annual salary that is provided to the non-faculty member that is supported by the non-faculty compensation plan and is a function of the pay grade assigned to the position. Pay grade is computed by the process of job classification which takes into account factors such as complexity, knowledge and skills, leadership, scope and impact, and relationships.

**Merit Raises:** Employee merit raises may be granted based on established meritorious criteria, defined as sustained superior performance, supported by performance evaluations and other similar supervisory documentation or evidence of outstanding achievement. A merit raise increases the non-faculty member's base salary. Merit salary raises are compensation as defined under Texas Government Code §822 and are eligible for all general deferral plans offered by the System.

**Merit Payments:** Employee lump-sum merit payments may be awarded based on established meritorious criteria, defined as sustained superior performance over a period of one year, supported by performance evaluations and other similar supervisory documentation or evidence of outstanding achievement. A merit payment may not increase the non-faculty member's base salary.

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### Rule

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#### 1. ELIGIBILITY FOR THE MERIT SALARY PROGRAM

- 1.1 A&M-Central Texas authorizes a merit plan for its employees, details of the plan are reviewed and approved annually by the President.

- 1.2 Employees including faculty, professional, administrative, and support employees employed at A&M-Central Texas with at least a “meets expectations” performance rating are eligible for the merit salary program.
- 1.3 Non-faculty employees in budgeted positions of .50 Full-time Equivalent or greater, who meet other criteria outlined in section 2, are eligible for merit salary increases. All non-faculty employees, who meet other criteria outlined in section 3, are eligible for one-time merit payments.
- 1.4 Faculty members eligibility for merit raises and payments will be determined by the Provost and President as part of the annual merit plan.

## 2. AWARD OF MERIT SALARY INCREASES

- 2.1 Merit raises and payments, are granted during the fiscal year at a time determined by the President during the budget cycle in accordance with budget guidelines approved by the Board of Regents.
- 2.2 The merit salary increases shall be funded during the budget cycle with available university funds or fee revenue. A merit pool will be created from non-fee available university funds from which each department will receive a pool of funds equivalent to the total salaries of non-vacant positions times the merit percentage determined by the President. Departments with salaries paid from fee revenue specific accounts will be required to make available a merit pool determined in the same manner as other departments Merit payments granted at other times during the fiscal year are funded from the existing budget of the requesting department.
- 2.3 All merit salary increases shall be recommended through the approved channels and approved by the President.
- 2.4 Merit salary increases for employees shall be treated as payroll items subject to standard withholdings and deductions.

## 3. MERIT RAISE/MERIT PAYMENT CRITERIA

- 3.1 Non-faculty employees who demonstrate sustained superior performance, evidenced by a meets expectations or above rating on a current performance evaluation may be recommended for a merit salary increase which could be in the form of a merit raise or a merit payment.
- 3.2 Merit salary increases shall not be granted prior to completion of a non-faculty employee’s first six months of employment and the completion of an initial performance evaluation.
- 3.3 Merit salary increases for a faculty member shall not be granted prior to the completion of an initial performance evaluation.
- 3.4 Merit salary increases shall not be granted within six months of the employee’s last merit increase, promotion, reclassification or other permanent salary increase.

- 3.5 Clearly exceptional performance or accomplishment may occur for which an out-of-cycle merit raise, or payment may be appropriate. Very strong evidence must be presented to justify an out-of-cycle salary increase and requires the President's approval.

#### 4. MERIT RAISES

- 4.1 Merit raises may be awarded in accordance with the following guidelines:
  - 4.1.1 Merit raises should be based on the criteria in Section 3 above.
  - 4.1.2 The non-faculty employee's performance must be documented on an Employee Performance Evaluation Form completed within the past six months.
  - 4.1.3 Faculty employee's performance must be documented per the annual plan approved by the Provost and President (section 1.4).
  - 4.1.4 Approved merit raise amounts are determined by Divisional Vice President in collaboration with the department Director or Dean with final approval by the President.
- 4.2 If the proposed merit raise would make an employee's individual salary exceed the maximum of his/her assigned salary range, the President must approve the merit raise.

#### 5. MERIT PAYMENT

- 5.1 Merit payments may be awarded for superior performance in accordance with the following guidelines:
  - 5.1.1 Merit payments should be based on the criteria in Section 3 above.
  - 5.1.2 The employee's performance must be documented on an Employee Performance Evaluation Form completed within the past six months, or a detailed memo from the Department Director or Dean detailing the increased performance or responsibilities.
  - 5.1.3 Approved merit raise amounts are determined by Divisional Vice President in collaboration with the Department Director or Dean.
- 5.2 Merit payments may not exceed 10% of base salary, up to a maximum of \$5,000 without prior authorization of the President.

#### 6. PROCEDURES

- 6.1 Supervisors will develop justifications for merit raises based on performance that is clearly above that which is expected from the position.
- 6.2 Supervisors will develop justifications for merit payments based on a significant contribution, accomplishment or recognized cost saving innovation.

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## **Related Statutes, Policies, or Requirements**

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System Policy [01.03, Appointing Power and Terms and Conditions of Employment](#)

System Regulation [31.01.01, Compensation Administration](#)

System Regulation [31.01.08, Merit Salary Increases](#)

[Tex. Educ. Code § 51.962, Merit Salary Increases](#)

[Tex. Gov't. Code §822](#)

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## **Contact Office**

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