

## **MERIT INCREASE**

### **P-1 Type 620 Merit Increase**

Requires Approvals by: PA DEPT COMP

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- Use the 620 Merit Increase P1 when an employee is due for an increase in the current pay period, or if an employee is receiving a past-due increase, but will **not** receive back pay.
- Use the 636 Pay Increase Due for a Past Pay Period P1 if an employee is receiving a past-due increase and will receive back pay.
- Pay increases for non-contract and AFSCME employees are discretionary.
- The pay increase is a percentage increase of the employee's base pay. The employing agency may give any percent increase to the employee, so long as the employee's pay does not exceed the maximum of the pay grade of the class to which assigned.
- Enter the percent of the increase the employee is receiving in the P1 remarks. Also include the calculations for the employee's new rate of pay on the inside remarks page.
- The pay increase is based on performance. The employee must have a current performance evaluation on file (the "Performance End" date must be within the last 12 months) with a rating of at least "meets job expectations." Time spent on required educational or military leave shall be considered to "meet job expectations."
- The pay increase cannot be given prior to the employee's pay increase eligibility date.
- Pay increases are not retroactive, except as provided in subrule 53.4(7).
- A new eligibility date is established each time the employee receives a pay increase.

### **Administrative Rule 53.7(1) and 53.7(2)**

**53.7(1) General.** An employee, upon completion of a minimum pay increase eligibility period, may receive a periodic increase in base pay that is within the pay grade and pay plan of the class to which the employee is assigned.

*a. Pay increase eligibility periods.* The minimum pay increase eligibility period for employees shall be 52 weeks, except that it shall be 26 weeks for new hires and employees who receive an increase in base pay as a result of a promotion, reclassification or pay grade change.

**53.7(2) Employee pay increases.** An eligible employee may be given any amount of within grade pay increase up to the maximum pay rate for the employee's class. The pay increase shall be at the beginning of the pay period following completion of the employee's prescribed minimum pay increase eligibility period and shall not be retroactive, except as provided for in subrule 53.4(7).

*a. Performance.* Within grade pay increases shall be based on performance, are not automatic, and may be delayed beyond completion of the employee's minimum pay increase eligibility period. The amount of a within grade pay increase shall be determined by policies established by the appointing authority. To be eligible, a within grade pay increase must be accompanied by a current performance evaluation on which the employee received an overall rating of at least "meets job expectations." Time spent on FMLA, workers' compensation, educational, or military leave shall be considered to "meet job expectations."

### **Step Increase Date**

The step increase date will be set to 52 weeks from the effective date of the increase.

## MERIT INCREASE CONTINUED

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### Use the 620 Merit Increase P1 if:

- An employee has a step increase date in the current fiscal year and is receiving the step increase on their step increase date.
- An employee's step increase date is past due, but the employee will **not** receive back pay.
- The employee's new step increase date should be set to a year from the pay period the employee received the increase.

Examples:

Increase Date	Pay Period EE Received Increase	Is the employee receiving back pay?	New Increase Date
02/15/2013	02/15/2013	No	02/14/2014
01/09/2009	03/29/2013	No	03/28/2014
12/07/2012	01/18/2013	No	01/17/2014

### Use the 636 Pay Increase Due for a Past Pay Period P1 if:

- An employee was eligible for an increase in a past pay period, but didn't receive it on time. The employee will receive back pay to their step increase date, unless the back pay extends into the prior fiscal year. Any back pay owed outside of the current fiscal year must be submitted to the Appeal Board.
- The employee's new step increase date should be set to a year from the pay period that the employee became eligible for the increase.

Examples:

Increase Date	Pay Period EE Received Increase	Is the employee receiving back pay?	New Increase Date
12/07/2012	01/18/2013	Yes	12/06/2013
09/28/2012	02/15/2013	Yes	09/27/2013