

Project Plan for Implementing Merit Pay (Sample)

Project Charter: Develop and implement a merit-based pay plan for civil service employees

Project Team: _____

Project Charter: Implement a performance and merit pay program for P&A and Civil Service.

A. Merit Pay Model Chosen: Model 1, Performance Only

For example:

Performance Score	Increase
5 - outstanding	5.0%
4 - exceeds expectations	3.5%
3 - proficient	2.25%
2 - requires improvement	1.5%
1 - unsatisfactory	0%

Rationale:

- Rewards annual performance
- Simple to budget
- Easy to administer
- Straightforward to communicate

Rules:

- Eligibility to participate in merit increase: Employee's start date is prior to January 1
- If performance appraisal not completed by deadline, employee will not receive a merit increase.

B. Performance Appraisal and Merit Pay Timeline

Overall Project Timeline:



Project Timeline (Sample):

Date(s)	Task
August 2013	Attend Merit Pay Workshop.
September - November 2013	Prepare unit project plan and assemble design team.
October 2013 - February 2014	Design team begins determining specific elements of merit pay plan and involves other constituents as needed in the development process.
December 2013	Initial communication from unit leader(s) on intent to implement merit pay.
January 2014	Design team holds focus groups with employees and supervisors on merit pay.
February 2014	Design team submits recommendations to leadership within college or administrative department. Leadership provides feedback.
February 2014	Design Team submits proposed merit plan to Central HR for review and approval.

Project Timeline (Sample):

Date(s)	Task
March 2014	Communicate changes to performance management process and new merit pay system to civil service employees, their supervisors and relevant individuals in the college/administrative department. <ul style="list-style-type: none"> • College/administrative department newsletter • Websites • Department communications channels (email, faculty and administrator/manager meetings)
March 2014	<ul style="list-style-type: none"> • Train supervisors and managers on new processes. • Provide information sessions for employees regarding new process. • Supervisors discuss new process with their employees.
Typical Performance Timeline	
March 2014	<ul style="list-style-type: none"> • Goals and performance measures are confirmed and agreed upon. • Goals support unit, college/administrative department, and University strategic plan.
April 1, 2014 - March 31, 2015	<ul style="list-style-type: none"> • Evaluation period for next performance appraisal review.
July 2014, Oct. 2014, Jan. 2015	<ul style="list-style-type: none"> • Supervisors hold quarterly check-ins with employees to review goals and expectations and make any necessary changes.
April 2015	<ul style="list-style-type: none"> • Performance appraisals completed by employees and supervisors. • Supervisors have preliminary discussion with their employees, but will not discuss final rating at this meeting. • If merit pay model includes manager discretion then a merit pay matrix is developed by HR and Finance utilizing estimated performance ratings. • If merit pay model includes manager discretion then a merit pay matrix guide is provided at this time to supervisors.

Project Timeline (Sample):

Date(s)	Task
May 2015	Review of proposed performance ratings: <ul style="list-style-type: none"> • Occurs at the department level and across the entire college. • Performance ratings are compared across all civil service and P&A employees. • Review includes adverse impact, rater bias, and comparison of civil service to P&A. • Review may result in challenges or changes to performance ratings. • Supervisors to communicate final performance ratings with employees.
May/June 2015	<ul style="list-style-type: none"> • If merit pay does not include manager discretion, Finance and HR Director model at least two possible merit pay plan distributions. • Choice of merit distribution for fiscal year is determined by Dean/Administrative V.P. with consultation from Finance Director, HR Director and others on the leadership team. • If manager discretion is allowed review/audit of increases is completed. Challenges or changes may be discussed at the senior leadership level.
June 2015	<ul style="list-style-type: none"> • Merit increases entered into the payroll system and will be effective at the beginning of the FY15 payroll period. • Merit increases will be communicated to supervisors • Supervisors communicate increases to employees.
July 2015	<ul style="list-style-type: none"> • Feedback solicited from employees and supervisors regarding performance management program, performance appraisal tool and merit pay process. • Project team reviews feedback and implements necessary changes to process.