

## Merit Pay Design Elements Checklist

**Objective:** To ensure your design team considers all design implements.

Check the box in the second column when complete and describe your chosen plan design.

Design Elements	Done	Describe
1. Determine what you want to achieve through your merit pay program.		
2. Determine merit pool budget.		
3. Determine merit pool distribution method across units.		
4. Determine merit pay model.		
5. Determine amount of discretion provided to managers.		
6. Determine eligibility parameters (for example - new hires, LOA, transfers, etc).		
7. Determine amount differentiation (range of increases).		
8. Determine whether you will use a percentage of pay, flat dollar amount or another method to deliver pay.		
9. Determine whether to utilize lump sum components.		
10. Assess how this plan fits with your total compensation strategy and other pay elements (in-range adjustments, promotions, incentives, etc.).		
11. Assess as to whether performance review cycle is appropriately aligned with merit pay delivery.		
12. Assess as to whether differences in merit pay programs across employee groups should still exist.		