

Merit Salary Increases

Number: D-5

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1.0 POLICY

The Town of Carolina Beach awards salary increases based on individual employee performance.

2.0 PURPOSE

To reward employees who contribute to the fulfillment of the mission of the Town in providing service to its citizens through work performance.

3.0 SCOPE

This policy applies to all benefit-eligible employees.

4.0 DEFINITIONS

- 4.1 Benefit-Eligible - Full time and part-time employees who are eligible for coverage and participation in the Town's benefit programs in addition to legally mandated coverage. See **Policy on Position Types**.
- 4.2 Merit Increase - An increase in an employee's base salary awarded on the basis of individual performance. Merit increases are calculated as a percentage of the salary of the position the employee occupies. Eligibility requirements for merit increases are defined annually in the Town Manager's **Salary Increase Guidelines**.
- 4.3 Merit Eligibility Date - The Revision Date when an employee is eligible to receive a merit increase. These dates are based on length of service with the Town.

5.0 ORGANIZATIONAL RULES

- 5.1 The salary administration program is administered on a uniform basis.
- 5.2 Pay administration is the purview of Department Directors within the guidelines, rules and procedures set forth in Town personnel policies.
- 5.3 All merit increases are calculated as a percentage of the salary of the position the employee occupies.
- 5.4 Merit increases are effective the first full pay period of the month of the employee's merit eligibility date.
- 5.5 Merit Eligibility Date Determination - An employee's merit eligibility date is based on length of benefit eligible service with the Town. Length of service is calculated as of June 30 of each year.
- 5.6 Eligibility for merit increases is determined by the current year's merit eligibility guidelines as established by the Town Manager.
- 5.6 Employees are not eligible for a merit increase during their first six months of employment. This includes employees serving a six-month probationary period, unless specifically stated in the offer letter given to an employee at the time the employee moved into a new position within the Town.
- 5.7 Long-term Absence - Long-term absences of approved leave without pay will affect the merit eligibility date as described below. These provisions do not preclude the use of the extended performance rating option where appropriate.
 - A. If the employee is absent one-half or less of the rating period, eligibility will continue on the employee's normal schedule.

B. If the employee is absent more than one-half of but less than the entire rating period, eligibility for an increase will be delayed for 90 days from the date of return or 90 days from the eligibility date, whichever is later. If a normally scheduled eligibility date falls in this 90-day period, it will also be delayed until the end of the 90-day extension.

C. If the employee is absent for the entire rating period, the employee will not be eligible for an increase for that period.

D. If these provisions create pay inequities, the situation should be referred to the Human Resources for resolution.

6.0 PROCEDURES

- 6.1 Processing Merit Increases - Salary reviews and processing of merit increases will be conducted in accordance with the following:
 - A. The Human Resources Department will provide to each department a printed list of employees' merit eligibility dates.
 - B. Each supervisor will complete the authorized Town employee evaluation form with comments regarding the employee's performance and recommended pay increase when justified and obtain appropriate approval of the appraisal and recommendations by their supervisors and Department Directors.
 - C. The evaluation form will be signed by the employee, the appropriate supervisor, or manager and Director. The new pay rate, performance evaluation comments and percentage of increase will be provided on a Personnel Action Form. The form must be submitted to the Human Resources Department no later than the annually established payroll deadlines. See current year Payroll Processing Calendar.
 - D. The Human Resources Department will review the appraisal and pay decisions for conformance to policy and process in order to implement pay decisions on the appropriate Revision Dates. Evaluation forms will be filed in the employee's personnel file located in the Human Resources Department.

- 6.2 Employees who are at the maximum of the salary range for their position classification are eligible to be considered for a merit increase to be paid in a lump sum at the time of their regular performance evaluation. Merit increase lump sum shall be awarded based on the performance of the employee as described in the performance evaluation document and shall be the same percentage of annual salary as employees within the salary range with the same performance level.

7.0 APPENDIX, APPENDICES

- Salary Increase Guidelines