



March 18, 2014

SUBJECT: **2013-2014 Staff and Administrator Performance Appraisal Process with Merit**

To All Supervisors,

At this time of year, we ask all supervisors to begin the annual performance appraisal process for staff and administrators. This memo is to provide you guidance on the newly implemented Employee Performance Appraisal Process with Merit Pay. The 2013-2014 Performance Review Schedule for submitting appraisals and recommendations for merit can be found on the Human Resources Website at <http://www.etown.edu/offices/human-resources/employee-performance-appraisal-process.aspx>.

Each employee's performance makes an important contribution to the Elizabethtown College mission as well as to their personal development and fulfillment in their work. It is important for employees to understand how their performance ties to the strategic advancement of Elizabethtown College. This year the College implemented a new Employee Performance Appraisal Process that is linked to a new Merit Pay Program. The new programs are designed to provide an across-the-board increase for all employees meeting performance expectations and to provide additional funding to reward employees for meritorious performance.

The annual operating budget is subject to approval by the Board of Trustees in April. A percentage is established for employees to receive an across-the-board pay increase to base pay effective with the first pay in July. In addition to the across-the-board percentage, a percentage is also established for merit pay. Employees are eligible for merit pay if their overall performance rating is "Outstanding" or "Exceptional". The merit increase is awarded in combination with the across-the-board increase and added to the employee's current base pay.

The following are examples of funding distributions.

<p>EXAMPLE: Employee Performance Rated "Valuable" or "Developing"</p> <p><i>Current Employee Base Salary x % Across-the-Board Increase = Increase Amount</i></p> <p><i>Current Employee Base Salary + Increase Amount = New Annual Salary (effective 07/01/2014)</i></p>

<p>EXAMPLE: Employee Performance Rated "Outstanding" or "Exceptional"</p> <p><i>Current Employee Base Salary x (Combined % of Across-the-Board Increase and Merit) = Increase Amount</i></p> <p><i>Current Employee Base Salary + Increase Amount = New Annual Salary (effective 07/01/2014)</i></p>

Supervisors must strive to provide objective and honest performance assessments. ***It will be expected that no more than one-third of the employees within a unit are rated in the meritorious performance***

categories of “Outstanding” or “Exceptional.” Further, no more than 1/3 of the meritorious ratings are in the “Exceptional” category.

Supervisors must discuss their employee appraisals with their second-level supervisors and/or senior staff member. Both the supervisor and the second-level supervisor must agree on the overall unit appraisals before the appraisals are presented and discussed with any employee.

To further assist supervisors with the overall performance appraisal and merit process, Human Resources has provided slides on the HR Website (<http://www.etown.edu/offices/human-resources/employee-performance-appraisal-process.aspx>) as a helpful guide through the process. In addition, the following members of the Human Resources team are available to assist and advise supervisors throughout the appraisal process:

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