

Annual Merit – Manager of Individual Contributors

Overview

The Annual Merit process is used by managers to review the pay of their respective organizations taking into consideration employees' performance and position in Salary range. Additionally, managers may propose merit increases through the process.

Who Does This: Managers

Things to Know:

- The Annual Merit process takes place each year in March.
- You will receive an inbox task for Merit once the process begins.
- After you submit your Merit inbox task, your management chain will have access to review your merit recommendations. If modifications are needed, they will Send Back to you for revisions.
- After the entire management chain has submitted the Merit inbox task, the merit recommendations are reviewed by Compensation for final approval.
- For more information on merit including guidance on making recommendations and more detail on the process in Workday, refer to the Merit and Compensation training on the Employee Resources intranet page under [Compensation Tools](#).



Inbox

Step 1

Choose the Inbox worklet.

Inbox

Actions (2)

Archive

Viewing: All

Sort By: Newest

Merit: 2018 Merit Cycle - USA for John Manager

1 day(s) ago - Effective 04/16/2018

Step 2

Choose the inbox task: **Merit**.

Overall Budget and Spend

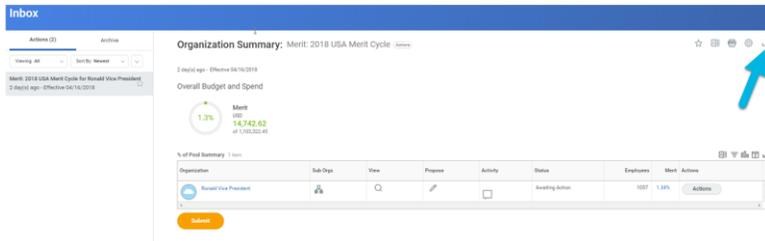


Merit
 USD
7,838.79
 of 10,376.18

Step 3

Review overall budget and spend. This will adjust as you enter merit recommendations in the following steps.

Note: If the spend amount changes to red text, your merit recommendations exceed your merit budget.



Note: Prior to completing the remaining steps, it may be helpful to expand the inbox task by selecting the maximize/minimize icon.

10 items

Summary **Merit**

Employee	Current Rating	Errors / Warnings	Total Base Pay Amount	Merit Increase %
----------	----------------	-------------------	-----------------------	------------------

Step 4

Select the **Merit** tab.

Employee	Current Rating	Errors / Warnings	Total Base Pay Amount	Merit Target Range
Sean Employee Machine Operator I John Manager	Solid Performer		35,152.00	3 - 4 %

Step 5

Review the Current Rating, Total Base Pay Amount, and Merit Target range for the first employee listed.

Note: The Overall Calculated Rating (number) will be included in your Merit task.

Base Pay Range
16.90 - 22.30 USD Hourly

Compa-Ratio Current
0.871

Compa-Ratio Proposed
0.871

Base Pay Range
S1

Last Base Pay Increas...
\$16.90

Last Base Pay Increas...
06/26/2017

Step 6

Review the additional compensation information including Base Pay Range, Compa-Ratio, Base Pay Range Segment, and Last Pay Increase Amount and Date.

Employee	Merit Target Range	Merit Increase %	Merit Amount	Merit New Pay Amount
Sean Employee Machine Operator I John Manager	3 - 4 %	0.00%	0.00	16.90

Step 7

Considering the information reviewed in Steps 5 – 6 above, enter your recommended **Merit Increase %** or **Merit Amount**.

Errors / Warnings	Merit Increase %	Merit Amount	Merit New Pay Amount
	3.50%	0.5915	17.4915

Step 8

Check for Errors / Warnings.

If an Error/Warning appears, click the yellow or red icon for details. If needed, adjust recommended Merit following Steps 5 – 7.

Step 9

Review the **Merit New Pay Amount** which auto calculates based on the entry in Step 7.

Confirm Zero Merit Increase

No

Step 10

If you are recommending a Merit increase of greater than zero, use the Confirm Zero Merit Increase drop-down to select **No**.

If you are not recommending a Merit increase (Merit Increase = zero), use the Confirm Zero Merit Increase drop-down to select **Yes**.

This validates any Merit entries of zero are intentional.

Merit Notes

Step 11

Enter notes explaining your Merit recommendation (optional).

Merit Target Range	Additional Adjustment Amount	Additional Adjustment %	Additional Adjustment Notes	New Total Base Pay
3 - 4 %	0.00	0.00%		17.4915

If you recommended Merit at the maximum of the Merit Target Range, you may recommend an Additional Adjustment by following Steps 12 – 15 below. (Additional adjustments will count against your budget.)

Step 12

Enter your recommended **Additional Adjustment Amount** or **Additional Adjustment %**.

Step 13

Enter notes explaining your Additional Adjustment recommendation (required).

Errors / Warnings	Additional Adjustment Amount	Additional Adjustment %	Additional Adjustment Notes	New Total Base Pay
 1	0.34983	2.00%	Additional adjustment explanation	17.84133

14

15

Step 14

Check for Errors / Warnings.

If an Error/Warning appears, click the yellow or red icon for details. If needed, adjust recommended Merit and/or Additional Adjustment.

Step 15

Review the New Total Base Pay which auto calculates based Merit and Additional Adjustment entries.

Lump Sum %	Lump Sum Amount	Lump Sum Notes
<input type="text" value="0.00%"/>	<input type="text" value="0.00"/>	

16

17

If there is not a Merit Target Range available for the employee and they are not eligible for an Additional Adjustment (i.e. employee is at or above the Base Pay Range Maximum, you may recommend a one-time Lump Sum payment by following Steps 16 – 19 below.

Step 16

Enter your recommended **Lump Sum %** or **Lump Sum Amount**.

Step 17

Enter notes explaining your Lump Sum recommendation (required).

Errors / Warnings	New Total Base Pay	Lump Sum %	Lump Sum Amount	Lump Sum Notes
 1	17.4915	0.28%	100.00	Lump Sum explanation

18

19

Step 18

Check for Errors / Warnings.

If an Error/Warning appears, click the yellow or red icon for details. If needed, adjust recommended Lump Sum.

Step 19

Review the New Total Base Pay. Note: The Lump Sum does impact the base pay.

Employee
 Sean Employee Machine Operator I John Manager
 Franklin Employee Machine Operator II John Manager
 Mark Employee Production Operator II John Manager
 Don Employee Mechanic I John Manager

Step 20

Repeat Steps 5 – 11 to recommend Merit for each employee listed.

If needed, refer back to Steps 12 – 15 to recommend Additional Adjustments and/or Steps 16 – 19 to recommend a Lump Sum.

<p style="text-align: center;">Overall Budget and Spend</p> <div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 20px;"> <p>Merit USD 10,376.18 of 10,376.18</p> </div> </div> <p style="text-align: center;">Overall Budget and Spend</p> <div style="display: flex; align-items: center; justify-content: center;">  <div style="margin-left: 20px;"> <p>Merit USD 10,651.78 of 10,376.18</p> </div> </div>	<p>Once you have entered recommendations for each employee listed, continue with Step 20.</p> <p>Step 20 Review your overall budget and spend.</p> <p>Note: If the spend amount has changed to red text, your merit recommendations exceed your merit budget which will result in an error. Follow the steps above to adjust your recommendations, if needed.</p>
<div style="border: 1px solid #ccc; padding: 10px; margin-bottom: 10px;"> <div style="display: flex; align-items: center;"> <div style="border: 1px solid orange; padding: 2px 10px; border-radius: 5px; background-color: #f96;">Submit</div> <div style="margin-left: 10px; font-size: 24px; color: #0070c0;">22</div> </div> </div> <div style="border: 1px solid #ccc; padding: 10px;"> <div style="text-align: right; font-size: 24px; color: #0070c0;">21</div> <p>Activity (0)</p> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center;">  <div style="flex-grow: 1;"> <p>Type *@* to tag someone.</p> </div> <div style="border-left: 1px solid #ccc; padding-left: 10px; background-color: #f96; border-radius: 5px;">Post</div> </div> </div>	<p>Step 21 Use the activity stream to add comments (optional). Comments will be visible by your management chain, HR, and Compensation.</p> <p>Step 22 Select Submit.</p>

FAQ's

What happens next? Your merit recommendations will route for approval. Approvals will include your manager, management chain, and Compensation.

What if my recommended spend exceeds by budget? You will receive an error if your spend exceeds your budget. You may still submit the Merit task with this error. However, you should coordinate with your manager prior to doing so.

What happens if I select Autofill? Selecting Autofill will automatically populate the Merit Increase for each employee at the Merit Target. If you use this option, you will still need to carefully review the Merit task to check for error messages and verify your merit proposal prior to selecting Submit.

How will I know there are adjustments to my recommendations during the approval process? Your manager may send back the Merit task for you to adjust your recommendations. Or it is possible that changes

will be made to your recommendations during the approval process. You can view what was finally approved by finding the task in your **Inbox Archive** and selecting **More Details**.

The screenshot shows an 'Inbox' header with an 'Archive' button highlighted. Below it, a task card for 'Merit: 2018 Merit Cycle - USA for John Manager' is shown, also with a 'More Details' button highlighted. The main content area displays 'View Participant Detail Event Merit: 2018 Merit Cycle - USA for John Manager' with a status of 'Submitted' and 'Overall Status: In Progress'. A large blue text overlay states 'Overall Status will be Complete after all approvals.' and a 'More Details' button is highlighted.

Where can I find additional information on the error messages? If you receive an error message, you may need to make changes to the Merit task. A detailed explanation of each possible error message is included below. It may be possible to submit the Merit task with errors. If you choose to do so, you will be prompted to add a comment.

Symbol	Severity	Message	Explanation	
	Red Diamond	Critical	Additional Adjustment Note Required If There Is An Additional Adjustment	If managers are providing additional adjustments to employees, they have to justify the increase with a comment
			Cannot award Additional Adjustment if Merit Increase is Below Merit Range Maximum	If managers are awarding a merit increase below the minimum recommended, they first need to use the whole range prior to provide additional adjustments
			Cannot Award Lump Sum if an Employee has a Merit Range	Any employee with a merit range is not eligible for lump sum - Only employees with Compa Ratio above the maximum of the salary range are eligible for this section
			Employee is above the maximum of the salary range. Consider awarding a lump sum in lieu of a merit increase	All employees at or above the maximum of the salary range are not eligible for merit, nor pay adjustment. They can receive a Lump sum in lieu of merit
			If the Merit Range is 0%, Merit Increase % cannot be given - Please utilize Additional Adjustments	Employees with no merit increase range can only receive Additional Adjustments.
			Last Base Pay Increase is less than 60 from merit effective date. Cannot give a merit increase	Employees with increases granted in the last 60 days from Merit effective date are not eligible for merit or additional adjustments increases nor Lump sums.
			Lump Sum Note Required If There Is A Lump Sum Allocation	Managers giving Lump sum amounts will have to provide comments

	Yellow triangle	Warning	Employee can reach but not exceed merit target range % maximum. Can Only Award through Additional Adjustment once Merit Range % maximum is reached	We encourage managers to provide merit increases within the range assigned to their employees. Additional increases must be granted via Additional Adjustment and managers must provide a comment
			Proposed merit below guideline minimum.	Employees that are receiving a merit increase below the minimum of the recommended merit range
			Zero Merit Increase - Merit Not Planned	Column called "Confirm Zero Merit increase" will be available for managers with a default value of "NO". If managers are not giving a merit increase, then they will have to select "YES", that way we avoid managers accidentally leaving employees with Zero merit increase.
			Zero Merit Increase Contradictory Values	Column called "Confirm Zero Merit increase". "Yes" means managers are giving Zero merit increase. If they select "YES" but the employee has a merit increase, then this message will be displayed.