

City of Gainesville, Florida
Human Resources Policy Manual
Policy C-2 –Performance-Based Merit Awards

Performance-Based Merit Awards

Policy

The purpose of this Policy is to outline the performance-based merit awards that may be made to employee compensation, including annual merit awards and special merit awards, both of which are based upon performance.

Any annual awards are made based upon market considerations and according to budgetary or fiscal constraints. All merit awards defined in this Policy are paid for through the annual City Commission approved pay increase dollars to each Charter Officer as defined in the Compensation Philosophy and Policy (Policy C-1).

This Policy should not be viewed as an entitlement to an annual performance-based merit award. The City reserves the right to increase, freeze or decrease pay at any time. The following, unless otherwise provided for in a collective bargaining agreement, constitutes the tools available to provide merit awards.

1. Annual Merit Awards may be paid as an increase to base pay or as a one-time, non-recurring lump sum payment made in lieu of an annual pay increase. These awards shall be awarded to employees in accordance with the Performance Management Policy (Policy C-5). An employee at or near the top of the pay range may be eligible based upon performance to receive their award such that a portion increases base pay and a portion is received as a lump sum payment. Such lump sum payments are non-recurring and do not count in the computation of any benefits but would count in the computation of the overtime rate of pay.
2. Special Merit Awards may be provided as an increase to base pay or as a non-recurring lump sum payment and such awards are in addition to an employee's annual merit award. These awards may only be awarded to high performing employees who score above average on their most recent performance evaluation (e.g., a score of 3.5 or higher on a 5 point scale). Such awards are not an entitlement and are for extraordinary performance or effort in areas such as: meeting previously established individual or group/team goals and objectives or organizational objectives, developing cost savings programs, acquiring job related skills, certification or a related degree, completing a project, or demonstrating competencies, such as the ability to work effectively as a team member, demonstrated leadership, or excellent customer service. Special Merit Awards must be approved by the appropriate Charter Officer and may be no more than 1% to 10% of the individual's base pay. An employee can receive no more than one Special Merit Award per year, at any time of

the year, and must be paid through the annual City Commission approved pay increase dollars allocated to each Charter Officer as defined in the Compensation Philosophy and Policy (Policy C-1).