



Staff Merit Recommendations – Calculating Hourly Rate Increase for Non-Exempt Employees

This instruction sheet explains how you can plan and recommend the merit increase for non-exempt, weekly paid employees.

How to Enter/Calculate the Hourly Rate Increase for Non-Exempts

| Check | Name | Curr Yr Rating | Assign Duration | Scheduled Hrs | Merit % | Merit Amt | Curr Salary / Rate | New Sala |
|----------|----------------|----------------|---------------------|---------------|---------|-----------|--------------------|----------|
| | | | | | | | 0.01-99,999,999.00 | |
| • 1.4700 | | | | | | | | |
| Δ | DANTE, SILVIO | | 12 Month - 52 Weeks | 35.00 | 0.00 | 0.0000 | 21.6700 | 21.6700 |
| ■ | DUNPHY, CLAIRE | 3 | 12 Month - 52 Weeks | 35.00 | 1.00 | 0.2300 | 22.7500 | 22.9800 |

In the example, Silvio Dante is to receive a \$2000 merit increase, his current salary is \$39,439. The total should approximate \$41,439:

| Check | Name | Curr Yr Rating | Assign Duration | Scheduled Hrs |
|-------|---------------|----------------|---------------------|---------------|
| Δ | DANTE, SILVIO | | 12 Month - 52 Weeks | 35.00 |

$$\begin{aligned} \$2000 \div 52 \text{ weeks} &= \$38.4615384 \text{ week} \\ \$38.4615384 \div 35 \text{ hours} &= 1.09890; \text{ round to } 1.10 \end{aligned}$$

Enter only the hourly rate increase of 1.10 into the **Merit Amount** column, and hit enter. The **New Salary/Rate** column will update.

| Name | Curr Yr Rating | Merit % | Merit Amt | Curr Salary / Rate | New Salary / Rat |
|---------------|----------------|---------|-----------|--------------------|------------------|
| | | | | 0.01-99,999,999.00 | |
| • 2.5700 | | | | | |
| DANTE, SILVIO | 3 | 5.08 | 1.1000 | 21.6700 | 22.7700 |

You can check what the new annual salary is by multiplying the new rate by hours and assignment duration:

$$\$22.77 * 35 \text{ hours} = \$796.95 * 52 \text{ weeks} = \$41,441.40 * \text{ a year}$$

*System rounding will cause a slight difference between the approximation of \$41,139 & actual update of \$41,441.40.

If you know the new hourly rate for a non-exempt employee, you just need to enter the difference between the old hourly rate and the new hourly rate in the **Merit Amt** column. OR if you already know the % increase for just enter the number of the % increase into the **Merit %** column.

If you only know the new annualized increase for a non-exempt employee you will want do the following to find the amount that needs to be entered onto the **Planning Worksheet** in the **Merit Amt** column.

You will need:

- Annualized merit increase
- Current Assignment Duration (can be found on worksheet, see left)
- Current Scheduled Hours (can be found on worksheet, see left)

The calculation is as follows (for an example, see left):

$$\begin{aligned} \text{Annualized merit increase} \div \text{assignment duration in weeks} &= \text{weekly rate} \\ \text{weekly rate} \div \text{scheduled hours} &= \text{hourly rate increase} \end{aligned}$$

If necessary round the hundredth/second decimal up and enter that amount into the **Merit Amt** column on the planning worksheet.

To check that your entry will result in the correct annual salary take the updated amount from the **New Salary/Rate** and do the following:

$$\text{New Salary/Rate} * \text{scheduled hours} * \text{assignment duration}$$