

# COMPENSATION GUIDE

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## Compensation

Compensation provides an easy way for organizations to compensate employees fairly and simplify the merit increase process. This powerful tool helps you prepare for your merit increase cycle quickly and accurately, and helps managers align compensation directly to employee performance.

Merit guidelines in the compensation worksheet take into account current performance, the employee's place in the salary range, and/or their compa-ratio. Managers can quickly review past salary information and current performance ratings, and use this information to make accurate, objective adjustments to their employees' compensation.

After any merit adjustments have been made, the worksheet is routed to other managers and stakeholders for approval using the compensation workflow feature. Once the worksheet earns all its necessary approvals, the employee is ready for payroll processing.

**Note:** Access to the compensation worksheet is controlled by system settings and user permissions. If you don't see the Compensation option, then your system may not be enabled with the compensation module, or you may not have the necessary permissions to access the worksheet.

### About the compensation workflow

Compensation workflow is basically a worksheet routing feature that triggers tasks along the way. At certain stages in the compensation process, users receive tasks for them to perform various functions on the worksheet itself – from completing it, to reviewing it, and finally signing off.

1. A compensation cycle becomes active, creating a [Compensation – Worksheet task](#) for the compensation manager. This task launches the compensation worksheet that they must complete for the included employees.
2. When the manager is finished updating the worksheet, they route it to another user for approval. They have the option of sending it to their direct manager, who always appears in the **Route To** drop-down list, or another compensation approval user that's available in the list.
3. After the manager has selected a user and routed the worksheet, that user receives a [Compensation – Approval task](#). This task requires them to review the worksheet and provide approval before it is completed. When the review of the worksheet is done, the user can either route the worksheet to another user for further review using the available **Send for Approval** button, or **Complete** the workflow and send the worksheet to HR for final processing.
4. The final step in the compensation workflow is a signoff task for employees on the completed worksheet. They receive a [Sign Compensation Summary task](#) that only requires them to review their compensation and provide signoff. Once an employee signs off on their summary task, the compensation worksheet is saved to their employee profile (*Compensation* page under **My Folder**) in a read-only view.

## About the compensation worksheet

The *Compensation* page can be found by clicking the **Compensation** link under **My Folder**. A Compensation Worksheets table displays all available worksheets for open compensation cycles.

### Compensation Worksheets

Cycle Name	Start Date	End Date
<a href="#">CompCycle 1 - Phase 1</a>	10/01/2044	12/31/2044
<a href="#">Current Comp Cycle</a>	10/03/2013	10/03/2044

Worksheets can also be accessed using tasks that are assigned during the compensation workflow.

On the *Compensation Worksheet* page, cycle and budget information is displayed at the top of the page, and the actual compensation worksheet is shown in a table format.

Compensation Worksheet - Brian Abernathy

CompCycle 1 - Phase 1

	Sheila Hamilton	Kathy Harrison	Kimberly Holdcroft	Anne Jones	Joyce Joyce
<b>Increase Budget</b>					
Total	\$126,549.00				
Amount Allocated	\$88,059.76				
Remaining Balance	\$38,489.24				
<b>Bonus Budget</b>					
Total	\$45,000.00				
Amount Allocated	\$29,500.00				
Remaining Balance	\$15,500.00				
Filter: <input type="text"/>					
<b>Submit for Approval</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senior Manager Approval</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>HR Approval</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Current Pay</b>					
Hourly Salary					
Base Salary	\$21,450.00	\$24,300.00	\$21,050.00	\$50,000.00	\$20,300.00
Effective Annual Salary	\$21,450.00	\$24,300.00	\$21,050.00	\$50,000.00	\$20,300.00
<b>Merit</b>					
*Merit Guideline					
Proration	100.00%	100.00%	100.00%	100.00%	100.00%
Merit Percent	<input type="text" value="23.31 %"/>	<input type="text" value="2.00 %"/>	<input type="text" value="0.00 %"/>	<input type="text" value="4.00 %"/>	<input type="text" value="5.00 %"/>
Merit Amount	<input type="text" value="\$5,000.00"/>	<input type="text" value="\$486.00"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$2,000.00"/>	<input type="text" value="\$1,015.00"/>
Effective Merit Amount	\$5,000.00	\$486.00	\$0.00	\$2,000.00	\$1,015.00
Hourly Merit Increase					
Lump Sum Percent	0.00%	0.00%	23.75%	0.00%	0.00%
Lump Sum Amount	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$5,000.00"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Effective Lump Sum Amount	\$0.00	\$0.00	\$5,000.00	\$0.00	\$0.00

## Cycles

The **Cycle** drop-down list at the top of the *Compensation* page allows you to select a compensation cycle for the worksheet. Only those employees that fall under the selected cycle are displayed in the worksheet.

**Cycle**

Current Comp Cycle
▼

The system displays a message if a cycle is selected that has already closed, or if the current user does not have any employees that fall under the selected cycle.

## Budgets

There are two budget sections available for compensation worksheets: **Increase Budget** and **Bonus Budget**.

<b>Increase Budget</b>		<b>Bonus Budget</b>	
Total	\$126,549.00	Total	\$45,000.00
Amount Allocated	\$88,059.76	Amount Allocated	\$29,500.00
Remaining Balance	\$38,489.24	Remaining Balance	\$15,500.00

- The **Increase Budget** section displays the total budget available to you for your employee merit increases, the total amount you have currently allocated in the worksheet, and the remaining balance available for additional increases.
- The **Bonus Budget** section displays the total budget available for one-time bonus payouts to employees on your worksheet. This section also tracks total, allocated, and remaining amounts.

**Note:** Bonus budgets are an optional feature for compensation worksheets, and may not be available depending on your system configuration.

These areas automatically update in real-time as you make adjustments in the worksheet. If you allocate increases that exceed your overall budget in either area, the system displays a warning and does not let you save the worksheet until necessary adjustments are made.

## Worksheet table

The compensation worksheet itself is displayed in a table that allows easy access to information and fields for increases. The table itself is broken up into different sections.

**Approvals**

	<u>Kathleen Kelter</u>	<u>Mike LaPointe</u>
Manager Approval	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senior Manager Approval	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HR Approval	<input type="checkbox"/>	<input type="checkbox"/>
Notes		

The top of the worksheet contains several checkboxes that are used when managers have reviewed and approved changes for an individual. When all necessary approvals are received, the employee is ready for payroll processing.

Also in this area is the **Notes** feature, which allows managers to add new and view existing notes to employee compensation records.

**Employee Data**

Employee Data		
Employee ID	1033	1018
Hire Date	1/30/2006	12/5/1988
Position	Misc Position 67	Administrative Systems Analyst
Grade	14	5
Department	Big Department 10	Administration
Facility	Large Data Set	Healthcaresource
Performance Rating	Does Not Meet	Does Not Meet

This section of the worksheet contains basic employee information, such as **Hire Date**, **Position**, **Department**, etc. The **Performance Rating** field shows how the employee performed during the last appraisal period.

**Current Pay**

Current Pay		
Hourly Salary	\$43.26	\$18.25
Base Salary	\$89,980.80	\$37,960.00
Min	\$55,265.60	\$27,664.00
Start Q2	\$66,294.80	\$32,931.60
Mid	\$77,324.00	\$38,199.20
Start Q4	\$88,353.20	\$43,466.80
Max	\$99,382.40	\$48,734.40
Compa-ratio	1.16	0.99
Position In Range	Q4	Q2

This is a display-only section of the worksheet (meaning it contains no input fields) that shows current salary information for employees, as well as salary range information for that position in your organization.

The **Compa-ratio** field is calculated using the employee’s current salary and the midpoint of their salary range. Salaries above their midpoint have compa-ratios above 1.0; salaries below the midpoint are below 1.0. **Position in Range** simply shows where the employee’s current base salary falls in relation to the displayed salary range information for their position.

**Merit**

Merit		
Merit Guideline	0.00% - 0.50%	0.00% - 1.00%
Proration	100.00%	100.00%
Merit Percent	<input type="text" value="0.00 %"/>	<input type="text" value="0.00 %"/>
Merit Amount	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Hourly Merit Increase	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Lump Sum Percent	0.00%	6.59%
Lump Sum Amount	<input type="text" value="\$0.00"/>	<input type="text" value="\$2,500.00"/>

This section of the worksheet is where merit adjustments are made for employees. Fields allow you to adjust employee compensation through percentage increases, specific amounts, or lump-sum payouts.

The **Merit Guideline** field displays the system-recommended merit increase range based on the employee’s rating and salary information.

Updates made in this area affect the amounts in the **Budget** section above the worksheet and the **Proposed Pay** section.

Depending on system configuration settings, error messages are displayed if increases made in this area are outside the guidelines or if the resulting salary is outside the salary range for the position.

**Tip:** When working in the **Merit** section of the table, it is recommended that you use either the **Merit Percent** or **Merit Amount** field for employees (as opposed to completing both fields for each employee). This consistency helps with tracking total budget expenditure.



**Note:** When working with fields in the **Merit** section of the worksheet, changes to fields automatically trigger real-time recalculations of other fields - such as those found in the **Increase Budget** and **Proposed Pay** sections of the worksheet.

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### Proposed Pay

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Proposed Pay		
New Salary	\$89,980.80	\$37,960.00
New Hourly Salary	\$43.26	\$18.25
New Position In Range	Q4	Q2
New Compa-ratio	1.16	0.99
Effective Date	<input type="text" value="12/31/2025"/> 	<input type="text" value="12/31/2025"/> 

This area displays the resulting salary information for the employee when updates are made in the **Merit** section of the worksheet. Updated in real-time, it shows the **New Salary, Hourly Salary, Position in Range, Compa-ratio,** and **Effective Date** for a given employee.

**Bonus**

Bonus		
Bonus Amount	<input type="text" value="\$2,500.00"/>	<input type="text" value="\$1,500.00"/>

The **Bonus** area of the worksheet allows you to distribute one-time bonus payouts to employees. The **Bonus Budget** section above the worksheet automatically updates in real-time when these fields are changed.

# Completing a worksheet

Managers with direct reports need to complete the compensation worksheet in order to provide necessary merit increases for their employees. Completed worksheets can then be submitted for review and approval.

Managers receive a **Compensation - Worksheet** task when a cycle becomes active. Worksheets can also be opened from the *Compensation* page under **My Folder**.

1. Locate the employee(s) to review in the table. You can use available filters and sorting to narrow the results displayed in the table.
2. Make necessary adjustments to the [Merit section of the worksheet](#) for the desired employees. Make sure to check the **Increase Budget** area to ensure you're within the budget limits.

Merit		
Merit Guideline	0.00% - 0.50%	0.00% - 1.00%
Proration	100.00%	100.00%
Merit Percent	<input type="text" value="0.00 %"/>	<input type="text" value="0.00 %"/>
Merit Amount	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Hourly Merit Increase	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Lump Sum Percent	0.00%	6.59%
Lump Sum Amount	<input type="text" value="\$0.00"/>	<input type="text" value="\$2,500.00"/>

3. Click the **Send for Approval** button. This opens the Send for Approval pop-up window.

**Send for Approval** ✕

* Route To:	<input style="width: 90%;" type="text" value="Maher, Angela"/>
Comments:	<div style="border: 1px solid #ccc; padding: 5px; min-height: 60px;">           R. Johnson was exceptional this year. His bonus is larger than usual for that reason.         </div> <div style="font-size: small; margin-top: 5px;">86 / 500</div>

4. Select a user to route the worksheet to for approval and add any additional Comments as necessary. Click **Send** when finished.

After sending the worksheet, the **Manager Approval** option on the worksheet is automatically checked, and the worksheet is sent to the selected routing user as a **Compensation - Approval** task.

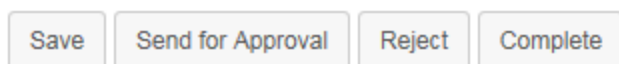
You can also click the **Save** button at any point when working on the worksheet to save your current progress without submitting it for approval.

## Approving a worksheet

After a manager has completed a compensation worksheet, it is routed to additional users for review and approval. These employees, usually senior managers and HR, receive a **Compensation - Approval** task that requires them to review the worksheet to determine if it meets all applicable company guidelines and/or requirements.

1. Click the **Compensation - Approval** task from your task list. This opens the worksheet.
2. Review the worksheet to determine if it falls within the guidelines set for merit increases for your company. Make any necessary edits to the worksheet.

Once you have finished reviewing the worksheet, you have a few different options for your next step. Depending on how your compensation system is configured, the following action buttons may be available under the worksheet:



- **Save.** This saves your current progress on the worksheet if you made any edits. This does not submit the worksheet for any approval.
- **Send for Approval.** Allows you to route the worksheet to another user for review and approval before final processing. The **Senior Manager Approval** option on the worksheet is automatically checked once sent if you are the manager of the worksheet's compensation manager.
- **Reject.** Rejecting a worksheet sends it back to the compensation manager for further edits. Rejecting a worksheet requires you to enter comments.
- **Complete.** Users with necessary permissions can complete the review and approval process with the **Complete** button, which finalizes the worksheet. The employee receives a **Sign Compensation Summary** task that only requires them to review their compensation and provide signoff.

# Employee signoff

The final step in the compensation workflow is a signoff task for employees on the completed worksheet. They receive a **Sign Compensation Summary** task that only requires them to review their compensation and provide signoff.

Show Filter Options							
Task	Task Title	Due Date	Assigned To	Employee	Employee Position	Employee Department	
<a href="#">Compensation</a>	Sign Compensation Summary	05/19/2016	Abernathy, Brian	Abernathy, Brian	Secretary	Administration	

Page Size: 10      1 item in 1 page

Once an employee signs off on their summary task, the compensation worksheet is saved to their employee profile (*Compensation* page under **My Folder**) in a read-only view.

Employees may also have the option to **Reject** the worksheet summary, which returns the worksheet to the compensation manager. The employee is required to provide comments when rejecting a worksheet.

## More about Compensation

There are some additional components of the Compensation feature, and if you really want to get the most benefit out of Performance Manager, you may want to learn a bit more about them.

These additional components include:

- [Approvals](#). The approvals feature for compensation worksheets allows managers, senior managers, and HR to review submitted worksheets.
- [Batch Actions](#). Batch actions for compensation provide a way to apply changes to all employees that appear in a worksheet. This allows users to quickly populate fields across the worksheet in one action as opposed to completing fields for each individual employee.
- [Notes](#). The Notes feature on the compensation worksheet, located in the **Approvals** section, provides an area to leave notes about an employee. These notes are viewable by approving managers, so can be used to provide justification for submitted employee merit levels.
- [View Options](#). The compensation worksheet offers numerous options to modify how data in the table is displayed, enabling you to quickly locate information and complete the worksheet.

### Approvals

The approvals feature for compensation worksheets allows **Managers, Senior Managers, and HR** to review submitted worksheets.

- Manager approvals are conducted either by the direct manager of the employee, or by a designated compensation manager at your organization.
- The Senior Manager approval provides the ability to approve submitted worksheets after upper management has completed their review. Once the Senior Manager checks the approval option, the worksheet is available for final review by HR.
- The HR approval occurs after a worksheet owner has submitted the worksheet for review and has been approved by a Senior Manager. HR approvals indicate the worksheet is ready for payroll processing.

Administrators are the only user role that can “unapprove” a Senior Manager approval and “unsubmit” the worksheet, allowing the worksheet owner to make edits.

HR approval must be removed before Senior Manager approval can be removed. Likewise, Senior Manager approval must be removed before **Manager Approval** can be unchecked.

## Batch actions

Batch actions for compensation provide a way to apply changes to all employees that appear in a worksheet. This provides a way to quickly populate fields across the worksheet in one action as opposed to completing fields for each individual employee.

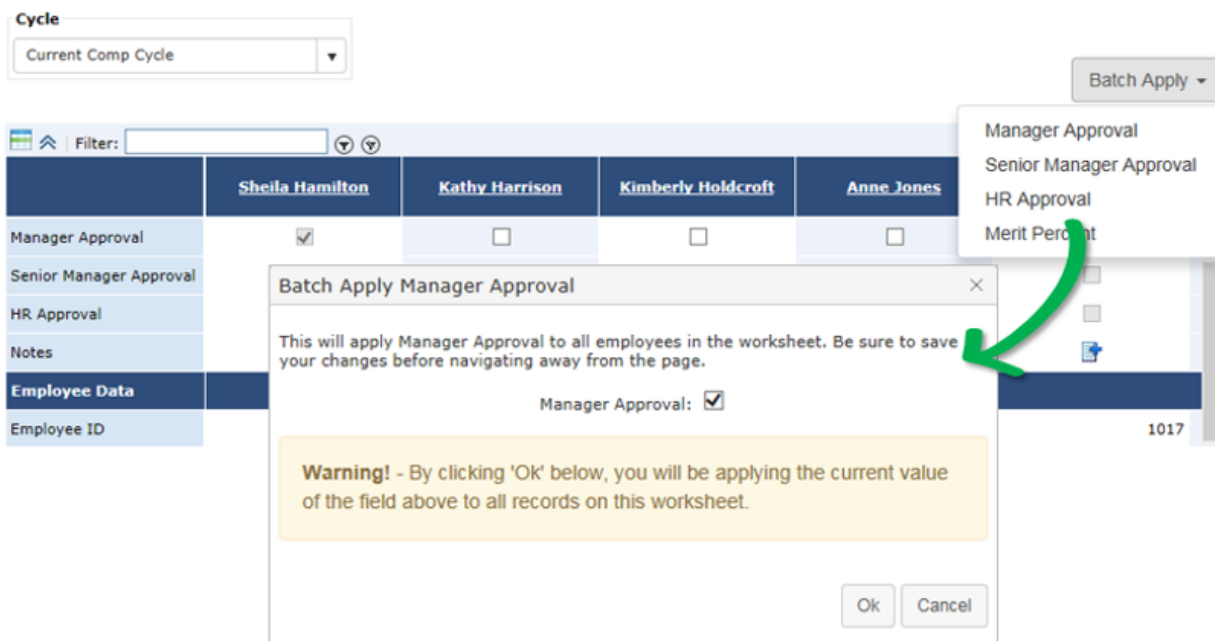
Batch actions include the ability to apply approvals across the worksheet, as well as set a merit increase for all employees. A **Batch Apply** button above the worksheet lists the available batch actions when selected.

### Batch approvals

Approvals can be applied to compensation worksheets as a batch action across multiple worksheet entries. This allows users to quickly select approval for large worksheets without the need to manually select for each entry.

The **Batch Apply** drop-down allows users to select an approval level to be applied to all entries in the worksheet (provided they haven't already received that level of approval or higher). Available approval levels include *Manager*, *Senior Manager*, and *HR Approval*. Users only have access to the levels of approval they normally are able to provide for worksheets.

Selecting an approval level opens a confirmation window to verify the batch action. Once confirmed, the selected level of approval is applied to all qualifying entries in the worksheet. Users can then manually un-check approval for individual employees if needed. Approved entries are not submitted to the next level of approval until the entire worksheet is saved.



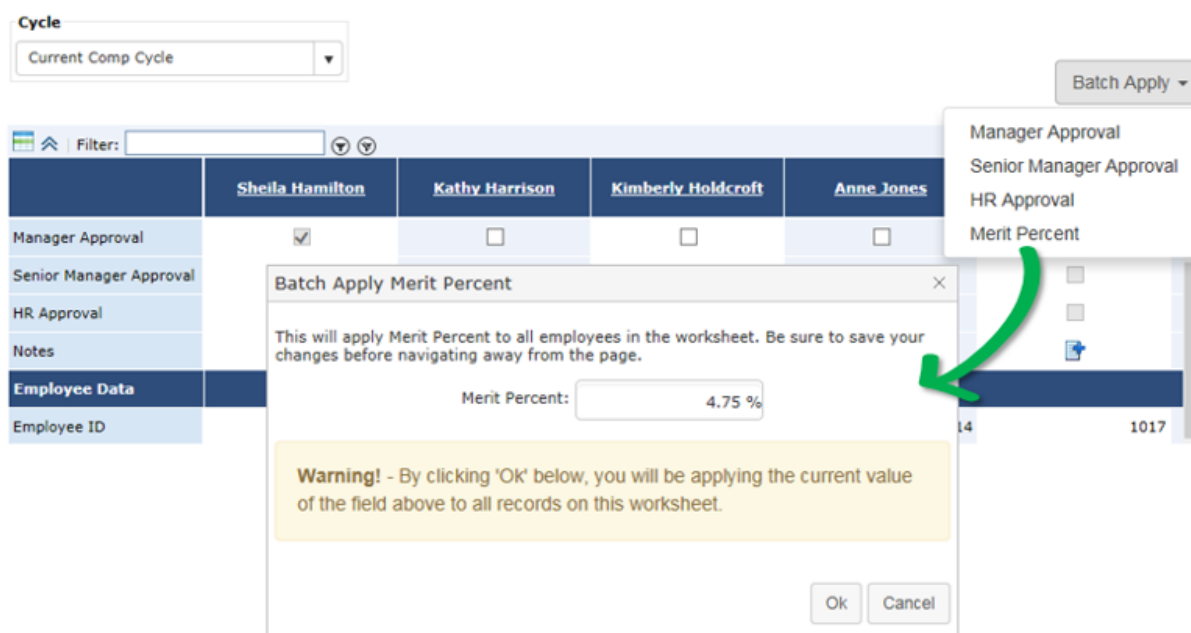
The screenshot shows a compensation worksheet interface. At the top left, there is a 'Cycle' dropdown menu set to 'Current Comp Cycle'. Below it is a table with columns for employee names: Sheila Hamilton, Kathy Harrison, Kimberly Holdcroft, and Anne Jones. The table has rows for 'Manager Approval', 'Senior Manager Approval', 'HR Approval', 'Notes', 'Employee Data', and 'Employee ID'. The 'Manager Approval' row shows checkboxes for each employee, with Sheila Hamilton's checked. A 'Batch Apply' dropdown menu is open, showing options: 'Manager Approval', 'Senior Manager Approval', 'HR Approval', and 'Merit Percent'. A confirmation dialog box titled 'Batch Apply Manager Approval' is displayed in the foreground. It contains the text: 'This will apply Manager Approval to all employees in the worksheet. Be sure to save your changes before navigating away from the page.' Below this text is a 'Manager Approval:' label with a checked checkbox. A yellow warning box states: 'Warning! - By clicking 'Ok' below, you will be applying the current value of the field above to all records on this worksheet.' At the bottom of the dialog are 'Ok' and 'Cancel' buttons. A green arrow points from the 'Batch Apply' dropdown to the dialog box.

## Batch merit increase

Along with batch approvals, Merit Percent can be applied across all entries in a worksheet as a batch action as well.

Selecting the *Merit Percent* option from the **Batch Apply** drop-down opens a confirmation window where users enter the percentage of merit increase to be applied to worksheet entries. The value entered here overwrites any values currently in the worksheet.

Once confirmed, the value is applied to all entries in the worksheet. Users can then manually adjust the merit percent for individual employees as needed. The worksheet must be saved in order to apply the merit percent.



## Notes

The **Notes** feature on the compensation worksheet, located in the Approvals section, provides an area to leave notes about an employee. These notes are viewable by approving managers, so can be used to provide justification for submitted employee merit levels.

The icon displayed in the **Notes** field indicates if a note has been created for that employee. An add icon (📄) means no note is available, while a notes icon (📝) means a note currently exists.

Hovering the cursor over the notes icon displays the note text in a tooltip. Clicking the add icon opens a notes window where you can enter text for the employee note and save it to the worksheet.



Notes ✕

**Kimberly Holdcroft**


Kim had a great year for us, deserves a bonus in addition to the merit increase.

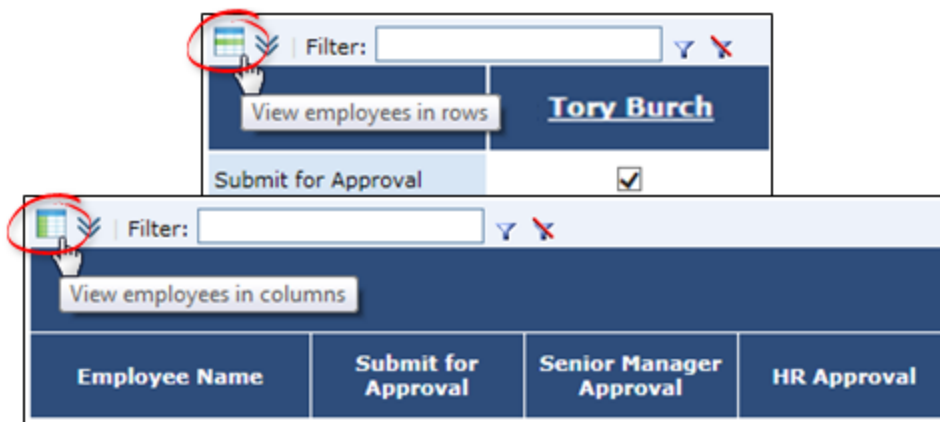
80/2000

## Worksheet view options

The compensation worksheet offers several options to modify how data in the table is displayed, enabling you to quickly locate information and complete the worksheet.

### Column/row view

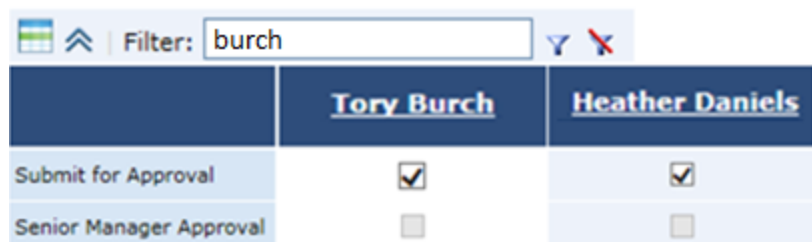
The **column/row** viewing option toggles the layout of the worksheet between columns and rows. Using the toggle button  located above the worksheet, you can switch between having the employees listed across the top of the table (the default view) and having them listed down the first column of the table. This allows you to view more records at once if you have multiple employees on your worksheet.



### Filter

A filter field above the table performs partial-word searches to help narrow the results displayed in the table. The filter searches against **Employee Name, Employee ID, Position, Department, and Facility**.

Enter a search string into the text box above the compensation worksheet and click the filter icon (🔍). The table then shows only those employees that match the text entered in the filter.



	Tory Burch	Heather Daniels
Submit for Approval	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Senior Manager Approval	<input type="checkbox"/>	<input type="checkbox"/>

Clicking the clear filter icon (✖) removes the filter and returns to the default view of all employees.

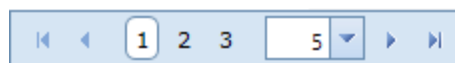
### Hide/Show Details

Clicking the hide/show details button (⌵) in the upper left of the compensation worksheet toggles the view of many static rows of the table. This allows you to view just those fields necessary to make adjustments and the ones that are automatically updated when changes are made.

When details are hidden, the many fields from the **Current Pay** section are not displayed, and the entire **Employee Data** section is removed from the table as well.

### Paging

Options for paging are available at the bottom of the table. The drop-down menu allows you to set how many employees are displayed in the table at one time. You can also select a page number to jump directly to that page of employees.



## Compensation administration

Performance Manager systems that utilize the Compensation module contain a *Compensation* category under the **Admin** area in the navigation bar that contains system configuration and usability options. This area is only accessible to users that have the necessary system privileges.

While the majority of work performed in this administration area takes place upon initial setup of the Compensation module, many options can be edited or added at any time.

The available configuration pages for compensation are:

- [Cycle management](#). The *Cycle management* page provides an area to create and manage compensation cycles and their specific settings. These cycles are available in the drop-down menu on the worksheet.
- [Worksheet configuration](#). The *Worksheet configuration* page determines which fields appear on the worksheet for users. It also allows the customization of field names.
- [Guideline configuration](#). *Guideline configuration* is where specific rules for compensation merit increase recommendations are defined.

### Compensation cycles

Cycles determine the time period for compensation activities and set certain configuration options for those cycles.

The *Cycle Management* page provides an area to create and maintain compensation cycles in Performance Manager. The table lists all the available cycles, and provides a way to edit or delete existing cycles.

When creating a new compensation cycle, there are several fields and options available. Fields marked with an asterisk (\*) are required fields.

* Name:	2020 Compensation Schedule - Corporate Accounts Payable
* Start Date:	1/1/2020 <input type="button" value="Calendar"/>
* End Date:	12/31/2020 <input type="button" value="Calendar"/>
* Effective Date:	1/1/2020 <input type="button" value="Calendar"/> <input type="checkbox"/> Cannot be edited on the worksheet
Manager Due Date:	3/31/2021 <input type="button" value="Calendar"/>
* Annual Hours:	2080
* Pay Period Hours:	80
Approval:	<input checked="" type="checkbox"/> Require highest level of approval to complete worksheet <input type="checkbox"/> Stop routing after highest level of approval
Budget:	* Increase Budget %: <input type="text" value="6 %"/> <input type="button" value="Up"/> <input type="checkbox"/> Do not allow managers to exceed budget <input checked="" type="checkbox"/> Factor Full Time Equivalency into budget calculations
Appraisal Schedule:	Display selected appraisal schedules only: <input type="button" value="90 Day Introductory Appraisal"/> <input type="button" value="2020 Annual Appraisal"/> <p><small>If an appraisal schedule is not selected, all completed appraisals will display on the compensation worksheet. Once the compensation cycle is open, appraisal schedules cannot be changed.</small></p>
Prepopulate Merit:	Suggest that all compensation managers apply a default increase of <input type="text" value="3 %"/> <input type="button" value="Up"/> % <input type="checkbox"/> Populate increase based on performance rating guidelines Populate merit % increase based on TWA / <input type="text"/> <input type="button" value="Up"/>
Merit:	Cap Merit % at: <input type="text"/> <input type="button" value="Up"/> <input type="checkbox"/> Prevent manual entries into Merit Amount <input type="checkbox"/> Prevent manual entries into Merit Percent <input type="checkbox"/> Prevent manual entries into Hourly Merit Increase <input checked="" type="checkbox"/> Do not allow merit increase to exceed the max guideline recommendation <input type="checkbox"/> Do not allow the cumulative increase of Merit and Lump Sum to exceed the max guideline recommendation <input checked="" type="checkbox"/> Cap employee increases at the maximum salary range <input type="checkbox"/> Place remainder into lump sum <input checked="" type="checkbox"/> Warn manager when an employee's increase exceeds their maximum salary range
Lump Sum:	Cap Lump Sum % at: <input type="text"/> <input type="button" value="Up"/> <input type="checkbox"/> Prevent manual entries into Lump Sum <input type="checkbox"/> Do not allow the Lump Sum percentage to exceed the max guideline recommendation
Worksheet Completion:	<input type="checkbox"/> Require all Approvals before worksheet completion
Routing:	<input type="checkbox"/> Send Sign-Off task when routing is complete
Merit Matrix formula:	<input checked="" type="radio"/> Compa Ratio <input type="radio"/> Position in Range
Wage Type:	<input checked="" type="radio"/> Annual Salary <input type="radio"/> Hourly Salary * Digits to display after decimal point: <input type="text" value="2"/> <input type="button" value="Up"/>
Employees:	<input checked="" type="radio"/> Feeds <input type="radio"/> All Employees <input type="radio"/> Selected Employees <div style="background-color: #fff9c4; padding: 5px; margin-top: 5px;">                     Feeds cannot be uploaded until the cycle has been saved.                 </div> <div style="margin-top: 5px;"> <input type="text" value="Position Grade"/>  <input type="text" value="Person Position Compensation"/> </div>



<b>Name</b>	The <b>Name</b> of the cycle, which appears in the drop-down list on the <i>Compensation</i> page.
<b>Start Date</b>	When the compensation cycle begins.
<b>End Date</b>	When the compensation cycle ends.
<b>Effective Date</b>	The date on which the employee's increase becomes effective.
<b>Manager Due Date</b>	The date that managers must complete their worksheet task for the compensation cycle.
<b>Annual Hours</b>	<b>Annual Hours</b> indicates the number of hours over the course of a year that constitutes a full-time employee. This setting defaults to 2080 hours.
<b>Pay Period Hours</b>	<b>Pay Period Hours</b> indicates how many hours are considered full-time for an employee during a pay period. This setting defaults to 80 hours.
<b>Approval</b>	<p>The option in this section requires the highest level of approval for a worksheet to be selected before it can be completed.</p> <p>If <b>Require highest level of approval to complete worksheet</b> has been checked, a secondary option displays allowing you to prevent further routing of a compensation worksheet once the highest level of approval has been received. The <b>Stop routing after highest level of approval</b> option is available only when <b>Require highest level of approval to complete worksheet</b> setting is enabled for a worksheet.</p>
<b>Budget</b>	<p>Options in the <b>Budget</b> area apply to the <b>Increase Budget</b> for worksheets.</p> <p>The percentage entered into <b>Increase Budget</b> is used to calculate the available merit increase budget for a manager based on the total salary of their employees.</p> <p>Additional options include:</p> <ul style="list-style-type: none"> <li>• Do not allow managers to exceed budget</li> <li>• Factor Full Time Equivalency into budget calculations</li> </ul> <p>The <b>Allow budget overrides</b> field allows you to search for and add compensation managers that can override budget restrictions for the cycle.</p>
<b>Appraisal Schedule</b>	This option allows limiting the compensation cycle worksheet to only display scores from specific appraisal schedules. Omitting unnecessary appraisal scores this way helps simplify things for managers and to ensure the increase is based on the correct appraisal score.

	<p>Select which appraisal scores to show by clicking appraisal schedule titles within the <b>Display selected appraisal schedules only</b>: drop-down/search field. When a schedule is chosen, it displays in the field as a blue box. To remove a schedule from your selections, simply click the <b>X</b> on the box's right-hand side.</p> <p>There are no limits to the amount of schedules that can be selected from this menu, and schedules may be added while a cycle has a status of <b>Pending</b> and <b>Open</b>. However, once a cycle is open, schedules cannot be removed.</p> <p>By default, all appraisal schedules display on the worksheet.</p>
<p><b>Prepopulate Merit</b></p>	<p>A suggested default increase percentage can be set and used to recommend an increase for all employees in a worksheet. Managers are prompted about this recommended increase when they open a worksheet, and have the option to accept or reject the recommendation. Adjustments to the increase can still be made for individual employees when the recommended increase is accepted.</p> <p>(Managers are re-prompted about the increase when employees are added to a worksheet. The increase is only applied to employees who do not already have an increase added to their record.)</p> <p>The <b>Populate increase based on performance rating guidelines</b> option does exactly that: pre-populates the merit increase field based on the individual employee's performance rating. Increase amounts are based on the guidelines for the specific cycle, and either uses the set percent in the guideline, or if a range is used, populates with the lower side of the range.</p> <p>The <b>Populate merit % increase based on TWA /</b> option lets you enter the desired value to use for dividing the total weighted average, removing the need for managers to do the math themselves.</p>
<p><b>Merit</b></p>	<p>The Merit area contains options that determine how maximum merit increase ranges are handled in worksheets.</p> <p>A <b>Cap Merit %</b> can be set to prevent managers from applying larger amounts for individual employees.</p> <p>Additional options include:</p> <ul style="list-style-type: none"> <li>• Prevent manual entries into Merit Amount</li> <li>• Prevent manual entries into Merit Percent</li> <li>• Prevent manual entries into Hourly Merit Increase</li> <li>• Do not allow merit increase to exceed the max guideline recommendation</li> <li>• Do not allow the cumulative increase of Merit and Lump Sum to exceed the max guideline recommendation</li> </ul>

	<ul style="list-style-type: none"> <li>• Cap employee increases at the maximum range recommendation</li> <li>• Place remainder into lump sum</li> </ul> <p>When this option is selected, a <b>Calculate lump sum remainder at</b> field is displayed that allows you to enter a percentage for automatically calculating lump sum amounts.</p> <ul style="list-style-type: none"> <li>• Warn manager when an employee's increase exceeds the maximum recommendation</li> </ul>
<b>Lump Sum</b>	<p>Contains options for how Lump Sum distributions are handled.</p> <ul style="list-style-type: none"> <li>• <b>Cap Lump Sum %</b> prevents managers from applying larger amounts for individual employees.</li> <li>• <b>Prevent manual entries into Lump Sum.</b> This makes the <b>Lump Sum</b> field a read-only field on worksheets.</li> <li>• Do not allow the Lump Sum percentage to exceed the max guideline recommendation</li> </ul>
<b>Worksheet Completion</b>	<p><b>Require all Approvals before worksheet completion</b> prevents compensation worksheets from being completed until all approvals have been checked.</p>
<b>Routing</b>	<p><b>Send Sign-Off task when routing is complete</b> allows users to control sign-off tasks related to compensation workflows.</p>
<b>Merit Matrix formula</b>	<p>This option determines if merit increase recommendations are calculated using an employee's <b>Compa Ratio</b> or their <b>Position in Range</b>.</p>
<b>Wage Type</b>	<p>Determines the type of wages for employees in the cycle (<b>Annual</b> or <b>Hourly</b>). The following fields on the compensation worksheet are adjusted accordingly based on the selected wage type:</p> <ul style="list-style-type: none"> <li>• Minimum</li> <li>• StartQ2</li> <li>• Midpoint</li> <li>• StartQ4</li> <li>• Maximum</li> </ul> <p>The <i>person_position_compentation</i> feed field should contain either the <b>hourly_rate</b> or <b>annual_salary</b> field. Fields not provided are automatically calculated.</p> <p>There's also an option to determine how many <b>Digits to display after decimal point</b>.</p>
<b>Employees</b>	<p>This field determines which employees are assigned to the compensation cycle. Options include <b>Feeds</b>, <b>All Employees</b>, or <b>Selected Employees</b>.</p>

Selecting **Feeds** allows you to upload **Person Position Compensation** and **Position Grade** feed files to populate worksheets.

Choosing **Selected Employees** displays a drop-down list appears where you can select a compensation group to assign to the cycle.

**Note:** Selections made here cannot be edited once the cycle is saved, even if the cycle is not yet active.

## Adding compensation cycles

New compensation cycles can be added at any time. There is no limit to the number of compensation cycles that can be added to the system.

These steps take place on the *Cycle Management* page under the **Admin** area.

1. Click the **Add** button. A blank compensation cycle form opens.
2. Complete the fields and options on the form as necessary.
3. Click the **Save** button when finished.

Clicking the **Save** button commits the new cycle to the system. The cycle becomes available for use based on the **Start Date** entered for the cycle.

## Guideline configuration

The *Guideline Configuration* page is where the [merit matrix](#) for a compensation cycle is defined.

The main page lists all of the available compensation cycles. Merit matrices for cycles in progress cannot be edited.

Selecting a cycle from the list opens the *Merit Guideline Configuration* page that lists the available matrices for the cycle. The matrices that are available are based on the merit rating lists associated with employee appraisals in Performance Manager. Each merit rating list is assigned its own matrix.

Each matrix on the page utilizes either quartile (position in range) or compa ratio along with the merit rating list to create a matrix for the compensation cycle. Each matrix can be configured independently as needed.



## Merit Rating List: Merit Rating For PIR






Item	Below Q1	Q1	Q2	Q3	Q4	Above Q4
Unsatisfactory	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00
Does Not Meet Expectations	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00
Meets	3.00 - 4.00	3.00 - 4.00	2.50 - 3.50	2.25 - 3.25	2.00 - 3.00	1.90 - 3.00
Good	3.10 - 4.10	3.10 - 4.10	2.60 - 3.60	2.35 - 3.35	2.10 - 3.10	2.00 - 3.10
Satisfactory	3.20 - 4.20	3.20 - 4.20	2.60 - 3.60	2.45 - 3.45	2.15 - 3.15	2.05 - 3.15
Exceeds Expectation	4.50 - 4.50	4.00 - 4.00	4.00 - 4.00	4.00 - 4.00	3.15 - 3.15	3.15 - 3.15

There's also an option to **Use Percentage Mode** when viewing an individual merit guideline. When this option is selected, a set percentage is used in the **Merit Guideline** field on worksheets instead of the merit matrices.

## Worksheet configuration


The *Worksheet Configuration* page controls which fields are visible in the compensation worksheet, and the field name that is displayed.

The table lists the available fields based on the section (or Group) where they appear in the worksheet: **Basic**, **Employee Data**, **Current Pay**, **Merit**, **Proposed Pay**, and **Bonus**. Expanding each section opens the list of fields in that section.

Worksheet Configuration			
Group Name			
<input checked="" type="checkbox"/>	Basic		
	<b>Field Name</b>	<b>Alias</b>	<b>Visible</b>
	EmployeeName	Employee Name	true 
	SubmittedForApproval	Submit for Approval	true 
	SeniorManagerApproval	Senior Manager Approval	true 
	HRApapproval	HR Approval	true 
	HasNotes	Notes	true 
<input type="checkbox"/>	Employee Data		
<input type="checkbox"/>	Current Pay		
<input type="checkbox"/>	Merit		
<input type="checkbox"/>	Proposed Pay		
<input type="checkbox"/>	Bonus		

Each field has a **Field Name** (how the field appears in the database) and an **Alias** (the name of the field displayed in the worksheet). Only the **Alias** field can be edited.

The **Visible** column indicates if the field is shown in the worksheet. *True* means the field is displayed to users; *False* means the field is hidden.



Clicking the **Edit** icon () opens a pop-up window where the **Alias** and visibility settings for a field can be changed.

Edit✕

Alias:

Alias must be no more than 50 characters and cannot contain HTML.

Visible:

## Merit matrix

A merit matrix defines how ratings from employee appraisals are transformed into merit guidelines on the compensation worksheet.

Matrices are built using the merit rating from an appraisal and either quartile (also known as position in range) or compa ratio. The result is a merit guideline that appears on the employee’s compensation worksheet, which the manager uses when determining a merit increase.

An example of a merit matrix using quartiles is shown below.

### Merit Rating List: Merit Rating For PIR

Item	Below Q1	Q1	Q2	Q3	Q4	Above Q4
Unsatisfactory	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00
Does Not Meet Expectations	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00	0.00 - 0.00
Meets	3.00 - 4.00	3.00 - 4.00	2.50 - 3.50	2.25 - 3.25	2.00 - 3.00	1.90 - 3.00
Good	3.10 - 4.10	3.10 - 4.10	2.60 - 3.60	2.35 - 3.35	2.10 - 3.10	2.00 - 3.10
Satisfactory	3.20 - 4.20	3.20 - 4.20	2.60 - 3.60	2.45 - 3.45	2.15 - 3.15	2.05 - 3.15
Exceeds Expectation	4.50 - 4.50	4.00 - 4.00	4.00 - 4.00	4.00 - 4.00	3.15 - 3.15	3.15 - 3.15

In this example, the values on the left refer to the merit rating list used for an employee appraisal. The quartiles are listed across the top of the table. The rest of the table contains ranges of merit increases based on the rating list and quartile, which is shown to managers as the merit guideline.

Merit matrices are built from the [Guideline Configuration](#) page under the **Admin** area.

Along with a merit matrix, other performance metrics are used when determining an employee's merit recommendation.

### Merit rating list

Employee appraisals use merit rating lists to gauge employee performance over the evaluation period. Performance Manager supports the use of many merit rating lists for various positions across an organization. However, only one merit rating list can be used for a single position.

Rating lists can contain either numerical or text values.

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### Merit rating question

Appraisals have the option to include a merit rating question as the final manager input. Based on the manager's rating of the employee on the appraisal, the system makes a merit increase recommendation. The manager then has the opportunity to select a different merit increase than what the system has recommended.

If merit rating questions are not used on appraisals, then a default merit rating list will be used. Otherwise, the merit rating list for the merit rating question on that appraisal will be used, as will the corresponding merit matrix.

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### Performance rating

A performance score is the merit rating value that corresponds to that performance score. If the merit rating question is used, this is the same value as on the appraisal. If the merit rating question is not used on the appraisal, they can still have a merit rating list so that score can be translated into performance ratings on the worksheet.

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### Performance score

A performance score is populated with the total weighted average (TWA) from the appraisal.

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## Compensation employee groups

When creating a cycle, there are three options for assigning employees to that cycle:

- **Feeds.** Employees are assigned using the *person\_position\_compensation* feed file.
- **All employees.** Every employee in your organization is included in the cycle. This is used if every employee falls under the same compensation cycle and rules.
- **Selected employees.** This option allows you to select a group to assign to the cycle. These groups can contain any number of employees from your organization.

Employee compensation groups are created and managed from the *Groups* page under the **Admin** area of the navigation bar.

When a new compensation cycle is created, the **Selected Employees** option allows you to choose which group of employees should be assigned to the cycle. Only one group can be selected per cycle.

## Compensation managers

Compensation managers can be assigned to employees that differ from their direct supervisor (such as Department Head or Compensation Department).

An **Assign Compensation Manager** option is available on the *User Maintenance* page under the **Admin** area. Clicking this button opens a page that allows users to select departments, positions, or individual employees to assign to a compensation manager.

A drop-down menu also allows the selection of specific compensation cycles to modify.

Next

### Assign Compensation Manager to Department, Position or Employee

Choose the compensation cycle to modify.

CompCycle 1 - Phase 1

Choose the department(s), position(s) and employee(s) you want to set the manager for.

Choose a selection type:

Facility/Department/Position  Employee

- Performance Manager (200)
  - Development Manager (120)
  - Product Owner (300)**
  - QA\_PosB (99999)
  - Quality Assurance (200)
  - Senior Software Engineer (110)

Position Code Employee Num

Employee

First Name: Last Name:

Choices:

Product Owner (300)

Selection:

Product Owner (300)

Compensation managers can also be assigned using the *person\_position\_compensation* feed file by providing the manager's employee ID in the **compensation\_manager\_employee\_id** field.

**Note:** A user cannot assign themselves as their own compensation manager.

## Feed files

Feed files can be uploaded to compensation cycles to populate worksheet fields.

A *Feed* option is available for the **Employees** field on the *Add/Edit Cycle* page. Selecting this option and saving the new cycle reveals buttons that allow the uploading of either **Person Position Compensation** or **Position Grade** feed files.

Feed files overwrite any changes made to the compensation worksheet as long as the highest level of approval has not been selected. If a record has already received the highest level of approval, no changes are made to that record when the feed file is uploaded.

After a file has been successfully uploaded, a summary window is displayed that provided details of the data imported from the feed file, including any errors that may have occurred.