Sam Houston State University
A Member of The Texas State University System

Finance & Operations Human Resources Policy HR-28
Employee Merit Policy

SUBJECT: Employee Merit Policy

PURPOSE: To provide guidance for administration of merit pay increases for Sam Houston State University (SHSU or University) faculty and staff (collectively, employees).

POLICY: In accordance with the Texas Government Code Chapter 659, Texas Education Code 51.962 and University institutional values of Excellence and Honor the University recognizes the performance of eligible employees in good standing with discretionary awards of merit pay. Award of merit, the timing of payment, and the overall amount of funds allocated for merit are determined by the University President.

1. **Merit Pay Awards and Timing**

Merit may be in the form of a one-time payment or salary increase, the latter of which is usually allocated with the budget cycle. However, at the discretion of the University President, merit may be awarded at other times as either a salary increase or a one-time payment, including awards recognizing employee service under extraordinary circumstances.

2. **Merit Pay Eligibility**

To be eligible to receive a merit award, faculty and staff employees must:

a. have been employed by the University for a minimum of six months immediately preceding the University's designated deadline for consideration of merit.

b. not have received a merit payment within six months of the date of merit payment, unless the award is related to the President's determination of an award for extraordinary circumstances.

c. be in good standing with and not have any outstanding debt owed to the University. Provided however, that employees who clear their debt or enter into a payment plan with the University Payroll Department by June 1st for a budget cycle merit or by such other deadlines as may be announced for any other merit award may be considered eligible.

d. have received an acceptable evaluation of performance and recommendation for allocation of merit from their supervisory chain of command.

   (1) Staff employees must have been evaluated by their supervisor in the Annual Performance Appraisal (APA) process or, if the staff employee was not employed at the time of the APA, the supervisor must have completed a six-month evaluation.

   (2) Faculty employees must have received acceptable performance evaluation and recommendation for merit in accordance with Academic Policy Statements (APS):

      i. For Non-Tenure Track Faculty, the process described in APS 890301, Hiring, Evaluation, Promotion, and Merit for Non-Tenure Track Faculty.

      ii. For Tenured or Tenure Track Faculty, the Faculty Evaluation System in accordance with APS 820317, The Faculty Evaluation System for Tenured and Tenure-Track Faculty, and the processes described in APR 800722, Merit Increases in Salary.

3. **Individual Exceptional Service**

For unique, exceptional individual employee service, a supervisor may request a merit award for the employee when budget is available. The requesting supervisor must provide a copy of a Special Performance Evaluation for Staff, or Letter for Faculty documenting the performance through the Department Head and Divisional VP to the AVP for HR. The AVP will assure compliance with SHSU policies and procedures, evaluate the justification, confirm fund availability with the Budget Office, and make a recommendation to the President.

Reviewed by: Rhonda Beassie, Associate VP for People & Procurement Operations, May 2025