

What is a merit matrix?

Illustrated below is a merit matrix. The concept is to reward employees with high performance ratings that are low in their salary range, with greater increases.

	Position in Salary Range		
Performance Rating	Lower Third	Middle Third	Upper Third
Consistently Exceeds	8.0%	6.0%	4.0%
Meets	6.0%	4.0%	2.0%
Needs Improvement	0.0%	0.0%	0.0%

With CompKeeper you can design your own merit matrix and determine the cost of the merit budget based on your design. Divide your ranges into thirds, quarters, or fifths and set the number of levels or performance to fit with your organization's philosophy.