

Performance-Based Adjustment Plan Teachers' Retirement System 2016

The Teachers' Retirement System (TRS) believes that performance-based pay is a useful tool to attract and keep quality employees and reward good performance. Late in calendar year 2016, TRS requested and received approval from OMES for a performance-based pay plan. This is authorized by statute and specifically addressed by Merit Rule 260:25-7-27.

The Plan provided a one-time lump-sum payment of \$1,000 for employees who received a rating of "meets standards" and a \$1,500 lump-sum payment for employees who received a rating of "exceeds standards." The ratings were for FY 2016. Since performance might vary from one year to the next, stipends are used instead of permanent raises in salary.

The amount of these one-time stipends was a total of \$36,000 which was an actual payroll cost of \$41,317.40.