



SUBJECT:	Compensation
POLICY NO:	VI:02
APPLICABLE TO:	All Employees
PAGE NO:	1 of 3
EFFECTIVE DATE:	July 1, 1989
REVISION DATE:	August 1, 2018 (due to name change)

I. POLICY:

Compensation policies and procedures will be administered among employees without distinction as to race, creed, color, religion, gender, disability, handicap, age, national origin, marital status, status with regard to public assistance, affectional preference, membership or activity in a public commission, or protected veteran status, or familial status. Further, HHRI will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.

Compensation, for purposes of this policy, is defined as the present payment of salaries or wages and any other monetary and non-monetary consideration in exchange for services performed by an employee. Compensation takes many more forms than that of wages or salary alone. Compensation also includes employee benefits, and to a lesser degree, working conditions and advancement opportunities. Premium payments for overtime are not considered in establishing the compensation level of any employee.

It is the policy of HHRI to establish formal compensation programs that attract and retain the most capable work force, while providing the motivational incentive to reinforce consistently good performance in order to ensure quality service. Our formal compensation policy, practice and administration must, in addition, meet all legal requirements under state and federal regulations. Compensation costs, as a major cost of doing business, will be planned and controlled within reasonable limits to permit achievement of compensation objectives.

In the interest of providing a fair and equitable salary structure for all employees, it is the policy of HHRI to pay wages and/or salaries to employees at a level competitive with those paid for similar jobs with similar skills in the relevant job market, to the extent permitted by available funding.

II. PROCEDURE:

To achieve the accomplishment of the above-stated policy, the following procedures will be applied to all salary programs.

A. Job Structure

Formal job descriptions will be developed and maintained for each regular position in the organization. The purpose in writing a job description is to serve as a basis for establishing defined accountabilities, objectives, job relationships, and a means of helping communicate performance expectations. Written job descriptions will also aid the Foundation in complying with state and federal regulatory requirements. Job descriptions will be written in a standard format (available from Human Resources), presenting a clear picture of the position's purpose, duties, and responsibilities.

Meaningful job information is obtained through a process known as Job Analysis; which is a systematic procedure for gathering accurate and meaningful data about the work to be performed.

Establishment of Salary Ranges

Salary ranges are established which reflect those paid by other companies for similar jobs with similar skills, recognizing the need for compensating various levels of performance within established range minimums and maximums. The relevant markets from which HHRI has or intends to hire employees will be regularly defined and wage surveys of those markets will be reviewed at least annually in order to determine prevailing salary range. Salary ranges themselves will not move annually. Positions may be able to move from salary range to salary range as the market suggests. An individual's salary level within his/her respective salary range will be based upon the individual's performance as it relates to his/her job, and fund availability.

C. Salary Ranges Defined

Salary levels are seldom single rates, but instead are ranges into which fall most employees in a surveyed job. The salary ranges can generally be defined as:

- **MINIMUM SALARY** - Employees new to a position or *new hires* coming into a position paid at or around the minimum typically possess no previously acquired experience related to this position. They typically possess the minimum Skill, Knowledge, and Ability (SKAs) necessary. Anyone officially classified in a position should be compensated at least at the minimum of the salary range.
- **Zone 1** - Employees paid in the first zone of the range typically possess some of the SKAs necessary to perform in this position and they typically meet most or all performance expectations.
New hires paid in the first zone of the range typically possess some experience in a similar position or experience in a different position that requires similar SKAs.
- **Zone 2** - Employees paid in the second zone of the range possess all the SKAs necessary to the position and they consistently meet all performance expectations.
New hires paid in the second zone of the range have successfully performed the same or similar position in a similar organization and they possess all the SKAs necessary to perform in this position.
- **MIDPOINT** - This is the top of the second zone and is the projected market for the position. The majority of employee salaries should typically fall around the midpoint (unless all new hires).
- **Zone 3 & 4** - Employees paid in the third and fourth zone of the range possess all the SKAs necessary to perform in the position and consistently exceed performance expectations.

New hires paid in the third and fourth zone of the range possess all the SKAs necessary to perform in the position and have successfully performed the same or similar position in a similar organization and, in addition, have acquired additional SKAs.



SUBJECT:	Compensation
POLICY NO:	VI:02
APPLICABLE TO:	All Employees
PAGE NO:	3 of 3
EFFECTIVE DATE:	July 1, 1989
REVISION DATE:	August 1, 2018 (due to name change)

- **MAXIMUM SALARY** - The highest salary which can be justified for a position at a given responsibility level.

D. Employee Performance

The salary range will govern the amount paid to an employee for any given job; however the employee's progress within the range will depend primarily on the supervisor's/P.I.'s measure of the employee's performance and fund availability. Through the use of a formalized performance appraisal system, employees will be reviewed for merit increase considerations based on their level of performance. Performance appraisals should follow the Performance Appraisal Program Policy V:06.