



Wage & Salary Administration

THIS POLICY

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REPLACES POLICY

Policy Number: 301
Effective Date: 10/01/2018

Policy

To provide staff members and leadership with guidelines for compensation. The policy is designed to administer salary levels that are internally equitable, externally competitive, and in compliance with all applicable laws and regulations. Wesley Woods Senior Living is committed to maintaining a competitive total compensation program. WWSL administers a classification and pay system whereby each employee is placed in a job classification, which accurately reflects his/her responsibilities and is paid within the established pay range for his/her job. The pay range assigned to each job classification is based on an internal/external job evaluation process and analysis of market salary data. Individual pay rates are determined by factors such as qualifications, years of relevant experience and job performance. All employees will be compensated fairly regardless of race, color, religion, sex, sexual orientation, national origin, age, disability, veteran status, marital status or genetic information.

General Information Regarding Job Evaluation and Classification

Job analysis is a systematic, formal study of the duties and responsibilities that describe the job content. The process seeks to obtain important and relevant information about the nature and level of work performed and the specifications required for an employee to perform the job. It determines the job's function and involves research, which may include a review of current job descriptions (including comparable positions, benchmarks and/or other positions within the department), comparisons with other organizations, discussions with leaders and observation of incumbents.

Job evaluation is a formal process used to create and determine the relative job worth and hierarchy within an organization. The relative worth of the job is measured within the context of all other jobs within the organization and within the context of similar jobs outside the organization.

Job classification is the formal assignment of a specific job to a title and pay grade. Supervisors providing direct employee supervision are responsible for monitoring the appropriate classification of positions within their units (with the assistance of the HR

Department). All job classification requests should be submitted to Human Resources Department.

Market Competitiveness

To ensure that pay remains competitive, HR conducts routine review of compensation studies to benchmark jobs. This involves reviewing published salary survey data to gather information for these benchmark jobs. The results are used to determine when and by what amount, if at all, pay ranges should be adjusted.

Pay Grade Structure

WWSL maintains pay grade structures (based on the geographical location of the position) into which all job titles are placed. Each pay grade within a pay structure has a range that specifies the minimum, midpoint, or control point, and maximum for all positions assigned to that grade.

The minimum of a pay range is generally appropriate for a newly hired or promoted employee with little or no experience. All employees are paid at least the minimum rate of the range to which their job title is assigned.

Starting pay should be market competitive, internally equitable and non-discriminatory. Consideration will be given to such factors as the minimum of the range, market-based salary information, pay rates of other employees, available funding sources for most jobs, the candidate's education and related work experience. For jobs where the candidate's qualifications meet only the minimum requirement of the position, the starting pay offered will generally be the minimum of the pay range.

For jobs where previous work experience contributes to the candidates' ability to perform the job and/or for jobs, which are market-sensitive, the starting pay will be adjusted appropriately. Human Resources is responsible for providing consultation to hiring departments to ensure that starting pay rates are market competitive, internally equitable and non-discriminatory.

Calculations for Starting Pay:

- Salary range for a position (based on the geographically area of the community)
- Salary calculation formula (based on years of experience)
- Any additional salary benchmark data regarding that position

Recommendations to pay above the mid-point of the range must be approved by the Administrator and Human Resources Director, V.P. Operations or CEO/President.



Pay for Performance Merit Increase

Annual pay for performance merit increases are differentiated and assigned by performance levels. The amount of the increase is determined each year based on market and budget. A Salary Matrix will be established in each fiscal year reflecting the increase for the fiscal year.

Pay for Performance Merit Increase for New Employees

Pay for performance merit increases for all new employees will be determined based on their hire date. Employees hired on or before March 31st be eligible for the full increase based on the Salary Matrix. Employees hired on or after April 1st will not be eligible for an increase until the next year since the review period is from July 1st – June 30th.

The performance and salary review will be conducted through the Payroll System and connects employee performance with pay. This process aligns employee efforts with department, community and corporate goals.

Promotion

A promotion occurs when an employee moves from a position in one job classification to another position which is classified in a higher pay grade; the original position is left vacant, to be filled or eliminated. Only those employees in good standing with the company and have not had a corrective action in the last 90 days may be eligible for a promotion. It may be necessary to post for the position, however not in all cases (such as in career progression ladder). For example, if an employee were to be promoted from a Maintenance Mechanic to a Senior Maintenance Mechanic and there were no other employees in the department eligible for the senior position, posting would not be applicable. In the case where there was a full-time opening (with benefits) in a large department, this position should be posted to give the PRN's and part-time employees an opportunity to apply and obtain company benefits.

Salary adjustment for promotions will occur in the following manner:

Guidelines for employees moving to a new grade with are the following:

- difference of the grade minimums of 4% or less = may receive up to 2% promotional increase
- difference of the grade minimums of 7% or less = may receive up to 4% promotional increase
- difference of the grade minimums more than 7% = may receive up to 8% promotional increase

Consideration shall be given to internal equity as compared to other employees in the same position with similar related experience and performance when determining the promotional increase.

The exact amount will be determined by the Human Resources Department in consultation with the department leadership.

Employees should be in their position at least 6 months before they will be considered for a promotion. The starting salary should be at least the minimum of the new range.

Lateral Transfer

A lateral transfer occurs when an employee is transferred into another position within the same or similar pay grade. This generally will not result in a pay rate change. If an employee changes from a PRN or part-time position to a full-time position with benefits, the position will be posted on the career website for 3 days and the department supervisor will post the information in the department along with the job description to allow other employees to apply.

Acting Appointments for Leadership Level Positions

Acting appointments involve the temporary placement of a regular employee into a vacant

leadership position of higher pay grade other than his/her normal one. When an employee temporarily assumes a leadership position classified in a higher grade than his/her current position (for at least 60 days and not to exceed six months), depending on the circumstance, additional compensation of 8 – 10% of their regular salary may be provided.

Compensation for this Leadership Level positions will occur in one of the following ways:

- The percentage will be added to the employee's hourly rate and will be adjusted back once the position has been filled.
- A bonus will be paid based on the number of hours that were worked during this assignment. This bonus will be paid out once the assignment has been completed.

A Personnel Action Form (PAF) will need to be completed by the Administrator and sent to HR in order to activate the additional pay.



Pay Decrease/Demotion/Downward Reclassification

A demotion occurs when an employee moves from a position in one job classification to another position, which is classified in a lower pay grade. The original position is left vacant, to be filled or eliminated. If the original position is to be filled, an employment requisition must be submitted to Human Resources. A demotion may be employee or employer initiated.

When a demotion results from an employee request, work performance or ability issues, the employee's pay should be reduced by an amount equivalent to a promotion adjustment, in accordance with the guidelines associated with promotions and reclassifications. The resulting rate of pay generally should not exceed the maximum of the new range. Human Resources should review results for final approval. When a demotion or a downward reclassification results from a management initiated reorganization, the employee's rate of pay may be reduced or in some circumstances may remain unchanged, depending upon factors such as internal equity and departmental budget constraints.

Effective Date of Salary Adjustments

All employee pay rate changes and/or status changes will take place at the beginning of the pay period. Pay rate adjustments due to promotions, demotions, reclassifications and market adjustments are effective on the first day of the payroll period beginning with or immediately following the implementation date of the activity, as appropriately feasible.

Bonus Payments

All bonus compensation will be taxed in the usual and customary way. Some bonus compensation may be "rounded up" in order to compensate for the payment of taxes on the award. An example of this would be the ABOVE AND BEYOND AWARD in which the award intent is rounded up to account for the necessary taxes, giving the employee the full amount of the intended bonus.

A bonus is defined as compensation that an employee receives in addition to their regular wages. It should be given based on performance, or a specific action taken by an employee (such as a referral bonus). Other bonuses include the following:

- Executive Bonus
- Appreciation Awards (Above and Beyond Award)

- Referral Bonus
- Sign-on Bonus
- Moving Expense Reimbursement
- Miscellaneous Bonuses for Performance

Effective 2023, no compensation defined as a bonus will be included in the definition of “compensation” as defined by the 403B Retirement Plan. It will not be calculated as part of the employee’s compensation for purposes of deposit into the 403B Retirement Plan or income for the 2% employer contribution to the employees Retirement Plan.

*Approved By: Terry Barcroft/CEO, Wesley Woods Inc.
Traci Montgomery, Human Resources
Director Date Revised: 1/01/2023*