

United Way of Kentucky Policy on Salary Administration

Objectives

United Way of Kentucky policy for employees is to maintain a compensation program to meet the following objectives:

- a. To attract and retain qualified employees.
- b. To encourage employee commitment to productivity and member service.
- c. To treat employees fairly.
- d. To ensure that payroll dollars are invested effectively.
- e. To provide employees with information concerning the basis for decisions about their pay.
- f. To provide an effective performance rating system to be used (along with other factors) as a basis for salary decisions.
- g. To comply with wage and hour laws.

United Way of Kentucky's Compensation Program is not a condition of employment. The policy and any supporting procedures are not intended to, nor do they create, a contract between United Way of Kentucky and its employees. The Compensation Program is subject to change by the Board and management of United Way of Kentucky based on finances and other considerations.

Based on United Way of Kentucky's financial situation, budget appropriations for each fiscal year and overall service obligations, the Board may change or suspend compensation policies/procedures, as necessary.

Pay Ranges United Way of Kentucky's President will use a formal process to develop employee pay ranges. This process shall include job analysis, job documentation, job content evaluation, relevant labor market data analysis and consultation with Human Resource professionals.

Salary Administration

After pay ranges are established, the following pay practices will be administered as follows:

Starting Pay Rate

The starting rate is the rate of pay which an employee is assigned upon starting a job. A new hire who has only the minimum overall qualifications for the job will normally be paid at or near the minimum of the pay range. If an individual has substantial experience and superior qualifications that exceed minimum requirements, he or she may be paid at a higher level. Occasionally, supply and demand conditions may be such that new hires may be hired above the range minimums.

No new hire will start at a higher level than existing employees in the same position unless the new hire has substantial training, experience, and qualifications which exceed those of existing employees. If necessary, the salaries of existing employees may be adjusted because of such hiring.

Increases and Decreases to Base Rates of Pay

Employees may be eligible for the following types of base pay increases:

General Increase

A general increase (across-the-board) is an annual increase which is granted in equal percentages to all eligible employees. This rate will be determined by the Consumer Price Index in August of each year.

Performance Pay

Policy – After completion of an annual Performance Appraisal, including performance on agreed upon annual goals and objectives, the President will determine the appropriate performance pay increase, budget permitting. In determining performance pay, United Way of Kentucky will consider an employee's level of performance, position in range, and interval since last increase. Therefore, a performance pay increase may vary both in amount and timing.

Equity Adjustments

Occasionally a special salary action is required to correct an inequity that cannot be corrected within the normal compensation policy and guidelines. Before such an adjustment is made the President will determine that the adjustment is justified and will not have an adverse impact on internal salary relationships

Progressing Through the Salary Range

Performance pay increases are intended to recognize different levels of performance. Performance Pay increases may be granted to eligible employees based on availability of funds and other factors. The budget for performance pay is normally established on an annual basis and is subject to economic conditions as well as United Way of Kentucky's financial and operational situation. United Way of Kentucky reserves the right to change or suspend the performance pay guidelines whenever necessary.

Salary Schedule Adjustment

Based on United Way of Kentucky's financial capabilities and budget appropriation approved by the Board each fiscal year, Performance Pay Guidelines will be reviewed and revised as necessary by the Board and President. Any annual general increase approved by the Board to reflect the movement of United Way of Kentucky's salary ranges based on market analysis and comparisons, will be available for all employees regardless of position in range.

Compensation Actions Requiring Board Approval

Any changes to the Compensation Policy must be approved by the Board of Directors.

Appeals

An employee who wishes to dispute his/her evaluation or salary treatment may, if unable to resolve the dispute directly with the President, appeal the decision to the Executive Committee by contacting the Chairman of the Board of Directors.

Approved: February 17, 2004