

Vermont Catholic Charities, Inc -Homes

Policies and Procedures

SUBJECT: Compensation and Salary Administration	Policy Number 20
	Section: Human Resources
	Sub-Section: Compensation/Benefits
	Date: July 1, 2010 Updated: October 1, 2017

INTRODUCTION

Vermont Catholic Charities, Inc. believes in a compensation system to attract employees, motivate employees, and retain high caliber employees.

Vermont Catholic Charities, Inc. strives to position its base salary above the minimum wage and/or average or median competitive practice levels. Exact positioning on the wage scale is dependent on the benchmark of our pay practice for a select and broad sample respectively.

POLICY

Job Documentation

There will be job documentation for each position within the Organization structure. To accomplish this all employees and their supervisors are encouraged to use the job description template when describing new or significantly changing current positions. The Human Resources Department can provide the template as required and work with management to finalize the description.

Job Evaluation

Human Resources and supervisors will work to finalize the market analysis and assign a salary grade to the position that is consistent with our philosophy. The final salary grading decision will be approved by the Executive Director and the Director of Human Resources. The Executive Director will receive approval from the Bishop and Human Resources on any change that is more than 4% from the current scale or salary level, for positions of Administrator at the Home.

Job Grading

All job grades must be approved and assigned by Human Resources. Human Resources' is responsible for assigning job codes, functional titles, salary grades, exempt or non-exempt status. All job grades will be approved by the Executive Director and Director of Human Resources.

Exempt and Nonexempt Classifications

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Vermont Catholic Charities, Inc classifies each position in the United States as either exempt or nonexempt from the Vermont state Wage and Hour Law requirements and the federal Fair Labor Standards Act (FLSA) as it relates to eligibility for premium pay for hours worked in excess of eighty (80) in a work week.

An employee is exempt if it is determined that the position is either: executive; administrative; or professional; as defined by the Fair Labor Standards Act (FLSA). All other employees are classified as nonexempt.

The exempt or nonexempt status of positions is determined in the course of job analysis conducted as part of the job requisition and salary administration processes.

Overtime Pay Policy

When required by demands or needs, Vermont Catholic Charities, Inc can require any employee to work overtime. However, supervisors should attempt to give at least one day's notice when overtime must be worked. Generally, supervisors try to limit required overtime work to urgent situations or unexpected circumstances that cannot be handled satisfactorily during normal working hours.

Paid time that is not worked—for example, hours such as Vacation Time or Discretionary Time—generally are **not** considered hours worked for purposes of determining or computing an employee's entitlement to overtime pay. Overtime will be based on the State of Vermont approved overtime for hours worked over 80, Also known as “Over 80 Rule” for the Level III Homes.

Base Salary Adjustments

A. Merit Increases

Although the typical review cycle is 12 months from the last increase date, situations may occur when the cycle is 6 months, 18 months or longer depending on performance, position in range, market parameters, and targeted total compensation and economic/financial constraints of the Home. The Human Resources Department will partner with Controller to establish all merit review cycles that are other than annual. A merit increase would need the approval of the Bishop, Executive Director, and Human Resources.

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B. Promotional Increases

Promotional increases are processed through out the year and the necessary paperwork will be coordinated with the Human Resources. A promotional increase for Exempt positions of Administrator would need the approval of the Bishop, Executive Director and Human Resources.

Human Resources will ensure that the adjustment is timely and the amount meaningful and fair in the context of overall VCCI practices at that time.

Vermont Catholic Charities, Inc. requires that promotional increase consideration be given in a range of either up to a 3% increase in base salary or an adjustment to the new salary range minimum, whichever is greater.

C. Salary Adjustments

Salary Adjustments are associated with a realignment of an employee's salary outside of the annual review cycle. Salary adjustments are typically used for "below minimum" and "targeted total compensation" situations. Salary adjustments are not included in the merit budget reporting but impact the personnel expense budget. Increases above 5% require the approval of the Bishop, Executive Director and Human Resources for Exempt and Administrative positions.

D. Salary Structure

Market values are associated with salary grades, typically correlated with the middle third of the salary range, to create a salary structure. The salary grades reflect comparative levels of knowledge, skills, abilities, and responsibilities. However, consistent with our compensation philosophy and strategy, market pricing requirements will dominate our decision process regarding assigning jobs to salary grades.

Each salary grade includes a range with a specified minimum amount, a 1st quartile, 2nd quartile, midpoint, 3rd quartile, 4th quartile and a maximum amount. The maximum is typically 50-70 percent above the minimum. Ranges widen with the progression up the organization structure to accommodate larger variances in market pricing needed to attract and retain more complex and variably skilled employees.

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Range Minimum: The lowest salary that will be paid to individuals qualified to hold positions in the range. Individuals with minimal experience who require extensive training, or who have transferred into the position from another field should be hired close to or at the minimum.

First Quartile: The lowest salary that will be paid to individuals qualified to hold positions in the range. Salaries paid in this area typically apply to entry-level employees who are comparatively inexperienced and who are in the process of developing their skills, abilities, and knowledge in their field of endeavor. They will require training. It is expected that most employees will move through this part of the range rather quickly as they progress in their jobs. If an employee's pay does not advance beyond this low end of the range, there may be a performance problem.

Second Quartile: Salaries paid in this quartile are appropriate for employees who are progressing satisfactorily toward achieving a standard level of performance in their job duties and responsibilities or have a proven record of accomplishment in their field. Some employees may achieve an acceptable level of performance but never progress beyond this part of the range because their performance never progresses to an above average standard. The pay of other employees will continue to progress and may move into the 3rd quartile, or to another range should their exceptional performance be recognized by a promotion.

Range Mid-Point: Typically, the salary that will be paid to individuals fully qualified to hold positions within this range. Individuals with a few years experience who require minimal or no training may be paid close to or at the mid-point. It is expected that very few candidates will be paid up to the mid-point at the time of hire.

Third Quartile: Salaries paid in this quartile are associated with employees who have consistently achieved above average performance in their job duties and responsibilities or over a period of several years have shown at least satisfactory performance in the position.

Fourth Quartile:

Salaries paid in this quartile are typically associated with employee's who have consistently demonstrated outstanding performance in a position, and/or have demonstrated consistently good performance over a long period.

Range Maximum: This is typically the highest salary that should be paid to individuals in a range. A salary above range maximum will be “red-circled” until adjustments to the salary

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structure bring it to within range. Any salary increase for individuals over the maximum is considered on a case-by-case basis. If warranted, performance may be recognized in the form of a one-time lump sum award.

The Administrator will work in conjunction with the Human Resources Department on the placement of a new hire onto the Wage Scale for Residential Care Homes. Prior to any offer, the Administrator must contact to the HR Department to determine the wage offer to be made. Once agreed, the Administration may make the offer.

E. Variable Pay

Vermont Catholic Charities, Inc supports variable pay that is designed to meet three goals:

- * Reward employees for superior performance
- * Ensure the achievement of organizational goals
- * Ensure “total compensation” competitiveness for outstanding performers
- * Variable pay will be at the discretion of the Bishop, Vicar, Executive Director and Human Resources

F. Pay Premiums, Work Stipends, Etc

Any pay premiums, work stipends, on-call pay, etc is under the policy named:
 “Automated Time and Shift Differential Standards/Policy.”

PROCEDURE

1. Human Resources will strive to provide completed job evaluations within 72 hours of date of receipt in the Human Resources office.
2. Payroll in conjunction with Human Resources will update the job code table with the new or changed information so that Wage and Salary Change forms can be processed without delay.
3. Any change to position status; e.g. reclassification of a lower level position to higher level due to a promotions, reorganization, will require the review, input, and concurrence of the Executive Director, Controller and the Director of Human Resources prior to any communication with supervisors or incumbents in affected jobs.

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4. As part of the process of preparing a job description, the Human Resource Department will complete an Exemption Work Sheet if there is any doubt about the FLSA status of the position. A copy of the completed Exemption Work Sheet signed by the Human Resources Department, along with the job description, by Human Resources and the supervisor is to substantiate the claim for exempt status and to ensure the organization’s compliance with requirements contained in FLSA regulations.

5. Each supervisor must ensure that funds for overtime pay are available before authorizing overtime work. All nonexempt overtime work must be authorized in advance by the appropriate supervisor of the employee working the overtime or by the department head.

6. The Human Resources Department is responsible for administering the annual base salary review and adjustment process. The Human Resources Department will finalize the merit budget, recommend changes to the salary structures, communicate the information necessary to process base salary adjustments and measure the application of the guidelines when determining the level of compliance to budget provided.

7. Any recommended merit increase that is outside of guidelines, either above or below, will require review and approval of the Human Resources Director, Executive Director and Controller. Along with the appropriate approval process stated earlier.

8. Any promotional increase that is an exception must be approved by the Bishop, Executive Director and Human Resources for position of Administrator. For all other positions, it will need the approval of the Executive Director and Administrator with review of Human Resources.

9. The Administrator will work in conjunction with the Human Resources Department on the placement of a new hire onto the Wage Scale for Residential Care Homes. Prior to any offer, the Administrator must contact to the HR Department to determine the wage offer to be made. Once agreed, the Administration may make the offer.

At all times Vermont Catholic Charities, Inc. is committed to creating a positive work environment and offering equal employment opportunity and pay to all qualified persons, without regard to race, color, national origin, sex, age, ancestry, place of birth, physical or mental

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condition, veteran or handicap status or any other factor which may be considered discriminatory. Decisions relating to all matters of employment including: upgrades/downgrades, salary adjustments, promotional increases, merit increases, premium pay, transfers, promotions, layoffs, rates of pay, will be based on the employee's work record and qualifications within the Organization.