Compensation Policy Procedure

RELATED POLICIES/PROCEDURES AND REFERENCES:

NHF Compensation Policy Section 2 of NHF Employee Handbook

ADMINISTRATION OF THE POLICY

As part of the annual budgeting process, NHF’s CEO will review and approve, as appropriate, funds to be allocated for total compensation, which would include Cost of Living Adjustment, base salaries, and bonus pay.

The Chief Operating Officer in collaboration with Human Resources should ensure that salary ranges are updated at least annually, that all individual jobs are market priced at least once every two years, and that pay equity adjustments are administered in a fair and equitable manner.

The Human Resources Department is charged with the responsibility of ensuring that the total compensation program is managed for consistency and equity.

If you have any questions about this policy or NHF’s pay policies and procedures, please contact the Human Resources Department.

NHF expressly reserves the right to change, modify or delete the provisions of this Compensation Policy without notice.

PROCEDURE

New Hire & Re-Hire Pay
To ensure internal equity, starting salaries are determined based on your prior experience and/or education directly related to the position. Before offering the position, the Human Resources Department will conduct a position analysis to determine the average pay for the position which will be communicated to the hiring manager. A department may pay starting salaries up to the market reference point or salary range midpoint of a job or up to the average salary of similar non-profit positions, provided internal equity is observed.

With appropriate justification submitted to Human Resources and documented approval by the CEO, a hiring manager may offer higher starting salaries.
Across-the Board Salary Adjustment

Every calendar year, on January 1st, NHF provides an annual percent for Cost of Living Adjustment (COLA). This is determined by the Bureau of Labor Statistic in the Department of Labor and is distributed to all employees. Employees eligible for across-the-board increases shall typically have been employed in their current position at least six (6) calendar months prior to the effective date for implementation. For those employed less than six months they will receive their COLA increase on July 1. This adjustment is applied to all employees’ base salary with the exception of employees whose salary is above the maximum of the range.

Adjustments to Base Salary

Promotion

Promotion is your formal advancement one position to a more responsible vacant position in a higher salary range, grade, or non-graded position. It is also advancement in your existing position (i.e. Accountant to Senior Accountant). Promotion results either when you are the successful applicant for such a position or when a department decides to promote you internally to such a position. Promotions are determined based on organizational needs, budget availability, and CEO approval.

The salary increase resulting from a promotion is determined as follows:

A minimum of 5 percent up to a maximum of 8 percent increase to your salary at the discretion of the hiring manager. The new salary cannot be less than the minimum or more than the maximum of the new range or grade. For salary grades, most salaries are expected to cluster around the grade midpoint, which is a measure of the market rate.

Under extraordinary circumstances, a Vice President may request that an exception be made to provide an increase in excess of the above parameters. Exception requests should be forwarded to the CEO for approval.

Promotions may also affect your FSLA classification from non-exempt to exempt status. Human Resources will be responsible for defining this for you and how it affects your pay and time recording responsibilities.

In-Range Salary Increase

An in-range salary increase is given to recognize you for meaningful increased duties and responsibilities in the current job classification (without a change in classification level and/or salary range). The increase in the scope and complexity of
assigned duties and responsibilities must be both **significant and permanent** for this request to be approved.

Managers can request a salary increase for their direct report based on this criterion by submitting a **Salary Increase/Adjustment form** to Human Resources Department by October 1, prior to commencing the calendar year for budgetary planning purposes. All requests received will be reviewed by the CEO during the final review of the budget process.

**Above-range Salary Adjustments**

Employees who are above range are not eligible for salary increases until adjustments to the salary structure bring it to within range. However, they are still eligible for bonuses.

**Equity and Market-Based Salary Adjustments**

From time to time, it may become necessary for NHF to make salary adjustments to correct an inequity in your salary. An internal equity adjustment may be made when there is an inequity between the salaries of newly hired and experienced employees in the same job and with comparable experience, qualifications, and performance. It may also be given when there is an inequity between the salaries of supervisors and subordinates. A market (external equity) adjustment may be made when an employee’s salary falls below market pay for comparable jobs.

To request a salary adjustment based on this criteria, the department VP should submit a **Salary Increase/Adjustment form** to the HR department to review and conduct a salary analysis on the position by October 1. Factors such as geographical location, actual job duties, and benefits will be used to determine if the request is justified.

**Acting Pay**

Acting Pay means the pay an employee receives when required to perform the duties of a higher classification level for a temporary period provided the employee meets the minimum qualifying period. Acting/Additional Responsibility Pay will be awarded to you if you are assigned by your supervisor to take on all or a significant part of the responsibilities of jobs of a higher grade than your regular ones for a period longer than one month from the date you are is placed on acting status. The increase in salary is temporary and can occur during anytime of the year.

**Decrease in Salary**

If you are voluntarily or involuntarily moved a job with a lower salary range and/or lower contribution level, your salary may be reduced to fall within the range of the lower grade level. The effective date of the salary change will be the same as first
date of your newly assigned position in the lower salary range. This can occur during anytime of the year.

**Bonus Program**

NHF has adopted a Bonus Policy and Procedure that provides recognition & reward for exceptional performance, significant contributions, and substantial accomplishments beyond normal work responsibility. A discretionary bonus is given at the discretion of management and approval of the CEO. It is paid out in a lump sum payment, does not increase base salary, and is given out 2 times per year. *To review NHF’s Bonus Program, please contact Human Resources.*