COMPENSATION POLICY

<Organization Name> is committed to compensating its employees in a fair and competitive way for their contributions to the company. <Organization Name> is also committed to ensuring that salary progressions in the organization are process-driven and have established parameters to eliminate any potential for favouritism or inequity amongst its employees.

<Organization Name> will ensure that its salary distribution is in line with all legislative requirements and the organization’s human rights commitment and will not base wages or increases on any of the protected grounds established in the relevant human rights legislation.

POLICY

At <Organization Name>, the salary administration structure is transparent, open, and allows for employees to understand the process across our organization. This policy goes into effect on [Insert Date Here].

The following procedures outline how salary increases for employees will be determined at <Organization Name>, once the policy is in effect.

| **Years in Role** | **Base** | **Mid** | **Max** |
| --- | --- | --- | --- |
| **One (1) Year**  |  |  |  |
| **Two (2) Years** |  |  |  |
| **Three (3) Years** |  |  |  |
| **Four (4) Years** |  |  |  |
| **Five (5) Years** |  |  |  |

| **Years in Role** | **Base** | **Mid** | **Max** |
| --- | --- | --- | --- |
| **Six (6) Years** |  |  |  |
| **Seven (7) Years** |  |  |  |
| **Eight (8) Years** |  |  |  |
| **Nine (9) Years** |  |  |  |
| **Ten (10) Years** |  |  |  |

| **Years in Role** | **Base** | **Mid** | **Max** |
| --- | --- | --- | --- |
| **Eleven (11) Years**  |  |  |  |
| **Twelve (12) Years** |  |  |  |
| **Thirteen (13) Years** |  |  |  |
| **Fourteen (14) Years** |  |  |  |
| **Fifteen (15) Years** |  |  |  |

There are three branches in the salary increase structure that will determine what type of salary increase can be eligible to receive:

1. **Pay Band Based Salary Adjustment** : [Insert Details Ex: Eligible employees may receive increases or adjustments to their salary based on pay bands that are developed by management in consideration of all pay factors.]
2. **Cost of Living Allowance**: Employees may be eligible for a salary adjustment based on cost of living [Insert What Its Based On]. The percentage amount for this salary increase is determined annually and completely at the discretion of the board at <Organization Name> [Insert Details]
3. **Performance Based Salary Increase:** This salary adjustment will be based on performance related factors as determined by the management at <Organization Name> [Insert Details]

Salary increases such as these are provided completely at the discretion of <Organization Name>, and the company is under no obligation to offer them. The salary-increase options referenced above do not constitute a new wage standard for <Organization Name>, nor will they be a recurring provision unless specifically deemed as such by the Board.

Employees will be notified of their salary increase as soon as Human Resources and the Board approve all employee salary increases for the year. Employees will see the adjustment on their next pay cycle after a salary increase is issued.

Bonuses

<Organization Name> has established a predetermined formula to calculate the bonus based primarily on:

* company performance (e.g. weight 80% - 90% of bonus calculation),
* team performance,
* and individual performance.

The formula is as follows [Insert formula]

The bonus is to be assessed annually in the [Insert when e.g., second quarter] of the fiscal year and will be distributed in [Insert How].

The Board at <Organization Name> reserves the right to temporarily or permanently amend or remove this policy at any time at their sole discretion.