SALARY ADMINISTRATION POLICY

[Organization Name] is committed to rewarding its employees fairly for their contributions throughout the year to the organization. [Organization Name] will compensate 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 favoritism or inequity amongst its employees. The following policy outlines the salary scale structure at [Organization Name].

[Organization Name] will also ensure that its salary distribution is in line with the organization’s human rights commitment and will not base wages or increases on any of the protected grounds established in the applicable *Human Rights Code/Act*.

DEFINITIONS

**Salary scales** are the range of wages you pay a new hire to work in a particular job. They reflect the minimum and maximum salaries you pay a candidate for the position, which you might list on a job posting, and use them to guide the salary you offer a new hire. The lower side of the salary scale shows how much you would pay someone who meets the minimum requirements for the role, while the high end is how much you might pay someone who meets all of your requirements and preferences and is considered an exceptional hire (source: Indeed).

POLICY

At [Organization Name], our salary administration structure is transparent and open, allowing employees to understand the expectations across our organization. However, where an employee sits on the salary scale will not be revealed to others, and employees are not required to reveal their own earnings.

There are different branches in the salary increase structure that will determine what type of salary increase you are eligible to receive:

1. **Pay Range Based Salary Adjustment** : [Insert Details Ex: Eligible employees may receive increases or adjustments to their salary based on pay bands/ranges 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 It's Based On, e.g., consumer price index]. The percentage amount for this salary increase is determined annually and completely at the discretion of the executive team 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 organization.

Initial Scaling

An employee’s initial placement on the salary scale will depend on that employee’s previous experience, skills, education, certifications, and abilities and how those relate to the position for which they are applying.

[Organization Name] will create its scaling system prior to meeting with any candidates to prevent any bias, unconscious or otherwise. The candidates will then be entered into a spreadsheet to see how their experience, etc., factors into the scale.

The following criteria will be assessed:

* Insert criteria
* Insert criteria
* Insert criteria
* Insert criteria

Each criteria will/will not have equal weighting.

Any final placements on a salary scale will be decided by (insert position) and (insert position). Note: If any applicants are family members or friends of the before-mentioned hiring team, an alternate will be selected to help decide on salary scale placement to prevent any conflicts of interest.

Performance Reviews

As per [Organization Name]’s performance management structure, employee performance is evaluated (insert when). At the review, additional compensation will be considered, based on the employee’s performance and their key performance indicators (KPIs). These reviews are based on two things:

1. What an employee accomplished against their established objective; and
2. How the employee accomplished the objectives as measured by the competencies required to perform in their role.

An employee’s increase will apply to the next pay period following their performance review.

Revisions to Pay Scales

[Organization Name] will reassess its pay scales every (XX) to ensure that they are competitive with the current labor market. If the research or external wage survey indicates that the midpoint of the scale is lower than the average, [Organization Name] will increase employees’ salaries commensurately.

[Organization Name] will also ensure that its salary distribution is compliant with all applicable legislation.

Employee Movement in the Organization

An employee may be requested to temporarily fill-in for a position in a different pay scale. An employee who takes on more responsibility in this capacity will have their salary temporarily increased until such time as they return to their previous position.

Note: This does not apply to the occasional days to cover another employee’s sick or vacation time; this is a minimum month-long commitment to a different position, and employees who agree to it will be rewarded accordingly.

Employee salaries may change based on an employee’s movement within an organization. In the case of a promotion, if an employee's salary is below the minimum for the scale of that position, it will be brought up to the minimum.

In the case of a lateral transfer, an employee’s salary will be maintained so long as the salary scale in the new position has the same scaling as that of the previous position. In no case will an employee’s salary be lowered to fit the pay scale.

If an employee requests a demotion to a different position and a different salary scale, an employee who accepts the amended salary and position will have their salary decreased accordingly. In the case of an involuntary demotion, [Organization Name] will abide by all applicable employment legislation prior to completing any salary modifications.

Increases

Employees will be notified of their salary increase as soon as management approves it. Employees will see the adjustment on their next pay cycle after a salary increase comes into effect.

Review

In the event that an employee feels that the salary or pay structure does not correspond to their role or duties, they are invited to have a discussion with (Insert position). The employee will be requested to provide their job description and to complete edits on the job description to illustrate why their salary does not match the salary scale and/or why the salary scale should be increased for their role.

Suspension of this Policy

[Organization Name] reserves the right to temporarily or permanently amend or remove this policy at any time at their sole discretion, based on current finances. Employees will be provided with notice of the suspension or of any change to this policy.