

CAROLINA HEALTH CENTERS, INC.
POLICY AND PROCEDURE

TITLE: Compensation

CATEGORY: Human Resources

NUMBER:

EFFECTIVE DATE: January 31, 2013

POLICY:

Carolina Health Centers, Inc. (CHC) compensates its employees fairly, equitably, and consistent with documented comparable data based upon the roles and responsibilities of a given position and the education and experience of the incumbent.

Employees will be compensated consistent with all applicable laws, regulations, and grant requirements. Any compensation that exceeds the federally permitted level will be paid using non-federal excess program income.

SCOPE:

This policy applies to all employees. For those individuals employed under a contractual agreement, the terms of the contract may differ from standard compensation provisions; however, all contractual terms must comply with applicable laws and regulations, be substantiated by market data for comparable positions, and may not result in unsubstantiated excess compensation for the contracted position.

PROCEDURES:

- A. The Board of Directors is responsible for determining the salary of the President and CEO.
- B. A market-based pay scale is used by CHC to compensate its employees in a fair and objective manner. Each job title is assigned a pay grade which sets a pay rate range, including the minimum, midpoint, and maximum pay rates for that grade. The pay scale will be reviewed periodically by the Board of Directors and adjusted based upon current comparable market data at the recommendation of the President and CEO.
- C. The Leadership Team is responsible for assigning the specific pay rate-grade for each job title employee based on its job description components including: the minimum education, experience required, and the job duties and responsibilities. and performance of each employee.

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- D. At the beginning of each fiscal year, the President and CEO will establish the Maximum Percentage Increase that will be available for annual merit increases for the fiscal year.
- E. At the time of hire, each employee is assigned a pay ~~grade rate that is within the pay rate range for the based on the employee's job title and pay grade corresponding to the employee's job title. The specific rate is determined by Human Resources in consultation with the hiring supervisor. -where that title is classified on the current pay scale.~~
- a. A merit increase, based upon the employee's performance, is to be considered for each employee based on the annual evaluation conducted by the employee's supervisor. This evaluation is to be completed by the employee's Annual Evaluation Date.
 - b. The merit increase will not exceed the Maximum Percentage Increase amount established at the beginning of each fiscal year, without explicit approval from the President and CEO.
 - c. Any additional increases or other incentive payments will require the approval of the President and CEO.
 - d. All merit increases will be effective at the beginning of the first full pay period on or after the Annual Evaluation Date. In cases where a merit increase is delayed due to late completion of an employee's evaluation, merit increases will be paid retroactive to the effective date.
 - e. Employees who have reached the maximum of their pay grade will be eligible for an additional payment subject to the Employees at Maximum of Pay Grade policy.
- F. One-time incentive payments will be provided to non-contractual employees for length of service.
- a. These one-time payments do not represent a continuing pay increase.
 - b. In order to be eligible for length of service incentives, the employee must have a consistent record of performing at or above an acceptable level.
 - c. The incentive will be reduced by 50% for qualifying part-time (excluding PRN) employees.
 - d. Length of service incentives are paid at the conclusion of each of the following milestone years:
 - i. At the conclusion of the 10th consecutive year of employment = \$500
 - ii. At the conclusion of the 15th consecutive year of employment = \$1,000
 - iii. At the conclusion of the 20th consecutive year of employment = \$1,500
 - iv. At the conclusion of the 25th consecutive year of employment = \$2,000
 - v. At the conclusion of the 30th consecutive year of employment = \$2,000
 - vi. At the conclusion of the 35th consecutive year of employment = \$2,500
 - vii. At the conclusion of the 40th consecutive year of employment = \$3,000
 - viii. At the conclusion of the 45th consecutive year of employment = \$3,000
- G. Employees who retire from CHC after at least 30 years of service are eligible to receive a \$500 bonus at the time of their retirement.

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H. Nothing in this policy prevents or prohibits the payment of discretionary bonuses for exceptional performance or service above and beyond the established expectations of a given position. Discretionary bonuses require that: a) the employee maintains a consistent record of above average performance; and b) approval of the President and CEO.

Board Approval: 1/31/13