

## JEWISH FAMILY SERVICE HOUSTON COMPENSATION PHILOSOPHY

### **PURPOSE:**

Jewish Family Service Houston believes that it is in the best interest of both the organization and our employees to pay our workforce fairly for the value of the work provided, within our financial ability to do so.

This document is meant to provide guidance but does not create an obligation to compensate any individual at a specific level.

### **PHILOSOPHY:**

It is our intention to use one or more appropriate salary surveys to determine the current market value of a position based on the skills, knowledge, and behaviors required of a fully competent job incumbent. We target paying all employees at the midpoint of the survey salary ranges for jobs with similar duties and responsibilities.

While we generally will adjust employees' salaries annually with an adjustment to their base pay, if incumbent employees are at or above the midpoint of their range, we may provide them a one-time lump sum payment without adjustment to their base pay. The system will be objective and non-discriminatory. It must also be flexible enough to ensure that the agency is able to recruit and retain a highly qualified workforce.

Compensation of new employees will be determined by this philosophy guidance and generally new employees will not be brought in above the 50th percentile of the market benchmark for that role.

### Annual Salary Adjustments:

The CEO in partnership with others in management determine the salary adjustments for all staff except the CEO which is determined by the HR Committee. The pool of dollars available for these adjustments is based on the considerations below.

Annually during the budget process the board will approve a pool of dollars, consistent with the agency's financial ability to do so. This pool of dollars is determined based on the need for the following categories of salary adjustments:

- **Merit Raises** – merit raises are based on individual performance and are meant to reward employees for their individual performance in performing their job duties.
- **Market Adjustments** –market adjustments are meant to adjust the salaries of employees whose jobs have fallen behind the market and are being paid below the current market value of that job. These adjustments are based on market benchmark data and are independent of job performance.

- **Promotion Adjustments** – promotion adjustments are meant to cover adjustments to salaries when individuals take on significant additional responsibilities or are promoted into a new position.
- **CEO Merit Increases** –the HR Committee will review the performance of the CEO annually and determine the appropriate amount of annual salary adjustment for the CEO and communicate any change directly to the CFO for implementation. This is intended to maintain separation of duties and appropriate controls.