

KEMPSVILLE PRESBYTERIAN CHURCH

SALARY ADMINISTRATION PLAN

The purpose of the compensation policy is to provide guidance to the leadership of the organization responsible for recruiting and retaining a qualified staff. It should:

- *Define the role base salary is to play in the total compensation package. A church has the opportunity to structure compensation to take advantage of the tax code's recognition of the special consideration of licenses and/or ordained ministers.*
- *Monitor and manage the competitive compensation levels of the staff to insure that compensation reflects the appropriate quality of personnel.*
- *Define and monitor the competitive labor market. The labor market for non-exempt employees is local, all industry in content, while the market for specialized pastoral staff might be regional or national.*
- *Provide administrative guidance for determining pay, evaluating performance, and meeting legal requirements and organizational goals.*

This policy is intended to attract, retain, and motivate employees of the caliber necessary to enable Kempsville Presbyterian Church to discharge its obligations to the congregation with regard to the quality and timeliness of the services provided. Based on the desire by church leadership to provide high quality ministry and leadership to the congregation and management to the organization, the compensation policy should be postured to pay market average compensation levels at a minimum.

It is the intention of Kempsville Presbyterian Church to insure that all employees receive fair and equitable salaries in relation to their contribution to the organization's success and the organization receives maximum return on its investment in salaries. To that end, the organization is committed to assuring:

- *Employees have an up-to-date written description of their assigned duties and responsibilities in the position they hold;*
- *Salary ranges are established, or salary surveys are utilized to provide a salary range for each job which will be competitive with salaries paid by other employers for jobs requiring similar levels of skill and responsibility;*
- *Employees will be paid salaries and given salary increases in the range established for their position which are equitable, considering the individual's performance in the position;*
- *Administrative procedures will be maintained which insure the organization is in compliance with all federal and state laws affecting compensation, to include the assurance that salaries are based solely on an individual's capabilities and contributions, not to be affected by the sex, age, or race of the employee.*

Salary Administration Details and Defining Statements

- *Average salary levels will represent median or average salaries as reflected in appropriate survey sources. The establishment of salary grade midpoints between 95-105% of the surveyed rates will reflect competitive average within the context of this policy. If an above average base salary posture of 10% is selected, this could read 105-115% of surveyed rates.*
- *For non-exempt positions, the competitive marketplace will be defined as the local area. Data from churches and other industries will be utilized for comparison purposes. In addition, national surveys will be used to verify the competitive marketplace.*
- *For pastoral staff positions, the competitive marketplace will be defined as a regional or national marketplace. For positions unique to church or ministry, data from church, ministry and non-profit organization surveys will be utilized. For broader staff positions (personnel, accounting, etc.) data from all industries will be utilized.*
- *The salary structure will be developed to assure consistent intervals between midpoints and an appropriate spread from salary range minimum to maximum. The structure will reflect Kempsville Presbyterian Church's desired competitive position against the labor market.*

Salary Ranges:

Each position should have a detailed job description that clearly delineates responsibilities and tasks that would enable a job to be ranked according the worth of the position. A person should receive a salary within a range of salaries appropriate to the position filled.

In order for a person to receive a salary above the maximum in a salary range they would be required to assume responsibilities in a different position, have their position description re-evaluated, or move to a new position.

Apprentice Rate

This rate of pay reflects a person learning a new position for which they do not meet the minimum qualifications of the position, but show a reasonable potential to meet with supervised training. The rate of pay will be less than the minimum but not more than 15% below the minimum in the salary range.

Minimum Rate

The minimum salary rate is the minimum appropriate salary paid to all qualified employees. A qualified employee should always receive at least the minimum rate for a position for which they are qualified.

Maximum Rate

The maximum rate establishes the upper limit of the salary appropriate for an employee in a position. Any rate above that maximum would reflect poor stewardship. An employee making a salary above the maximum could however remain in the salary range, but would be ineligible for salary increases until such time as the range is adjusted beyond the employee's salary by cost of living or reevaluation of the position.

PERFORMANCE EVALUATIONS

Performance evaluations should occur at least two times per year and ideally should be more often. The most effective appraisal of performance is an on-going work-in-progress evaluation. As supervisors share with their subordinates on a real time basis, adjustments in performance can be accomplished to insure a healthy learning and mentoring environment. In addition, projects can be tracked to insure both successful accomplishment of tasks and a healthy working relationship that monitors performance. Supervisors should understand that work-in-progress evaluations involve a tension between a freedom to fail without condemnation and the opportunity to manage the risk of organizational failure.

Performance appraisals should include an evaluation of both regular tasks and special projects. Every evaluation should provide for a re-evaluation of minimum and expected levels of performance, because employees should gain speed and skill with experience such that last year's performance standards will be challenged. Employees should negotiate the needs for additional training, opportunities to grow into higher levels of responsibility, and resources to better accomplish their tasks.

Performance evaluations are vital to the health of an organization because organizational goals can only be accomplished by a staff that is expected to perform at a level commensurate with those goals. Further, raises should be performance driven, not based upon time in grade or tenure. Performance can only be based on measured evaluations based on a negotiated standard.

Employee evaluations should be rendered in writing, and presented to the employee for review. A final evaluation should be on file for review by the Personnel Committee, if necessary. While an evaluation may include a number of individual areas of concern, each employee should be rated based on standard performance evaluation description.

Overall Performance Evaluation Descriptions

The purpose of an evaluation description is to be able to match actual performance with a salary increase mechanism. For an employee to receive a performance increase beyond the average rate of increase they must perform at a level consistent with the definition for a level above level 3. These descriptions are a way to verbally communicate the performance of the staff such that a salary administration committee can apply a reasonable performance increase regardless of the level of the job within a salary plan.

5- FAR EXCEEDS PERFORMANCE EXPECTATIONS

Performs all duties in a manner significantly and consistently above standards; makes contributions above what is required for full performance of the job. Suggests new methods for carrying out the work or otherwise contributes in an exceptional way to the effective operation of the organization.

4- USUALLY EXCEEDS PERFORMANCE EXPECTATIONS

Carries out all duties in a fully competent manner. Meets all requirements of the job and has no major deficiencies that affect job performance. Measured performance was usually above negotiated standards and overall job quality is obviously above average.

3- MEETS PERFORMANCE EXPECTATIONS

Carries out all duties in a fully competent manner. Meets all requirements of the job and has no major deficiencies that affect job performance.

2- MEETS MOST PERFORMANCE EXPECTATIONS

Performs duties close to the level required for successful job performance or is making satisfactory progress towards meeting all performance standards. May need improvement in one or more areas to fully meet the requirements of the job. In some cases, this rating may apply to individuals who are not yet fully competent because of inexperience, lack of training, or newness in the current position.

1- FAILS TO MEET PERFORMANCE EXPECTATIONS

Performs duties obviously below a level for successful job performance, or is not making satisfactory progress towards meeting all job requirements. In some cases, this rating may apply to individuals who are performing at a level which is just tolerable or "just enough to get by" or is either on warning or probation or on the verge of being placed on warning or probation.

Individuals who are rated at this level for the first time should be counseled regarding their poor performance with particular attention to a full understanding of negotiated performance requirements, job retraining options, and skill development. The individual should be placed on probation with a plan for improvement to extend for a reasonable amount of time, but no longer than 90 days.

PERFORMANCE GUIDE CHART

Salary Administration enables the organization to match a competitive salary structure to performance based salary increases. By using a chart based upon an overall goal for organizational salary costs, employees can receive fair increases based upon their own performance standards and the organization can maintain a salary structure that meets both the organizational cost restraints and the competitive posture of its salary structure.

The performance guide chart should be based upon a normal distribution of ratings within the organization and a recognition that a target rate will govern the actual percentage increases used each year for the chart.

In special situations the organization may find that its salary structure is below the salary survey for a given year. If this becomes a systemic problem as a result of rapid growth or a change in the market, the organization may wish to add an overall percentage increase to salaries in addition to the performance based increase in order to help the organization catch up to the market. For instance an employee may need to be increased 30% in order to move back up to the market mid-point, yet their performance only justified a 3% increase. The organization may decide to either step up the salary by a 10% increase each of the next three years in addition to any performance increase. In this case the employee could expect an increase this rating period of 13%. Given favorable financial condition the organization could unilaterally raise every employee that is under the mid-point to the mid-point at one time.

SAMPLE PERFORMANCE GUIDE CHART

<i>MERIT GUIDE CHART</i>				
<i>Performance Rating</i>				
<i>Number</i>	<i>Description</i>			
5	<i>Farexceeds expectations</i>	14 - 16	10 - 12	6 - 8
4	<i>Exceeds expectations</i>	11 - 13	8 - 10	4 - 6
3	<i>Meets expectations</i>	8 - 10	6 - 8	2 - 4
2	<i>Meets most expectations</i>	5 - 7	4 - 6	0
1	<i>Fails to meet expectations</i>	0	0	0

Sample Salary Range Chart

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Grade	Positions in Grade	Entry Level	Minimum	Mid-Point	Upper Limit
12	Senior Pastor	60,830	69,520	86,900	104,280
11	Executive Director	55,300	63,200	79,000	94,800
10	Associate Pastor 1	37,450	42,800	53,500	64,200
9	Associate Pastor 2 Ministry Director 1	34,125	39,000	48,750	58,500
8	Assistant Pastor Ministry Director 2	30,625	35,000	43,750	52,500
7	Associate Director	27,125	31,000	38,750	46,500
6	Assistant Director	23,800	27,200	34,000	40,800
5	Coordinator Facilities Manager Senior Secretary	21,000	24,000	30,000	36,000
4	Secretary Custodian 1	16,450	18,800	23,500	28,200
3	Custodian 2	14,000	16,000	20000	24,000
2	Custodian 3	12,600	14,400	18000	21,600
1	Clerical Help Facility Hosts	11,340	12,960	16200	19,440