

Compensation Policy

Draft May 7, 2026

The objectives of this policy are to ensure that The Hamlet maintains competitive compensation practices that enable it to recruit and retain qualified employees. Salaries and wages will be adjusted on a regular basis to meet market conditions and to recognize extraordinary employee performance and professional advancement.

Periodic Audit of Employee Compensation

Every three years or as market conditions warrant, salaries and wages shall be compared to compensation paid in other similar facilities in our region to ensure that The Hamlet's employee compensation remains competitive and reasonable.

Types of Compensation and Adjustments

Annual increases based upon market conditions. An adjustment for employees shall be included in the annual budget if needed to assure that salaries and wages continue to meet market conditions. An adjustment metric should be used based on current market practices. For example, the Western Region Consumer Price Index (CPI-U) is a common metric used by similar organizations at present. The metric should be used for the most recent month available at the time the budget is prepared. The annual market adjustment shall take effect with the first paycheck of each calendar year.

Bonus. The Board Chair, the Director or the Hamlet Manager may recommend a one-time bonus for any employee. The board will then accept or reject the recommendation. A bonus is a discretionary, one-time encomium and may be awarded to reflect extraordinary individual performance, the financial performance of the organization, or both. At a minimum, the board shall consider bonuses for employees once a year at its November meeting. If an annual bonus is paid, it shall be paid during the month of December.

Merit increase. The Board Chair, Director or Hamlet Manager may from time to time recommend a merit increase for an employee. The board will then accept or reject the recommendation. A merit increase is a permanent upward adjustment in wages or salary. A merit increase is awarded to reflect increases in employee productivity and performance, or increases in job responsibilities, or both. Employees shall be evaluated to determine whether a merit increase is warranted after completing their first six months of employment.

Other Types of Compensation

Other types of compensation include health insurance, paid time off, sick leave, matching contributions to simple IRA, and overtime pay in accordance with state law. Employee compensation is described in more detail in the Employee Handbook.

Budgeting for Employee Compensation

All compensation adjustments shall be estimated based upon prevailing market conditions during the process of preparing the annual budget. In addition, an allocation based upon the average merit and bonus amounts of the past three years shall be included in the budget, which may be adjusted up or down by the board, taking into account unusual circumstances and the financial health of the Hamlet.