



Employee Compensation and Development

Your employee compensation and development policies help you explain how you reward your employees and motivate them to achieve even better results. Use our template as part of your complete Employee Handbook.

Download this template in a .doc format by clicking on the link at the bottom of this page.

Keep in mind that this template is not a legal document and may not take into account all relevant local or national laws. Please ask your attorney to review your finalized policy documents or Handbook.

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Compensation & development template

In this section, we outline our guidelines for compensating employees according to their employment status. We also describe our performance management and employee development policies.

Compensation status

[Insert this section if you are covered by the Fair Labor Standards Act (FLSA) in the U.S.]

There are two [types of employees](#) under FLSA guidelines:

- Non-exempt employees, who are covered by the FLSA's minimum wage and overtime provisions.
- Exempt employees, who aren't covered by the FLSA because they meet three exemption criteria: (a) they are paid at least [\$23,600] per year ([\$455] per week), (b) they are paid on a salary basis, and (c) they perform exempt job duties ("executive," "professional" and "administrative.") Most employees must meet all three criteria to be exempt.

If you are unsure as to whether you should be exempt or not, please ask HR to clarify your status.

The FLSA excludes some types of jobs (e.g. railroad workers, truck drivers) because they are covered by other federal laws. Some other workers, like outside salespeople, are excluded by definition. Feel free to ask HR for clarifications any time.

Overtime

Occasionally, we may need you to work more than your regular working hours. We will [pay for overtime work](#) according to local and national laws.

[Insert this if employees are in the U.S: If you are an exempt employee, you are not entitled to overtime pay]



by federal law. In the event that an exempt employee must work overtime, we will set a cap for overtime hours at [10 hours per week] to prevent overworking and burnout.

If you are a non-exempt employee, you are entitled to overtime pay of one and a half times your wage. Please record your overtime hours accurately, so we can calculate your pay correctly. We also ask you to work overtime only after it's authorized by your supervisor to make our record-keeping easier.]

Payroll

We pay your salary or wage [at the end of month/ every 15th and end of month] by [checks/ bank transfers/ cash.] If you are an hourly employee, you should be diligent [in clocking in and out/using our timesheet software] so we can accurately calculate your pay.

Performance management

We have built our [performance management practices](#) to:

- Ensure you understand your job responsibilities and have specific goals to meet.
- Provide you with actionable and timely feedback on your work.
- Invest in development opportunities that help you grow professionally.
- Recognize and reward your work in financial or non-financial ways (e.g. employee awards.)

To meet these objectives, we have:

Established [annual/ bi-annual/ quarterly] performance reviews. During these reviews, your manager will fill out your performance evaluation report and arrange a meeting with you to discuss it. Through these discussions, managers aim to recognize employees who are good at their jobs, identify areas of improvement and talk about career moves. Pay increases or bonuses are not guaranteed. But, we encourage managers to recommend rewards for their team members when they deserve them. There won't be any forced ranking or other comparison between employees, as our goal is to help all employees improve and develop their careers.

Instructed all managers to meet with their team members once per [week] to provide feedback and talk about their work and motivations. This way, you can receive feedback in a timely manner and avoid surprises during your [annual/ bi-annual/ quarterly] performance review.

How we expect managers to lead employees

If you manage a team, you are responsible for your team members' performance. To conduct effective regular meetings and performance evaluations, we expect you to:

- **Set clear objectives.** Your team members should know what you expect of them. When you first hire someone to your team, ensure they understand their job duties. Set specific goals for each team member (and team-wide if applicable.) Revisit those goals during [annual/ bi-annual/ quarterly] performance reviews.
- **Provide useful feedback.** During scheduled meetings with your team members, give them both guidance and praise, as appropriate. Be fair and specific to help them understand and implement your feedback.
- **Keep your team members involved.** There should be two-way communication between you and your team. Make your expectations clear, but always take your team members' motivations and aspirations into account. Discuss training and development opportunities that may interest your team members.



- **Keep logs with important incidents about each one of your team members.** These logs help you evaluate your team, but may also prove useful when rewarding, promoting or terminating your team members.

Employee training and development

We owe our success to our employees. To show our gratitude, we will invest in our [employees professional development](#). We want employees to feel confident about improving their efficiency and productivity. We also want to help our employees achieve personal growth and success.

Each employee has [\$1,000] annually to spend on educational activities or material. Subscriptions and books are included in this budget, unless they are necessary for you to complete your everyday duties. Send your expenses to HR [*by email/ expenses software.*]

Apart from online courses, we offer these training opportunities:

- Formal training sessions (individual or corporate.)
- Employee coaching and mentoring.
- Seats at industry conferences.
- On-the-job training.
- Job shadowing.
- Job rotation.

Development is a collective process. Team members and managers should regularly discuss learning needs and opportunities. And it's HR's responsibility to facilitate any development activities and processes.

MaxHR provides comprehensive templates for **Employee Compensation and Development**, offering HR teams essential resources for creating fair compensation structures and fostering employee growth. These editable templates help organizations design compensation policies, career development plans, and performance evaluation frameworks, ensuring compliance with labor regulations. HR departments can tailor these documents to meet company-specific needs, streamlining processes and enhancing employee satisfaction.

Simply download the templates you need and feel free to make any necessary changes to fit your organization's requirements.