

Annual Salary Increment Policy



Company Commitment

_____ is committed to providing our employees with fair compensation for their work, encouraging and rewarding strong workplace performance, and ensuring they maintain a quality standard of living.

We are committed to clear and open communication about our compensation policies. Employees may discuss with [hr contact] the details of their compensation plan in order to be confident that they are being compensated fairly for their services to the company.

Merit Increase

Employees who perform their duties satisfactorily are entitled to one annual salary increment based on merit.

Salary increments are effective the first day of the pay period following the anniversary date of the employee's appointment (through hiring, promotion, etc.) To their current position.

Generally, if an employee is laterally transferred to a new position, or if they are demoted, they will retain their original anniversary date.

Merit increase is determined based on the following merit percent increase grid, measured by employees' performance as assessed through their regular [annual/semi-annual] performance reviews. We are committed to open communication about what is expected in order to qualify for each level in the merit increase range.

Performance Rating	% Salary Increase [INPUT VALUES BASED ON YOUR CHOSEN % RANGE]
Exceptional performance / exceeds expectations	
High performance	
Solid / average performance	
Developing performance	
Unsatisfactory performance / improvement required	0%

Market Adjustment

Following the evaluation of our salaries against yearly market survey data, _____ will adjust base salaries for roles that are being paid below the market. If an employee's position is significantly overpaid compared to the market, the employee will be notified in writing that they will not be provided with a market adjustment increase until their salary comes in line with the market.

Cost of Living Increase

An annual cost of living increase is applied to all employees' salaries, regardless of their performance, to account for inflation and other increases in cost of living and ensure all employees can maintain a quality standard of living.

Leaves of Absence

If an employee takes an unpaid leave of absence of more than 30 days (this does not apply to adoption, parental, maternity or education leave), their annual salary increment date will be deferred by the length of their leave. This will be their new anniversary date for annual salary increases going forward.

Part-Time and Auxiliary Employees

Part-time and auxiliary employees are entitled to a salary increment after 1820 hours of work (equivalent to one year working full-time at 35 hours per week).

Education Increase

If an employee completes a degree or obtains education credits during their tenure with _____, they may be rewarded with an additional per cent increase in salary.

Questions or Concerns

If you require any clarification or would like to discuss any part of _____'s Annual Salary Increment Policy, please contact [contact info].

Signed: _____

Date: _____

President/CEO: _____

The _____ Annual Salary Increment Policy should be consulted whenever there are concerns about salary increment procedures in the workplace.