

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION
GRAYSON, KENTUCKY

BOARD POLICY NO. 201

SUBJECT: WAGE AND SALARY ADMINISTRATION

I. OBJECTIVES

- A. To establish wages and salaries that will attract and retain qualified personnel and encourage their superior performance, growth, and development.
- B. To provide each employee with an awareness that his or her salary compares fairly with what is paid for other positions having similar duties and responsibilities both within the system and within the area where the system may recruit personnel.
- C. To assure both Management and employees that performance will be appraised systematically, fairly, and consistently, and that each employee will be provided with the advice, counsel, assistance, and training needed to enable him or her to develop, improve, and advance through the organization within demonstrated capabilities.
- D. To enable Management to provide these things on a fair, systematic, and controlled or predetermined basis in order to avoid unnecessary salary and training expense and to permit the President & CEO to determine more accurately budget requirements and training needs.

II. POLICY

It shall be the policy of Grayson RECC to maintain a Broad Band Wage and Salary Plan which shall:

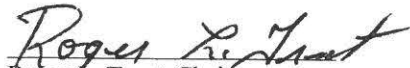
- A. Enable employees to maintain a standard of living for themselves and their families that will encourage them to be productive employees for the system.
- B. Reward superior performance of employees in the fulfillment of their duties and responsibilities.
- C. Recognize continued, loyal service to the system.
- D. Provide the incentive for employees to increase productivity on the job and to become better skilled in the activities related to their job performance.


III. WAGE AND SALARY PLAN

In accordance with the above statement of objectives and policy, the system's Wage and Salary Plan shall be based upon the following provisions:

- A. Compensation shall be based on performance, attitude and value of the position to the Cooperative, within specific classifications. Every classification shall have an established entry level, mid point and maximum level, that shall be adjusted periodically based on the prevailing wage rate for a similar position. Each employee shall have an annual appraisal on his/her job service date, at which time they will be given a written evaluation by their Supervisor.

- B. When the responsibilities of a position substantially change, a request should be made to the President & CEO, and if approved by him/her, the revised position description will be reevaluated to determine if there should be any change in grade level. Any reevaluation resulting in a grade level change requires the approval of the President & CEO.
- C. If an individual is promoted to a higher classification or pay grade, such individual will be brought to the minimum of the new pay grade or receive an increase commensurate with the responsibilities of the new classification, within the pay scale established for that position.
- D. New employees will start at the minimum of the salary range for their position, unless work experience indicates a level above the minimum requirements. Decisions to hire above the minimum of the range require the approval of the President & CEO. A non-bargaining unit employee, who is not fully trained to perform the responsibilities of the position satisfactorily without more than normal supervision, may be hired in a training status in a lower pay grade and, after ninety (90) days, can be promoted to the minimum of the pay grade for which the individual is being trained, or dismissed.
- E. Should it be necessary to transfer a non-bargaining unit employee to a lower grade when his or her salary or wage is more than the maximum of the lower grade, his or her salary or wage may be reduced according to the duties and responsibilities of that position and within the guidelines of the Wage & Salary Plan. When such a transfer is necessary, through no fault of the employee, at the convenience of the Cooperative, the employee's salary may be frozen until such time that the maximum for the lower pay grade shall exceed the employee's present salary through the course of normal schedule adjustments.
- F. All vacancies shall be filled on the basis of merit and in accordance with all state and federal equal opportunity and other legal requirements. Whenever there are employees within the system who qualify, they will be considered for such vacancies.
- G. All employees will be considered for merit wage and salary adjustments annually on his or her job service date in accordance with the Wage and Salary Plan approved by the Board for that fiscal year. Such adjustments, if approved, are to be effective the first pay period following their job service date.
- H. Each year, when the Board of Directors considers the budget requirements, the President & CEO may recommend any revisions necessary in the Wage and Salary plan. These recommendations will be based on wage and salary surveys, economic conditions, the rate of inflation, the financial condition of the Cooperative, and any other pertinent factors. If a wage adjustment is adopted by the Board, it shall commence September 1st of each year.
- I. Beginning September 1, 1985 and on September 1 of each succeeding year, if a salary adjustment is approved it will be incorporated into the Wage and Salary Plan. The minimum, mid point and maximum levels of the Wage and Salary Plan will be adjusted periodically, based on prevailing wage rates and the economic condition of the Cooperative within the guidelines of the Wage and Salary Plan for that year. Employees may receive increases based on individual merit.


Roger L. Trent, Chairman


Bill E. (Eddie) Martin, Secretary/Treasurer

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