

2011 Terms and Definitions

Average Base Rate: The average rate for each organization totaled and divided by the number of organizations. It gives each organization equal weight regardless of the number of incumbents. Note: Does not include variable pay (commission, bonus or other incentives). If you are reporting the rate as an annual salary, it **MUST** be reported as a full-time salary.

Average Total Comp: The Average Total Comp (or Total Cash Compensation) includes any bonus or incentive pay granted. If the Average Total Comp for this position is the same as the Average Base Rate reported, enter your Average Base Rate again. Example: Your organization has 10 incumbents in the Maintenance Worker position. The Average Base Rate for that position is \$13.50. However, due to a gainsharing program, the Maintenance Worker averaged an hourly rate of \$14.50. The Average Total Comp of \$14.50 should be entered here.

Bonus: Direct lump sum payment made in addition to base salary.

Corporate/Parent/Single Unit Organization: The highest level of management of a business entity that is usually made up of multiple Groups or Subsidiaries.

Cost of Living Adjustments: Dollars budgeted for across-the-board pay adjustments which are intended to bring pay levels in line with increases in the cost of living.

Division/Branch: An independent entity responsible for specified product lines or services. Divisions/Branches are accountable to Corporate or Group-level management.

Employee Groups:

Hourly - This includes employees performing non-supervisory manual work, such as those who perform maintenance, cleaning and repair work or other similar routine operational roles. Some jobs that fall in this category are Custodian and Food Service Worker.

Administrative - This includes employees typically working in non-exempt, clerical or other support roles. Examples of jobs in this category are Secretary, Data Entry Clerk and Human Resources Assistant.

Technical/Professional - This includes employees working in typically exempt positions, with highly skilled technical expertise or those who possess advanced knowledge in a specialized field obtained from a college education. Typical jobs falling in this category are Database Administrator, Staff Attorney, Public Relations Specialist, and Recruiter.

Management - This includes employees with primary job responsibilities of managing a department and/or directing the work of individuals within that area. Jobs included in this category are Customer Service Director, Purchasing Manager, Controller, and Human Resources Manager.

Exempt/Non-Exempt Status: The status indicates the job is "Exempt" or "Non-Exempt" from the overtime provisions under the Fair Labor Standards Act. The exempt/non-exempt status of positions contained in this survey is as reported by the survey participants. They should not be used for FLSA (Fair Labor Standards Act, the federal regulations governing exempt/non-exempt status for certain employee groups) classification purposes.

Formal Pay Structure: A schedule of pay rates or ranges into which each job is assigned. Pay rates for individual job incumbents fall between the minimum and maximum pay rate established for the job.

Full-Time Equivalent Units (FTEs): The total number of hours worked by employees divided by the number of full-time hours in the employer's standard work year.

Example: You are an organization with full-time and part-time employees. Records show that in the most recent quarter, all employees worked a total of 40,820 hours.

- Annualize this figure: (40,820 hours per quarter) x (4 quarters) = 163,280 hours.
- Divide the annualized hours by the number of hours in your standard work year: (40 hours per wk = 2080 hours per yr.; 37.5 per wk = 1950 hours per yr.); (163,280 total hrs) / (2080 hrs in a work year) = 78.5
- Round your result to enter: (78.5 rounds to 79 FTE units)

Gainsharing: Incentive plan that pays for gains made through employee efforts to reduce costs and improve productivity.

Gross Annual Revenue: All receipts from the sale of a product or service before anything is deducted.

Group/Subsidiary: An independent entity reporting to Corporate. Groups/Subsidiaries consist of multiple product divisions or profit centers.

Incentive Pay: Reward for performance above expected standards. It is differentiated from other reward systems listed.

Key Contributor: Compensation designed to reward an individual who contributes unique skills and knowledge critical to the accomplishment of the organization's business plan.

Lump Sum Increases for Employees At/Above Max: The number of organizations having pay policies that allow granting one-time, lump sum payments to employees whose base salary is at or over the range maximum. These increases will not increase the base annual salary.

Market Adjustments: Dollars budgeted for increases to employees in certain positions to bring pay in line with the competitive market.

Merit Increases: The percent of payroll dollars budgeted to cover pay increases based on employee performance.

Mid-Point: The calculated middle rate of a formal salary range.

Minimum Hire-On Rate: The average minimum amount paid to bring in a qualified employee for this job. This may vary from the established range minimum.

Number of Incumbents Reported: The actual number of employees in the reported position.

Number of Organizations: The number of organizations supplying data for each particular breakout.

Other Increases: Any other increases to an employee's base pay.

Pay Increase Budgets: The percent of total payroll budgeted for all employee pay increases.

Pay Range Adjustment: The amount of change in the midpoints that have been set for the pay grades of a formal pay structure. It does not reflect actual pay adjustments given to individual employees.

Percentile: The value below which a given percentage of the data falls. For example, the 25th Percentile is the value that 25% of the data is less than, and the 75th Percentile is the value that 75% of the data is less than. The 50th Percentile is the same as the median.

Permanent Layoffs: Layoffs in which no return to work date is anticipated or is six months or more in duration.

Plant - A single location housing equipment, materials and employees necessary for an industrial or manufacturing operation.

Position Match: Indicate how closely your job compares to the survey job description. Note: You are matching your job with the job description, not the job title. For example, if your organization's job has more responsibility than the survey job to which you are matching, you would indicate "More".

Postal Code: Enter the postal code for the work location you are reporting. If you have a job occurring in more than one postal code, report the job once for each postal code.

Privately Held Entities: Includes organizations that do not have securities traded on the open market.

Promotional Increases: Dollars set aside in anticipation of promotions.

Publicly Held Entities: Includes organizations that have securities traded on the open market.

Range Maximum: If your organization has formal pay ranges, please report the maximum of the pay range here. Do not report the highest rate actually being paid for this job, unless it is the same as your formal range maximum. If your organization does not have formal pay ranges, please leave this item blank.

Range Minimum: If your organization has formal pay ranges, please report the minimum of the pay range here. Do not report the lowest rate actually being paid for this job, unless it is the same as your formal range minimum. If your organization does not have formal pay ranges, please leave this item blank.

Shift Differentials: The additional pay per hour to compensate employees for working a shift or day other than a regular shift.

SIC Code: The Standard Industrial Classification (SIC) is a numeric system issued by the government to classify different types of business.

Skill-Based Pay: Pay differentiation based upon specified skills, tasks or knowledge of job incumbent, whether or not utilized.

Spot Incentives: A relatively small cash payment awarded to employees on-the-spot for excellence.

Survey Job Number: Please enter the *Compensation Data* Job Number which reasonably compares to the position for which you are reporting data.

Team Incentives: Reward to members of a team who have worked together to accomplish pre-assigned goals.

Temporary Layoffs: Layoffs in which a definite return to work date has been provided or is less than six months in duration.

Title/Job Code: Please enter your organization's job title or internal job code of the job you are matching.

Total Turnover Rate: To determine total turnover rate, divide the number of employees who left the organization (regardless of reason) in 2010 and divide by your average total employees for 2010.

Variable Pay: A part of an employee's total compensation that is determined by the performance of the individual. These plans can be based on short or long-term performance.

Voluntary Turnover Rate: To determine voluntary turnover rate, divide the number of employees who voluntarily left the organization in 2010 by your average number of total employees for 2010. For example: 57 employees voluntarily left and the average number of employees was 1000. The turnover rate is $57/1000 = 5.7\%$.

Weighted Average Base Rate: The average rate for each organization multiplied by the number of incumbents reported in the position by each organization, divided by the number of all reported incumbents. It gives weight to all the incumbents in the job.

Weighted Average Total Compensation: The result of weighting the total average rate paid, including incentives.