

Creation and Annual Maintenance of Pay Schedule

Year 1

1. Match each job to market data

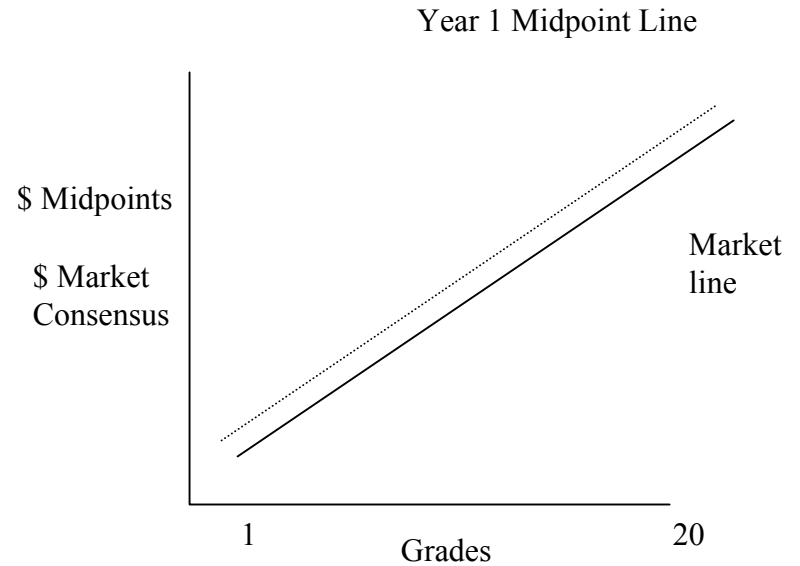
2. Average market data to determine consensus market value for the job

3. Create a pay schedule

4. Assign each job to a pay grade based of best fit (job value to midpoint)

5. Compare regression lines – see example

6. Adjust pay schedule to improve the overall fit of all the jobs.



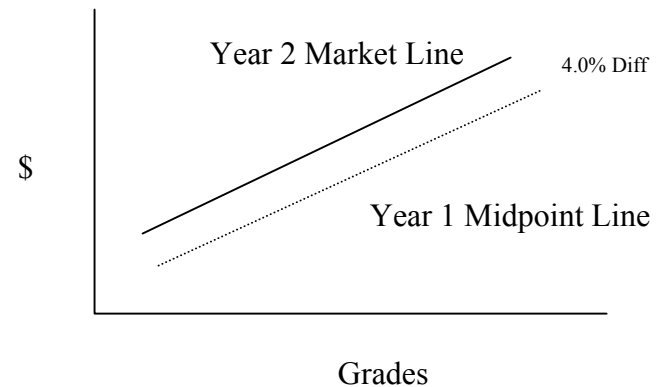
Year 2

1. Step 1 and Step 2 like first year

2. Calculate new market regression line using new market data with current pay grades.

3. Compare new market line to last year's midpoint line

4. Make incremental pay schedule adjustment based on difference



Updating your Pay Schedule Using CompKeeper

This exercise assumes that you have opened CompKeeper with the project file that has the pay schedule that you will be updating.

1. Run **Report 219** – Market Midpoint Index Report
2. The Market Midpoint Index at the bottom of the report indicates the relationship of the consensus market value for each job compared to the midpoint of its pay grade. For example, an index 1.05 indicates that the market for job is 5% more than the range midpoint; an index of .95 indicates that the market for the job is 5% less than the range midpoint. The index for all jobs and midpoints is at the bottom of the report. This is a snapshot of your Market Midpoint Index at the beginning of your plan year.
3. Jobs should remain assigned to their current grades
4. Create a new project file using the **Save As** function in the **Home Work Area**. Assign a name to the new project.
5. Working in the new project created in Step 4, reset the aging date and aging percentage and replace the market data for each job with new market survey data. If you do not have new market data for a particular job, instead of deleting the market data you can leave it in place and CompKeeper will continue to age it.
6. Run **Report 219** – Market Midpoint Index Report
7. Compare the new Market Midpoint Index based on the new market data to the prior year index. The difference between the two indices provides you with the amount of structure change that is required be made to maintain the same relationship with the market. Before going to Step 8, look at the market index for each pay grade. Determine if all indices for all the range midpoints have increased by approximately the same percentage or if one end of the structure increased more than the other. If this is the case, use the lower percentage.
8. Go to the **Structure Work Area** and click on **Increment**. Enter the percent increase determined in Step 7 and click on the Increment button. Your new pay structure will be created. Next, click on **Edit** and use the midpoint spreads to adjust the percentage between midpoints to achieve the desired fit of the midpoint to the market.