	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

OVERALL OBJECTIVE

The principal objective of the Johns Hopkins Home Care Group (JHHCG) is to help ensure that we are able to attract, motivate and retain a highly qualified workforce in order to achieve organizational goals in the most cost effective manner possible.

OVERALL POLICIES

In order to accomplish the stated objective, the following policies have been adopted:

- A. A pay range will be established for each of the organization's jobs and these ranges will be (a) internally equitable, i.e., fair when compared with the ranges established for other JHHCG jobs, as well as (b) externally competitive when compared with the rates paid by other employers for comparable jobs. Each employee whose performance is "proficient" or better will receive a rate of pay that falls within the pay range that has been established for his/her job.
- B. The position of each employee's salary within the range that has been established for his or her job will be determined primarily by the employee's relevant experience and job performance.
- C. JHHCG's compensation programs will be designed and administered in such a way as to comply with all applicable laws and to provide fair and equitable treatment for all employees.

III. DEFINITIONS

The following terms, and definitions of terms, will be used in JHHCG's compensation policy and procedure statements:


A. Exempt Employees

"Exempt" employees are not subject to (i.e., are exempt from) the minimum wage and overtime provisions of the Fair Labor Standards Act. They are exempt from these provisions due to the duties, responsibilities, and nature of the work performed.

B. Non-Exempt Employees

"Non-Exempt" employees are subject to the minimum wage and overtime provisions of the Fair Labor Standards Act.

C. Supervisory and Managerial Employees

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	<i>Revised</i>	01/01/03

Supervisory and Managerial Employees, because of their job duties and salaries, qualify for the “Executive” exemption from overtime provisions of the Fair Labor Standards Act, and who as such, are responsible for the hiring, discipline and/or discharge of personnel. All other employees may be referred to as “non-supervisory” employees.

D. Professional, Technical and Administrative Support Employees

Professional, technical and administrative support employees are “non-supervisory” employees performing work, which is (a) essentially mental as opposed to manual, (b) of a clerical, technical, paraprofessional, or professional nature, and (c) not primarily concerned with the direction or management of a recognized organizational component.

E. Job Family

A job family is composed of two or more jobs, which are similar in terms of the principal duties and responsibilities, but different in terms of the overall worth of the jobs. An example of a job family would be an Accountant, a Budget Accountant, and a Senior Accountant.

F. Base Hourly Rate

The base hourly rate is straight time rate of pay per hour for the individual employee, exclusive of any shift, overtime or other premium pay.

G. Regular Hourly Rate

The regular hourly rate is average rate of pay per hour for the individual employee who includes the base hourly rate and all shift differentials and other premiums paid to the employee in any one work week.


IV. RESPONSIBILITIES

A. The Board of Trustees

The Board of Trustees reserves the right to approve the salaries of the President, the Vice Presidents, and other key executives.

B. The President

The President has the ultimate responsibility for JHHCG/JHHS/JHPAH/JHPHQ pay program and has the authority to make the final decisions in all matters related to the compensation of all employees. The President reserves the right to approve any changes this compensation policy.

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

C. Senior Management

Senior Management is responsible for establishing departmental procedures, as necessary, to implement approved policy and the design of specific approval authorities for wage and salary actions within the parameters defined herein.

D. Director Human Resources

The Director, Human Resources is responsible for establishing the procedures necessary to implement approved compensation policy and has the authority to ensure that the procedures are followed and the policies are implemented.

The Director, Human Resources has the authority to make the day-to-day decisions that are necessary to implement approved compensation policy in accordance with established procedures. The Director is responsible for ensuring that jobs are properly evaluated and assigned to the correct pay structure, grade and range consistent with JHHCG's organizational structure. The Director is to conduct periodic audits of JHHCG's organizational components in order to ensure that this is, in fact, the case.

E. Supervisors and Managers

Supervisors and managers are responsible for ensuring that employees are assigned to the correct job title and that the corresponding job description accurately reflects each position's current job duties and responsibilities.

V. **PAY STRUCTURES**


A. Pay Structures

Separate pay structures are used for JHHCG's jobs below the Senior Executive/Vice President level.

Each job below the senior executive level is assigned to a pay structure based on its meeting, or failing to meet, the FLSA "Executive" exemption tests. Each job is then evaluated utilizing the appropriate job content evaluation plan (which includes a comparison of job content, market analysis, and other comparative data, as applicable) and assigned a pay grade.

All jobs assigned to the pay structure for Supervisory and Managerial classifications meet the tests for the "Executive" exemption from the minimum wage and overtime pay requirements of the Fair Labor Standards Act (FLSA). All other jobs (including exempt, non-exempt, hourly, and salaried) are assigned to the appropriate pay structure (i.e., for Professional, Technical and Administrative Support Classifications, etc.).

B. Exception Pay Ranges

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

Usually, the same pay range is used for all jobs assigned to a given pay grade. However, there are times when, in order to be competitive and/or to create the proper pay relationships between superiors and subordinates, it is necessary to establish exception pay ranges for jobs and job families that are higher than those normally used for other jobs in the same grade. This is usually attributable to a temporary supply/demand imbalance in the labor market.

In such cases, an exception pay range may be assigned to a job or job family, even though the pay grade assignment of the job remains unchanged.

Competitive pay data for jobs which have been assigned exception pay ranges are reviewed periodically. When appropriate, the use of exception pay ranges may be modified or discontinued.

VI. ADJUSTMENTS TO PAY STRUCTURES, GRADES AND RANGES


JHHCG's compensation program is intended to be competitive with those used by other organizations for comparable jobs. To help ensure that this is indeed the case, pay data will be collected and reviewed annually, and/or more often as necessary, by the Compensation component of the Human Resources Department. Based on the data collected, and JHHCG's financial position, adjustments to pay structures, grades and/or ranges will be proposed, approved, and implemented as appropriate.

VII. DETERMINING THE PAY GRADE ASSIGNMENTS

JHHCG's policies and procedures for determining the pay grade assignments of jobs are as follows:

A. Adding New Jobs

1. When a new job is created, a job description draft will be completed by the responsible supervisor/manager. The job description draft will be approved by the appropriate Director, or V.P. and then forwarded to the Human Resources Office for review/approval.
2. Based on the information contained in the job description, as well as other data gathered through additional means (i.e., job interviews, on-site visits, and/or other data analysis as appropriate), the H.R. Office will review the job description draft for applicable information including:
 - a. Appropriate FLSA status and pay structure for the job.
 - b. Essential job functions, standards and measures (see *Performance Management Policy*).
 - c. Minimum knowledge, skills, and competencies the job incumbent(s) must have in order to perform the job 'proficiently' (see *Performance*

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

Management Policy).

3. The completed job description draft will then be returned to the responsible supervisor/manager for final review and appropriate revisions as necessary.
4. Upon completion of the final review, the supervisor/manager will return the final draft to the H.R. Office.
5. Upon receipt of the final draft, Human Resources will perform an appropriate job content evaluation, and then assign and recommend the job's pay grade/range to the supervisor/manager.

B. Job Re-evaluations

Periodically, job duties may change. For instance, this may occur if the work in an organizational component is restructured. In such cases, a revised job description is to be completed by the manager/supervisor. The appropriate pay grade will be assigned to the re-evaluated job in accordance with the same procedures used for determining pay grade assignments for new jobs (as above). A job re-evaluation may be requested when job responsibilities have changed substantially *and* the employee has been in the job for a minimum of six (6) months.

C. Interim Pay Grade Assignments


Interim pay grade assignments may be made by H.R. in cases where time or circumstances do not permit following the procedures described above and/or in cases where the content of a job is still evolving at the time an incumbent is hired or assumes new duties. Typically however, interim pay grade assignments are to last no longer than six months, after which, a final pay grade determination will be made in accordance with the procedures described above.

VIII. SALARY PLANNING GUIDELINES

The Human Resources Department will develop approved Salary Planning Guidelines on an annual basis. These guidelines will include information regarding: salary structures, grades, and ranges; starting rates of pay for new hires; annual Performance Management Merit Increase Matrices; promotional increase guidelines; and other pertinent information.

A. Determining Starting Rates For New Hires

1. New hires who possess the 'minimum' qualifications for a job will receive a starting rate of pay that is minimally equal to the established pay range minimum for that job; and
2. Supervisors and managers are authorized to offer starting rates for new hires that

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

are within, but not in excess of, an approved percentage above the established pay range minimums for each job.

B. Increases To Pay

The JHHCG'S program utilizes several different types of pay increases for employees. These include:

- Merit Increases
- Acting Pay
- Promotional Increases
- Bonus Pay
- Market Adjustments

The policies for determining the above types of increases to pay are as follows:

1. Merit Increases

The purpose of merit increases is to recognize and reward employee performance over a designated period of time, and a minimum of once a year.

a. Merit Increase Guidelines


- i. The Human Resources Office, will develop annual merit increase guidelines in accordance with approved merit increase budgets. Merit increase guidelines are distributed to managers.
- ii. A merit increase review will be conducted for all employees on an annual basis. This will be done at the time of the employee's annual performance review. Employees with a performance rating of 'proficient' or better will be eligible to receive a merit increase, while employees with unsatisfactory performance ratings will not be eligible. The amount and type of merit increase will be determined according to the guidelines in effect at the time of the employee's annual performance review.

b. Merit Increase Budgets

Each year, the Human Resources Department will recommend merit increase budgets for JHHCG's organizational components. Merit increase budgets are approved based upon market analysis and JHHCG's financial position.

c. Merit Increase Effective Dates

- i. The first annual merit appraisal for newly hired or promoted employees is to occur one (1) year from their date of hire or

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

promotion and concurrent with their annual Performance Review . The employee will be eligible for a merit increase in accordance with the merit increase guidelines in effect at that time. Subsequent performance appraisals and merit increases will be at twelve-month intervals thereafter.

- ii. Merit increases may be delayed for up to three months for employees who fail to adhere to established policies and/or regulations concerning licensure, absenteeism, tardiness, safety and so on. If within three months the employee is complying with the particular policy or regulation, the employee may receive the delayed merit increase, though not retroactively. If, on the other hand, the employee still fails to comply with the established policy or regulation, the merit increase can be further delayed and disciplinary action, up to and including termination of employment, may be taken.
- iii. Employees whose performance is considered to be 'unsatisfactory' will be ineligible for a merit increase.
- iv. Non-supervisory employees who are on an unpaid leave of absence for more than six weeks will have their performance review date adjusted by the amount of time that exceeds the six week period.


2. Acting Pay

Acting pay may be granted when an employee is temporarily assigned, for a period of at least one (1) week or more, to assume a substantial portion of the responsibilities of a job with a higher pay range. The amount of the acting pay is determined consistent with the guidelines for promotional increases (see guidelines below). If the employee assumes only some, but not all, key elements of the higher position, than a pro-rated portion of acting pay may or may not apply. In all cases, if the employee is later promoted to the higher position, the amount of any acting pay will be *subtracted* from the amount of the total promotional increase that would have otherwise been awarded.

3. Promotional Increases

Promotional increases may be granted when an individual is promoted to a job with a higher pay range. Normally, these increases will be granted concurrently with the employee's assumption of their new job.


- a. Guidelines for determining promotional increases are reviewed yearly.
- b. Requests for promotional increases that exceed annual salary planning guidelines must be submitted by the manager *in advance* and

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

reviewed/approved by the Director of H.R. and the president of JHHCG.

- c. The following factors will be considered by the Human Resources Dept. when determining exceptions to the promotional guidelines;
 - i. The amount of any 'acting' pay (see guidelines above); and
 - ii. The amount and timing of any pending merit increase; and
 - iii. The magnitude of the promotion as measured by the difference between the pay ranges between the employee's old and new jobs; and
 - iv. The pay relationships between the promoted individual and those occupying identical and/or similar jobs, and those between his/her supervisor, and his/her subordinates.
- d. For individuals within six (6) months of receiving a merit increase, the promotional increases specified above are to be awarded *in addition* to the pro-rata merit increase. Pro-rated merit increases are to be based on the incumbent's performance level during the period of time since his/her last review. The supervisor of the sending department completes a performance appraisal, and determines an appropriate increase amount. That amount is to be pro-rated by the number of months since the employee's last review.
- e. For a promotional increase that is *not* within six (6) months of the incumbents review date, the review date will not change.
- f. Minimally, a promotional increase must bring the employee's wage or salary to the minimum of his/her new pay range, regardless of the percentage amount.
- g. A promotional increase may not result in a wage or salary that exceeds the pay range maximum for the new pay grade.
- h. An increase to pay may be granted when a job is *re-evaluated* and moved to a higher pay grade if the change in pay grade is due to the 'increased worth' of the job in question. If, however, the job content has not changed and re-evaluation is required in order to rectify a previously incorrect evaluation of a job, promotional increases will be considered on an exception basis only.

4. Bonus Pay

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<u>Subject:</u> COMPENSATION	Revised	01/01/03


a. Guidelines

- i. All requests for bonus pay must be approved *in advance* by the Director of Human Resources.
- ii. All such requests must be in writing, and include the written concurrence of the appropriate Director and V.P
- iii. As appropriate, such requests must include a detailed explanation and justification, including the operational and/or financial results achieved, as described below .
- iv. All individual employee and employee group bonus payments will be limited to a one-time, pre-determined, lump sum payment amount unless otherwise endorsed by the Director of H.R. and President of JHHCG.
- v. Any ongoing and/or annual bonus pay arrangement(s) will be reviewed periodically, and at minimum annually, concurrent with the annual Salary Planning review process. At that time, all such arrangements must receive an annual re-endorsement by the Director of H.R. and the president of JHHCG. Such bonus pay arrangements will be endorsed *in advance* of the particular period of time and/or work effort that the bonus is intended to cover.
- vi. All bonus payments and arrangements, and their terms, are at the discretion of JHHCG management and are subject to modification and/or termination at any time without notice.
- vii. Sign-on bonuses will be granted only when particular and/or unusual labor market demand or condition warrants their payment. Requests must be approved by the Director of H.R. and the President of JHHCG.

b. Definitions/Conditions

Bonus (and/or Incentive or Reward) Pay is additional compensation paid to an employee, or group of employees, in addition to their normal rate of pay. Bonus pay *may* be granted only under the following, limited circumstances:

- i. Due to a particular and/or unusual labor market demand or condition; and/or,
- ii. In recognition of an *extraordinary* work effort, above and beyond the “outstanding” performance rating level, that has resulted in both

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<u>Subject:</u> COMPENSATION	Revised	01/01/03

a direct, uniquely positive, and measurable outcome in either the operations and/or the financial results of JHHCG.

5. Market Adjustments

Market adjustments to salary ranges may occur outside of the annual Salary Planning cycle when market demand has resulted in an increased rate of pay for a particular a job or job family. In such cases, JHHCG may increase the salary range(s) for a particular job(s) in order to address imbalances between salary ranges and those used by its competitors.

IX. TRANSFERS/PROMOTIONS/DEMOTIONS

A. Establishing Rates Of Pay

The following factors will be considered when establishing pay rates for employees who are transferred, promoted and/or demoted.


1. The amount of any acting pay; and,
2. The amount and timing of any pending merit increases; and,
3. The difference between the pay range assigned to the job and the regular hourly rate of the job; and,
4. The pay relationships between the employee, persons occupying similar jobs, and, the pay relationships between the employee and his/her supervisor and their subordinates; and,
5. The level and type of any relevant experience an employee brings to the job.

B. Reductions In Pay

For a variety of reasons, an employee may be reassigned to a job that has a lower pay range than the job they had previously held. In such cases, the following reduction in pay guidelines will apply:

Job Reassignment

1. When an employee is assigned to a job with a lower pay range due to; a) unsatisfactory job performance; or, b) an employee requested job reassignment; and, when the assignment is expected to last for a period of four weeks or more, the employee's rate of pay will typically be reduced by whichever amount is the *greater* of the following:

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

- a. the amount of any promotional increase the employee received in conjunction with their former job.
 - b. the difference between the employee's base rate of pay and the maximum of the pay range (or the pay rate) of the new job.
2. When an employee is assigned to a lower pay grade for reasons other than those above, and when the assignment is expected to last for a period of four weeks or more, the employee's rate of pay would also normally be reduced in accordance with the above guidelines. However, based upon the particular circumstances involved, requests for exceptions will be considered.
 3. For pay grade reductions/job reassignments involving supervisors and managers, the action and all necessary documentation must be approved by the Director of H.R. at the request of the appropriate Director or V.P. In pay grade reduction situations involving all other employees, the action and all necessary documentation must be approved by the Director of H.R. and/or his or her designee, at the request of the manager with the concurrence of the appropriate V.P.
 4. The performance review dates for employees assigned to jobs with lower pay grades will change to reflect the date the employee assumes his or her new job.
 5. For individuals who are within six months of receiving a merit increase, the employee may be eligible to receive a pro-rata merit increase. However, in no case is the employee to receive a pro-rata merit increase that will bring their rate of pay above the maximum for the pay range of the new job, or, that will exceed the guidelines described herein.

X. OVERTIME PAY


When a JHHCG employee is required to work more than forty (40) hours in any given work week (JHHCG work week is regularly a seven day, 168 hour period, the following applicable overtime pay policies will apply as follows:

A. Non-Exempt Employees

Non-exempt employees are to be paid one and one-half times their 'regular hourly rate' for all hours worked in excess of forty (40) hours in a work week. If a non-exempt employee works over eight hours in a day, but fewer than forty (40) hours in a work week, he or she will not receive any overtime pay for that work week. In addition, non-exempt employees are not eligible for compensatory time off.

B. Exempt Employees

Exempt employees are paid a salary commensurate with their job responsibilities regardless of the

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

number of hours worked, and therefore are not eligible for overtime pay. Exempt employees are also not typically eligible for any form of 'additional consideration' (ie, compensatory time off) as a result of hours worked. Any and all such requests must be approved **in advance** by the Director of H.R. and/or his or her designee.

C. Reporting Early

If an hourly (non-exempt) employee reports for duty before his/her scheduled starting time, and is not authorized to work, the time between such reporting time and the time he/she begins work is not counted as work time. Accordingly, such time is also not considered as time worked for the purpose of overtime pay calculations. The department head is responsible for ensuring that the employee does not begin work before the authorized time.

D. Meals During Overtime

No payment shall be made for bona fide meal periods taken during an overtime period.

E. Advanced Approval

All overtime must be approved *in advance* by the appropriate department head. Overtime is to be avoided except where required to maintain patient care or efficient operations.

F. Rest Periods

Non-exempt employees who work overtime are to be given one (1) fifteen (15) minute paid break for each additional four (4) hours of scheduled work. These breaks count as time worked for overtime pay calculation purposes.


G. Time Off

Vacation, Sick, and all other Leaves of Absence (with the exception of holiday pay) is not counted as time worked for the purpose of overtime pay computations.

H. Calculation of Overtime Rate

1. The overtime rate is to be equal to one and one-half times the employee's average, regular hourly rate for the workweek. The regular hourly rate includes the 'base rate', plus additional payments earned in the form of shift differentials, charge differentials, on-call pay, etc. Thus, an employee's regular hourly rate for any given week may be higher than his/her base hourly rate.
2. There should be no duplication, or pyramiding, in the computation of over-time and other premium wages. If more than one premium rate is applicable to any hours worked, the employee shall be paid at the highest rate applicable, not both.

Example: If a full-time, non-exempt employee works a holiday, he/she is entitled to holiday pay at

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

the rate of one and one half (1½) times their regular hourly rate. However, if that holiday is also the sixth (6th) day worked in that week (thus the first day of overtime), the employee is to receive one and one half (1½) times his/her regular hourly rate for each hour worked on the holiday. In this instance, this precludes/eliminates a 'doubling' of time-and-one-half pay.

XI. EASTERN STANDARD TIME vs DAYLIGHT SAVINGS TIME

- A. When going from Eastern Standard Time to Daylight Savings Time, employees will normally be paid for eight (8) hours of work even though they may work only seven (7) hours as a result of the time change.
- B. When going from Daylight Savings Time to Eastern Standard Time, employees will be paid for the ninth (9th) hour of work as a result of the time change.

XII. SHIFT DIFFERENTIALS

Employees receive shift differential pay, for all hours worked, if they work a minimum of six (6) consecutive hours during a shift where a differential applies.


- A. The amount of shift differential paid to each eligible employee is intended to be competitive with the amounts offered by JHHCG competitors. The Compensation Office of the Human Resources Department analyzes survey data on a periodic basis, and minimally once a year, and will recommend changes to the shift differentials as appropriate.

XIII. WEEKEND DIFFERENTIALS

An employee who works four (4) or more consecutive hours during JHHCG's designated weekend period is entitled to receive a weekend differential for all hours worked on that shift. For the purposes of this policy, the weekend is defined as beginning 11:00 p.m. Friday and ending 7:00 a.m. Monday.

XIV. ON-CALL PAY

- A. Non-exempt employees who are scheduled to be "on-call" (continuously available and ready to report to work immediately and within one-half hour of notification) will receive on-call pay for each hour while on-call.
- B. Exempt employees may be eligible to receive bonus pay, in lieu of 'on-call' pay, if a demonstrated operational need exists. All such arrangements must be approved, *in advance*, by the Director of H.R.
- C. Employees are not eligible for on-call pay if they are being paid concurrently for other work, or, if they are receiving time off with pay (e.g., paid time off, vacation, sick, etc.).
- D. In any scheduled on-call period, the total amount of pay shall not exceed an amount equal to

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<u>Subject:</u> COMPENSATION	Revised	01/01/03

the employee's base hourly rate times the number of hours the employee was scheduled to be on-call.

Example: An employee who is scheduled on-call from 3:00 p.m. to 11:00 p.m., and is called in three (3) times for one (1) hour each, shall be paid a total of eight (8) hours times the base hourly rate. In this example, the employee would not receive on-call pay *in addition to* the guaranteed hours paid for the scheduled on-call period.

- F. Hours not worked, but paid for in accordance with the above guarantee, will *not* be credited as time worked for purposes of computing overtime. Time records must reflect such time accurately.
- G. The above guarantee will not apply when the call-in period immediately precedes or follows an employee's regularly scheduled shift.

XV. PERSONNEL ACTIONS FORMS

Refer to the Personnel Actions Forms (PAF) policy.


XVI. PAY PERIODS

A. Work Days

1. A regular work day consists of eight (8), ten (10) or twelve (12) consecutive hours, exclusive of meal periods.
2. Each non-exempt employee will be allowed to take fifteen (15) minute paid rest periods according to the number of scheduled work hours, as follows:
 - a. if the employee is scheduled to work less than eight (8) hours, but four (4) or more, the employee will receive one (1), fifteen (15) minute paid rest period.
 - b. if the employee is scheduled to work eight (8) or ten (10) hours, the employee will receive two (2), fifteen (15) minute paid rest periods.
 - c. if the employee is scheduled to work twelve (12) hours, the employee will receive three (3), fifteen (15) minute paid rest periods.
 - d. Rest periods are to be scheduled by each employee's immediate supervisor.

B. Pay Days

Employees are paid biweekly, and receive a paycheck every other Friday for pay earned in

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	III-100
		<i>Effective Date</i>	01/01/03
	<i>Subject:</i> COMPENSATION	Revised	01/01/03

the week ending the previous Sunday.

C. Time Records

The maintenance of accurate time records is the responsibility of the department head. The time record must show all times worked, including on-call, etc., and must also identify all absences, whether paid or unpaid. The time record must be approved by the department head before it is sent to the Payroll Department for use as a basis for wage or salary payment. Specific approval of the department head on the time records is required for overtime pay.

D. Deductions From Pay

In accordance with Federal and State Laws, required deductions are made from each paycheck for Social Security (FICA), and for Federal, State and local taxes, and/or for other legally required deductions (as applicable). Upon written authorization of the employee, additional voluntary deductions may be made on the employee's behalf for such things as Direct Deposit, the Credit Union, Tax Sheltered Annuity, Health and Welfare Insurance, Life Insurance, United Way, and so forth. Any deductions from pay will be reflected on the employee's pay stub.

E. Incorrect Pay


1. When an error is made in an employee's pay resulting in the employee receiving 'less' than what was earned for any pay given period, JHHCG will correct the error by means of a retroactive payment.
2. When an error is made in an employee's pay resulting in the employee receiving 'more' than what was earned for any given pay period, JHHCG will correct the error through appropriate deductions.

XVII. EXCEPTIONS TO SALARY PLANNING GUIDELINES

All requests for exceptions to the annual Salary Planning Guidelines will be reviewed and approved according to policy guidelines as follows:

A. The Manager

1. Requests for exceptions to the established Salary Planning Guidelines must be submitted, in advance, by the respective manager to H.R. for approval. In order to properly evaluate certain exception requests, written justification by the manager and/or the concurrence of the appropriate Functional Unit Director/Director of Nursing/Administrator, and/ or Senior Executive may be required.
2. No exception(s) to Salary Planning Guidelines should be communicated by the

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		<i>Effective Date</i>	01/01/03
	<u>Subject:</u> COMPENSATION	Revised	01/01/03

manager to an employee or job candidate in advance of securing prior approval as outlined herein.

B. The Director of Human Resources

The Director of Human Resources is authorized to approve exceptions to the Salary Planning Guidelines. If the Director of Human Resources and the appropriate Director/V.P. should disagree regarding a starting rate, pay grade, or other compensation issue, the matter will be resolved by the Company President.


XVIII. SALARY PLANNING

In order to ensure that the pay ranges for JHHCG employees are competitive, as well as to ensure that the rates of pay for these employees are in the properly positioned within the pay ranges, the following process occurs annually:

Each Year on or about:	The Following Happens
Nov - Feb	The Compensation component of the Human Resources Department completes a survey analysis to evaluate the competitiveness of the JHHCG's pay structure.
Jan - Mar	The Director of Human Resources recommends any proposed changes to the pay structure, along with a proposed merit increase budget, to the President.
May - June	The annual pay structure and merit increase budget for all non-union employees is approved by the President.
July	H.R. will automatically adjust pay rates, as appropriate, for those employees affected by changes to the pay structure.
Anniversary Date	Employees whose performance meets or exceeds the 'proficient' rating for their jobs are to receive the corresponding merit increase, consistent with the approved Salary Planning Guidelines.

XIX. COMPENSATION POLICIES SUBJECT TO CHANGE

A. While JHHCG is committed to the compensation policies described herein, the policies and

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	<i>Subject:</i> COMPENSATION	Revised	01/01/03

procedures may be changed at any time should conditions warrant and as approved by the President or his/her designee.

- B. The language used in this statement of compensation policies and procedures is not intended to create, nor is it intended to be construed to constitute a contract between JHHCG and any of its employees for either employment, remuneration or the provision of any benefit.

REFERENCE

The Fair Labor Standards Act, 29 U. S. C. Section 201 et seq.

SPONSOR

Director of Human Resources

REVIEW CYCLE

3 years