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Source:
 Administrative
 Human Resources

Applies to Facilities:

Applies to Departments:

Procedure : Total Compensation

I. **SUMMARY/INTENT:**

To provide a basis for pay and benefit-related procedures and decision-making at Palomar Health, including but not limited to base pay, overtime, premiums, bonuses, medical and other insured benefit plans, workers' compensation, unemployment compensation, personal time off, and other forms of pay and benefits that contribute to the total compensation of employees.

II. **DEFINITIONS:**

Total compensation - The result of combining the costs of all forms of pay and benefits. A principle used in designing compensation and benefit plans, in accurately calculating the dollar value of pay and benefits to employees, in making comparisons between competing organizations, and in budgeting.

Market - The organizations in a given geographic area that compete against each other for business and/or for employees. Markets may differ for different job classifications.

III. **PROCEDURE: COMPLIANCE - KEY STEPS:**

The employees of Palomar Health are its most valuable assets. Far from being a platitude, this is a financial fact, because there is no budget category that exceeds the cost of payroll and benefits. Palomar Health considers this its most significant investment--an investment in people--and the dividend is fulfillment of the organization's mission to "heal, comfort, and promote health in the communities we serve."

On a proactive basis, Palomar Health continually monitors compensation and benefits data for the market(s) appropriate for given job classifications and strives to achieve and maintain a competitive position in the market(s), to ensure that pay and benefits are fair, equitable, and sufficient to retain and recruit employees. Competing organizations differ in the way they construct their compensation and benefit plans and in the proportion of funds they allocate to each, so the most accurate comparison between organizations is often the total compensation they offer to employees in given job classifications.

Compensation and benefit costs are included in the fiscal year budget, approved by the Palomar Health Board of Directors. These costs represent over half of the overall budget, and they must be carefully managed. The principle of total compensation applies to this budget. There are no separate funding sources for compensation or for benefits that would allow Palomar Health to exceed budgeted expenditures for one without affecting the funds available for the other.

Compensation and benefits are highly regulated by the state and federal governments. Palomar Health complies with all pertinent laws.

The Chief Human Resources Officer is designated by the Palomar Health Board of Directors as the officer responsible for this policy, including system, procedure, and program development, management, monitoring, and reporting on all compensation and benefit-related matters. Each member of the Palomar Health management team--including supervisors, managers, directors, and executives--is responsible for complying with this policy and with contributing to its successful administration throughout Palomar Health.

This procedure will be reviewed and updated as required.

IV. **ADDENDUM:**

Document Owner:

Huffstutler-Henderson, Kathryn

Approvals

- Committees:

- Signers:

Geoffrey Washburn

Geoffrey Washburn, Chief Human Resources Officer
(03/24/2021 12:36PM PST)

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Attachments:

(REFERENCED BY THIS DOCUMENT)

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