pAI

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9. Purpose

This policy outlines pAI’s philosophy and framework for employee compensation and benefits. Its purpose is to attract, motivate, retain, and reward high-performing employees, ensure internal equity and external competitiveness, comply with all legal requirements, and support pAI’s overall business strategy.

1. Scope

This policy applies to all permanent pAI employees (full-time and part-time) globally. It covers base salary, variable pay (bonuses, incentives), and employee benefits. Specific details of compensation and benefits may vary based on job role, location, length of service, and applicable local laws.

1. Definitions

| **Term** | **Definition** |
| --- | --- |
| **Base Salary** | The fixed amount of money paid to an employee for performing their job, excluding bonuses, benefits, or other compensation. |
| **Benefits** | Non-wage compensation provided to employees in addition to their salary (e.g., health insurance, retirement plans, paid time off). |
| **Compensation** | The total remuneration an employee receives for their work, including base salary, variable pay, and benefits. |
| **Compensation Structure** | The framework that defines salary ranges, pay grades, and progression within the organization. |
| **Equity** | Fairness in compensation, both internally (relative to other pAI employees) and externally (relative to the market). |
| **Exempt Employee** | An employee not eligible for overtime pay, typically salaried (See Policy HR-10). |
| **Non-Exempt Employee** | An employee eligible for overtime pay, typically hourly (See Policy HR-10). |
| **Performance Bonus** | A variable payment awarded to an employee based on individual, team, or company performance against predetermined goals (See Policy HR-15). |
| **Total Rewards** | The comprehensive package of compensation, benefits, work-life programs, performance and recognition, and development opportunities offered to employees. |
| **Variable Pay** | Compensation that fluctuates based on performance or other criteria, such as bonuses, commissions, or incentives. |

1. Policy Statement

4.1 pAI shall provide a competitive total rewards package designed to attract, motivate, and retain diverse talent.

4.2 Compensation and benefits decisions shall be based on objective criteria, including job responsibilities, skills, experience, performance, market data, and internal equity, without discrimination (See Policy HR-04).

4.3 All compensation and benefits practices shall comply with applicable local, national, and international labor laws and regulations.

4.4 Employees are responsible for understanding their compensation and benefits package and for utilizing benefits appropriately.

4.5 pAI reserves the right to review and adjust its compensation and benefits programs periodically to ensure competitiveness and alignment with business objectives.

1. Procedures / Guidelines

5.1 Compensation Structure

5.1.1 Job Evaluation: pAI utilizes a job evaluation methodology to assess the relative value of each position based on factors such as responsibility, complexity, required skills, and impact.

5.1.2 Salary Ranges: Each job role or pay grade is assigned a salary range, reflecting the market value and internal equity for that position.

5.1.3 Market Benchmarking: pAI regularly participates in compensation surveys and benchmarks its salary ranges against relevant industry and geographical markets to ensure external competitiveness.

5.2 Base Salary

5.2.1 Starting Salary: Initial base salaries for new hires are determined based on the candidate’s qualifications, experience, the job’s salary range, and internal equity.

5.2.2 Salary Reviews: Base salaries are typically reviewed annually as part of the performance appraisal cycle (See Policy HR-15). Merit increases are awarded based on individual performance, contributions, and market adjustments, subject to budgetary availability.

5.2.3 Promotions/Transfers: Salary adjustments for promotions or significant changes in job responsibilities will be made in accordance with the new role’s salary range and the employee’s performance.

5.3 Variable Pay

5.3.1 Performance Bonuses: Eligible employees may participate in a performance bonus plan. Bonus payouts are discretionary and are tied to the achievement of individual, team, and/or company-wide performance goals (See Policy HR-15).

5.3.2 Sales Incentives/Commissions: Employees in eligible sales roles may receive commission or incentive pay based on sales targets and performance metrics, as outlined in their specific incentive plans.

5.3.3 Eligibility and Payout: Details regarding eligibility, performance metrics, and payout schedules for all variable pay programs will be communicated annually or as part of specific plan documents.

5.4 Employee Benefits

pAI offers a comprehensive benefits package designed to support employee well-being. Eligibility for specific benefits may vary based on employment status (full-time/part-time), location, and length of service.

Table 1 – Core Employee Benefits (Illustrative)

| **Benefit Category** | **Description** | **Eligibility (General)** | **Notes** |
| --- | --- | --- | --- |
| **Health & Wellness** | Medical, dental, vision insurance; Employee Assistance Program (EAP); wellness initiatives. | All permanent FT/PT employees (post-probation). | Specific plans vary by region; employee contributions may apply. |
| **Retirement & Savings** | Company-sponsored retirement plan (e.g., 401(k), pension); company matching contributions. | All permanent FT/PT employees (after eligibility period). | Vesting schedules may apply to company contributions. |
| **Paid Time Off (PTO)** | Vacation, sick leave, public holidays, parental leave, bereavement leave (See Policy HR-08). | All permanent FT/PT employees (accrual/eligibility rules apply). | Accrual rates and carryover rules vary. |
| **Life & Disability Insurance** | Company-paid basic life insurance; short-term and long-term disability coverage. | All permanent FT/PT employees. | Supplemental coverage may be available for purchase. |
| **Professional Development** | Access to training programs, tuition reimbursement, professional certifications (See Policy HR-16). | All permanent FT/PT employees (subject to approval). | Requires manager/HR approval; often tied to job relevance. |
| **Other Benefits** | Commuter benefits, employee discounts, company-sponsored events, flexible working arrangements (HR-09). | Varies by benefit and location. | Details provided in separate benefit guides or specific policy documents. |

5.5 Payroll and Deductions

5.5.1 Payroll Cycle: Employees are paid according to a defined payroll schedule (e.g., bi-weekly, semi-monthly).

5.5.2 Deductions: Required deductions (e.g., taxes, social security contributions) and authorized voluntary deductions (e.g., health insurance premiums, retirement contributions) will be made from employee paychecks.

5.5.3 Questions: Employees should direct any payroll or benefits questions to the Payroll or HR department.

1. Responsibilities

| **Role** | **Obligation** |
| --- | --- |
| **Human Resources** | Develop, implement, and administer compensation and benefits programs. Ensure compliance with laws. Provide guidance on policy interpretation. |
| **Finance / Payroll** | Process payroll accurately and timely. Manage benefit vendor relationships and payments. Provide financial data for compensation analysis. |
| **Managers / Supervisors** | Understand and communicate compensation and benefits policies to their teams. Make fair performance-based recommendations for salary adjustments and bonuses. |
| **Employees** | Understand their compensation and benefits. Utilize benefits appropriately. Report any discrepancies in pay or benefits promptly. |
| **Senior Leadership** | Approve overall compensation and benefits strategy and budget. Ensure competitiveness and alignment with business goals. |

1. Compliance & Consequences

7.1 Adherence to this Compensation & Benefits Policy is mandatory for all employees and managers.

7.2 **Misrepresentation/Fraud:** Any misrepresentation of information to obtain unauthorized compensation or benefits, or any fraudulent claims, will result in severe disciplinary action, up to and including immediate termination of employment, and may lead to legal prosecution.

7.3 **Policy Violations:** Managers who fail to adhere to compensation guidelines or discriminate in pay decisions will be subject to disciplinary action.

7.4 **Legal Compliance:** Non-compliance with applicable labor laws regarding compensation and benefits may result in legal penalties and will be addressed immediately.

1. Review & Revision History

| **Version** | **Date** | **Description** | **Author** |
| --- | --- | --- | --- |
| 1.0 | 2025-07-01 | Initial release | HR Director |