Rate Increase Policy

12/03/2024

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CEO's Approval & Date

		Version:	5.0
NEW AGE	**Rate Increase Policy**	Code:	NA-PL-06

1. Policy Objectives

The purpose of this policy is to outline and ensure uniform adherence to the established guidelines for compensating regular partners of the company for a rate increase. The requirements and processes for a rate increase are also covered in this policy.

2. Definition of Terms

#	Term	Description
1	Eligible Regular Partner/s	Describe the employee of the firm including any permanent or probationary having prior qualifying service, and who is eligible to receive the same benefits as other permanent employees.
2	Key Performance Index (KPI)	It is a metric that measures how well projects, individuals, departments, or businesses perform in relation to their strategic goals and objectives. KPIs give stakeholders a method to gauge their own progress and the health of the company.
3	Rate Increase Request Form	A form that regular partners will use to request a rate increase. This can be found from New Age's portal under HR Forms section.
4	Salary Range	The institutionally approved pay range for a position level, usually designated by a minimum hourly rate and a maximum hourly rate.
5	360- degree assessments	A set of assessments that covers multiple aspects of team members' performance by allowing them to assess themselves, be assessed by one of their colleagues & their direct manager.

3. Policy and Procedures

- Only Regular partner(s) who have worked for at least six (6) months will be eligible for a rate increase.
- Regular Partners will be allowed to submit a rate increase request every six (6) months. The KPIs results for the last two (2) consecutive quarters must be included with the Rate Increase request form.
- All data submitted with the request must be reviewed and approved by the Manager prior to submission.
- A rate increase is determined by:
  1. The results of previous 6 Monthly Performance Reviews
  2. Personal KPIs Results for last 2 consecutive quarters
  3. 360-degree assessment

- The process of rate increase assessment will be triggered once a team member requests a rate increase and it's verified that the team member is eligible for a rate increase.
- The HR Team will walk the candidate through the process.
- The HR Team will send 360- degree assessments to all responsible stakeholders (Requester, Requester's colleague & the direct manager).
- The HR Team will collect the results of the last 6 Monthly Performance Reviews.
- The HR can get back to the Business process team, the direct manager, or the CEO to verify KPIs results.
- The Business Process Team will create & review Regular Partners' KPI, and each team member has quarterly goals and objectives to meet. Each team can find their KPIs in the following board.
- The assessment result will be calculated according to "Table 1. Type of assessment and weighing factor."

Table 1. Type of Assessment and Weighing Factor

#	Type of Assessment	Weighing Factor (Updated)
1	Self-Assessment Form	5%
2	Colleague Assessment Form	5%
3	Direct Manager Assessment Form	15%
4	Monthly Performance Review	25%
5	KPIs Results	50%

- 360-degree performance review serves as the basis for the No. 1, 2 and 3 assessments and only the following numerical rating values may be assigned. The scoring of each criterion must be based on each feedback provider (self-assessment, colleague, or direct manager). The following can be used as a guide to help determine an appropriate score. Refer to Table 2.

Table 2. Salary Scale

1	Often Fails to Meet Standards
2	Sometimes Fails to Meet Standards
3	Meets standard
4	Above Standard
5	Excellent

- Direct Managers can request an hourly rate increase for outperforming team members.
- Members can submit a "Rate Increase Request" on the portal in the "Submit a request" section or by clicking the given link.
- Following the completion of all the assessments, the HR team will collect the results, request the CEO's approval for the rate increase, and notify the team members via email, which will be in accordance with Table 3.

Table 3. Grading Criteria for a Rate Increase

#	Categorization	Total Score	Rate Increase (%)
1	A	95+	10%
2	B	90 - 95	7.5%
3	C	85 - 90	6%
4	D	80 – 85	5%
5	E	70 - 80	4%

- For team members who have a C1 contract & passed 1 year with New Age & failed to receive the minimum score required for a rate increase, they will be eligible for a once/ year exceptional rate increase of 2%, HR department will request the exceptional rate increase from the direct manager & then send it to the CEO for the final approval.
- After that, the HR Team will complete the rate increase and update the information of the team members in the company's directory.
- The Finance team will be notified by the HR team to update the contract terms of the team member who obtains a rate increase.
- Rate increase requester can request the details of the assessment score from the HR team by submitting a general inquiry form on the portal stating his/her request.
- New Age's CEO reserves the right to reject any rate increase request without being obligated to provide specific reasons for the decision.
- Grading Criteria for a Rate Increase in the Rate Increase Policy will be reviewed & updated by the rate increase committee which includes the CEO, HR & Business Process Team on a semiannual basis, once in June and it will be effective from the 1st of July & the second time is in December and it will be effective from the 1st of January.
- The rate increase percentage will be based on the financial performance of the company to ensure a sustainable policy for the company & partners.
- Any team member who transitions to a C1 contract at any given point of time from any other contract type will be eligible to apply for a rate increase only after they have been on the C1 contract for a minimum of 6 months.
- KPIs of every team member will be reviewed periodically according to the changes in the role or the feedback received from the reporting manager/CEO.

4. Roles & Responsibilities Summary

1. **Rate Increase Requesters:**
   - Submit rate increase request on the portal.
   - Submit the KPI results for the last two (2) consecutive quarters along with the Rate Increase request form.
   - Ensure all data submitted has been reviewed and approved by their Manager prior to submission.
   - Complete all the deliverables and due diligence required to receive rate increase.

2. Middle & Top Managers:
- Review and approve the KPI results and other data submitted by rate increase requesters.
- Ensure the requester's data meets the eligibility requirements for rate increases.
- Complete the rate increase requester's assessment.
- Approve exceptional rate increases for team members who didn't meet the minimum score required for a rate increase.

3. CEO:
- Review and approve all rate increases.

4. HR Team:
- Review all rate increase requests to ensure compliance with company policy and that they fall within the guidelines provided.
- Provide guidance to rate increase requesters.
- Complete rate increases according to the final score & announce it to the requesting team member.
- Approve exceptional rate increases from direct managers & CEO
- Update our directory with all updates.
- Notify the Finance team to update the contract of the partner that received a rate increase.

5. Finance Team
- Update the contract of partners that received a rate increase.

Policy Appendices			
#	Appendix Name	Description	Link
1	Rate Increase Request Form	A form submitted by a regular partner who wishes to receive an hourly rate increase.	Link
2	Rate Increase Assessment (Self-Assessment) Form	An assessment filled in by the regular partner who wants to receive an hourly rate increase.	Link
3	Rate Increase Assessment (Colleague-Assessment) Form	An assessment filled in by the colleague of the regular partner who wants to receive an hourly rate increase.	Link
4	Rate Increase Assessment (Direct Manager's-Assessment) Form	An assessment filled in by the direct manager of the regular partner who wants to receive an hourly rate increase.	Link
5	KPIs board	A board that includes the standard KPIs for all roles in New Age that will be used to assess their rate increases..	Link