



# The Salary Planning Process for IT

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This class is designed to provide managers with an understanding and working knowledge of the salary planning process. It discusses salary ranges, job families, job levels, cash and non-cash based compensation, types of raises, needed math calculations, and the annual salary planning process. Can be customized to integrate your company processes.

Listed below are some of the topics covered in this class.

## Definitions

- What is salary planning?
- Salary ranges, salary surveys
- Salary range quartiles, job families, and job levels
- Parity pay among peers
- Exempt vs. non-exempt job types,
- Base pay components
- Non-base salary compensation
- Advanced types of compensation
- Types of pay raise

## The salary planning process

- Overview of the annual review process
- Relationship with performance reviews, budgeting and other company processes

## Salary Planning Mathematics

- Mathematical concepts and formulas such as annualized raises
- The issues with percent-based raises when employees have a wide range of compensation
- The psychological advantages of rounding up to threshold dollar amounts, like \$100,000

## Food for thought

- An employee is eligible for a 3% raise to \$59,750. Do you round up to \$60,000? Why?
- You have three people in your group doing the same job. One of them makes less than the other two. Do you give the lower paid employee a salary adjustment to assure pay parity?