Compensation Philosophy

Sample Compensation Philosophy Document

The SCHOOL’S PHILOSOPHY:

The School believes that it is always in its best interest to attract and retain faculty and administrative staff who are outstanding scholars and teachers; who lead in the classroom, in the studio, and on the playing fields by example of high standards, fine character and personal commitment; who guide our students lovingly and judiciously as advisors; and who function effectively in the collegial environment of the school.

We believe as well that compensation should effect the overall growth of the faculty and school.

THE SCHOOL’S GOALS:

Towards the end of attracting and retaining exceptional faculty and encouraging their growth, the School has established the following goals:

- To create a competitive compensation package of cash salary and benefits that meets or exceeds that of the local public schools (at the starting and median points) and that is among the most competitive of any independent school.
- To meet the differing needs of young, mid-career, and veteran faculty.
- To reward group performance by school-wide bonuses as the school meets the goals set by its leadership.
- To incentivize experimentation and change by supporting individuals and small groups willing to take on new projects and learn new skills.

THE SCHOOL’S STRATEGIES

1. The school will benchmark each year its starting and median salaries against those of the public schools in our locality and state, seeking to be at 100% parity.

2. The school will offer three ranks of salaries, starting salary at $30,000 for someone with a BA or BS degree (or higher) with zero years of teaching experience; after one year, if the new teacher’s performance warrants remaining at the school, the salary rises to $35,000. After the second year, if the teacher’s performance warrants remaining at the school, the salary rises to $45,000 (or $50,000), the top and same salary for all experienced faculty at the school. These salary stages rise each year as the public school starting and median salaries rise. These full-time salary stages encompass full-time work: at the elementary level, one teacher per class of 20 (or specialty teacher in art, music, PE, etc., teaching part of the day in several classes for a full course load); at the middle school
and upper school level, one teacher’s full-time load = 5 sections with three to five preparations, plus coaching (sports, drama, publications) two seasons per year, plus advisories with a small number of advisees.

OR

The school will offer three broad bands of salaries, corresponding to three ranks within the school: first year teacher at the school ($25,000-$35,000); second year teacher at the school ($27,500 – $39,000); master teacher ($35,000 - $50,000) for all teachers in the school with more than two years experience at the school. At the discretion of the head of school, a teacher’s specific salary will fall at the appropriate place within the range depending upon the additional duties assumed or skills acquired.

3. The school will offer additional salary stipends (in the $2500 range), at the discretion of the head of school, for additional work: taking on special projects, mentoring of new teachers, assuming new leadership roles, etc.

4. To afford highly competitive salaries without excessive increases in tuition, the school will seek maximized class sizes (in the neighborhood of 20 per class, well within the range for what the research identifies as small and effective class size) while maintaining a small school, since it is small schools with quality teachers (and not small classes) that track with effective learning.

5. The school will provide a comprehensive benefits program, allocating 18-20% of the salary budget to benefits, including state mandated benefits (FICA & Medicare), insurance (health, disability, life, and professional disability), and pension. The School’s IRS Section 125 Flexible Benefits Plan offers employees choices to customize benefits to individual needs (and to take advantage of tax-advantaged options such as medical and child-care reimbursement accounts).

6. The School will engineer its pension program to maximize retirement benefits for employees. The School’s TIAA/CREF "defined contribution" plan (5% of salary provided by the school and matched by the employee) is projected to produce income that exceeds the retirement income provided by "defined benefit" plans of the public schools for comparable salaries. The school will increase its matching contributions to teachers once they reach age 50 with 15 or more years of service to the school to a 7.5% contribution and match.

7. The school will seek to maximize its "climate advantage" as a workplace, with faculty-friendly policies and perquisites: tuition stipends for faculty to use for themselves or their family members; 50% discounts at the school store; low-cost day-care; generous leave policies; and most importantly, a collegial environment.
CONCLUSIONS

The School seeks to distinguish itself among the leading schools of the nation. We believe that the best means of achieving that goal is to attract and retain outstanding faculty members. The School's ambitious and creative compensation philosophy, goals, and policies are one key means by which to achieve these purposes.

ADDENDUM

Each year the Board and Administration will review this document to adjust it as necessary to remain competitive, to attain the school's compensation goals, or to reflect changing financial exigencies of the school. The Head of School retains the prerogative of adjusting salaries as appropriate. Likewise, the Board of Trustees and the administration will review periodically the goals and assumptions and policies of its compensation philosophy, adjusting them as changing times and thinking dictate.

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