

# Employee Compensation Plan

Board of Governors Meeting, December 15, 2021

## Introduction

Citizens shall use modern methods, practices, and intentional approaches to create and maintain a compensation plan that balances its financial interests and its efforts to attract, develop, retain, and reward its talented employees with a competitive pay package within the overall job market and with consideration of its industry.

## Total Rewards Philosophy

Citizens understands its role as a governmental entity with a business mission, the visibility that this entails, and acknowledges the appropriate limitations in competing directly with the private market on financial compensation alone, due to the reliance on base pay without incentives or bonuses. For this reason, a concerted effort shall be made to align Citizens aggregate employee base salaries with the market, supplementing with competitive employee benefits plans and other attractive working conditions, such as casual dress and distributed workforce policies.

## Compensation Philosophy

Citizens shall provide a fair, market-driven salary program that will attract and retain employees who can perform the responsibilities of its public mission and achieve its strategic goals in alignment with its organizational values. It shall consider the marketplace value of a job and target an alignment with the 50<sup>th</sup> percentile of comparable organizations and industries with which Citizens competes for talent. The compensation program should strive to reward high-performing employees, maintain internal equity, and sustain external competitiveness. When considering salary increases for internal staff, management will weigh individual performance, current salaries, and comparisons to internal and external pay data. Job offers for external talent will include consideration of internal and external compensation data, market trends and conditions, and Citizens' strategic and operational needs. Specific circumstances will affect the actual rate of pay for individuals or types of jobs.

## Governance

Section 627.351(6)(c)(4)(a), Fla. Stat., and Section 7(I)(4) of Citizens' Plan of Operation authorizes the Executive Director and Management to manage the Board-approved compensation plan and set individual, non-Executive pay. As a measure of governance, the Board of Governors reviews and approves for the overall annual budget, including compensation spend, this specific Compensation Plan as proposed by Management, and any individual employee salary change that exceeds 10%.

Section 627.351(6)(jj), Fla. Stat., provides:

“The corporation’s budget allocations for the compensation of all corporation employees and any proposed raise for an individual employee exceeding 10 percent of that employee’s current salary must be approved by the board of governors. The corporation must have an overall employee compensation plan approved by the board of governors.”

## Administration

The execution of Citizens' Compensation Plan is at the discretion of Management, except where the Board of Governors has approval authority and/or the Chair of the Board of Governors has final authority.

## Compensation Structure

Citizens shall establish and maintain a structure that delineates its combined view of the internal and external market. This structure may include grades, salary ranges, or other methods to provide guidance to managers in making salary decisions. Every effort shall be made to ensure that employees are paid at least the minimum of their relevant station within the compensation structure.

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## Compensation Structure Mechanics

### Job Evaluation

Every role at Citizens will have a Position Description mentioning relevant artifacts such as job responsibilities, as well as knowledge, skill, and ability requirements. The Position Description and other material will inform the evaluation of each role in terms of the predicted external market pay and any internal comparison. This evaluation aids in the determination of the relevant station that each job has within the compensation structure. Position Descriptions are regularly maintained to authentically reflect the current responsibilities and requirements to enable regular and accurate reassessments of the current market pay.

### Salary Market Assessments

For market comparison purposes, Citizens shall use published national compensation surveys, which include many relevant aggregate and weighted data cuts. These surveys provide insight on salary, bonuses & incentives, and other compensation components. Citizens' jobs will be matched to comparable jobs in the compensation surveys, based on role, responsibility level, and primary job duties. Citizens will compare its salaries to national compensation data for base salaries, and when available and appropriate, it will also apply data relevant to the national insurance sector.

### Structure Maintenance

Citizens will regularly observe market trends and other data to inform the periodic update of the compensation structure to preserve the necessary market competitiveness to attract and retain staff and talent.

## Employee Compensation Plan Action Item

 ACTION ITEM

 New Contract

 Contract Amendment

 Other Employee Compensation Plan
 CONSENT ITEM

 Contract Amendment

 Existing Contract Extension

 Existing Contract Additional Spend

 Previous Board Approval \_\_\_\_\_

 Other \_\_\_\_\_

**Action Items:** Items requiring detailed explanation to the Board. When a requested action item is a day-to-day operational item or unanimously passed through committee it may be moved forward to the board on the Consent Index.

**Move forward as Consent:** This Action item is a day-to-day operational item, unanimously passed through committee or qualifies to be moved forward on the Consent Index.

**Consent Items:** Items not requiring detailed explanation to the Board of Governors. Consent items are contract extensions, amendments or additional spending authorities for items previously approved by the Board.

Item Description	Employee Compensation Plan
<b>Purpose/Scope</b>	<p>Section 627.351(6)(jj), Florida Statutes, requires Citizens to have an overall employee compensation plan that is approved by the Board.</p> <p>This Action Item requests approval of the Employee Compensation Plan to comply with the change in the statute that went into effect July 1, 2021.</p> <p>The Employee Compensation Plan outlines the compensation philosophy and structure that has enabled Citizens to establish and maintain competitive salaries to attract talent and sustain a turnover rate below the industry average. The plan details how Citizens management team evaluates its jobs, uses published salary market data, and manages employee salaries within its structure.</p>
<b>Contract ID</b>	N/A
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Procurement Method</b>	N/A
<b>Contract Amount</b>	N/A

## Employee Compensation Plan Action Item

<b>Contract Terms</b>	N/A
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<b>Board Recommendation</b>	Citizens' Staff proposes that the Board of Governors:
(DOES NOT go through Committee)	<ul style="list-style-type: none"><li>a) Approve the Employee Compensation Plan, as set forth in this Action Item; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.</li></ul>
<b>CONTACTS</b>	Violet Bloom, Chief Human Resources Officer James Taylor, Director, Total Rewards