### Sample Employee Compensation Plan (Hourly)

Employee:<Employee Name>

Date of Full-time Employment: <Date of Hire>

Effective Date: <Today’s Date>, with the first check on this plan to be paid on <Date>

Hourly Wage:$<Hourly Wage> per hour for a forty-hour (40) week. Overtime pay of $<Overtime Hourly Rate> per hour on any time over the forty-hours (40) per week. Overtime hours are to be approved in advance by management.  
  
Note: Overtime is based only on hours over a forty-hour (40) week, NOT on hours that exceed an eight (8) hour day.

Benefits: Effective <Date>, <Company Name> shall provide medical, dental, and vision benefits for employee in a standard company benefit plan. This benefit plan shall be provided through <Benefits Provider>, a co-employer of the employee. <Company Name> shall pay <Percent> of the premiums for medical, dental, and vision benefits for the covered employee, as provided by the <Name of Benefits Provider>. Employee shall be responsible for <Percent> of the premiums, should employee choose to cover qualified dependants under the plan. The benefit plan may be amended with notice by either <Company Name> or <Benefits Provider>.

Retirement Plan: <Company Name> shall provide a retirement plan for employee participation. This plan will be structured as a 401K plan, and shall be provided through and administered by <Benefits Provider>. The terms of this plan may be amended with notice by <Company Name> or <Benefits Provider>.

Fringe Benefits: <Company Name> will provide such fringe benefits as are made available through <Benefits Provider>. As of the date of this agreement, these benefits include <insert fringe benefits> *(eq. pre-tax Flexible Reimbursement Account for each employee, COBRA coverage, Credit Union membership, Employee Assistance Program, Optional Group Legal Services Plan, and Optional Direct Deposit Plan)*. Fringe benefits may be amended with notice by <Benefits Provider>.

Benefit Eligibility: An employee must be full time, i.e. work a minimum of 30 hours per week, to be eligible to participate in the company-provided medical, retirement, or fringe benefits plan. Exempt employees are automatically considered full-time and eligible for participation.

Commission:None at this time.

Paid Holidays:Eight hours of pay will be given for each of the following holidays: <Insert Applicable Company Holidays>.

Paid Vacation: Vacation pay will be accrued according to the following schedule – <Insert Company Vacation Schedule>. One week of vacation will consist of five eight-hour days of regular pay. A week of vacation may be split into single day increments if desired. Vacation time accrues on the anniversary of full-time employment. Vacation may not be carried over from one year to the next. Scheduling vacation is subject to management approval. If either party terminates employment at any time, with or without cause, vacation accrued will not be cashed out.

Bonuses / Incentives:None at this time.

Employee Expenses:Use of employee’s personal vehicle for business purposes will be reimbursed at a rate of <Insert Rate/Mile>cents per mile. Actual lodging and other expenses related to business purposes will be reimbursed, provided receipts are turned in. All mileage and expenses will be listed, with business purpose, on a <Company Name> expense summary. All expenses are expected to be reasonable and are subject to management approval.

Employee Evaluations and Compensation Assessments: <Company Name> management shall conduct Employee Evaluations every 6 months, beginning on or before <Date>. The end of the year Employee Evaluation will include a Compensation Assessment, which may result in a compensation increase, depending upon the employee’s performance for the year. As a one-time event, <Company Name> management will perform a Compensation Assessment with the mid-year Employee Evaluation on or before <Date>.

Additional Conditions:1.) Employee shall achieve NICET Level 2 certification within one year of the effective date of this agreement. 2.) Employee shall work in the short term on the following areas: a.) Ability to confidently conduct customer training sessions, b.) Ability to prioritize work and tasks in keeping with management-established priorities, c.) Ability to assess site conditions and installation needs during the preparation prior to the installation, and in so doing, to minimize inefficiencies due to inadequate planning, d.) Familiarity with applicable <State> state safety codes, e.) Focusing upon billable hours of work as a priority over non-billable work, and f.) Completing installations within the budgeted man-hours of labor. 3.) Employee shall actively strive to improve his skills and knowledge base. Employee may utilize current company resources for self-training. It is the employee’s responsibility to seek out new avenues and resources for development, and bring them to management’s attention for evaluation. 4.) Employee shall work toward two medium-term goals: a.) proficiency in AutoCAD to be able to quickly update installation documentation once the work is complete, and b.) competency with use of the TEF analyzer and software as used for system testing (i.e. equalization, delay setting, RTA use, noise measurements, distortion, impedance, etc.). 5.) Employee shall develop such skills as may be required to fulfill the responsibilities, duties, and necessary skills outlined in the employee’s job description.

At-Will Employment: This compensation plan is not an employment contract and does not obligate either the employee or <Company Name>to an employment relationship for any set period of time. Either party has the right to terminate employment at any time, with or without cause, and with or without notice.

Except as noted in the Additional Conditions, above, this Compensation Package replaces and supercedes all previous compensation agreements.

Signed:

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| --- | --- | --- | --- | --- |
|  | |  |  | |
| Employee, <Employee Name> | |  | President, <Name> | |
|  | |  |  | |
| Date: |  |  | Date: |  |