REDEEMERS HEALTH VILLAGE

Human Resources Department

COMPENSATION POLICY

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Date Approved:	—		

Relevant Standards

- Labour Act of Nigeria (Cap L1 LFN 2004)
- Pension Reform Act 2014 (as amended)
- Personal Income Tax Act (PITA) 2011 (as amended)
- ILO Conventions on Equal Remuneration and Fair Wages
- International labour standards on compensation and benefits

Amendment History

Issue	Status	Date	Reason for Change	Authorised
1	Draft	May 27, 2024	New Policy Implementation	
2	Final	June 2025	Policy Review & Update	CHRO
3	Final	April 28, 2026	Board Submission Revision	CHRO/CEO

1. Introduction

This Compensation Policy establishes the principles, framework, and governance procedures for designing, administering, and reviewing the compensation structure at Redeemers Health Village (RHV). It reflects RHV's commitment to fair, competitive, transparent, and internally equitable remuneration, aligned with our mission as a faith-based tertiary health institution and our obligations as a responsible employer under Nigerian law.

2. Purpose

This policy serves to:

- Provide a transparent, objective framework for determining and administering employee compensation at all levels.
- Attract and retain the skilled, values-aligned talent necessary to deliver excellent and compassionate healthcare.
- Ensure internal pay equity and external market competitiveness.
- Comply fully with all applicable Nigerian labour and tax laws and international best practices.
- Support RHV's long-term financial sustainability by linking compensation commitments to organisational affordability.

3. Scope

This policy applies to all employees of RHV — full-time, part-time, temporary, and contract staff — except where specific contract terms expressly vary these provisions with Board approval.

4. Guiding Principles

- Pay Equity: Compensation is determined by job content, skills required, experience, and performance — not personal characteristics, relationships, or non-job-related factors.
- Market Alignment: Salary ranges are benchmarked against comparable healthcare institutions and the broader Lagos/Ogun State labour market on an annual basis.
- Transparency: Employees are informed of the salary grade applicable to their role. Individual salaries remain confidential between the employee, HR, and Management.
- Sustainability: All compensation commitments must remain within RHV's approved budget and long-range financial plan, as reviewed by the Board.
- Legal Compliance: All compensation structures, deductions, and payments comply with applicable Nigerian law and are subject to statutory remittances.

5. Salary Structure

5.1 Job Evaluation

All positions are evaluated using a standardised job evaluation methodology approved by the CHRO. Factors assessed include: scope of responsibility, complexity of work, level of accountability, qualifications required, impact on patient care and operational outcomes, and internal relativities. Job evaluations are conducted before any new role is filled or existing role is materially changed.

5.2 Salary Grades and Bands

Positions are grouped into salary grades based on their job evaluation outcome. Each grade has a defined minimum, midpoint, and maximum salary range. The midpoint represents the market median for a fully competent performer in the role. New hires are ordinarily placed between the minimum and midpoint, with placement informed by experience, qualifications, and available budget.

5.3 Market Benchmarking

Salary ranges are reviewed annually against healthcare sector compensation surveys and local market data. Where market conditions shift materially, the CHRO may recommend an off-cycle market adjustment to the CEO and REMCO for approval. No market adjustment is implemented without Board notification.

6. Salary Increments

6.1 Annual Performance Review

Salaries are reviewed as part of the annual performance appraisal cycle. Increments are determined by three factors: the employee's performance rating, movement in the market midpoint for the role, and RHV's overall organisational affordability for the year. The increment budget and guidelines are approved by the Board before distribution to department heads.

6.2 Merit Increases

Employees rated as exceptional or high performers may receive merit increases above the standard annual increment, subject to available budget. Merit increases are recommended by the department head, endorsed by the CHRO, and approved by the CEO.

6.3 Promotion Adjustments

Employees promoted to a higher salary grade receive an immediate salary adjustment to the minimum of the new grade or a minimum 10% increase above their current salary — whichever is higher — subject to the maximum of the new grade. Promotion adjustments are effective from the confirmed promotion date.

7. Bonuses and Incentives

7.1 Performance Bonuses

Employees may be eligible for an annual performance bonus. Eligibility criteria, the bonus pool quantum, and individual allocations are determined by the CHRO and approved by the CEO/Board each year, based on both individual performance ratings and RHV's overall organisational performance. Bonus eligibility and criteria are communicated to staff at the start of each performance year.

7.2 Special Recognition Awards

Discretionary recognition awards may be granted at any time for exceptional contributions, innovations, emergency service, or achievements that advance RHV's mission. These are recommended by the relevant Head of Department, endorsed by the CHRO, and approved by the CEO.

8. Allowances and Benefits

In addition to base salary, employees may receive the following where applicable to their role and grade, as specified in their contract:

- Housing allowance
- Transportation allowance
- Call/on-call allowance (clinical staff)
- Health insurance coverage under RHV's approved group health plan
- Pension contributions at the statutory employer rate (10%) in accordance with the Pension Reform Act 2014
- Other statutory benefits as required under Nigerian law

The specific allowances and benefits applicable to each grade are set out in the RHV Conditions of Service document, which forms part of every employment contract.

9. Payroll Administration

- Salaries are paid monthly on or before the last working day of the calendar month via direct bank transfer.
- Statutory deductions — including PAYE income tax, employee pension contributions (8%), and any other lawful deductions — are processed in full compliance with applicable law and remitted to the relevant authorities on schedule.
- Payslips are issued electronically to all employees on or before payment date, clearly itemising gross pay, all allowances, all deductions, and net pay.
- Any payroll errors identified by an employee must be reported to HR in writing within five (5) working days of payslip receipt. Errors will be corrected in the immediately following payroll cycle.

10. Salary Confidentiality

Individual salary information is confidential between the employee, HR, and relevant Management. Employees are expected to treat their own compensation as confidential and are strongly discouraged from disclosing their salary to colleagues. Employees in HR, Finance, or Management who breach salary confidentiality may be subject to disciplinary action.

11. Roles and Responsibilities

HR Department

Designs and administers the compensation framework; conducts job evaluations; processes payroll; ensures legal compliance; provides guidance to managers on compensation decisions.

Finance Department

Ensures payroll is processed accurately and on time; remits all statutory deductions; supports budget planning for compensation costs.

Department Heads

Conduct performance appraisals; recommend salary adjustments within approved budgets; escalate out-of-cycle requests to HR with written justification.

Employees

Understand and adhere to this policy; raise compensation queries formally in writing through HR; complete performance appraisal processes within the required timeframe.

12. Monitoring and Review

This policy is reviewed annually by the CHRO, in consultation with Finance. Material changes to salary structures, bonus pools, or benefit provisions require REMCO review and Board approval before implementation. All employees will be informed of significant policy changes affecting their compensation.