

YEAR-END MEETING
NORTH AMERICAN DIVISION COMMITTEE
 Battle Creek Michigan, The McCamly Plaza Hotel
 November 1, 2004, 8:00 a.m.

WORSHIP SERVICE

Song Service:	Willie L Taylor, President, Southeastern Conference
Prayer:	Noelene M Johnsson, Director, Children's Ministries
Scripture:	Michael F Cauley, President, Florida Conference
Introduction of Speaker:	Alvin M Kibble, Vice President, NAD
Sermonic Meditation:	Shelton E Kilby, III, Secretary, Southwest Region Conference
Sermon:	Walter L Pearson, Speaker-Director, Breath of Life, Inc.
Hymn of Assurance:	"There's Something About That Name"
Benediction:	J. Neville Harcombe, President, Chesapeake Conference

CALL TO ORDER

Don C Schneider, President of the North American Division, called to order the fourth meeting of the Year-end Meeting.

SEEDS PLUS! CONFERENCE

Russell Burrill, Director of the North American Division Evangelism Institute, and Marti Schneider, Director for Global Mission Programs, announced the SEEDS Plus! Conference which will be held on June 22-27, 2005, and which will address the international, very personal pandemic of HIV/AIDS. This conference will provide a thought-provoking challenge to those in all aspects of ministry.

COMn/NADCOA/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/
04YE to RJH

**508-04N DENOMINATIONALLY-OWNED STATIONS—
POLICY AMENDMENT**

VOTED, To amend NAD E 40, Denominationally-Owned Stations, to read as follows:

E 40 ~~Denominationally-Owned~~ Radio and Television Stations

The following objectives and guidelines have been adopted for ~~denominationally-owned stations~~ radio and television stations owned or operated by church entities:

E 40 05 Objectives—1. To present a well-rounded picture of genuine Christianity in harmony with Seventh-day Adventist philosophy and teaching through balanced programming, ~~including music, educational features, and religious programs of general benefit to the campus and community.~~

2. To present the station's programs in a professional and ethical manner that will reflect the standards mission of the ~~sponsoring institution and the Church at large.~~ Adventist Church.

3. ~~To provide experience for those involved in training in the fields of speech, communication, and evangelism.~~

4. ~~3.~~ To seek to lead persons nearer to God and the truth of His Word.

E 40 10 Programming Guidelines—1. The station shall ~~represent the denomination and the institution or organization as a whole, and not one section of it, in order that a balanced image may be presented to the community.~~ support the evangelistic work of the Church in its broadest sense, seeking to reach people for Jesus Christ and for the Adventist Church.

2. All programming shall be in accord with the standards of the industry and in harmony with the ~~policy~~ policies of the government agency granting the license for its operation.

3. In programming for the community ~~and in the training of personnel~~ the standards of the denomination ~~with respect to music, drama, talk programs, interviews, opinion, news, comment, etcetera,~~ shall be observed at all times.

4. Wherever possible, religious programming shall be provided from denominational sources. ~~Any deviation from this must receive the approval of the controlling board of the station.~~

5. ~~Great care shall be exercised in broadcasting programs which refer to internal controversial topics relating to Church doctrine, policy, or standards. All presentations should be positive and constructive rather than negative and divisive.~~

6. ~~5.~~ Special consideration shall be given to appropriate programs for Sabbath broadcasting.

E 40 15 Controlling Board Guidelines—1. A controlling board for the station shall be set up with the chair being appointed by the institution. To qualify for status as a denominational entity, the constituency of the station shall be members of the Seventh-day Adventist Church.

2. ~~This controlling board shall include the various sections of the institution or organization operating the station, as well as representation from the North American Division, union, or local Department of Communication as may be deemed most applicable, and further local denominational representation interested in the prosperity of the station. In the case of a university or college the board could include, apart from the chair, representatives from the~~

~~speech, theology, and music departments, the public relations office, the financial administration of the institution, the student association, station management, and the university or college church. The board of the station shall be appointed by the constituency. At least half of the constituency shall not be members of the board.~~

3. ~~The controlling board shall be appointed by the executive board or committee of the college, university, or other organization, and shall operate within the framework of policies determined in harmony with the guidelines for denominationally owned stations and in cooperation with the North American Division Communication Department. The station must be audited by the General Conference Auditing Service (GCAS) or a church-approved auditing agency or, as an alternative, be reviewed by a conference-approved group. (See P 62 05.)~~

PUC/EDn/SECn/GCHRS/TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/
NADUn&GCO04YE/04YE to RJH

512-04N TUITION ASSISTANCE FOR CHILDREN OF EMPLOYEES (TUITION ASSISTANCE)—POLICY AMENDMENT

VOTED, To amend NAD X 24, Tuition Assistance for Children of Employees, section X 24 05, Tuition Assistance, paragraph 17, to read as follows:

17. ~~Tuition assistance for studies through Home Study International is given after the course has been completed. Tuition assistance shall be provided for studies through Home Study International as per regular policy.~~ Tuition assistance is provided on credits that are earned through the College Level Examination Program (CLEP). The assistance on both is 35 percent whether or not the student is residing in a school dormitory.

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to RJH

539-04N LOCAL CHURCH AND SCHOOL EMPLOYEES— POLICY AMENDMENT

VOTED, To amend NAD X 50 05, Local Church and School Employees, to read as follows:

X 50 05 Local Church and School Employees—Some conferences have local church and elementary school personnel on their payroll with costs funded by the church or school. These employees are eligible to earn denominational service credit prior to January 1, 2000, and to participate in the defined contribution retirement plan if certain conditions are met (see Z 15 35 and Adventist Retirement Plan 2.01). The only benefits that the conferences provide such employees are ~~service credit~~ retirement participation and workers' compensation insurance.

04-108
November 1, 2004, a.m.
NAD Year-end Meeting

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to DLJ

**526-04N SERVICE AND AGE REQUIREMENTS (ELIGIBILITY)
[RETIREMENT PLAN]—POLICY AMENDMENT**

VOTED, To amend NAD Z 20 05, Service and Age Requirements, to read as follows:

Z 20 05 Service and Age Requirements—1. In order to be eligible for retirement benefits an employee must earn 10 full years of service credit unless the employee qualifies for vesting due to interdivision service as described in paragraph 4. An employee who retired from active service between January 1, 1981, and December 31, 1987, must have begun denominational service before attaining age 55 and must earn 10 full years of service credit before attaining normal retirement age. Employees who terminated denominational service prior to January 1, 1981, must have 15 full years of service credit. Those who began denominational service after attaining age 55 shall not receive service credit for periods prior to January 1, 1988. A person who was out of denominational service on January 1, 1981, and who has at least 10 years but less than 15 years of service credit shall have to earn at least two additional years of service credit or the difference between his/her service credit and 15 years, whichever is less, in order to be eligible for benefits. Up to ten years of service credit between January 1, 2000, and December 31, 2014, in the following plans shall be counted for vesting and minimum eligibility thresholds, and minimization of the early retirement benefit reduction: thresholds:

- a. The Adventist Retirement Plan.
- b. The Seventh-day Adventist Church Retirement Plan for Canadian Employees.
- c. A retirement plan operated by the Bermuda Conference.
- d. The Kettering Medical Center Retirement Plan for only those employed in the Kettering College of Medical Arts who were also employed in that organization as of December 31, 1999.
- e. The Regional Conference Retirement Plan for only those employed by an employer of the North American Division as of December 31, 1999.

2. *Normal Retirement Age* – No change

3. *Early Retirement*—~~An A vested~~ A vested employee who has attained age ~~62, and has earned at least 35 years of service credit~~ 59½ may retire at any time prior to his/her normal retirement age and thereupon shall be entitled to receive a retirement benefit in a monthly amount starting on the first day of the month following the date of his/her actual retirement from employment or the first day of the month ~~in which~~ after he/she attains the age of ~~62~~ 59½, if he/she is not in denominational service at that time. A reduction in retirement benefits shall apply in accordance with NAD Z 35 05-1 if such early retirement begins after December 31, 1999. (Minimum requirements prior to January 1, 2005, are age 62 and 35 years of service credit.)

4. *Vested Retirement* – No change
5. *Minimum Distribution Rule* – No change
6. *In-Service Distributions to Part-time Employees* – No change

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to DLJ

**537-04N MILITARY CHAPLAINS (ELIGIBILITY) [RETIREMENT PLAN]—
POLICY AMENDMENT**

VOTED, To amend NAD Z 20 50, Military Chaplains, to read as follows:

Z 20 50 Military Chaplains—When an ordained minister enters the military services as a denominationally approved chaplain the following shall apply:

1. *Service Record* – No change
2. *Government Pension*—A chaplain receiving a government pension for active duty, who has re-entered denominational employment and later applies for denominational retirement benefits is eligible for the difference between the denominational benefits and his/her government pension if the latter is less. However, a government pension for a reservist chaplain shall not be considered in calculating benefits. The same principle shall apply in the case of a surviving spouse, provided arrangements have been made for inclusion in the Survivor Benefit Program. Surviving spouse benefits for spouses of chaplains who terminated military service after December 31, 1994, shall be based on the maximum military Survivor Benefit Program.

TREn/NADOUP/NAD&UnTre04YE/NAD&UnSec04YE/NADUn&GCO04YE/04YE to DLJ

**554-04N NON DENOMINATIONALLY EMPLOYED CHAPLAIN
(ELIGIBILITY) [RETIREMENT PLAN]—POLICY AMENDMENT**

VOTED, To amend NAD Z 20 52, Non-Denominationally Employed Chaplain, to read as follows:

Z 20 52 ~~Non-Denominationally~~ Non Denominationally Employed Chaplain—Up to ten years of service credit between January 1, 2000, and December 31, 2014, shall be counted in this plan for ~~vesting, vesting and~~ minimum eligibility thresholds, ~~and minimization of the early retirement benefit reduction thresholds~~ for ~~non-denominationally~~ non denominationally employed chaplains under the following conditions:

1. They have obtained – No change

04-110

November 1, 2004, a.m.

NAD Year-end Meeting

2. They are classified – No change
3. They participate – No change

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to DLJ

**527-04N MONTHLY RATES (BENEFITS) [RETIREMENT PLAN]—
POLICY AMENDMENT**

VOTED, To amend NAD Z 35 05, Monthly Rates, paragraph 1, to read as follows:

1. *Rate Computation*—The monthly rate is the product of the employee's benefit rate factor (see 4, below) multiplied by his/her years of service credit (not in excess of 40), multiplied by the pension factor in effect as of the date of each payment. (For yearly rate factor purposes years above 40 may be counted.)

In the case of early retirement (see NAD Z 20 05-3) after December 31, 1999, benefits shall be reduced permanently by .5 percent for each month an employee's age is less than the normal retirement age (see NAD Z 20 05-2) or for each month service credit (including all service in the plans indicated in Z 20 05-1) is less than 40 years, whichever yields the greatest monthly benefit. In cases where an employee qualifies for early retirement prior to January 1, 2000, but does not retire until later, no reduction in benefits due to early retirement shall apply. Up to ten years of service credit earned in the plans indicated in Z 20 05-01 between January 1, 2000, and December 31, 2014, shall be counted in this plan for minimum eligibility ~~purposes and for minimizing applicable benefits reduction.~~ purposes.

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to DLJ

**524-04N TRANSITIONAL ENHANCEMENT (BENEFITS)
[RETIREMENT PLAN]—POLICY AMENDMENT**

VOTED, To amend NAD Z 35 06, Transitional Enhancement, to read as follows:

Z 35 06 Transitional Enhancement—Employees eligible to begin receiving benefits from this plan ~~before January 1, 2020~~ may be eligible for a transitional enhancement. The single life annuity for service prior to January 1, 2000 will be added to a single life annuity based on an estimate of the Adventist Retirement Plan employer-provided accumulation using actual employer Basic and Match contributions, and actual quarterly performance of the Socially Screened Moderate allocation model as defined by the Adventist Retirement Plan, irrespective of the allocation model selected by the employee and converted to an annuity using inflation and investment return assumptions currently in place by the Plan's actuary. If that combined monthly benefit is less than the single life annuity would have been had the employee completed his/her

career under this plan, this plan will "top up" the single life annuity with a transitional enhancement by the amount of the estimated loss.

TREn/NAD&UnTre04YE/NADUn&GCO04YE/04YE to JRP

520-04N ADVENTIST REVIEW—NAD EDITION

VOTED, To approve an increase of 4.79% per subscription for the NAD edition of the *Adventist Review*, increasing the dollar figure from \$5.84 to \$6.12.

TREn/NADOUP/NAD&UnTre04YE/04YE to JRP

516-04N SPECIAL ASSISTANCE FUND ALLOCATIONS 2005

VOTED, To approve the following schedule for the Special Assistance Fund to Conferences for 2005:

	Assistance On Basis Of tithe Per Capita	Assistance on Basis of Total Tithe	Special Assistance	Reduction by Policy Limitation	Total Assistance 2005	Total Assistance 2004
Atlantic Union						
Greater New York			75,000 s		75,000	75,000
New York	455		30,000 @	(455)	60,000	60,000
			30,000 s			
Northeastern	109,161		250,000	(109,161) +	250,000	250,000
Total	109,616		385,000	(109,616)	385,000	385,000
Canada, SDA Church in						
Alberta	18,349		13,700 s		32,049	84,755
British Columbia	24,580		13,700 s	(24,580)	13,700	55,994
Manitoba-Saskatchewan	21,071	277,876	13,600 s		312,547	333,950
Maritime	8,752	443,044			451,796	481,132
Ontario	85,271				85,271	259,026
Quebec	109,631	204,165			313,796	347,628
Newfoundland	20,211	570,848		(241,301) #	349,758	295,667
Total	287,865	1,495,933	391,000	(265,881)	1,908,917	2,208,152
Columbia Union						
Allegheny East			30,000 @		30,000	30,000
Allegheny West	287,440				287,440	292,015
Mountain View		279,564			279,564	252,209
Total	287,440	279,564	30,000		597,004	574,224

04-112
 November 1, 2004, a.m.
 NAD Year-end Meeting

	Assistance On Basis Of tithe Per Capita	Assistance on Basis of Total Tithe	Special Assistance	Reduction by Policy Limitation	Total Assistance 2005	Total Assistance 2004
Lake Union						
Lake Region	842,482				842,482	845,510
Total	842,482				842,482	845,510
Mid-America Union						
Central States	517,808				517,808	475,051
Dakota		30,929	30,000 @		60,929	75,419
			s			
Kansas-Nebraska			30,000 @		30,000	30,000
Total	517,808	30,929	1,400,000		608,737	580,470
North Pacific Union						
Alaska		48,232	75,000 s		123,232	110,432
Montana	5	104,850	30,000 @		134,855	130,475
Union Regional Min			75,423		75,423	47,466
Total	5	153,082	180,423		333,510	288,373
Pacific Union						
Arizona	192,302				192,302	194,002
Central California	5,379			(5,379) +		
Hawaii			75,000 @		105,000	105,000
			30,000 s			
Nevada-Utah			30,000 s		30,000	30,000
Southeastern California	353,431			(275,422) a+	78,009	
Southern California	579,432			(319,623) a	259,809	325,751
Union Regional Min			1,070,560 s		1,070,560	1,145,770
Total	1,130,544		1,205,560	(600,424)	1,735,680	1,800,523
Southern Union						
South Atlantic	381,108				381,108	503,488
South Central	956,618				956,618	831,067
Southeastern	873,053				873,053	735,890
Total	2,210,779				2,210,779	2,070,445
Southwestern Union						
Oklahoma	5,618		30,000 s		35,618	35,921
Southwest Region	573,036				573,036	607,445
Texico	102,358				102,358	54,318
Total	681,012		30,000		711,012	697,684
Grand Total	<u>6,067,551</u>	<u>1,959,508</u>	<u>2,361,983</u>	<u>(975,921)</u>	<u>9,333,121</u>	<u>9,450,381</u>

Notes:

1. Minimum Annual Tithe: \$3,204,000 (2004 factor [\$3,579] divided by 2003 factor [\$3,505] = 102.111% x \$3,132,000 rounded up to next amount divided by 12 in the thousands column)
2. Tithe per Capita: \$760
3. For 2005, local conferences and missions will contribute 1% of annual tithe receipts in excess of \$3,204,000

Special Assistance

- @ Academy Assistance per qualifying formula.
- s Special non-formula assistance.

Limitations

- # 100% of total tithe for previous year if membership less than 1,000.
- = 15% of tithe shortage if membership over 15,000.
- + No assistance if tithe in excess of \$6,408,000 unless tithe per capita is less than \$684 (\$760 - \$76).
- & No assistance if assistance calculation results in less than \$5,000.
- * Reported membership adjusted.
- a Reduction for Southeastern California and Southern California Conferences is the difference between the calculation as shown based on total membership and tithe and a calculation without regional membership and tithe for these conferences. Regional tithe and membership for Southeastern California and Southern California are included in the "Special Assistance" amount for Union Regional Ministries.

TREn/NADOUP/NAD&UnTre04YE/04YE to JRP

**515-04N REGIONAL CAPITAL REVERSION FUND
ALLOCATIONS 2005**

VOTED, To approve the allocation of Regional Capital Reversion funds available for 2005, as follows:

South Atlantic Conference	33.3%
South Central Conference	33.3%
Southeastern Conference	33.4%

04-114
 November 1, 2004, a.m.
 NAD Year-end Meeting

TREn/NADOUP/NAD&UnTre04YE/NADUn&GCO04YE/04YE to JRP

514-04N FINANCIAL ALLOTMENTS 2005

VOTED, To approve the following financial allotments for 2005:

OAKWOOD COLLEGE

<u>ORGANIZATION</u>	<u>2003 TITHE</u>	<u>2005 ALLOTMENT (3.0% OF TITHE)</u>
Atlantic Union		
Northeastern Conference	31,289,366	938,681
Columbia Union		
Allegheny East Conference (2.125%)	24,066,577	511,415
Allegheny West Conference	<u>6,004,103</u>	<u>180,123</u>
	30,070,680	691,538
Lake Union		
Lake Region Conference	11,278,665	338,360
Mid-America Union		
Central States Conference	3,870,706	116,121
North Pacific Union		
Alaska Conference Churches	128,279	3,848
Oregon Conference Churches	282,940	8,488
Upper Columbia Conference Churches	106,062	3,182
Washington Conference Churches	<u>874,873</u>	<u>26,246</u>
	1,392,154	41,764
Pacific Union		
Arizona Conference Churches	439,687	13,191
Central California Conference Churches	1,065,989	31,980
Hawaii	47,119	1,414
Nevada-Utah Conference Churches	739,650	22,190
Northern California Conference Churches	2,277,974	68,339
Southeastern California Conference Churches	2,383,191	71,496
Southern California Conference Churches	<u>5,130,265</u>	<u>153,908</u>
	12,083,875	362,518
Southern Union		
South Atlantic Conference	16,417,864	492,536
South Central Conference (5.0%)	14,169,384	708,469
Southeastern Conference	<u>15,072,239</u>	<u>452,167</u>
	45,659,487	1,653,172

<u>ORGANIZATION</u>	<u>2003 TITHE</u>	<u>2005 ALLOTMENT (3.0% OF TITHE)</u>
Southwestern Union Southwest Region Conference	<u>8,945,033</u>	<u>268,351</u>
Totals	<u>144,589,966</u>	<u>4,410,505</u>

Retire/NADCOA/NADOUP/NAD&UnTre04YE/NAD&UnSec04YE/NADUn&GCO04YE/
04YE to DLJ

507-04N SURVIVING SPOUSE BENEFIT (HOSPITAL RETIREMENT PLAN)—POLICY AMENDMENT

VOTED, To amend Section 3.7, Surviving Spouse Benefit, Seventh-day Adventist Hospital Retirement Plan, paragraph (e), to read as follows:

Section 3.7 *Surviving Spouse Benefit*

(e) Notwithstanding any other provision of this Plan, no Surviving Spouse Benefit shall be payable under this Section 3.7 to any surviving spouse (including a former spouse) unless all of the requirements for receiving such Surviving Spouse Benefit, including the death of the Participant, occurred prior to January 1, ~~1992~~ 1992, or the retirement age of the surviving spouse occurred after December 31, 2003.

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to DLJ

525-04N ADVENTIST RETIREMENT PLAN LEGAL DOCUMENT—AMENDMENT

VOTED, To request the Adventist Retirement Plan Board to amend the following paragraphs in the Adventist Retirement Plan Legal Document, to read as follows:

1.38 Retirement. The term "Retirement" shall mean the termination of employment with a Participating Employer for reason other than death after a Participant has attained age ~~62~~ 59½. Retirement shall be considered as commencing on the day immediately following a Participant's last day of employment (or authorized leave of absence, if later).

8.01 Retirement Benefits. A Participant shall be entitled to a distribution of retirement benefits under this Plan following his/her retirement or separation from service with a Participating Employer after attaining age ~~62~~ 59½. A Participant, with the written consent of his/her Spouse, may elect to receive payment of his/her Retirement Benefits in either of the forms of payment options described in Section 9.01. Distributions pursuant to this Section 8.01 shall

04-116

November 1, 2004, a.m.
NAD Year-end Meeting

not be made earlier than 90 days following the later of the date the Participant retires or separates from service or the date of the most recent contribution to the Plan made on behalf of such Participant.

8.03 Pre-Retirement Termination Benefits.

(a) A Participant who separates from service with a Participating Employer prior to age ~~62~~ 59½ shall be entitled to benefits under Section 9.01 as of the first month following his/her attainment of age ~~62~~ 59½.

(b) A Participant who separates from service with a Participating Employer shall not be entitled to benefits under this Section 8.02 prior to his/her attainment of age ~~62~~ 59½ except as follows:

8.04 Disability Benefits. A Participant who, prior to attaining age ~~62~~ 59½, becomes eligible for disability benefits from his/her Participating Employer's long-term disability insurance plan or is determined, under Title II or XVI of the Social Security Act, to be disabled, shall be entitled to receive a distribution of his/her entire Account balance in the form provided pursuant to Section 9.01. Notwithstanding anything contained herein to the contrary, a Participant shall not be entitled to receive as a disability benefit under this Section 8.04 any portion of his/her Account balance attributable to Salary Reduction Contributions unless he/she suffers a total and presumably permanent disability such that he/she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.

8.06 Cash-Out of Small Accounts. Notwithstanding any other provision of this Plan and subject to the provisions of Section 8.11, the Board may, in its sole discretion, require payment in a lump sum of the total value of the Account of any Participant who separates from service prior to attaining age ~~62~~ 59½ if the amount in such Participant's Basic Contributions Account and Matching Contributions Account as of the date of the Participant's separation from service is less than five thousand dollars (\$5,000.00).

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to RJH

536-04N TRANSFER AND RETIREMENT GIFTS— GUIDELINES AMENDMENT

VOTED, To amend the guideline, Transfer and Retirement Gifts, to read as follows:

TRANSFER AND RETIREMENT GIFTS

1. Employees who serve in conference offices and institutions and who transfer to another denominational organization, resign, or retire may be granted a farewell gift, calculated as

a percentage of ~~Category A~~ Remuneration Factor rounded off to the nearest \$5, according to the following schedule of service in that organization:

Remuneration Scale Percentage	Percentage Per Year	Maximum Percentage
102% and above	4.0% per year of service	20%
98% to 101%	3.0% per year of service	15%
Below 97%	2.0% per year of service	10%

2. Employees who receive a termination settlement are excluded from this provision.
3. This gift is taxable income.

TREn/NADOUP/NAD&UnSec04YE/NAD&UnTre04YE/NADUn&GCO04YE/04YE to RJH

518-04N COMMUNITY BASED REMUNERATION OF NON EXEMPT EMPLOYEES—NEW GUIDELINE

VOTED, To adopt a new guideline, Community Based Remuneration of Non Exempt Employees, which reads as follows:

Community Based Remuneration of Non Exempt Employees

The North American Division encourages the community based, market-oriented remuneration for non exempt employees. A well-balanced system could provide fair and equitable remuneration that can impact recruitment and retention of employees. However, in order to successfully implement such a system, denominational organizations should consider that implementation requires extensive planning, adequate oversight, and thorough review.

Market-based compensation for non-exempt employees requires major commitment by administration over a multi-year process, approximately three years, preferably placed in the hands of an individual who can commit the time that will insure success. Organizations planning to implement a community-based remuneration for non exempt employees should consider the following:

1. Develop job descriptions that will help determine the level of compensation without regards to present employee's personalities or skill set.
2. Obtain the services of a compensation specialist that will assist in analyzing benchmark positions against similar external entities.

04-118
November 1, 2004, a.m.
NAD Year-end Meeting

3. Establish core positions that need to be identified and used as benchmarks. Core positions are essential support functions classified for non-exempt compensation.
4. Establish grades to classify the core positions already identified. Select a point within the grades as the maximum remuneration.
5. Cluster similar positions within minimums and maximums by weighing external (market) values with internal (denominational) values. Establish grades, ranges, and steps to reach the maximum remuneration based on merit rather than seniority.
6. Avoid setting the levels of compensation based on the personality or skill set of present employees.
7. A transitional remuneration enhancement may be needed in order to reclassify employees within grades without a loss of pay. A once-a-year bonus may elicit cooperation and good will during the transition.
8. Conduct an annual internal review of the program and insure it keeps pace with the local job market. Engage the services of a compensation specialist to conduct an intensive market-wide review every three years.
9. Extensive communication throughout the process is vital to the success of the program.
10. Consult with the Department of Human Resources of the General Conference for the names of compensation specialists.

It is not the intention of this guideline to provide opportunity to pay beyond pay scale for higher education.

PRAYER Daniel R Jackson, President, The Seventh-day Adventist Church in Canada

ADJOURNMENT

Don C Schneider, Chair
Roscoe J Howard, III, Secretary
Kenneth W Osborn, Editorial Secretary
Esther Jones, Recording Secretary