



Compensation At-a-Glance

Introduction

On July 1st, 2024, managers will now have visibility to pay ranges and Compensation details through Workday when processing a requisition or a promotion.

This document is a summary that provides **managers' pay guidance that would help in making** informed pay decisions.

As always, individual pay decisions should include input from the appropriate HR business partner.

Pay Ranges in Workday

Workday shows a pay range relative to a minimum and maximum value. The pay ranges in Workday represent Medline's evaluation of the Market Value and internal worth of an employee's job. This range is NOT determined by capturing the lowest rate of pay or highest rate of pay of Medline employees holding a job.

Pay ranges reflect hourly base pay rates for hourly employees and annualized salaries for salaried employees. To define the job's Market Value, the HR Compensation team benchmarks jobs against the prevailing market rates for comparable jobs in similar organizations.

Start Rates

Certain jobs at Medline have been assigned a specific start rate. Local leadership, HR business partners, and talent acquisition, are aware of these jobs and rates. Start rates are higher than range minimums and reflect specific local labor market rates. Range minimums in Workday do not replace start rates.

Pay Ranges

Medline reviews Pay Ranges annually to ensure competitiveness and are based on job responsibilities from the job description.

Pay ranges are a set boundary for compensation that identifies the minimum and maximum amount of pay for a specific job. The midpoint of a range is the mathematical halfway point between the minimum and maximum amount.



Pay in Range Guidance

When reviewing where an employee should be in range, managers should review factors such as experience, level of expertise, skills, development in role, internal equity, budget, and career growth.

For **internal equity**, managers should consider the pay recommendation compared to those in the same or similar positions, with similar skillset and experience.

As general guidance, pay ranges are divided into three areas, to facilitate an appropriate placement. Work with your HR business partner as criteria may vary depending on the division.

Remember that progression in range occurs **over time with impactful results and long-term consistent performance**.

Near lower end of Range:

- New to the role
- Developing skills, knowledge and experience required to perform all job duties
- Has limited or no direct related experience

Near Midpoint of Range:

- Possesses skills, knowledge and experience required to perform all job duties
- Consistently exhibits desired competency levels
- Performs at a fully satisfactory level and is proficient



Compensation At-a-Glance

Near high end of Range:

- Has complete and broad-based knowledge of the role and impact to related areas
- Holds specialized skills that are transferable and will add significant value to the organization
- Serves as expert resource and/or role model/mentor to others or to other areas
- Consistently exhibits a high performance over multiple years

Range Movement Guidance

Leaders should consider performance, internal equity, etc. when deciding on a pay recommendation.

- **Promotions** can vary but are usually between 7-10% in base pay increases. For jobs that are incentive eligible, a promotion may also include an incentive increase. Jobs are assigned a specific incentive cap.
- **Lateral moves** most likely will not be attached to a compensation change, but on rare occasions could be as high as a 5% base pay increase, depending on current pay in range and internal equity.
- **Demotions** for performance are likely to result in a pay decrease. Demotions to gain broader professional experience generally should not result in a pay decrease. Work with your HR and Compensation business partner to determine the appropriate changes in pay.

Geographic Range Indicators (GRI)

Medline's pay ranges are adjusted based on the geography where an employee works. Geographic differentials, otherwise known as Geographic Range Indicators (GRI), are a difference in pay for the same job based on the cost of labor in various regions of the country.

Workday automatically applies the correct pay ranges based on the work location of the

employee. Managers should ensure the positions in their organization are assigned to the correct Medline location.

Medline currently has five differentials assigned to each one of our locations: 80%, 90%, 100% (*considered US national average*), 110%, or 120%. The percentages represent the cost of labor compared to the US national average.

Note that GRI does not apply to Pay Grades 30 and above.

Discussing Pay Ranges

Medline will provide managers with additional training in Medline's approach towards pay. If an employee asks about their pay range, managers should be willing to answer those questions. Managers should not feel like they need to respond, "in the moment", but should consult with their HR partner prior to talking about pay ranges with their employees.

Best Practices Regarding Pay Ranges

- Pay employees within the range assigned to their job
- Avoid jumping to immediate conclusions assuming an employee's pay needs to be adjusted because they may be paid lower in the range
- Recognize the relative pay position of another employee on the team when making a pay decision
- Consult with your HR business partner before proposing pay decisions as they will also be involved in the approval workflow
- Avoid comparing Medline ranges and structure with information located on external career sites like Glassdoor, Indeed, etc. This crowd sourced data loses validity as does not include the person's background, total compensation package, company's target pay philosophy, internal equity of the person's team, etc.

For any additional questions or feedback please contact your HR Business Partner.