

Minimum Wage & Start Rate Manager FAQ

Over the past year, we have worked to develop a scalable, sustainable solution to the rising minimum wage. Through this process, we have divided our hourly roles into two segments: skilled/trades and front-line/support. Based on the segmentation, we have defined differentials from the VR minimum wage to determine start rates for each career stage. In addition, we have eliminated some career stages and redefined requirements for others.

The following information will provide you with the overall understanding or the methodology and answer key questions. Specific ranges and start rates will be provided to your HR Business Partners and Talent Acquisition recruiters.

Q What are the VR minimum wages for FY19?

A The table below outlines the VR minimum wages.

State	2019 State	FY19 Vail Resorts	2019 Tipped Roles
California	\$12.00	\$12.25	\$12.00
Colorado	\$11.10	\$12.25	\$8.08
Michigan*	\$9.25	\$10.75	\$3.52
Minnesota*	\$9.65	\$11.25	\$9.65
Utah	\$7.25	\$12.25	\$2.13
Vermont*	\$10.50	\$12.00	\$5.25
Washington	\$11.50	\$12.25	\$5.25
Wisconsin	\$7.25	\$10.75	\$2.33
Wyoming	\$7.25	\$9.25	\$2.13
Province	2019 Province	FY19 Vail Resorts	2019 Liquor Server Roles
British Columbia	\$12.65	\$13.00	\$11.40

*2019 minimum wage to be indexed on inflation – not final

Q What functions fall into each segment?

A The table below outlines the segments by function.

Skilled/Trades		Front-Line/Support	
Culinary	Stables	Banquets	PSS
Bike Patrol	Terrain Park	Clubs	Recreation
Building Maintenance	Children’s Center	F&B Support	Scanning
Grooming	Fleet Maintenance	Fitness/Spa	Tube Park
Lift Maintenance	Driving	Front of House	Equipment Ops
Ski/Snow School	Ski/Bike Patrol	Golf Course Maintenance	Grounds Maintenance
Competition Services	Equipment Maintenance	Guest Services	Roads & Parking
Heli Ski	EpicDiscovery	Lift Operations	Snowmaking
Security	Bike Mechanic	Mountain Safety	Trail Maintenance
Boot/Bike Fitter		Nordic Center	Warehouse
		Photography	Golf Services

Q How were segments determined?

A Segments were determined primarily based on the skills, knowledge, or requirements necessary to work in the function. Not all jobs within each skilled/trades function are deemed as such and may not follow the same differentials. Just because a job is not listed in the skills segment, does not indicate that there are no skills required to complete the job.

Q What is a pay differential?

A A pay differential is the increase in pay from the minimum wage to the new start rate. For instance, if the differential for a job in Colorado is \$1.00, the new start rate for that job is \$13.25 (\$12.25 plus \$1.00). If the next career stage differential is \$1.50, the new start rate for that career stage is \$13.75 (\$12.25 plus \$1.50).

Q How are differentials determined?

A To determine differentials for skilled/trades jobs, a review of market data, current start rates, and applicable division between career stages was reviewed to determine the necessary differential. For front-line/support functions, most differentials are \$0.50 with a few exceptions. Differentials set for FY19 will be reviewed and may be revised in subsequent years.

Q Were differentials determined for all jobs?

A No. Only those functions where the new minimum wage had a direct impact on the start rates were new differentials defined. Functions such as vehicle, fleet, and building maintenance may not have been impacted by the new minimum wages and will be reviewed over the course of FY19 with any recommendations going into effect in FY20.

Q How do I obtain my resorts new start rates?

A Start rates are provided to Human Resources and Talent Acquisition. Please work with your local HR Business Partner or Talent Acquisition Recruiter for any questions regarding start rates.

Q What if my resort already uses a start rate above the new differential?

A Differentials were used to award budget dollars. If your resort already uses a higher start rate, they will continue to use that start rate and returning employees will earn merit based on their prior year performance.

Q What rate do returning employees earn?

A Returning employees will earn the greater of merit or the new start rate for their respective job. For instance, if a lift operator in Colorado earned \$11 in FY18 and returns in FY19 as a lift operator, they will earn \$12.25 (increase of 11%). However, if they move to a Lead in lift operations, they will earn \$13.25 (new Lead start rate). If an employee earned \$12 as a lift operator in FY18 and returns as a lift operator in FY19, they would earn \$12.36 (3% merit assuming an Achieves Expectations performance rating).

Q Did the pay ranges change?

A Yes. In order to build a scalable model, we have updated the pay ranges and made them wider for FY19. This will allow us to bring the bottom up, decreasing the range width over the next few years as minimum wage continues to increase without requiring us to completely redefine the ranges each year.

Q What is the difference between a start rate and a pay range?

A The start rate is the minimum we should pay for an employee newly hired or promoted into the career stage with no prior experience at that level. This may or may not be the minimum of the pay range. The pay range defines a range that can be used to differentiate pay for those individuals that have prior skills, knowledge or experience and should be paid higher than the starting rate. For any exceptions to hiring above the start rate, please work with your local HR Business Partner.

Q What merit is awarded for each performance rating?

A The following table defines merit increases.

Performance Rating	Merit Increase
Meets Some	0%
Meets Most	2%
Achieves	3%
Exceeds	3.5%
Greatly Exceeds	4.5%

Q What career stages are changing for FY19?

A For front-line/support functions, the Intermediate career stage will no longer exist. We will now have an entry level job (i.e., Lift Operator or PSS Agent) followed by a Lead or Advanced role (i.e., Lead: Lift Operator or Adv: PSS). For skilled or trades jobs, there will be no change to career stages.

Q How do I progress my employees through the pay range and/or career stages?

A Movement within the range is earned through merit and market adjustments based on performance and potential. If employee's were on a step progression program (WB) prior to this year, they will no longer move up in steps each year they return, but will earn either the new start rate or merit increase if they return in the same career stage. To progress through career stages, the employee must meet the requirements of the next career stage and be promoted into the new career stage. At that time, they will earn the new start rate for the new career stage. In all cases, local HR Business Partners should be consulted to help with the process and promotions and market adjustments should be entered using the Manager Action Center.

Q How do I manage compression with my long tenured employees?

A Please work with your local HR Business Partner for guidance on any compression concerns.

Q Why didn't my department or role receive an increase when so many other did?

A Every year we make investments in compensation and while we can't address everything in a single year, we try to be strategic with what we do and will continue to make changes going forward based on the highest needs of the business.

Q What if my employee's hourly rate of pay is above the maximum of the range?

A If an employee is over the maximum of their pay range, ensure they are in the appropriate job code for their job duties and relative experience. If you need assistance making this determination, please reach out to your local HR business partner. If the employee is in the appropriate job, this may show that their pay is at the top end of the market for their job. Help the employee understand that their pay is at the high end of the range and that they will not be eligible to receive a merit increase this year. Use this opportunity to discuss with the employee the importance of development and taking on additional responsibilities to increase their earning potential.

Q Will we give merit increases to employees over the maximum of the range (redlined)?

A If an employee is redlined they will not be eligible to receive a merit or cost of living increase.

Q How are the new minimum wages, differentials and merit increases applied?

A For active employees as of September 22, 2018, the Compensation Team will increase employees to the new minimum wage, differential or apply merit increase with the support of the local HR Business Partners. For any employee hired after September 22, 2018, managers are responsible for ensuring the employee's new hourly rate meets the new minimum wage, start rate or includes merit (whichever is greater). In addition, The Compensation Team will be partnering with HR Business Partners to remap positions where the intermediate career stage is being eliminated.

Q What if an employee's increase is missed?

A The Compensation Team will continue to monitor new and rehired employees to ensure they are paid the correct amount. The team will also audit for exceptions to the new start rates to inform changes that may be necessary for FY20. If an employee's increase is missed, we will work with managers to get it updated and ensure they earn any retro payments due.

Q If I have specific questions or scenarios I want to discuss, who should I contact?

A Please connect with your local HR business partner to discuss concerns or questions.