



Group Health Cooperative  
Board of Trustees  
**POLICY**

Number: 100-210  
Adopted: 5/12/99  
Revised: 12/15/10  
Last Review: 12/15/10

**SUBJECT: Board of Trustees Compensation**

**POLICY:** The Standing Nominating Committee of the Membership (SNC) shall approve the amount of compensation paid to trustees for their service on the Board of Trustees. The amount shall not exceed reasonable compensation.

Any member of the Board of Trustees may decline compensation.

The Board of Trustees Office, at the direction of the president and chief executive officer, shall ensure that compensation is paid in accordance with this policy.

**EXPLANATION:**

Payment of reasonable compensation represents recognition of trustee service to Group Health Cooperative.

**RESPONSIBILITIES:**

**I. Compensation Amount**

The SNC is responsible for determining the amount of compensation that will be paid to trustees. The SNC shall develop and use a compensation philosophy to guide decisions related to Board compensation. The SNC shall periodically review the philosophy and update it as needed.

Compensation decisions made by the SNC will be documented in the committee's minutes. The amount of Board compensation shall be made available on the organization's Web site and to interested parties upon request.

**II. Payment Process**

A method of periodic payments will be used based on its convenience, uniformity of payments, and simplicity of administration.

Members of the Board shall be compensated for each month in which service is provided to the Cooperative in their capacity as a trustee. Compensation will be paid on a quarterly basis.

- A. The Finance Division shall ensure that the quarterly payments are reported in accordance with legal requirements. Payments are to be reported on Form 1099.
- B. Quarterly payments, which compensate for the preceding three months of service, will be made in the months of April, July, October, and January.

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### **III. Periodic Review of Board Compensation**

- A. At least every three years, and more frequently if deemed necessary by the SNC, Group Health will obtain from an independent compensation consultant a survey and analysis of the Board compensation practices of similar organizations and forward the survey results to the SNC for review and determination as to any changes in the compensation amount. The survey results will also be shared with the Officers' Group.
- B. At its discretion, the SNC may obtain further analysis or consultation from an independent compensation consultant and input from the Cooperative officers before making a final determination as to any changes in the amount of compensation. The SNC shall also determine the effective date of any adjustments in the compensation.
- C. The Cooperative Development Committee will be informed in a timely manner of the SNC's compensation review and any action taken.

### **IV. Vacancies**

Trustees who serve a partial term on the Board shall be paid a pro-rated amount of compensation for time served.

### **V. Acceptance/Declination of Compensation**

- A. At the end of each calendar year, all trustees with terms continuing into the next year will be offered the opportunity to decline the annual compensation to be paid for the following year of service. The Board of Trustees Office will distribute an election form to all eligible trustees on or around November 1, and the signed form must be on file by December 31.
- B. Trustees who want to change their decision after the new year has already started should contact the Board of Trustees Office for assistance.

Previous Revisions 4/14/04, 7/13/05, 12/12/07, 6/10/09