

Compensation Planning Year-End Strategic Checklist



PHASE 01

Foundational Review & Data Integrity

- ☐ Review compensation philosophy
- ☐ Audit job architecture
- ☐ Review internal equity
- ☐ Review employee demographics
- ☐ Validate employee data

PHASE 05

Governance & Compliance

- ☐ Review pay transparency readiness
- ☐ Assess compensation program risks
- ☐ Audit legal compliance
- ☐ Board or committee review
- ☐ Secure documentation

PHASE 02

External Market Competitiveness

- ☐ Conduct market benchmarking
- ☐ Identify market adjustment needs
- ☐ Evaluate pay structure ranges
- ☐ Assess benefits and total rewards competitiveness
- ☐ Evaluate geographic pay practices

PHASE 06

Communication & Change Management

- ☐ Build a communication strategy
- ☐ Train people managers
- ☐ Prepare total rewards statements
- ☐ Measure employee understanding

PHASE 03

Budget & Compensation Strategy

- ☐ Model multiple budget scenarios
- ☐ Plan promotion and equity adjustment budgets
- ☐ Review pay-for-performance outcomes
- ☐ Set compensation budget
- ☐ Review merit matrix effectiveness
- ☐ Assess cost-of-living adjustments (COLA)
- ☐ Finalize incentive plan targets

PHASE 07

HRIS & System Readiness

- ☐ Update HRIS and payroll systems
- ☐ Verify incentive tracking
- ☐ Conduct end-to-end compensation cycle testing

PHASE 04

Talent Strategy & Retention

- ☐ Identify retention risks
- ☐ Review critical skills premiums
- ☐ Assess hiring competitiveness
- ☐ Incorporate AI and skills-based workforce planning
- ☐ Develop succession plans
- ☐ Review career pathing

PHASE 08

Post-Implementation Review

- ☐ Measure budget-to-actual compensation spend
- ☐ Analyze turnover, retention, and hiring outcomes
- ☐ Evaluate pay equity results
- ☐ Assess employee and manager feedback
- ☐ Review market positioning
- ☐ Identify lessons learned
- ☐ Document recommendations for the next cycle