



New-Hire Pay Exception Approval Form

Before an above-range offer goes out: internal equity review, compression impact, justification, and a named approver.

WHAT THIS HELPS YOU DO

Use this form whenever a proposed offer exceeds the posted range or leapfrogs current employees — so the exception is justified, its compression impact is priced, and someone with authority owns the decision.

WHEN TO USE THIS DOCUMENT

- Before any offer above the range or above similarly situated incumbents
- When a hiring manager says 'we'll lose the candidate' over pay
- When counteroffers push an internal candidate's pay out of line
- Before sign-on bonuses substitute for base adjustments
- Any time recruiting and compensation disagree

WHAT THIS DOCUMENT HELPS PREVENT

- One urgent hire silently repricing an entire team
- Exceptions that become the de facto new range with no decision ever made
- Pay equity exposure from undocumented deviations
- Hiring managers making compensation policy one offer at a time
- The compression audit you'll otherwise need next year

Faulkner HR Solutions focuses on the system behind the people problem. This tool is designed to help employers slow down the decision, identify the risk, and create proof before the issue becomes a claim, complaint, turnover event, or credibility problem.

BEFORE YOU START: READINESS CHECKLIST

Gather the following before working through this document. Incomplete inputs are one of the most common reasons employer decisions fail under later scrutiny.

Have it	Input	Notes / location
<input type="checkbox"/>	Employee name and role	
<input type="checkbox"/>	Date of incident, request, or separation	



Have it	Input	Notes / location
<input type="checkbox"/>	Supervisor involved	
<input type="checkbox"/>	Policy or handbook section that applies	
<input type="checkbox"/>	Prior documentation on file	
<input type="checkbox"/>	Pay records, if applicable	
<input type="checkbox"/>	Relevant emails, texts, notes, or complaints	
<input type="checkbox"/>	Decision-maker name	
<input type="checkbox"/>	Deadline, if applicable	



EXCEPTION APPROVAL FORM

The question is never just 'is this candidate worth it?' It's 'what does this offer do to everyone already here — and who is authorizing that?' One form per exception.

Part 1 — Proposed Offer

Candidate and position	
Posted/approved range (min - mid - max)	
Proposed base rate and where it sits in the range (%)	
Other elements (sign-on, guarantee, equity, relocation)	
Hiring manager and recruiter	

Part 2 — Justification

Applies	Justification (attach evidence, not adjectives)	Evidence
<input type="checkbox"/>	Documented market data for this skill set (source and date)	
<input type="checkbox"/>	Scarce certification, license, or niche experience	
<input type="checkbox"/>	Candidate's verified current compensation exceeds range	
<input type="checkbox"/>	Failed searches at the current range (how many, over what period)	
<input type="checkbox"/>	Critical vacancy cost exceeds the exception cost (show the math)	

Part 3 — Internal Equity Review

List every current employee in the same or similar role. This table is the heart of the form.

Employee	Tenure	Current pay	vs. proposed offer	Performance level	Flight risk if discovered



Part 4 — Compression Impact and Remedy

Employees the offer would leapfrog or crowd (count)	
Cost to adjust affected incumbents to restore differentials	
Total true cost of the exception (offer premium + adjustments)	
Remedy plan: adjust now / phase by (date) / accept the gap because (reason)	

Part 5 — Alternatives Considered

Considered	Alternative	Why rejected / selected
<input type="checkbox"/>	One-time sign-on bonus instead of base (no permanent compression)	
<input type="checkbox"/>	Hire at range max with a defined 6-month review	
<input type="checkbox"/>	Re-scope the role or re-level the position formally	
<input type="checkbox"/>	Update the whole range (the honest fix if market moved)	
<input type="checkbox"/>	Pass on the candidate	

Part 6 — Approval

Approval authority for exceptions of this size (per policy)	
Decision (approved / approved with remedy / denied)	
Conditions attached	
Range review triggered? (if this is the 2nd+ exception for this role)	

Role	Name / signature	Date
Hiring manager		
HR / compensation		
Approval authority		



STOP AND REVIEW BEFORE ACTING

If any statement below is true, pause. Get the decision reviewed by HR, counsel, or Faulkner HR Solutions before you act.

- This is the second exception for the same role this year — the range is wrong, not the candidates.
- The equity table shows women or minorities clustered below the proposed offer in the same role.
- The remedy plan is 'they won't find out.'
- A sign-on bonus is being used to hide a permanent market gap.
- The approver and the requester are the same person.

MINIMUM DOCUMENTATION STANDARD

Before this file is closed, the employer should be able to answer every question below and point to where the proof lives.

Question	Your answer / where the proof is stored
What happened?	
When did it happen?	
Who observed or reported it?	
What policy, standard, deadline, or expectation applies?	
What decision was made?	
Who had authority to make the decision?	
What alternatives were considered?	
What risk was reviewed?	
What follow-up is required?	
Where is the proof stored?	

COMMON MISTAKES

1. Treating each exception as a one-off while the exceptions quietly become the market.
2. Skipping the incumbent table because 'this hire is urgent.'
3. Counting only the offer premium and ignoring the adjustment costs it forces.
4. Using guaranteed-bonus workarounds that show up in every pay equity analysis anyway.
5. Letting recruiting urgency outrank the person accountable for the pay structure.
6. Never triggering a range review no matter how many exceptions accumulate.



WHAT TO DO NEXT

If approved, execute the remedy plan on the stated date — an approved exception with an unexecuted remedy is just documented compression. Log the exception; two for the same role triggers a range review, not a third exception.

Before you terminate, deduct, discipline, classify, or respond, get the decision reviewed.

Call 210.446.8730 or email thomas@faulknerhrsolutions.info.



Before you process payroll, terminate, classify, deduct, or respond to a claim, get the decision reviewed.

Need help applying this to a real workplace decision?

Faulkner HR Solutions helps Texas employers, nonprofits, municipalities, and growing businesses fix the people systems behind recurring workplace problems.

If this document raised a risk flag, do not guess your way through the next step.

Call: 210.446.8730

Email: thomas@faulknerhrsolutions.info

Website: faulknerhrsolutions.info

DISCLAIMER

This resource is provided for general employer education and planning purposes. It is not legal advice and does not create an attorney-client relationship. Employment laws, agency guidance, and local requirements may change. Employers should review the facts of each situation before acting and consult appropriate HR or legal counsel when needed.