



Pay Administration Policy

Effective January 1, 2013

1. Objectives of this policy:

- To attract and retain qualified employees through internally equitable and externally competitive pay program
- To comply with applicable Ontario Pay Equity statutes and promote the concept of equal pay for work of equal value
- To comply with applicable employment standards statutes
- To establish and maintain a pay banding system
- To set out how staff can earn annual pay increase through both step movements and the annual adjustment
- To establish and maintain a consistent job evaluation process
- To describe all significant pay administration procedures

2. Accountability for this policy:

- The CAO/Clerk and Management Team will implement, administer & monitor this policy. Council will approve any changes to this policy.

3. Pay Band System

- All Minto positions, except some casual, contract, seasonal and student positions are evaluated and scored out of 1,000.
- Based on the score, each position will be placed in a certain pay band.
- Each pay step is expressed as an hourly rate with a pay band.
- There are 14 pay bands, in 50 point increments, starting at 300 points. See a current pay band.
- Each pay band has 6 steps (with the % of step 6 (job rate)) as follows:
 - Step 1 (75%)
 - Step 2 (80%)
 - Step 3 (85%)
 - Step 4 (90%)
 - Step 5 (95%)
 - Step 6 (Job rate – highest rate) (100%)
- All staff are at a particular full step at all times except as approved by the CAO/Clerk and Council.
- All hourly staff are paid the rate at their assigned step.

- All salary staff is paid an annual salary equal to the rate at their assigned step times the standard hours per their employment agreement. All hours of work were reviewed and made consistent effective January 1 2013.

4. The Job Evaluation Process

- If a new job is created, or the duties of an existing job change substantially the following procedures are followed:
 - Update the job description and get signed off by the staff member, the supervisor and the CAO/Clerk.
 - The Job Evaluation Committee (JEC) creates or updates job evaluation score out of 1,000
 - The JEC will place the new or revised position in the appropriate pay band based on score
- Job evaluations are done by the Job Evaluation Committee as set by Council with assistance from the CAO/Clerk, Treasurer/Deputy CAO and an independent HR consultant as required.
- There is a separate terms of reference for the Job Evaluation Committee.
- The Ward & Uptigrove proprietary point factor job evaluation methodology will be used to evaluate all Minto positions for pay banding purposes. Any change in this methodology requires the approval of Council.

5. The Job Description

- A complete and accurate job description will be maintained for all positions.
- The job description will be reviewed & updated each year during the annual performance review.
- All changes to a job description will be approved by the affected staff member, the appropriate supervisor, the department head and the CAO/Clerk. A copy of the signed job description will be kept in the staff members personnel file.
- Major changes in job descriptions may be referred to the JEC for scoring review.
- Current approved job descriptions will be used to evaluate all positions for statutory pay equity and pay banding purposes.

6. Performance reviews

- Performance reviews are conducted annually by December 15 to determine eligibility for January 1 step increase. Wage reviews are conducted at same time as annual performance reviews. See performance review policy for more details.
- All pay increases (either step movement or annual adjustment) require at least satisfactory performance. Employees with performance issues may have their pay increase (step movement or annual adjustment) held back and a performance improvement plan (PIP) implemented. The affected employee will not receive their pay increase until their performance improves. Any subsequent pay increase will not be retroactive.

7. Pay Band Annual Adjustment

- Each year on January 1 the entire pay band grid may move up by % using an established formula subject to Council approval.
- The formula is the annual Stats Can Ontario CPI for October each year.

- Step 6 (job rate) will increase by the annual adjustment and steps 1 to 5 calculated as a % of step 6 per the %s outlined in section 3 above.
- Pay increases, due to an annual pay band adjustment, are not automatic each year. Approval depends on Town finances and affordability.
- If the formula in a given year, results in a negative % the pay band grid will remain the same as the previous year. In the following year the negative % will be netted against a positive %.
- All staff with at least satisfactory performance will have their pay increase by the amount of the increase in their step.
- Annually a report to Council shall be brought forward after the October CPI has been published and prior to year end so that Council decides what percentage, if any, the entire pay grid shall be adjusted for the following year.

8. Pay Band Step Movements

- Step Movements = Merit pay increases (Based on an annual performance review subject to approval by their Department Head and review by the CAO/Clerk).
- In addition to the Pay Band Annual Adjustment discussed above, staff are eligible for merit increases (Step Movements through the pay grid for their position)
- All step movements require at least satisfactory performance.
- All step movements require the approval of the CAO/Clerk.
- Standard practice is a step movement per year of continuous active employment until the staff member reaches step 6.
- At step 6 the staff member has reached their job rate and are "red circled".
- Normally all step movements take place effectively on January 1 of each year except for probationary staff.
- After probation, to be eligible for the next step movement, the staff member must have at least six months employment in the old step. If a staff member gets a step movement during the year normally they will have to wait until the January 1 of the next following year to be eligible for their next step movement.

9. Market Check

- Normally every **five years** the entire pay band grid will be compared to "the market" to ensure the municipality is paying employees fairly and achieving external equity.
- A market check was conducted in 2012, indexed to 2013 (1%) and applied to the new pay band model described in section 3 above.
- The next market check is scheduled for 2017, to be indexed to 2018 and implemented with the 2018 pay bands.
- The median or 50th percentile of the comparators will be used. This comparison may involve using a purchased pay survey of the compensation of benchmark positions at comparable municipalities in the area or other methods.
- The overall pay band grid may increase, decrease or remain the same as the result of this comparison.
- No employee's pay will be reduced as a result of this exercise. However individual pays may be frozen until the pay band for their position catches up to their current pay.
- Council will approve the market check and the implementation of the results. Pay adjustments due to the market check are not automatic. Approval depends on Town

finances and affordability. Pay increases due to a market check, if approved, may be phased in over a number of years.

10. Pay Anomalies

- In 2012 and prior years, certain payments were made to staff for taking on increased responsibilities and attending meetings. These payments were outside the pay band system. Effective January 1, 2013, all these off pay band payments are eliminated. The clothing allowance, overtime rules, flex time, sick days, and other benefits all will continue under the rules outlined in separate revised policies.

11. Transition Rules

Effective January 1 2013

- All staff with satisfactory performance round up from their 2012 actual hourly rates (including any old pay anomalies) to the next highest step in their pay band on the 2013 market adjusted revised pay band.
- Other transition adjustments may be required based on unique circumstances
- Pay increase for 2014 and future years will be subject to the terms of this policy for annual adjustments and step movements.

12. Pay Equity

- The Minto annual pay band grids will be reviewed, at least annually, to ensure compliance with the Ontario Pay Equity Act is maintained. This will be accomplished by the JEC with the assistance of an HR consultant as required.

13. Temporary Market Adjustments

- Occasionally, due to labour market conditions for certain skilled positions, a temporary market adjustment in addition to the pay at the appropriate step may be required.
- Temporary market adjustments will be awarded for one year only. All temporary market adjustments will be reviewed annually to see if they are still appropriate.
- The temporary nature & related procedures of these market adjustments will be clearly communicated in writing to the staff members receiving such a pay award.
- All temporary market adjustments must be approved by Council.

14. Promotions

- Employees promoted to a different position that is evaluated at a higher pay band than their present job, shall move to a step which reflects their degree of proficiency for the new position as recommended by the Supervisor and approved by the CAO/Clerk & Council.
- The employee's new pay will not be less than their pay at the old position.
- After 180 days of continuous active employment, an employee in a new position will have their job performance reviewed and further step movement considered.

15. Demotions

- Employees demoted to a different position that is evaluated at a lower pay band than their present job, shall move to a step which reflects their degree of proficiency for

the new position as recommended by the Supervisor and approved by the CAO/Clerk & Council.

- The employee's new pay may be less than their pay at the old position however sufficient working notice at the old rate of pay will be required before the lower rate of pay is implemented.
- After 180 days of continuous active employment, an employee in a new position will have their job performance reviewed and a step movement considered.

16. Appointments to "Acting" Positions

- Employees temporarily appointed by the CAO/Clerk & Council to a position with responsibilities higher than those of their present job for more than 60 consecutive working days, may receive an increase of their regular pay for the duration of the temporary appointment. Temporary assignments less than 60 days would not normally attract a higher pay. The pay increase, (if any) would be retroactive to the date of the responsibility change. The employee's rate of pay may not agree with a particular pay step. Any increased rate, for a temporary assignment, requires the approval of the CAO/Clerk and Council.
- The pay increase will be kept separate from their regular hourly rate and paid as an 'acting bonus'.
- At the end of the acting appointment, the employee will resume their previous position at the step and pay rate existing at the time of the appointment plus any annual pay band or merit adjustments due per this policy.

17. Casual, Contract, Seasonal & Student Employees

- Casual, contract, seasonal and student employees will receive pay increases according to the terms of their contract. Attempts will be made to make these dates and pay increases consistent with Minto's other pay administration procedures and the pay band model when practical.