

*Bylaw # 2019 – 016*

*January 2019*

***MUNICIPALITY OF  
HASTINGS  
HIGHLANDS***

*FIN-07 Finance Policy – Salary/Wage  
Administration*

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## **Municipality of Hastings Highlands**

Policy Type: **Finance**

Policy Number: **FIN-07**

Policy Title: **Salary/Wage Administration**

Policy Approval Date: **Oct 16, 2019**

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### **1.0 Compensation Philosophy**

- 1.1 The total compensation program for the Municipality consists of base salary, hourly rate of pay, variable compensation and benefits. The total compensation program is central to the Municipality's strategy to attract, engage, motivate and retain qualified employees through an internal equitable, non-discriminatory and externally competitive compensation program.
- 1.2 Compensation is structured to:
  - Establish appropriate pay differentials between position levels to account for differences in scope of responsibilities
  - Reward performance as measured by the attainment of individual, department and corporate objectives
  - Recognize the acquisition of knowledge, skills and experience pertinent to the employee's position
  - To establish internal equity and hierarchy within the organization and market comparability to ensure rates/wages are competitive to the market.
- 1.3 The Municipality is committed to providing employees with clear and open communication regarding compensation policies and practices. The Municipality is also committed to complying with the *Ontario Pay Equity Act* and promotes the concept of equal pay for work of equal value.
- 1.4 The Municipality will perform a market review on an as needed basis, which will include:

- A comparison of benchmark positions and salary for such positions will be compared to the market
- The overall corporate wage grid may increase, decrease or remain the same as the result
- No employee's pay will be reduced as a result of this exercise. However, individual pays may be red-circled until the pay for their position catches up to their current pay. Employees in this situation will not be eligible for the annual pay adjustment until their position pay is equal to or is below the job rate in their pay band.
- Council will approve the market review and implement the results

## **2.0 Pay Administration**

- 2.1 Salaries at the Municipality shall be determined in accordance with the Corporate Wage Grid as approved and amended from time-to-time by Council.

## **3.0 Promotions**

- 3.1 A promotion shall be considered an advancement and reassignment of duties to employees that would cause his/her new position to be paid in a higher salary classification than the previous position. All employees, upon promotion, shall receive payment of at least the minimum rate of the new position, except in instances when an employee does not meet the full minimum requirements of the new position. In such cases, the CAO will determine if a reclassification is necessary. In no case, shall an employee receive less than their current salary by promotion.
- 3.2 If an employee has accumulated overtime before the promotion, the accumulated overtime at the rate of pay before the promotion, will be paid out in full. In the circumstance where an annual allotment of time in lieu of overtime is given to an employee, this amount will be prorated to the date of the promotion and paid out accordingly. If an employee wishes to bank the prorated time and use as time off this must be documented by the CAO and tracked separately. The time must be taken before the end of the calendar year at the rate of pay it was earned.

- 3.3 Subsequent step progression increases in the new range will occur on the anniversary date (or establish date) of the transfer or promotion.

#### **4.0 Demotions**

- 4.1 A demotion shall be considered as being a re-assignment of duties to an employee that causes the new position to be paid in a lower salary classification than the previous position. This may occur as a result of organizational changes, work shortages, inadequate performance and diminished employee capability or at the employee's request.
- 4.2 If an employee is permanently demoted or transferred to a position in a lower salary level, the compensation may be held at the existing level until the step in the lower grade for the position reaches the existing salary through economic adjustments, with the discretion of the CAO. The salary is increased subsequently when salary ranges are increased across the board as a result of economic adjustments (cost of living adjustments) that impact the whole salary system.
- 4.3 The Municipality understands and recognizes long and loyal service. Therefore, will try to minimize the financial impact of demotions to employees and will endeavour to keep their current salary until the range of the lower salary range catches up across the board of economic adjustments that impact the whole salary system.

#### **5.0 Temporary Transfers**

- 5.1 If the temporary transfer is to a position at a lower salary level, an employee may retain their current salary. "Temporary" can be a period of up to, but not exceeding, twelve (12) months. This may be extended at the CAO's discretion.
- 5.2 If the temporary transfer is to a position at a higher salary level, "Acting Pay" may be provided in accordance with the Acting Pay Section.

#### **6.0 Probation and Performance Evaluations**

- 6.1 After successful completion of a probationary period with a satisfactory performance evaluation, salary adjustment may be awarded, unless otherwise decided by the CAO for special circumstances.

- 6.2 Upon a successful completion of an annual performance evaluation, employees are eligible at this time to move along the salary grid, effective on the annual date set out by the CAO. Movement along the wage grid is done until job rate is reached.
- 6.3 If an employee's performance evaluation is unsatisfactory, the salary movement will be deferred until a follow-up evaluation can be made. If the second evaluation demonstrates improvement, the salary adjustment in the pay band may be awarded. However, the salary adjustment may be withheld for a period of time at the discretion of the CAO.

## **7.0 Annual Adjustment to Corporate Wage Grid**

- 7.1 Each year on January 1, the entire pay band grid may move up by % using the established criteria (see 7.2).
- 7.2 The criteria may follow the Municipality's current collective agreement; and may increase the same as approved by Council through this agreement. It depends on Municipality finances and affordability and is subject to annual Council approval through the operating budget or as required by law.
- 7.3 The entire Corporate Wage Grid will increase by the annual adjustment.
- 7.4 If Council approves an annual adjustment, all staff will have their pay increase (subject to satisfactory performance appraisals).

## **8.0 New and Reclassifications**

- 8.1 When a new position is created, or duties of an existing position change sufficiently that a reclassification may be necessary, a new job description shall be written. The duties of the new or revised position shall be scored by the CAO, using the job evaluation system. Based on this assessment, the position shall be placed in the appropriate grade level.

## **9.0 Job Evaluation System**

- 9.1 The Municipality utilizes a Gender Neutral Job Evaluation System to determine the relative ranking of position within the Municipality by means of systematic and detailed analysis of job content. The Job Evaluation System provides for a salary administration plan designed to compensate employees in a manner which is equitable, ensures internal equity, and is in compliance with the *Pay Equity Act*.

## **10.0 Job Evaluation**

10.1 Job evaluation is a tool that is used to help establish the relative value of all jobs within the Municipality. It applies common factors that determine a point value of jobs so that fair and equitable salary ranges can be applied to them. The job evaluation tool helps with the establishment and maintenance of sound salary differentials between jobs. Job evaluation builds a foundation for consistent administration and maintenance of salary ranges. The CAO is responsible for managing and maintaining the Job Evaluation System.

10.2 Job evaluation reviews are generally initiated in response to:

- Department restructuring;
- New Positions; or
- Significant changes in duties, responsibilities or accountabilities of existing job that changes the scope of the job. It is applied to job requirements, not the capabilities of individuals.

10.3 The Municipality is committed to reviewing the Job Evaluation System as required.

10.4 **Job Evaluation Appeal Process:** To file an Appeal for the Job Evaluation please complete the following:

- Detail the essence of your concern in writing and forward this to the CAO.
- **Level 1:** Upon receipt of notification, the CAO will schedule a meeting with the Employee to review the “position scoring comment summary sheet” for the position in question.

If, after reviewing the position scoring comment summary sheet, the Employee wishes to proceed further, they must indicate in writing the specifics of the position that warrant further review and forward this onto the CAO. This must be completed within five (5) working days of the initial meeting.

- **Level 2:** The CAO will have an independent human resource professional independently score the Job Evaluation under appeal. The CAO along with the independent human resources professional

will review each other's scoring comment summary and communicate the final decision to the employee.

## **11.0 Acting Pay**

- 11.1 The Municipality will provide acting pay to employees who are temporarily assigned to perform the majority of responsibilities, including the essential elements of a higher paying job classification, for more than the noted consecutive working days.
- 11.2 No change in wage will result if the assigned job classification is lower than the employee's current classification, unless mutually agreed upon.
- 11.3 Where the employee is assigned to perform the majority of the duties of the higher rated job classification, including the essential elements, the employee will be paid, at the minimum rate of the assigned pay band of the higher rated job classification provided the assignment is:
- Minimum fifteen (15) consecutive full working days in a manager assignment; or
  - Minimum ten (10) consecutive full working days in all other assignments.

## **12.0 Succession Planning**

- 12.1 Employees selected for career grooming and development for promotion to high rated job classification will be placed in a higher pay grade for a specified and agreed upon time frame. The higher pay grade will be determined based on the level of responsibility assumed during this period of time.
- 12.2 All temporary assignments, Succession Planning and acting pay must have prior written approval from the CAO and Council.

## **13.0 Payroll Administration**

### **13.1 Pay Day:**

- Employees will be paid bi-weekly. Payment will be made by direct deposit to the employee's bank account.
- Each employee will be provided a statement of gross earnings, vacation pay, and deductions for the payroll period. Pay stubs will be



distributed by the Treasurer and/or Payroll Clerk and will only be released to the employee.

- Salaried employees shall be paid on the basis of their annual salary divided by the number of pays divided by the number of normal working hours in each year.

- 13.2 **Pay Advances:** The Municipality does not provide pay advances on wages to employees.
- 13.3 **Errors in Pay:** In the event that there is an error in the amount of pay, employees should promptly bring the discrepancy to the attention of the Payroll Clerk. Any required corrections will be documented and an adjustment will appear on the employee's next pay stub.
- 13.4 **Pay Deductions:** The Municipality must make certain deductions from every employee's remunerations, including applicable Federal and Provincial income taxes, Employment Insurance, and Canada Pension, to the amounts stipulated by legislation. Membership of OMERS is mandatory for regular full-time employees, and the amounts as directed by the plan are deducted from each employee's pay.
- 13.5 **Pay Garnishments:** The law requires the Municipality to comply with court-ordered payments and wage garnishments when they are presented by the appropriate authority.

#### **14.0 Benefits**

- 14.1 **Statutory Benefits:** The Municipality pays the following benefits required by statute on behalf of all employees and Members of Council where required:
- Employer Health Tax (EHT)
  - Employment Insurance (EI)
  - Canada Pension Plan (CPP)
  - Workplace Safety and Insurance Board (WSIB)
- 14.2 **Municipal Benefits:** Permanent full time and part time employees are eligible to participate in the Municipality's group benefit plan, upon the successful completion of their probationary period, subject to meeting eligibility for insurance, or as specified in their employment agreement.

Municipal benefits currently provide the following, in accordance with plan booklets:

- Pension through Ontario Municipal Employees Retirement System (OMERS)
- Vision and Dental Coverage
- Extended Health Care
- Life Insurance
- Accidental Death & Dismemberment
- Long-Term Disability

Please see the group benefit plan booklet for more information and details about benefits. New employees will be provided with a benefit booklet when they become eligible for benefits. Benefits may change from time-to-time, in which employees will be provided with reasonable notice of changes.