



HR #511

April 12, 2005

Memorandum

To: President & Vice-Presidents
Principals, Deans, Academic Directors & Chairs
Professionals/Managers
Divisional HR Offices

From: Angela Hildyard
Vice-President, Human Resources & Equity

A handwritten signature in cursive script, appearing to read 'Angela Hildyard'.

Re: Professionals/Managers – 2005 Annual Performance Reviews and Merit Increases

This document is a description of the **annual salary adjustment program and process** for Professionals/Managers staff.

An overview of the Summary of the Job Evaluation and Compensation Program for Professionals/Managers is available on the Human Resources website at: <http://www.utoronto.ca/hrhome/pmview.htm> The Compensation Policy for Professionals/Managers is also available at the same website address.

Any questions concerning the salary adjustment program may be directed to your Divisional HR Office.

Performance Reviews

Last year, a new performance assessment process for Professionals/Managers was implemented. Based on feedback obtained from members of the P/M group and the academic and senior administrators who supervise them, enhancements have been made to the performance tool. Performance reviews for members of the Professionals/Managers group should be conducted this year using the revised format.

A calendar of critical dates for the 2005 performance review and salary process is available at <http://www.utoronto.ca/hrhome/pmkeydates.pdf> The revised Performance Planning Feedback and Development Form is available on the Human Resources website at: <http://www.utoronto.ca/hrhome/pmmain.htm>

The Annual Salary Increase

The annual salary increase consists of an Across-the-Board (ATB) component (for employees in PM Salary Levels 1 to 6) and a merit component. Note the Professionals/Managers in PM Salary Levels 7, 8 and 9 are not eligible for an Across-the-Board increase; the ATB amount will be added into the merit pool for staff in these levels and distributed based on performance.

The ATB amount for 2005 has not yet been determined.

The Merit Component

The merit increase is determined based on the annual performance rating. The July 1, 2005 merit process is as follows:

A. The Performance Assessment Process for Professionals/Managers

Once the staff member has completed and submitted Part A: Activity Report, the immediate supervisor should complete the following sections of the Performance Planning, Feedback and Development form:

- i. Section B: Competencies Summary using the Competencies Worksheet; and
- ii. Section C: Overall Performance Rating.

The supervisor submits the recommended Overall Performance Rating for each Professional/Managerial staff member to the Divisional HR Office, no later than Friday, May 20. A divisional review of all recommended ratings will be coordinated by the Divisional HR Office between May 23 – 27. Note: Where a performance rating of '5' is recommended the immediate supervisor should also provide a one-paragraph summary outlining the rationale for this rating. **The supervisor should not advise the staff member of the final rating until after the divisional review has taken place.**

For Professionals/Managers in **Salary Levels PM7, PM8 and PM9**, a Central Review Committee will review all recommended performance ratings. This Committee will be chaired by the Vice President of Human Resources and Equity and have senior academic and administrative representation. Note: Performance ratings for staff in salary levels PM7, PM8 and PM9 should not be communicated to individual staff until the central review has been completed.

The supervisor should meet with each P/M staff member to discuss and complete Part D: Planning for the Next Review Period. This should occur between May 30 – September 1.

A copy of the completed Performance Planning, Feedback and Development Form should be retained on file by the supervisor and be provided to the staff member and Divisional HR Office by September 1.

B. Determination of Merit Amount

Please note the following:

- i. All recommended performance ratings must be reviewed by the Division Head. Performance ratings for Professionals/Managers are described in Appendix B to this document;
- ii. As with the process last year, there will be three merit pools established for purposes of calculating merit: one for PM Salary Levels 1, 2, 3; one for PM Salary Levels 4, 5, 6; and, one for PM Salary Levels 7, 8, 9. Merit pools for PM 1,2,3 and PM 4,5,6 are based on 2.5% of the salary base of the Professional/Managerial employees in each group. The merit pool for PM 7,8,9 is based on 2.5% of base salaries plus the ATB;
- iii. Merit dollar amounts will be calculated within each pool for each level of the performance rating scale. The amounts allocated will increase proportionally from the lowest performance level to the highest. So, for example, the merit amount awarded for performance level '2.5' will be less than that awarded for a '5' rating. The rate of progression through the salary range is slower above the breakpoint. Therefore, merit increases for staff whose current salaries are above the breakpoint of the salary range will be somewhat lower than for staff below the breakpoint. The merit amounts are not calculated until after the distribution of

ratings is known to ensure that the full 2.5% available within the pool is utilized. The merit grid showing the dollar amounts allocated for each performance level will be distributed once these amounts have been determined;

- iv. In accordance with the compensation policy for Professionals/Managers, a staff member whose annualized salary is currently at the maximum of his/her PM salary range is not entitled to a merit increase to base salary. However, the staff member may be eligible for an OTO merit award based on performance. An OTO merit award is not part of the staff member's regular (base) salary;
- v. Salaries for all Professionals/Managers in Levels 8 and 9 and all other P/Ms whose new annualized salary is greater than \$120,000, will be reported to the Senior Salary Committee for review following the merit pool process;
- vi. Merit awards will be communicated to Divisional HR Offices on June 15. Merit amounts will then be communicated to divisions through the Divisional HR Office between June 16 – 23. Supervisors should advise their Professionals/Managers staff, in writing, of their final performance rating and merit increase from June 24 – 29. Note: Merit increases for Professional/Managerial and Confidential staff will be delayed if the ATB amount has not been determined by mid-June;
- vii. The salary ranges for Professional/Managerial staff (see Appendix A), effective July 1, 2004, have been included should you need to confirm a staff member's position in the salary range;
- viii. Once ATB has been determined, the 2005 Salary Ranges for Professionals/Managers Staff will be published.

Funding of Merit

Central funding into the merit pools will be calculated at 2.5% of the salary base of the operating budgets for each merit pool group.

Guidelines for the Special Recognition Program

Last year, a Special Recognition Program was introduced for Professionals/Managers staff members as a mechanism to recognize special achievement or efforts throughout the year. Guidelines for the Special Recognition Program have been established to assist managers in finding ways to appropriately recognize staff and to promote consistent principles in application of the program. The Guidelines for the Special Recognition Program are available on the Human Resources website at: <http://www.utoronto.ca/hrhome/special.htm>

Questions related to the performance assessment and/or merit increase process should be directed to your Divisional Human Resource Office.

*Appendices and an easy-print version of this memorandum are available on the Human Resources website at: <http://www.utoronto.ca/hrhome/pmmain.htm>

**UNIVERSITY OF TORONTO
SALARY RANGES FOR PROFESSIONALS/MANAGERS STAFF
EFFECTIVE JULY 1, 2004**

| SALARY LEVEL | SALARY RANGE | | | |
|--------------|--------------|--------------|------------|---------------------|
| | MINIMUM | ANCHOR POINT | BREAKPOINT | MAXIMUM |
| PM 1 | \$45,233 | \$56,540 | \$63,475 | \$70,410 |
| PM 2 | \$49,315 | \$61,643 | \$69,203 | \$76,764 |
| PM 3 | \$54,202 | \$67,753 | \$76,062 | \$84,372 |
| PM 4 | \$60,112 | \$75,140 | \$84,356 | \$93,572 |
| PM 5 | \$67,270 | \$84,088 | \$94,401 | \$104,714 |
| PM 6 | \$75,961 | \$94,951 | \$106,596 | \$118,242 |
| PM 7 | \$86,549 | \$108,187 | \$121,456 | \$134,724 (Open) |
| PM 8 | \$99,506 | \$124,382 | \$139,638 | \$154,893 (Open) |
| PM 9 | \$115,021 | \$143,776 | \$161,410 | \$179,044 (Open) |

←-----Hiring Zone-----→

←-----Target Zone-----→ ←-----Premium Zone-----→

Minimum: Represents the minimum of the salary range. Salaries are administered at or above the minimum of the salary range.

Target Zone: Salaries for most employees are managed within the Target Zone. The starting salary for a new employee may fall lower in the Target Zone. Each salary range has a Hiring Zone, i.e., where an applicant is typically hired based on his/her qualifications in relation to the requirements of the position.

Anchor Point: Represents the top of the Hiring Zone.

Premium Zone: Represents the upper end of the salary range. Generally, salaries for exceptional performers, long service employees and/or positions requiring a market premium are managed within the Premium Zone.

Maximum: Represents the maximum of the salary range for Levels 1 to 6. The Maximum for Salary Ranges 7, 8 and 9 is 'open', i.e., salaries may be administered above the published maximum with senior management approval.

APPENDIX B

UNIVERSITY OF TORONTO
PERFORMANCE RATINGS
FOR PROFESSIONAL/MANAGERIAL STAFF

| PERFORMANCE CATEGORY | DESCRIPTION | PERFORMANCE RATING |
|---|---|--------------------|
| Exceptional Performance | Consistently and substantially exceeded goals, objectives and expectations through outstanding achievements in all aspects of the position. This category is reserved for employees who demonstrate exceptional performance on a consistently and distinctly superior level of quality in all areas of responsibility and make significant contributions to the Division/Department and/or University. Those who receive this rating must consistently and substantially exceed all goals as a direct result of concerted effort. | 5 |
| Excellent Performance | Consistently achieved and frequently exceeded job expectations, goals and objectives through concerted effort, according to plan. Demonstrated performance of a very high level of quality in all areas of responsibility. | 4 |
| High Quality Performance | Consistently achieved performance expectations. Work is of high quality in all significant areas of responsibility. Met job expectations, goals and objectives – both qualitative and quantitative. | 3+ 3 |
| Partially Achieving Performance Expectations | Partially achieved some quantitative and qualitative objectives; improvement is needed. It is expected that the employee will work to fulfil job expectations in a reasonable period of time – not to exceed one year. | 2+ 2 |
| Unsatisfactory Performance | Did not meet majority of goals and objectives. Improvement is needed in most aspects of the job. It is unclear if the employee <i>can</i> develop to the point where all job expectations are met. <i>This needs to be addressed immediately.</i> | 1 |

It is expected that the majority of ratings will fall into the '3' or '4' performance category