

POLICY: COMPENSATION

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INTRODUCTION

The University of Toronto is committed to creating and maintaining a work environment in which employees are valued, and performance and contributions are rewarded. As a public institution, fiscal prudence and transparency in our compensation programs is essential.

The objectives of the University's compensation program for Professionals/Managers are to:

- i) Enable the University to retain and attract highly qualified staff through a fair and competitive total compensation program;
- ii) Maintain pay equity and ensure internal equity;
- iii) Differentiate pay levels on the basis of performance as well as job content; and
- iv) Reward excellence.

JOB EVALUATION

The University's Job Evaluation Plan for Professionals/Managers 2004, is a gender-neutral comparison system, which reflects both the values of the University and factors important to the provision of professional and managerial services. The job evaluation system compares positions within the Professional/Managerial group on the basis of the following four main factors with 11 subfactors:

Skill:

- Technical & Professional Knowledge
- Interpersonal Skills

Responsibility:

- Independence of Action
- Well Being of Students and Others
- Resources
 - Complexity
 - Scope
- Supervision
- Functional Advice
- Health & Safety

Effort:

- Problem Solving

Working Conditions:

- Working Environment/Hazards
- Sensory Demands

Positions are assigned to classification levels based on the point scores determined through the job evaluation process; positions of comparable value will be assigned to the same classification level.

SALARY RANGES

There are 9 salary ranges for Professional/Managerial staff. Salary ranges for levels 1 to 5 are structured with a minimum, a breakpoint and a maximum. Generally new employees would start at the lower end of the salary range. The portion of the range above the breakpoint is generally reserved for exceptional performers and/or long service employees. Progression through the range is achieved through merit increases. The ranges are adjusted each year by the amount of the across-the-board increase.

Salary ranges for levels 6, 7, 8 and 9 are structured with a notional maximum –an upper threshold is set for each level above which centralized approval from the Vice President of Human Resources and Equity of starting salary and annual salary increase is required.

Salary ranges are published annually in the Professionals/Managers Annual Salary Increase Instructions.

MARKET COMPETITIVENESS

The University monitors market pay for benchmark positions through participation in surveys and conducting its own surveys, as required, to determine market pay practices and total compensation comparability and competitiveness. Positions may be paid at a higher level than the applicable salary range would otherwise indicate in response to demonstrated market pressures and skills shortages.

ANNUAL SALARY ADJUSTMENT PROGRAM

Annual assessment of performance is the primary tool for pay increases for P/M staff, and is the only measure for our PM 6-9 employees. Movement through salary ranges for P/M staff should be accelerated up to the breakpoint, and rise more slowly above the breakpoint.

Salaries will be reviewed on an annual basis on July 1. There are two salary adjustment programs:

1. Staff in Levels 1 to 5

- a) Receive an annual across-the-board (ATB) adjustment, with some exceptions as outlined in the Annual Salary Increase Instructions.
- b) Are eligible to receive a merit increase based solely on performance up to the range maximum.

2. Staff in Levels 6, 7, 8 and 9

- a) Are eligible to receive a merit increase based solely on performance. There is no ATB adjustment for this group.

Increases for individuals whose salaries are above notional maximums shall be administered in accordance with the Senior Appointments and Compensation Committee Regulations.

SPECIAL RECOGNITION PROGRAM

A lump sum (OTO) payment may be awarded to a staff member to recognize extraordinary effort and/or contribution. A staff member whose base salary is at the maximum of the salary range for his/her position but is an exceptional performer may be awarded a lump sum merit increase.

Note: Such payments are not part of the staff member's regular salary and are not pensionable.

Special efforts or accomplishments may also be recognized in non-monetary formats, for example educational opportunities, special educational leave and/or funding, appreciation events and other forms of recognition appropriate to the specific circumstances.

Approval is required from the Vice President, Human Resources and Equity for any lump sum (OTO) payments awarded to staff members in excess of a level set by the Vice President, Human Resources and Equity and reported to the Senior Appointments and Compensation Committee.

PROBATIONARY PERIODS AND INCREASES

There is no provision for merit increases during the probationary period. However, if the staff member's probationary period overlaps with the annual salary adjustment program, consideration

may be given to awarding a deferred merit increase on the successful completion of the probationary period.

PROMOTIONAL INCREASES

A staff member may be eligible for a promotional increase when his/her position is re-evaluated to a higher classification level or when s/he is appointed to a position at a higher classification level. The amount of the promotional increase should reflect the higher level of responsibility and will be determined by the staff member's supervisor in consultation with Human Resources.