



# Corporate Policy Manual

Sub Topic:	Salary Administration	Policy No.	HR.9-01
Topic:	Compensation	Employees Covered:	All Regular Full-Time and Regular Part-Time Non-Union Employees
Section:	Human Resources	Council Adoption Date:	December 12, 2005
Effective Date:	January 1, 2006	Revision No:	Date:
		001	September 11, 2006

## Policy Statement & Strategic Plan Linkages

The Town of Newmarket recognizes that the implementation of a salary administration plan (wages) supports the Town's objective to attract, recruit and retain qualified, skilled and committed employees in line with its established vision and mission. The salary administration plan is designed to compensate employees in a manner that supports internal equity, marketplace competitiveness and is in compliance with legislative requirements, including the Pay Equity Act.

## Purpose

The Town of Newmarket will act to:

- Develop, implement and maintain salary schedules (grades/classification levels)
- Conduct a full market assessment on wages/salaries every 3 years to ensure the Town maintains its policy line of the 66.67<sup>th</sup> percentile in the marketplace.
- Conduct an annual assessment of economic/annual adjustments with comparator municipalities and, if indicated by the assessment, provide for an adjustment.

## Definitions

### Salary Plan

The Salary Plan sets out salary schedules of remuneration for jobs with a series of pay grades. Each pay grade has a number of levels from a base wage to the maximum wage for the position. There may be several positions assigned to the same pay grade based on a variety of similarities of the positions and job evaluation rating.

Example: Grade 3

	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
A Job Wage	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

The salary plan includes a Regular Full-Time and Regular Part-Time Salary (based on a 35 hour work week) schedule and a Regular Full-Time Hourly (based on a 40 hour work week) schedule.

#### Anniversary Date

This date is used to determine when an employee moves from one level on the pay grade to the next level. Initially the hire date and anniversary date may be the same. However, an employee's anniversary date may change during the course of his/her employment with the Town for various reasons including but not limited to promotion, transfer from full time to part time and vice versa, extended unpaid leave of absence or reclassification of his/her position through the Job Evaluation System.

#### Hire Date

The date an employee commences employment with the Town is the hire date. It is important to note that the term "service date" and "hire date" is used interchangeably. The hire date should remain the same for the duration of continuous employment with the Town and is used when calculating group benefit entitlements as well as establishing the probation period.

#### Salary Progression

A newly hired employee generally commences at Level 1 of a pay grade and with satisfactory performance, progresses on their anniversary date to the next level until they reach the maximum level of the pay grade. Recruitment & Selection Policy, No. 12-01 and Salary Progression, Policy No. 9-02 outlines the circumstances under which an employee may be hired above Level 1.

#### Job Rate

The highest rate of pay in a pay grade, indicating the maximum pay for a position assigned to a pay grade.

#### Job Evaluation

All regular full time and regular part time positions require a completed position description that is used to evaluate the position applying a Job Evaluation System. This process evaluates the work of each position providing a basis for establishing the appropriate wage, placement on the salary schedule and supports the maintenance of internal equity. For additional information, consult Job Evaluation Policy, No. 9-08.

#### Salaried and Hourly Paid Employees

The salary schedules at the Town include salaried and hourly paid employees working 35 or 40 hours per week.

## **Procedures**

1. New approved budgeted positions and/or revised positions must have a completed accurate position description and “Job Content Questionnaire” as outlined in Position Administration, Policy No. 9-07 and Job Evaluation, Policy No. 9-08.
2. An evaluated position will be placed on the appropriate salary schedule and pay grade, and the “Grade and Position Title Schedule” will be updated accordingly.
3. Salary schedules are revised annually to reflect the economic adjustment as outlined in Economic Adjustment, Policy No. 9-03 or as otherwise determined.
4. A complete review of the Town’s salary administration plan, including salary structures, may be referred to an external consultant to ensure neutrality, internal equity and market competitiveness, as appropriate.
5. Market comparisons of salary data shall be conducted every 3 years to support salary budget recommendations for a position or for groups of positions separate and apart from the annual economic adjustment. In addition, annual adjustments over and above the approved economic adjustment will be implemented where adjustments in the designated comparator municipalities exceed the Towns annual economic adjustment.
6. Interim reviews may be conducted on various positions or group of positions, as appropriate.
7. Current salary schedules will be posted on the public drive.
8. The salary administration plan must comply with Pay Equity legislation and is subject to review and/or revision for compliance as appropriate.

## **RESPONSIBILITIES OF EMPLOYER**

### Chief Administrative Officer is responsible to:

- Recommend changes to salary schedules as identified through benchmarking surveys, market comparators and job evaluation maintenance processes for review and approval by Council.
- Recommend changes to pay schedules as proposed/recommended by Human Resources, Commissioners/Directors and external consultants, as applicable, when external market conditions impact on the current pay grade(s) such that it is difficult to attract and retain qualified employees.

## Human Resources is responsible to:

- Administer the job evaluation process and support a fair and equitable application of the salary administration plan.
- Develop/maintain/revise salary schedules; post on the public drive.
- Maintain the Town's salary administration plan.
- Consult with the Chief Administrative Officer on matters affecting salary schedules, benchmarking surveys and market comparators.
- Prepare salary related reports for review and approval by the Chief Administrative Officer and Council.
- Monitor the Town's salary administration plan for compliance with Pay Equity legislation.
- Conduct a full market assessment on wages/salaries every 3 years to ensure the Town maintains its policy line relative to the marketplace
- Conduct an annual assessment on economic/annual adjustments provided to comparator municipalities and, if indicated by the assessment, provide for an adjustment to reflect the difference.
- Work with Commissioners/Directors/Managers and employees to resolve salary related issues.
- Maintain employee listings showing pay grade, salary rate, position title, hours of work, progression step schedule and effective date, anniversary date and hire date.
- Maintain the Human Resources Information System (HRIS) related to salary plan implementation.
- Notify Payroll of changes, revised salary schedules, or any change that impacts on an employee's rate of pay.
- Retain salary related documentation, surveys and reports.

## **Cross-References**

**Note:** The implementation and maintenance of the salary administration plan and its components are achieved through the application of other related salary/wage policies including:

- Policy No. 9-02 Salary Progression
- Policy No. 9-03 Economic Adjustment
- Policy No. 9-04 Promotion and Transfer
- Policy No. 9-05 Red Circle Rates
- Policy No. 9-06 Adjustment to Temporary Salary Rates
- Policy No. 9-07 Position Administration
- Policy No. 9-08 Job Evaluation