



Township of East Zorra-Tavistock

Human Resources Manual

Title: Wage Grid Administration Policy	
Section: Township Organization	Number: 1.06
Version: 3.0	Review Frequency: 5 Yrs
Approved by: Council	Approval Date: 2016-10-05
Application: All staff.	
Notes: Reviewed and Job Evaluation System confirmed September 2016. 2019-08-07 Revision to Section 4.12 – Appointments to “Acting” Positions 2020-11-18 Revise Section 4.6 – Pay Band Annual Adjustment, Minor Administrative changes	

1. PURPOSE

The purpose of this policy is:

- To attract and retain qualified employees through an internally equitable (fair & consistent) and externally competitive pay program.
- To comply with the Ontario Pay Equity Act and promote the concept of equal pay for work of equal value.
- To ensure pay equity.
- To comply with all applicable employment statutes.
- To establish and maintain annual pay bands.
- To set out how staff can earn annual pay increase through step movements and the annual adjustment through annual performance reviews.
- To establish and maintain a consistent job evaluation process.
- To describe all significant pay administration procedures.

2. SCOPE

This policy applies to all employees immediately upon hire.

3. RESPONSIBILITY

The CAO will implement, administer & monitor this policy. Council has approved this policy. All future amendments to this policy must be approved by Council.

4. POLICY

4.1 Pay Band System

- Most positions are included in the pay band system, however this does not include the position of Township Chief Administrative Officer, Council, Volunteer Firefighters, Certain Contract, Seasonal & Student positions are also excluded.
- All positions included in the pay band system are evaluated and scored out of 740 based on the criteria in the Job Evaluation Plan (Policy HR1.05).
- There are 22 pay bands, in 25 point increments
- Based on the score out of 740 each position is assigned to a certain pay band.
- Each step on the pay grid is expressed as an hourly rate which excludes all benefits.
- Each pay band has 6 steps (expressed as a % of the job rate) as follows:
 - Probationary Base (85%)
 - Step 1 (88%)
 - Step 2 (91%)
 - Step 3 (94%)
 - Step 4 (97%)
 - Job rate (highest rate 100%)
- All hourly staff are paid the rate at their assigned step
- All salary staff are paid an annual salary equal to the rate at their assigned step times the standard hours per their employment agreement.
- Placement at partial steps are not allowed.
- New staff will normally be hired at the base rate. If the new hire has experience and qualifications in the position, the person can be hired at a higher step. No staff should be hired at a rate below the base rate.

4.2 Shift Premiums, Call In Pay, Overtime, Etc.

Special rules concerning call in pay, on call, overtime, etc. are included in the Human Resources Policy Manual.

4.3 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 or create a Job Description in the standard format.
- Update or create a job evaluation score out of 740
- Place the new or revised position in the appropriate pay band based on the new score.

Job evaluations are done as follows;
Chief Administrative Officer - done by Council
Department Managers - done by CAO
Staff members - done by Department Manager

Employees will then sign their evaluation and a copy be given to them and also to HR for retention in their personnel file.

4.4 The Job Description Ongoing Maintenance

- A complete and accurate Job Description in the standard format 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 appropriate supervisor, and Human Resources
- Council will be involved with significant changes to the CAO and Manager Level Job Descriptions.
- Current approved job descriptions will be used to evaluate all positions for statutory pay equity and pay banding purposes.

4.5 Performance Reviews

- Performance reviews are conducted annually starting in October for the CAO, November for Department Managers and by December 15th for staff members, to determine eligibility for a potential January 1st step increase and annual adjustment. Pay reviews are conducted at same time as annual performance reviews.
- All pay increases (either a 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. PIP are usually for three months. The affected employee will not receive their pay increase until their performance improves. Any subsequent pay increase will not be retroactive. See performance review policy for more details.

4.6 Pay Band Annual Adjustment

- Each year on January 1 the entire pay grid shall be adjusted based on the Ontario Consumer Price Index (CPI) October 1 – September 30 reporting
- The steps for all grades will increase by the Ontario Consumer Price Index (CPI) October 1 – September 30 reporting for the annual adjustment
- The annual adjustment pay band increase is automatic each year.

- 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.

4.7 Pay Band Step Movements

- In addition to the Pay Band Annual Adjustment discussed above, staff are eligible for Step Movements through the pay grid for their position.
- Standard practice is a step movement per year until the staff member reaches job rate, subject to satisfactory performance.
- Once a staff member has reached their job rate they are frozen
- Normally all step movements take place January 1 of each year except for staff on probation or where provisions have been included to grant a step movement for a certain accomplishment or certification.
- After probation, to be eligible for the next step movement, the staff member must have at least six months employment in 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 a step movement.
- All step movements require at least satisfactory performance.
- If a new staff member is hired at a rate higher than base rate the number of years required can include equivalent work experience for movement through the grid.

4.8 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. Approval to proceed with a market check is subject to Council approval and inclusion of the project in the annual budget.
- The median or 50th percentile of the job rate 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. Council will approve the selection of comparators.
- 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.

- If the market check results in substantial pay increases these may be phased in over more than one year.

4.9 Temporary Market Adjustments

- Occasionally, due to extraordinary 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 any staff member receiving such a pay award.

4.10 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 HR and approved by the CAO.
- The employee's new pay will not be less than their pay at the old position.
- After 180 days, an employee in a new position will have their job performance reviewed and further step movement considered.

4.11 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 HR and the CAO
- 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, an employee in a new position will have their job performance reviewed and a step movement considered.

4.12 Appointments to "Acting" Positions

- Employees temporarily appointed by the CAO and/or Council to a position with responsibilities higher than those of their present job for more than an anticipated time frame in excess of 30 days, may receive an increase of their regular pay for the duration of the temporary appointment. The pay increase would be effective the date of the responsibility change.
- Employees assuming an acting position for more than 60 days may receive, on the 61st day, a further increase. This rate will continue for

the duration of the appointment, subject to the approval of the CAO and/or Council.

- The increase shall be added to the employee current wage for the duration of the acting appointment.
- 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 adjustments or merit adjustments due.

4.13 Contract, Seasonal And Student Employees

- Contract, seasonal and student employees are not part of the pay banding system.
- Contract 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 other pay administration procedures when practical.

5. RELATED POLICIES AND PROCEDURES

- Human Resources Policy Manual
- Employment Agreements
- Ontario Employment Standards Act and Regulations