



## City of St. John's Corporate and Operational Policy

**Policy:** 03-03-14 Management Compensation Policy

**Status:**

**Issued By:** Corporate Services

**Revision No:** 2

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**Rescind Date:**

**Index:** 03 Human Resources

**Section:** 03 Compensation

**Title:** 14 Management Compensation Policy

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### **Purpose**

The City's management compensation program is intended to assist in the recruitment, motivation and retention of a qualified management, and enable the City to attain its corporate goals and objectives.

### **Policy Statement**

The City's management compensation program strives to achieve the following specific objectives:

- to recognize the City's responsibility as a public sector employer;
- to enable the attraction of competent and capable leaders that share a passion for public service;
- to assist in retaining the services of a high quality management group;
- to promote achievement of the City's strategic plan;
- to recognize the relative worth and value of jobs based on consideration of relevant and objective job-related factors;
- to recognize external market forces, while balancing such forces against the City's need to be fiscally responsible;
- to respond to public and private market conditions on a local, regional and national basis, where applicable, including the relationship to current collective agreements.

(For further details, please refer to attached document).

### **Application**

The purpose of this policy is to document specific principles applied by the City to its management and executive employees regarding the compensation paid to employees as the result of job evaluation or various other considerations. The City, through Council, reserves the right to make adjustments with respect to compensation and benefits where necessary

### **Responsibilities**

## **3.0 RESPONSIBILITIES**

### **3.1 Human Resources Department**

- Human Resources will review the pay bands triennially and make recommendations to the City Manager.
- Human Resources will review inflation, market factors, union wage increases and other relevant factors and make a recommendation to the City Manager and Council for any economic pay adjustments for the management & Executive group. This will normally be done annually before March 31<sup>st</sup>.
- When a budget manager has determined that a job evaluation review is warranted, Human Resources will review the information supplied and determine whether it is a new job classification or sufficient change has occurred to warrant a full evaluation. If a full evaluation is warranted, the position will be evaluated in accordance with 1.1 of this policy and any other related procedures
- Human Resources has a responsibility to determine if a position needs to be re-evaluated given its corporate responsibility to maintain fair and equitable systems.
- Job descriptions, organizational charts and HRIS must be updated when organizational or structural changes occur.
- Human Resources will be responsible to implement pay adjustment in accordance with this policy or any other applicable policies.

### **3.2 Budget / Division Managers**

- Managers have a responsibility to bring to Human Resources' attention, in a timely manner, either: positions that require review; or organizational changes that will affect the current duties and responsibilities of positions.
- Where management initiates a request, it should be directed to Human Resources along with the required documentation and an explanation of the reason for the review.
- Managers are responsible for consulting and notifying Human Resources, prior to action, whenever an employee needs to be moved from one position to another or is the subject of a promotion, demotion, temporary assignment, position title change, leave of absence, etc.
- Managers must consult and inform Human Resources when significant changes to a position, including changes to responsibilities, qualifications and reporting relationships are planned.
- Managers and Supervisors must know what work is assigned to each and every position in their respective units. Primary job accountabilities are not permanently interchangeable between positions except for those initiated by management and reviewed by Human Resources for evaluation purposes.
- Managers must consult and inform Human Resources when positions are transferred between work units.
- Managers must consult and inform Human Resources immediately of any changes to an employee's employment status.

- Managers must record and track time off in lieu or payment needed for statutory holidays worked and advise Human Resources.
- Managers are responsible to ensure accurate information is provided for position records being maintained in the HRIS by Human Resources.

### **3.3 Position Allocation committee (PAC)**

- The role of the PAC is to maintain consistency and accuracy of system application; team members are not advocates for any particular job.
- The PAC shall review and rate the position and submit ratings to the SEC for their comments.
- The Chair of the Committee shall advise the manager or incumbent of the outcome.

### **3.4 Employees**

- Employees are to be diligent with respect to their compensation and should report any discrepancies to Human Resources as soon as they are discovered.
- Any overpayment will be recovered and underpayment will be issued to the employee.

### **3.5 City Manager**

- Recommend to the Council any generalized wage changes for management employees based on best practice, union wage increases, inflation, market factors, the City's budget and any other relevant factors.
- Make exceptions to the policy when deemed necessary with respect to individual wage changes or other aspects of this policy.

### **3.6 Council**

Council is responsible to review and approve / disapprove the recommendation from the City Manager pertaining to any annual wage adjustments which are normally determined before June 1<sup>st</sup> of the implementing year.

### **Definitions**

- a) Base Position - the position that an employee is permanently assigned.
- b) Base Rate - the salary established for a position exclusive of any special adjustments (e.g. pay premiums or other allowances)
- c) Benchmark Position - a position with characteristics such that other positions can be compared to it; involves jobs utilized for making pay comparisons
- d) Budget Manager – a position in the organization that has the responsibility to manage budgets and may manage people as well. This includes the Division Manager and the Deputy City Manager.
- e) Business Unit – a group with specific functions led by a manager or a group of managers and under a department
- f) Classification - the assignment of a position to a pay band.
- g) Demotion - the movement of an employee to a position with a lower maximum pay rate than the employee's base position.
- h) Department – a grouping of business units; headed by a manager who reports to the City Manager.

- i) Department Head: for the purpose of this policy, the Department Head is any position which would be considered the head of a particular department reporting into the City Manager irrespective of whether the position is a Manager, Director, or Deputy City Manager.
- j) Economic Pay Adjustments – all pay adjustments made to the entire pay plan (i.e pay bands and salaries) due to either general increases or due to market / industry benchmarking.
- k) Employee – for the purpose of this policy, any employee who is part of the Management Pay plan.
- l) Evaluation or Job Evaluation - the appraisal of a position to determine its classification.
- m) Human Resources - for the purpose of this policy, "Human Resources" means any role within Human Resources which has the primary responsibility for the relevant job function. This may be the HR Advisor, The Head of Human Resources, The HRIS Program Manager or any other.
- n) Incumbent - an individual occupying a position.
- o) Manager / Supervisor – any person who supervises employees and / or manages a budget
- p) Minimum Qualifications - the combination of education and experience that an individual must possess in order to fulfil the responsibilities of the position and maintain a satisfactory level of performance.
- q) Pay premiums – any pay elements apart from the base salary. e.g. shift differential.
- r) Promotion - the movement of an employee to a position with a higher pay band than the employee's current position.
- s) Reclassification – a change in classification.
- t) Red-Circling Protection – a form of pay or wage protection whereby an individual's rate of pay is fixed or frozen at its current level for a period of time.
- u) Salary Anniversary Date – The date when an employee may be entitled to a step increase on the pay band when they have completed 12 months of service either continuously or cumulatively.
- v) Step - a salary rate within a pay band established for the position
- w) Temporary – refers to a position / vacancy, which is expected to exist, for a specified, and limited, period of time.
- x) Temporary assignment - the assignment of the major duties and responsibilities of another position to a fully qualified individual for a defined period; typically in excess of 6 weeks.
- y) Transfer - the movement of an employee to a position having the same maximum pay rate as the employee's base position.
- z) Trial Period - A trial period is a period of evaluation for an employee who is in a new role but has already completed their probationary period previously. The employee would be subject to more diligent performance discussions and performance evaluations at this time.
- aa) Triennially – any event that occurs once every 3 years.
- bb) Underfill - the situation where the incumbent does not possess the minimum qualifications for a position, but may qualify within twelve months.

#### **References/Appendix**

- Labor Standards Act

<http://www.assembly.nl.ca/Legislation/sr/statutes/l02.htm>

- Management Pay Plan

- Executive Pay plan
- Pension and Insurance
- Management Position Description Template
- Procedure for classification requests
- Management Differential Form
- Organizational chart amendment Form



03-03-14 Management Compensation Policy.pdf

### **Monitoring and Contravention**

Section 1.1 does not apply to the positions under the Executive category.

The monitoring of this policy shall be done as per the responsibilities laid out in section 3 of this policy.

Any willful misuse or malicious negligence of responsibilities, may result in disciplinary action up to and including dismissal.

An audit of the implementation of the policy will be carried out on a periodic basis.

### **Approvals**

Finance and Administration Standing Committee report - January 14, 2014; Regular Meeting of Council January 20, 2014.

Finance and Administration Standing Committee report - February 22, 2017; Regular Meeting of Council February 27, 2017

### **Review Period**

4 years

### **Available to Public**

☒ Yes

☐ No