



RCRS Secondary:	GOV-02	Effective Date:	December 16, 2013 (IC FPCOW)
Policy Number:	COU-224	Amendment Date/s:	June 24, 2019 (IC COUNCIL)
Title:	Exempt Salary Administration	Repeal Date:	
Department:	Human Resources	Approval Date:	December 16, 2013

PURPOSE:

To facilitate the recruitment, retention and engagement of qualified exempt employees by furnishing a competitive compensation plan that provides for internal equity amongst positions while also considering experience and prevailing market conditions.

DEFINITIONS:

Pay Band	Means the range between a minimum and maximum salary applicable to each position.
Step	Means the specific point within the pay band that corresponds with the rate paid for the position at a given stage of the employee's employment with the City.
Acting Pay	Means the additional premium paid to an employee who takes on the duties of a higher-paying position for a temporary period of time.

SCOPE:

All employees who are exempt from union membership other than Fire Management employees. Fire Management employees are covered by the following Council policy, adopted on February 24, 2014:

- *The Assistant Chief receives an annual salary of 110% of the Captain's basic annual rate (note: pay is at 95% during the probationary period);*
- *The Deputy Chief receives an annual salary of 115% of the Captain's basic annual rate; &*
- *The Fire Chief receives an annual salary of 122% of the Captain's basic annual rate.*

POLICY:

For non-Fire Management exempt employees, the compensation plan has three components:

1. Initial placement of a position within the Pay Band
2. Movement within the Pay Band
3. Movement of the Pay Band

PROCESS:

Initial placement of a position within a Pay Band

The compensation plan involves the placement of all exempt positions into one of eleven Pay Bands – Administrative (Pay Bands 1 to 3), Management (Pay Bands 4 to 8), and Executive (Pay Bands A, B and C) – each of which has a corresponding salary range.

When a new exempt position is created, or an existing exempt position is substantially changed, the Department Director to whom the position reports works with the Director of Human Resources and the Chief Administrative Officer to establish the appropriate Pay Band for the position. The factors considered include:

1. Internal equity with other exempt positions within the organization performing work with a similar level of authority and responsibility;
2. prevailing market conditions that may affect the ability to attract or retain individuals to this position.

Movement within the Pay Band

The salary range for each Pay Band consists of the following four steps:

Step	% of Market Rate	Typical Timing
1	94%	New Appointment
2	96%	Upon Completion of Probation
3	98%	After 1 Year
4	100%	After 2 Years

The applicable Director, in consultation with the Director of Human Resources, is responsible for initial placement of employees at the appropriate Step within the Pay Band. Typically, a newly appointed employee is paid at Step 1 (94% of the market rate), with an increase to Step 2 (96% of the market rate) following satisfactory completion of probation. However, a newly appointed employee may be placed at a higher Step based on the relevant experience or expertise the employee brings to the job and/or the prevailing market conditions for the position. An employee who is appointed at a Step higher than Step 1 is not eligible for a post-probation increase.

Movement between Steps is based on budget, experience in the job, satisfactory performance (in accordance with the applicable Director recommendations) and compression issues. In unique cases, as determined by the Chief Administrative Officer, flexibility exists within the system to go above Step 4.

In order to deal with salary compression, the City endeavours to maintain a 10% pay difference between the annual base salary of managers and the annual base salary of union employees they supervise, provided that the manager's salary does not exceed 105% of the top of the Pay Band.

Movement of the Pay Band

Council has established the following process related to exempt staff general wage increases, which increases the start and end points of the Pay Bands:

The City will provide annual salary adjustments to exempt/management employees that are consistent with the across-the-board increases approved for CUPE Local 401, and will conduct an independent review of exempt/management compensation every 3 years in relation to B.C. municipal comparators to assess whether further adjustments may be required to maintain pace with the market.

The Director of Human Resources contracts an external consultant to conduct the compensation review every few years. The Director of Human Resources and the Chief Administrative Officer may adjust Pay Bands or individual positions within Pay Bands as a result of the compensation review. This may result in positions moving from one Pay Band to another, and it may result in the start and end points of the salary range for a Pay Band increasing or decreasing. In no case will an incumbent have his or her salary reduced as a result of this review. However, positions may be red-circled and not receive general wage increases if the position is paid well outside the range for comparable positions as indicated by the compensation review results.

Acting Pay

When an exempt employee is required to perform all or a significant portion of the duties of a higher level exempt position for a period of two weeks or longer, the employee will be eligible for Acting Pay. The amount of the Acting Pay will normally be 10% above the acting employee's current base salary. This amount may be modified in situations involving long-term acting appointments (e.g. six months or more) and/or when the employee is acting in a position at a much higher level than their regular position. Eligibility for Acting Pay and the amount of Acting Pay to be provided will be determined by the applicable Department Director in consultation with the Director of Human Resources. In cases where the individual will be acting in a Director-level position or higher, the Chief Administrative Officer will decide the level of Acting Pay to be provided, with the minimum being 10% above the employee's current base salary.

RELATED DOCUMENTS:

Management Terms and Conditions of Employment Bylaw 2019, No. 7273

REPEAL or AMENDMENT:

N/A