



## Section 3 – Compensation, Benefits and Leave Policies

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### 3.1 Compensation Policy

#### Intent

The purpose of this policy is to clearly identify the foundation for employee compensation.

#### Scope

This policy applies to all employees always and without exception.

Unionized employees shall adhere to their current Collective Agreement for policies governing compensation. Where the Collective Agreement is silent, bargaining members shall refer to the contents of this policy. In situations where the directions of this policy cover issues also in the Collective Agreement, the Collective Agreement will be the final authority.

#### Definitions

##### Regular Full & Part-Time Positions

Regular positions are full or part-time positions that have regularly scheduled hours with no predetermined employment end date.

Full-time employment is defined as working an average of at least 24 hours per week unless identified differently by provincial regulations.

Part-time employment is defined as working an average of less than 24 hours per week unless identified differently by provincial regulations.

##### Temporary Positions

These positions are needed for various reasons such as interim vacancies, employee absences, short term support and/or sporadic and non-recurring assignments.

NOTE: Employees occupying temporary positions are considered external applicants when applying for regular employment and must follow established selection procedures for external applicants.

##### Independent Contractors

In situations where departments use the services of outside consultants or independent contractors, specific criteria are used to determine the worker's relationship with the company and thus the appropriate method of payment for their services. Factors indicating that payment should be made as an independent contractor versus an employee include:

- Behavioural Control – The employer does not direct and control how, when, or where the contractor does the tasks they are hired to perform
- Financial Control – The employer does not have financial responsibility for all expenses of the contractor, the contractor provides services to others in the market place, and the contractor is generally paid a flat rate fee (ie: per diem rate) rather than on an hourly/salaried basis for work done (some professionals such as lawyers may be paid hourly).



- Type of Relationship – The employer has a set period of time that work should be performed by the contractor rather than an indefinite relationship, the contractor is not eligible for any corporate benefits, and the contractor performs work other than a service that is key to the regular on-going business activities of the department or company.

## Guidelines

The employer is committed to providing managers with the tools, training and information necessary to make sound compensation decisions. Each manager is responsible for ensuring that performance management reviews are completed each year and that increases to base pay reflect performance and are within policy guidelines to ensure equity and consistency throughout the company. Each manager is also responsible for monitoring the hours of service of each employee to ensure compliance with all applicable policies and regulations.

Each employee must take responsibility for his or her job performance, professional development, and growth. While the employer strives to provide an environment that fosters growth, the company does not guarantee advancement (position or salary) for employees within their current position or with the company at large

Base pay is the hourly/biweekly/semi-monthly pay an employee receives on a regular basis. Adjustments to base salary can be applied because of merit or other employment action reasons such as a promotion or transfer as described in the compensation policy. Compensation outside of base pay is allotted for various reasons to include overtime, work that is distinctly different than an employee's primary responsibilities, work that is outside of normal work hours and separate from an employee's regular work, and incentive/recognition awards.

Pay is provided either on a salaried or hourly basis in accordance with the Employment Standards Act of each province the employer operates in. Employees that are exempt from overtime regulations are paid on a salaried basis; those who are non-exempt are paid on an hourly basis and are subject to overtime provisions. Employees that are in a position scheduled to work less than 40 hours a week and/or less than 12 months a year will be paid on an hourly basis.

Hiring rates should be commensurate with the employee's qualifications and related experience and should be in proper relation to similarly situated employees in the same career stream and career level. Part time or hourly employees will be paid at least the minimum wage as directed by provincial legislation.

### Retroactive Salary Adjustments

Salary adjustments will be effective the day they are recorded in the payroll system. If paperwork is delayed past the payroll deadline and requires retroactive pay, base salary can only be backdated up to 30 days. Back pay will be included in the employee's regular payroll once the record has been updated. If there are extenuating circumstances that would dictate backdating a pay increase to more than 30 days, the additional pay will be disbursed as a lump sum payment and requires approval from the President.

### Adjustments to Base Salary

Pay for Performance/Merit – Merit increases generally take effect on January 1 of each year. The amount of merit money available for distribution is determined on a yearly basis through market analysis, and a process of recommendations and approvals involving the President, GMs and Finance Division. Distribution of merit is at the discretion of the executive leadership team and subject to policy guidelines.

NOTE: Employees hired after September 1 are not eligible for an annual increase until July 1 of the following calendar year. This should be considered when establishing a hiring rate.

Promotion – Promotion is defined as an employee moving to a position of greater responsibility or scope. Many factors should be considered when determining a promotional pay increase. Promotional pay increases should be at least to the minimum of the market reference range of the new position.



NOTE: Employees promoted after September 1 are not eligible for an annual increase until January 1 of the following fiscal year. This should be considered when establishing a promotional rate.

Transfer – Transfer is defined as an employee moving from one position to another that is not classified as a promotion. To be considered a transfer; the change must include staying in the same career stream. Transferring to another position is an opportunity for an employee to expand their depth of knowledge and increase their career development opportunities. Individuals asked to transfer for career development or business need purposes may be eligible for an increase.

Market Adjustment – Market adjustments are salary adjustments for an employee or group of employees that have fallen behind in base salary as compared to similar positions within the organization or in the market.