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**SALARY ADMINISTRATION SYSTEM FOR EXEMPT EMPLOYEES**

Effective Date: May 2, 2014

Approved By: GVRD Board

**Policy No. HR-006**

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**PURPOSE**

The purpose of the salary administration system for exempt employees is to determine appropriate compensation levels for exempt staff on the basis of internal job equity, market comparables and performance-based criteria. The following policy is provided to establish guidelines upon which salaries are to be determined.

**DEFINITIONS**

**“Underfill Positions”** is a trainee or one who is not fully qualified to perform the position as per the requirements and qualifications set out in the Job Description. When the District has been unable to recruit a candidate whose qualifications meet the position requirements, the District may appoint a candidate at a Level One pay scale; however, this practice is not encouraged unless sufficient capacity and time exists within the Department to properly train and develop the candidate;

**“Fully Functional”** is one who performs to the expected standards for the position, such as by consistently achieving annual performance plan objectives, meeting departmental and organizational goals, and contributing to the overall effectiveness of the organization; and

**“Anniversary Date”** is the date twelve calendar months following the employment start date within the position. Following the anniversary date, Performance Reviews will be undertaken annually.

**POLICY****1.1. Compensation Authority**

The Board is responsible for establishing the Metro Vancouver exempt compensation policy and its corresponding budget approval.

The Chief Administrative Officer is accountable to the Board for ensuring the implementation of the Board’s Exempt Compensation Policy and ensuring that salaries for exempt staff are administered within the parameters of the Board policy.

**1.2. Salary Administration System**

The purpose of implementing a new job evaluation system was to replace the former ‘X Grid’ system with a new model of relative worth job ranking that reflects current trends in salary administration.

# BOARD POLICY

The Job Family Compensation Program is an objective approach to exempt position evaluation and the framework is customized for Metro Vancouver. It is a job classification system that takes into account all aspects of the job and values and measures:

- Education & Experience
- Working Relationships
- Problem Solving
- Responsibility
- Complexity

Each position at Metro Vancouver has been placed in a job family and at a level within that family that most accurately reflects the nature of the work being done relevant to these five defined factors. It does not measure nor reflect on the particular qualifications or performance of the individual in the job.

These evaluations remain constant over time unless a position changes significantly in any of the factors identified above. Newly created positions or significantly changed positions will be evaluated prior to posting or advertising. Individual ratings of positions and individual employee placements within the salary ranges will remain confidential to avoid misinterpretation or possible misuse.

## **2. SALARY ADMINISTRATION**

### **2.1 Existing Positions**

If an existing position is believed to have changed significantly, the incumbent or the supervisor may make a request through to the Department General Manager or Director, as applicable, that the position be re-evaluated on the basis of this change. If a Department General Manager supports the request, it will be forwarded in writing directly to the Director of Human Resources. The Director of Human Resources will make recommendations to the Chief Administrative Officer.

### **2.2 New Positions**

New positions will be evaluated at the time they are created. The new position's supervisor is responsible for preparing a job description for review by the Department General Manager and for submission to the Director of Human Resources. The Director of Human Resources, in consultation with the CAO, will evaluate the position and establish a base salary rate within the salary administration system.

### **2.3 Periodic Review**

As part of the ongoing administration of the plan, base salary evaluations will be reviewed periodically to ensure consistency is maintained among the positions and is anchored at one end by the external market and at the other end, by appropriate internal relativity. Evaluations will be reviewed by the Director of Human Resources in consultation with the Chief

Administrative Officer and, at the discretion of the Chief Administrative Officer, will include an independent review from a job evaluation consultant. Any position may be referred to a consulting firm for evaluation.

### **2.4 Salary Survey**

A comprehensive market based salary survey will be conducted by an independent consultant every three years to ensure that base salaries remain within the market parameters established by the Board. The survey will review the salaries of exempt positions in comparable jurisdictions. The survey will be conducted using the methodology established in the Job Family Compensation Program.

During intervening years CPI (Vancouver) will be used in combination with average overall adjustments provided to executive staff by the target market in comparable Metro Vancouver jurisdictions, and other relevant economic indicators to guide recommendations for future adjustments.

## **3. Compensation Levels**

Four levels of compensation based upon performance and responsibility are established for positions within the exempt salary structure. The starting salary for new hires and employees entering a new job will be determined in consultation with the Director of Human Resources.

### **3.1 Level One**

15% below the benchmark rate. This level is established as an entry-level salary paid to those employees who do not meet the minimum qualifications for a position. Compensation at this level will be reviewed on the employee's anniversary date.

### **3.2 Level Two**

10% below the benchmark rate. This level is established as the standard hiring salary paid to entry-level employees meeting the minimum requirements for the position. This level assumes that the incumbent will require two years to become fully functional in the position. Compensation at this level will be reviewed on the employee's anniversary date.

### **3.3 Level Three**

5% below the benchmark rate. This level is established as the discretionary hiring salary paid to new employees meeting the minimum requirements for the position. This level assumes that the incumbent will require one year to become fully functional in the position. Compensation at this level will be reviewed on the employee's anniversary date.

### **3.4 Level Four**

Benchmark rate. This level is established as the benchmark salary identified using the job family compensation program. It is paid to those employees who are either working in a fully functional capacity within the position or those who can be hired into a position without a steep

learning curve requirement. Individuals will be hired at Level Four if it can be demonstrated through previous related experience and educational qualifications that they have the necessary expertise to perform the job.

### 3.5 Temporary Assignments, Secondments and Acting Pay

- a) If a supervisor determines there is a demonstrated need, and makes a decision to assign an employee, on a temporary basis, to perform, in a substantive way and for a minimum of 5 consecutive working days\* (or 4 consecutive working days in a week that includes a statutory holiday), the principle duties of a job in a higher pay grade, the amount of the employee's acting pay will be the greater of:
- i. 105% of current salary; or
  - ii. Level 1 of the higher pay band

\* "consecutive working days" applies only to exempt staff acting for exempt staff.

**Note:** this Policy does not preclude managers from assigning acting duties for less than 5 days. In such circumstances acting pay will not be applied.

Temporary acting assignments typically require an employee to maintain their regular duties, in addition to those of the employee for whom they are acting. It should not result in acting pay also being assigned to an employee or employees in reporting positions.

- b) Where an employee is required to perform substantive additional duties or responsibilities within their current job for a defined period of time, the employee will be paid 105% of the current salary for the defined period. No change in salary grade will occur as a result of such requirements.
- c) Where a Teamsters Union member acts in an exempt role, compensation will be Level 1 (85%) of the exempt rate; or 105% of the Teamsters rate, whichever is greater.
- d) Where a GVRDEU member acts in an exempt role, compensation will be Level 1 (85%) of the exempt rate, inclusive of deferred compensation; or 105% of the GVRDEU rate plus deferred compensation, whichever is greater.

### 4. Annual Performance Review

Annual performance reviews will be conducted with each exempt staff member, on an individual basis. The purpose of the performance review is to evaluate the effectiveness of the employee's performance over the last year and to discuss the direction, goals and objectives of the organization and individual staff contributions to the achievement of those goals. For employees being paid below the benchmark rate, the supervisor will be able to award a merit increase of up to 5% based on the performance review results.

## **BOARD POLICY**

### **5. Performance Measurement Criteria**

The performance review should be viewed and used as a tool to move the organization and its staff to levels of excellence. Components to the performance review should include but not be limited to, demonstration of teamwork, commitment to the achievement of organizational goals, effectiveness and quality of work (outcomes); demonstration of effective leadership and demonstration of continuous improvement and learning within the employee's area of responsibility.

### **6. Retroactive Salary**

Effective January 1, 2015, any retroactive salary increase will only be paid to current employees.