

SECTION: Human Resources		POLICY # HR-018
Date Approved: January 1, 2022		Salary Pay Grid
Revision Date: December 6, 2021	Review Date: November 2021	
Authority: Report HR-09-21		

1.0 PURPOSE

The purpose of this policy is:

- To attract and retain qualified employees through an internally equitable (fair and 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 comply with all applicable employment statutes.
- To establish and maintain pay bands.
- To set out how staff can earn annual pay increases through step movements and the annual adjustment through annual performance reviews.
- To establish and maintain a fair, consistent and manageable job evaluation process.

2.0 SCOPE

This policy applies to all non-union Town of Hanover employees in positions that are included in the existing non-union pay grid. Contract employees not included on the existing pay grid will receive pay increases according to the terms of their contract.

3.0 RESPONSIBILITY

The CAO/Clerk, along with direction from Council, will implement, administer and monitor this policy. All future amendments to this policy must be approved by Council. All pay increases under this policy are subject to the finances of the Town and require explicit Council approval.

4.0 POLICY

4.1. Pay Band System

- Most Non-Union Town positions are included in the pay band system with the exception of some contract, seasonal and student positions which are excluded.
- All positions included in the pay band system are evaluated and scored out of 1,000 using a gender-neutral job evaluation system.
- Based on the score out of 1,000, 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 is comprised of eight (8) steps, which are expressed as a percentage of the job rate as follows:
 - Step 1 (86%)
 - Step 2 (88%)
 - Step 3 (90%)
 - Step 4 (92%)
 - Step 5 (94%)
 - Step 6 (96%)
 - Step 7 (98%)
 - Step 8 (100%) Job Rate

- All hourly paid staff are paid at the hourly rate of their assigned step.
- All salary staff are paid an annual salary equal to the hourly rate of their assigned step times the number of regular weekly hours for their position.
- Placement at partial steps is not permitted.
- New staff will normally be hired at the Step 1 rate within their pay band. New staff may be hired at a higher step based on experience and/or qualifications relative to their role, subject to CAO/Clerk approval.
- No staff may be hired at a rate below Step 1 or above Step 8 within the applicable pay band for their position.

4.2. Pay Band Annual Adjustment

- On January 1 of each year, the entire pay band grid may increase using an established formula based on the annual Statistics Canada Ontario Consumer Price Index for the 12 months ended June 30.
- Annual increases to the pay band grid are dependent upon Town finances and affordability.
- If the formula in a given year results in a negative percentage, the pay band grid will remain the same as the previous year. In the following year the negative percentage will be netted against the following year positive percentage.
- All staff will have their pay increased by the annual adjustment in their existing step.
- The job rate will increase by the annual adjustment and the other seven steps will be calculated as a percentage of the job rate.

4.3. Pay Band Step Movements

- Step movements are merit pay increases (performance based increases).
- All step movements require at least satisfactory performance, or upon hire, equivalent work experience and/or qualifications.
- Satisfactory performance is defined as individuals achieving:
 - Their annual goals as approved by the CAO/Clerk or Department Head
 - Satisfactory performance on their key measurables as arranged with the CAO/Clerk or Department Head
- Standard practice is one step movement per year until the staff member reaches the job rate.
- Normally all step movements take place effectively on January 1 of each year except for staff on probation.
- After probation, to be eligible for the next step movement, the staff member must have at least six months employment in the old step.
- All step movements require the approval of the CAO/Clerk.
- When staff reach the job rate they are red circled (frozen), but will be eligible for the annual adjustment

4.4. Market Check

- Normally, every four (4) years the entire pay band grid will be compared to “the market” to ensure the Town is paying employees fairly and achieving external equity (market check).
- The 60th percentile of market median 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.
- 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 rate. Employees in this situation will not be eligible for the annual pay adjustment until the job rate in their band is equal to or exceeds their current pay rate rate

- Council must approve the market check and the implementation of the results.
- If the market check results in a substantial pay increase, these may be phased in over more than one year.

4.5. 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. (Eg. A skill shortage in the labour market may impact ability to recruit qualified individuals. A temporary wage increase may be implemented in order to attract those individuals and compete in the labour market.)
- 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 and related procedures of these market adjustments will be clearly communicated in writing to any staff member receiving such a pay award.
- All temporary market adjustments must be approved by Council.

REVIEW FREQUENCY

This policy will be reviewed every 4 years, at minimum, or as otherwise deemed necessary or required by legislation.

RELATED DOCUMENTS

HR-001 Personnel Policy