

The TMG Total Compensation Plan Redesign Recommendations Implementation Status Update: June 2017

Legend:
Pending
Requires approval
Completed

Total Compensation		
Description	Target Implementation Timeline	Status and Notes
1	Total Rewards philosophy for TMG	<ul style="list-style-type: none"> Fall 2017 <ul style="list-style-type: none"> In progress Approval required
2	Reduce the number of bands from 15 to 12 by eliminating bands C, D and E and create three main groupings of remaining bands: <ul style="list-style-type: none"> F to I J to M N to Q 	<ul style="list-style-type: none"> July 2017 <ul style="list-style-type: none"> Completed
3	Revise the salary range structure by redefining the components of the range and also by narrowing the salary ranges for bands F through I	<ul style="list-style-type: none"> Narrowing of the salary ranges will be completed using a phased approach <ul style="list-style-type: none"> Phase 1: July 2017 Phase 2: July 2018 Phase 3: July 2019 <ul style="list-style-type: none"> Completed Narrowing of the ranges will follow the 3 year phase-in schedule
4	Introduce a new TMG Achievement Program to replace the current performance management program for TMG	<ul style="list-style-type: none"> Communicated in October 2016 To be used for the annual review in Spring 2017 <ul style="list-style-type: none"> Completed Announced in October 2016 for all TMG
5	Change the annual salary review process by introducing a merit matrix that better connects performance achievement level and position in the salary range to the merit awarded, while maintaining flexibility for managers	<ul style="list-style-type: none"> July 2017 <ul style="list-style-type: none"> Completed Introduced as part of the 2017 annual salary review
6	Introduce groupings of departments to better manage the merit pools	<ul style="list-style-type: none"> July 2016 salary review <ul style="list-style-type: none"> Completed Pilot introduction in July 2016 Expanding for July 2017
7	Introduce a calibration process to promote consistency in application of the performance assessment and the allocation of rewards in the annual salary review	<ul style="list-style-type: none"> To be used for both the performance management and salary review processes <ul style="list-style-type: none"> Completed Introduced as part of the July 2017 annual review
8	Introduce a new Performance Excellence Program for Bands F through M	<ul style="list-style-type: none"> Due to 'performance pay envelope' restriction, will likely be held over until July 2018 <ul style="list-style-type: none"> Design completed To be submitted for approval in tandem with the Variable Pay Plan program
9	Introduce a Variable Pay Plan program for TMG in Bands N through Q	<ul style="list-style-type: none"> Due to 'performance pay envelope' restriction, will likely be held over until July 2018 <ul style="list-style-type: none"> In progress To be submitted for approval in tandem with the Performance Excellence program
10	Update the approach to maintain P60 relationship to market by amending the definition of comparable organizations <ul style="list-style-type: none"> Bands F-I: Local (Hamilton, Burlington and surrounding area) Bands J-M: Regional (Toronto, South Western Ontario, Hamilton) Bands N-Q: National (All Canada) 	<ul style="list-style-type: none"> July 2017 <ul style="list-style-type: none"> Completed
11	Introduce a Compensation Policy and revise the Salary Administration Guidelines	<ul style="list-style-type: none"> Fall 2017 <ul style="list-style-type: none"> In progress Will require approval
12	Introduce a Pre-retirement Vacation Exchange Program for TMG	<ul style="list-style-type: none"> July 2017 <ul style="list-style-type: none"> Completed Applications due by April 2018; vacation exchange in effect July 2018
13	Introduce Career Frameworks	<ul style="list-style-type: none"> 1st quarter in 2018 <ul style="list-style-type: none"> Work to begin in Summer 2017
14	Refine the recognition program by introducing elements specific to TMG	<ul style="list-style-type: none"> To be determined Tentative for November 2017 <ul style="list-style-type: none"> In progress
15	Explore with Sun Life the ability to provide employees in TMG who are not eligible for post-retirement benefits the option to purchase at retirement an individual benefit plan at preferred rates	<ul style="list-style-type: none"> November 2017 <ul style="list-style-type: none"> In progress Further discussion required

Job Evaluation			
Description	Target Implementation Timeline	Status and Notes	
16	Adopt the standard Hay Guide Charts for Job Evaluation and Expanded Definitions	<ul style="list-style-type: none"> July 2016 	<ul style="list-style-type: none"> Implemented September 2016 Tool for the Job Evaluation Committee
17	Define job families for TMG	<ul style="list-style-type: none"> July 2016 	<ul style="list-style-type: none"> Completed Released October 2016
18	Review and update the selection of benchmark jobs	<ul style="list-style-type: none"> July 2016 and ongoing (collection of current job information will be underway) 	<ul style="list-style-type: none"> In progress Selection of benchmarks completed Communication to managers of benchmark jobs in progress
19	Create job profiles by family which will serve as the backbone of evaluation system	<ul style="list-style-type: none"> July 2016 and ongoing 	<ul style="list-style-type: none"> In progress Tool for the Job Evaluation Committee
20	Introduce a revised job description and related job posting	<ul style="list-style-type: none"> July 2016 	<ul style="list-style-type: none"> Completed Released October 2016
21	Utilize generic job descriptions and posting information	<ul style="list-style-type: none"> Ongoing beginning in Summer 2017 	<ul style="list-style-type: none"> Development of generic job descriptions and postings to begin in Summer 2017
22	Introduce band descriptions	<ul style="list-style-type: none"> Fall 2017 	<ul style="list-style-type: none"> In progress
23	Introduce title guidelines	<ul style="list-style-type: none"> Fall 2017 	<ul style="list-style-type: none"> In progress
24	Create a job evaluation manual for members of TMG and their managers	<ul style="list-style-type: none"> July 2016 	<ul style="list-style-type: none"> Completed Released October 2016

Communication and Education			
Description	Target Implementation Timeline	Status and Notes	
25	Improve communications to members of TMG and their supervisors <ul style="list-style-type: none"> Create a highlight summary of the total rewards package Improve how we explain value by introducing Total Rewards Statements 	<ul style="list-style-type: none"> Fall 2017 (highlights summary) March 2019 (Total Rewards Statements) – subject to capability within Mosaic and BI 	<ul style="list-style-type: none"> In progress
26	Create materials targeted to managers of TMG to promote better understanding and consistency of application of the TMG Total Rewards program elements	<ul style="list-style-type: none"> July 2016 and ongoing 	<ul style="list-style-type: none"> In progress
27	Review and audit of implementation and application of program changes	<ul style="list-style-type: none"> July 2017 and ongoing 	<ul style="list-style-type: none"> Pending
28	Amend letters to employees regarding their annual salary increase to reflect all increase adjustments	<ul style="list-style-type: none"> July 2016 July 2017 (additional updates) 	<ul style="list-style-type: none"> Completed Further updates may be made in future

Other Considerations			
Description	Target Implementation Timeline	Status and Notes	
29	Flexible benefits programs: The Sub-Committee agreed that the introduction of a Health Care Spending Account would be positively viewed by TMG and recommend that this be brought forward for future consideration	<ul style="list-style-type: none"> Not scheduled 	<ul style="list-style-type: none"> Future consideration
30	Program design elements are intended to integrate with other related programs for TMG	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Integration with other related programs is a constant consideration

Revised: June 2017