









## 2. Temporary Salary Adjustments

There are a number of situations where it may be appropriate to provide a temporary salary adjustment. These include: additional duties for a temporary, time-limited period; temporary growth and development appointments within TMG; individual development appointments. In all cases, temporary salary adjustments will be considered when the work to be performed is of a higher level and different nature than that of the incumbent's regular position. Temporary salary adjustments will not normally exceed 12 months' duration.

### a) Additional Duties for a Temporary, Time-Limited Period

Additional payment may be given when additional duties are assigned for a temporary period. An additional duties payment is appropriate when the nature of the added work is at a higher level from a job evaluation perspective than the incumbent's current role. Human Resources should be consulted in advance of the assignment of the temporary duties to determine whether the work is of a higher level and an additional payment is warranted. Depending on the nature of the duties, a payment, in addition to the existing base salary, may be provided to the employee. The additional duties payments will typically be 3 to 5% for the duration of the assignment. Note that for the duration of the assignment, all associated benefits, pension and/or Group RRSP provisions will be applied on the basis of the existing base salary related to the home position. Adjustments will not normally be provided for addition of temporary duties for less than one month's duration. Additional duties payments will not be applied retroactively.

### b) Temporary Growth and Development Appointments within TMG

Employees in TMG who transfer to another job in TMG on a temporary, time-limited basis may be eligible for a temporary increase in compensation. The temporary job may be in the same or other department in the University. Determination of whether a temporary increase in compensation is indicated will be based on whether the change in job reflects a promotional, lateral or demotional move. If a temporary increase is indicated, the employee will receive a temporary payment, in addition to their existing base salary, for the duration of the temporary growth and development appointment. Note that for the duration of the assignment, all associated benefits, pension and/or Group RRSP provisions will be applied on the basis of the existing base salary related to the home position. Managers of TMG will seek the advice of Human Resources Services before offering any payment related to a temporary growth and development appointment.

### c) Individual Development Appointments

In certain situations, an employee in TMG may be given a personalized developmental opportunity to take on a time-limited, higher level job. Individual Development Appointments are typically created specific to an employee and are intended for personal development in the context of succession planning. For the duration of the Individual Development Appointment, the employee will be provided with a temporary payment, in addition to their existing base salary. Note that for the duration of the assignment, all associated benefits, pension and/or Group RRSP provisions will be applied on the basis of the existing base salary related to the home position. In situations where an Individual Development Appointment is being considered,

Human Resources Services must be consulted in advance and the approval of the Budget Envelope Manager's Supervisor is required.

### 3. Supervisor Differential

In order to maintain an appropriate and equitable relationship between pay of the supervisor and reporting employees, it is expected that the base salary of supervisors will normally exceed the base pay of directly reporting employees by at least 5%. In situations where this differential in base salaries is not maintained, an increase to the supervisor's base salary may be indicated. In order to qualify as direct supervisor under the Supervisor Differential provision, it must be demonstrated in the job description and in practice that the supervision is both functional and administrative in nature and that the supervisor possesses the necessary qualifications, training and background to successfully and independently establish goals and expected outcomes, assess performance, supervise, determine, guide and assess the accuracy of the work of the reporting employee(s). The supervisor differential is not applicable in situations where the supervision is only administrative in nature. Department heads are to consult with Human Resources Services where they believe a supervisor differential may be required for a supervisor in their faculty, department, or area. The supervisor differential is considered and applied to continuing supervisory positions and is not applied in situations where the supervisor has been appointed on an acting, time-limited basis, or where supervisory responsibilities have been assigned on a temporary additional duties basis.

### 4. Annual Review of Salaries

Salaries of employees in TMG are reviewed and subject to adjustment during the Annual Salary Review for TMG. This Review normally occurs in June of each year with any increases taking effect the first day of the first full pay period in July. Timing of the review is subject to change. Provisions for the Annual Salary Review require approvals up to and including that of the Board of Governors.

In keeping with McMaster's Pay for Performance Philosophy for TMG, increases in the Annual Salary Review will be merit-based, unless regulated to the contrary, and will be allocated using a Merit Matrix that factors in performance and position in the salary range (compa-ratio). Instructions and guidelines for the Annual Salary Review are circulated to department heads in advance of each year's review. A precursor to the Annual Salary Review is the Annual Performance Review which is part of the TMG Achievement Program. The assessment of performance and resulting performance rating will be used in the Annual Salary Review.

Managers of TMG are expected to follow all applicable instructions, guidelines and practices in place for TMG including the TMG Achievement Program, the Annual Salary Review and associated Calibration processes.

### 5. Performance Excellence Program for TMG in Bands F Through M

The Performance Excellence Program for TMG in Bands F Through M rewards members of TMG deemed truly exceptional performers who are clearly leaders among their peers and have noticeably excelled in their performance over and above what would normally be expected in their role and have been identified as high potential employees. TMG in Bands F through M with a performance rating of Outstanding are eligible. Refer to the Performance Excellence Program for TMG in Bands F Through M guide for more information.

## 6. Variable Pay Program for TMG in Bands N through Q

The Variable Pay Program for TMG in Bands N Through Q provides a framework that enables rewarding truly exceptional performers who, through their involvement in activities within or beyond the scope of their position, directly advance the University's strategic priorities. Individuals awarded variable pay program payouts will be limited to those who led or co-led strategic institution-wide initiatives that are aimed at delivering revenue growth, administrative efficiency, exceptional improvements to service levels, or advancing leadership and equity, diversity and inclusion. TMG in bands N through Q are eligible. Refer to the Variable Pay Program for TMG in Bands N Through Q guide for more information.

## Appendix A: Definitions

### Band:

Jobs in TMG are administered in Bands. The Band of a job is determined through application of the University's job evaluation process which uses a gender neutral comparison system to evaluate jobs based on the skill, effort, responsibility and working conditions. Each Band has a corresponding salary range within which incumbents of jobs are administered.

### Base Salary:

The compensation paid to an employee for performing specific job responsibilities. Base salary is reflective of: a) the expected contribution of the job to the University based upon current job requirements; b) competitive base salary information for similar jobs at peer organizations; c) individual knowledge, skills and competencies that relate to success on the job; d) individual performance in the role.

### Cash compensation:

Cash provided by an employer to an employee for services rendered. Compensation comprises the elements of pay (e.g., base pay, one-time lump-sum payments, stipends, etc.) that are offered to an employee in return for their services.

### Calibration:

The calibration process is designed to encourage greater consistency across the University in the application of the TMG Achievement Program ratings in the annual performance review and related merit allocation in the annual salary review.

### Compa-ratio:

Compa-ratio is used to describe an employee's position in the salary range and is calculated by dividing the employee's salary by the Target of the salary range and multiplying the result by 100.

### High Performance Zone of the Salary Range:

The portion of the salary range between 105% of the Target and the Maximum. The High Performance Zone is intended for employees who have demonstrated consistent and ongoing outstanding performance.

### Job:

For purposes of this document, a job is the collection of duties and responsibilities assigned and as described in a job description.

### Merit:

A program in which salary increase decisions are made contingent upon performance and position in the salary range (compa-ratio). Commonly called pay-for-performance.

### Merit Matrix:

A merit matrix provides the maximum amount of merit that may be allocated during the annual salary review. The merit matrix considers performance and position in the salary range.

### Normal Range for Hiring:

The Normal Range for Hiring new employees is between the Minimum and 94.9% of the Target of the salary range. Placement within the Normal Range for Hiring is determined based on the individual skills and experience of the candidate and in consideration of internal equity within the hiring department and area.

### Performance Excellence Program:

The Performance Excellence Program rewards members of TMG deemed truly exceptional performers who are clearly leaders among their peers and have noticeably excelled in their performance over and above what would normally be expected in their role and have been identified as high potential and/or high performing employees. TMG in Bands F through M with a performance rating of Outstanding are eligible.

### Position:

For purposes of this document, a position refers to a job in a specific department.

### Progressing Zone of the Salary Range:

The portion of the salary range between the Minimum and 94.9% of the Target.

### Red-circling:

Protection provided to an employee whose salary is above the established salary range maximum



assigned to the job they hold. The employee is not eligible for further base salary increases until the range maximum surpasses the individual's salary.

**Salaried Pension Plan:**

Refers to the Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000.

**Salary Range:**

The range of pay that is allowed for a job. The evaluation outcome of a job determines the Band which has a corresponding salary range. Salaries of incumbents of the job are administered within the salary range in accordance with applicable policies, guidelines and administrative practices.

**Target of the Salary Range:**

As at the date of approval of this Policy, the Target is set to the 60<sup>th</sup> percentile of the defined market.

**Target Zone of the Salary Range:**

The portion of the salary range between 95.0% of the Target and 104.9% of the Target. It is expected that salaries of employees in TMG will progress to the Target Zone over time. The time required to reach the Target Zone varies and is dependent on skills, experience, performance, salary increase provisions for TMG, and market conditions.

**TMG:**

TMG refers to The Management Group which is a heterogeneous group consisting of managers with responsibility for making effective recommendations that impact the terms and conditions of employment

of others and employees without managerial responsibility but who are exempt from unionized employee groups due to the scope of recognition clauses or the confidential labour relations nature of the work performed. TMG includes employees who are exempt from Unifor because they work outside of the province of Ontario.

**TMG Achievement Program:**

The TMG Achievement Program is the performance review and development planning program. The Program recognizes three levels of achievement: achieving, successful and outstanding. A rating reflective of overall achievement in consideration of work objectives, leadership capabilities and individual development is assigned.

**Total Rewards:**

The monetary and non-monetary returns provided to employees in exchange for their time, talents, efforts and results. Total rewards involve the deliberate integration of five key elements of compensation, benefits, work life, development and career opportunities, and performance and recognition, that effectively attract, develop, engage and retain the talent required to achieve desired business results.

**Variable Pay:**

The Variable Pay Plan program provides a framework that enables rewarding truly exceptional performers who, through their involvement in activities within or beyond the scope of their position, directly advance the University's strategic priorities. TMG in bands N through Q are eligible.