

Variable Pay Plan for TMG in Bands N Through Q

The Variable Pay Plan for TMG in Bands N through Q is a new pilot program that was introduced in July 2019 with first assessment for potential payment in July 2020.

Purpose:

The Variable Pay Program for TMG in Bands N through Q is intended to reward truly exceptional performers who, through their involvement in activities within or beyond the scope of their position, directly advance the University's strategic priorities.

Eligibility:

- Applies to members of TMG who are incumbent in positions that have been evaluated in bands N through Q. (Note that employees who participate in other variable pay or bonus plans are not eligible to participate in this program.)
- To be eligible for a payment from the Variable Pay Plan, the employee must be in the role for the full performance cycle from July to June.
- Recipients must be actively employed by the University on the date of payment.
- Recipients must have a completed Annual Performance Review and have received a rating of Outstanding.

Assessment Criteria:

Eligible members are to be assessed based on the following criteria:

- Delivers exceptional results by building trust and credibility among stakeholders;
- Advances the University's strategic priorities;
- Performs strongly in financial; operational service; leadership and community goals;
- Leads or co-leads strategic, institution-wide projects or initiatives that are aimed at delivering:
 - Advancement of the academic and research missions of the University
 - Revenue growth
 - Administrative efficiencies which have a broad, cross-University impact
 - Exceptional improvements to service levels
- Advances leadership and equity, diversity and inclusion;
- Provides exceptional leadership and expertise to design, develop and implement transformative change;
- Promotes and actively facilitates collaboration and partnership with colleagues in cross-university teams that are delivering University objectives that are outside the scope of the incumbent's role.

Plan Features:

- The maximum Variable Pay Plan pool for TMG is \$150,000 per year.
- The Variable Pay Plan pool will be distributed to each of the President and the Vice-Presidents on a pro-rata basis reflective of employee salaries.
- The President and Vice-Presidents will be responsible for allocating their portion of the Variable Pay Plan pool based on the assessment criteria noted above.
- The Variable Pay Plan Award may provide up to a maximum of 3.0% of base salary to be paid as a one-time, lump-sum payment, subject to applicable taxes and deductions. Variable Pay Plan Award payments are not eligible for pension, Group RRSP or benefit purposes.

- The Plan recognizes exceptional performance results; only those meeting this criterion will be considered. Not all members of TMG will be eligible or receive a payment.
- Employees may be awarded a payment in some years and not in others and payment amounts will vary based on specific project leadership, contributions and degree of success in a given year. Receipt of a Variable Pay Plan Award in any given year is not a predictor of receipt of subsequent awards.

Program Administration:

- Assessment of the Variable Pay Plan is conducted concurrently with the salary review process for TMG.
- The Department Head reviews the Variable Pay Plan program overview and identify eligible employees who qualify based on the program purpose, eligibility and assessment criteria. The Department Head completes the Variable Pay Plan Payment Recommendation Form and submits it via email to their Dean or AVP. Please do not communicate recommendations to employees until the final approval is received as the President or Vice-President might approve, amend, or decline nominations.
- The Dean or AVP reviews the Variable Pay Plan Payment Recommendations with the department head. The Dean or AVP may accept, amend or reject recommendations received. The Dean or AVP will email to Human Resources those recommendations that they are approving for further consideration by the President or Vice-President. The Dean or AVP should inform the department head of changes to the recommendations and confirm which are moving forward.
- As the program pools are allocated to each of the President and Vice-Presidents, Human Resources will collect the recommendation forms, validate the employees' eligibility, summarize all recommendations, including whether the overall total is within the pool allocated and will forward to each of the President and Vice-Presidents, the recommendations applicable to their area for review and decision.
- The President or Vice-President reviews all recommendations submitted for their area. The President or Vice-President may approve, decline or adjust any payment recommendations. In the event the recommendations exceed the available pool, the President or Vice-President will determine the reductions required to ensure the available pool is not exceeded. To enable these decisions, Human Resources will provide the President and Vice-Presidents with summary information showing the total of all nominations relative to their available pool. The President or Vice-President will forward the approved recommendations to Human Resources for payment.
- Departments are required to self-fund Variable Pay Plan Award payments.
- Self-nominations are not permitted.

Notes:

- The Variable Pay Plan pool amount and maximum Variable Pay Plan awards are subject to review and change.
- The Variable Pay Plan is being introduced as a pilot program and may be amended or cancelled at the discretion of the University.
- Following the first review cycle, the Variable Pay Program will be reviewed to assess and, where possible, improve the associated administrative process.

Variable Pay Plan Payment Recommendation

Additional details can be found in the [Variable Pay Plan Program Overview](#)

Employee Nominee Information:

Nominated by the Department Head:

Name		Name	
Position Title		Position Title	
Department		Department	

Assessment Criteria (Check all that apply):

<input type="checkbox"/> Delivers exceptional results by building trust and credibility among stakeholders <input type="checkbox"/> Advances the University’s strategic priorities <input type="checkbox"/> Performs strongly in financial; operational service; leadership and community goals <input type="checkbox"/> Leads or co-leads strategic, institution-wide initiatives that are aimed at delivering: <ul style="list-style-type: none"> <input type="checkbox"/> Advancement of the academic and research missions of the University <input type="checkbox"/> Revenue growth <input type="checkbox"/> Administrative efficiencies which have a broad, cross-University impact <input type="checkbox"/> Exceptional improvements to service levels <input type="checkbox"/> Advances leadership and equity, diversity and inclusion <input type="checkbox"/> Provides exceptional leadership and expertise to design, develop and implement transformative change <input type="checkbox"/> Promotes and actively facilitates collaboration and partnership with colleagues in cross-university teams that are delivering University objectives that are outside the scope of the incumbent’s role

Description of project or special assignment achievements and employee’s outstanding contributions:

Suggested length is approximately 300 words

Recommended one-time, lump-sum payment: \$_____ ; _____% of salary as at May 1st
 May 1st salary \$_____ and band _____
 Chartfield: _____

Payments are limited to a maximum of 3.0% of base salary and are subject to applicable taxes and deductions. Recommended amounts may be changed by the President or Vice-President. Payments are not eligible for pension, Group RRSP or benefit purposes. The Variable Pay Plan pool is capped at \$150,000 per year and will be allocated on a pro-rata basis reflective of employee salaries and administered at the President and Vice-Presidents level. Departments are responsible for funding the cost and must provide the chartfield above. **The deadline for Department Heads to submit the application to the Dean / AVP is July 17, 2020.**

Approvals

Dean (Non-FHS only) or AVP				
Once signed please forward the form to Human Resources (Total Rewards) corovic@mcmaster.ca or for FHS andersm@mcmaster.ca . Human Resources will compile the recommendations for the President or Vice-President. The deadline for submission is July 27, 2020				
Name		Title		Date

President or Vice-President				
Once signed please forward the form to Human Resources (Total Rewards) corovic@mcmaster.ca or for FHS andersm@mcmaster.ca . The deadline for submission is August 14, 2020				
Name		Title		Date
<input type="checkbox"/> Approve <input type="checkbox"/> Decline <input type="checkbox"/> Amend one-time, lump-sum payment: \$_____ ; _____% of salary as at May 1 st				

Variable Pay Plan for TMG (Bands N through Q)

Process Map

