The Variable Pay Plan for TMG in Bands N through Q is a new pilot program that is being 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.

Please note that Bill 124, *Protecting a Sustainable Public Sector for Future Generations Act, 2019*, is currently before the Ontario legislature, and is being closely monitored. To the extent that Bill 124 or other compensation restraint legislation gives rise to new regulatory requirements that impact this document, it will be amended to ensure compliance.

**Eligibility:**
- Applies to members of TMG who are incumbent in positions that have been evaluated in bands N through Q. (Note that employees in University Advancement who participate in similar variable pay 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;
- 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 identifies eligible employees based on the program purpose, eligibility and assessment criteria and completes and submits the Variable Pay Plan Payment Recommendation form which documents the achievements in support of the recommended payment to the Dean or AVP.
- The Dean or AVP reviews the submissions, determines which recommendations will move forward in the process and submits those Variable Pay Plan Payment Recommendation forms to the President or Vice-President, as determined by the reporting structure for the area.
- The President or Vice-President reviews all submissions for their reporting area and has responsibility to approve, amend, or decline recommendations. Approved payments may not exceed their Variable Pay Plan Pool Allocation.
- The Variable Pay Plan Payment Recommendations that have been approved are to be forwarded to Human Resources Services 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 (link to be added).

Employee Nominee Information:

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<th>Name</th>
<th>Position Title and Band</th>
<th>Department</th>
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Assessment Criteria (Check all that apply):

- ☐ 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 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

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

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<th>Description</th>
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Recommended one-time, lump-sum payment: $_________; __________% of salary as at May 1st

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 by employee count and administered at the President and Vice-Presidents level. Departments are responsible for funding the cost and must provide the chartfield above.

Approvals:

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<th>Dean or AVP</th>
<th>Name</th>
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<th>President or Vice-President</th>
<th>Name</th>
<th>Title</th>
<th>Signature</th>
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October 2019
Variable Pay Plan for TMG (Bands N through Q)

Process Map

1. Concurrent with the annual salary review for TMG, the Department Head reviews the Variable Pay Plan Program overview and identifies eligible employees who qualify based on the program purpose, eligibility and assessment criteria and completes the Variable Pay Plan Payment Recommendation Form and submits it to the Dean or AVP for consideration.

2. 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.

3. The Dean or AVP will sign those recommendations that they are approving for further consideration by the President or Vice-President and submits the recommendations to Human Resources Services (Total Rewards).

4. Human Resources reviews the Variable Pay Plan Payment Recommendation Form submissions to confirm that overall payment recommendations do not exceed the amount allocated to the President or Vice-President and forwards the recommendations and information about overall payment amounts to the President or Vice-President.

5. 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. The President or Vice-President will forward the recommendations to Human Resources Services (Total Rewards) for payment.

6. Human Resources Services (Total Rewards) will provide copies of approved Variable Pay Plan Payment Recommendation Forms to the Dean or AVP, will arrange for payment of approved recommendations and will confirm the Variable Pay Plan Award payment to the employee in a letter (cc to the Dean or AVP).