

## Variable Pay Plan for TMG in Bands N Through Q

### ***Exception for 2022 Payment in Recognition of Work Efforts Due to COVID-19***

***This has continued to be another exceptional year and members of TMG have risen to the challenge to support McMaster's academic and research mission. It is recognized that many TMG have continued to support the University despite the challenges that working through the pandemic may have presented. For this year's assessment and payouts in September 2022, in order to recognize the extraordinary work effort required by many TMG, the program is being expanded for a second year on a one-time basis to allow for additional one-time payments that may be allocated to recognize the significant workload that TMG has shouldered in response to COVID-19. For last year and this year only, the Variable Pay Plan pool is increased to \$250,000. In addition, for last year and this year only, program eligibility is not restricted to those who have a performance rating of Outstanding; rather, TMG with a performance rating of Outstanding or Successful and who demonstrated extraordinary work effort are eligible. Individual payments may not exceed 3% of base salary paid in the form of a one-time, lump sum payment.***

***For this year, rather than complete a nomination form for each employee, the nominations will be completed using spreadsheets that Human Resources will send to department heads in July.***

#### **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.

#### **For this year:**

- The program is being expanded on a one-time basis to allow for additional one-time payments that may be allocated to recognize the significant workload that TMG has shouldered in response to COVID-19
- The Variable Pay Plan pool is increased to \$250,000.
- Program eligibility is not restricted to those who have a performance rating of Outstanding; rather, TMG with a performance rating of Outstanding or Successful and who demonstrated extraordinary work effort are eligible.

#### **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.
- Nominees must have a completed Annual Performance Review and have received a rating of Outstanding or Successful.

#### **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;
- Demonstrated extraordinary work effort in response to COVID-19.

**Plan Features:**

- The Variable Pay Plan pool for TMG is \$250,000 for July 2022.
- 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 payment 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 payments are not eligible for pension, Group RRSP or benefit purposes.
- Only those meeting the above criteria will be considered. Not all members of TMG will be eligible or receive a payment.
- Individuals 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 payment in any given year is not a predictor of receipt of subsequent payments.
- The value of individual payments should reflect the level of achievement relative to the above eligibility criteria.

**Program Administration:**

- Assessment of the Variable Pay Plan is conducted concurrently with the salary review process for TMG.
- The Department Head will complete a spreadsheet provided by Human Resources identifying eligible employees based on the program purpose, eligibility and assessment criteria and documents the achievements in support of the recommended payment. Please do not communicate recommendations to employees until the final approval is received as the President or Vice-President may approve, amend, or decline nominations.
- The Dean or AVP reviews the Variable Pay Payment Recommendations with the Department Head and determines which recommendations will move forward in the process and emails the Variable Pay Plan Payment Recommendation to Human Resources.
- Human Resources will collect the recommendations, 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 submissions for their reporting area and has responsibility to approve, amend, or decline recommendations. In the event that the recommendations exceed the available pool, the President or Vice-President will determine the reductions required to ensure the available pool is not exceeded.
- The Variable Pay Plan Payment Recommendations that have been approved are to be emailed to Human Resources for payment.
- Departments are required to self-fund Variable Pay Plan payments.
- Self-nominations are not permitted.

**Notes:**

- The Variable Pay Plan pool amount and maximum Variable Pay Plan payments are subject to review and change.
- If the full pool allocation is not utilized in a given year, it does not carry forward.
- The Variable Pay Plan was introduced as a pilot program and may be amended or cancelled at the discretion of the University.
- The Variable Pay Program will be reviewed to assess and, where possible, improve the associated administrative process.
- For the 2023 payouts, the pool for the Variable Pay Plan will be \$100,000.
- For the 2023 payouts, the original eligibility criteria and the requirement to have a performance rating of Outstanding to be eligible for these programs will be reinstated.

## Variable Pay Plan for TMG (Bands N through Q)

### Process Map

