



# Corporate Policy Manual

Sub Topic:	Salary Progression	Policy No.	9-02
Topic:	Compensation	Employees Covered:	All Regular Full-Time & Permanent Part-Time Non-Union Employees
Section:	Human Resources	Council Adoption Date:	
Effective Date:	November 11, 2002	Revision No:	001
		Date:	March 9, 2004

## Policy Statement & Strategic Plan Linkages

The Town of Newmarket recognizes the importance of administering a salary system which pays new employees fairly and equitably, acknowledges the qualifications and experience that the new employee may bring to the position and the granting of salary increases in accordance with the Salary Schedules based on meeting or exceeding performance expectations for their position and in accordance with employment legislation.

## Purpose

The purpose of this policy is to:

1. Ensure the fair and equitable treatment of newly hired employees to the Town of Newmarket and to attract and retain skilled and committed employees.
2. To establish consistent processes for salary progression.
3. Provide procedures for ongoing salary administration.
4. Comply with Pay Equity legislation.

## Definitions

- a) A new employee is defined as an individual who has successfully completed the Town's Recruitment and Selection Process (see HR Policy No.12.01), and to whom an offer of permanent employment has been made.
- b) There are 6 Levels in the Salary Schedule for permanent full-time and permanent part-time employees. Salary progression is defined as movement from one salary level to the next within the same pay range (Grade).
- c) The Salary Schedule in b) above shall be used to determine pay for contract employees hired to fill permanent full-time and/or permanent part-time vacancies. Contract employees are subject to the terms and conditions of the contract as outlined in their offer of employment or as re-negotiated.

## Procedures

### New Hires

1. New hires normally should be started at the minimum of the salary range.
2. There may be circumstances where a candidate is highly experienced and would quickly become fully competent OR market pressures may necessitate hiring at a step other than the first level in the salary range. These circumstances must be well documented and supported with solid information. The decision to hire at other than minimum shall be the subject of discussion between the Director and Human Resources to ensure consideration of internal equity. Such candidate will progress to the next level in the salary range (Grade) as outlined in the Salary Schedule.
3. In very specific circumstances where external market competition requires a higher salary range to attract and retain an individual with the necessary qualifications for the position, the salary may exceed the maximum rate as recommended and approved by Human Resources and the Chief Administrative Officer, subject to Council approval.
4. Newly hired employees shall be on probation for a period of 6 months and shall not be eligible for salary progression until successfully completing one year of service.

### Progression

1. Permanent Full-Time and Permanent Part-Time employees shall progress through the salary range at regularly scheduled intervals based on their anniversary date in the position and satisfactory performance. In circumstances where a position is re-classified, the anniversary date for salary progression is subject to change in accordance with Policy No. 9-04, Job Evaluation.
2. Effective January 1, 2004, increases for purposes of salary progression shall be effective on the employee's anniversary date in their current position.
3. In cases of unsatisfactory performance, no salary progression will be made OR the salary review may be deferred.

### Deferral

1. The date for salary review may be deferred under certain circumstances, e.g. when an employee fails to meet performance standards of his/her position or is on a leave of absence (other than pregnancy or parental leave).
2. When it is evident that an employee's performance falls below the required level, the Manager/Director must take corrective action. He/she must meet with the employee to discuss the possibility that a salary increase may not be earned and to formally review the areas of weakness and set measurable objectives for improved performance.

3. This review meeting must be done sufficiently in advance of the scheduled salary review date to allow the employee an opportunity to improve his/her performance.
4. If the employee's performance has not improved by the review date, the Manager/Director may recommend a deferral of the anniversary date for a period of three or six months.
5. When there is documented evidence that performance has improved, the date of recommendation for a salary increase becomes the new anniversary date for purposes of salary progression.

#### Accelerated Increases

1. There may be situations where it is appropriate to grant a salary increase greater than the established level OR grant a salary increase earlier than the prescribed anniversary date.
2. To qualify, work performance must be judged exceptional. There must be documentation on file reflecting the goals and objectives, identifying the standards to be met as well as a recent documented performance review.
3. An accelerated increase as clarified in point 1 above, can only be granted once in the job classification and the employee must have completed at least one year on the job. The accelerated increase will not alter an employee's anniversary date for salary progression.
4. Where an employee's exceptional performance is deemed eligible and the employee is at job rate (maximum of the salary grid) he/she shall receive a one-time lump sum payment equal to the amount he/she would have received in a regular step increment.
5. A recommendation for an accelerated increase by the Director in consultation with the Manager of Human Resources must be given final approval by the Chief Administrative Officer.

Note: The above "Accelerated Increases" clauses are subject to change with the development of a Performance Management Program.

#### Responsibilities

##### Directors/Managers/Supervisors are responsible to:

- Counsel employees not meeting expectations and advise employees of the potential salary consequences (deferral and/or denial).
- Advise Human Resources in advance of performance-related issues and seek guidance or advice, as appropriate.
- Support all salary adjustments with documented information/performance reviews.

Chief Administrative Officer is responsible to:

- Approve and/or reject a recommendation for an accelerated increase and ensure documented performance review/information is included.

Human Resources Department is responsible to:

- Maintain and revise Salary (Pay) Schedules in accordance with established procedures for purposes of economic adjustments, position evaluation processes and reclassification of positions, or the addition of new positions to the salary schedules.
- Provide guidance in matters relating to starting salaries, increase deferrals and related performance matters and/or eligibility for an accelerated increase.
- Ensure receipt of relevant documentation/written performance review justifying exceptional performance or increase deferment.
- Administer salary administration processes and complete offers of employment in accordance with Policy No. 12.01, Recruitment & Selection Policy.
- Provide Payroll with salary changes and other relevant documentation.