

# **Municipality of West Elgin**

## **Schedule “B” to By-Law #2020-77**

### **Policy HR-3.6 Compensation Policy**

**Effective Date: November 12, 2020**

Review Date:

#### **1 Policy Statement**

To outline the financial compensation program applicable to all employees.

#### **2 Policy**

A schedule of salaried and hourly rates for all employees shall be set and administered according to scales established annually by Council, upon recommendation of the Chief Administrative Officer (CAO).

##### **2.01 Anniversary Date**

The anniversary date is a date established for each employee to which compensation changes are tied. It may be an employee’s hire date, the employee’s start date in a new position, or another change date, as determined by Department Head and approved by the CAO.

##### **2.02 Merit Increases**

Merit Increases will be considered following successful completion of the probationary period (See HR-3.4).

Annual merit increases of no more than one step within a pay grade may be granted to a salaried or hourly employee who, in the opinion of the Department Head, is performing satisfactorily. Merit increases are not to be considered automatic. If an increase is denied, the Department Head will advise the employee of the reason for denial.

Hourly and salaried employees’ compensation grid consists of five (5) Steps. All positions have four (4) increases at twelve (12) month intervals or Full Time Equivalent (FTE) hours to a maximum of forty-eight (48) months or FTE hours for maximum rate of pay.

To be eligible for an increase, the employee must have received a performance review since their last merit increase.

Merit increase must be approved by the Department Head and the CAO.

### 2.03 Deferment of Merit Increase for Reason of Performance

Pay level step progression may be deferred where an employee fails to perform to the required standards of the position. Such deferral requires the approval of the Department Head and CAO.

In such cases, the employee shall be advised of the planned deferral and of the reasons for same. The employee shall be notified sufficiently in advance of the merit increase date to provide the employee with reasonable opportunity to improve.

If the employee's performance has not improved by the merit increase date, an increase may be deferred for a period of up to six (6) months during which time the employee's performance should be reviewed at least monthly. If no satisfactory improvement is noted, the increase may be deferred up to an additional six (6) months. In such circumstances, dismissal may also be considered.

Where an employee has been denied a merit increase due to unsatisfactory performance and the performance improves during the deferment period to warrant a merit increase, the merit increase may be paid retroactively or delayed until the next merit increase date, at the discretion of the Department Head and with approval of the CAO.

### 2.04 Promotion

An employee who is promoted shall receive the rate of pay in the pay scale of the new position which is next higher to one's present rate of pay except that:

- i) Where such change results in an increase of less than four (4) percent, the employee shall receive the next higher step progression in the pay scale; and
- ii) An employee's new rate of pay shall not exceed the maximum pay rate of the new pay scale.

In all cases, a new anniversary date is established which is based on the effective date of promotion.

### 2.05 Demotion

A demotion occurs when an employee is assigned to a position with a lower hourly or salaried rate of pay. This may occur due to a change in duties due to re-organization; re-assessment of the position; cessation of a market adjustment; position elimination with no available and suitable vacancy at same level; or a voluntary demotion at employee request to an available and vacant position.

In such cases, remuneration shall be treated as follows:

- i) Where an employee's rate of pay is equal to or greater than the maximum rate of pay of the new position, the employee shall receive the maximum pay rate of the new position;
- ii) Where an employee's rate of pay is within the pay scale of the new position, the employee shall be red-circled until such time as the next step progression in the pay scale of the new position catches up to or exceeds the employee's red-circled rate of pay;

In all cases, a new anniversary date is established which is based on the effective date of the demotion.

## 2.06 Lateral Appointment

When an employee is appointed to a different position at the same pay scale as the position which the employee previously held, there will be no change in the hourly or salaried rate of pay. Similarly, the anniversary date will remain unchanged.

## 2.07 Acting Appointment

An acting appointment may occur in a number of circumstances. This includes when there is a new vacancy due to resignation, termination, re-classification, the creation of a new position, an approved leave of absence, and an absence due to illness or injury (occupational or non-occupational).

An appointment is deemed acting when an employee is made specifically accountable for the duties of a position in a higher pay scale. An acting appointment shall normally not exceed twelve (12) months. For continuation beyond that period, a determination will be made regarding the status of the position. If the position is deemed permanent, it shall be posted consistent with policy (see HR-3.1).

An acting appointment requires an employee be appointed by Council or the CAO and Department Head to perform the duties of a higher classification for a period of thirty (30) calendar days or more.

Such employees shall be appointed at the pay level of the position they are acting in, and shall receive the rate in the pay level of the new classification which is next higher to their present rate. Where such change results in an increase of less than four (4) percent, the employee shall receive the next higher step in the pay level of the new classification. An employee's acting rate shall never exceed the maximum of the acting position's pay level range (the "job rate").

Acting pay commences when the employee commences the acting assignment. If the duration is unknown, acting pay shall commence after thirty (30) calendar days and paid retroactively to the start of the acting appointment.

Employees on acting assignment in excess of one (1) calendar year will be considered for a pay level step increment in their acting pay level.

An employee returning from an acting appointment to their former position will return to their pay level and step position they would have received had the acting appointment not occurred.

## 2.08 Employee Redeployment

Redeployment of an employee to an alternate position/work assignment or hours of work/shift within any department of the municipality may only occur in exceptional circumstances, such as:

- i) A shortage of work for a position in a current work location and/or department;
- ii) A need for additional work in a position in a different location and/or department;
- iii) Assistance required in an emergency situation.

Employee redeployment may consider the skills and abilities for a redeployed position and the transfer will be made at the discretion of the CAO and Department Head. The selection and scheduling of employees for redeployment will be based on management's assessment of suitability and availability of any such position.

The municipality may implement flexible and/or innovative scheduling arrangements. This may include shift work, work from home arrangements, and scheduling redeployed employees to work in alternative municipal facilities or locations.

A redeployed employee will be paid the higher rate of either their regular pay or the rate of the redeployed position.