

GUIDE FOR SALARY DETERMINATION FOR MCP EMPLOYEES

(See Human Resources Management Manual 500, section 4.2 Salary Determination Policy for Excluded Employees)

It is recognized that determination of salary for employees paid in the Management Compensation Plan (MCP) can depend on multiple criteria. This document provides guidance with regards to information to consider when determining the pay rate of an employee paid in the MCP Pay Plan.

The Salary Determination Policy for Excluded Employees applies to all excluded civil service employees whose terms and conditions of employment are set out in accordance with the *Civil Service Act* and regulations in so far as it does not conflict with any other existing policies governing salary determination. The policy is designed to ensure fairness and consistency in the application of the Act and regulations that provide for determination of an employee's pay rate. The policy describes how an employee's pay rate is determined upon appointment, promotion, demotion, reclassification, temporary assignment, acting pay, or lateral transfer within the civil service.

Departments are required to document all criteria used to determine an employee's pay rate on the Salary Rating Rationale Form, Appendix 4-B. This document, along with any required Public Service Commission approval, is to be maintained in the Employee's Personnel file.

There are only two conditions that require departmental Human Resources to seek and obtain prior approval of the Public Service Commission, Compensation Division, in determining the pay rate of an employee. One is on demotion if the department is seeking to PIO or red-circle an employee. The other condition is when the department is seeking to pay an employee in the MCP Pay Plan a rate that exceeds 100% compa-ratio.

The following process provides guidance in determining the pay rate for MCP employees.

NOTE: *During the development of the Salary Determination Policy for Excluded Employees, extensive consultation was held with the human resource community and executive management. During the consultation process it was agreed that when determining salary upon promotion, reclassification, temporary reclassification, and lateral transfer the departmental Human Resources has the option as per the policy directives to re-rate the employee using the same policy directive used to determine a person's pay rate upon appointment to the civil service.*

Appendix 4-A Guide for Salary Determination for MCP Employees

<i>Step</i>	<i>Description</i>	<i>Compa Ratio Range</i>
1	Meets the minimum qualifications in relation to those required by the position, i.e., experience, education, certification	80 - 84%
2	Same as (1), with an additional over 1 year and up to 3 years of experience directly related to the position	85 - 89%
3	Same as (1), with an additional over 3 years and up to 5 years of experience directly related to the position	90 - 94%
4	Same as (1), with an additional over 5 years of experience directly related to the position	95 - 100%
5	Requires approval of the PSC	over 100%

Other factors considered in determining pay rate:

- salary relationship to subordinates, peers, and supervisor
- previous salary of the person as it relates to the position to which they are being appointed or promoted
- qualifications of the person in excess of those required by the position
- market conditions, i.e., difficult to recruit and/or retain

Points to Consider in Using the Guide

The Grid

The grid is built on the premise of determining the minimum qualifications which are required for the position. These minimum qualifications would be in relation to the recruitment ad and the screening criteria used to review job applications. This will provide for determining the Step and corresponding compa-ratio range the employee's qualifications match.

Other Factors

There is recognition that there are other factors that can influence determination of an employee's pay rate. Once an employee is placed on a Step within the grid based on the employee's qualifications, other factors can be considered to determine the compa-ratio within the Step or movement to another Step. The other factors are as follows:

- “salary relationship to subordinates, peers, and supervisor” - consider the employee's pay rate in relation to subordinates and the supervisor's pay rate. Try to avoid compression or inversion issues. Also, consideration should be given to the employee's pay rate in comparison to a peer. Peers may have considerable experience or may be in a mentoring position with the employee. Setting the pay rate too close to a peer's pay rate may result in concerns of inequity.

- “previous salary of the person as it relates to the position to which they are being appointed or promoted” - consider the employee’s pay rate in relation to their previous salary. There should be a relationship between the previous position the employee occupied and the position that the employee has been appointed to.
- “qualifications of the person in excess of those required by the position” - consider the employee’s qualifications as they relate to the minimum qualifications required for the position. These qualifications should be in reference to such things as education or certifications that are directly related to the position. This consideration should not be in relation to experience as experience directly related to the position is used to determine placement on the grid.
- “market conditions, i.e., difficult to recruit and/or retain” - consider the employee’s pay rate in comparison to market conditions. In using this criterion, the department must demonstrate their difficulty in recruiting applicants into the position or retaining employees in the position.

Process

The process applies to all government departments, offices, and public service entities as identified in Schedule A of the Civil Service General Regulations. Determination of a pay rate for an employee in the MCP Pay Plan on appointment, promotion, reclassification, temporary reclassification, and lateral transfer is in accordance with the policy directives and the Guide for Salary Determination for MCP Employees.

The departmental Human Resource Consultant is required to document all factors used in determining the pay rate on the Salary Rating Rationale form - Appendix 4-B.

The approval of the Public Service Commission’s, Compensation Division, is required to provide a pay rate in excess of 100% compa-ratio. The Human Resource Manager is required to submit a request for approval to provide a pay rate in excess of 100% compa-ratio on the Pay Rate in Excess of 100% Compa-ratio form - Appendix 4-C.

Roles

Departmental Human Resource Consultant determine employee’s pay rate

- in relation to minimum qualifications, the HR Consultant determines the Step on the compa-ratio grid
- reviews “other factors” to be considered in determining pay rate
- records all factors considered in determining pay rate on the Salary Rating Rationale form - Appendix 4-B
- refers determination of pay rates in excess of 100% compa-ratio to the Human Resource Manager
- ensures all documentation used in determining pay rate is retained in the

Employee's Personnel file

Human Resource Manager seeks approval of the Public Service Commission

- the Manager reviews the Human Resource Consultant's rationale for requesting a pay rate in excess of 100% compa-ratio in relation to the Guide for Salary Determination for MCP Employees and determines the validity of the request
- if the Manager is not in agreement with the pay rate in excess of 100% compa-ratio, the Manager, in consultation with the Human Resource Consultant, determines the appropriate pay rate
- if the Manager concurs with the Human Resource Consultant's rationale to request approval to provide a pay rate in excess of 100% compa-ratio, the Manager forwards the completed Pay Rate in Excess of 100% Compa-ratio form - Appendix 4-C to the Public Service Commission, Compensation Consultant.

Public Service Commission reviews request for pay rate in excess of 100% compa-ratio

- the Compensation Consultant reviews the request and all subsequent documentation
- consultation will take place between the requesting department and the Compensation Consultant where any discussion, additional information and/or clarification are required
- the Compensation Consultant will review the request and notify the department in writing of the decision

For further detailed information, please refer to the following references:

- *Civil Service Act* and regulations
- Management Manual 500: Salary Determination Policy for Excluded Employees