Staff Salary Recommendations

Provost’s Advisory Committee on Staff Compensation (PACSC)
April 2008
The Committee

PACSC is a University-level committee with the responsibility to recommend staff salary increases.

Membership:
Associate Provost, Human Resources & Student Services (Chair)
Associate Provost, Academic & Student Affairs
Vice-President, Administration & Finance
Director (HR), Staff & Labour Relations
Four members of the Staff Association

Resource:
Manager (HR), Salary Administration
The Challenge

- To reach a recommendation that is in line with other local and provincial trends in compensation and equitable with the FAUW agreement.
- The FAUW agreement provides for a scale adjustment of 3% and a market adjustment of $400 to each faculty member in 2008 and $425 in 2009 (total cost is approx. 0.35% of the faculty operating budget in each year).
- Staff settlement is an adjustment of 3% to job values and additional salary range adjustments to reflect an overall average 0.35% additional increase.
- Ensure the additional increase reflects either a market adjustment or a merit-based increase.
- Avoid adversely affecting future salary increases by pushing staff beyond their performance targets and necessitating a claw back in future staff salary increase programs.
The Consumer Price Index (CPI) for 2007 - January over January - was 2.4%.

UW compares job values to the top of the salary grids in other organizations, and are shown to be competitive.

The average annual overall increases for local employers was 3% and the range adjustments for comparator universities also averaged 3%.

At UW, the range adjustment of 3% plus the merit program results in an overall cost of approximately 4.2%.
What Does .35% Represent?

- For faculty, .35% of the faculty operating budget represents $400 per faculty member (operating budget divided by 900 faculty).

- Comparable .35% of the staff operating budget represents approximately $200 per staff member (operating budget divided by 1800 staff).
The Recommendation

Effective April 30, 2008:
Increase the salary ranges by 2% with no consequent adjustment to salaries. This will have the effect of lowering the compa-ratio (an individual’s position in the range relative to job value/mid-point) of all staff by approximately 2%.

Effective May 1, 2008:
Increase the salary ranges by a further 3% and run the merit program based on the 3% increase to job value/mid-point.

The overall effect will be to deliver an additional .35% on average to staff salaries.

Effective May 1, 2008, increase the hourly rate for Housekeepers and Janitors by 3%.
The Recommendation

Effective April 30, 2009:

Increase the salary ranges by 1.5% or more with no consequent adjustment to salaries. This figure may need to be increased in order to deliver a similar increase relative to that provided in 2008. The precise amount will not be known until the 2008 salary program is completed.

Effective May 1, 2009:

Increase the salary ranges by a further 3% and run the merit program based on the 3% increase to job value/mid-point.

The overall effect will be to deliver an additional .35% on average to staff salaries.
How Does This Work?

- Moving the ranges on April 30, 2008 and on April 30, 2009 drops every staff member’s position in the range.

- This lowered compa-ratio \(\text{compa-ratio} = \frac{\text{position in the range relative to job value/mid-point}}{\text{mid-point}}\) provides a higher merit increase to each staff member through the salary increase algorithm.

- In addition to the normal increases generated by a 3% range adjustment, an additional .35% on average will be delivered to staff salaries.

- Some will receive more than $200 some will receive less but the overall cost will be about .35% extra.
What is my Compa-ratio?

- A staff member’s salary expressed as a percentage of the job value for their USG grade level.

- Job Values are set based on survey data from other comparable organizations locally and within the university sector.

- Each USG grade level has a range expressed as follows:

  \[ 80\% = \text{Minimum} \quad 100\% = \text{Job Value} \quad 120\% = \text{Maximum} \]

Example: A staff member whose salary is 110% of the job value is earning 10% above the job value.
The Additional Recommendations

- 3% increase to the Staff Training and Development Fund on May 1, 2008 and May 1, 2009.
- Increased vacation to 4 weeks after four years with interim “extra” days removed until after nine years of service.
- Effective May 1, 2008, extend the 2% vacation trade-in for pension purposes to April 30, 2014 for retirements on or before May 1, 2017.
- Effective May 1, 2009, extend the 2% vacation trade-in for pension purposes to April 30, 2015 for retirements on or before May 1, 2018.
- Review the salary structure for Housekeepers and Janitors with a view to incorporating those positions into the USG scale in 2008.
Some Additional Benefits

- Overall effect of the two years’ range adjustments on April 30th will be to increase the salary ranges by at least 3.5% in addition to the 6%.
- The additional money distributed to staff will be retained in base pay and will not be subject to a claw back over time, as would be the case with a lump sum.
- Enhanced salary ranges will benefit the University in attraction and retention of staff.
- Four weeks vacation after four years is an additional attraction and retention tool.
- Most staff at performance goals will receive more than the range adjustment for the two-year period.
### Examples

<table>
<thead>
<tr>
<th>Person A</th>
<th>Compa Ratio</th>
<th>Rating</th>
<th>Total % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% Adjustment May 1</td>
<td>102.2</td>
<td>4.00</td>
<td>3.80</td>
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<tr>
<td>2% April 30 plus 3% range May 1</td>
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<td>4.00</td>
<td>4.11</td>
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</table>

- difference 0.31% more
Examples continued

<table>
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<tr>
<th>Person B</th>
<th>Compa Ratio</th>
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<tbody>
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<td>3% Adjustment May 1</td>
<td>95.0</td>
<td>3.75</td>
<td>4.80</td>
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<tr>
<td>2% April 30 plus 3% range</td>
<td>93.1</td>
<td>3.75</td>
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- difference .53% more
Examples continued

<table>
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<tr>
<th>Person C</th>
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<tbody>
<tr>
<td>3% Adjustment</td>
<td>110.5</td>
<td>4.50</td>
<td>3.44</td>
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<tr>
<td>May 1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2% April 30</td>
<td>108.4</td>
<td>4.50</td>
<td>3.71</td>
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<tr>
<td>plus 3% range</td>
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<td>May 1</td>
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- difference .27% more
### Examples continued

<table>
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<tr>
<th>Person D</th>
<th>Compa Ratio</th>
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<tr>
<td>3% Adjustment May 1</td>
<td>100.0</td>
<td>3.0</td>
<td>3.00</td>
</tr>
<tr>
<td>2% April 30 plus 3% range May 1</td>
<td>98.0</td>
<td>3.0</td>
<td>3.41</td>
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- difference .41% more
3 weeks after 1 year of service
3 weeks after 2 years of service
3 weeks after 3 years of service
4 weeks after 4 years of service
4 weeks after 5 years of service
4 weeks after 6 years of service
4 weeks after 7 years of service
4 weeks after 8 years of service
4 weeks after 9 years of service
4 weeks + 1 day after 10 years of service
4 weeks + 1 day after 11 years of service
4 weeks + 2 days after 12 years of service
4 weeks + 2 days after 13 years of service
4 weeks + 3 days after 14 years of service
4 weeks + 3 days after 15 years of service
4 weeks + 4 days after 16 years of service
4 weeks + 4 days after 17 years of service
5 weeks after 18 years of service
5 weeks + 1 day after 19 years of service
5 weeks + 1 day after 20 years of service
5 weeks + 1 day after 21 years of service
5 weeks + 2 days after 22 years of service
5 weeks + 2 days after 23 years of service
5 weeks + 2 days after 24 years of service
5 weeks + 3 days after 25 years of service
5 weeks + 3 days after 26 years of service
5 weeks + 4 days after 27 years of service
5 weeks + 4 days after 28 years of service
5 weeks + 4 days after 29 years of service
6 weeks after 30 years of service
### The Provost’s Advisory Committee on Staff Compensation

<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catharine Scott</td>
<td>Associate Provost, Human Resources &amp; Student Services (Chair)</td>
</tr>
<tr>
<td>Nelson Carrillos</td>
<td>Staff Association</td>
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<tr>
<td>Sue Fraser</td>
<td>Staff Association</td>
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<td>Cathy Jardine</td>
<td>Staff Association</td>
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<tr>
<td>Jesse Rodgers</td>
<td>President, Staff Association</td>
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<tr>
<td>Dennis Huber</td>
<td>Vice-President, Administration &amp; Finance</td>
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<tr>
<td>Bruce Mitchell</td>
<td>Associate Provost, Academic &amp; Student Affairs</td>
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<tr>
<td>Neil Murray</td>
<td>Director, Staff &amp; Labour Relations, Human Resources</td>
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<tr>
<td>Alfrieda Swainston</td>
<td>Manager, Salary Administration, Human Resources (Resource)</td>
</tr>
<tr>
<td>Erin Windibank</td>
<td>Associate University Secretary, Secretariat (Secretary)</td>
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What Questions Do You Have?
http://www.adm.uwaterloo.ca/infosec/2008-10details.ppt