

## Clarifications and Additional Explanations

### “M” Compensation 2002

November 4, 2002

The following points attempt to clarify some of the material presented by Human Resources in its presentation of October 18, 2002. See also the separate MUNASA document *“How did we get to this point?”* dated November 4, 2002.

#### **Why is the process so complicated?**

It should be kept in mind that the administration is trying to accomplish three things at once with the introduction of the new salary grades.

- a) A substitution of Job Families and Role Profiles to replace customized job descriptions for all “M”s, assigning all jobs to one of these profiles. This involves the matching of several existing salary classes of jobs to the same profile in some cases. **This addresses the issues of internal equity raised by the Pay Equity exercise.**
- b) A replacement of 20 existing salary scales by 10 new salary grades.
- c) An increase of the minimum levels of each salary grade as a percentage of the maximum salary for that grade, from 70% to 75% of the maximum to make the salary structure more competitive, over time.

#### **How much money is on the table?**

The University has designated 3.0 % of the salary mass of the “M” population for salary adjustments as people are assigned to the new Salary Grades on December 1, 2002.

3.0%	receive adjustments between 15.0% and 20.0%
3.8%	receive adjustments between 10.0% and 14.9%
8.1%	receive adjustments between 5.0% and 9.9%
17.8%	receive adjustments between 3.0% and 4.9%
32.5%	receive adjustments between 1.0% and 2.9%
15.6%	receive adjustments between 0.0% and 0.9%
18.9%	do not receive an adjustment

The 3.0% is in addition to the other increases announced by HR.

- 1.0% scale increase catch-up effective Nov. 1, 2002
- 1.5% general increase effective Dec. 1, 2002, of which 0.5% is in lieu of merit and 1.0% is a scale increase.
- 2.0% one time lump sum payment, non base, in lieu of merit.  
(See the explanation relating to the \$3.9 Million Relativity payment in “*How did we get to this point?*”)

Therefore, **on average** the compound increase in salary between November 1, and December 15, 2002 is 5.59%, plus the one time 2.0% lump sum payment.

For those people who do not benefit from a salary adjustment as a result of movement to the new grades, the compound increase is 2.515%, plus the one time 2.0% lump sum payment.

### **When will people be notified?**

HR has stated that individuals will be informed about their individual profile match, salary grade and salary adjustment only a few days before December 15, 2002. Prior to this, supervisors will be informed of the adjustments to take place in their sector and will have an opportunity to comment to HR.

### **What will be the time frame to file and Appeal?**

People who are not satisfied with the match to the role profile should have an opportunity to appeal the match up to January 31, 2003, based on HR’s current plans.

### **Who will review the appeal and make a final decision?**

HR has proposed that the appeals may be reviewed by a committee of six people. The committee would include two people from Human Resources, two senior managers – one from a central administrative unit and the other from an academic unit, and two representatives from MUNASA. (Necessarily, most of these people will require knowledge of the Hay methodology and the role profile/job family structure.)

### **When will appeal decisions be rendered?**

HR proposes that all appeals will have to be resolved no later than March 31, 2003. The decisions would be retroactive to December 1, 2002.

## **Will people maintain the same relative ranking in the hierarchy?**

In general terms, most people will retain the same relative ranking in the hierarchy compared to their colleagues in the same or other departments. But this will not always be the case, for a couple of reasons.

Necessarily, when 20 salary scales are condensed into 10 new salary grades and the Role profiles are matched to these grades, some people will find themselves in the same salary grade as co-workers who had a lower salary classification previously.

For example ADM1A is matched to the new Salary Grade 3. ADM1A combines jobs that had previously existed at classification levels M11, M12, M13, M14, M15 and some in M21.

ADM2A is matched to the new Salary Grade 4. ADM2A combines jobs that had previously existed at classification levels M13, M15, M21, M22, M23, M24, M25.

Alternatively, people who had been in the same Mxx salary classification may find themselves in different role profiles with different Hay point scores. Consequently, those people will end up with their jobs matched to different salary grades under the new system. For example, people currently in M3x may find that their profile is matched to any one of 4 new salary grades, from Grade 6 through Grade 9. (See the explanations of Salary Grades, Profiles and Hay points in the MUNASA document "*How did we get to this point?*")

## **Will some people end up making more than others after adjustments?**

Yes, it is also possible that situations of salary inversion may occur when comparing two individuals. For example take two people in ADM 1A. Person 1 is in a job at M12 and is matched to the same profile, ADM 1A, as Person 2 in a job at M15. Person 1 has an existing salary considerably above the minimum of the M12 scale. Person 2 has an existing salary close to the minimum of the M15 scale. Before moving to the new salary grade, Person 1's salary is a few hundred dollars less than that of Person 2.

After moving to the new salary grade, Person 1 will have a salary a few hundred dollars above that of Person 2, because Person 1 received an adjustment of 3.1% while Person 2 received an adjustment of 0.2%. This occurred because there is a greater gap between the minimum salary of M12 and the minimum of Grade 3 than between the minimum of M15 and the minimum of Grade 3.

**These adjustments are required to correct the inequity built into the old salary scales. The McGill Pay Equity Committee had determined that these jobs are fundamentally the same, requiring the same profile, and therefore should be paid on the same basis.**

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