



**UNIVERSITY OF
CALGARY**

**SALARY MANAGEMENT GUIDELINES
for
Management and Professional Staff**

**TOTAL REWARDS
HUMAN RESOURCES**

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I. INTRODUCTION

This document and its appendices have been prepared to provide information to Managers on the foundational philosophy, guiding principles, and guidelines which are supported by the approved University of Calgary's Compensation Framework.

This document contains detailed information to facilitate consistent and effective salary decisions as well as provide an overview of linkages to the Performance Management Program. Section XIII provides a glossary of terms for reference purposes.

The Compensation Program is continuously monitored and periodically evaluated. Ongoing recommendations will be made to ensure it continues to align with the university's strategic direction and accordingly these Salary Management Guidelines will evolve as required.

*Please note these Salary Management Guidelines **apply only to Management and Professional Staff**. While the University of Calgary fully intends to adhere to the policies and practices contained in this document, the statements and guidelines neither provide nor intend to establish strict procedures in all instances. Rather, they define intent and provide direction —they **are not and should not be considered a contract of any kind**, express or implied. Although the guidelines reflect current policy, they may be changed or rescinded at any time, at the university's sole discretion.*

II. COMPENSATION PHILOSOPHY AND GUIDING PRINCIPLES

Compensation Philosophy Statement

Attracting and retaining a diverse group of qualified faculty and staff is fundamental to the success of the university's mission and mandate. The University of Calgary provides a comprehensive total rewards program including salary, group benefits, pension and other programs and services, designed to attract, retain, reward and motivate employees' commitment and performance. This compensation approach is built upon the foundation of partnership and shared accountability between the university and its employees and recognizes the diversity and needs of the various employee groups.

The university's total rewards program is designed to support its' attraction and retention goals, subject to the legislative, legal and fiscal parameters the university works within. The program supports employees' security, protects employees against financial hardship due to illness, and supports employees in retirement. The compensation awarded to staff at the University of Calgary is determined by the role they perform, the defined market for their skills, their knowledge and experience and their overall performance in their role. The program is designed to be competitive with other educational institutions and the various external markets in which we compete for talent.

The university also commits that compensation programs will be administered in a way which is fair and consistent and without regard to gender, sexual orientation, age, marital status, religious beliefs or ethnic origin.

The philosophy provides a framework within which pay policies, programs, and practices are developed. Specific underlying principles for Management and Professional Staff include:

- compensation is linked to the organization's strategic direction and human values;

- rewards are based on a number of factors including but not limited to performance, internal and external equity, achievement of objectives, and demonstrated behaviours defined through competencies;
- model is affordable and sustainable;
- system provides fair and equitable treatment across the organization;
- decisions are decentralized and are based on organizational compensation guidelines;
- sufficient to attract, retain, develop and motivate key contributors.

III. MARKET DEFINITION AND POSITIONING

The university has identified various external markets in which it competes for talent. Different types of roles dictate different competitive labour markets or “peer groups”.

The following market definition and weighting apply to the Management and Professional Staff group:

Peer Group	Weighting
Comparable Alberta Public Sector Institutions (like the Government of Alberta, Alberta Health Services, comparably sized municipalities, Post-Secondary Institutions, and the Workers Compensation Board)	50%
Alberta Private Sector (\$500M - \$1B in revenue)	50%

A market assessment is conducted annually to ensure the salary structure targets the median base salary (or 50th percentile) of the defined market.

IV. COMPETITIVE MARKET ASSESSMENT

Human Resources (HR) conducts a market assessment of the compensation levels on a regular basis to determine the competitive market rates for Management and Professional Staff roles. Data is acquired from compensation salary surveys from major third-party consulting firms and customized surveys when required.

Market Pricing is the process of determining the “going rate” in relevant labour markets for “Benchmark Jobs” in accordance with the university’s defined market and targeted position.

Benchmark Jobs are jobs whose functions and scope of responsibility are comparable across a large number of organizations in the market and can be commonly found in external compensation surveys.

The market data linked to benchmark jobs is what is used to establish the salary structure. When the market data for benchmark jobs changes, the salary structure will typically change accordingly.

Non-Benchmark Jobs are those jobs whose functions and scope of responsibility are not comparable to other organizations and cannot be found in external compensation surveys.

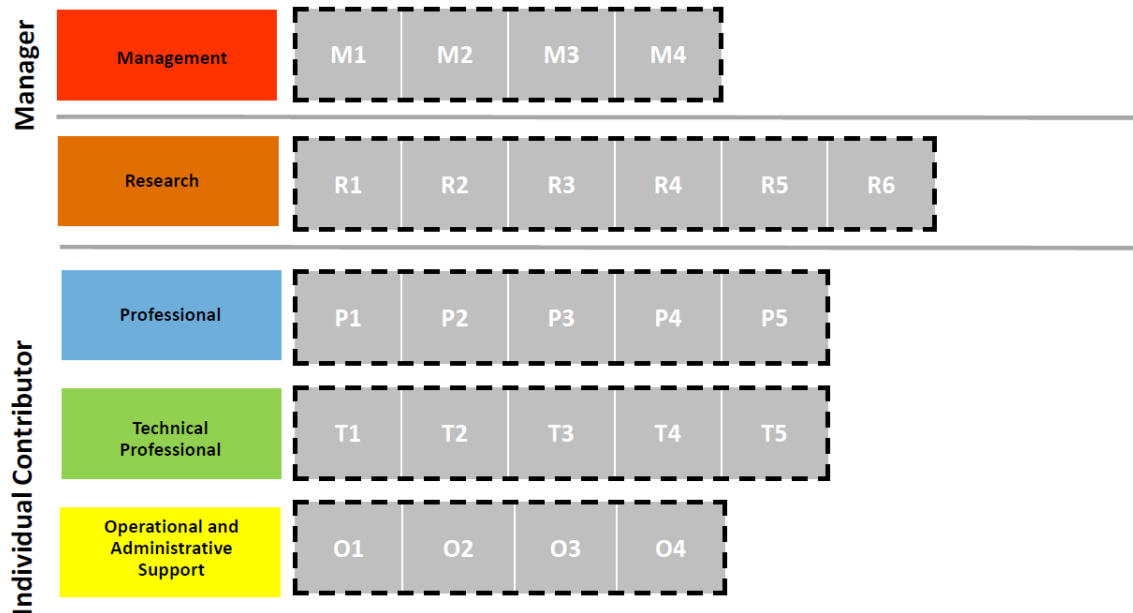
As there is no market data available for non-benchmark jobs, such jobs are reviewed and assigned a classification and corresponding salary range through the job evaluation process.

V. CAREER FRAMEWORK

The University of Calgary’s Career Framework contains five (5) Career Bands that reflect the range of work and responsibilities for all Management and Professional Staff jobs across the organization. All jobs are mapped to Career Bands and Career Levels.

Each Career Band has multiple Career Levels reflecting distinct and progressive expectations and responsibilities for jobs at each level.

More information on the Career Framework can be found on the [Human Resources website](#).



VI. CAREER DEVELOPMENT

The Career Framework serves as the foundation for Total Rewards strategies and programs including career development. Beyond growth in a new job, managers may want to reward employees through special projects or increased responsibility. These career development opportunities are typically non-compensable. The knowledge, skills and abilities that develop through this path enable planning and decision making for immediate and future career opportunities. Please refer to section XI for further information.

VII. JOB CLASSIFICATION

Job Evaluation

Job evaluation is undertaken when a new job is created and added to the existing complement. Job evaluation is a systematic method for determining the relative value of Management and Professional Staff roles and responsibilities at the University of Calgary to ensure internal equity across different job levels. It is a career-based approach that establishes a hierarchy of jobs within a series of career bands and levels. The assignment of a job to a career band and level is achieved by evaluating the job (as

defined in the job profile) against established criteria and validating the placement using internal comparisons with similar or equivalent jobs.

Job Review

A job review occurs when there is a significant and sustained change to existing job functions and scope of responsibility and a change in classification is potentially required. The process of requesting a job review is as follows:

- a standard University of Calgary job profile is completed by the manager and approved by the next higher level manager;
- the request is then provided to their Partner or Advisor, HR for submission to the Compensation department within Total Rewards, HR for review;
- the Compensation department will evaluate the role and determine the appropriate career band and level along with a corresponding salary range.

The review of a job does not necessarily equate to a new placement at a different career band, career level, or require a salary increase for the incumbent.

VIII. SALARY STRUCTURE

The existing salary structure for Management and Professional Staff can be found in Appendix I. On an annual basis, the salary structure is reviewed to determine if changes are required. Should changes be identified, a new salary structure will be posted and communicated each year (with Executive Leadership Team (ELT) approval). It is important to note that changes to the salary ranges do not automatically trigger an across-the-board increase for employees.

The salary structure has a defined number of salary ranges aligned with the Career Framework in order to accommodate the wide range of market data represented by the jobs. A salary range represents a group of jobs which have been deemed to be at approximately equivalent levels as determined by the competitive market assessment for benchmark jobs and internal equity for non-benchmark jobs.

All salary ranges have a minimum, mid-point (50th percentile), and a high performance maximum.

- **Minimum** — represents the lowest or entry-level pay the university pays for jobs in the salary range. Typically employees new to the career band and level developing towards the stated requirements for a job are paid close to the minimum.
- **Mid-point (50th percentile)** — reflects the market median as defined by the university's targeted market positioning. It is appropriate for an experienced and fully-qualified employee, whose performance fulfills all the stated requirements of the job, to be paid around the mid-point.
- **Control Point (66th percentile)** — represents the top of the middle third of the salary range and is usually the highest salary a manager can offer a new hire, without securing approval of the Director Level 3 authority (or equivalent) as per the Signing Authority Matrix (SAM) in that area. The intent, as it relates to new hires, is to still allow for continued growth in the role during the employee's time at the university.

- **High Performance Maximum** — represents the highest pay the university would ordinarily provide for jobs in the salary range. Typically, only highly experienced, consistently high-performing employees with outstanding skills are paid close to the maximum.

Salary ranges overlap from one to the next within the salary structure. This is important as it recognizes that a highly capable and performing employee in one career band and level may contribute as much or more than a new employee in a higher career band and level.

Advancement through the salary range is based on a number of factors including individual performance. The ranges are wide enough to provide flexibility regarding salary management, allowing the university to recognize and reward differences in individual performance and contribution through the Performance Management Program. (See section X)

IX. TARGETED SALARY POSITION

Determining appropriate salary placement of employees within the salary ranges can be challenging, especially when working within a limited budget and managing equity relative to other members in a team, department or across the institution. Leaders carry the accountability for making salary determinations and justifying decisions to employees in their areas as well as to other similar areas across the University of Calgary.

Employee salary decisions should be made in the context of a targeted salary position within the salary range (e.g. new hire starting salary, promotion, etc.). The following table is designed to provide guidance for leaders to consider when deciding about an employee’s positioning within the salary range.

Lower Third of Salary Range (Minimum to P33)	Middle Third of Salary Range (P33 to P66)	Upper Third of Salary Range (P66 to High Performance Maximum)
<ul style="list-style-type: none"> • Newly hired or new to role • Learning the role • Meets only the minimum requirements and qualifications for the role • Developing skills • Possesses minimum level of experience necessary for the role 	<ul style="list-style-type: none"> • Fully proficient and qualified in essential functions of the role • Consistently demonstrates required skills and knowledge • Acts as a resource to others • Fully qualified to intermediate level of experience 	<ul style="list-style-type: none"> • Consistently exceeds expectations for all performance objectives • Effectively leads, coaches, and influences others within the context of their role • Advanced level of skills, fully proficient to expert level • Seasoned individual, next career step may involve higher career level • Advanced level of experience

Additional support is also available from your Partner or Advisor, HR.

X. ANNUAL SALARY INCREASES

Suspended until March 31, 2020 due to Government of Alberta Salary Restraint Regulation

The University of Calgary promotes a performance-based culture. The Performance Management Program strives to encourage excellent performance by setting clear objectives, appraising the achievement of results, recognizing and rewarding performance, and developing employees in current and for potential future roles.

The Review phase of the performance management cycle takes place each year covering the prior year's performance. An overall performance rating is determined for each employee.

An employee's overall performance rating and position within the salary range will translate to a recommended salary increase. Performance-based increases awarded for the previous year will be processed effective the beginning of the new performance management year. There are no automatic or cost of living adjustments; however market movement is a component of the recommended salary increase.

Salary decisions will be made within the context of an approved annual salary increase budget and guidelines.

Salary Increase Budget

An annual salary increase budget will be approved by the University of Calgary's Board of Governors based on:

- the University of Calgary's current pay positioning in relation to its competitive labour markets;
- projected market movement;
- the University of Calgary's financial situation and resources.

Salary Increase Guidelines

Each year, HR works with the university's ELT to develop salary increase guidelines that promote consistent treatment of employees within the context of the salary increase program.

The University of Calgary's annual salary planning guidelines are developed and distributed in conjunction with the annual salary administration process which aligns with and supports the university's performance management philosophy through Connect to Perform.

XI. OTHER SALARY DECISIONS

Any salary decisions contemplated by a manager **must not** be communicated (verbal or written) to the candidate/employee, until all approval steps have successfully been concluded (i.e. Compensation Business Case or PeopleSoft approval workflow).

New Hire Starting Salaries

Salary levels for new employees joining the University of Calgary should be established after considering the following:

- the minimum and mid-point (50th percentile) of the salary range for the job;
- the successful applicants' directly related experience, education and other qualifications;
- the salaries of existing incumbents in the same or similar roles.

Managers should work with their Partner or Advisor, HR to discuss and establish the most appropriate starting salary. Typically, starting salaries should be set between the minimum and the 33rd percentile of the salary range to allow room for salary increases commensurate with growth in the individual's contributions. Starting salaries should not be below the minimum of the range or above the control point (66th percentile) of the range. Please see section IX of this document.

If an exceptional circumstance arises when hiring an individual who possesses critical skills or significant experience requiring a starting salary above the control point, approval must be obtained from the SAM Level 3 authority, prior to extending any offer, verbal or written.

Promotions

A promotion occurs when:

- an employee is the successful applicant for a vacant job classified in a higher career band or level than their current job; or
- when an employee's job has seen significant growth as a result of new accountabilities and, as a result of a formal job review, has been re-evaluated to a higher career band or level.

Promotions may be accompanied by a salary increase as a consequence of a change in salary range. The following factors should be considered when determining an appropriate promotional increase:

- the minimum and mid-point of the new salary range;
- the targeted salary position based on the employees' directly related experience, education and additional qualifications;
- the relationship of the employee's current salary to the targeted salary position (e.g. lower, middle, or upper third of salary range);
- the salaries of existing incumbents in the same or similar roles.

In cases where the employees' current salary position in the range is high, a small or no promotional salary increase may be warranted. Increases should be effective the date of transfer or the date established by Compensation through the job review process.

Should a salary increase be warranted, the standard practice is as follows:

- the employee will be moved to at least the minimum of the new salary range;

- the increase should place the successful candidate between the minimum and the 33rd percentile of the new range which allows the candidate to build their skills and competencies against new accountabilities;
- if an external competition has been conducted for a MaPS role and an internal AUPE staff member is selected, an increase up to 50th percentile of the salary range, commensurate with a starting salary that would be considered for a similarly qualified external applicant, is permissible;
- the new salary upon promotion cannot exceed the maximum of the salary range.

Approval Process:

- Managers may approve increases up to the 33rd percentile of the new salary range or 50th percentile if AUPE to MaPS promotion;
- Should the employee's new salary exceed the Manager's approval authority, as noted above, consultation with HR and additional approvals are required.

Employees that receive a promotional increase may still be eligible for an annual performance-based salary increase, as per the eligibility criteria outlined in the salary administration process distributed annually.

LATERAL MOVES

Suspended until March 31, 2020 as per Government of Alberta Salary Restraint Regulation

An employee may move to a new job which is in the same career band and career level as their current job. In these situations, a change in salary at the time of transfer is not necessarily warranted. However, a salary increase of up to 5% may be applied after taking into consideration the:

- the targeted salary position based on the employees' directly related experience;
- the salaries of existing incumbents in the same or similar role.

Approval Process:

- Managers may approve increases of up to 5%;
- Increases above 5% require the approval of the Associate Vice-President, HR (or their designate).

MOVEMENT TO A LOWER CAREER BAND OR CAREER LEVEL

Movement to a lower career band or level can be initiated by either an employee or the University of Calgary.

The employee may consider such a move when a personal situation warrants moving to a lower level job. When moving to a lower career band or level, the salary of the employee will be adjusted to fit within the salary range of the lower level job and the following should be taken into consideration:

- the targeted salary position based on the employees' directly related experience;
- the salaries of existing incumbents in the same or a similar role.

At no point in time will the employee's salary exceed the maximum of the salary range as a result of an employee-initiated request to move to a lower level job.

The University of Calgary may consider moving an employee to a lower job level as a result of a significant change in job responsibilities or organizational structure change. In this case, the employee's salary will not change. If their current salary exceeds the salary range maximum, they will be designated as having a red circle rate.

SECONDMENTS

A secondment occurs when an employee temporarily accepts a different job. This could include a move to a lower career band or level, a lateral move or a move to a higher career band or level. A secondment may be to a different department (interdepartmental) with the intent for the employee to return to their original position.

Please refer to the following sections of this document for the parameters related to any salary increases:

- Movement to a Lower Career Band or Career Level
- Lateral Moves
- Promotions

If an employee is permanently appointed to their seconded role, no additional salary increase will be processed as of that appointment date.

TEMPORARY ASSIGNMENTS

An employee may be designated by their manager to perform the duties of a job at a higher career band and level than that of the employee's current level due to a temporary absence of the incumbent or prolonged vacancy for which recruitment is underway. Temporary assignments may occur in the same department (intradepartmental) with the intent for the employee to return to their original position.

In order to qualify for temporary assignment (acting) pay, an employee must:

- temporarily assume the responsibilities of a position assigned to a higher level in the career framework;
- assume **all** responsibilities of the higher level position; and
- work in the position for a period equivalent to or greater than one (1) month (exclusive of vacation coverage) to a maximum of six (6) months.

Employees in temporary assignments will be eligible to receive either a temporary increase to the minimum of the higher base salary range or an increase of up to 10% of their base salary, whichever is greater.

The employees' combined annual base salary and acting pay amount cannot exceed the maximum of the salary range assigned to the position for which they will be acting.

For example, an employee's regular job is in the Management Career Band, Level 1 (M1). Their Manager requires them to fulfill all responsibilities of a job which is in the Management Career Band, Level 2 (M2) for a temporary period of 3 months. This employee would be eligible for up to a 10% increase for the 3 month period.

MARKET ADJUSTMENTS

Suspended until March 31, 2020 due to Government of Alberta Salary Restraint Regulation

Normally all salary increases are processed annually, however within a given year competitive pressures may arise within the market as a result of high demand skills. These unpredictable events may create retention issues for specific Management and Professional Staff jobs. In an attempt to mitigate the associated risk to the university, a market adjustment for an employee may be requested.

Market adjustments may be considered:

- for full-time employees employed in their current role for at least one year;
- for those employees who have had consistent successful performance ratings;
- excluding the period from two (2) months before and four (4) months after the conclusion of the annual performance-based salary increase program (e.g. May 1 through October 31);
- once per year; and
- to a maximum increase of 10% (not to exceed the maximum of the salary range).

As these circumstances require the consideration of multiple factors, rationale, and input, a business case submission is required. The manager should discuss the situation with the Partner or Advisor, HR to identify all the contributing factors. The Partner or Advisor, HR can assist with the proper document submission. The business case should be forwarded to the Compensation department for further analysis and recommendation to the Associate Vice-President, HR. The Associate Vice-President, HR will review and approve or deny the request. The decision will be sent to the Compensation department for processing and a letter detailing the outcome will be sent to the manager and the Partner or Advisor, HR.

Restriction Period:

During the period of two (2) months prior to the annual salary administration process and four (4) months after the conclusion of the process, special salary requests may be considered on an exception basis only.

An example of a special request may be a full re-organization within the unit. Specific circumstances will be reviewed on a case-by-case basis and will not be considered an establishment of precedent.

RED CIRCLE RATES

An employee whose pay is above the maximum for his/her salary range is designated as having a “red circle rate.”

Associate Vice-President, HR approval is required for a salary increase for any individual whose compensation is above the maximum of the approved salary range.

Employees with red circle rates will not receive a performance-based salary increase until movement of the salary range aligns itself with the employees' pay and the University of Calgary's salary guidelines suggest such an increase.

XII. ONGOING PROGRAM MAINTENANCE

Governance of the University of Calgary's Compensation Program is the responsibility of the Board of Governors. Management of the program is a responsibility of the ELT with support from HR.

- **Board of Governors**
 - Approves the overall compensation framework
 - Approves policy changes
 - Approves annual salary increase budget

- **ELT**
 - Approves changes to programs and policies
 - Approves salary structures and guidelines
 - Recommends annual salary increase budget
 - Approves salary increase recommendations and any exceptions to guidelines

- **HR**
 - Provides strategic support and direction to the university concerning Compensation Program principles and best practices
 - Monitors and evaluates the effectiveness of the Compensation Program
 - Regularly surveys practices in the competitive labour market and recommends changes to strategies, policies, programs and guidelines that ensure continued alignment of the university's compensation practices with business and market requirements
 - Maintains a competitive compensation database
 - Recommends salary ranges for all jobs
 - Supports the ELT in establishing the annual salary increase budget and salary increase guidelines
 - Provides support and advice to managers on salary decisions
 - Provides education to managers on the basic principles and management of the compensation program and provides communication support

- **Management**
 - Through Connect to Perform, responsible for evaluating the performance of each employee as a basis for differentiating rewards
 - Responsibility for maintaining internal salary equity for their area
 - Ensures salary decisions adhere to the university's Compensation Philosophy as well as other policies, practices and procedures

XIII. GLOSSARY

Salary Range	A salary range represents a group of jobs that are approximately equal as determined by the job evaluation and competitive market assessment processes. The jobs in a salary range are treated alike for compensation administration purposes, even though the individual job incumbents may earn different pay rates. Each range represents a potential base pay opportunity (from the minimum to the maximum for the range).
Benchmark Job	A job that can be readily found and matched to those in other organizations in the University's competitive labour markets.
Competitive Labour Market	The relevant market for talent, which will vary for different jobs and locations. Some jobs may only be found within one sector of the industry, while others are found within general industry. Depending on the degree of talent mobility, the relevant geographic market may be provincial or national.
Salary Increase Budget	The total pool of dollars available for performance-based salary increases.
Targeted Salary Position	Target salary within the salary range for an individual at a point in time, based on his/her current or expected (for new hires) contribution level.

XIV. CONTACT INFORMATION

For any questions, please contact your Partner or Advisor, HR.

Appendix 1

MANAGEMENT AND PROFESSIONAL STAFF SALARY STRUCTURE

Effective April 1, 2018

Career Band	Career Level	Annual Base Salary Range				
		Minimum	Top of the Lower Third (33 rd percentile)	Mid-point (Market Median)	Top of the Middle Third (66 th percentile)	High Performance Maximum
Management	M4	\$132,000	\$158,400	\$171,600	\$184,800	\$211,200
	M3	\$105,600	\$126,700	\$137,300	\$147,800	\$169,000
	M2	\$84,500	\$101,400	\$109,800	\$118,300	\$135,200
	M1	\$67,600	\$81,100	\$87,900	\$94,600	\$108,100
Professional	P5	\$112,900	\$131,700	\$141,100	\$150,600	\$169,400
	P4	\$90,300	\$105,400	\$112,900	\$120,400	\$135,500
	P3	\$72,300	\$84,300	\$90,300	\$96,400	\$108,400
	P2	\$57,800	\$67,400	\$72,300	\$77,100	\$86,700
	P1	\$48,200	\$56,200	\$60,200	\$64,200	\$72,300
Technical Professional	T5	\$119,500	\$139,400	\$149,300	\$159,300	\$179,200
	T4	\$95,600	\$111,500	\$119,500	\$127,400	\$143,400
	T3	\$76,500	\$89,200	\$95,600	\$101,900	\$114,700
	T2	\$61,200	\$71,400	\$76,500	\$81,600	\$91,700
	T1	\$51,000	\$59,500	\$63,700	\$68,000	\$76,500
Research	R6	\$110,400	\$132,500	\$143,600	\$154,600	\$176,700
	R5	\$92,800	\$111,300	\$120,600	\$129,900	\$148,400
	R4	\$77,300	\$92,800	\$100,500	\$108,200	\$123,700
	R3	\$67,000	\$78,200	\$83,800	\$89,300	\$100,500
	R2	\$55,800	\$65,100	\$69,800	\$74,400	\$83,800
	R1	\$46,500	\$54,300	\$58,200	\$62,000	\$69,800
Operational and Administrative Support	O4	\$58,800	\$68,600	\$73,500	\$78,400	\$88,100
	O3	\$51,100	\$59,600	\$63,900	\$68,100	\$76,700
	O2	\$44,400	\$51,800	\$55,500	\$59,200	\$66,700
	O1	\$38,600	\$45,100	\$48,300	\$51,500	\$58,000