

## **Total Compensation Policy**

<b>POLICY STATEMENT</b>	<p>The City of Hamilton endeavours to reward its employees in a way that provides an opportunity to gain fulfillment in their careers. The City recognizes that it operates in a very competitive environment where a skilled and engaged workforce is valued for its' contributions.</p> <p>The City offers compensation that will enable it to attract and retain well-qualified employees to pursue and achieve corporate objectives. It is not intended for the City to be a market leader; but rather to ensure pay structures are responsive to prevailing market conditions with a particular focus on the public sector; both locally and regionally.</p>																															
<b>PURPOSE</b>	The City of Hamilton seeks to ensure external competitiveness in the employment market through compensation practices that are fair, equitable, consistent, aligned, competitive, affordable and in accordance with the legal requirements of the <i>Pay Equity Act</i> and the <i>Employment Standards Act</i> .																															
<b>SCOPE</b>	This policy applies to all permanent, temporary or contract full time employees of the City of Hamilton who have successfully completed their probationary period. Compensation is negotiated for members of bargaining units and forms part of the Collective Agreement.																															
<b>DEFINITIONS</b>																																
<b>Percentile</b>	<p>Percentile is a statistical calculation that shows the relative position of a number compared to other numbers in a group. Percentile is calculated on the basis of the distribution of the numbers (in this case salaries for jobs), using a formula which defines the lower number as 1% and the highest number as 100%. The rank order of the numbers in between 1% and 100% are then divided into equal intervals. An example for distribution of ten salaries is shown below:</p> <p><b>Salaries, Low to High (\$000)</b></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>40.0</td><td>45.0</td><td>50.0</td><td>52.5</td><td>54.0</td><td>56.0</td><td>57.5</td><td>60.0</td><td>65.0</td><td>70.0</td> </tr> <tr> <td></td><td></td><td></td><td></td><td></td><td style="text-align: center;">↑</td><td></td><td></td><td></td><td></td> </tr> <tr> <td>1</td><td>12</td><td>23</td><td>34</td><td>45</td><td>50</td><td>56</td><td>67</td><td>78</td><td>89</td><td>100</td> </tr> </table> <p style="text-align: center;"><b>Percentile (Middle of Market)</b></p> <p>In the above example, the first salary of \$40,000 is at the 1<sup>st</sup> percentile and the 5<sup>th</sup> salary is at the 45<sup>th</sup> percentile. The 50<sup>th</sup> percentile is between the 5<sup>th</sup> and 6<sup>th</sup> numbers.</p>	40.0	45.0	50.0	52.5	54.0	56.0	57.5	60.0	65.0	70.0						↑					1	12	23	34	45	50	56	67	78	89	100
40.0	45.0	50.0	52.5	54.0	56.0	57.5	60.0	65.0	70.0																							
					↑																											
1	12	23	34	45	50	56	67	78	89	100																						
<b>PRINCIPLES</b>	<p>Individual salaries are and should remain confidential and fall under the legislated requirements of the Municipal Freedom of Information and Protection of Personal Privacy Act (MFIPPA).</p> <ol style="list-style-type: none"> <li>1. It is the City's policy to compensate its employees for their services in a way that attracts, retains and motivates competent people in accordance with the <i>Pay Equity Act</i>.</li> <li>2. The City will attempt to pay salaries which will compare favourably and</li> </ol>																															

<b>Corporate Policy</b>	 <b>Hamilton</b>	
<b>Human Resources</b>		
Policy No: HR-26-09		Revised: 2011-11-11
Page 2 of 2		Council Approved: 2012-05-23
	competitively with similar occupations in the City's market competitiveness comparator group based on external market conditions, legislation and internal factors.	
<b>TERMS &amp; CONDITIONS</b>	<p>The City of Hamilton's non-union salary plan is based on:</p> <ol style="list-style-type: none"> <li>1. An annual market survey of benchmarked positions to measure and ensure external competitiveness for base salaries for the City of Hamilton, while maintaining internal equity at the "Middle of the Market" (50th percentile) in a comparator group of eleven municipalities as approved by City Council, and</li> <li>2. A job evaluation plan to establish and maintain internal equity.</li> </ol>	
<b>RESPONSIBILITIES</b>	<p>Human Resources is responsible for conducting an annual market survey with its Council approved City's Market Competitiveness Comparator Group. Selected benchmarked jobs are reviewed against the City's Market Competitiveness Group. Human Resources reports to City Council on the City's average pay percentile position and how same relates to the City's target pay position (middle of the market).</p> <p><b>Non-Union Market Competitive Comparator Group:</b>  City of Brampton  City of Brantford  City of Burlington  City of Guelph  City of London  City of Mississauga  Region of Halton  Region of Niagara  Region of Peel  Region of Waterloo  Town of Oakville</p>	
<b>COMPLIANCE</b>	Failure to comply with this Policy and its associated procedures could result in attraction and retention issues for the City of Hamilton.	
<b>RELATED DOCUMENTS</b>	<p>The following related documents are referenced in this Policy:</p> <ul style="list-style-type: none"> <li>• <i>Employment Standards Act</i></li> <li>• <i>Pay Equity Act</i></li> <li>• <i>Municipal Freedom of Information and Protection of Personal Privacy Act (MFIPPA)</i></li> </ul>	
<b>HISTORY</b>	<p>This policy was originally drafted by Human Resources and approved by Council 2002-02-13</p> <p>The policy was revised by Human Resources for Non-Union Compensation Committee 2011-11-11 and approved by Council 2012-05-23</p>	