

Approved:
Human Resources Committee of the Board of Governors: January 15, 2015 Minute 6
Effective Date: January 15, 2015
Full legislative history appears at the end of this document.

Total Compensation Policy for Senior Administrators at McGill University

Introduction

The Board of Governors has delegated full authority to the Human Resources Committee to approve frameworks and policies regarding matters of executive compensation for the Principal and other members of the senior administration. The Human Resources Committee has adopted this Total Compensation Policy for Senior Administrators at McGill University on January 15, 2015, in order to attract, retain, motivate and reward Senior Administrators who will lead McGill University to continued excellence in the advancement of learning through teaching, scholarship and service to society.

1. Purpose of the Total Compensation Policy

The purpose of the Total Compensation Policy for Senior Administrators at McGill University (hereinafter called the Policy) is to define the elements of total compensation provided to Senior Administrators and their application. It is intended to align the total compensation of Senior Administrators with best compensation practices within Canadian universities and other relevant major public sector employers. This Policy, as it may be modified from time to time by the Human Resources Committee, confers no individual rights.

2. Eligibility

The Policy applies to the following Senior Administrators:

- a) Principal
- b) Provost and Deputy Provost
- c) Deans
- d) Vice-Principals or equivalent positions and
- e) Associate Provosts, Associate and Assistant Vice-Principals, or equivalent positions reporting directly to the categories a) to d) of Senior Administrators.

3. Elements of Total Compensation

The Policy covers the following elements of total compensation:

- a) base salary and merit-based pay
- b) stipends
- c) bonus
- d) pension plan
- e) group insurance
- f) post-retirement benefits
- g) administrative leaves
- h) vacation and holidays
- i) perquisites.

4. Comparator Group

The comparator group used to benchmark the total compensation for Senior Administrators will be comprised of:

- a) Major Canadian universities for all Senior Administrator positions, and
- b) Other relevant major public employers with comparable administrative positions to those in universities, such as but not limited to fundraising, finance, investment, information technology and human resources positions.

See attached Guidelines for further details

5. Compensation Objective

The objective of the Policy is to position the total compensation of Senior Administrators at a level competitive with the compensation offered by the comparator group to their Senior Administrators.

Each element of total compensation (as listed in section 3 of this Policy) is benchmarked separately with the comparator group to confirm market practices. Each element of total compensation may be below or above the objective for a similar element within the comparator group. However, the total value of all elements of compensation should be at a level comparable with the comparator group.

See attached Guidelines, as well as its appendix for further details.

6. Academic Administrator

An Academic Administrator is a Senior Administrator who holds a senior administrative position such as, but not limited to, the positions of Principal, Provost, Associate Provosts or Deans who also holds a tenured professorial or librarian appointment.

7. Base Salary and Merit-Based Pay

The base salary is the regular annual compensation paid to a Senior Administrator for regular duties. It is normally subject to economic and merit increases. It excludes stipends, bonus, lump sum payments, and any form of temporary or occasional income. Base salary is based on the salary scales included in the attached Guidelines.

Merit-based pay is a portion of the annual compensation paid to a Senior Administrator based on personal performance of duties, measured against objectives.

8. Base Salary for an Academic Administrator

The base salary of an Academic Administrator is equal to the Administrator's professorial salary payable upon his/her assignment as a Senior Administrator and reviewed annually in accordance with the Academic Salary Policy.

9. Stipends

Administrative stipends may be paid only to Academic Administrators. Administrative stipends will be paid with respect to the additional administrative duties fulfilled by these Senior Administrators and will normally cease to be paid when their assignment in one of these Senior Administrator positions ends.

10. Bonus

A bonus is a one-time payment contingent on the achievement of pre-determined specific objectives and/or results. A bonus will be paid only if the specified objectives and/or results are achieved at year-end.

The Senior Administrator is eligible for the payment of a bonus in respect of a fiscal year only if he/she is still actively at work at the end of the fiscal year or if he/she retired or died during the fiscal year. Periods during which the Senior Administrator receives payments under the long-term disability plan are not considered. The amount of the bonus is prorated for the period of time actually worked during the fiscal year.

The objectives for the payment of a bonus must be clearly defined and mutually accepted by the Senior Administrator and the immediate supervisor before the beginning of the fiscal year. The objectives of the Principal are approved by the Chair of the Board of Governors.

The review of the attainment of the objectives and the actual quantum of the bonus of all Senior Administrators are approved by the Principal on the recommendation of the Senior Administrator's immediate supervisor.

The review of the attainment of the objectives and the actual quantum of the bonus of the Principal are approved by the Chair of the Board of Governors after discussion with the Human Resources Committee of the Board of Governors.

Note: Effective May 1, 2018, this provision is not in effect for senior administrative positions covered by article 5.11. of the 'Règles budgétaires et calcul des subventions de fonctionnement aux universités du Québec'.

11. Annual Salary Policy

The annual salary policy, including the economic and merit increases and the salary scale increase, if any, is approved by the Human Resources Committee of the Board of Governors.

The Academic Salary Policy will apply to the base salary of the Academic Administrators. The salary policy for managers (or "management personnel") and executives will apply to the base salary of the Senior Administrators, who do not hold a tenured professorial or librarian appointment.

The salary policy for managers (or "management personnel") and executives will also apply to the stipend of the Academic Administrators.

12. Annual Review of Compensation

The base salaries and stipends of all Senior Administrators are reviewed annually based on their responsibilities, experience, current and sustained performance and results, skills, leadership and sponsorship of McGill values. The annual review must reflect their individual actual contribution to McGill's success.

The Principal approves the annual review of the compensation of all Senior Administrators based on the recommendation of each Senior Administrator's immediate supervisor.

The review of the annual compensation, and any change in the quantum of compensation, of the Principal are approved by the Chair of the Board of Governors after discussion with the Human Resources Committee.

13. Pension Plan

Participation in the McGill University Pension Plan (MUPP) is mandatory for all Senior Administrators in accordance with the rules of participation as defined in the Pension Plan regulations.

Additional pension benefits are offered to a Senior Administrator in accordance with the rules of the Supplementary Executive Retirement Plan (SERP), but only for the period of active service as a Senior Administrator.

14. Group Insurance Coverage

All Senior Administrators participate in the general group insurance benefits provided to the employees of the University. No additional coverage in excess of the general benefits may be provided to Senior Administrators, nor should employee contributions be waived.

15. Post-Retirement Benefits

All Senior Administrators are entitled to the post-retirement benefits offered to the retired employees of the University, provided they fulfill upon retirement the eligibility criteria. Both the benefits offered and the eligibility criteria may be amended by McGill University from time to time for all retired employees.

16. Vacation and Holidays

All Senior Administrators are granted 25 days of annual vacation starting with the vacation year immediately following his/her date of hire or his/her date of nomination as a Senior Administrator. Vacation days are prorated for the portion of the vacation year following the Senior Administrator's appointment date and prior to the start of the next vacation year.

Vacation days not taken during a vacation year are not cashed out. Normally, no more than 10 vacation days may be carried forward in a given year, subject to the immediate supervisor's approval. The number of carried forward vacation days may not exceed 10 days at any given time.

17. Perquisites

As a general rule, McGill limits the perquisites offered to Senior Administrators.

In line with market practices, reasonable annual medical examination and financial counselling fees may be offered to Senior Administrators. The financial counselling fees

may be offered for a maximum of 5 years to Senior Administrators who are recruited outside of Québec. The Vice-Principal, Administration and Finance revises and approves annually the maximum fees payable by the University for medical examination and financial counselling.

Business club membership may be provided to some Senior Administrators only if such membership is required for University business reasons. Such business club fees must be approved in advance of membership and shall not exceed a pre-determined maximum reviewed annually by the University.

Senior Administrators may be offered parking spaces. They will pay parking fees identical to those charged to all other University employees.

Car allowances and car leasing are not offered to any Senior Administrator, nor are the services of a chauffeur.

Note: Effective May 1, 2018, the perquisites offered under this provision are not in effect for senior administrative positions covered by article 5.11 of the 'Règles budgétaires et calcul des subventions de fonctionnement aux universités du Québec'.

18. Administrative Leave

An Academic Administrator, may be granted one 12-month administrative leave at the end of a five-year term as a Senior Administrator. Only the base salary will continue to be paid as compensation during the administrative leave.

If the Academic Administrator is renewed for a second five-year term as a Senior Administrator without taking his/her administrative leave, he/she will be entitled to the 12-month administrative leave only at the end of his/her second five-year term. In such case, the base salary and the administrative stipend will continue to be paid as compensation during the administrative leave.

The purpose of the administrative leave is to allow the Senior Administrator to prepare himself or herself to return to his/her academic role within the University. Consequently, no cash payment is made to the Senior Administrator if the administrative leave is not taken or if the Senior Administrator resigns, dies or retires during the term or at the end of the term as Senior Administrator.

19. Administrative Rules

The Total Compensation Policy for Senior Administrators is adopted by the Human Resources Committee of the Board of Governors and submitted to the appropriate authorities.

Notwithstanding the adoption of this policy, the Human Resources Committee of the Board of Governors has, in exceptional circumstances, the right to grant a derogation with respect to one or some of the compensation elements of this policy offered to a Senior Administrator.

The Policy is reviewed annually by the Associate Vice-Principal, Human Resources to ensure its continued compliance with market practices and legislative development. Recommendations with respect to possible modifications to the Policy are forwarded to the Human Resources Committee of the Board of Governors and, if approved, are submitted to the appropriate authorities.

The Human Resources Committee of the Board of Governors is responsible for ensuring the University's compliance with the Policy following the annual presentation of a compliance report by the Vice-Principal, Administration and Finance.

Legislative History:

Approved: Human Resources Committee of the Board of Governors: January 15, 2015 Effective Date: January 15, 2015	Minute 6
---	----------