2023 Annual Compensation Review
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What is a compensation benchmarking exercise?

A compensation benchmarking exercise is the process of measuring each salary grade and current pay practices against those of other organizations in a “market” with comparable positions that have similar responsibilities.

Why did McGill carry out this review?

The objective of benchmarking is to ensure continued alignment with the evolving market and identify opportunities for improvement. McGill invested in this review, in line with the best practices in compensation, to ensure the continued recognition of our hardworking employees through competitive pay, along with the ever-evolving benefits package.

How is "the market" defined?

The market is determined by:

- The recruitment pool for employees
- The mobility of employees
- The transferability of skills

For MPEX positions at McGill, the market is therefore defined as including:

- employers in the Montreal area,
- in both the public and private sectors
- including other universities.

What does "MPEX" mean?

MPEX stands for Management, Professional and Excluded positions. Positions in this category are non-academic and non-unionized.

MPEX contracts can be either regular, term or casual. Regardless of the type of contract, no MPEX employee should be paid below the minimum of his/her grade.

MPEX is one of several employee groups within the University, each of which has a corresponding salary scale based on the relevant employment market.

Excluded positions are clerical positions which are not unionized as they have been "excluded" from the MUNACA union according to the definition of the bargaining unit.

The MPEX group is often known informally at McGill as the "Ms".

What is the "midpoint"?

The midpoint represents 100 percent of the grade. The midpoint of each grade is aligned to the median of the market and represents the market value of the position. Midpoints are reliable indicators of market value.

In other words, if an employee is being paid at the midpoint of the scale, they are being paid what an autonomous performer who consistently reaches objectives would be paid on the market.

Because markets are moving targets, salaries within the "target zone" (see *What are zones?*) are considered to be paid at market.

What is a compa-ratio?

The compa-ratio is the *percentage* obtained by dividing an employee's annual salary by the midpoint of the salary grade for her/his position. Therefore, a salary equivalent to the midpoint of a grade represents 100% compa-ratio.

Compa-ratio is an important number in compensation because it is used to show the positioning of your salary within your grade, including which "zone" you are in (see *What do the zones mean?*).

How does the MPEX Salary Scale Work?

The salary scale is composed of twelve (12) grades grouped into four (4) levels. Each grade has a minimum, midpoint and maximum. Once the midpoints are established, the minimums and maximums of the scales are calculated as percentages of the midpoint. Therefore, when the midpoint changes, the minimums and maximums are adjusted accordingly.

How was the MPEX Salary Scale designed?

The MPEX Salary Scale was designed by benchmarking pay practices against those of other organizations in a "market" with comparable positions that have similar responsibilities.

How and when is the MPEX Salary Scale Updated?

The salary scale is reviewed and may be adjusted annually to ensure continued alignment with the evolving market.

What are the results of this MPEX benchmarking exercise?

The findings are that the market has evolved. The maximums of MPEX grades are currently well positioned; the minimums and midpoints of most grades will be increased.

As a result, the scale was revised as follows:

- Midpoints were aligned with market.
- Salary ranges (minimum to maximum) are now symmetrical for most grades, resulting in higher minimums.
- The percentage differential between each midpoint will remain consistent.

Effective June 1, 2023, the scale will be as follows:

Level	Grade	Min in % of the Mid	Minimum	Midpoint	Maximum	Max in % of the Mid
Level 4	11	80%	$137,030	$171,290	$214,110	125%
	10	80%	$122,350	$152,940	$191,180	125%
	09	80%	$109,240	$136,550	$170,690	125%
Level 3	08	80%	$97,540	$121,920	$146,300	120%
	07	80%	$87,090	$108,860	$130,630	120%
	06	80%	$77,760	$97,200	$116,640	120%
Level 2	05	80%	$69,430	$86,790	$104,150	120%
	04	80%	$62,550	$78,190	$93,830	120%
Level 1	03	85%	$59,870	$70,440	$81,010	115%
	02	85%	$53,940	$63,460	$72,980	115%
Excluded	01	90%	$51,450	$57,170	$65,750	115%
	01a	90%	$46,350	$51,500	$59,230	115%

The range for Excluded positions is smaller (90% to 115%) because the learning and progression in these roles is faster. Employees at this level are expected to become autonomous quickly.

On the other hand, employees in Level 4 positions have a much broader salary range because the progression and evolution in these roles is much longer.

What are the “zones”?

Each grade is made up of three zones:

Zones	*Range by compa-ratio*	*Description*
***Entry/Beginner** – zone 1*	< 95%	*Employee is new in the role and gaining experience but not yet fully autonomous in the job*
***Target** – zone 2*	95% - 110%	*Employee meets all requirements of the role, shows consistent achievements and possesses key competencies (technical and behavioural)*
***Exception** – zone 3*	≥ 110%	*Employee significantly and consistently exceeds role requirements, possesses high demand skills and/or is recognized as an expert in their field*

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What do the “zones” mean?

The positioning of your salary in the scale (compa-ratio and corresponding zone) is based on your contributions, your performance, and your expertise. This is assessed by your Manager with the guidance of your Human Resources Advisor/Representative. There are guidelines to determine where an employee’s salary should be positioned:

- An employee who has been recently promoted (two years or less) is expected to be in *zone 1*.
- An employee who has been in the role for 5-7 years and has been exceeding objectives for at least the past 3 years is expected to reach *zone 2* (95% compa-ratio or above).
- Employees whose salaries reach *zone 3* are an exception.

Performance is the main driver for progressing in the scale. Employees who are significantly exceeding objectives are expected to progress much faster than employees in the other categories.

What happens if my current salary is below the new minimum?

The salary of employees whose salaries are below their grade’s new minimum as of June 1, 2023, following the overall scale adjustment, will be raised to the minimum of the grade.

How does this new scale impact me if my salary is above the minimum?

In general, the updates do not affect current salaries. If your salary remains above the new minimum, it will not be changed in the context of the salary scale update.

However, the compa-ratio of all salaries will effectively decrease because all midpoints have been raised. Consequently, the salary of some employees may change zones.

For current employees, the changes provide the possibility for a higher salary increase in the case of future internal promotion.

How does this relate to the usual June 1 salary increase?

Although both will go into effect the same date, the benchmarking exercise is separate from the June 1, 2023 Annual Compensation Review (Salary Policy). The Annual Compensation Review will still be performed following the normal process.

Any increases in the context of the benchmarking exercise will be applied first, followed by any increases in the context of the Annual Compensation Review.

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Who is eligible for the 2023 Annual Compensation Review?

To be eligible for the 2023 Annual Compensation Review, staff must have started in an executive position, a regular management or professional position, or an excluded position by December 31, 2022. Employees hired under the Temporary Employment Policy are not covered by this salary policy.

In order to receive the salary increase, eligible employees must be active on the date of implementation.

What happens if I was on leave for part of 2022?

Per Quebec Labour Standards, employees on maternity/paternity/parental leave and short-term disability are entitled to the same wages and benefits as if they would have remained at work.

To receive the salary increase, there is a one-day-of-work rule. The one-day-of-work rule is based on the 18 months prior to the effective date of the Annual Compensation Review (i.e. January 1, 2022 to June 1, 2023).

1. Employees on maternity/paternity/parental leave or short-term disability who were active during this period are considered at work and should be given a performance assessment and category.
2. If, due to a maternity/paternity/parental leave or short-term disability, it is not possible to assess an incumbent's performance during the reference period, the salary increase attributed to performance will be calculated based on the average performance category of the last two years of active service.
3. If the incumbent has less than two years of active service, the assessment will be based on the period of active service.
4. "Not Applicable'' can be used in the exceptional case where an employee's performance cannot be assessed. However, the performance increase should take into consideration the employee's positioning in the scale.

"Not Applicable'' should ONLY be used if the incumbent was absent in ALL of 2021 AND in 2022, or if the incumbent transferred into an eligible position after December 31, 2022.

How is my increase calculated if I am in a temporary assignment?

Employees in a temporary assignment will receive their salary increase on their regular position. Their salary in the temporary assignment will then be recalculated accordingly.

What is the “internal equity budget”?

For a limited number of employees, the Annual Compensation Review budget for their department may not be sufficient to position them appropriately in their salary scale, based on performance and years in the role. In these exceptional cases, they may require a special salary adjustment to be equitably positioned.

A limited centrally administered internal equity budget will be provided for this reference year to fund salary adjustments to position employees properly in the salary scale. The salaries of all MPEX employees will be reviewed and assessed within each unit in the fall of 2023, with the guidance of Human Resources. The necessary adjustments will be made in alignment with the Salary Administration Policy, and the guidelines for base salary adjustments and will be applied effective December 3, 2023. Eligible employees will be individually advised by the end of November if an internal equity adjustment will be made to their salary.