

March 2023

2023 Annual Compensation Review and Salary Scale Update

To MPEX Staff and Managers of MPEX Staff

The Annual Compensation Review exercise sets the foundation and process for the fair and equitable recognition of all MPEX employees who make a sustained positive contribution to the University, while also providing the flexibility to reward those whose contributions significantly exceed objectives. This annual review is the opportunity to evaluate whether

an employee's salary is positioned properly in the salary scale, in relation to their performance and that of their peers. Individual increases may vary somewhat based on managers' discretion, but the enhanced guidelines encourage a consistent application throughout the university as a whole.

2023 BUDGET

To ensure that McGill salaries remain competitive, recommendations for the annual MPEX compensation increase are based on thorough market research, such as surveys of projected salary increase budgets carried out by consulting firms, which provide information about comparator groups. The recommendations are then presented for approval to the HR Committee of the Board.

Since last year, the performance increase and economic increase envelopes are integrated into a total salary increase budget of 4.0%. Increases will be effective June 1, 2023.

ELIGIBILITY RULES



1. The reference period runs from January 1, 2022 to December 31, 2022. Staff must have started in a regular management or professional position or an excluded position by December 31, 2022.
2. In order to receive the salary increase, eligible employees must be active on the date of implementation, i.e. on June 1, 2023.
3. Employees hired under the [Temporary Employment Policy](#) are not covered by this salary policy.

PERFORMANCE INCREASE GUIDELINES

Each employee’s performance will be rated according to one of the five performance categories defined below. Each performance category has a recommended increase in relation to the 4.0% budget and to the individual placement in the salary scale **zone**. Note that the minimum recommended increase range for eligible employees is 2.00% to 2.75%.

RECOMMENDED INCREASES

Performance Assessment	Compensation Zone of Employee		
CATEGORIES AND DESCRIPTIONS	ZONE 1 ENTRY	ZONE 2 TARGET	ZONE 3 EXCEPTION
SIGNIFICANTLY EXCEEDS OBJECTIVES <i>Consistently exceeds individual work objectives and goes above and beyond duties and responsibilities.</i>	Higher than budget	Slightly higher than budget	Close to budget
EXCEEDS OBJECTIVES <i>Occasionally exceeds individual work objectives, in addition to successfully fulfilling role requirements. Demonstrates a solid level of performance.</i>	Slightly higher than budget	Close to budget	Slightly lower than budget
CONSISTENTLY MEETS OBJECTIVES <i>Fulfills role requirements by completing all essential areas of responsibility. This rating may also be applied to staff who are progressing appropriately in the role.</i>	Close to budget	Slightly lower than budget	Lower than budget
REQUIRES IMPROVEMENT <i>Needs improvement in order to fulfill role requirements, essential duties and responsibilities.</i>	None	None	None

For the *Not Applicable* category, please refer to the [2023 MPEX ACR FAQ](#).

SALARY SCALE UPDATE

You may recall that in late 2019, the University conducted a thorough review of the MPEX salary scale with the resulting revisions being implemented in 2020. In fall 2022, in light of the rapidly evolving market conditions, the University conducted another benchmarking exercise for the entire MPEX salary scale. This review is in line with best practices in compensation and designed to ensure equitable and competitive pay practices.



The salary scale benchmarking exercise confirmed that our minimums and midpoints were below the market. While the structure of the salary scale remains the same, the marker points (minimums, midpoints and maximums) will be adjusted to correspond to the competitive salary market.

In order to align the salary scale with the Montreal market, including employers in both the public and private sectors:

- The minimums of all grades will be adjusted to reflect the market;
- The midpoints of all grades will be adjusted to reflect the market;
- Some grade ranges will be standardized to be as symmetric as possible on both sides of the midpoint.

The updated salary scale will enable the University to continue to maintain our market positioning strategy, which is to be at the median of the market.

IMPLEMENTATION OF THE SALARY SCALE UPDATE

The updated scale will go into effect on June 1, 2023, the same effective date as the annual compensation review increase.

- Employees whose salaries are below the new minimums will receive an automatic increase to bring their salaries up to the minimum of the updated salary scale.
- Employees whose salaries are adjusted to the new minimums will then be eligible to the annual compensation review increases.



STRUCTURE OF THE SALARY SCALE

The [MPEX Salary Scale](#) is organized around three points: the minimum, the midpoint and the maximum, for each of the 12 compensation grades (1A through 11).

Within each grade, there are three zones: *entry*, *target* and *exception*, defined in relation to the corresponding midpoint. An employee's salary is situated in one of the three zones by calculating his/her compa-ratio (individual salary divided by midpoint).

The midpoint is calculated based on the 50th percentile (median) of salaries in a market, in our case the Montreal market. It is the salary that is generally paid in the market for comparable jobs.

You will find additional details, background information and answers in the [2023 Annual Compensation Review FAQ](#). After thoroughly reading the FAQ, if you have further questions, please don't hesitate to speak with your manager or your local HR representative.

Diana Dutton
Associate Vice-Principal, Human Resources

INTERNAL EQUITY REVIEW

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.



I am pleased to confirm that a limited centrally administered internal equity budget will be extended 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 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.