

COMPENSATION POLICY

This document is the parent policy for any College or Divisional procedures. Questions regarding this policy are to be directed to the identified Policy Administrator.

Functional Category:	Human Resources
Approval Date:	June 28, 2016
Effective Date:	June 1, 2016
Policy Owner:	President and CEO
Policy Administrator:	Executive Director, Workforce Development and Human Resources

Objective:

The objective of NorQuest College's (college) compensation policy is to provide information on the compensation philosophy and standards used by the college.

Authority to establish this policy is derived from the [NorQuest College Board of Governors Policy No. 5](#) which delegates authority to the President and CEO to establish policies and procedures for the college's management and operation.

Policy:

NorQuest College's compensation philosophy articulates our commitment to fair, equitable, flexible and competitive compensation practices within the marketplace, taking into consideration:

- the array of benefits, including pension, working conditions, and intrinsic rewards;
- the need to maintain appropriate internal job relativities, and
- the need to consider performance-based variable pay programs that are aligned with the business plans and objectives for the appropriate group at the right time.

We do this within the context of financial sustainability. We also recognize that the principle of fair compensation means three things:

- it must be fair to the employee who performs the job,
- fair to the employer that must recruit and retain talented staff to deliver programs for the students and the community, and
- fair to the stakeholders who fund us.

The principle of fairness is fundamental to our bedrock values: it means "just reward" – no more and no less. In other words, employees should be duly compensated in proportion to the weight of their roles (internal relativity), their performance (contribution), and their market value (external relativity).

In carrying out its compensation philosophy and realizing its commitment to fair, equitable, flexible and competitive compensation practices, the college will:

- **Pay at or above the 50th Percentile:** On a go-forward basis, the college will position its base pay rates for positions covered by established Terms and Conditions of Employment and/or Collective Agreements at the market 50th percentile rate (P50 or median) of the relevant peer comparator groups. Where necessary, this may be accomplished over a period of time.
- **Competitive Benefits:** The college will continue to provide benefits that are competitive with benefits offered by similar employers. This will include a set of core benefits that include dental, extended health care, vision, and retirement support. The cost for benefits will be shared

between the college and its employees and will be designed in a way that enables employees to take advantage of tax-related savings.

- Define Peer Comparator Groups:** The college will conduct market pricing surveys for benchmark jobs in each of the employee groups every three years to ensure that our compensation levels are comparable to the relevant markets for employees with similar skills doing similar jobs among peer comparator organizations in varying geographical locations as summarized in this the table below.

	Executive, Management, & Out-of-Scope	Faculty Group	AUPE Support Group
Peer Comparators	<ul style="list-style-type: none"> Public sector Post-Secondary Institutions 	<ul style="list-style-type: none"> Post-Secondary Institutions Alberta Health Services 	<ul style="list-style-type: none"> Public sector, AUPE Community colleges
Locations	<ul style="list-style-type: none"> Alberta for the most part Canada for senior jobs Edmonton - support jobs 	<ul style="list-style-type: none"> Alberta 	<ul style="list-style-type: none"> Edmonton

- Variable Pay:** the college will explore and gradually introduce Variable Pay options as appropriate. This is subject to opportunities for the executive, management, out-of-scope groups and limitations with the bargaining groups (Faculty and AUPE).

Definitions:

Base pay rates: Base Pay Rate refers to an employee’s regular gross annual salary or hourly rate (before payroll deductions) and excludes additional pay (i.e. overtime, allowances, variable pay, etc.), benefits, or any other potential income.

Variable Pay: refers to compensation that is contingent on performance or results achieved. Also known as ‘pay at risk’, variable pay is not guaranteed and the organization needs to achieve certain objectives for eligible employees to receive a variable pay payout.

P50: refers to a market pay position. For the market peer comparators identified, a P50 pay position means we will pay more than 50% of our comparators but not as well as 50% of our comparators; it is a ‘middle of the road’ pay position.

Related Information:

- [AUPE Collective Agreement](#)
- [Faculty Collective Agreement](#)
- [Management Terms and Conditions](#)
- [Out of Scope Employees Terms and Conditions](#)

Related Procedures:

- [Deferred Salary Leave Plan Procedures](#)
- [Employee Computer Purchase Plan Procedure](#)
- [Employee Fitness Loan Procedure](#)
- [Long Service Recognition Procedures](#)
- [Pension Plan Procedures](#)
- [Relocation Allowance and Moving Expense Procedure](#)

Next Review Date:
Revision History:

- [Salary Administration Procedures](#)

June 2020

New: May 2012

August 2013: update for document links and branding

November 2014: update for change in policy owner and document links

June 2015: update document links

July 2015: update document standards, document links and next review date

September 2015: update document links

June 2016: revision