



285 Catherine St.
 Wingham, ON N0G 2W0
 T: (519) 357-3930
 F: (519) 357-3928

Subject: Compensation – Principles & Administration	Date Approved: December 21, 2016
Approved by: Board of Directors	Date Revised:
Specific to: All Staff and Board of Directors	Next Review Date: September 2020

PRINCIPLE:

North Huron FHT believes in compensating employees for consistent and sustained competency in the performance of their jobs. In meeting the goals and objectives of this strategy, we are constrained by any directives from our funder (Ministry of Health and Long Term Care) related to pay structures and the availability of adequate resources from our funder to meet our equity goals.

We strive to:

- Provide compensation (wages and benefits) that are competitive with compensation provided by other comparable employers (same community, similar industry, size, revenue, etc.), for jobs of equivalent responsibility, in the communities where we compete (external equity);
- Provide compensation (wages and benefits) to employees in jobs of comparable value on an equitable basis (internal equity); and
- Consider issues of recruitment and retention related to any individual job category.

POLICY:

The purpose of this policy is to establish the principles related to compensation and to ensure these principles are applied consistently throughout the North Huron FHT,

This policy applies to all employees and does not apply to independent contractors.

RESPONSIBILITY:

The Executive Director is responsible for ensuring the principles outlined in this policy are consistently applied.

The Executive Director is responsible for reviewing and approving overall compensation packages including job classifications, position ranges, and benefits (monetary and non-monetary) as appropriate, on an annual basis or in response to funding changes. The Executive Director will use Human Resources best practices to guide the compensation structure, ensuring that the policy principles are followed, and available funding maximized.



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The Board of Directors will receive a report annually for approval providing a high level summary of changes. (Please note: As this work is new to the Board of Directors, the Board has received more information to support the approval of a compensation plan. In the future, this function of the Board will likely to evolve to become part of the annual Compliance Certificate.)

The Board of Directors is solely responsible for setting the position level, pay range, and all other components of the total compensation package for the Executive Director. The Board of Directors will separately consider the Executive Director's compensation on an annual basis.

DEFINITIONS:

“Compensation” includes the total package of compensation generally known to be comprised of wages, benefits (e.g. health, dental, retirement, and other items of a nature that the employer provides funding to support the financial and well-being of employees), and paid time off allowances and allocations.

“External Equity” is the relative marketplace job worth of every job directly comparable to similar jobs in the industry factored for economic variances and adjusted to reflect the local economic marketplace.

“Internal Equity” is the relative worth of each job when comparing the required level of job competencies, formal training and experience, responsibility and accountability of one job to another and arranging all jobs in broad bands.

“Wages” means monetary remuneration paid to employees under a contract of employment and includes base pay, bonuses, incentives, premiums, and/or allowances that relate to hours, production, or efficiency. Wages do not include travelling allowances, or expenses, or contributions made by the North Huron FHT to fund a benefit plan.

REFERENCES & RELATED STATEMENTS OF POLICY:

Ontario Employment Standards Act
Ontario Pay Equity Act (where appropriate)
Primary Care Market Salary Survey (i.e. AFHTO/AOHC/NPAO Market Salary Survey, Hay Group Health Care Consulting, 2014 (updated 2014))

COMPENSATION ADMINISTRATION GUIDELINES:



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Wage Structure: The wage structure will include a banding process using a combination of available market research, and job evaluation for positions not fully represented in the available research.

Benefits Package: The benefits package will consider available benefits funds and strive for comparability to external benefits packages in other local healthcare organizations.

Paid Time Off: These benefits (e.g. sick time, vacation, etc.) will consider comparators to other local healthcare organizations. Paid time off may also be adjusted in times of unavailability of appropriate funding to provide equitable wages and benefits packages.

Transparency and Consistency: The administration of the entire compensation package will strive to be transparent within the organization and applied with consistency.

Retroactivity of Changes: At time, changes may be made with a retroactive date. When this occurs, those changes only apply to people who are still with the organization on the date the change is actually made. Any employee who has left the organization between the retroactive date and the date the change is made does not qualify for any retroactive payments.