3.28 EMPLOYEE COMPENSATION

3.28.1 INTENT:

LICA is committed to transparent and equitable compensation and benefits, ensuring adherence to funding limits. This policy aims to establish consistent practices vital for attracting, motivating, and retaining qualified Employees while complying with budget and legal regulations. Our compensation program's success relies on competitive market positioning, recognizing exceptional performance, and fostering internal fairness. This policy outlines our process for setting compensation rates to achieve these goals with transparency and fiscal responsibility.

3.28.2 DIRECTIVES:

- This policy is designed to align compensation with market standards.
- All compensation rates are reviewed annually and require approval from the Board of Directors.
- This approach ensures that our remuneration reflects industry benchmarks while adhering to strategic oversight and fiscal governance.

3.28.3 SCOPE:

Employees

3.28.4 DEFINITIONS:

- **Compensation Role Grids**: Each role has a developed compensation grid. Grid placement is based on Grade and Levels.
- **Job Evaluation:** A systematic method for determining the relative value of roles and responsibilities to ensure internal equity across different job positions and levels and external equity through benchmarking roles to the comparative market.

3.28.5 IMPLEMENTATION:

3.28.5.1 JOB EVALUATION:

- Each permanent employment position in LICA has an approved job description and undergoes a Job Evaluation by the Human Resources Consultant or designate as assigned by the Board of Directors.
- Job evaluation is undertaken when a new job is created, or a role has gone through significant and sustained changes. Upon significant changes, the Executive Director can request Board Approval for a Job Evaluation to be completed.

- The purpose of the Job Evaluation is to determine:
  - Compensation market range (external equity)
  - Compensation type (Hourly or Salary)
  - Internal equity of role
- The Job Evaluation report is used to determine the compensation range for the development of the Compensation Role Grid.
- Compensation ranges are based on Board of Director approval.

3.28.5.2 SALARY:

- Salary is a fixed, regular compensation payment for the completion of a specific job role.
- Salaries are associated with specific roles at LICA that are assessed as management level roles that require project management and personnel management.
- LICA salary roles are based on a 40-hour workload, which is based on the completion of job responsibilities as per the position. Throughout the year the hours worked are expected to at least be an average of 40 hours per week and to adhere to all LICA policies.
- Actual hours of work are reported by the employee to LICA.
- As salaries are used for roles that have management responsibilities at times salaried employees may be expected to work beyond typical hours. Time off may be eligible as per 3.26 Flex Time Policy or 3.3 Overtime Hours Policy.
- To maintain salary, it is an expectation that job roles are being completed as per the terms of the individual contract and job description, in the event of extended time off (outside scope of vacation or any paid time off as per LICA policies), salary may be reduced as per Board of Director approval. In such an event, communication will be provided to the Employee.

3.28.5.3 HOURLY:

- Employees whose compensation is based on the number of hours they work.
- Hourly Employees are provided a schedule as per the Employee Contract.
- Hourly Employees that are overtime eligible follow overtime policy for additional hours worked as per 3.3 Overtime Hours Policy.

3.28.5.4 COMPENSATION ROLE GRIDS:

- Each permanent LICA position will have a Compensation Role Grid developed and approved by the Board of Directors utilizing the range approved as per the Job Evaluation process.

- Compensation Role Grids will be reviewed and approved annually by February 1st for the upcoming Fiscal Year by the Board of Directors to ensure meeting policy requirements and budgetary restrictions.
- Individual Employee placement on the grid is based on Grade and Level (see descriptions below).
- Compensation Role Grids specific to their individual role will be shared with individual Employees during their Performance Review meeting, copies will not be provided. The intent of sharing the range is to provide transparency of process. The expectation is Employees maintain confidentiality regarding their individual placement and their position's Compensation Role Grid.
- **GRADE:**
  - Recognizes applied and direct experience, seniority, and completed education only.
  - For current Employees, recognition of additional experience is based on actual years of service completed at the time of employment review (based on 1.0 FTE).
  - The maximum compensation grade level an employee may reach is Grade 10.

Experience	No Post Secondary	Post Secondary Diploma	Post Secondary Degree
0	Grade 1	Grade 1	Grade 2
1	Grade 1	Grade 2	Grade 3
2	Grade 2	Grade 3	Grade 4
3	Grade 3	Grade 4	Grade 5
4	Grade 4	Grade 5	Grade 6
5	Grade 5	Grade 6	Grade 7
6	Grade 6	Grade 7	Grade 8
7	Grade 7	Grade 8	Grade 9
8	Grade 8	Grade 9	Grade 10
9	Grade 9	Grade 10	Grade 10
10	Grade 10	Grade 10	Grade 10

- **PERFORMANCE LEVEL:**
  - Refers to placement on the Compensation Role Grid of an individual Employee's performance level, skill, or contribution within the organization.
  - It involves recognizing and rewarding employees based on their demonstrated abilities, accomplishments, and job-related achievements.
  - Assessed during the Performance Review Process (3.1 Employee Annual Performance Review Policy).

Performance Levels	Description
Low	● Employee that has just entered the organization and is completing their probationary period and needs constant support / supervision (is dependent on others) ● An experienced Employee with unsatisfactory performance (not completing full scope of role independently)
Top	● Employee is at a fully qualified level, meets performance objectives, proficient in essential job responsibilities and functions and performs them independently (fully competent) ● Employee provides support and supervision to others and consistently demonstrates an understanding of the role.
Maximum	● Reserved for exceptional performance. ● Employee consistently performs the job at a higher level than required, highly experienced, exceeds responsibilities above job requirements, provides direction and delegation, universally recognized as an outstanding performer and expert in their field (internally and externally). ● Can independently complete their role while supporting others in the organization as well and providing exceptional external support and advocacy for LICA (over and above expectations of role).

3.28.5.5 PLACEMENT FOR NEW HIRES:

New hires will be placed as follows:

- Level: "Low" at time of hire. The Level adjustment will occur if deemed appropriate upon annual Performance Review as per 3.1 Employee Annual Performance Review Policy.
- Grade: Up to 0.5 of relevant experience to the new hire's role in LICA can be applied to Years of Experience.
- Placement is based on Board of Director approval and, in limited circumstances, may be adjusted based on recruitment challenges.

3.28.5.6 SPECIAL CIRCUMSTANCES:

- **FUNDING CHANGES:**
  - Compensation grids are largely based on funding and budgets.
  - If any changes occur throughout the fiscal year, either an increase in funding/budget or a decrease may result in necessary adjustments to the compensation grids.
  - In such a rare event, as much advance notice as possible will be provided.

- **JOB CHANGES:**
  - Upon any job changes throughout the year, the Employee will be assessed based on the new position Compensation Role Grid, and any required adjustments will be made effective date of the move, and a new employment contract will be provided.

- **GRADE LEVELS > 10**
  - All permanent employees who reach beyond Grade 10 will qualify to receive five (5) additional employer-provided vacation days, as a retention benefit, in addition to their statutory vacation entitlement.
  - The employer-provided vacation days must be taken during the calendar year in which they are granted, in succession to fully using their statutory vacation entitlements, and will expire on December 31 of the applicable year.
  - Unused employer-provided vacation days cannot be carried over, paid out, or converted to any other benefit.

3.28.6 SUPPORTING DOCUMENTS:

- 3.1 Employee Annual Performance Review
- 3.2 Employee Probationary Period
- 3.3 Overtime Hours
- 3.26 Flex Time
- Individual Compensation Position Grids (CONFIDENTIAL)