

Salary Compression

Original Implementation Date	March 2011	Approved by	
Date of Last Revision	N/A	Approved by	
Effective Date of Last Revision	N/A	Approved by	

1 - Business Practice Name

Salary Compression

2 - Scope

This applies to all non-union HRM employees.

3 - Procedures

Salary Compression exists when the base salary of a non-union supervisor is less than 5% greater than the earnings (including premiums, but excluding overtime) of a direct report.

Salary Compression may require an adjustment to the supervisor's base salary through the application of a temporary compression premium that will increase the supervisor's earnings to a level that is 5% greater than the applicable employee's earnings (including premiums, but excluding overtime). The temporary compression premium may be applied even if it takes earnings over the maximum of the salary band.

The temporary compression premium will be monitored and will be adjusted as required as a result of changes to the earnings of the direct report or increases to the supervisor's base salary. The premium will be immediately removed if it is determined that Salary Compression no longer exists. Any non-union ISA adjustment are calculated on the annual salary excluding the temporary compression adjustment.

It is important to note that there are some circumstances where Salary Compression does not require an adjustment to the supervisor's salary (i.e. performance issues).

Application of a temporary compression premium must be approved by the Manager of Talent & Total Rewards.

It is important to note that the costs associated with a temporary compression premium must be funded out of the applicable business unit's existing annual budget.

4 - Related Policies and Practices

Non-Union Compensation Toolkit

5 - Contact

Manager of Talent & Total Rewards, Human Resources

