



At the Table

Compensation: Salary increases, ATB, COLA, etc.

This update will focus on compensation. Compensation is the term used for wages. The idea is that the Employer is *compensating* the employee with money and services in exchange for their labour. The form that this can take can vary. At UOIT, no matter how you stack it, our compensation package looks very different from all other universities in Ontario. We are unique and, for the most part, UOIT's compensation package is one of the lowest in Ontario. So how are we different?

First, we are the only university in Ontario that is solely based on a *meritocratic* system. For a quick reference, I have borrowed a definition from Wikipedia.org:

Meritocracy is a system of a government or other organization wherein [appointments](#) are made and responsibilities assigned to individuals based upon demonstrated talent and [ability \(merit\)](#).^[1] In a meritocracy, [society](#) rewards (via wealth, position, and social status) those who show talent and competence as demonstrated by past actions or by [competition](#).

At first glance, this *sounds* good. It sounds even better to an administration. For those of you who are relatively new here at UOIT, we currently we have a strictly performance based merit system. Employees are placed in categories from 1 (poorest) to 5 (excellent) based on the ranking of the Member's Dean. Twenty percent of faculty are allowed to be in category 5. Another 20 percent of faculty are placed in

category 4. All others go to 3, some lower.

Those in these two top categories will receive some form of increment, higher than the remaining 60 percent of faculty. Currently, how much this is, and how it is established is at the discretion of the president, with no consultation of the faculty association. Funds are simply allotted in the budget each year, depending on financial availability. At UOIT, priority of faculty salaries competes with new buildings (where there is often federal, provincial, and/or private incentives that universities have to provide matching funds), international recruitment of students, student needs, "branding" of the university, new office furniture, and so on. In all other universities in Ontario, this amount is negotiated with the faculty association. It is the faculty association that makes faculty work conditions a priority with the administration. Salary increments are also not predetermined in policy, as they are here.

Other universities are compensated with *loyalty-type* systems for the most part, as well as a host of other increments. All other universities in Ontario receive a combination of the following. Keep in mind that these vary, depending on what institution you are looking at:

- **Base salaries** ("the base") The dollar amount of the salary within the salary range to which the employee is entitled, before any deductions, and exclusive of additional compensation of any kind, such as premiums. These have not been established at UOIT and therefore can vary.
- **Floors:** A Minimum salary that all must receive ("the floor"). Salaries can be higher, but not lower than the floor. These have not been established at UOIT and therefore can vary.
- **Across the Board increments (ATB).** These increments are wide or comprehensive in scope or applicability. ATB in compensation

Special points of interest:

- During the last pay period, while UOIT faculty received an average salary increase of 4.9%, all other universities received an average of 6.8%
- A majority of faculty at UOIT have received increases that have barely kept pace with inflation.
- Some UOIT faculty have probably received increases that have not kept pace with inflation.

means a percent applied to the base salary which all employees receive. We do have an approximation of this increment at UOIT.

- **Cost of Living Allowance (COLA)** This amount is a basic percent that is applied to base salary usually tied with inflation (to avoid salary decreases with the rising cost of living). Typically, all employees receive this increase. It is generally calculated by using information supplied by Statistics Canada which generates an actual percentage change due to inflation. COLA is important because it is the basic increase that ensures that as inflation rises, your salary keeps pace with inflation. In other words, without COLA increases, inflation whittles away at the salary, meaning we actually make less each year if we do not receive COLA. We do not have this increment at UOIT.
- **“Catch up” increments:** Catch up funds given to employees who are identified as underfunded for some reason. This can look like ATB. We do not have this increment at UOIT.
- **Loyalty Compensation:** This is a type salary increase that employees are awarded as they reach certain steps in their career, or progress through the ranks. This can take a variety of forms. *Step increases* occur when Members are assigned a step based on rank and other factors and are awarded as they progress through the steps. *Progression through the ranks* is like a step system; Members are assigned compensation based on years employed and other factors. Ontario universities also typically offer some sort of *Tenure and promotion increases*. These are increases one receives when one increases in rank, as it is acknowledged that these are significant changes. We do not have this increment at UOIT.
- **Merit:** This is increasingly on the decline in Ontario and Canada. In most places merit increases are non-existent or very small percentages of salary across Ontario (similar in Canada). Universities

are increasingly dropping it because of the very problems we are having here. Of principal concern here is that merit could lead and has been used to reinforce discriminatory practices. We do have this practice at UOIT, funds of which are capped “normally” at 2-3% of faculty salaries.

- **Professional Expenses reimbursement:** This is often negotiated with the Faculty Association. Typically, a “floor” is set for this reimbursement. Like a salary floor, it can be higher, but it cannot be lower than the floor. In other words, everyone who is a Member, is guaranteed at least a minimum set of funds every year to attend conferences, etc.
- **External compensation agreements** (i.e. private consultation, etc.). This is money that can be made outside the university. Typically, at other university institutions this is limited to 10% of the Member’s work week (about half a day). You can earn whatever you want during this time, but the university restricts the time you spend doing external work. At UOIT, you are only allowed to make 25% of your salary, which is problematic. First, the amount the Member can make is capped at whatever 25% of your current salary is and second, it reinforces systemic discrimination, understanding that generally, minorities and women tend to get paid less than others.

Currently, we receive only ATB and Merit increments. But even these do not exist as they do at other institutions.

Last pay increase was lower than the average pay increase for the province by almost 2%.

During the last pay period, while UOIT faculty received an average salary increase of 4.9%, all other universities received a 6.8% increase. Administrations like meritocracies, because it allows for less money to be paid out on Human Resources, such as salary increases.

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ATB

According to our **current** policies:

The merit budget pool shall be established annually by the President. In establishing this budget, the President will consider the expected performance levels of all faculty members, market conditions, such as "hot skills", not addressed by the ATB adjustment, and affordability. Normally, the merit budget pool shall be in the range of two to three per cent of the academic salary budget.

Looking deeper into this statement, merit can be awarded on performance, but also be guided by "hot skills" and other "market conditions. For each person with a "hot skill" or some other relevant "market" attractiveness, someone who has had a very good performance year can expect to be placed out of the running for a merit increment.

This statement also assures that *normally, we can only expect an additional 2-3% of the salary budget.* Most of the faculty will be placed in Category 3. This means we will receive a small increase if we are not recognized as outstanding by our Dean plus some Across The Board (ATB) increment decided upon by the President. This, however, is not guaranteed, like it is at other institutions. In other words, the current policy states that they can decide **not** to grant it to certain Members.

Third, although *normally* we would see an increase, this policy is flexible enough that they could choose not to give a raise, if they could not find the money in the budget. Again, this is not what happens at other universities. Compensation is negotiated with the faculty association, and the decisions are made as part of a discussion, not a unilateral administrative decision.

Most are assured at least an ATB increase, although there have been cases where this has not happened due to low scores. The amount of this ATB varies from year to year. According to *current* policy:

Each year an ATB adjustment budget shall be established by the President based on a review of inflation, market conditions, and the financial state of the university. ATB adjustments will be granted as a common percentage of base salary and will generally be provided to all faculty members. Faculty

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members who do not meet basic performance requirements, as defined by the university's performance management process, are not eligible to receive ATB adjustments.

Reading more closely into this statement, the ATB increment also acts like COLA. Where we have only one increment, other universities usually get two. At most, if not all, other Ontario universities, these two increments are considered separately and negotiated with the faculty association.

Inflation has typically been from 2 to 4% each year.

Recall the average increase in the 2008/2009 year was about 4.9%, lower than the provincial average for university faculty of 6.8%. At UOIT, some of this money went to merit to the top 40% of our faculty. This means the majority received below 4.9%. If we accept that about 2% of the increase was due to what UOIT called ATB, which also includes a COLA increment, then the majority of our increases barely kept pace with inflation. In other words, although most of us received a pay increase in the 08/09 year, this was probably at or below the rate of inflation.

Another way of looking at this, is that if you compare 08/09 dollars, to the year before, most of us did not receive an actual pay raise, but just kept pace with inflation. For those Members who only received the UOIT ATB, they technically had their salaries reduced.

Problems:

Although the merit system sounds good, it is riddled with problems. In fact, most other Ontario universities have abandoned or minimized the process for a wide variety of reasons. Where merit increments exist, they make up only a very small part of the annual increase potential for faculty. It seems most other university administrations agree that merit systems are problematic and have looked to other ways to compensate performance.

First and foremost, anyone who has been subject to the merit system here intrinsically understands that evaluations are significantly different in each faculty. Some evaluate best in rank (best assis-

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Skeleton Agreement at the University of Guelph

With all this talk about salaries and different kinds of increments, you may be asking yourself what an agreement at another university looks like. The university of Guelph is a good example of how one of these agreements can work. Typically, various increments are negotiated between the Employer and the University of Guelph Faculty association. We have pulled this from their contract which is publically available online at <http://www.caut.ca/ugfa/index.html>:

University of Guelph:

- a) cost of living (added to base)
- b) competitive adjustment ("catch up" see pages

163 to 164)

- c) Promotion (where someone is promoted and not yet at the floor for that rank).
- d) Annual Career Increment ("Progression through the ranks" -- added to the base as a specific amount each year)
- e) Performance Increment ("merit" see pages 164ff)

Again, to reiterate, we only eligible to receive a merit increase and some sort of combined ATB/COLA increment. Note as well on page 162 that the floor for an assistant professor is \$ 70,000 and the floor for Associates is \$74,400 etc. **

Compensation, *continued*....

tant, associate, or full professor), while others evaluate best in faculty (i.e., best performance overall, usually going to senior faculty members, placing others at a distinct disadvantage as they are at different places in their careers and do not hold the experience of senior faculty).

Second, merit money typically is a pool of funds that is decided by the administration without consultation of the faculty. Sometimes this fund allotment is quite small. Under the current policy, where conditions are not "normal" they can decide not to give it at all. This is because typically, merit monies at other institutions, and at this one, are **discretionary**. Under the **current** system, had we not formed the FA and started this bargaining process, there is no guarantee that we will receive any form of increase.

In sum, over the years we have received below average increases. For a significant portion of us, our salary increases have not even

kept up with the cost of inflation. This is in stark contrast to all other universities in Ontario.

When we were first approached to start up this institution, we were told that our salaries would be in the top 30% of the Ontario salary grid. We currently stand below average, and continue to drop when compared to our other institutions because of our current pay system.

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It is for these and a host of other reasons that the UOITFA continues to work hard for our membership. We recognize our talent, and we know what happens when compensation fails. Quite simply, our Members find better jobs which pay them accordingly. We believe strongly in retaining our faculty, and ensuring that they are compensated properly in a employment envi-

ronment that they feel good about working in.

As always, we continue to listen to your ideas and welcome your comments. Although the majority of faculty have paid dues, if you have not done so, we encourage you to financially support your FA, recognizing that those who have volunteered themselves to serve faculty are working hard to improve the life of our Membership at UOIT.

We strongly encourage you to look at the policies in place before we started to bargain. We are always looking for feedback from our Membership. We are working hard to change many of these policies, as they are simply inadequate. We continue to abide by the Labour Act which requires that all policies, salaries, etc., are frozen until bargaining has come to a conclusion. As a result, these old policies remain in place until bargaining has been resolved.

For more information about this newsletter, we encourage you to contact your FA Faculty Representative, or any member of the UOITFA executive team. **