

# THE UNIVERSITY OF BRITISH COLUMBIA



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**Date:** May 9, 2007  
**To:** Deans, Directors, Department Heads, Administrators  
**From:** Michelle Berner, Director, HR – Total Compensation  
**CC:** HR Network members, HR Advisory Services  
**Re:** Issues Arising from Implementation of the AAPS Salary Grievance Settlement

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**The purpose of this memorandum is to provide an update on two issues pertaining to the implementation of the AAPS salary grievance settlement:**

- [1] Automatic movement of employees to new midpoint, and
- [2] Conversion of merit paid in the form of an honorarium to base salary.

## **[1] Automatic Movement of Employees to New Midpoint**

The final phase of the implementation of the AAPS salary grievance settlement occurs on July 1, 2007.

This includes a final adjustment for eligible employees to the 100% point (i.e., the midpoint) of the new (current) salary range. Employees who have already been adjusted to 92% of the midpoint effective July 1, 2005, and to 96% of the midpoint effective July 1, 2006 will have their salary increased to the midpoint of their salary range effective July 1, 2007. This increase is funded centrally for GPO positions.

Another group of employees is the group who were exactly at the midpoint of their “old” salary range, and who fell below the midpoint of their “new” salary range. Employees in this group have not yet had their salaries adjusted. Employees in this group who have been in the job for four or more years (i.e., employees with a job entry date prior to, or at, July 1, 2003) must be moved to the midpoint of their new (current) salary range by July 1, 2007. The cost of this is not centrally funded for GPO or non-GPO funded positions. Departments must absorb the cost, which is the usual process for midpoint progression.

Human Resources will automatically adjust the salaries of these employees to the midpoint of their new (current) salary ranges, effective July 1, 2007. We will only make automatic midpoint progression increases this one time – at July 1, 2007. Beyond this date, departments are responsible for ensuring that employees who have been in the job for four years are paid at the midpoint of the current salary range, subject to satisfactory performance.

We will provide a report to department Administrators within the next week outlining the individuals who will be affected by this automatic adjustment.

Note that we will not automatically adjust the salaries of employees who were below the old midpoint to the new midpoint if they have now been in the job for four years. It is up to departments to ensure that midpoint progression occurs after four years on the job. Human Resources will continue to provide regular reports to departments reminding them of employees who are eligible for midpoint progression.

## **[2] Conversion of Merit from Honorarium to Base Salary**

A question has arisen pertaining to merit paid in the past two years in the form of an honorarium. Specifically, some employees were at the “maximum” of their salary range at the time, but now retroactively have additional “room” at the top of their salary range, and would like to be able to retroactively convert merit that they received in the form of an honorarium into part of their base salary.

There are two possible reasons for there now being additional “room” at the maximum of an employee’s salary range:

- (a) The employee’s job has been classified in a higher salary grade with a higher maximum salary; and/or
- (b) All salary ranges had their maxima increased effective July 1, 2006 as a part of the grievance settlement. The new maxima are 120% of the midpoint in salary grades 1 through 9 and 125% of the midpoint in salary grades 10 through 15.

We have carefully examined this issue, and have determined that retroactive adjustment of honoraria to base salary is not feasible. It would require adjusting and reissuing T4 forms and Pension Adjustment Statements for past years. There are additional complicating factors pertaining to premiums and benefits already paid by and to employees for WCB, IRP, and leaves such as maternity leave.

We have, however, determined that it is possible on a *going forward* basis to add the value of merit earned in 2005 and/or 2006 to an employee’s base salary at the end of the 2006/07 Agreement year (i.e., effective June 30, 2007), in order to have future salary adjustments applied to a higher base salary. The following conditions must be met in order for employees to be eligible for this option:

- √ First, the department must agree to the conversion option. There is no obligation for a department to provide this option for employees. Under the AAPS agreement merit, as always, can be paid in the form of an ongoing increase to base salary, but can also be paid in the form of a one-time payment such as an honorarium.
- √ Second, the employee must have received an honorarium in the year(s) in question.

If these conditions are met, then the equivalent dollar amount of merit that the employee received in the form of an honorarium will be added to their base salary at the end of the 2006/07 Agreement year (i.e., effective June 30, 2007), on a going forward basis (note that the new salary range maximum cannot be exceeded). Future increases will be calculated on the new, higher base salary amount.

### **Procedure to Implement the Conversion of Merit from Honorarium to Base Salary (Going Forward)**

1. The department Administrator should contact Kathleen Cheng (central Human Resources), and provide supporting documentation of the merit increase that they would like to have added to an employee’s base salary on a “going forward” basis.
  - √ Examples of supporting documentation:
    - timesheet to Payroll requesting payment of an honorarium for merit, and
    - letter to employee.
2. The Administrator should prepare an SAF (Staff Appointment Form) and forward it to Kathleen Cheng in Human Resources. The deadline for submission of SAFs to Human Resources is June 1, 2007. The target date for entry of this information into HRMS is June 30, 2007.
3. The SAF should reflect the following
  - Employee’s base salary at June 30, 2007 plus the amount of the honorarium that was awarded for 2005 and/or 2006, up to, but not exceeding, the new salary range maximum, and
  - Effective date of June 30, 2007.

**Following are two alternative examples:**

**Alternative A:**

- √ An employee currently earns \$50,000.
- √ The employee received a one-time honorarium payment of \$1,000 for 2006 merit and a one-time honorarium of \$500 for 2005 merit.
- √ The department can choose to change the employee's salary to \$51,000 effective June 30, 2007. This would reflect the conversion of **only** the 2006 merit to base salary on a "going forward" basis.

**Alternative B:**

- √ Alternatively the department could choose to change the employee's salary to \$51,500. This would reflect the conversion of **both** the 2005 and 2006 merit to base salary on a "going forward" basis.
- √ This example assumes that the maximum of the employee's current salary range is not exceeded.

If you have questions pertaining to either of the above issues, please contact Kathleen Cheng, Team Leader, Compensation, in Human Resources, at [kathleen.cheng@ubc.ca](mailto:kathleen.cheng@ubc.ca).

Thank you.