Our current salary system
Bargaining Bulletin 2015-02-06

We have an opportunity to correct some of the deficiencies of our current salary system (outlined in previous bargaining bulletins\(^1\)) while negotiating our first contract.

This is the first of two bulletins that together will provide information to help decide on the type of salary system we want at SFU. This first bulletin will review how our salary system actually works. The second bulletin will present some possible options in the various categories below.

Later in the month, you will receive a link to an online survey where you will be able to indicate your views on how to design our salary system.

Our current salary policy is described in SFU Policy A20.01\(^2\); our salary scales are found in SFU Policy A20.02\(^3\); and retention awards guidelines are found at the Academic Relations website\(^4\).

Across the board increases
Across the board increases (ATB) represent increases in salary to compensate for inflation and productivity increases. For example, in the last round of negotiations we obtained a 2% increase to salaries. Every member’s salary (base salary and salary supplements in most cases) was increased by 2% on 1 July of 2012. Each step in the salary grid was also increased by 2% on 1 July 2012. This ATB has the effect of also increasing step increment values by 2%. Because the SFU pension contribution is based on your salary, the contribution to the pension plan also increased on 1 July 2012 to reflect your increased salary.

Initial salary when hired
According to the Salary Policy (A20.01), initial salary (the step placement on the rank at hiring) should reflect academic achievement and previous experience.

In practice, the Vice-President Academic authorizes the Dean to fill a position at a certain rank (e.g. Assistant Professor) and maximum rank (e.g. step 8). The monies for this

\(^2\) http://www.sfu.ca/policies/gazette/academic/a20-01.html Salary Policy
\(^3\) http://www.sfu.ca/policies/gazette/academic/a20-02.html Salary Scales
\(^4\) http://www.academicrelations.sfu.ca/documents/RetentionAwardGuidelines.pdf Retention Award Guidelines
position must come from the Faculty budget, which is largely driven by enrollment in the faculty. The Dean then authorizes the Department to conduct the search. The Department identifies the preferred candidate.

Suppose, for example, that the candidate has just finished 3 years of post-doctoral experience. Then the candidate may be offered an Assistant Professor position at Step 4. The salary scale is then consulted to find the yearly salary. This forms the base salary.

The current salary policy allows for market differentials to be added to the base salary above. The amount of market differential is not a fixed amount. It can vary among faculties, among departments within a faculty, and among people in the same department. The amount offered as a market differential depends on the skill of the candidate in negotiations and the perceived market value of the discipline.

When first introduced, market differentials were the exception rather than the rule; today they are widespread in most faculties and departments and effectively treated as a normal part of salary in negotiations at time of hire\(^5\).

**Progress through the ranks**

Progress through the ranks consists of two components – yearly increments and promotions.

Librarians and Archivists have a simpler system where each member receives a 1-step increment each year unless the Administration can document unsatisfactory performance in the last year. This progression continues until the ceiling of that rank is reached; at this point, no further increments are received.

Other members undergo a biennial performance evaluation by the Tenure Promotion Committee (TPC) or the Teaching Appointment Review Committee (TARC) that results in an award that is a combination of basic increments and merit increments. Currently, the total number of steps that can be allocated must average to 1.3 over the members up for review. In practice this average applies at the department and faculty level so that most departments come in close to the 1.3 average. The step review can result in a 0, 0.5, 1.0, 1.5 or 2.0 award for the year of review and the next year. Because of the requirement for a 1.3 average, this essentially means that \(\frac{1}{2}\) of members must receive a 1.0 step and \(\frac{1}{2}\) of the members receive a 1.5 step. The performance review is a relative comparison without reference to an absolute standard, so even in a very strong department, about \(\frac{1}{2}\) of the members must still receive a 1-step award.

The step award is used to move up the salary scale. There are two monetary values for a one step increase. For members lower on the scale, the step increments are larger

(approximately $2700). Many of the scales have a breakpoint above which the step increments then have a smaller value (approximately $1600).

Progress continues up the scales in an orderly fashion. However, some ranks also have a career progress ceiling (e.g. step 14 on the Professor scale). At this point, only members that receive a 1.5 or 2.0 step award can continue to move up the scale. Members above the career progress ceiling who receive a 1.5 award move up 1 (smaller valued) step; members who receive a 2.0 award, move up 2 (smaller valued) steps; members who received a 0, 0.5 or 1.0 award do not move. Progression again continues until the hard ceiling is hit (e.g. step 24 on the Professor scale). Once the hard ceilings are hit, no further movement occurs regardless of step award.

Promotions. Members can apply for promotion at any time. The member presents a portfolio that is reviewed. Members are placed on a new step on the new rank and then continue with progress through the next rank.

Because of the high overlap in our salary scales, members are rarely promoted to step 1 on the new scale (except for Librarian/Archivists).

There is no limit on the number of steps that can be awarded upon promotion.

On promotion, market differentials are kept separate unless the member is promoted to Senior Lecturer or Professor. At this time, the market differential is rolled into “base salary”, by moving the member up the scale to “absorb” the market differential. However, this absorption cannot take the member above a career progress ceiling. Any market differential that is left after this absorption is kept separate and it no longer receives any across the board increase.

Over the long run, there is no cost to career progressing increments. For example, consider 5 members with salaries 65, 70, 75, 80, and 85 thousand dollars. Every member receives a 1 step increase of 5 thousand dollars, but the highest member retires and new member is hired at 65 thousand dollars. The total salary paid by the University does not change but 4 of the 5 members received a 5 thousand dollar PTR increase. Obviously, the distribution of members at SFU is not in a steady state, but over the long run, there will be periods where the total salary mass increases and periods where the total salary mass decreases.

Nevertheless, the “cost” of PTR in this above case is 20/375 or 5.3% of the salary mass. At SFU, the “cost” of PTR can be similarly computed by looking at the salary mass on 31 August and the salary mass on 1 Sept, i.e. before and after step increases have been added. This has been generally declining over time as more and more members reach their salary ceilings and is now well below 2%/year.

In contrast, UBC and UVic allocate a fixed proportion of the salary mass (2.5% at UBC and around 2.3% at U.Vic) to the PTR system and then adjust the step increments to meet this targeted value. So in years when many members get step increases, the size of the
step increase is smaller; in years when fewer members get step increases, the size of the step increase is larger. While the difference between the “costs” of PTR at SFU and UBC appears to be small, these add over time, e.g. a 1% difference over 10 years leads to more than a 10% difference in average salaries (excluding compounding). This is one of the reasons that UBC has not lost as much ground to sister institutions during this period of government imposed constraints.

Mid-career adjustments (Anomalies and Retention)
The academic career is typically 30 to 40 years so it may be necessary to make mid-career adjustments for various factors. For example, a member may be contemplating moving from SFU, and the Administration feels that it is important to retain the member. Or, because of minute differences in a faculty member’s evaluation over a number of years, a faculty member’s salary may be too low in relation to a comparable peer.

Salary Anomalies. A member can apply for a Salary Anomaly consideration at any time but no more frequently than once every five years. The University Salary Appeal Committee reviews these requests. There have only been a handful of such awards in recent history.

Retention Awards. A fund of up to 1% of the SFUFA salary base (or about $1.3 million) can be used each year to add a salary supplement to a member. For example, if a member were to have an offer from a competing institution, the member could ask the Administration to increase his/her salary. Or if a certain discipline is experiencing a high “demand”, all members in a unit could receive a retention award.

There is no limitation in the size of the retention award that a member can receive, but there are limits on the total amount for new awards than can be awarded to a single department in a single year.

Retention awards are usually given for a 3-5 year period and can be renewed by a new consideration near the end of an existing award. There is no guarantee that retention awards will be renewed.

Other salary supplements
Members can also receive other types of salary supplements (such as CRC stipends, Burnaby Mountain Chair stipends, Departmental Chair stipends, etc.). These are usually for a limited term and tied to holding a specific position.

Please feel free to send comments and suggestions to the bargaining team (via myself, cschwarz@stat.sfu.ca), to the SFUFA Executive, or the Bargaining email discussion maillist (Join the sfufa-bargaining-discussion maillist). Members are also welcome to join the Bargaining Advisory Committee where specific proposals are discussed in more
detail (contact Melanie Lam, Executive Assistant, sfufaae@sfu.ca, to be added to the email list for information on when it meets)