

SUBJECT: MARKET DIFFERENTIAL**1. Scope**

The market differential policy shall apply to Exempt Employee positions that have been rated by the Job Evaluation Committee. CUPE members should refer to their Collective Agreement for the policy and procedures for market differential.

2. Authority

This policy is issued under the authority of President's Executive Council.

3. Responsibility

It shall be the responsibility of the Director of Human Resources to ensure compliance with this policy.

4. Introduction

The University of Northern British Columbia has adopted a gender neutral Job Evaluation (JE) system to establish an internal compensation system that is equitable. This system does not directly recognize "market forces" or "hot skills" that may from time-to-time affect the compensation practices of other employers.

5. Applicability

Market differentials will only be approved where there is a demonstrated skill shortage that creates higher market rates and causes an inability to recruit/retain qualified staff. They will not be used as a way to recruit/retain individuals whose personal qualifications exceed the requirements for the position in question.

6. Approval

Authority to approve an offer of a market differential will rest with President's Executive Council upon the advice of the Director of Human Resources and the Director of whom the position will report.

7. Duration

Market differentials will be approved for a fixed term, not to exceed five (5) years and may only be renewed with the authority of President's Executive Council.

8. Amount

Market differentials will be for a fixed dollar amount for the duration of the approved term.

9. Separation from Base Salary

In letters of offer, market differentials will be clearly distinguished from base salary. To allow for future salary increments, base salary will normally not exceed the mid-point of the applicable salary range.

10. Existing Employees

In exceptional circumstances, President's Executive Council may approve application of a market differential to current employees (i.e. where an employee being hired into a multi-incumbent job class is being offered a market differential or to retain an employee with critically required skills).