

## **Ontario College Administrative Staff Association (OCASA) Frequently Asked Questions—Colleges Salary Freeze**

August 2010

### **Q –What is the salary freeze?**

The two-year salary freeze became law when the Ontario government passed the new *Public Sector Compensation Restraint to Protect Public Services Act* as part of Bill 16, the 2010 Ontario Budget legislation. Bill 16 received Royal Assent on May 18, 2010, but the date the Act takes effect is retroactive to March 25, 2010.

The new law applies to college administrators as well as all non-union employees in the Ontario government and broader public sector, excluding municipalities. It freezes the compensation plans of all affected employees at March 24, 2010 levels for two years, until April 2012.

### **Q – Why did the government impose a salary freeze?**

When the government introduced the 2010 Ontario Budget, it described the salary freeze as part of its plan to eliminate the provincial deficit by 2018 and redirect up to \$750 million to schools, hospitals and other public services.

### **Q – How does the salary freeze affect OCASA members?**

College administrators are affected in a variety of ways.

- *Employees at the maximum of their salary range* will have their salary frozen at existing levels for two years. About 45 per cent of OCASA members have reached the top of their range.
- *Employees yet to reach the maximum of their range* are eligible to receive merit increases until they reach the top of their range, provided the increases are part of the compensation plan that existed on March 24, 2010.
- *Employees nearing retirement* may see their income capped during the critical final years before retirement, resulting in reduced pension benefits or a delay in retirement.
- *Administrators in the lower salary ranges* (paybands 5 to 8) may face salary compression and imbalances with the wages of unionized support staff who do the same type of work.

- *For academic administrators (chairs, associate deans), the Act is silent on compression allowances. This will narrow the margin between these administrators and faculty, which will only be exacerbated following the next round of academic bargaining. Salary compression creates inequities as well as disincentives for recruitment and retention in these positions.*

**Q – I am currently at the top of my salary range. Am I still eligible for an exceptional performance incentive (EPI)?**

Yes, you remain eligible, subject to your college's existing policy and practice.

**Q – I have yet to reach the top of my salary range. How does the freeze affect me?**

You remain eligible to advance through the range until you reach the top of the range. The freeze, however, caps the top of your range at March 2010 levels for the next two years. OCASA considers it reasonable for college administrators to progress through the range in five to seven years, although this should take longer within higher paybands.

Some college administrative staff, however, have spent a decade or longer in their current positions without having reached the top of their salary range. This is an important consideration for college administrators at a time when wages are frozen while work demands continue to grow.

**Q – How will the freeze affect the college sector?**

OCASA has concerns that the salary freeze will adversely affect employee engagement, job satisfaction, and recruitment and retention. In recent years, administrative employees have been asked to deliver more while doing with less in terms of wage increases. These same employees are now the first to have their wages frozen as a cost-saving measure.

Although the freeze has been positioned as a measure to cap large salaries of senior-level executives across the public sector, it covers all college administrative employees. More than half (57 per cent) of OCASA members earned salaries below \$90,000 last year and more than one-quarter (26 per cent) earned less than \$70,000.

The Act is silent on the issue of salary compression for faculty who move into administrative positions. Unless this question is resolved, the uncertainty will hamper recruitment and retention of college administrators throughout the province.

**Q – The salary freeze is the law. What can OCASA do about it?**

The salary freeze makes it more important than ever to resolve long-standing issues affecting the compensation of college administrative staff.

OCASA continues to raise these issues with the College Employer Council. We want clarity and consistency in interpretation of the compensation guidelines, treatment of movement through the range, EPI awards and other compensation practices.

We also want to educate Ontario government decision-makers about the value college administrators provide in delivering the province's priorities for higher education.

**Q – Where do we go from here? Can OCASA really make a difference?**

Higher learning is central to the province's strategy for future prosperity. At a time when the need to promote economic recovery is more important than ever, college administrators play a key role in helping to deliver the government's priorities for achieving a better educated and more highly skilled workforce.

The foundation of this role is fair, transparent and equitable compensation systems for college administrators. OCASA will continue to promote constructive, solutions-based dialogue on compensation issues, both within the college system and with the province, and seek to be included in future consultations on compensation and other issues affecting college administrators.

We will continue to work with many partners to find solutions that strengthen the ability of college administrators to contribute to the mission of Ontario's colleges.

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