

Pay Equity Guidelines for Primary Care Organizations

PAY EQUITY Q&A

Q	Can one pay equity plan be prepared to represent all Primary Care Organizations?
A	No, each organization is considered a separate employer under the Act and as such must achieve pay equity compliance on an individual basis.
Q	If a Primary Care Organization were to implement the provincial grading structure, would it be Pay Equity compliant?
A	<p>No, each organization needs to be examined as a separate employer. There are several reasons for this:</p> <ul style="list-style-type: none"> • There are specific rules for determining the gender of a job class (or group of jobs), and gender must be determined by each agency. For example, based on the rules, a Human Resources manager might be a female job in one organization and a male job in another. • Some organizations do not employ all of the jobs in the provincial compensation structure. Therefore, some male and female jobs may not exist in a particular organization, so the pay equity plan would be different as compared to an organization that employed all of the jobs in the structure. • Similarly, some organizations have jobs that are outside of the provincial structure due to funding from other sources. In this case, all non-union and management jobs must be evaluated using the same job evaluation plan and a single pay equity plan must be prepared. • Some organizations have unionized employees. In these cases, separate pay equity plans must be developed for union and non-union staff. • Actual pay equity obligations are determined on the basis of each individual organization's plan. • Other specific issues may apply within individual member organizations.

Q	If a Primary Care Organization has no male employees, does it still have to prepare a pay equity plan?
A	In the event it is established that the organization does not have male comparator job classes, the organization is required to notify the Pay Equity Commission of the circumstances. The Pay Equity Commission will then assign a Review Officer to the organization to validate the lack of male comparators and hence the inability to achieve Pay Equity. If the Pay Equity Commission establishes there are no male comparators, the organization will only be obligated to conduct comparisons between male and female jobs classes if male job classes are introduced in the future.
Q	Can the Proxy Method be used as a method of comparison?
A	Only Public Sector employers who cannot achieve pay equity for all female job classes with either job to job or proportional value comparisons and who had employees on July 1, 1993 may use the proxy method. Otherwise, proxy is no longer available.

GUIDELINES FOR IMPLEMENTING PAY EQUITY

Context	<p>Pay equity, at its simplest, is <i>equal pay for work of equal or comparable value</i>, i.e. if jobs are of comparable value, as determined through job evaluation, then female jobs must be paid at least the same as male jobs.</p> <p>The Ontario <i>Pay Equity Act</i> addresses the issue of pay discrimination resulting from systemic undervaluation of work performed by women. The Act sets out a regulatory scheme to ensure that employers implement the principle of equal pay for work of equal/comparable value, and puts the onus on the employer to achieve and maintain pay equity.</p> <p>Employers are required to:</p> <ul style="list-style-type: none"> • determine whether discriminatory practices in compensation exist in the organization and, if so, to take action necessary to eliminate them and adjust compensation for female dominated jobs that have been disadvantaged; and • to maintain compliance through self-monitoring and periodic updating of the self-assessment.
Applicability	<p>All Public Sector employers All Private Sector employers with 10 or more employees All employees, whether full time, part time or seasonal, are covered by the legislation. Therefore, all primary care organizations are required to prepare a pay equity plan.</p>
Compliance Dates	<p>Phased in over four year period based on size of organization, with largest employers effective 1/1/1990 and smallest required to comply by 1/1/1993. New employers, including merged organizations, after 1/1/1993 are required to establish compliance immediately.</p>
Posting Requirements	<p>All Public Sector employers are required to prepare and post a Pay Equity Plan.</p>
Key Steps in Achieving Pay Equity	<ol style="list-style-type: none"> 1. Define “establishment”. (For each establishment, there must be 1 pay equity plan covering all non-union employees and 1 PE plan for each bargaining unit.). Based on the definition in the Act, It is likely that each Primary Care Organization is a single “establishment.” 2. Identify job classes and determine gender predominance (i.e. female, male or neutral) for each job class. 3. Evaluate each job class using a gender-neutral evaluation system. 4. Compare total compensation of female job classes to male comparators to identify pay gaps (if any). 5. Prepare and post a Pay Equity Plan; pay out adjustments as identified in the Pay Equity Plan.

<p>Determining Gender Predominance of Job Class</p>	<p>If 60% incumbents are female → “female dominated” job If 70% incumbents are male (i.e. less than 30% are female) → “male dominated” job Where neither male nor female incumbents predominate (i.e. neither condition above applies), → gender “neutral”. Historical incumbency should also be considered, especially where current incumbency is “neutral” or where current incumbency is inconsistent with historical patterns. Gender stereotypes of Field of Work should be considered for those jobs almost always performed by women (e.g. nurse, secretary)</p>
<p>Job Evaluation System</p>	<p>Must be gender neutral in design and application (including tools, processes and even training provided to evaluators). Must include the following factors: skill, effort, responsibility and working conditions. The Primary Care Compensation Structure is underpinned by the Hay Group Guide Chart-Profile Method of Job EvaluationSM, which meets all pay equity legislated requirements.</p>
<p>Basis for comparison</p>	<p>To determine whether there is a pay equity gap, comparison is made between “job classes” not on an individual incumbent basis. A job class is one or more jobs with similar roles/responsibilities, qualifications and the same compensation schedule</p>
<p>Comparison Methods</p>	<p>The following comparison methods may be used:</p> <ul style="list-style-type: none"> • Job to Job • Proportional Value (if no comparable male job class for a female job class) • Proxy – only Public Sector employers who cannot achieve pay equity for all female job classes with either job to job or proportional value comparisons and who had employees on July 1, 1993 may use the proxy method. Otherwise, proxy is no longer available.
<p>Compensation Definition</p>	<p>Base salary + Variable pay Plus benefits if not the same for all jobs</p>
<p>Maintaining Pay Equity</p>	<p>A requirement under the Act, although the process is not explicitly defined. In general, employers are required to ensure that wage gaps are not re-opened or new gaps created. Typically, this requires monitoring for changes: <ol style="list-style-type: none"> i. to incumbency (gender predominance) of job classes; </p>

	<ul style="list-style-type: none"> ii. to jobs (i.e., creation of, elimination of, or significant changes to job content) which could affect comparator job classes in terms of evaluation or job rate; iii. to compensation systems, i.e., new job evaluation and/or compensation structure; and/or iv. to the organization, including: sale of all or part of a business, organization restructuring, merger, etc. <p>Any of these situations/events should lead to an internal review to determine impact on pay equity status and potentially a revised pay equity plan. Any adjustments required under an updated pay equity plan are to be effective retroactive to the last date that pay equity had been achieved (which should be the date of the triggering event).</p>
Enforcement	<p>The Pay Equity Commission is responsible for enforcing and monitoring compliance with the Pay Equity Act. Through the Pay Equity Office, the Commission investigates and addresses pay equity complaints and objections to pay equity plans. The Pay Equity Office also undertakes various proactive monitoring initiatives to assess compliance with the Act (typically on an industry by industry basis).</p>
Implementation	<p>Based on our experience working with numerous health care organizations, we have found that the implementation of pay equity can be complicated due to the typically small number of male comparator roles. We therefore recommend that Primary Care Organizations seek expert advice for implementing pay equity.</p>