

Guideline # 5

Determining Job Class

PAY EQUITY IMPLEMENTATION SERIES

The *Pay Equity Implementation Series* is designed to help employers, employees and bargaining agents to achieve pay equity and to understand their rights and obligations under the *Pay Equity Act*, R.S.O. 1990, c. P7, as amended (the *Act*). These guidelines do not restrict review officers of the Commission or the Pay Equity Hearings Tribunal in their interpretation of the *Act*. The series is published in a sequence that generally reflects the steps for implementing pay equity. (**Revised Summer 2002**).

SIGNIFICANCE

The *Pay Equity Act* requires that female job classes be evaluated and compared to male job classes on the basis of skill, effort, responsibility and working conditions, using a gender neutral comparison system. Female jobs classes, which are found to be of equal or comparable value to male job classes, must be paid at least the same.

Pay equity comparisons are between “job classes”, which is a term that has a specific meaning under the *Act*. The *Pay Equity Act* allows employers to group positions into job classes to simplify the job comparison process. Some job classes may include hundreds of positions occupied by employees all performing similar duties and responsibilities with the same compensation. Other job classes may have only one position, occupied by a single incumbent.

EXPLANATION

A job class is defined as one or more positions which:

- have similar duties and responsibilities;
- require similar qualifications;
- are filled by similar recruiting procedures; and,
- have the same compensation schedule, salary grade or range of salary rates.

Tests for Grouping Positions into Job Classes

1. *Do positions have similar duties and responsibilities?*

All the positions in a job class must have similar duties and responsibilities. Because duties and responsibilities do not have to be identical, several positions can be included in a job class, which may reduce the number of comparisons that need to be made. A job class can also be made up of one position that is unique in the organization.

2. *Do the positions require similar qualifications?*

Positions in the same job class must have similar qualifications. The qualifications do not have to be identical. The qualifications considered should be those required to do the job, not those qualifications an employee may happen to have or which are desirable but not really currently required.

It is important to be consistent in defining similar in terms of basic experience, education and other qualifications. To decide whether qualifications are similar, consider both the nature and the level of the qualifications. The qualifications should be for similar types of work. For example, teaching has different qualifications than clerical work or engineering. Qualifications should also be similar in terms of level of qualification. For example, a community-college diploma could be equivalent to a three-year apprenticeship in a trade.

3. *Are the positions filled using similar recruiting procedures?*

Recruiting procedures include scope of search (i.e. local, provincial, national, international), method of recruitment (i.e. union hiring hall, college campus, internal, external, newspaper advertisement, "head hunter") and recruiting requirements (i.e. application, interview, test). Their importance in determining job class is often related to qualifications and may not make a difference.

4. *Do the positions have the same compensation schedule, salary grade or range of salary rates?*

If the other tests are met, positions can be grouped into the same job class if they have the same:

- compensation schedule or
- salary grade *or*
- range of salary rates

The *Act* defines compensation as all payments and benefits. Accordingly, positions in the same job class must have the same compensation and equal access to the same benefits package. While the other requirements for job class are *similar*, the compensation for positions in a job class must be the *same*.

Common Compensation Terms

It is useful to consider the accepted definitions for some common compensation terms:

- **Compensation schedules** are tables that list grades of jobs and their salary rates or ranges of salary rates. For example:

Ranges of Salary Rates

	Start	Six Months	One Year
Salary Grade 01	\$8.00	\$8.50	\$9.00
Salary Grade 02	8.25	8.75	9.25
Salary Grade 03	8.55	9.05	9.55

- **Salary grade** is the term used to apply to a grouping of job classes to be paid the same or similar rates of pay. In the example above, all employees working in job classes assigned to salary grade 01 will be paid between \$8.00 and \$9.00 depending on their length of service.
- **Salary rate or range of salary rates** means the amount of money - in hourly, weekly, monthly or annual terms - assigned to a grade. A single rate refers to one amount paid for a grade, A range of salary rates, or salary range, is marked by a minimum and maximum salary as shown in the example above. The pay of incumbents may vary between the two salary points usually depending on some combination of merit and seniority or length of service.

Full -Time and Part -Time Work

Positions in which employees work full-time and part-time doing the similar work would belong to the same job class if they have the same compensation schedule, salary grade or range of salary rates, and meet the other tests for job class. However, where part-time employees perform similar duties and responsibilities, but receive a different rate of compensation, or receive the same rate or range but receive no benefits, the full and part-time employees would be in separate job classes.

Exclusions

Positions that are casual may be excluded from the pay equity process. A position is not defined as casual and cannot be excluded if:

- The work is performed for at least one-third of the normal work period that applies to similar full-time work;
- The work is performed on a seasonal basis in the same position for the same employer; or,
- The work is performed on a regular and continuing basis, although for less than one-third of the normal work period that applies to similar full-time work.

Note: These exclusions apply only when the *work performed* is casual work. In other words, the work itself is of a temporary nature. The definition of a position as casual does not depend on whether the *employee* hired to do the work is employed on a casual basis. For example, an employer has a seasonal position, each year for a limited period of time. Different employees are hired each year. However the position would not be excluded because the work is performed on a seasonal basis in the same position for the same employer.

All exceptions to the requirements of the *Act* should be interpreted narrowly and applied in a way that respects the purpose of the *Pay Equity Act*.

RELEVANT SECTIONS IN THE ACT

Subsection 1(1)	Defines job class, states that students working on vacations are not employees under the <i>Act</i> .
Subsection 1(6)	States that a job class may consist of only one position.
Subsection 1(7)	States that a position cannot be assigned to a job class different than that of other similar positions only because the needs of its incumbent have been accommodated to comply with the <i>Human Rights Code, 1987</i> .
Subsection 4(2)	Defines how systemic discrimination in compensation is identified.
Subsection 6(1)	Defines when pay equity is achieved under the job-to-job comparison method.
Subsection 8(3)	States that a position <i>that provides casual employment</i> may be excluded from pay equity.
Subsection 8(4)	Defines casual

REFERENCES:

Pay Equity Implementation Series (Revised) - Guideline #6: Using the "Group of Jobs" Approach
Pay Equity Implementation Series (Revised) - Guideline #7: Determining the Gender Predominance of Job Classes
Pay Equity Implementation Series (Revised) - Guideline #10: Which Job Classes to Compare
Wentworth County Board of Education (1990), 1 P.E.R. 132
Gloucester (No. 2) (1991), 2 P.E.R. 208
Glengarry Memorial Hospital (No. 2) (1992), 3 P.E.R. 34

For More Information:

We are here to help. We can answer your questions by e-mail at <mailto:Pecinfo.Pecinfo@ontario.ca> or by phone at (416) 314-1896, or toll-free at 1-800-387-8813. You can also register for a free seminar. Visit our website at <http://www.payequity.gov.on.ca/peo/english/seminar.html>

All communications are confidential.

The Pay Equity Commission

This fact sheet is for information only, and is not intended to restrict Review Officers or the Pay Equity Hearings Tribunal in their determination of matters. Refer to the *Pay Equity Act* for exact interpretation.

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