



Corporate Policy Manual

Sub Topic:	Red Circle Rates	Policy No.	HR.9-05
Topic:	Compensation	Employees Covered:	All Non-Union Regular Full-Time & Regular Part-Time Employees
Section:	Human Resources	Council Adoption Date:	June 25, 2007
Effective Date:	September 15, 2003	Revision No:	Date:
		001	June 18, 2007

Policy Statement & Strategic Plan Linkages

The Town of Newmarket recognizes that an employee may be entitled to salary protection (also known as “red circling”) when he/she is adversely affected by the reclassification of his/her position or reassignment to another position due to circumstances beyond the employee’s control.

Purpose

The purpose of this policy is to outline standards and procedures when red circling is contemplated to support fair and equitable treatment of employees or as elsewhere provided for in any other Corporate policy.

Definitions

Red Circle Rate

Red circle rate is defined as the maintenance of an employee’s salary to provide salary protection when the position has changed and/or reclassified such that the new pay grade established is lower than the old pay grade. The red circle rate continues until the salary range for the reclassified position meets or exceeds the employee’s red-circled salary.

Reclassification

When there is significant change to the duties, responsibilities and qualifications of a position as outlined in Job Evaluation Policy HR.9-08, it may be necessary to revise the position description, and re-evaluate the position using the job evaluation system. The reclassification may result in moving the position on the salary schedule; either an adjustment upward, downward or there may be no change at all.

Procedures

Red circling of a position may occur as a result of:

- Evaluation of the position through a new job evaluation methodology.
 - Reclassification of a position due to change in duties and responsibilities.
 - Reassignment to another position, including workplace accommodation.
 - Cessation of a market demand adjustment.
1. The employee shall stay at his/her current salary (which exceeds the new maximum) and remain at this salary until the salary range for the reclassified position meets or exceeds the employee's red-circled salary.
 2. The employee will not receive further economic increases until the salary range rises to meet the red-circled salary rate. At this time the wage is no longer red circled.
 3. A new anniversary date for purposes of salary progression, as applicable, is established on the effective date of the red circle.

Note: Red circle rate protection does not apply to an employee who voluntarily applies to a posted opportunity and is successful in the selection process, or when an employee voluntarily accepts an appointment to a lower rated position.

Responsibilities:

Chief Administrative Officer is responsible to:

- Provide direction and guidance in situations where organizational restructuring or position re-design is being considered.

Commissioner/Director/Manager is responsible to:

- Consult with the Manager of Human Resources and Chief Administrative Officer when situations arise where position re-design or organizational restructuring are being considered.
- Revise and/or develop position descriptions in accordance with Position Administration Policy HR.9-07, to ensure that positions being evaluated or re-evaluated accurately reflect the qualifications, duties and responsibilities of the position.

Human Resources is responsible to:

- Provide consultative support and guidance regarding position re-design, restructuring and/or the development of new positions.
- Assist Managers/Directors with position design.
- Complete job evaluation procedures in accordance with Job Evaluation Policy HR.9-08, and retain related documentation.
- Support consistent and equitable application of red circle procedures.
- Ensure compliance with Human Rights legislation relative to accommodation.
- Determine salary levels and maintain relevant documentation relating to the red-circled positions.

- Notify Payroll of salary change information as applicable.
- Provide feedback to employees, in writing, in consultation with the Commissioner/Director/Manager.

Cross References

Promotions, Transfers, Secondments and Acting Assignments HR.9-04

Position Administration Policy HR.9-07

Job Evaluation Policy HR.9-08