

The City of Calgary Total Compensation Review Report

December 11th, 2020

CITY OF CALGARY
RECEIVED
IN COUNCIL CHAMBER
JAN 18 2021
ITEM: 10.1.1 C2020-1135
DISTRIBUTION
CITY CLERK'S DEPARTMENT

Toll Free: 1-877-264-5166

wynford@wynfordgroup.com

www.wynfordgroup.com

For:



TABLE OF CONTENTS

	<i>Page</i>
Introduction	3
Executive Summary	4
Methodology Summary	13
Results Summary.....	15
1. Cash Compensation.....	15
Overall Position	
Union Employees	
Sworn Officers and Firefighters	
Exempt Employees	
Senior Management	
2. Benefits	23
Benefits Budget	
Basic Life Insurance	
Short-Term Disability (STD)	
Long-Term Disability (LTD)	
Critical Illness	
Extended Healthcare	
Dental	
Health Care Spending Account (HCSA)	
Retiree Benefits	
3. Pensions	29
Exempt Employees	
Union Employees	
Senior Management	
Sworn Officers	
Qualitative Results	
DB Plan Provisions	
CAP Plan Provisions	
4. Perquisites	45
Senior Management	
Exempt Employees	
Union Employees	
Sworn Officers and Firefighters	
Employer Practices	
Appendix A: Glossary of Terms	49
Appendix B: Analysis Methodology.....	54
Appendix C: Base Salary compared to Range Maximums.....	61
Appendix D: Base Salary and Total Cash Variances - Detailed	62
Appendix E: Detailed Benefits Comparisons.....	65
Appendix F: Detailed Comparisons of Perquisites.....	69

INTRODUCTION

Morneau Shepell and the Wynford Group (“MSWG”, or “the Consultants”) were engaged to conduct a Total Rewards (Total Compensation) Review for The City of Calgary (“The City”) to validate the current market position for both cash and non-cash elements and are pleased to provide the following results.

This Total Rewards Review (the “Review”) covers The City’s core Exempt and Unionized employees and will focus on the following employee groups and total reward elements:

Employee Groups for Review

- **Senior Management** (City Manager, General Managers and Directors)
- **Exempt** (Non Union employees, leaders and managers)
- **Union** (employees who are members of a Union at The City)
- **Sworn Officers** (with the Policy Service)
- **Firefighters** (with the Calgary Fire Department)

Key Total Rewards Elements Compared

- Base Salary
- Short-term and Long-term Incentives
- Benefits
- Pensions
- Perquisites and selected employer practices

Market Definitions

Public Sector: Major Municipalities across Canada, major Alberta and Calgary government or government-owned organizations.

Private Sector: Major Calgary or Alberta-based employers or speciality employers.

All Data: Combination of equal weighting of market rates for both public and private sector data for each position.

The City of Calgary: General desired market position is the combined market of public sector and private sector organizations focused on the Calgary area, with variations for specific employee groups.

50th Percentile (“P50”): Represents the data point below which 50% of the data points lie and is typically considered the middle (median) of the market to which most organizations compare their compensation.

75th Percentile (“P75”): Represents the data point below which 75% of the data points lie.

Definition of Competitive used in this study:

Competitive	<5% +/-
Significantly ahead of the market	>10% +
Slightly ahead of the market	Between 5% & 10% -
Slightly behind the market	Between -5% & 10% -
Significantly behind the market	>10% -

Please see **Appendix A: Glossary of Terms** for a list of terms and definitions used throughout this report.

EXECUTIVE SUMMARY

Total Rewards:

Overall, The City is *competitive* against the comparative markets at the 50th percentile (P50) for total rewards.

It is *slightly behind* the combined industry sectors and the private sector at the 75th percentile (P75) for most jobs. Total rewards include:

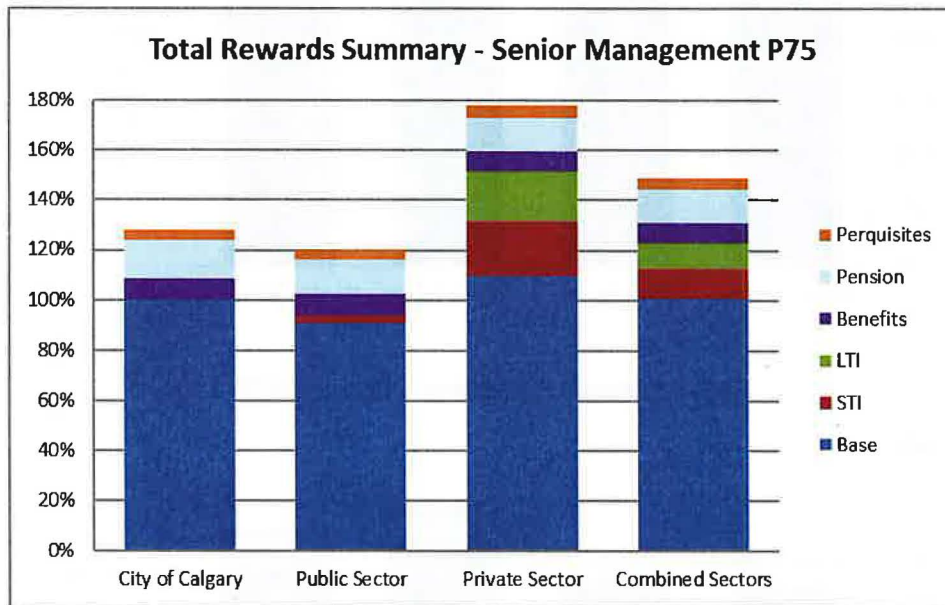
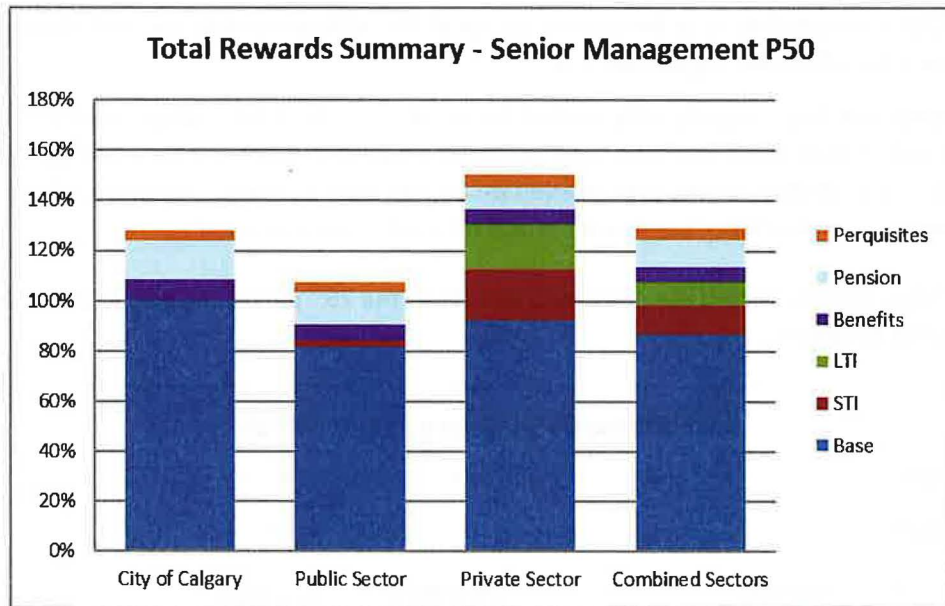
- base salary,
- short-term and long-term incentives,
- benefits,
- pension and,
- perquisites

The total rewards comparisons between The City, private and public sectors for all five employee groups are summarized below with The City base salary (Base) indexed to 100%.

Please Note: The City of Calgary salary range maximums have been used as the basis of comparison to the actual pay rates in the competitive market. The maximums are deemed to be the job rate and represent the market rate for each job band.

Senior Management:

- For the Senior Management employee group: The City is significantly ahead of the public sector at the 50th percentile, and slightly ahead at the 75th percentiles primarily due to higher salaries as well as generous pension plans, and is therefore *very competitive with the public sector* on a total rewards basis.
- The City is competitive with the combined sectors at the 50th percentile and significantly behind at the 75th percentile.
- The City is significantly behind the private sector at both the 50th and 75th percentiles primarily due to its lack of short and long-term incentive programs which are provided by most private sector organizations; as a result, The City is *not competitive with the private sector* in regards to total rewards.



Definitions:

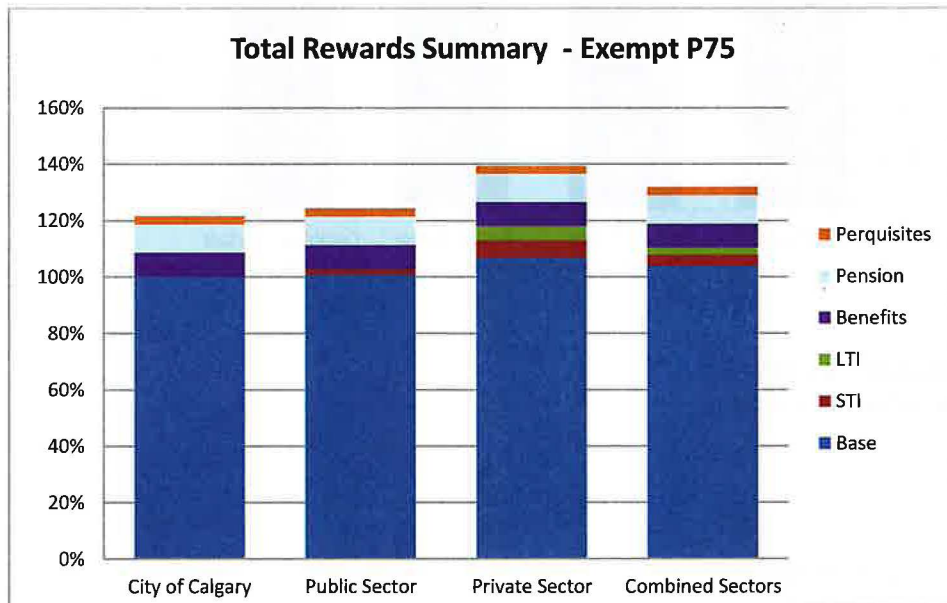
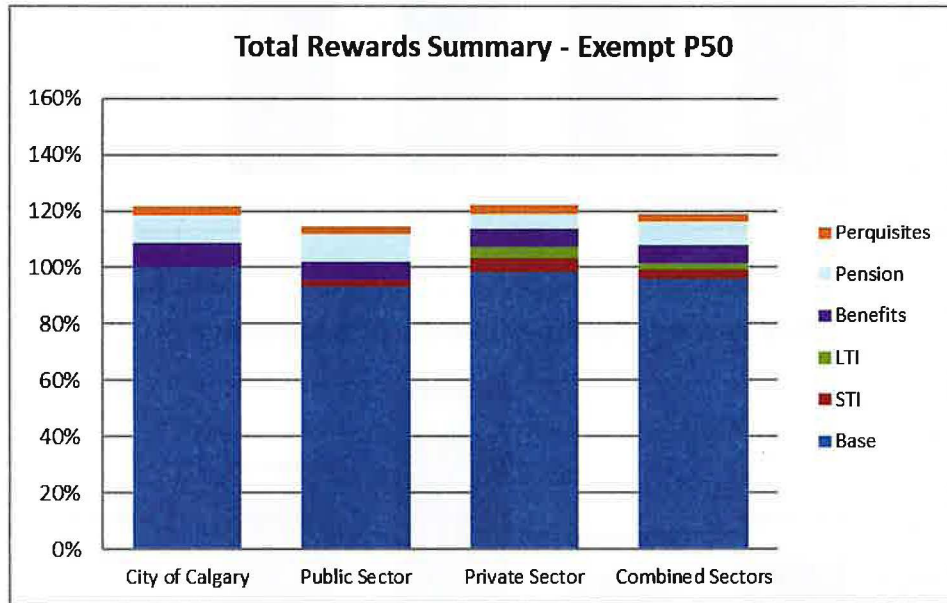
Slightly ahead /behind = 5 – 10%
Significantly ahead/behind = >10%

Exempt:

For the Exempt employee group:

- The City is competitive with the public sector at the 50th percentile and slightly behind at the 75th percentile, but is still *competitive with both the public sector and combined sectors* on a total rewards basis.

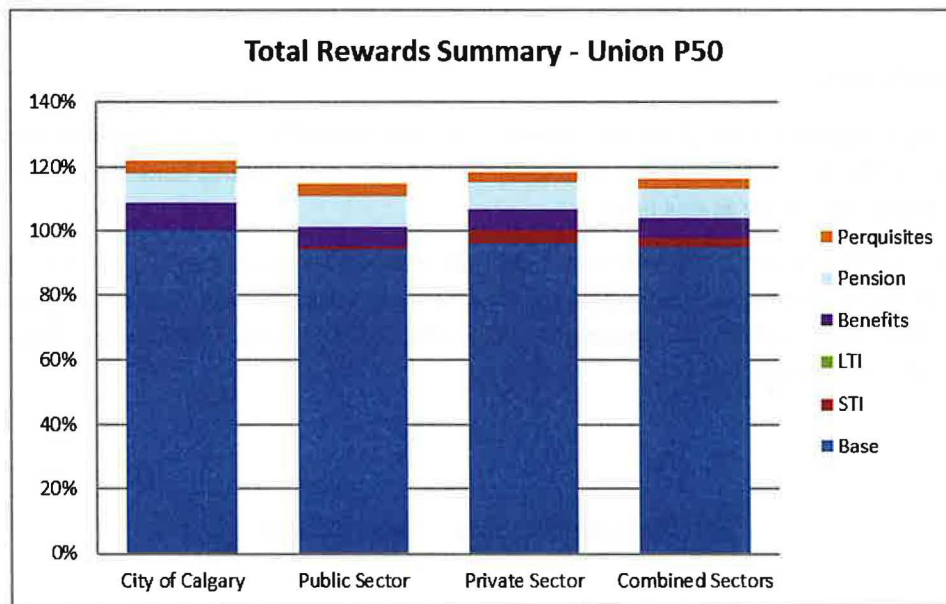
- The City is competitive with the private sector at the 50th percentile due to a stronger pension plan and benefits offering at that level.
- However, the City is significantly behind the private sector at the 75th percentile primarily due to its lack of both short and long-term incentive programs which are provided by most private sector organizations at this level, in addition to high base salaries. Therefore, The City is not competitive at the P75 of the private sector on a total rewards basis.
- The City is slightly behind the combined sectors at the 75th percentile due to the lack of incentive programs.

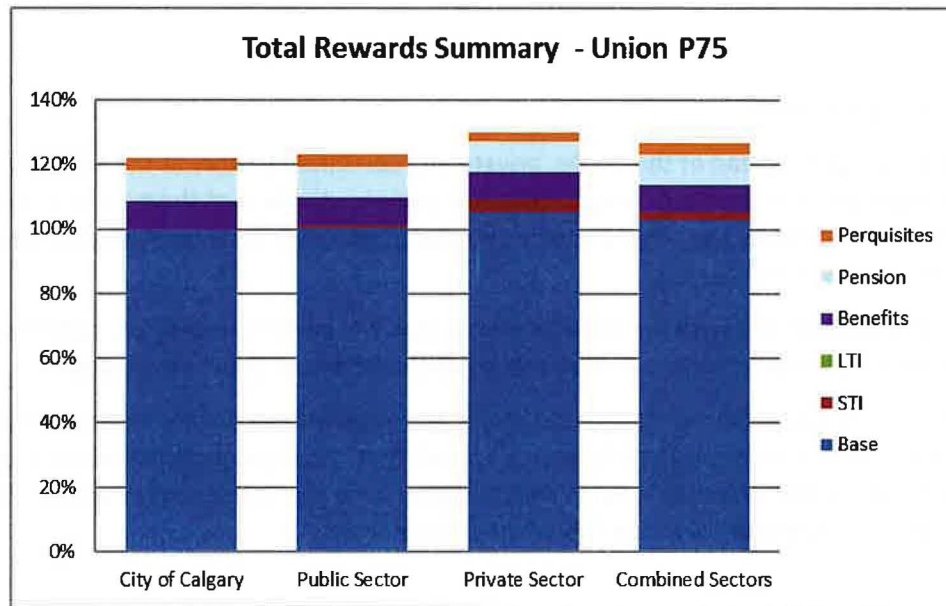


Union:

For the Union employee group:

- The City is slightly ahead of the public, private and combined sectors at the 50th percentile as its stronger pension plan and benefits offering, balances the lack of short-term incentive payments provided by the other sectors; therefore, The City's total rewards *are competitive with all sectors at this level.*
- The City is competitive with the public sector at the 75th percentile with key difference being short-term incentives that are available to some public sector union employees.
- However, The City is behind the private sector and slightly behind the combined sector at the 75th percentile primarily due to its lack of a short-term incentive program which is provided by most private sector organizations, as well as higher base pay in the private sector. Therefore, The City is not competitive at the P75 of the private sector.

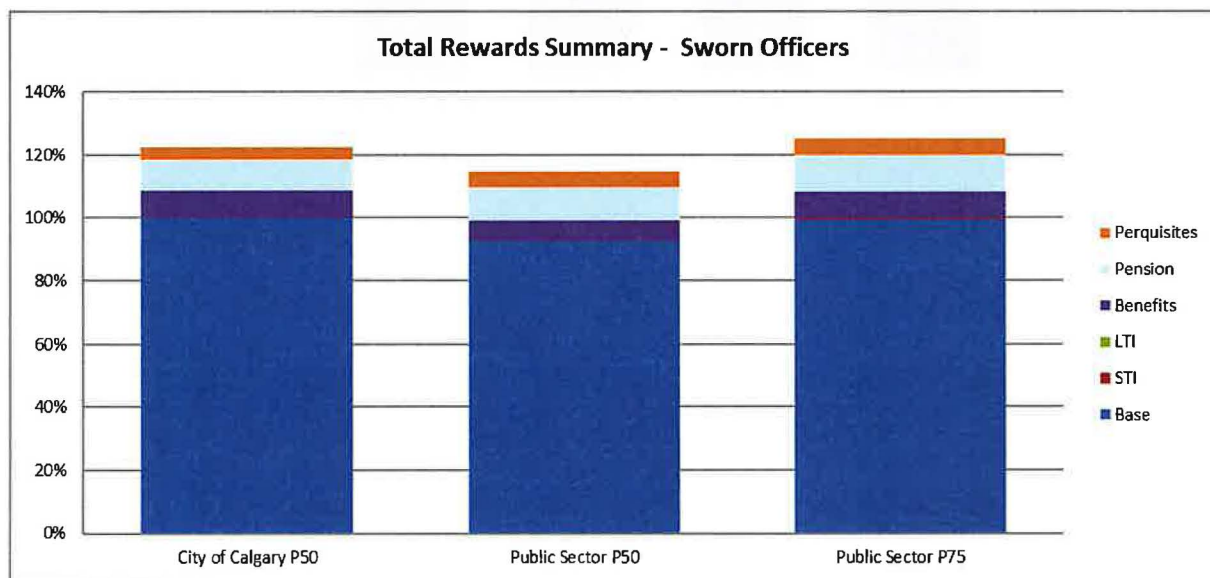




Sworn Officers:

For the Sworn Officers:

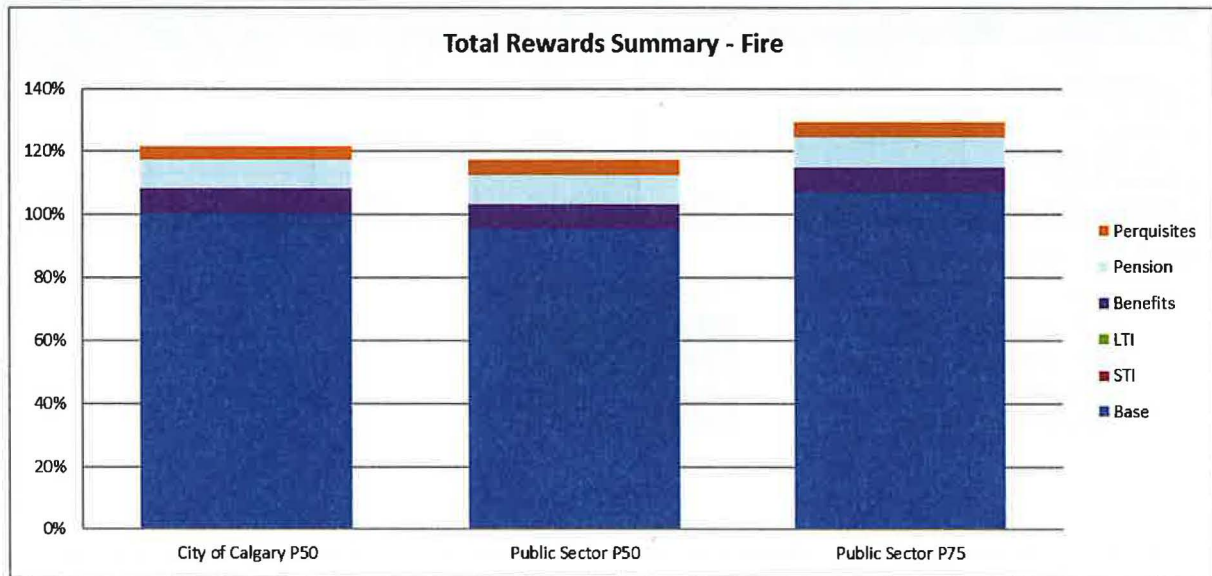
- The City is slightly ahead of the total rewards provided by other major municipalities (public sector) at the 50th percentile due to slightly higher base salaries and benefits offerings and is therefore *competitive* at this level.
- However, The City is slightly behind other major municipalities at the 75th percentile, as they provide more generous pension plans at this level than the City. Also some jurisdictions provide small short-term incentive programs to senior officers; therefore, The City is *slightly uncompetitive* at this level.



Firefighters:

For the Firefighters:

- The City is slightly ahead of the total rewards provided by other major municipalities (public sector) at the 50th percentile due to slightly higher base salaries; *thus, is competitive* at this level.
- The City is behind other major municipalities at the 75th percentile as they provide more generous base salaries than the City; therefore, the City *is slightly uncompetitive* at this level.



Cash Compensation:

Base Salary:

Overall, The City is competitive against the comparative markets, comparing salary range maximums to the market 50th and 75th percentile rates. The City is slightly ahead of the market at the 50th percentile and slightly behind at the 75th percentile. The grand total average variances of all five employee groups are summarized below:

BASE SALARY City of Calgary % Ahead or Behind Comparative Market						
ALL JURISDICTIONS	PUBLIC P50	PRIVATE P50	COMBINED P50	PUBLIC P75	PRIVATE P75	COMBINED P75
Grand Total Average (Non-Weighted)	8.6%	4.5%	7.0%	0.1%	-7.0%	-2.2%
Grand Total Average (Weighted)	6.2%	2.5%	5.1%	-1.2%	-4.4%	-3.1%

Legend: Competitive Position

Competitive	<5% +/-
Significantly ahead of the market	>10% +
Slightly ahead of the market	Between 5% & 10% -
Slightly behind the market	Between -5% & 10% -
Significantly behind the market	>10% -

Total Cash:

The City is competitive against the comparative markets for total cash compensation (base salary plus short-term incentives) at the 50th percentile. The City is slightly behind at the 75th percentile, with the exception of the private sector (non-weighted) where they are significantly behind due to the short-term incentive (STI) pay offered by many private sector organizations. The grand total average variances for total cash of all five employee groups are summarized below:

TOTAL CASH City of Calgary % Ahead or Behind Comparative Market						
ALL JURISDICTIONS	PUBLIC P50	PRIVATE P50	COMBINED P50	PUBLIC P75	PRIVATE P75	COMBINED P75
Grand Total Average (Non-Weighted)	5.1%	-2.8%	1.6%	-3.4%	-14.1%	-8.1%
Grand Total Average (Weighted)	4.9%	-1.3%	2.6%	-3.6%	-9.2%	-6.6%

Legend: Competitive Position

Competitive	<5% +/-
Significantly ahead of the market	>10% +
Slightly ahead of the market	Between 5% & 10% +
Slightly behind the market	Between -5% & -10%
Significantly behind the market	>10% -

Benefits:

- The Municipal Employees Benefit Association of Calgary (MEBAC) Plan and Firefighters Plan are consistently ahead in all markets. It is not surprising as public sector organizations are often higher than the private sector, but both City of Calgary plans have similar ranks in both sectors.
- The Short-Term Disability (STD) benefit provided by the MEBAC and Firefighters Plan is more generous than the average short-term disability benefits provided by other public and private sector organizations. The salary replacement ratios provided by the MEBAC and Firefighters Plan are higher than most other organizations and there is no weekly maximum. Like most other organizations, The City of Calgary pays for this benefit.
- The Long-Term Disability (LTD) provisions provided through the MEBAC and Firefighters Plans have a similar salary replacement ratio and a higher monthly maximum than the overall market. However, The City of Calgary employees pay the cost for this benefit while 30% of other organizations cover the cost.
- The basic life insurance provided by the MEBAC and Firefighters Plans are more generous than the average basic life insurance benefits provided by other organizations due to the maximum provided.
- The average coinsurance for extended healthcare benefits are in the 90% to 100% range, thus the MEBAC and Firefighters Plans are very competitive. The MEBAC Plan falls behind in areas such as paramedical maximums and out of country coverage. The Firefighters Plan is more robust and is very competitive against the overall market.
- The MEBAC Dental Plan has 90% coinsurance for basic dental services, which is competitive to other public and private sector organizations. However, the Firefighters Plan is ahead of the overall market with 100% coinsurance.
- Critical illness insurance is not a common benefit. Only one of the nine public and private sector organizations that offer this benefit pay the premiums, while the majority, including City of Calgary, provide this program as optional and premiums are employee paid.

The MEBAC Plan offers a Health Care Spending Account (HCSA) with annual amount of \$300 while the Firefighters Plan does not offer an HCSA. 40% of comparator organizations offer an HCSA with an average annual amount of almost \$800. Both plans are behind the overall market. However The City benefits plan provides coverage for items that other organizations may use their HCSA plans to supplement.

Pension:

When comparing the pension and Capital Accumulation Pan (CAP) benefits offered by employers, we found The City pension benefits to be competitive and ranked highly among their comparators, on both a total provided value and an employer provided value basis. When comparing the pension and CAP benefits offered by groups, we found:

- For the Senior Management group, The City pension benefits were above the 75th percentile of the comparator organizations. The biggest differentiators are The City's early retirement factors

and the City of Calgary Supplementary Pension Plans which provide a 2% defined benefit formula at all earnings levels;

- For both the Exempt and Unions groups, The City pension benefits were at approximately the 75th percentile of the comparator organizations, as a result of offering a generous defined benefit plan that provided a pension indexed with inflation, and;
- For the Sworn Officers group, The City pension benefits were below the 25th percentile for Sworn Officers and at approximately the 50th percentile for the Police Chief and Deputies. While the pension benefits for the police were below median (P50), they are considered competitive on an employer provided value basis since The City was still within 1% of the median and considered competitive but would not be considered competitive on a total value basis.

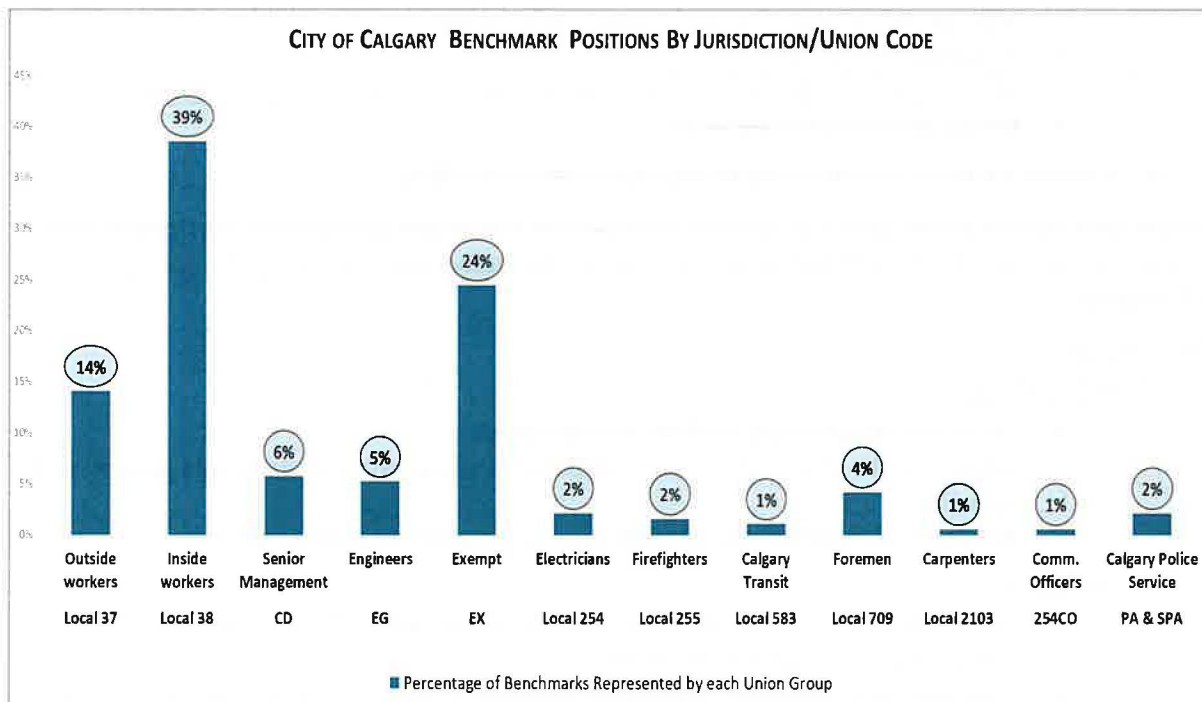
METHODOLOGY SUMMARY

1. Consultants gathered feedback from key stakeholders at The City and identified the following areas of concern which were incorporated into the Review:
 - Impact of external market pressure on management and specialized skills that are currently paid out-of-schedule (lawyers and engineers).
 - Ensuring that market comparisons include major cities across Canada, large employers in Calgary and relevant Calgary private sector for specific lower-level jobs (lifeguards, golf course attendants and labourers).
 - Pensions are viewed as a major expense; therefore, there is interest in investigating the use of defined benefit plans in the marketplace.
2. Consultants conducted cash compensation benchmark analysis comparisons to specific market position (percentiles) for the following:
 - Employee Groups – Exempt, Union, Senior Management, Sworn Officers and Firefighters
3. Market Comparisons were conducted for all data, public sector, and private sector. Specific pension and benefits components were reviewed by both relative value analysis and prevalence benchmarking to identify gaps within The City's programs.
4. Other compensation components reviewed include perquisites, allowances, premiums and vacation.
5. To validate the current market position for cash and non-cash elements, a market review was conducted using the following data sources:
 - General Comparisons
 - Wynford Group and Mercer annual compensation benchmark surveys
 - Association Surveys from Association of Professional Engineers & Geoscientists of Alberta (APEGA), and BC Assessment Association
 - Collective Agreements
 - HR Trading Post, Government of Alberta Survey and other current sources
 - MSWG proprietary databases
 - Custom Survey – conducted by MSWG from May – July 2020

Please note that all survey data is considered confidential and details of individual participant data cannot be disclosed due to confidentiality agreements that accompany the use of this survey information.
6. Peer Groups:
 - Public Sector
 - Six of the largest municipalities across Canada
 - Calgary public sector: major post-secondary institutions and applicable government agencies
 - Alberta municipalities for specialty jobs (e.g. recreation and parks)
 - Private Sector
 - Calgary-based, large employers or specialty employers in the energy, utilities, construction, transportation sectors
 - Specialty local employers: recreation facilities, golf courses, law firms, and logistics companies

7. Overview of benchmark positions selection and review of total compensation components:

- Cash compensation of 191 benchmark positions representing 13,000 City of Calgary regular employees (see graph below) were chosen as:
 - representative positions across jurisdictions, pay grades and departments,
 - positions identified by specific stakeholders (e.g. lifeguards, lawyers, out-of-schedule),
 - positions with attraction issues,
 - and positions used as benchmarks for labour negotiations.
- Cash compensation information collected and analyzed:
 - Base salary, union/non-union, annual hours, eligibility for overtime, annual variable pay, total annual cash.
- Pension information collected and analyzed:
 - Overall cost as a percentage of base salary by employee group for pension plan offering to new hires,
 - Plan components by employee group,
 - Supplemental plans: eligibility.
- Benefits information collected and analyzed:
 - Overall cost as a percentage of base salary by employee group,
 - Employer costs and coverage for plan components.
- Compensation practice information collected and analyzed:
 - Data collected and analyzed includes: vacation, compressed work week, overtime pay rates, relief pay, standby / callout pay, shift premium and special duty and other premiums.
- Perquisites information collected and analyzed:
 - Data collected and analyzed in dollar amount by employee group.



Please see **Appendix B: Analysis Methodology** for the detailed Analysis Methodology for this Review.

RESULTS SUMMARY

• Cash Compensation:

Overall Position

- The overall market position by jurisdiction indicates that The City is generally competitive with the combined competitive market and is slightly ahead of the public sector and slightly behind the private sector for base salary.
- The target competitive market positions for most comparator organizations is between the 50th percentile (P50) and 75th percentile (P75) of the market:
 - Approximately 50% of public sector organizations target the P50 with the remaining targeting the P75 of the public sector market for most jobs; while most target P60 to P75 of the combined market for senior management and selected exempt positions for total cash.
 - Private sector comparators tend to identify a competitive target of between the P50 and P60 of the private sector for most jobs; while most target P60 to P75 of the private sector for senior management and selected exempt positions for total cash.

Please Note:

1. In all cases, The City of Calgary salary range maximums have been used as the basis of comparison to the actual pay rates in the competitive market. The maximums are deemed to be the job rate and represent the market rate for each job band.
2. Overall current exempt and senior management actual base salaries on average are paid at 90% of the currently range maximums. See **Appendix C for Salaries in Relation to Range Maximum** for senior management and exempt staff.

BASE SALARY						
City of Calgary % Ahead or Behind Comparative Market						
(Averages by Employee Group)						
JURISDICTION	PUBLIC P50	PRIVATE P50	COMBINED P50	PUBLIC P75	PRIVATE P75	COMBINED P75
Exempt	6.7%	2.2%	4.5%	-0.8%	-6.6%	-3.7%
Fire	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Sworn Officers	6.5%	no data	6.5%	-0.5%	no data	-0.5%
Senior Management	18.6%	7.6%	13.8%	9.0%	-8.7%	2.4%
Union	6.1%	3.6%	4.9%	-0.6%	-5.7%	-2.8%
Grand Total Average (Non-Weighted)	8.6%	4.5%	7.0%	0.1%	-7.0%	-2.2%
Grand Total Average (Weighted)	6.2%	2.5%	5.1%	-1.2%	-4.4%	-3.0%

- When compared on the basis of total cash, The City falls further behind the private sector, particularly at the 75th percentile, due to the incentive pay provided by many private sector organizations and some public sector organizations. This is particularly common for exempt and senior management positions.

Legend: Competitive Position

Competitive	<5% +/-
Significantly ahead of the market	>10% +
Slightly ahead of the market	Between 5% & 10% +
Slightly behind the market	Between -5% & -10%
Significantly behind the market	>10% -

TOTAL CASH						
City of Calgary % Ahead or Behind Comparative Market						
(Averages by Employee Group)						
JURISDICTION	PUBLIC P50	PRIVATE P50	COMBINED P50	PUBLIC P75	PRIVATE P75	COMBINED P75
Exempt	3.0%	-6.2%	-1.5%	-6.6%	-17.6%	-12.0%
Fire	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Sworn Officers	6.5%	no data	6.5%	-0.7%	no data	-0.7%
Senior Management	16.3%	-9.8%	7.1%	7.1%	-32.6%	-6.2%
Union	4.9%	-0.5%	2.4%	-3.0%	-10.8%	-6.5%
Grand Total Average (Non-Weighted)	7.2%	-5.5%	3.9%	-1.9%	-20.3%	-6.4%
Grand Total Average (Weighted)	4.9%	-1.3%	2.6%	-3.6%	-9.3%	-6.5%

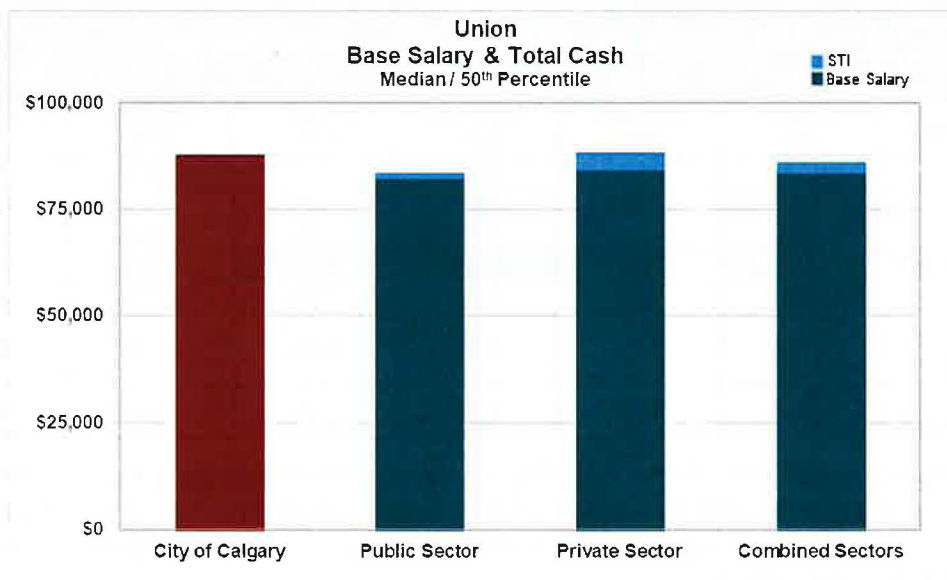
Legend: Competitive Position

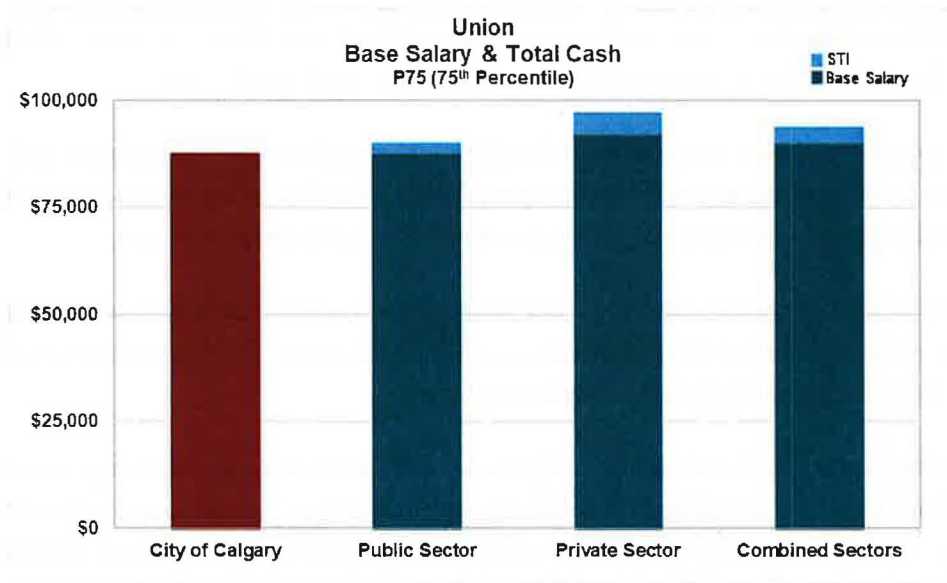
Competitive	<5% +/-
Significantly ahead of the market	>10% +
Slightly ahead of the market	Between 5% & 10% +
Slightly behind the market	Between -5% & -10%
Significantly behind the market	>10% -

Please see **Appendix D: Detailed Base Salary and Total Cash Variances – Detailed.**

Union Employees

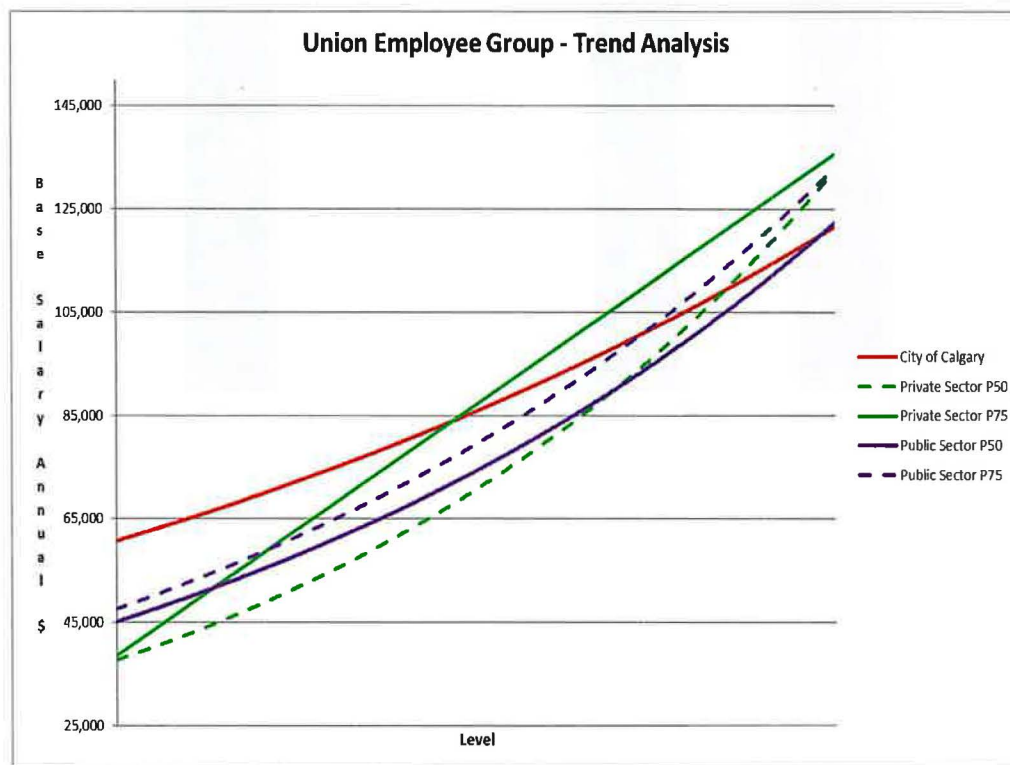
- Overall the Union employee group cash compensation is competitive with both the public and private markets at the base salary 50th percentile, and 75th percentile of the public sector, but significantly behind on total cash at the 75th percentile compared to the private sector total cash market.





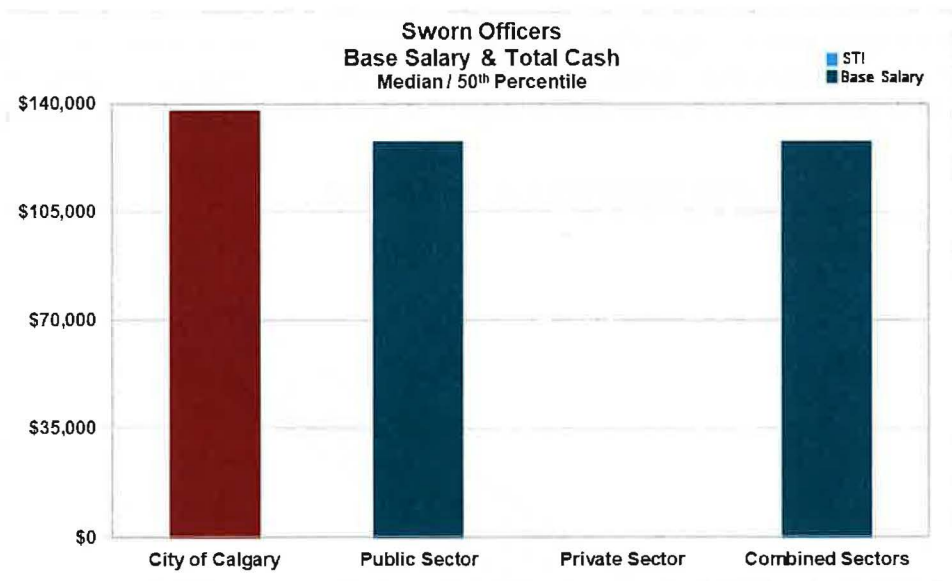
The following graph depicts typical positioning of City of Calgary Union base salaries versus the public and private sectors.

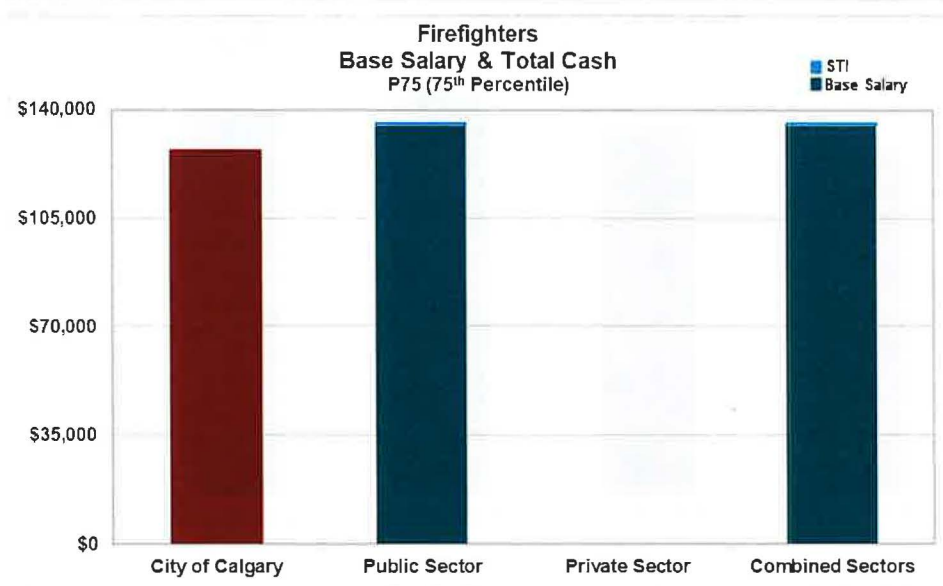
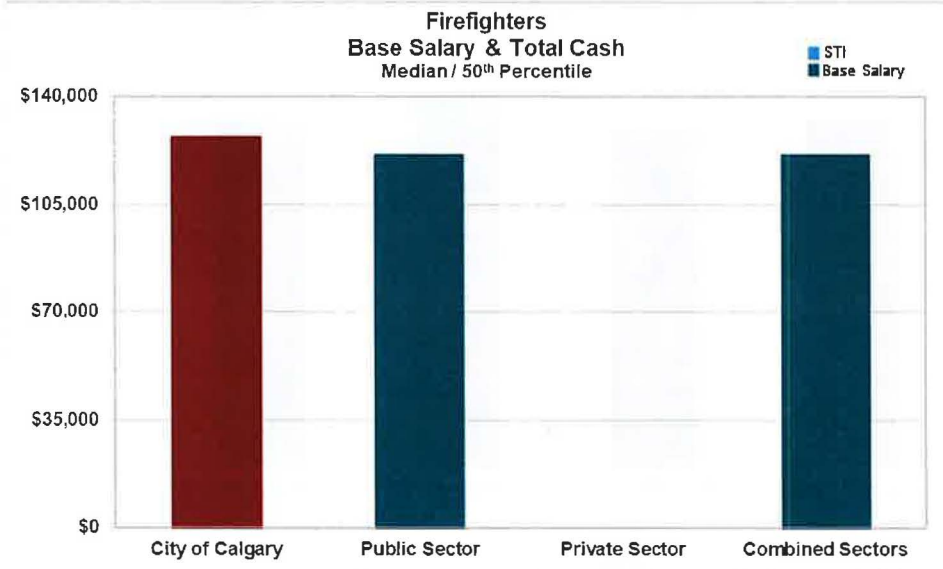
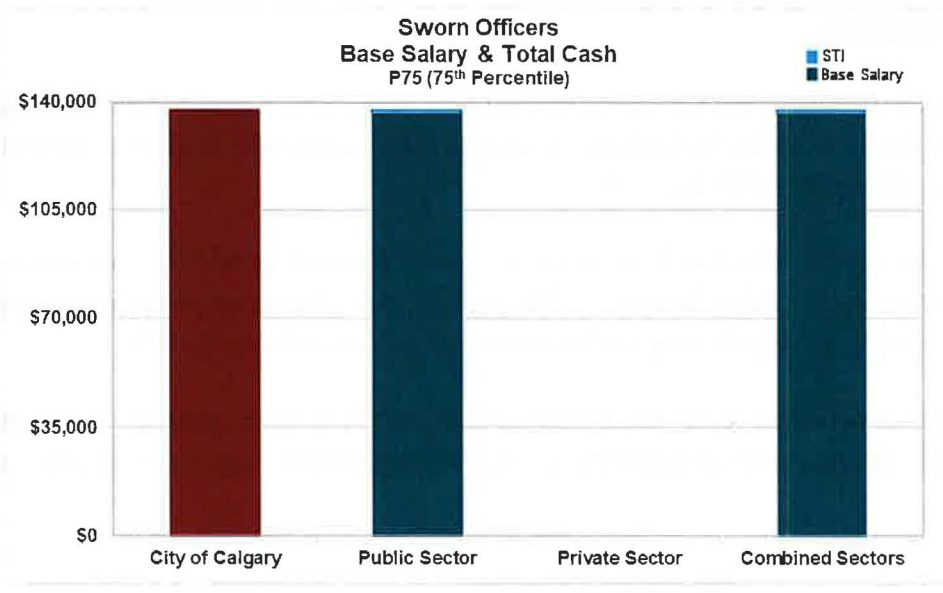
Please note that The City appears to frequently pay above both markets for lower level positions such as labourers and golf course workers and typically behind the private sector for more senior positions, particularly at the 75th percentile, such as systems analysts, safety advisors, trades foremen and buyers.



Sworn Officers and Firefighters

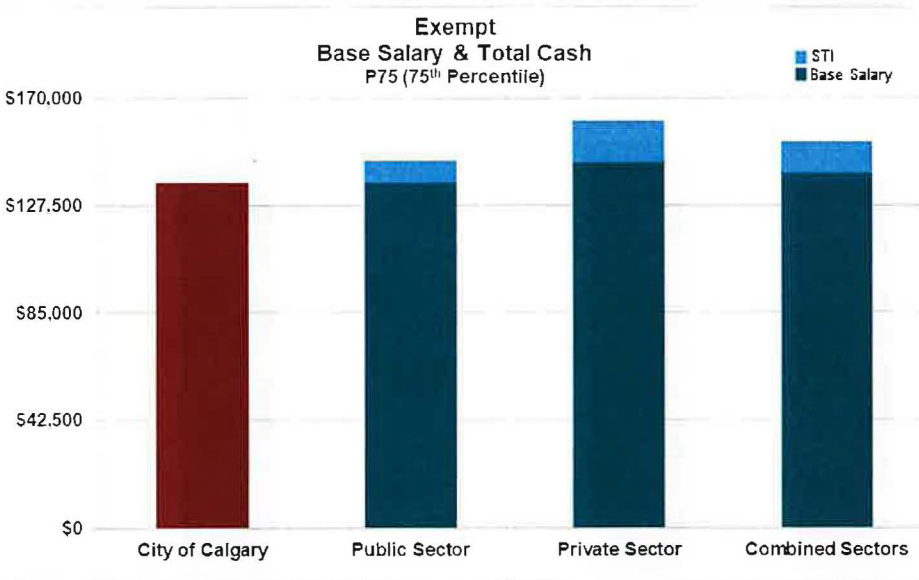
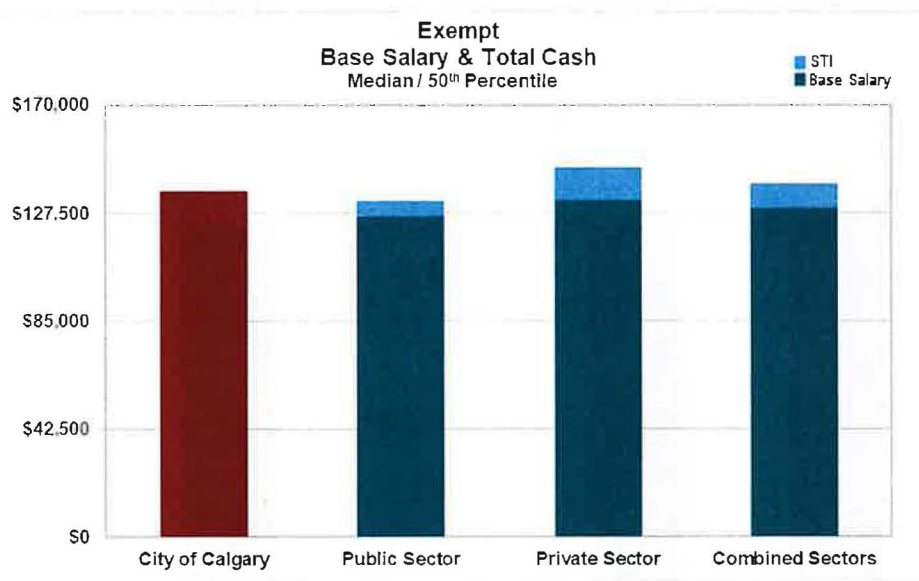
- Sworn Officers and Firefighters were grouped separately from the other unionized employees since there were only public sector comparators for these employee groups.
- For both groups, The City is competitive at the P50 for the public sector comparators and still competitive for firefighters at the P75 and slightly behind the P75 for the sworn officers, due to a small amount of variable pay provided by the market for some senior positions.
- The Fire Chief and Deputy Fire Chiefs are compensated through The City’s Senior Management jurisdiction pay plans – which are presented in a following section. The Police Chief and Deputy Chiefs are excluded as they are paid by separate contracts.
- The following graphs depict our market comparative analysis findings for all Firefighter and Sworn Officers positions excluding Senior Management positions. For this reason, the variable pay gap to market mentioned above is not evident in the graphs presented below; rather it is included in our findings for the Senior Management group.





Exempt Employees

- The City is competitive at the 50th percentile for base salary for the public sector and slightly behind of the private sector for base salary, and the public sector P75, but falls slightly behind the private sector at the 75th percentile.
- The City remains competitive with the public sector for total cash at the P50, even where short-term incentives are provided; however, it falls slightly behind the public sector and the private sectors at the P50 and significantly further behind the private sector at the P75.
- A small number of private sector employers (10%) provide long-term incentives to selected exempt staff, typically in senior positions or jobs with market pressures, e.g. engineers and lawyers.



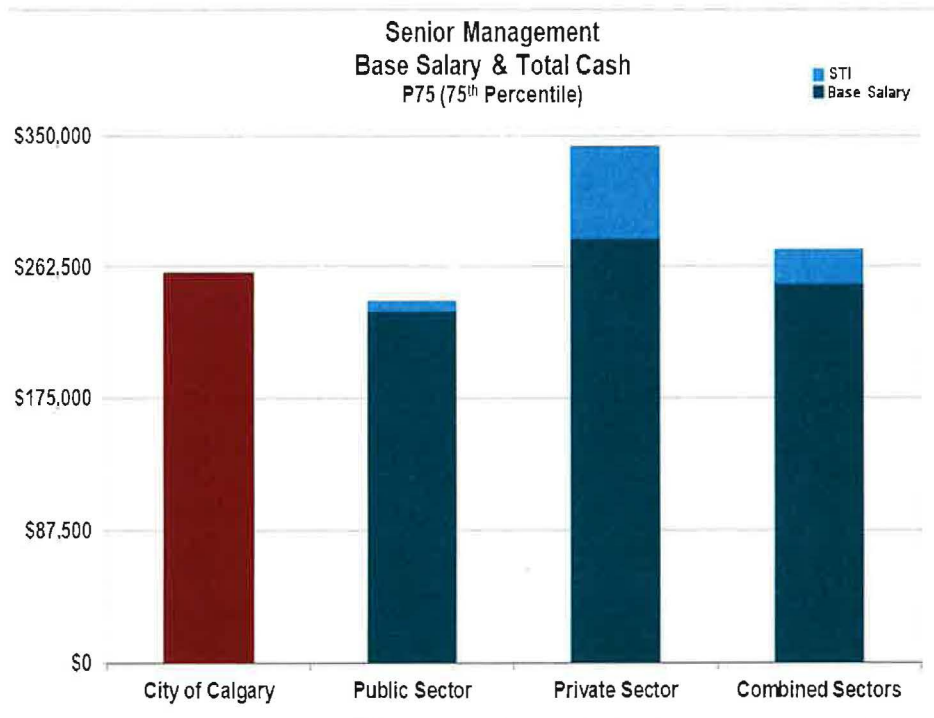
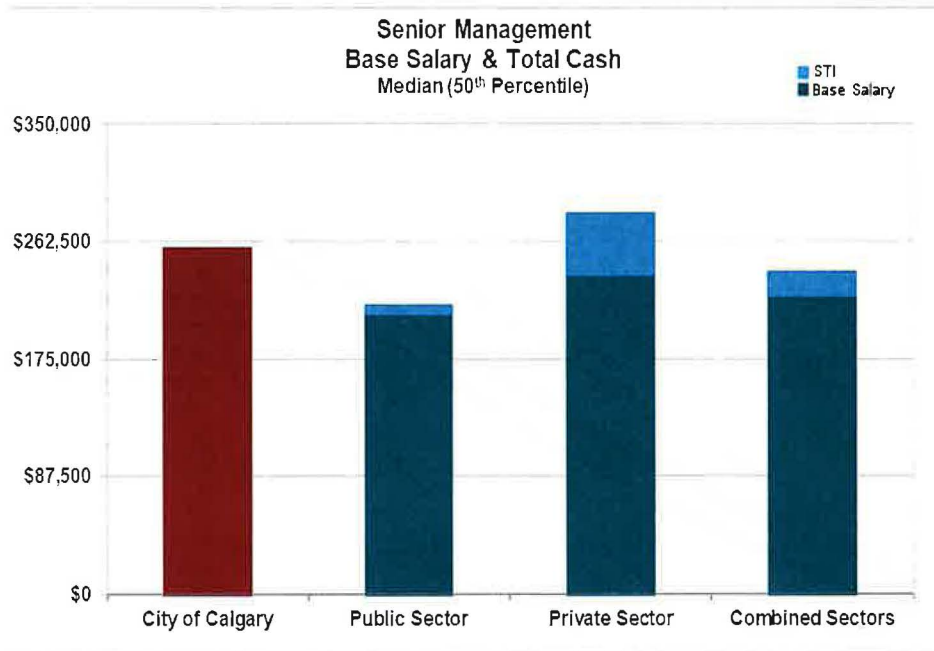
The following graph depicts typical positioning of City of Calgary Exempt base salaries versus the public and private sectors market offering.

Please note that The City appears to frequently pay above both markets medians (P50) for lower level positions such as administrative positions and typically behind the private sector for more senior positions, particularly at the 75th percentile, such as lawyers and engineering positions.



Senior Management Employees

- The City base salary offering is significantly ahead of the P50 for the public sector and slightly ahead of the private sector P50 and the public sector P75. However it falls behind the private sector at the P75 for base salary.
- The City remains ahead of the public sector for total cash, even where short-term incentives are provided. However, it falls behind the private sector to the P50 and significantly further to 33% behind at the P75. This is primarily due to the fact that most private sector organizations use short-term incentives to attract and retain talent into senior management level positions.



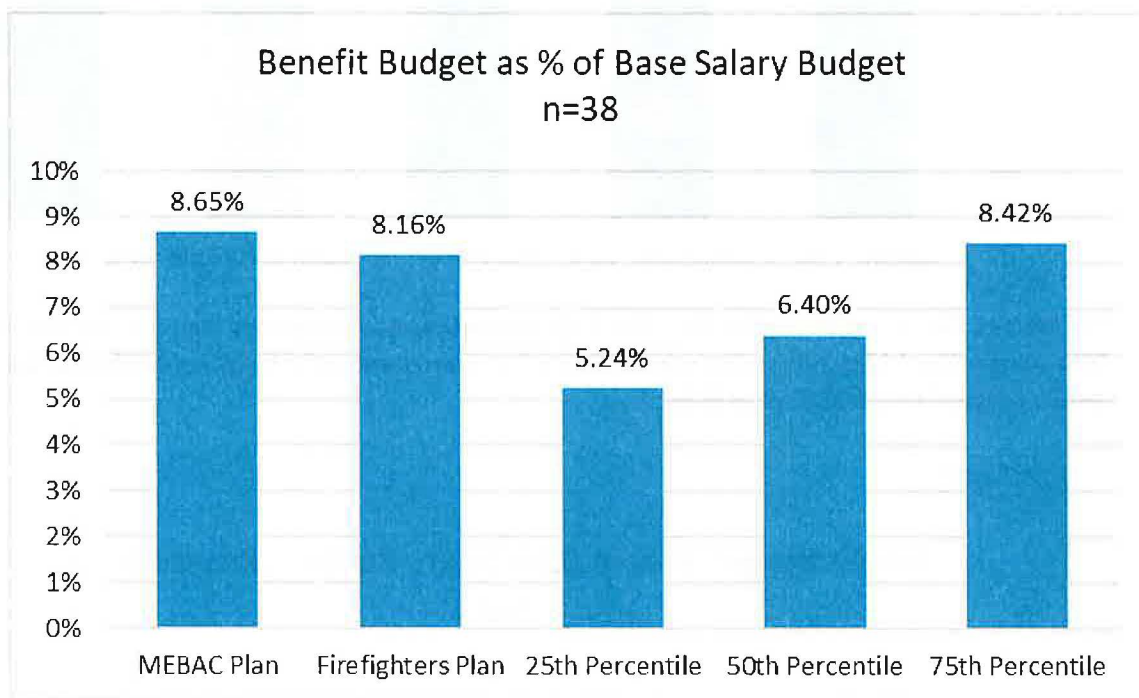
- Approximately 35% of the private sector organizations included in this study provided Long-Term Incentives (LTI) for Senior Management positions. The private sector Long-Term Incentives offering represented (on average) 25% of base salary.

• **Benefits:**

Below are our findings with respect to key benefits provided in the MEBAC and Firefighters Plans.

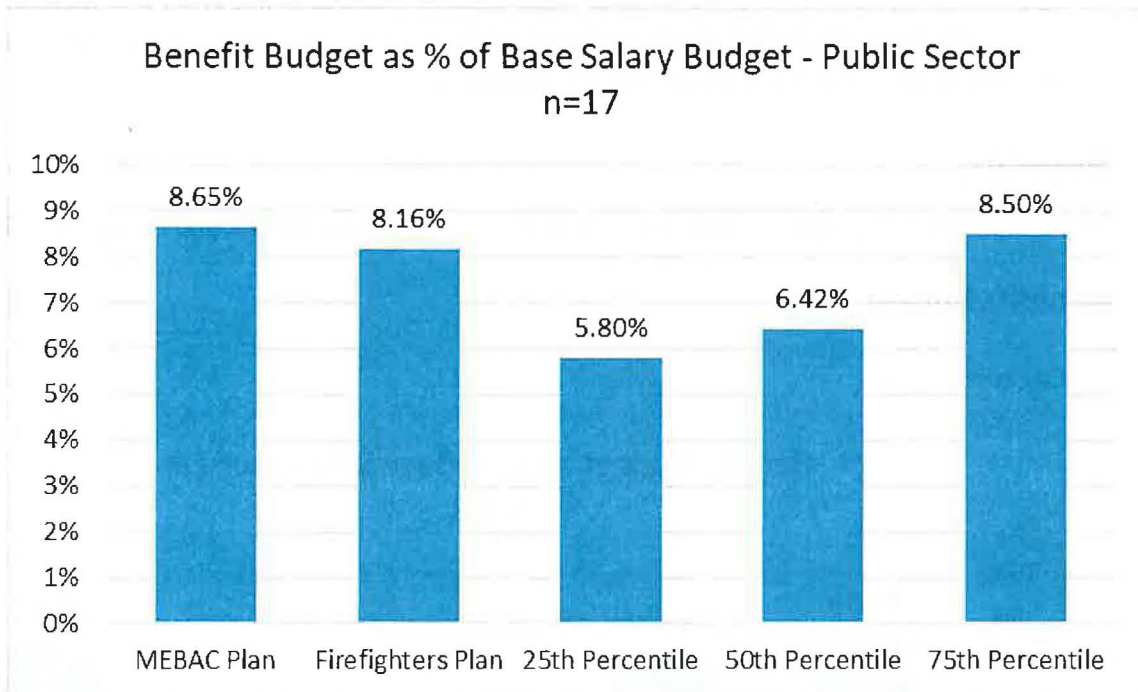
Benefits Budget

All Organizations



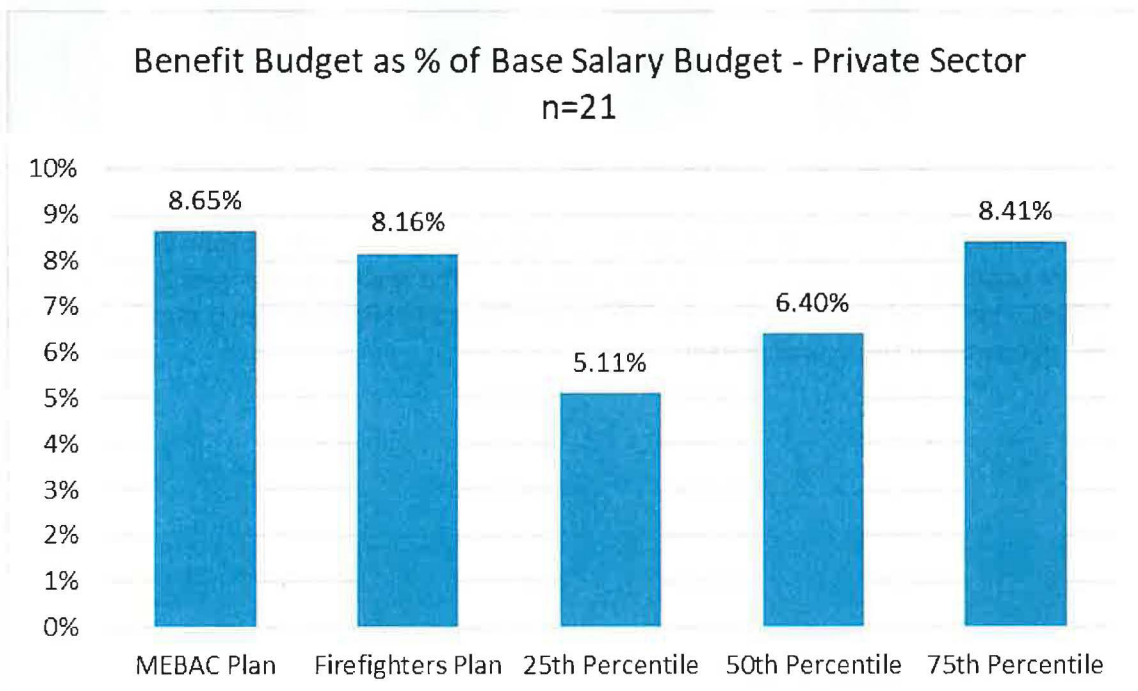
The benefits budget as a percentage of base salary budget, was gathered from 38 public and private sector organizations, including three Firefighter plans. The results ranged from 2.00% to 16.60%. The MEBAC Plan is slightly higher than the 75th percentile and Firefighters Plan is slightly lower than the 75th percentile of the overall market.

Public Sector



The MEBAC Plan is slightly higher than the 75th percentile and Firefighters Plan is lower than the 75th percentile of 17 public sector organizations, but consistent with the other Firefighter plans. The results ranged from 4.05% to 16.60%.

Private Sector



The MEBAC Plan is slightly higher than the 75th percentile and Firefighters Plan is slightly lower than the 75th percentile of 23 private sector organizations. The results ranged from 2.00% to 12.70%.

The MEBAC and Firefighters Plans are consistently ahead of the median in all markets. The benefits budget for public sector organizations is higher than the private sector, but both City of Calgary plans have similar ranks in both sectors.

Please see **E: Detailed Benefits Comparisons**.

Basic Life Insurance

All Organizations

The basic life insurance provided by the MEBAC and Firefighters Plans are more generous than the average basic life insurance benefits provided by other organizations.

Public Sector

The comparison of the MEBAC and Firefighters Plans against the public sector is similar to the overall market. The Firefighters Plan is on the higher end of basic life insurance benefits provided to firefighters in other municipalities.

Private Sector

The basic life insurance benefit offered by private sector organizations are consistent to those offered by public sector organizations. However, the basic life insurance maximum for the private sector is lower than the overall market and the public sector, thus both MEBAC and Firefighters Plans are ahead of the private sector market.

Short-Term Disability (STD)

All Organizations

The short-term disability benefit provided by the MEBAC and Firefighters Plans are more generous than the average short-term disability benefits provided by other public and private sector organizations. The salary replacement ratios provided by the MEBAC and Firefighters Plans are higher than most other organizations and there is no weekly maximum. Like most other organizations, The City of Calgary pays for this benefit.

Public Sector

The comparison of the MEBAC and Firefighters Plans against the public sector is similar to the overall market. Only one public sector organization shared the cost of this benefit with their employees. The Firefighters Plan is comparable to short-term disability benefits provided to firefighters in other municipalities.

Private Sector

The average salary replacement ratio for private sector organizations is slightly higher than those of public sector organizations. However, a few private sector organizations pass the cost of this benefit to their employees.

Long-Term Disability (LTD)

All Organizations

The average long-term disability benefit provided by public and private sector organizations covers around two-thirds of salary prior to disability up to a maximum. The MEBAC and Firefighters Plans have a similar salary replacement ratio and a higher monthly maximum than the overall market. However, City of Calgary employees pay the cost for this benefit while 30% of other organizations cover the cost.

Public Sector

The comparison of the MEBAC and Firefighters Plans against the public sector is similar to the overall market. The Firefighters Plan is comparable to long-term disability benefits provided to firefighters in other municipalities.

Private Sector

The comparison of the MEBAC and Firefighters Plans against the private sector is similar to the overall market.

Critical Illness

All Organizations

Critical illness insurance is not a common benefit. The City of Calgary offers this benefit and premiums are employee-paid. Of the nine public and private sector organizations that offer this benefit, all are optional and premiums are employee paid. The critical illness insurance offered by MEBAC Plan is very similar to the overall market. The Firefighters Plan does not offer critical illness insurance.

Public Sector

The comparison of the MEBAC Plan against the public sector is similar to the overall market.

Private Sector

Only one private sector organization offers critical illness insurance; the MEBAC plan offers a higher maximum insurance that can be purchased by the employee.

Extended Healthcare

All Organizations

The average coinsurance for extended healthcare benefits is in the 90% to 100% range, the MEBAC and Firefighters Plan are very competitive. The MEBAC Plan falls behind in areas such as paramedical maximums and out of country coverage. The Firefighters Plan is more robust and is very competitive against the overall market.

Public Sector

The comparison of the MEBAC and Firefighters Plans against the public sector is similar to the overall market. The Firefighters Plan has higher than average coinsurance compared to firefighters in other municipalities.

Private Sector

The MEBAC Plan gains a slight advantage in vision insurance coinsurance compared to the private sector market with up to \$250 of the benefits provided by The City. The Firefighters Plan remains very competitive.

Dental

All Organizations

The MEBAC Plan has 90% coinsurance for basic dental services, which is competitive to other public and private sector organizations, while the Firefighters Plan is ahead of the overall market with 100% coinsurance. The City of Calgary pays approximately 91% of premiums for the MEBAC Dental Plan and 80% of premiums for the Firefighters Plan. The MEBAC and Firefighters Plans are ahead of the market in coinsurance for major dental services. However, The City of Calgary is behind the market in recall frequency and annual maximums.

Public Sector

The recall frequency for the MEBAC and Firefighters Plans are consistent with those in other public sector organizations, which averages every twelve months. The comparison of other dental provisions of the MEBAC and Firefighters Plans against the public sector is similar to the overall market. The Firefighters Plan is comparable to dental benefits provided to firefighters in other municipalities.

Private Sector

The private sector organizations on average offer dental examinations every nine months, which is more frequent than the MEBAC and Firefighters Plans. The comparison of other dental provisions of the MEBAC and Firefighters Plans against the private sector is similar to the overall market.

Health Care Spending Account (HCSA)

All Organizations

The MEBAC Plan offers an HCSA with an annual amount of \$300 while the Firefighters Plan does not offer an HCSA. Twenty other organizations offer an HCSA with an average annual amount of almost \$800. Both plans are behind the overall market. However, The City benefits plan provides coverage of items that other organizations may use their HCSA plans to supplement.

Public Sector

The average HCSA annual amount for public sector organizations is lower than that of the overall market, but still above the HCSA offered by The City of Calgary.

Private Sector

Private sector organizations offer an average HCSA annual amount of around \$900, which is higher than public sector organizations, possibly to compensate for lower benefits in other areas.

Retiree Benefits

All Organizations

The City of Calgary offers a post-retirement benefit plan to retired employees who are between age 55 and 65, reside in Canada and are receiving a City-sponsored pension plan immediately upon retirement. 22% of respondents also offer a post-retirement benefit plan. This plan provides cost sharing between retirees and The City.

Public Sector

Post-retirement benefit plans are more common in the public sector. Six other public sector organizations offer a post-retirement benefit plan to their retired employees, representing 32% of the public sector market.

Private Sector

Post-retirement benefit plans are less common in the private sector. Four private sector organizations offer a post-retirement benefit plan to their retired employees, representing only 14% of the private sector market.

● **Pensions:**

The purpose of this pension benchmarking study is to compare the retirement benefits offered by employers on a value basis as a percentage of base salary. We have shown results on both a total value and an employer value basis. The total value is an indicator of the strength of the benefit provided to a member upon retirement. Organizations with a high total value are sometimes considered paternalistic, since plan members receive a higher pension benefit than most upon retirement regardless of who is paying for it, but the overall value of the benefit to employees is dependent on the extent of the cost sharing. Consequently, we also show results on an employer value basis to compare each organization’s offering from a member’s point of view.

This study focuses on value to employees and not just on the cost of the plan to the employer. For CAP plans, the value is closely related to the cost because it is valued based on the amount of employer and member contributions; however, this is not the case for DB plans. The cost of DB plans varies by employer depending on the financial health of the plan, the assumptions used by the plan’s actuary to determine funding requirements, and the plan’s evolving membership demographics. On the other hand, value is a measure in the member’s eyes of the tangible benefit they will receive upon retirement.

The table below is a summary of the types of comparator organizations included in the pension benchmarking study. The table below splits the participants by sector and by type of pension plan. There is one comparator organization that does not sponsor a retirement plan.

Summary of Comparator Organizations									
	Public			Private			Total		
	DB ¹	CAP	Hybrid	DB	CAP	Hybrid	DB ³	CAP	Hybrid
Exempt	9	1	-	3	20	2	12	21	2
Union	17	-	-	1	5	-	18	5	-
Sworn Officers	8	-	-	-	-	-	8	-	-
Senior Management	12	-	1	1	5	3	13	5	4
Total	46	1	1	5	30	5	51	31	6

For this study, we benchmarked the pension plan that is currently provided to a new hire at each organization. In the event where two or more different retirement plans are provided to employees within the same employee group, we included the plan that is provided to the most employees within that organization. Organizations were excluded from the study if the data collected was insufficient to properly value their benefits. In some instances, we made assumptions for missing plan provisions where there was other data collected or available online that supported the assumptions.

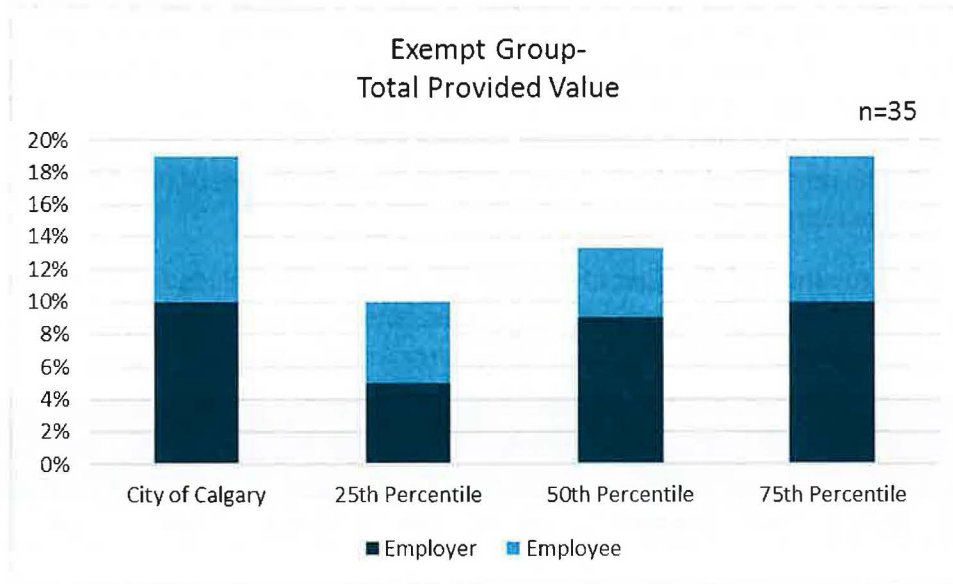
¹ Includes The City of Calgary.

Exempt

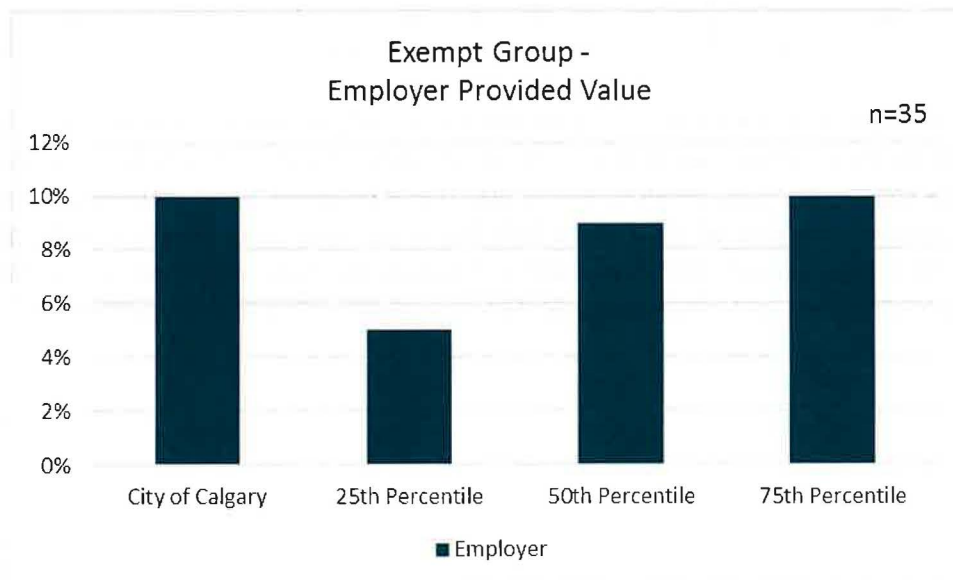
All Organizations

The Exempt group is comprised of 35 private and public sector organizations offering a variety of different retirement programs, including DB plans, DC plans, GRSPs, RRSPs, TFSAs, and non-registered savings plans. Exempt City of Calgary employees participate in the LAPP and the pension benefits provided were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 18.9% of base salary. This ranked seventh highest among the Exempt group out of 35 organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 10.0% of base salary. This ranked 10th highest among the Exempt group out of 35 organizations and placed The City of Calgary just below the 75th percentile of the employer provided value of benefits offered.

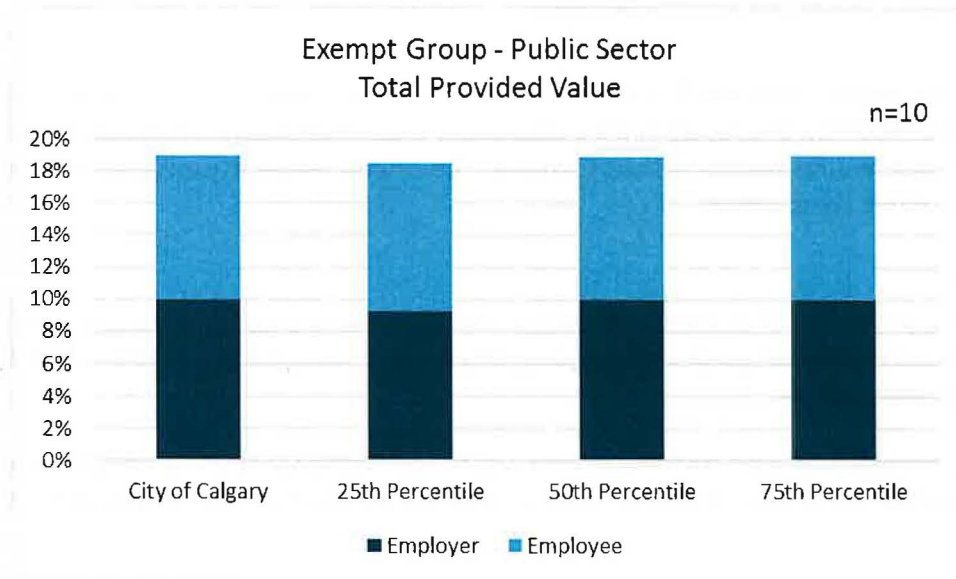


The LAPP provides The City of Calgary with an above-median retirement plan primarily because it is a DB plan with final average earnings. There are 20 CAP plans in this comparator group whose benefit is determined based on the employee’s earnings each year, as opposed to at its highest point, which results in higher values for DB plans, all else being equal. Other factors that provide value to LAPP Members include their post-retirement indexation and their favourable early retirement factors for long-service employees.

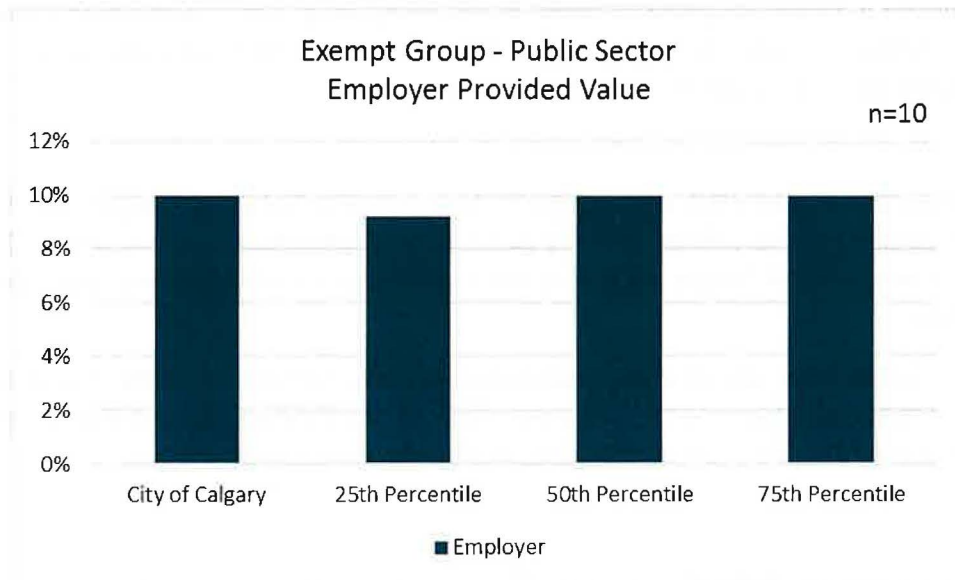
Public Sector

The Exempt group includes 10 public sector organizations, including The City of Calgary, all offering DB plans. The pension benefits offered from the public sector organizations were all very similar in value, and the Exempt City of Calgary pension benefits were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 18.9% of base salary. This ranked third highest among the 10 Exempt public sector organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 10.0% of base salary. This ranked third highest among the 10 Exempt public sector organizations and placed The City of Calgary at the 75th percentile of the employer provided value of benefits offered.

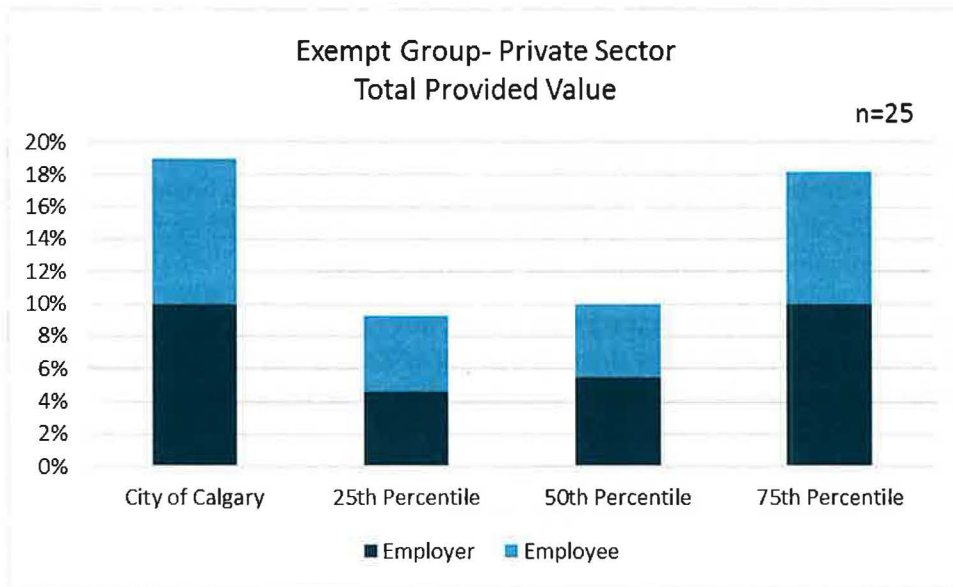


Among the public sector, there was less variety between the organizations of the total and employer provided value of benefits. Employers in the public sector often must balance demands from unions with the additional scrutiny placed on their spending. This usually results in providing benefits consistent with direct comparators.

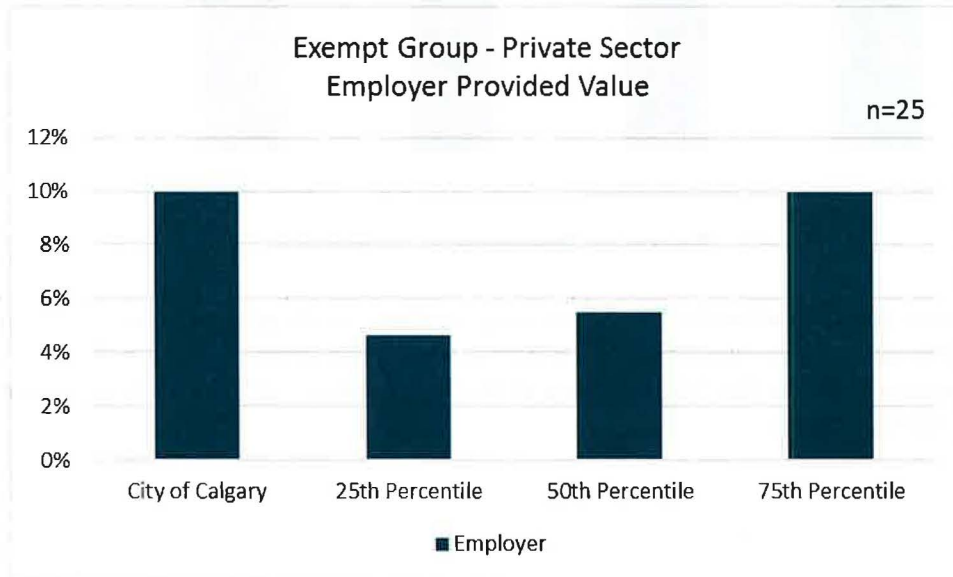
Private Sector

The Exempt group included 25 private sector organizations, not including City of Calgary, offering a variety of different retirement programs, including DB plans, DC plans, GRSPs, RRSPs, TFSAs, and non-registered savings plans.

- The pension benefits offered from the private sector organizations varied significantly in value, and the Exempt City of Calgary pension benefits were determined to be competitive and valued as follows:
- The total provided value, shown in the graph below, was calculated to be 18.9% of base salary. This ranked fifth highest among the 25 Exempt private sector organizations and placed The City of Calgary above the 75th percentile of the total provided value of benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 10.0% of base salary. This ranked fifth highest among the 25 Exempt private sector organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



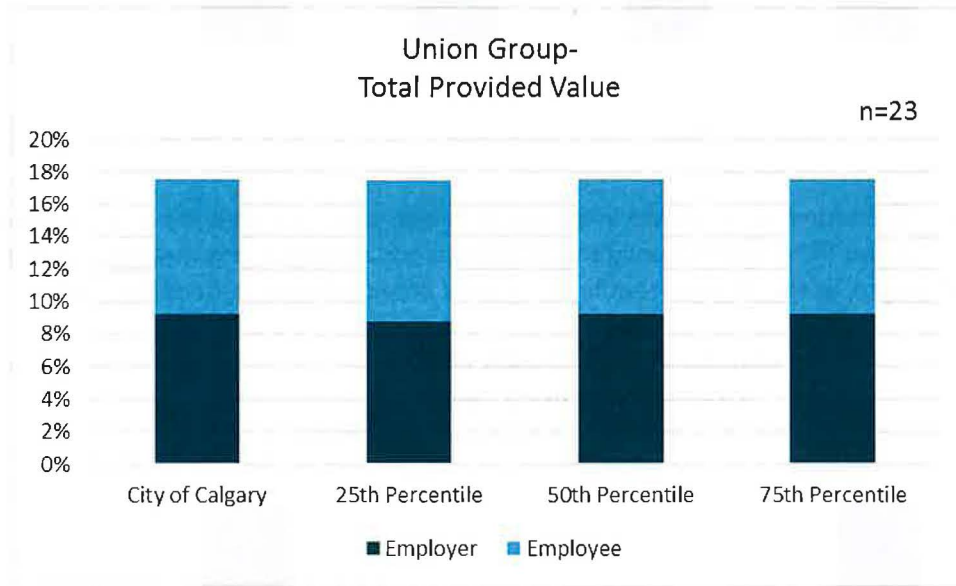
As previously mentioned, the LAPP is a valuable pension plan, especially when compared to a comparator group comprised almost entirely of CAP plans. Of the 25 private sector plan sponsors surveyed, 76% provide a CAP-only plan and over half of the CAP-only plans have an employer provided of value of 5% or less.

Union

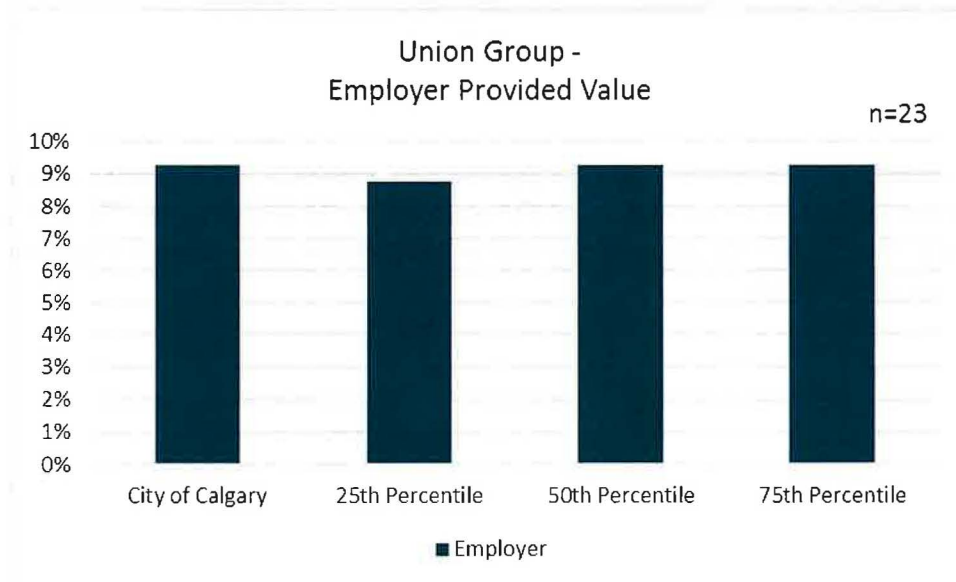
All Organizations

The Union group is comprised of 23 organizations that were predominantly in the public sector. DB plans were the most commonly offered provision among the Union Group, however there were also five CAP plans. The City of Calgary union employees participate in the LAPP and the pension benefits provided were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 17.5% of base salary. This ranked sixth highest among the Union group out of 23 organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



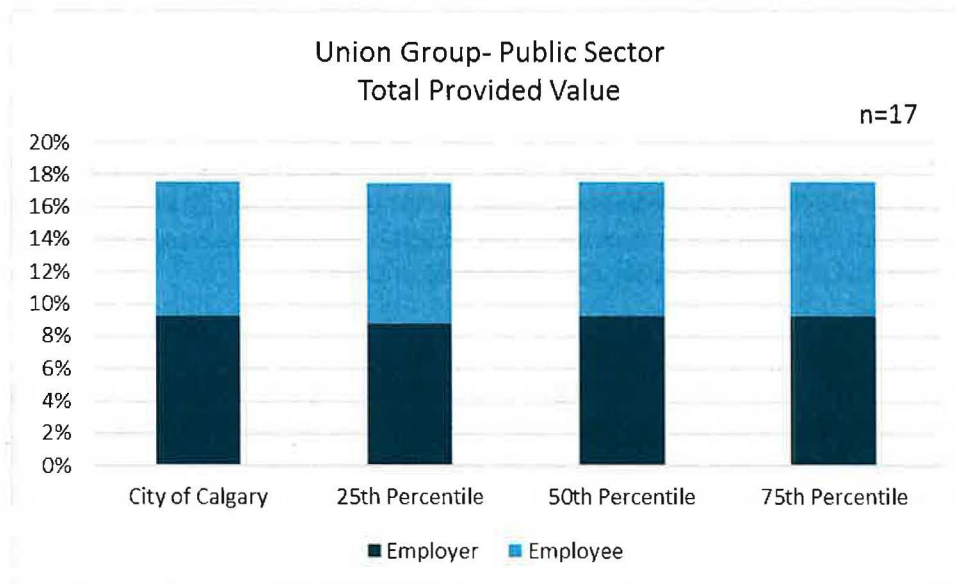
- The employer provided value for The City of Calgary, shown in the graph below, was calculated to be 9.3% of base salary. This ranked sixth highest among the Union group out of 23 organizations and placed The City of Calgary at the 75th percentile of the employer provided value of benefits offered.



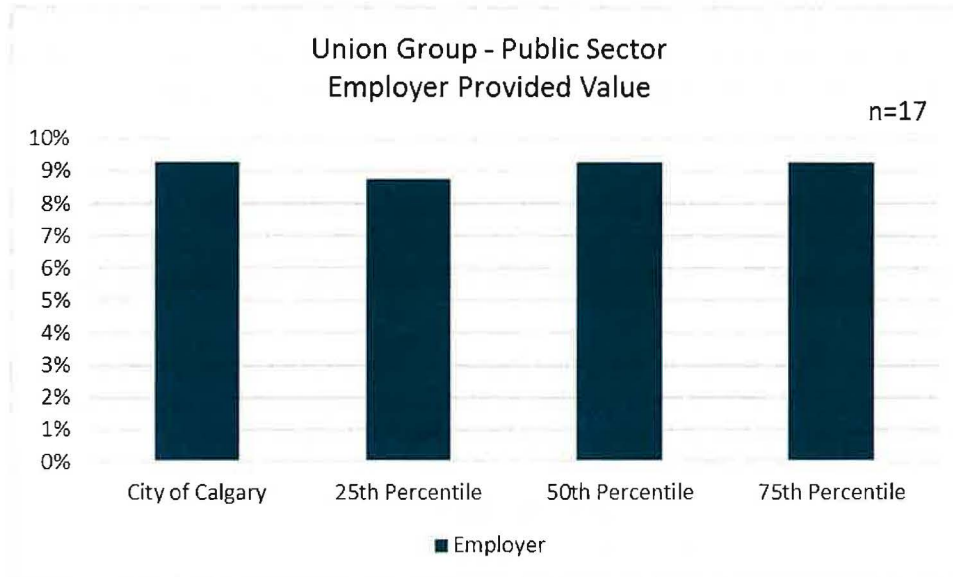
Unions often look to comparators when negotiating benefits and, as a result, there tends to be less variation in the value of benefits offered between unions, which is consistent with the results above. LAPP provides The City of Calgary with an above-median retirement plan, which is competitive among its comparators. It is worth noting that the highest total provided value was actually from a non-registered capital accumulation plan, that had high employee and employer contribution rates and not subject to the ITA maximum pension limit that applies to registered plans.

Public Sector

- The Union group includes 17 public sector organizations, including The City of Calgary, all offering DB plans. The pension benefits offered from the public sector organizations were all very similar in value, and The City of Calgary Union group pension benefits were determined to be competitive.
- The total provided value, shown in the graph below, was calculated to be 17.5% of base salary. This ranked fifth highest among the 17 Union public sector organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 9.3% of base salary. This ranked fifth highest among the 17 public sector union organizations and placed The City of Calgary at the 75th percentile of the employer provided value of benefits offered.

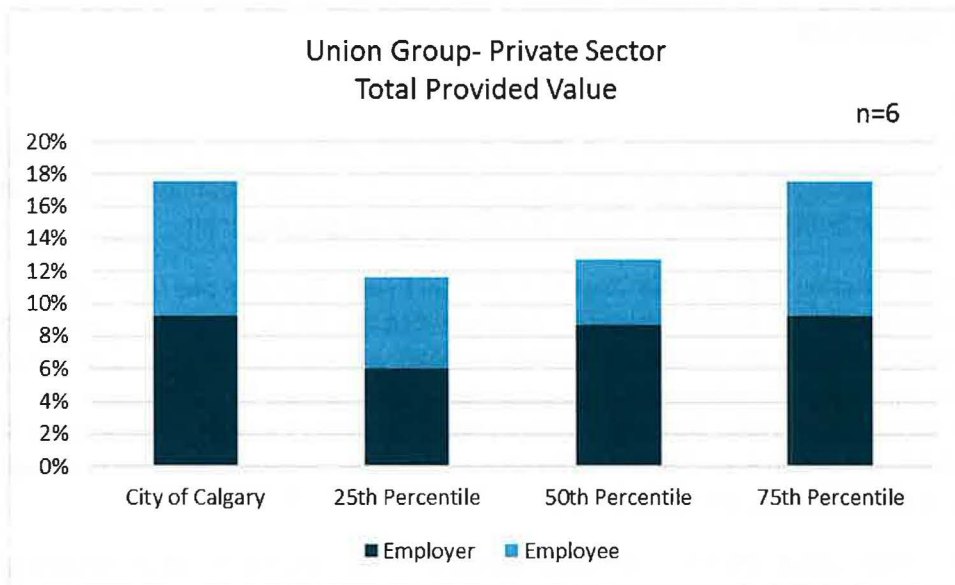


Consistent with what we had seen for previous union and public sector groups, there was very little variation in the value of benefits offered among public sector union groups. The LAPP provides The City of Calgary with an above-median retirement plan, which is competitive among its comparators as slightly less than half of its comparators also participate in LAPP.

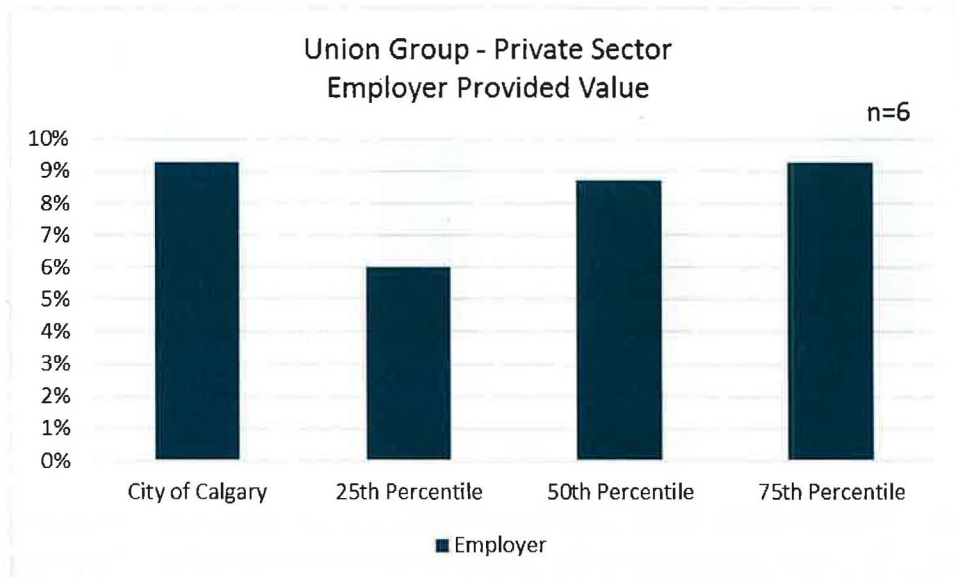
Private Sector

The Union group included six private sector organizations, excluding City of Calgary, with only one organization participating in LAPP and the remainder offering a DC or non-registered savings plan. The pension benefits offered from the private sector organizations varied significantly in value, and The City of Calgary Union group pension benefits were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 17.5% of base salary. This ranked second highest among the six Union private sector organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 9.3% of base salary. This ranked second highest among the six Union private sector organizations and placed The City of Calgary at the 75th percentile of the total provided value of benefits offered.



We saw the most variety in the private sector union group. This group included smaller unions in nominal DC plans up to larger unions who had negotiated significant contributions to non-registered capital accumulation plans not limited by the ITA maximum pension limit.

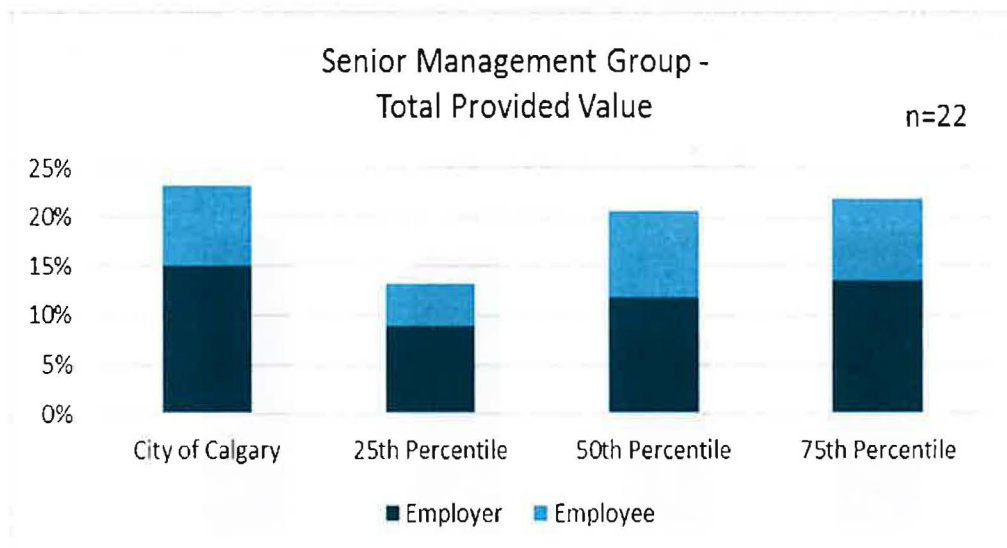
Senior Management

All Organizations

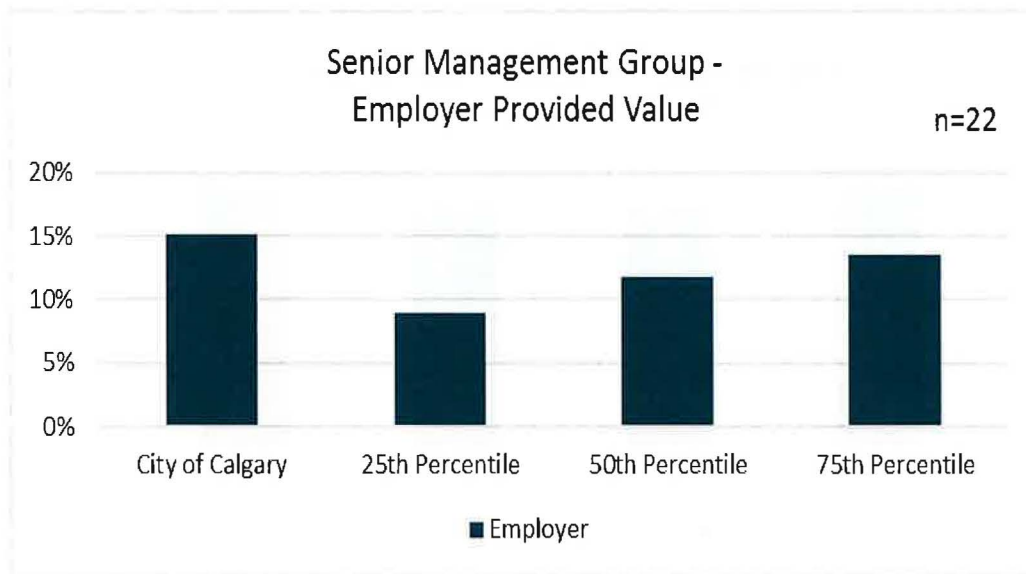
The Senior Management group is comprised of 22 private and public sector organizations. The Senior Management group included both DB and CAP plans, along with supplemental pension plans for employees whose benefits were limited by the ITA maximum pension limit.

It is important to note that organizations that exclude short-term incentive pay from their pensionable earnings did not produce benefits that exceeded the ITA maximum pension limit for CAP plans since the profile’s combined pensionable earnings was not high enough. Consequently, some supplemental CAP plans were not captured as part of this survey. The City’s Senior Management participate in LAPP, The City of Calgary Supplementary Pension Plan (“Calgary SPP”) and Calgary Overcap Pension Plan (“OCP”). The pension benefits provided were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 23.2% of base salary. This ranked fourth highest among the Senior Management group out of 22 organizations and placed The City above the 75th percentile of the total provided value of pension benefit.



- The employer provided value, shown in the graph below, was calculated to be 15.1% of base salary. This ranked third highest among the Senior Management group out of 22 organizations and placed The City above the 75th percentile of the employer provided value of pension benefits offered.

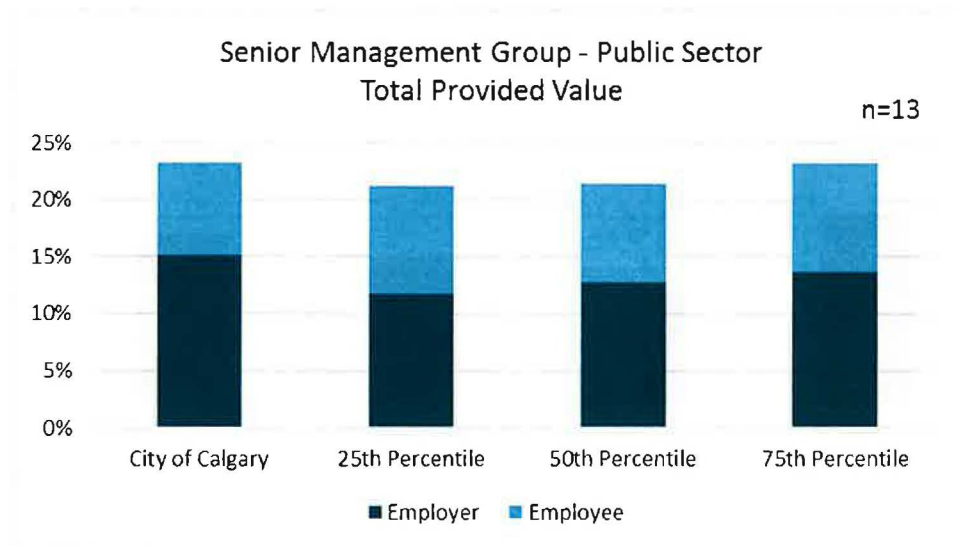


We saw lots of variation in the total and employer provided value of the benefits to the Senior Management group, which can be attributed mostly to some organizations offering senior management with supplemental pension plans and some organizations only providing benefits up to the ITA maximum pension limit. Organizations whose benefits are limited by the ITA will produce a lower benefit as a percentage of base pay because the value is divided by an employee’s full base salary. The City has elected to provide a supplemental pension, and the benefits from the LAPP, Calgary SPP and OCPP are competitive among its comparators, and one of the more generous retirement plans in our study.

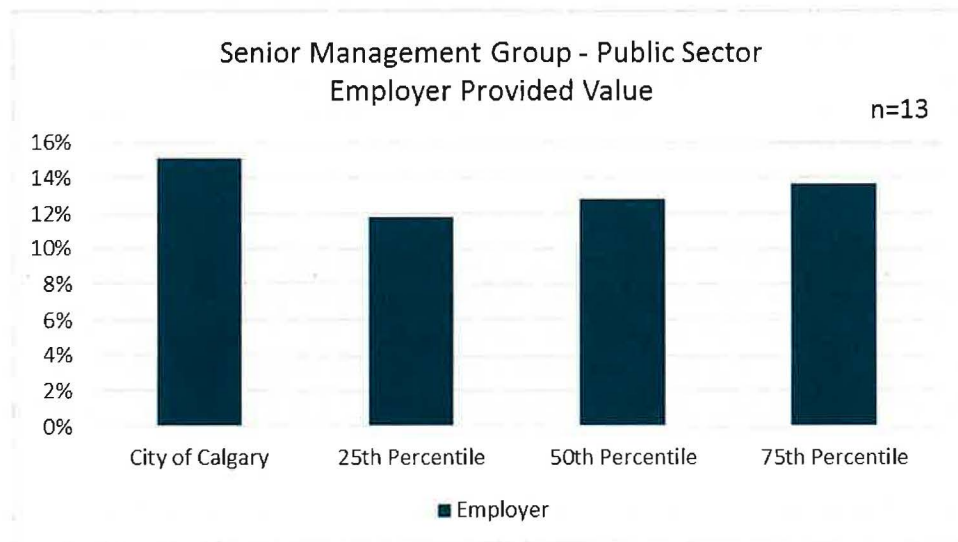
Public Sector

The Senior Management group includes 13 public sector organizations, including The City, all offering DB plans, with the exception of one organization offering a registered DB plan with a supplemental DC plan. The pension benefit value varied more for the Senior Management Group than the other groups, as not all public organizations chose to offer supplemental benefits. The City Senior Management group pension benefits were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 23.2% of base salary. This ranked third highest among the 13 Senior Management public sector organizations and placed The City at the 75th percentile of the total provided value of pension benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 15.1% of base salary. This ranked second highest among the 13 Senior Management public sector organizations and placed The City at the 75th percentile of the employer provided value of benefits offered.

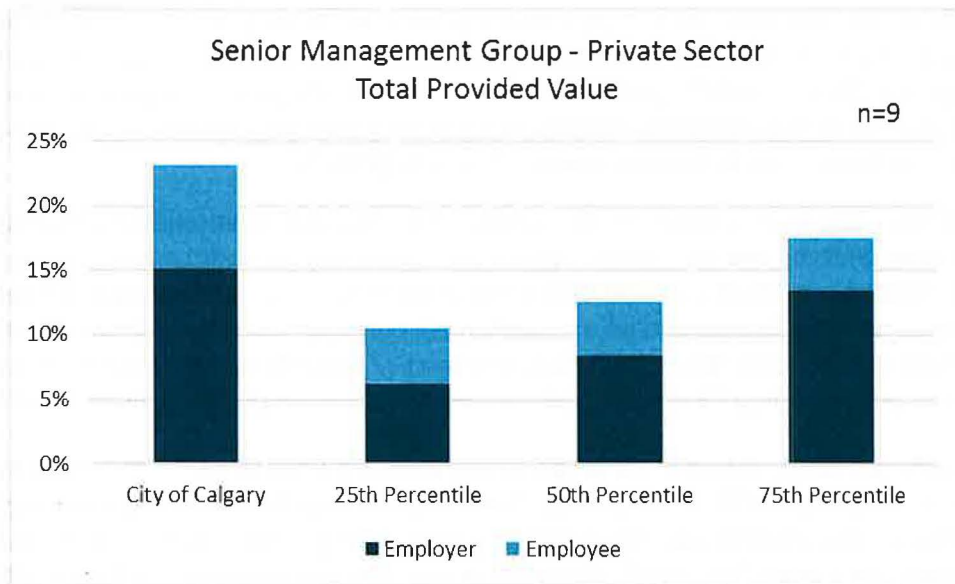


Similar to the results for all public organizations in previous groups, we saw less variation in the total and employer provided value of the benefits provided to the Senior Management public sector group, as municipalities often benchmark against similar cities when determining their benefits. Of the seven municipalities surveyed, all seven offered a supplemental pension plan in excess of ITA maximum pension limits; however, only one includes short-term incentive pay in pensionable earnings. The biggest differentiating factors between The City and their comparators in the public sector are The City's early retirement factors and the Calgary SPP which provides a 2% defined benefit formula at all earnings levels.

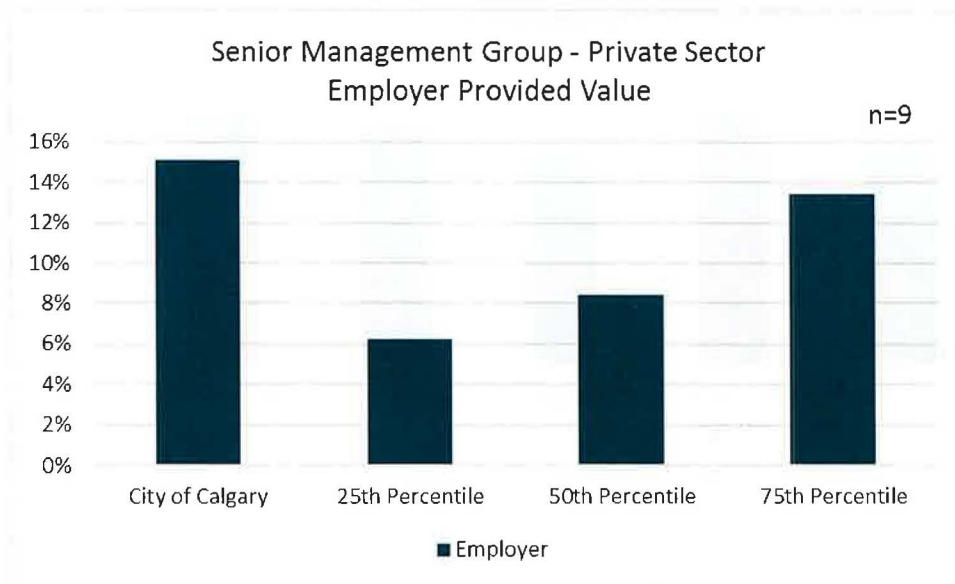
Private Sector

The Senior Management group includes nine private sector organizations, excluding The City. Most of the organizations offered a DC or non-registered savings plan; however, three of the organizations offered some combination or hybrid of DB and DC between their registered and supplemental plans. The pension benefits offered from the private sector organizations varied significantly in value, and The City Senior Management group pension benefits were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 23.2% of base salary. This ranked second highest among the nine Senior Management private sector organizations and placed The City above the 75th percentile of the total provided value of benefits offered.



- The employer provided value, shown in the graph below, was calculated to be 15.1% of base salary. This ranked second highest among the nine Union private sector organizations and placed The City above the 75th percentile of the total provided value of benefits offered.



Similar to the overall and public sector Senior Management group, we saw lots of variation in the total and employer provided value of the benefits provided to the Senior Management private sector group, attributable mostly to those organizations offering supplemental plans. For example, only five private sector organizations surveyed offer a supplemental pension plan, although a couple of additional organizations do offer senior management a higher CAP contribution rate. The benefits from the LAPP, Calgary SPP and OCPP provided to The City senior management group are competitive among its comparators, and one of the more generous retirement plans.

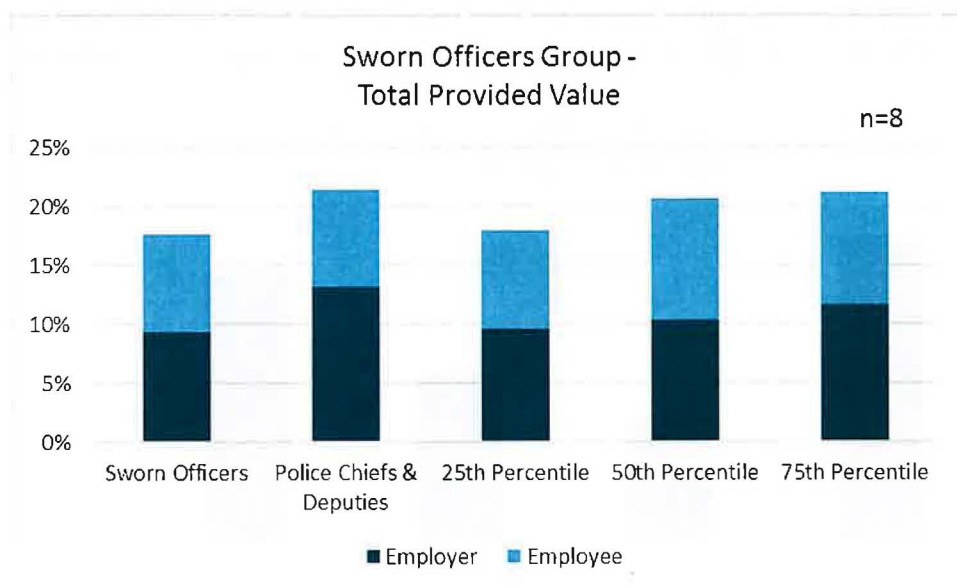
Sworn Officers

All Organizations

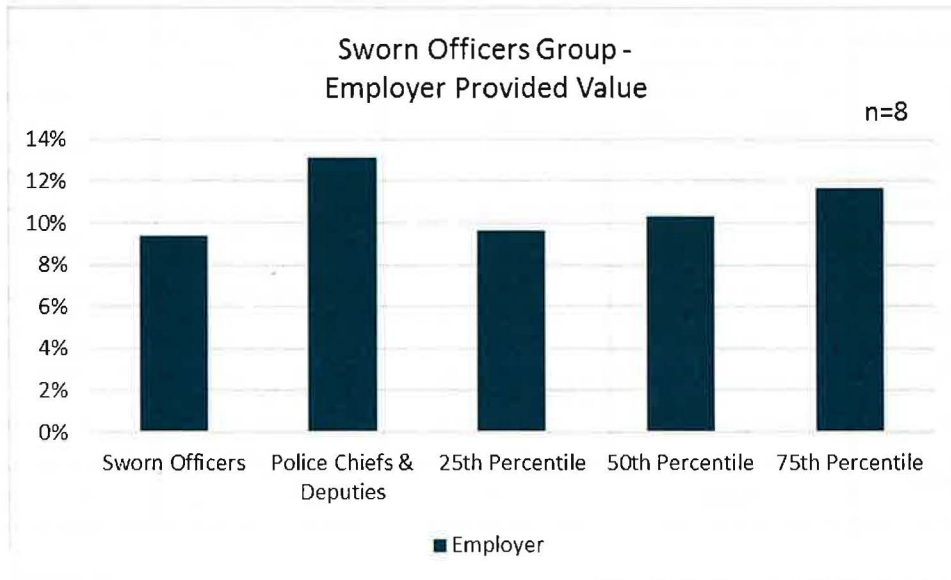
The Sworn Officers group is comprised of eight municipalities, all offering DB plans, and considers the benefits provided to both the general sworn police officers (“Sworn Officers”) and the police chiefs and deputies (“Police Chiefs”). Unlike the rest of The City of Calgary employees, the Sworn Officers participate in the Special Forces Pension Plan (“SFPP”); the Police Chiefs also participate in The City of Calgary Police Chief & Deputies Pension Plan (“PCDOPP”).

The Sworn Officers comparisons include three municipalities that offer additional benefits through a supplemental pension plan; however, these supplemental plans require additional employee contributions and do not produce a benefit that is materially different as a percentage of base salary. As a result, we have elected to omit the supplemental pension plans from the survey as they were not deemed to impact the results materially. The pension benefits provided by City of Calgary to Sworn Officers and the Police Chiefs were determined to be competitive and valued as follows:

- The total provided value, shown in the graph below, was calculated to be 17.7% and 21.4% of base salary for the Sworn Officers and Police Chiefs, respectively. This ranked seventh highest (Sworn Officers) and third highest (Police Chiefs) among the eight municipalities in the Sworn Officers group and placed The City of Calgary below the 25th percentile for the Sworn Officers and above the 50th percentile for the Police Chiefs.



- The employer provided value, shown in the graph below, was calculated to be 9.4% and 13.1% of base salary for the Sworn Officers and Police Chiefs, respectively. This ranked seventh highest (Sworn Officers) and second highest (Police Chiefs) among the eight municipalities in the Sworn Officers group and placed The City of Calgary below the 25th percentile for the Sworn Officers



While The City of Calgary Sworn Officers pension benefits are not ranked as strongly as for other groups, they are still competitive with their comparators on an employer provided basis since they are still within 1% of base pay of median. The Sworn Officers pension benefits are not competitive on a total value basis as they are more than 2% below the 25th percentile. The most significant factor influencing the Sworn Officers relative position is the plan’s post-retirement indexation adjustments of 30% of CPI compared to 100% of CPI with most of the other municipalities.

Firefighters

We valued The City Firefighter’s pension benefits compared to a similar group of municipal fire departments. The City firefighters participate in the LAPP and a supplemental registered pension plan, the Calgary Firefighters Supplementary Pension Plan (“FSPP”). Using the Police Group profile, the combination of the LAPP and FSPP provides 1.32% of base pay more in total value and 1.06% of base pay more in employer provided value than the Sworn Officers. This result helps The City firefighters attain the 75th percentile on an employer provided value basis and below, but within 1% of base pay, of median on a total value basis.

Qualitative Results

The following tables provide qualitative prevalence results from our pension benchmarking study. The majority of the DB plans surveyed are included in the public sector. Almost all DB plans have some form of cost sharing and provide a similar benefit to what The City of Calgary offers. The LAPP is the plan summarized below for The City of Calgary, as it is the most prevalent plan offered to employees. Almost all provisions are aligned with the market average for DB plans which is consistent with the quantitative analysis shown above for the public sector.

DB Plan Provisions

Provisions	City of Calgary	Competitive Market		City of Calgary Relative to the Competitive Market
	Full-time Employees	Full-time Employees		
	Current Practice	Average	Range	
1. Accrual Rate	1.40% up to YMPE	1.47%	1.25% to 2.00%	Competitive
	2.00% above YMPE	2.00%	1.25% to 2.33%	
2. Averaged Earnings Period	5 years	5 years	3 years to career	Competitive
3. Bridge	0%	0%	0% to 0.7%	Competitive
4. Indexation	1.20%	1.20%	0% to 2.00%	Competitive
5. Employee Contributions	8.91%	9%	0% to 13.3%	Competitive
6. Normal Form	5 year guarantee	5 year guarantee or 67% survivor benefit	Life only to survivor benefit w/ guarantee	Competitive
7. Early Retirement Factor	3.00%	3.00%	2.22% to 6.00%	Competitive

CAP Plan Provisions

The provisions of the average CAP plan cannot be compared easily to the DB provisions provided to City of Calgary employees. With the exception of one organization, all CAP plans are sponsored by organizations in the private sector. The range of employer contribution rates was quite wide and the majority of plan sponsors have employer and employee contributions rates between 4%-6%.

Provisions	City of Calgary	Competitive Market		City of Calgary Relative to the Competitive Market
	Full-time Employees	Full-time Employees		
	Current Practice	Average	Range	
1. Employer Contribution	N/A	6%	0% to 20%	Not Applicable
2. Employee Contribution	N/A	5%	0% to 20%	Not Applicable

- **Perquisites:**

Included in this section are observations and commentary on initial results regarding The City's position ahead or behind the market regarding perquisites currently offered.

Overall, The City of Calgary is competitive with most perquisites provided to its employee groups.

Senior Management

The biggest issues identified include:

- Ahead of both public and private sector: Financial Counselling, Retiring Allowance ²
- Ahead of public sector: Flexible Spending Account
- Behind on both public and private sector: Fitness Membership, Car Allowance for Business Purposes

Exempt Employees

The biggest issues identified include:

- Ahead of both public and private sector: Retiring Allowance *
- Ahead of public sector: Flexible Spending Account for Leaders and Managers
- Behind public sector: Fitness Membership
- Behind private sector: Parking

Union Employees

The biggest issues identified include:

- Ahead of both public and private sector: Retiring Allowances, Service Pay, Relief Pay*
- Behind public sector: Fitness Membership and Shift Premiums

Sworn Officers

The biggest issues identified include:

- Behind public sector: Other Wellness Programs, Service Pay, Sworn Officers Dog Canine Unit Allowance.

Please see **F: Detailed Comparisons of Perquisites by Employee Group**

* We understand a decision has been made to discontinue the Retiring Allowance effective December 31, 2021.

Employer Practices

Vacation

- Senior management employees' vacation is typically more generous than the comparative market, though Directors and Senior Managers typically have extensive service-earned vacation prior to appointment at this level.

Senior Management	# of Years Worked to Receive				
	City of Calgary	Public Sector	Market Position	Private Sector	Market Position
2 weeks	NA	NA	NA	NA	NA
3 weeks	NA	0 to 4	Ahead	0 to 4	Ahead
4 weeks	1 to 7	5 to 9	Ahead	5 to 15	Ahead
5 weeks	8 to 24	10 to 20	Competitive	16 to 20	Ahead
6 weeks	25+	21 to 25	Competitive	21 to 30	Ahead

- Exempt employees receive vacation below the competitive market and significantly below the private sector comparators. Most provide 3 weeks within the first year of service.

Salaried Exempt	# of Years Worked to Receive				
	City of Calgary	Public Sector	Market Position	Private Sector	Market Position
2 weeks	NA	NA	Competitive	NA	Competitive
3 weeks	1 to 7	0 to 4	Behind	0 to 4	Behind
4 weeks	8 to 14	5 to 9	Behind	5 to 15	Behind
5 weeks	15 to 24	10 to 20	Behind	16 to 20	Competitive
6 weeks	25+	21 to 25	Behind	21 to 30	Competitive

- Union employees' vacation is competitive with the public sector receiving a generous 7 weeks of vacation after 25 years, which is not consistent with the marketplace.

Union	# of Years Worked to Receive				
	City of Calgary	Public Sector	Market Position	Private Sector	Market Position
2 weeks	0 to 1	0 to 1	Competitive	NA	Behind
3 weeks	2 to 7	2 to 4	Competitive	0 to 4	Behind
4 weeks	8 to 16	5 to 9	Behind	5 to 15	Behind
5 weeks	17 to 24	10 to 20	Behind	16 to 20	Competitive
6 weeks	25 to 29	21 to 30	Behind	21 to 25	Behind
7 weeks	30+	NA	Ahead	NA	Ahead

- Sworn Officers' vacation is overall competitive with other major city Police forces, although they appear to have the opportunity for seven weeks of vacation which is greater than most comparators.

Sworn Officers	# of Years Worked to Receive		
	City of Calgary	Public Sector	Market Position
2 weeks	NA	0 to 1	NA
3 weeks	1 to 6	2 to 4	Competitive
4 weeks	7 to 15	5 to 9	Behind
5 weeks	16 to 22	10 to 20	Behind
6 weeks	23 to 29	21 to 25	Competitive
7 weeks	30+	N/A	Ahead

- Firefighter employees' vacation is competitive with the market for most levels and is ahead of the market in providing 7 weeks after 30 years.

Firefighters	# of Years Worked to Receive		
	City of Calgary	Public Sector	Market Position
2 weeks	NA	1	NA
3 weeks	1 to 7	2 to 7	Ahead
4 weeks	8 to 16	8 to 15	Competitive
5 weeks	17 to 24	16 to 23	Competitive
6 weeks	25 to 29	24+	Competitive
7 weeks	30+		Ahead

Work Week

Employee Group	Typical Weekly Work Hours				
	City of Calgary	Private Sector	Market Position	Public Sector	Market Position
Senior Management	35 hours	40 hours	Ahead	38 hours	Ahead
Exempt	35 hours	40 hours	Ahead	38 hours	Ahead
Union	39 hours	40 hours	Competitive	38 hours	Competitive

On-Call and Call-Out Pay

Component	Average \$ Paid by Organization				
	City of Calgary	Private Sector	Market Position	Public Sector	Market Position
On-Call - \$ Per Day	\$25.00	\$31.00	Behind	\$38.58	Behind
Call-Out - Minimum # of Hours	2.50 hours	3.17 hours	Behind	2.14 hours	Competitive

Shift Premium

The City appears to be consistently behind the competitive market regarding shift premiums.

Union	Payment Amount Per Hour				
	City of Calgary	Private Sector	Market Position	Public Sector	Market Position
Weekend	\$.80 - \$1.00	NA	Ahead	\$1.69	Behind
Afternoon/Evening	\$.80 - \$1.00	\$1.73	Behind	\$1.44	Behind
Graveyard/Overnight	\$.80 - \$1.00	\$3.47	Behind	\$1.48	Behind

Sworn Officers	Payment Amount Per Hour		
	City of Calgary	Public Sector	Market Position
Weekend	NA	\$2.07	Behind
Afternoon/Evening	\$1.05	\$1.90	Behind
Graveyard/Overnight	\$1.15	\$2.98	Behind

APPENDIX A: GLOSSARY OF TERMS

25th Percentile (“P25”)

Represents the figure below which 25% of the data points lie.

50th Percentile (“P50”)

Represents the figure below which 50% of the data points lie and is typically considered the middle (median) of the market that most organizations compare their compensation to.

75th Percentile (“P75”)

Represents the figure below which 75% of the data points lie.

Accrual Rate

The rate at which you build up pension benefits while a member of a defined benefit plan. The rate is multiplied by your earnings to calculate how much pension you will eventually be entitled to. It is typically expressed as a percentage, and the bigger the percentage the more pension benefit you will get.

All Data

Combination of equal weighting of market rates for both public and private sector data for each position.

Base Salary / Base Pay

The annual regular salary for the benchmark position(s); market data displayed in aggregate.

Bridge Pension

A bridge pension is a temporary benefit to members who retire prior to age 65. In most cases, the bridge benefit amount is more or less equal to the unreduced government pension benefit (i.e., CPP, QPP) benefit that they would otherwise be eligible to receive at age 65. Bridge pension payments will typically cease when a member reaches 65 years of age, with the intention that it will be replaced by CPP/QPP payments and the pensioner will maintain a level income through retirement.

Call-Out Pay

The rate of pay received when an employee physically returns to the worksite for reasons which cannot wait until the next regular working day.

Capital Accumulation Plan (“CAP”)

A term used to describe any account based retirement benefit such as a DC plan, a GRSP, a group TFSA or a non-registered savings plan.

Car Mileage Allowance for Business Purposes

A car mileage allowance is the reimbursement of expenses car owners receive from organizations while operating a personal vehicle for business purposes, often expressed as a dollar per kilometre.

Coinsurance

A cost-sharing between an insurance company and the policy owner.

Compressed Work Week

A compressed work week allows an employee to work a traditional 35-40 hour workweek in less than the traditional number of workdays.

Control Point

The point in the salary band which is considered the rate that can be attained by employees with satisfactory performance; this is typically based upon the target market position for jobs within the salary band.

Defined Benefit (“DB”) Pension Plan

A defined benefit plan is a type of retirement plan where member benefits are defined in advance and based on a formula that considers several factors such as length of employment and salary. Funding is determined by the employer.

Defined Contribution (“DC”) Pension Plan

A defined contribution plan is a type of retirement plan where individual accounts are set up for participants and the employer and/or employee contribute on a regular basis. The funds are usually invested at the direction of the employee and the employee benefit is the balance of the account at retirement. Total annual contributions to a DC plan are limited to 18% of the employee’s earnings and any contributions and investment returns are tax-sheltered. Withdrawals cannot be made from the account prior to retirement, and any amounts are taxed as they are withdrawn.

Early Retirement Factor

The early retirement factor is the adjustment applied to the pension benefit payable if a member retires before qualifying for unreduced retirement benefits. Examples of an unreduced retirement date include reaching a certain age, service or a combined age and service milestone. The factor reduces the benefit in exchange for allowing the member to commence pension payments early.

Extra Duty Assignment Pay

Additional pay provided to Sworn Officers for security or other special services to third parties.

Group Retirement Savings Plan (“GRSP”)

A GRSP is a collection of individual RRSPs administered by an employer on behalf of its employees. Total annual contributions to a GRSP plan are limited to 18% of the employee’s prior year earnings and any contributions and investment returns are tax-sheltered. Withdrawals can be made from the account prior to retirement but are taxed as they are withdrawn and RRSP room is not restored.

ITA Maximum Pension Limit

Under the Income Tax Act, there is maximum annual pension that an employee can receive from a DB pension plan. The limit is tied to the same maximums used for DC, GRSPs, and RRSPs to ensure that there is a consistent level of tax deferred retirement savings, regardless of the how the benefit is provided.

Minimum (“Min”)

The salary range minimum for the position (in annual dollars).

Maximum (“Max”)

The salary range maximum for the position (in annual dollars).

Non-Registered Savings Plan

A Non-Registered Savings Plan is an account where the employer and/or employee may make contributions. The account may be accessed at any time, even before retirement, and there are no limits on contributions as the contributions and investment returns are not tax-sheltered. No tax is deducted upon withdrawal.

Normal Form

The normal form of a pension dictates how pension payments are distributed to someone on retirement. For example, the normal form will dictate what benefits, if any, are payable after the death of the retired member to his or her surviving spouse, designated beneficiary, or estate. A pension plan may have more than one normal form of pension – a normal form for a member with a spouse at retirement and a normal form for a member who does not have a spouse at retirement. A normal form may include a guarantee period or a pension payable to the surviving spouse after the member’s death.

If a member selects a pension form that is different from the normal form, the pension payments will be adjusted so that the total value of the pension remains the same.

Normal Retirement Date

The normal retirement date is the age at which members can receive full retirement benefits, regardless of length of service.

On-Call Pay

The rate of pay when an employee is required to be available to return to the worksite within a reasonable time frame outside of regular work hours if called. May also be called Stand-By Pay.

Pensionable Earnings

Pensionable earnings are any income that is included in the calculation of a pension benefit. Base pay is traditionally included; however, other forms of pay such as overtime pay, short-term incentive pay, commissions, shift premium and other forms may, or may not, be considered pensionable earnings.

Perquisite

An incidental payment, benefit, privilege, or advantage over and above regular income, salary, or wages: for example, a car allowance or payment of a fitness membership.

Private Sector

Major Calgary or Alberta-based employers or speciality employers.

Public Sector

Major Municipalities across Canada, Major Alberta and Calgary government or government-owned organizations.

Registered Pension Plan (“RPP”)

An RPP is an employer-sponsored pension plan registered with the Canada Revenue Agency (“CRA”), where the employer, and sometimes the employee, saves towards the employee’s retirement income. Contributions and investment returns are tax-sheltered and the RPP is limited in the benefit it can provide either by the amount of pension payable (DB plans) or contributions made to the account (DC plans). Benefits cannot be withdrawn from the account prior to retirement, and any benefits from the RPP are taxed as they are received.

Registered Retirement Savings Plan (“RRSP”)

An RRSP is a personal savings plan that allows individuals to save for retirement on a tax-sheltered basis. Total annual contributions to an RRSP are limited to 18% of the employee’s prior year earnings and any contributions and investment returns are tax-sheltered. Withdrawals can be made from the account prior to retirement, and any amounts are taxed as they are withdrawn.

Retiring Allowance

A retiring allowance (or retirement allowance) is an amount paid to employees when or after they retire from employment in recognition of long service or loss of employment.

Relief (Acting Pay)

Relief (acting) pay is the additional rate of pay that an employee receives when working a job at a higher classification level.

Salary Grid / Range Data

The salary band identified for the position within which the base salary paid will fall (in annual dollars).

Service Pay

Additional pay provided to eligible employees in recognition of long service.

Shift Premium

The practice of providing additional pay to employees who work the least desirable work periods.

Short-term Incentive (“STI”)

Any payment(s) in addition to base salary / base pay made based on performance or other compensable factors (in annual dollars) paid within 1 year. “STIP” = short-term incentive plan.

Supplemental Pension Plan (“SPP”)

An SPP is an employer-sponsored pension plan that is designed to provide additional retirement benefits to employees who have their benefits limited in an RPP. While SPPs which provide for benefits in excess of those allowed by the ITA can also be registered with the CRA, there are minimal tax advantages and most employers opt for the flexibility of an unregistered SPP. Note that SPPs are not needed for non-registered plans, as there is no limit to the benefits that can be provided from a non-registered plan.

Tax-Free Savings Account (“TFSA”)

A Tax-Free Savings Account is a registered account that can be administered for individuals and may be accessed prior to retirement. TFSA contributions are not tax sheltered; however, investment returns are tax-sheltered and no tax is deducted to funds upon withdrawal. The TFSA annual room limit is indexed with inflation and rounded to the nearest \$500 (up to a maximum of \$6,000 in 2020).

Total Cash Compensation

The total of items base salary (base pay) plus short-term incentive / variable amounts (cash bonus or profit sharing provided) during an annual period (displayed in annual dollars).

Unreduced Retirement Date

The unreduced retirement date is the age at which members can receive unreduced retirement benefits. This may include age and/or service requirements and could occur prior to the normal retirement date (e.g., members may be unreduced at age 60 as long as they have 5 years of service).

Weighted Average

The average weighted by proportion of employees in each employee group in each jurisdiction.

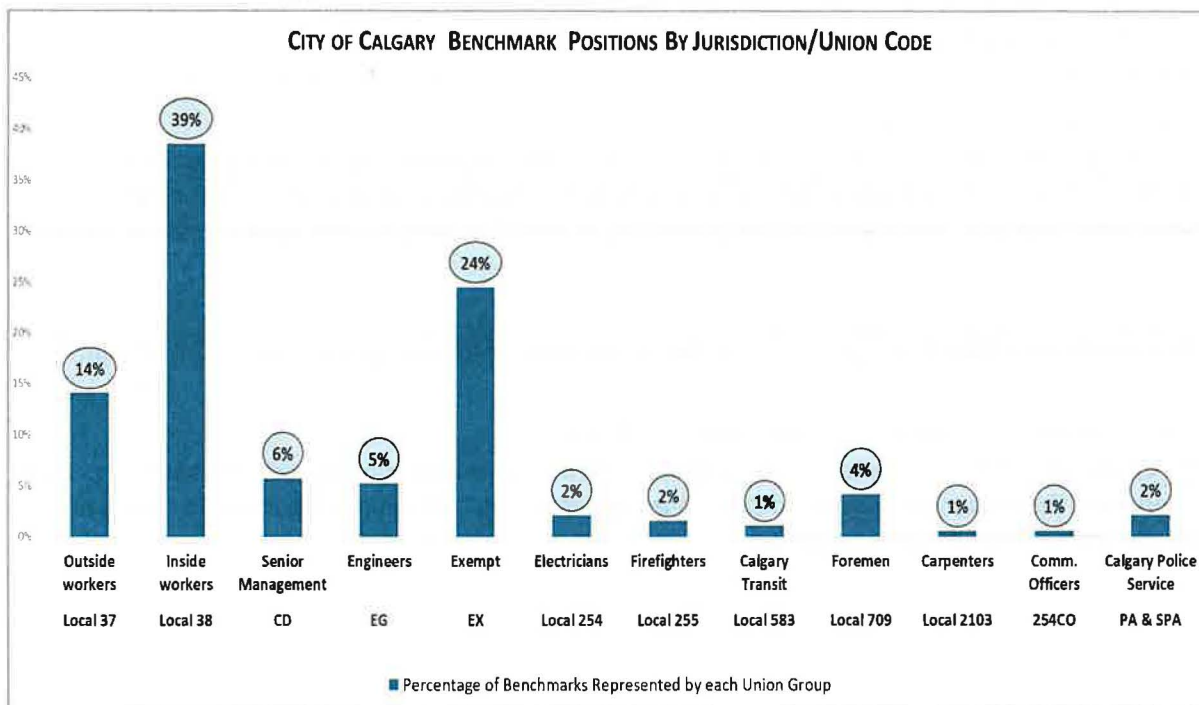
Years’ Maximum Pensionable Earnings (“YMPE”)

The Canadian government sets the YMPE figure, which is increased annually with inflation. The YMPE determines the maximum amount to contribute towards CPP/QPP and is often used in calculating pension benefits for DB pension plans.

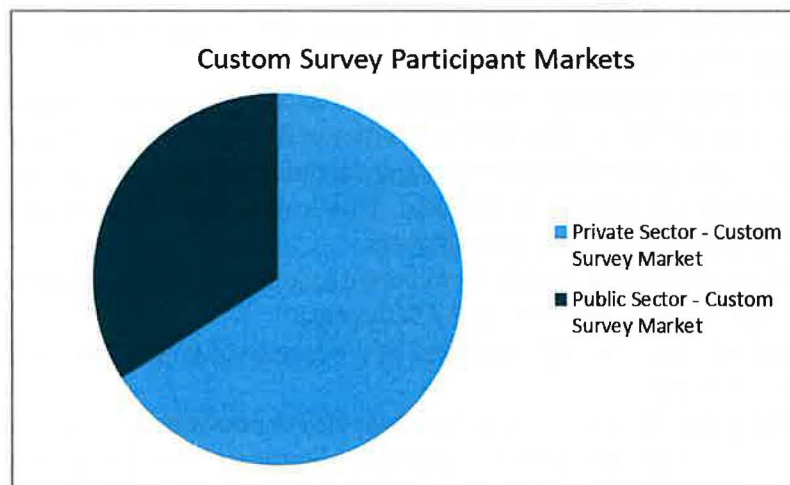
APPENDIX B: ANALYSIS METHODOLOGY

Cash Compensation, Perquisites and other Employee Practices:

- To validate the current market position for cash and non-cash elements a market review of select benchmark positions was conducted – 191 positions representing 13,000 City of Calgary regular employees were chosen to ensure a sample representative across jurisdictions, paygrades and departments were captured in this Review:



- The following market data sources were used:
 - General Comparisons -
 - Wynford annual compensation benchmark surveys (private and public market data)
 - Mercer annual compensation benchmark surveys (primarily private market data)
 - Association Surveys: Surveys from Association of Professional Engineers & Geoscientists of Alberta (APEGA), BC Assessment Association
 - Collective Agreements
 - HR Trading Post, Government of Alberta survey and other current sources
 - MSWG proprietary databases
 - City-sponsored Custom Survey – conducted by MSWG from May – July 2020
- The Custom Survey sponsored by The City of Calgary, conducted by MSWG Consultants, provided compensation and employment practices data from 52 private and public sector participants; the participant market breakdown is included below:



4. Following data collection, cash data for the selected benchmark positions was analyzed:
- Participant data from the MSWG-conducted custom survey was thoroughly reviewed to ensure that matches were accurate; this resulted in some re-matching and removal of outlier rates.
 - Market data was combined from all data sources; where there was insufficient data for a position, it was removed. Of the 191 desired benchmark positions selected, 175 positions are included in the report analysis.
 - A detailed analysis of the cash compensation data for each benchmark position was conducted including a calculation of 25th, 50th and 75th percentiles for salary range minimum, control point, and maximum; annual average base salary; average total annual cash compensation, and long-term incentives.
5. Market Cash Data Observations / Initial Results:
- After a review of all market data, a decision was made to report the data in three groups:
 - Combined (both private and public sector data)
 - Private sector data
 - Public sector data
 - The City of Calgary's competitive market position was assessed based the 50th and 75th percentiles.
 - Market data is displayed in aggregate for 5 categories which includes the employee groups covered by this Total Rewards Review:
 - Senior management
 - Exempt employees
 - Unionized employees
 - Firefighters
 - Sworn Officers
 - To ensure the statistical relevance of all reported results and to protect the anonymity of organizations, only sub-categories where a minimum of three (3) organizations provided data have been reported for public, private and combined markets.
 - Market statistics, the definitions, and minimum organization count 'n' are shown below:
 - P75 (75th percentile): the point below which 75% of all observations fall, n=6
 - P50 (50th percentile/median): the point below which 50% of all observations fall, n=3
 - P25 (25th percentile): the point below which 25% of all observations fall, n=6

- Where required, weighting was used to ensure that a single company represented no more than 20% of the reported data for a position.
 - The City's salary range maximums were used to compare to the market median (P50) and 75th Percentile (P75), as they are the "control points" or the rates that The City expects that employees can achieve by demonstrating continuous satisfactory performance of duties upon reaching competency in their job. They are the rates that are typically compared to the market, as they apply to all employees.
 - The City variance to the market is calculated as a percentage above or below the market value: $[(\$City\ max - \$market\ rate) / \$City\ max]$.
 - Weighted average – average weighted by proportion of employees in each employee group in each jurisdiction.
6. An analysis of employer practices and policies was also conducted, and participant and market results were combined and are shown in aggregate. Morneau Shepell and the Wynford Group's extensive collective databases were used in addition to the custom survey collected data. Observations on The City's competitive position for each employer practices component are included in the report.

Benefits:

For this study, we benchmarked the Municipal Employees Benefit Association of Calgary Benefit Plan (the "MEBAC Plan") and The City of Calgary Benefit Plan for City Firefighters who are Members of I.A.F.F. Local 255 (the "Firefighters Plan") against benefits that are currently provided to a new hire at each of the surveyed organizations. As part of our benchmarking, 52 clients were surveyed providing information pertaining to their benefits program. Specifically, the benefits reviewed as part of our analysis were life insurance, critical illness, short-term disability/long-term disability, extended healthcare, dental and health care spending account. Furthermore, our analysis consisted of both a qualitative and quantitative review of their benefit programs vs. the clients surveyed. The approaches taken under both our analyses are described further below.

For the quantitative part of our analysis, we requested information regarding the percentage of base salary/payroll budget that is allocated to provide total employee benefits.

For the qualitative part of our analysis, we reviewed the main benefit plan provisions of both MEBAC and Firefighters Plans vs. each of the surveyed clients.

For purposes of our analysis, and where employees are allowed to participate in more than one benefit plan option, the comparison was based on the plan most members participated in. As part of our analysis, where data was missing or insufficient, the surveyed client data was ignored for purposes of the Review.

In conclusion, and as tabled later in this report, each benefit considered was ranked in relation to the market. Benefits that are within 10% of the market average are ranked as "competitive", benefits that are outside 10% of the market average are ranked as "ahead of the market" or "behind the market". The analysis was performed separately to show market comparisons separately for public sector and private sector organizations along with the number of responses for each benefit reviewed.

Pension Plans:

Description of Employee Profiles

Profiles based on the typical City of Calgary employee was selected for each of the representative employer groups based on demographic data provided by The City of Calgary. The average age, service, earnings, and gender were all used to calculate the projected values of each organization’s pension entitlements. A summary of the profiles can be found in the following table:

	Exempt	Union	Sworn Officers	Senior Management
Profile Information				
Average age	47.2	47.3	42.5	52.4
Average service	13.1	13.1	13.0	15.0
Average base salary	\$117,100	\$83,300	\$113,093	\$215,500 ¹
Proportion male	56%	70%	79%	66%

¹Senior management profile based on Level G and above.

Actuarial Cost Method - Retirement

The entry age normal actuarial cost method was used for valuing defined benefit (“DB”) pension benefits. Each organization’s pension value was expressed as a percentage of base salary averaged over the member’s career. The pension value was calculated as the present value of each organization’s future DB pension entitlement divided by the present value of future base salaries.

For defined contribution (“DC”) and other capital accumulation plans (“CAPs”), each organization’s pension value was determined as a percentage of base salary by calculating the present value of future contributions and dividing by the present value of future base salaries. For plans with a flat contribution rate throughout a member’s career, the resulting percentage would be equal to the flat contribution rate. Plan members were assumed to contribute at a rate that maximized their total pension benefit. For registered pension plans, employee contributions were capped at 50% of the total pension value.

Some retirement plans are hybrids of both a DB and a CAP plan. Members of hybrid plans were assumed to switch from the CAP component offered at date of hire to the partial or full DB component at the earliest opportunity available to them.

Senior management were assumed to participate in a supplemental pension plan if one was offered by the organization. Unless data was provided to the contrary, supplemental pension plans were assumed to top-up registered pension plan benefits limited by pension maximum limits.

Comparator organizations with less than \$25 million in annual revenue were excluded from the study.

Actuarial Assumptions

A significant portion of The City of Calgary's employees participate in the Local Authorities Pension Plan ("LAPP"), a public sector multi-employer plan. The majority of the assumptions in the table below were aligned with the assumptions used in the most recent LAPP actuarial valuation for funding purposes.

The main actuarial assumptions used in the pension benefit review are summarized in the following table. All rates and percentages are annualized unless otherwise noted.

	January 1, 2020
Discount rate	5.40%
Inflation rate	2.00%
Salary increases	3.00%
Increase in YMPE ¹	3.00%
Increase in ITA maximum pension limit	\$3,092.22 in 2020 and increasing 3.00% starting in 2021
Pre-retirement mortality	None
Post-retirement mortality	CPM 2014 Public Sector Mortality Table with generational projection using improvement scale CPM-B
Termination	None
Disability	None
Retirement age	Age 60
Spouse age	Female spouses 3 years younger than male
Short-term incentive pay target %	
Sworn Officers	0%
Union	0%
Exempt	8% in private sector, 0% in public sector
Senior management	25% in private sector, 15% in public sector

¹ Year's Maximum Pensionable Earnings ("YMPE")

Choice of Assumptions

Discount rate

The assumption is based on the discount rate assumption used by LAPP in their most recent funding valuation. The discount rate was derived for the LAPP valuation based on the long-term asset return expectations.

Inflation rate

As stated in its monetary policy, the Bank of Canada aims to keep inflation at the 2% target, i.e., the midpoint of the 1% to 3% inflation-control target range. Given historical increases in consumer prices in Canada, the rates expected by the market, portfolio managers' expectations and the Bank of Canada policy, an expected rate of inflation of 2% has been assumed. The assumption reflects our best estimate of future inflation considering current economic and financial market conditions.

Salary increases

The assumption reflects an assumed rate of inflation of 2.00% per annum, plus an allowance of 0.75% per annum for the effects of real economic growth and productivity gains in the Canadian economy and 0.25% for merit and promotion.

Increases in YMPE and the ITA maximum pension limit

The assumption reflects an assumed rate of inflation of 2.0% per annum, plus an allowance of 1.00% per annum for the effect of real economic growth and productivity gains in the Canadian economy.

Post-retirement Mortality

The CPM 2014 Public Sector Mortality Table and CPM-B Improvement Scale, which varies by gender, age, and calendar year, were used for the post-retirement mortality assumption. This table is commonly used in valuations where the mortality experience of the membership of a plan is insufficient to assess plan specific experience and where there is no reason to expect the mortality experience of the Plan to differ significantly from that of other pension plans. Both of these are true for this purpose and, therefore, the use of this mortality table is considered reasonable. Material difficulties exist in assessing an assumption for future mortality improvements. The CPM-B scale is a modern, widely recognized published scale for projecting mortality improvements that we believe to be appropriate for this valuation.

Termination

No termination has been assumed on the basis that the effect of including such an assumption would not be material to the survey results.

Disability

No allowance has been made for disability on the basis that the effect of including such an assumption would not be material to the survey results.

Retirement

The retirement age assumption of 60 was selected for the following reasons:

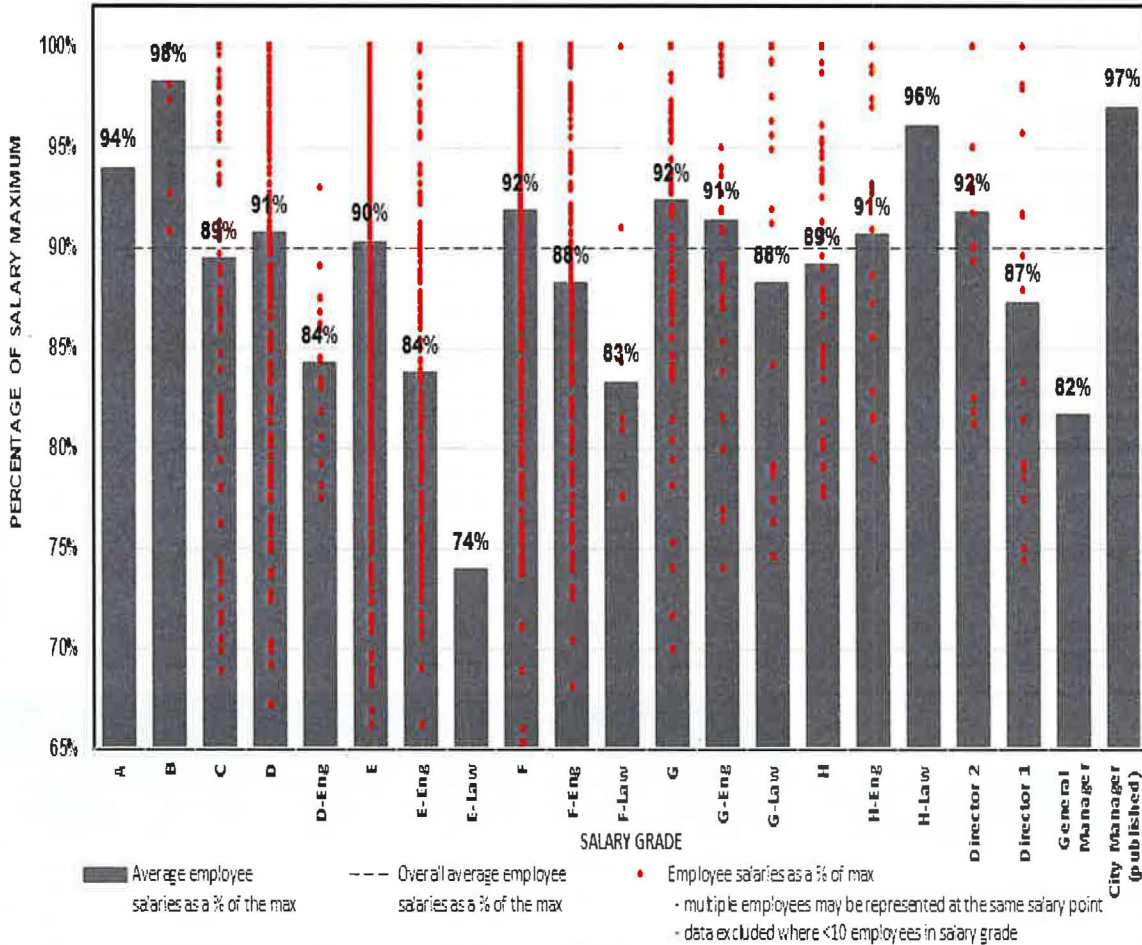
- A common normal retirement date for plans is age 65. By assuming members retired at age 60, we were able to capture the value of early retirement factors offered from different plans as part of our analysis.
- The ITA maximum pension limit is unreduced at age 60; and
- It is a common average assumption used by pension plans when valuing their liabilities.

Short-term incentive pay target %

Based on internal surveys of current market data.

APPENDIX C SALARIES TO RANGE MAXIMUMS – SENIOR MANAGEMENT AND EXEMPT EMPLOYEES

SALARIES IN RELATION TO RANGE MAXIMUM



APPENDIX D: BASE SALARY AND TOTAL CASH VARIANCES DETAILED

Jurisdiction - Roll-ups	BASE SALARY					
	The City of Calgary Variance to Market (Averages)					
	Variance to PUBLIC P50	Variance to PRIVATE P50	Variance to COMBINED P50	Variance to PUBLIC P75	Variance to PRIVATE P75	Variance to COMBINED P75
Exempt	6.7%	2.2%	4.5%	-0.8%	-6.6%	-3.7%
Professional Engineers	9.3%	3.7%	6.5%	1.9%	-5.0%	-1.5%
Exempt Employees	6.1%	1.9%	4.0%	-1.4%	-6.9%	-4.1%
Firefighters	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Int Assoc Firefighters L255	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Sworn Officers	6.5%	no data	6.5%	-0.5%	no data	-0.5%
Calgary Police Association	4.2%	no data	4.2%	-3.3%	no data	-3.3%
Police Sr Officers Association	16.0%	no data	16.0%	10.4%	no data	10.4%
Senior Management	18.6%	7.6%	13.8%	9.0%	-8.7%	2.4%
City Manager/GMs	21.1%	6.7%	12.8%	9.9%	-15.1%	-0.3%
Directors	17.7%	8.0%	14.1%	8.7%	-6.2%	3.4%
Union	6.1%	3.6%	4.9%	-0.6%	-5.7%	-2.8%
ATU Local 583	6.8%	0.3%	6.1%	-2.3%	-15.2%	-4.8%
Carpenters – Local 2103	7.8%	2.8%	5.3%	3.9%	-6.9%	-1.5%
CUPE 37 Outside Workers	9.3%	6.6%	8.1%	3.3%	-1.6%	1.0%
CUPE 38 Inside Workers	5.1%	3.1%	4.1%	-1.6%	-6.4%	-3.7%
CUPE 709 Foremen	2.8%	-2.0%	1.1%	-7.2%	-13.4%	-9.1%
IBEW L254 ECO	4.9%	no data	4.9%	-0.4%	no data	-0.4%
IBEW Local 254	8.0%	5.3%	6.6%	2.5%	-2.7%	-0.1%
Grand Average (non-weighted)	8.6%	4.5%	7.0%	0.1%	-7.0%	-2.2%
Grand Average (weighted)	6.2%	2.5%	5.1%	-1.2%	-4.4%	-3.0%

Jurisdiction - Roll-ups	TOTAL CASH					
	The City of Calgary Variance to Market (Averages)					
	Variance to PUBLIC P50	Variance to PRIVATE P50	Variance to COMBINED P50	Variance to PUBLIC P75	Variance to PRIVATE P75	Variance to COMBINED P75
Exempt	3.0%	-6.2%	-1.5%	-6.6%	-17.6%	-12.0%
Professional Engineers	-3.3%	-1.4%	-2.4%	-14.6%	-13.3%	-13.9%
Exempt Employees	4.3%	-7.3%	-1.4%	-4.8%	-18.6%	-11.5%
Firefighters	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Int Assoc Firefighters L255	5.1%	no data	5.1%	-6.5%	no data	-6.5%
Sworn Officers	6.5%	no data	6.5%	-0.7%	no data	-0.7%
Calgary Police Association	4.2%	no data	4.2%	-3.5%	no data	-3.5%
Police Sr Officers Association	16.0%	no data	16.0%	10.4%	no data	10.4%
Senior Management	16.3%	-9.8%	7.1%	7.1%	-32.6%	-6.2%
City Manager/GMs	18.0%	-10.7%	5.5%	5.0%	-33.7%	-9.0%
Directors	15.7%	-9.4%	7.7%	7.9%	-32.2%	-5.1%
Union	4.9%	-0.5%	2.4%	-3.0%	-10.8%	-6.5%
ATU Local 583	6.8%	-8.0%	4.1%	-2.3%	-19.6%	-5.9%
Carpenters - Local 2103	7.8%	2.8%	5.3%	3.9%	-6.9%	-1.5%
CUPE 37 Outside Workers	9.2%	5.4%	7.5%	2.8%	-3.2%	0.0%
CUPE 38 Inside Workers	3.5%	-2.4%	0.7%	-4.9%	-13.0%	-8.5%
CUPE 709 Foremen	2.3%	-5.0%	-0.4%	-7.6%	-17.1%	-10.9%
IBEW L254 ECO	4.9%	no data	4.9%	-0.4%	no data	-0.4%
IBEW Local 254	5.2%	2.8%	4.0%	-1.1%	-8.6%	-4.8%
Grand Average (non-weighted)	7.2%	-5.5%	3.9%	-1.9%	-20.3%	-6.4%
Grand Average (weighted)	4.9%	-1.3%	2.6%	-3.6%	-9.3%	-6.5%

Other Compensation Practices

2020 Average Increases for Range and Base Salary

Employee Group	Average Range Adjustment	
	Private Sector	Public Sector
Senior Management	.79%	.81%
Exempt	.76%	.67%
Union	0%	1.33%

Employee Group	Average Base Salary Adjustment	
	Private Sector	Public Sector
Senior Management	1.72%	1.03%
Exempt	1.76%	1.05%
Union	2.00%	1.42%

Individual Wage Adjustment Criteria by Employee Group

- Salary increases in the private sector tend to be linked to a number of factors, but most closely to the achievement of specific performance metrics or demonstration of specific competencies or skills as well as market rates and discretion re individual performance, particularly for senior management, as outlined in the table below.
- In the public sector, seniority is the major factor for salary increases for unionized employees, while market rates and discretion re individual performance are more common for exempt and senior management roles.

CRITERIA USED	EMPLOYEE GROUPS		
	Senior Management	Exempt	Union
Performance – based on achievement of metrics	35.42%	29.17%	2.08%
Performance – based on competencies/skills	54.17%	37.50%	8.33%
Performance – discretionary	81.25%	41.67%	6.25%
Seniority / time in position	22.92%	18.75%	20.83%
Market rate	68.75%	45.83%	6.25%

CRITERIA USED	PRIVATE SECTOR		
	Senior Management	Exempt	Union
Performance – based on achievement of metrics	38.71%	29.03%	---
Performance – based on competencies/skills	64.52%	38.71%	6.45%
Performance – discretionary	83.87%	35.48%	3.23%
Seniority / time in position	22.58%	12.90%	6.45%
Market rate	87.10%	48.39%	3.23%

CRITERIA USED	PUBLIC SECTOR		
	Senior Management	Exempt	Union
Performance – based on achievement of metrics	29.41%	29.41%	5.88%
Performance – based on competencies/skills	35.29%	35.29%	11.76%
Performance – discretionary	70.59%	52.94%	11.76%
Seniority / time in position	17.65%	29.41%	47.06%
Market rate	35.29%	41.48%	11.76%

APPENDIX E: DETAILED BENEFITS COMPARISONS

Benefits	City of Calgary		Public Market		Relative to the Public Market	
	MEBAC	Firefighters	Average	Range	MEBAC	Firefighters
1a. Basic Life Insurance (salary-based)	2.00 times salary	2.00 times salary	1.75 times salary	1.00 to 3.00 times salary	Ahead	Ahead
1b. Basic Life Insurance (salary-based maximum)	\$1,000,000	\$600,000	\$850,000	\$100,000 to \$3,000,000	Ahead	Behind
1c. Basic Life Insurance (flat amount)	N/A	N/A	\$25,000	\$25,000 to \$25,000	N/A	N/A
2a. Short-Term Disability (% of salary)	90% of salary	90% of salary	63% of salary	0% to 100% of salary	Ahead	Ahead
2b. Short-Term Disability (weekly maximum)	None	None	\$2,000	\$2,000 to \$2,000	Ahead	Ahead
2c. Short-Term Disability (cost borne by employee)	0% employee paid	0% employee paid	1% employee paid	0% to 10% employee paid	Competitive	Competitive
3a. Long-Term Disability (% of salary)	67% of the first \$27,000 annual salary, plus 55% of the next \$90,000 plus 50% of balance	67% of the first \$27,000 annual salary, plus 55% of the next \$90,000 plus 50% of balance	66% of salary	52% to 75% of salary	Competitive	Competitive
3b. Long-Term Disability (monthly maximum)	\$20,000	\$15,000	\$13,300	\$5,000 to \$20,000	Ahead	Ahead
3c. Long-Term Disability (cost borne by employee)	100% employee paid	100% employee paid	33% employee paid	0% to 100% employee paid	Behind	Behind
4a. Critical Illness (optional maximum)	\$250,000	N/A	\$231,250	\$25,000 to \$500,000	Competitive	N/A
4b. Critical Illness (cost borne by employee)	100% employee paid	N/A	100% employee paid	100% employee paid	Competitive	N/A
5a. Hospital (coinsurance)	100%	100%	98%	80% to 100%	Competitive	Competitive
5b. Hospital (daily maximum)	Unlimited	Unlimited	80% are Unlimited	\$150 to Unlimited	Ahead	Ahead
6. Prescription Drug (coinsurance)	90%	100%	88%	70% to 100%	Competitive	Ahead
7. Medical Items (coinsurance)	100%	100%	93%	70% to 100%	Ahead	Ahead

Benefits	City of Calgary		Public Market		Relative to the Public Market	
	MEBAC	Firefighters	Average	Range	MEBAC	Firefighters
8a. Hearing Aids (coinsurance)	100%	100%	91%	50% to 100%	Ahead	Ahead
8b. Hearing Aids (maximum)	\$600 per 5 years	\$1,000 per 5 years	\$907 per 5 years	\$400 to \$2,667 per 5 years	Behind	Ahead
9a. Paramedical (coinsurance)	100%	100%	91%	60% to 100%	Ahead	Ahead
9b. Paramedical (combined maximum)	\$800	N/A	\$900	\$200 to \$1,500	Behind	N/A
9c. Paramedical (psychologist maximum)	\$750	\$1,000	\$881	\$500 to \$2,000	Behind	Ahead
10a. Vision (glasses/contacts coinsurance)	100%	100%	96%	70% to 100%	Competitive	Competitive
10b. Vision (glasses/contacts maximum per 24 months)	\$400 per 24 months	\$400 per 24 months	\$334 per 24 months	\$100 to \$600 per 24 months	Ahead	Ahead
10c. Vision (eye exam coinsurance)	100%	100%	98%	80% to 100%	Competitive	Competitive
10d. Vision (eye exam frequency)	1 per 24 months	1 per 24 months	1 per 24 months	1 to 1 per 24 months	Competitive	Competitive
11a. Out of Country (coinsurance)	100%	100%	99%	75% to 100%	Competitive	Competitive
11b. Out of Country (maximum coverage)	\$2,000,000	\$5,000,000	\$3,473,333	\$100,000 to \$5,000,000	Behind	Ahead
11c. Out of Country (days covered)	30 days	90 days	63 days	30 to 90 days	Behind	Ahead
12a. Dental - Basic Services (coinsurance)	90%	100%	85%	0% to 100%	Competitive	Ahead
12b. Dental - Major Services (coinsurance)	80%	80%	60%	0% to 100%	Ahead	Ahead
12c. Dental (recall frequency)	Every 12 months	Every 12 months	Every 12 months	Every 6 to 24 months	Competitive	Competitive
12d. Dental (annual combined maximum)	\$1,500	\$1,750	\$2,458	\$1,500 to \$4,000	Behind	Behind
13. Health Care Spending Account (annual amount)	\$300	\$0	\$684	\$50 to \$2,000	Behind	Behind

Benefits	Private Market		Relative to the Private Market		Overall Market		Relative to the Overall Market	
	Average	Range	MEBAC	Firefighters	Average	Range	MEBAC	Firefighters
1a. Basic Life Insurance (salary-based)	1.75 times salary	1.00 to 3.00 times salary	Ahead	Ahead	1.75 times salary	1.00 to 3.00 times salary	Ahead	Ahead
1b. Basic Life Insurance (salary-based maximum)	\$517,778	\$200,000 to \$750,000	Ahead	Ahead	\$707,619	\$100,000 to \$3,000,000	Ahead	Behind
1c. Basic Life Insurance (flat amount)	\$37,500	\$25,000 to \$50,000	N/A	N/A	\$33,333	\$25,000 to \$50,000	N/A	N/A
2a. Short-Term Disability (% of salary)	72% of salary	0% to 100% of salary	Ahead	Ahead	68% of salary	0% to 100% of salary	Ahead	Ahead
2b. Short-Term Disability (weekly maximum)	\$1,700	\$600 to \$3,500	Ahead	Ahead	\$1,800	\$600 to \$3,500	Ahead	Ahead
2c. Short-Term Disability (cost borne by employee)	9% employee paid	0% to 100% employee paid	Ahead	Ahead	5% employee paid	0% to 100% employee paid	Competitive	Competitive
3a. Long-Term Disability (% of salary)	66% of salary	50% to 80% of salary	Competitive	Competitive	66% of salary	50% to 80% of salary	Competitive	Competitive
3b. Long-Term Disability (monthly maximum)	\$11,938	\$4,000 to \$30,000	Ahead	Ahead	\$12,694	\$4,000 to \$30,000	Ahead	Ahead
3c. Long-Term Disability (cost borne by employee)	29% employee paid	0% to 100% employee paid	Behind	Behind	31% employee paid	0% to 100% employee paid	Behind	Behind
4a. Critical Illness (optional maximum)	\$200,000	\$200,000 to \$200,000	Ahead	N/A	\$227,778	\$25,000 to \$500,000	Competitive	N/A
4b. Critical Illness (cost borne by employee)	100% employee paid	100% to 100% employee paid	Competitive	N/A	100% employee paid	100% to 100% employee paid	Competitive	N/A
5a. Hospital (coinsurance)	96%	80% to 100%	Competitive	Competitive	97%	80% to 100%	Competitive	Competitive
5b. Hospital (daily maximum)	36% are Unlimited	\$20 to Unlimited	Ahead	Ahead	50% are Unlimited	\$20 to Unlimited	Ahead	Ahead
6. Prescription Drug (coinsurance)	88%	80% to 100%	Competitive	Ahead	88%	70% to 100%	Competitive	Ahead
7. Medical Items (coinsurance)	93%	80% to 100%	Ahead	Ahead	93%	70% to 100%	Ahead	Ahead

Benefits	Private Market		Relative to the Private Market		Overall Market		Relative to the Overall Market	
	Average	Range	MEBAC	Firefighters	Average	Range	MEBAC	Firefighters
8a. Hearing Aids (coinsurance)	92%	80% to 100%	Ahead	Ahead	92%	50% to 100%	Ahead	Ahead
8b. Hearing Aids (maximum)	\$768 per 5 years	\$300 to \$2,083 per 5 years	Behind	Ahead	\$831 per 5 years	\$300 to \$2,667 per 5 years	Behind	Ahead
9a. Paramedical (coinsurance)	88%	0% to 100%	Ahead	Ahead	89%	0% to 100%	Ahead	Ahead
9b. Paramedical (combined maximum)	\$943	\$600 to \$1,750	Behind	N/A	\$916	\$200 to \$1,750	Behind	N/A
9c. Paramedical (psychologist maximum)	\$771	\$500 to \$1,000	Competitive	Ahead	\$828	\$500 to \$2,000	Behind	Ahead
10a. Vision (glasses/contacts coinsurance)	89%	0% to 100%	Ahead	Ahead	93%	0% to 100%	Ahead	Ahead
10b. Vision (glasses/contacts maximum per 24 months)	\$255 per 24 months	\$100 to \$500 per 24 months	Ahead	Ahead	\$297 per 24 months	\$100 to \$600 per 24 months	Ahead	Ahead
10c. Vision (eye exam coinsurance)	89%	0% to 100%	Ahead	Ahead	94%	0% to 100%	Competitive	Competitive
10d. Vision (eye exam frequency)	1 per 24 months	1 to 2 per 24 months	Competitive	Competitive	1 per 24 months	1 to 2 per 24 months	Competitive	Competitive
11a. Out of Country (coinsurance)	100%	100% to 100%	Competitive	Competitive	99%	75% to 100%	Competitive	Competitive
11b. Out of Country (maximum coverage)	\$1,890,000	\$50,000 to \$5,000,000	Competitive	Ahead	\$2,681,667	\$50,000 to \$5,000,000	Behind	Ahead
11c. Out of Country (days covered)	98 days	60 to 180 days	Behind	Competitive	77 days	30 to 180 days	Behind	Ahead
12a. Dental - Basic Services (coinsurance)	87%	0% to 100%	Competitive	Ahead	86%	0% to 100%	Competitive	Ahead
12b. Dental - Major Services (coinsurance)	42%	0% to 60%	Ahead	Ahead	50%	0% to 100%	Ahead	Ahead
12c. Dental (recall frequency)	Every 9 months	Every 5 to 24 months	Behind	Behind	Every 10 months	Every 6 to 24 months	Behind	Behind
12d. Dental (annual combined maximum)	\$2,535	\$1,500 to \$4,000	Behind	Behind	\$2,505	\$1,500 to \$4,000	Behind	Behind
13. Health Care Spending Account (annual amount)	\$906	\$200 to \$2,000	Behind	Behind	\$784	\$50 to \$2,000	Behind	Behind

APPENDIX F: DETAILED COMPARISONS OF PERQUISITES

Senior Management	City of Calgary	Private Sector	Market Position	Public Sector	Market Position
Fitness Membership	<ul style="list-style-type: none"> 250 City recreation facilities 200 City partner facilities purchase an annual pass fitness facilities available free of charge in some locations 	<ul style="list-style-type: none"> 300 per year 	Competitive	<ul style="list-style-type: none"> 300 per year 	Behind
Company Car	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> provided to all participants 	Competitive	<ul style="list-style-type: none"> provided to 20% participants 	Competitive
Car Allowance for Business Purposes	<ul style="list-style-type: none"> General Managers: 600 per month Directors: 400 per month 	<ul style="list-style-type: none"> 1,000 - 1,100 per month 	Below	<ul style="list-style-type: none"> 500 - 600 per month 	Behind
Parking	<ul style="list-style-type: none"> Underground parking space 	<ul style="list-style-type: none"> 10 to 15 per month 	Competitive	<ul style="list-style-type: none"> 100 - 125 per month 	Competitive
Executive Business Allowance	<ul style="list-style-type: none"> 200 per month 	<ul style="list-style-type: none"> NA 	Ahead	<ul style="list-style-type: none"> 200 - 500 per month 	Competitive
Flexible Spending Account	<ul style="list-style-type: none"> 3,000 per year 	<ul style="list-style-type: none"> 3,000 - 6,000 per year 	Competitive	<ul style="list-style-type: none"> 1,000 - 3,000 per year 	Ahead
Executive Medicals (Physical Health Assessment)	<ul style="list-style-type: none"> Annual preventative health assessment 	<ul style="list-style-type: none"> 1,500 per year 	Competitive	<ul style="list-style-type: none"> 200 per year participants provide coverage received 	Competitive
Executive Retirement and Financial Counselling	<ul style="list-style-type: none"> one-time service including investment planning, income tax preparation, financial planning, estate planning and retirement planning 	<ul style="list-style-type: none"> provided to 10% participants 	Ahead	<ul style="list-style-type: none"> provided to 20% participants 	Ahead
Retiring Allowance	<ul style="list-style-type: none"> Yes This benefit will be discontinued 	<ul style="list-style-type: none"> None 	Ahead	<ul style="list-style-type: none"> provided to 30% participants 	Ahead

Exempt	City of Calgary	Private Sector	Market Position	Public Sector	Market Position
Fitness Membership	250 City recreation facilities or 200 City Partner facilities or purchasing an annual class fitness facilities available fee change in some locations	325 Year	Competitive	303 Year	Behind
Company Car	NA	NA	Competitive	NA	Competitive
Car Allowance/Mileage for Business Purposes	1000 Year non-Manager level or 250 1st 5000 km or 53 remainder 1000m driven	1000 - 1050 m/mth	Behind	203 - 250 m/mth	Behind
Parking	provided to selected senior employees	1000 - 1500 m/mth	Behind	NA	Competitive
Flexible Spending Account	Leaders 1000 Managers 2000	500 - 1200 1000m or business	Competitive	300 - 400 1000m or business or alternative to HCSA	Ahead
Retiring Allowance	This benefit will be discontinued	NA	Ahead	provided 30 participants	Ahead
Relief (Acting) Pay	Yes	NA	Ahead	provided 100 participants	Ahead

Union	City of Calgary	Private Sector	Market Position	Public Sector	Market Position
Fitness Membership	250 City recreation facilities or 200 City Partner facilities or purchasing an annual class fitness facilities available fee change in many locations	325 Year	Competitive	303 Year	Behind
Car Mileage for Business Purposes	250 1st 5000 km or 53 remainder 1000m driven	520m	Ahead	520m	Ahead
Service Pay	range 120 - 300 annual	NA	Ahead	1 Union in 1 month call 1000s range 200 - 1000 annual	Ahead
Retiring Allowance	Yes	NA	Ahead	provided 30 participants	Ahead
Relief (Acting) Pay	Yes	NA	Ahead	provided 100 participants	Ahead
Union Tool, Boot, Uniform Allowances	1000 Year Allowance 25 Tool Allowance 25 - 50 Uniform Allowance 100 200	350 Year	Competitive	300 Year	Competitive

Sworn Officers	City of Calgary	Public Sector	Market Position
Fitness Membership	Fitness facilities available free of charge in accommodations	\$3000 per year	Competitive
Other Wellness Programs Not Captured Elsewhere	\$1000 per year	\$3000 per year	Behind
Service Pay	\$0 - \$20 per year	\$1015 per year	Behind
Relief (Acting) Pay	Reserve officers at least have the year at the higher rank	Most Common Response: Reserve officers in consecutive months at higher rank	Competitive
Tools, Boot, Uniform Allowances	\$520 per year	Mounted Unit: \$350 - \$550 per year Non-Mounted Unit: \$250 - \$350 per year	Competitive
Plain/Civilian Clothing Allowance	\$150 per year	\$000 per year	Competitive
Sworn Officers Training	All training is City-paid	\$1205 per year	Competitive
Sworn Officers Dog Canine Unit	\$150 per year	\$1000 per year	Behind
Extra Duty Assignment Pay	2000 per year	2000 per year	Competitive