

**Letter of Understanding  
between  
Simon Fraser University (“University”)  
and the  
Administrative and Professional Staff Association (“Association”)**

The parties recognize that a fair and total rewards (including compensation) system is essential for the successful recruitment and retention of professional and managerial staff and the alignment of performance with organizational goals and objectives. The parties agree to undertake a best practices review and make recommendations for improvements and/or changes to the current compensation system. Any such recommendation(s) shall require approval by Senior Administration and the Employee Relations Committee of the Board of Governors and may require approval of the PSEC Secretariat.

The parties agree that the University-APSA Liaison Committee (“Liaison Committee”) shall oversee the best practices review and the development of recommendation(s) made for improvements to the compensation system. The Liaison Committee will establish subcommittee(s), with agreed terms of reference and set target time lines for completion, to assist in part or all of the following issues:

- (i) Review of the University's current reference group of employers for market survey review;
- (ii) Review of the University's compensation and pay philosophy including the 60<sup>th</sup> percentile pay policy and its application;
- (iii) Review and/or develop and implement a new Job Evaluation System;
- (iv) Review, develop and implement a *new* Variable Compensation Pay (VCP) Plan, effective commencing July 1, 2006, with first available lump sum payment distributions for July 1, 2007, as a component of the overall total rewards (compensation) plan in order to effectively assist in responding to recruitment and retention challenges, and in particular to provide a merit lump sum payment for high performing Continuing Employees who have reached and been at the maximum step of their position's grade for at least one year.
- (v) Conduct a market salary survey of the representative comparator market in 2008, of a representative sample of positions to ensure currency with the Board of Governor's approved pay policy. APSA agrees, without precedent or prejudice, to contribute on a cost sharing basis, up to \$10,000 towards the cost of the survey.

**For the University:**

**For the Association:**

\_\_\_\_\_ Bruce Anderson \_\_\_\_\_ Richard MacLeod \_\_\_\_\_

\_\_\_\_\_ Dario Nonis \_\_\_\_\_ Jan Fialkowski \_\_\_\_\_

\_\_\_\_\_ Elsa Plican \_\_\_\_\_ Min-Ni Sharpe \_\_\_\_\_

**date**

**date**