

**USW TEMPLATE**  
Pay Equity Committee  
Terms of Reference

*These terms are an example  
Please revise according to your units' specific needs*

**I. Purpose**

1. The federal Pay Equity Act requires employers in the federal jurisdiction with 10 or more employees to establish and maintain equal pay for work of equal value (hereinafter “pay equity”).
2. The purpose of the Act and the [Pay Equity Regulations](#) (the “Act” and “Regulations” respectively) is to redress systemic gender-based discrimination in the compensation practices that is experienced by employees who occupy positions in predominantly female job classes in federally regulated sectors through proactive rather than complaint-based means.
3. [Name of employer] is a federally regulated employer and is required to develop a pay equity plan in accordance with the Act to be posted in the workplace no later than Sept. 3, 2024.
4. These Terms of Reference outline the procedures for the development of the pay equity plan between [the "employer"] and the [bargaining agents] and the non-union employee representative [name] in accordance with the Pay Equity Act ("Act").
5. The parties agree to jointly implement a gender-neutral pay equity plan which will take into account the skill, effort, responsibilities and working conditions of the job classes of the employer.

**II. The Joint Pay Equity Committee**

6. The purpose of the Joint Pay Equity Committee (PEC) is to work collaboratively to decide the methods and perform the work necessary to develop and post the final pay equity plan.
7. The PEC shall have representatives as selected by each bargaining agent, a non-union representation and representatives of the employer. The USW staff representative (or their designate) is an ex-officio member of the PEC. **[Note: determine the size of the committee based upon the size of the employer and the number of USW bargaining units]**. In accordance with the Act, the PEC shall be composed of at least three members and meet the following minimal requirements:

- a. At least two-thirds of the members must represent the employees who are covered by the pay equity plan
  - b. At least 50% of the members are women
  - c. At least one member is selected by the employer
  - d. At least one member is selected by each of the bargaining agents
  - e. At least one member is selected by the non-unionized employees
8. The employer and the employee-side shall designate one of their representatives to act as co-chairpersons. The co-chairpersons are responsible for:
  - a. chairing the PEC meetings on a rotational basis
  - b. setting the agenda for each PEC meeting and providing the agenda to the PEC members no later than five days in advance of the meeting
  - c. scheduling the regular committee meetings no less than every two weeks until the posting of the pay equity plan
  - d. notify the appropriate supervisors and line managers of the PEC members' attendance and requirement for paid time off
  - e. attending each meeting, and if unable to attend, designating another member who shall assume their co-chair duties for that meeting
  - f. if not chairing a meeting, to take minutes of the PEC meetings inclusive of completed tasks, key decisions reached and tasks to be completed by the PEC
9. The PEC may designate sub-committees to work on specific tasks and a steering committee to undertake the following tasks:
  - Establish timelines for the completion of work
  - Delegate work to sub-committees
  - Seek resolution to issues arising during the evaluation work
  - Deliberate on high-level policy issues and make recommendations to the PEC
10. Quorum is defined as having at least one member or their proxy to represent each of the employer, the non-unionized employees, and each of the bargaining agents who selected members.
11. The bargaining agents, employer, or non-unionized employees are responsible to change, add, or remove their representative members at any time provided that the membership parameters set out above are maintained. A representative member or proxy must be assigned via notification to the PEC co-chairs, via email, prior to the meeting.
12. Additional persons such as subject specialists, observers, technical advisors or guests may be invited to participate. Co-chairs will be advised in advance and wherever possible requests will not be unreasonably denied.

13. The PEC shall meet every two weeks starting on **[insert date]** to carry out the following significant components as required by the Act to complete and post the pay equity plan:

1. Define job classes
2. Determine gender predominance
3. Determine value of work
4. Calculate compensation
5. Compare compensation
6. Post draft pay equity plan
7. Obtain employee comments
8. Post final pay equity plan

### **III. Decision-making processes**

14. The members of the PEC will work collaboratively and rely upon a consensus approach in their decision making.

15. The employer, and employee (bargaining agent and/or non-represented) representatives can caucus at any point if required for voting purposes.

16. Should the parties be unable to reach consensus on the significant components as required by the Act and outlined in paragraph 13 above, the parties agree to engage the services of a mediator with pay equity expertise.

17. Following mediation, if so required, the bargaining agents and non-unionized members who represent employees have, as a collective group, one vote and the members who represent the employer have, as a group, one vote. A decision of each group (or, party) shall be communicated by that group's co-chair, after consultation with the other members of the group.

18. Putting matters to a vote will only be used as a last resort if efforts to reach consensus have failed and following mediation. If the members who represent employees cannot, as a group, reach a unanimous decision on a matter, that group forfeits its right to the vote and instead the vote of the group of members who represent the employer prevails as per section 20(1) of the Act.

19. The parties will act in good faith in all PEC deliberations. However in the event of a dispute, where mediation has not resulted in a consensus, the parties agree that either party can refer the matter to the commission.

### **IV. Obligations to the PEC**

20. The employer agrees to provide all relevant information in its possession that the PEC considers necessary for the establishment of the pay equity plan. The PEC will be responsible for identifying the required information and preparing a request to the employer. The employer will provide a timely response.

21. When requested, bargaining agents and employees must also provide relevant information within their knowledge and control to the PEC.
22. The parties agree that a one-day training session will be provided to the PEC at the expense of the employer. Each party may designate a trainer to develop and provide the training jointly with the parties' trainers.
23. The employer agrees to provide the PEC members with the necessary facilities, and technological support required to complete their tasks.
24. The parties agree that all members and former members of the PEC (and any other person in attendance at PEC meetings regardless of their role) will keep in strict confidence all information, data and discussions related to the development of the pay equity plan which are specified to be personal and/or confidential by the employer, employee or bargaining agent, as the case may be, and any such information may only be used for the purpose for which it is provided. A breach of confidentiality according to the Act may lead to a complaint to the Pay Equity Commissioner brought by: an employee, a bargaining agent or the employer.
25. The confidentiality obligations imposed by the Act do not derogate from the ability of a trade union or a committee member representing non-unionized employees to provide periodic updates to their constituents on the progress of the PEC's work on the plan.
26. Signature of these Terms of Reference will serve to confirm that members or former members of the PEC representing unionized employees, the non-unionized employee representatives and employer representatives understand and will abide by the confidentiality requirements as set out in the Act.

#### **V. Gender-neutral comparison system**

27. Following the agreement on job classes, the PEC shall develop and implement a gender-neutral comparison system (GNCS) which shall include, but not be limited to, a job description (JD) template/job fact sheets (if available); job information questionnaire (JIQ); a gender-neutral point factor job evaluation tool including factor and sub-factor definitions; factor weighting and a point scoring system.
28. The PEC shall identify the factors (skill, effort, responsibility and working conditions) and sub-factors to fully identify the features of work of the female and male job classes. The PEC may pilot the GNCS to assess whether the factors and sub-factors capture the work of the employees.
29. The parties agree that the job evaluation process will be done expeditiously. The PEC may rate the jobs, or by agreement, the parties may retain additional specialists to assist with the rating process.

30. The PEC, or specialist designate, shall prepare the Job Information Questionnaire (JIQ) for the female job classes and identified male job classes to complete. The PEC will determine the number of JIQs to be completed amongst the employees. The incumbent(s) and the immediate non-union supervisor shall complete a JIQ. The completed questionnaire shall be submitted to the JPEC. along with a copy of the current job description (if one exists).
31. The PEC agrees to hold a half-day joint information and/or training session during regular working hours for the employees/incumbents who will be required to complete the JIQ. The other half of the day will be allocated to completion of the JIQ. Ideally, training and completion of the JIQ occurs on the same day. Any additional time required to complete the JIQ will be outside regular work hours. No overtime or time-in-lieu shall be paid for the time spent outside regular work hours to complete the JIQ.
32. In rating the jobs and application of the GNCS, the parties agree that:
  - a. It is the content of the job, and not the performance of the incumbent(s) that is being rated.
  - b. Job classes are evaluated without regard for the existing wage rates.
  - c. Job classes are placed at the appropriate degree level within each sub-factor by comparing the specific requirements of the job to the sub-factor definition and the description of each degree level.
  - d. Rating decisions may include a “sore-thumbing” process to ensure consistency in the committee decisions. (Sore-thumbing is the process of taking a step back and a second look to ensure bias did not emerge and making adjustments to correct objective errors.)
33. The final weightings of the factors and sub-factors shall not be completed until after the job classes are rated and assigned levels. Job rating decisions shall require the consensus decision of the full committee or quorum present and shall be final and binding on the parties, subject to the dispute resolution procedure set out above.
34. Incumbents or the union or employer may request a reconsideration of a job evaluation result to the PEC in the period of no less than 60 days between the posting of the draft plan and Sept. 3, 2024. Any such reconsideration shall be completed within a 14-day period. The PEC shall consider the reconsideration request and make a decision that shall be final and binding on the parties.
35. The job evaluation process shall be considered complete when the job classes are assigned points and the parties have signed off on the points.

**VI. Compensation comparisons**

36. Following the calculation of the total compensation for each job class, the parties shall agree on a compensation comparison method consistent with the Act’s purpose.

**VII. Completion of the pay equity plan**

37. The plan shall be completed when the parties have accepted the ratings, the factor/degree weights and banding, if so required, and the pay equity plan is posted in the workplace.

38. The parties agree that the pay equity plan, pursuant to s. 51 of the Act shall include:

- The number of employees in the plan;
- Confirmation that a Pay Equity Committee was established;
- A list of job classes;
- The gender of the job classes;
- A description of the method for determining the value of the job classes. In other words, what gender-neutral job evaluation tool was used by the committee to assess the value of jobs. The value of jobs is expressed in total points;
- The results and the value of each of the job classes;
- An indication of any differences in compensation and detail the comparison method used to compare jobs of comparable value;
- A list of female job classes which received pay equity adjustments and the date of the increases;
- Provision of information on the dispute resolution procedures that are available to employees.

**Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2023, at \_\_\_\_\_**

For the employer

For the bargaining agents

For the non-union employees