



Residential Centres / Facilities Community Residence Sector Frequently Asked Questions: EMPLOYERS

1. What is pay equity?

Pay equity is defined as equal pay for work of equal value. Pay equity specifically addresses the under-valuation of jobs that are traditionally done by women. It does this by comparing jobs traditionally done by women to jobs traditionally done by men. If these two are found to be of equal value then they should be paid at the same rate.

2. What is the pay equity program?

In June 2009, government made a commitment to implement a pay equity program targeting human service workers who work in the community residence sector.

3. Who is responsible to fund the pay equity program?

Government committed, in the 2012-2013 provincial budget, funding to address pay equity for a number of female-dominated public sector groups as well as child care workers, home support workers, transition house workers and community residence workers.

4. When did the pay equity program for the community residence sector become effective?

The pay equity program for this sector became effective April 1, 2013; and so any funding under the program is retroactive to that date.

5. Who is eligible for pay equity in this sector?

The positions of direct caregivers and supervisor/direct caregivers were evaluated and analyzed. As a result, the following fair hourly rates were determined.

Type of Residence	Evaluated Job Classes	Fair hourly rate
Adult Residential Facility	Direct Caregiver	\$14.80
	Supervisor/Direct Caregiver	\$16.06
Children's Residential Centre	Direct Caregiver	\$14.92
	Supervisor/Direct Caregiver	\$16.18

NOTE: Employee wages must meet employment standards (currently \$10.00 per hour) or greater.

6. How is an employee's pay inequity determined?

Pay inequity is determined by comparing the fair hourly rate to an employee's actual hourly rate. If an employee's hourly rate is less than the fair hourly rate then they have a pay inequity. If they earn more than the fair hourly rate then they are not eligible under the pay equity program.

For example, if one of your direct caregiver (adult facility) was making \$12.00 on April 1, 2013 (effective date of the program), his or her pay inequity is said to be \$2.80. (See example in question 7)

7. Are pay equity adjustments considered wage increases?

No. Pay equity adjustments are for the sole purpose of correcting an inequity found to exist as a result of a pay equity analysis.

The pay equity program is in addition to existing pay structures and strategies (i.e. regular wage increases for cost of living, experience, training qualifications, etc.). (See example below)

Example: Tracking Adjustments and Non Pay Equity Increases (i.e. wage increases)

Job class	A	B	C	D	E	F	G	H
Direct Caregiver (adult)	Hourly rate of pay as of April 1, 2013	Fair hourly rate*	Amount of pay inequity owed to the employee (columns B-A)	2013-2014 Pay equity adjustment	Pay equity adjusted rate (columns A+D)	Remaining pay inequity (column C-D)	Residence regularly scheduled wage increases (e.g. a \$0.60 wage increase is added to amount from Column E)	Hourly rate, including pay equity adjustment
Bob	\$12.00/hour	\$14.80	\$2.80	\$0.70/hour	\$12.70	\$2.10	\$13.30	\$13.30
Jane	\$14.15/hour	\$14.80	\$0.65	\$0.65/hour	\$14.80	0	\$15.45	\$15.45

*Fair hourly rate for Direct Caregivers in adult residential facilities.

Based on this example, Bob's remaining inequity, regardless of his \$0.60 wage increase is \$2.10. Jane, on the other hand, has achieved pay equity. Even though Jane is no longer eligible to receive any future pay equity adjustments, she is entitled to her regular scheduled wage increases.

8. What are pay equity adjustments?

Pay equity adjustments are increments that are made **over a period of time** to an employee's rate of pay until pay equity is achieved.

9. Do I have to start paying eligible employees the pay equity adjusted rate as shown in column E of the table in Question 7?

No. The Department of Social Development is working on a process to incorporate pay equity payments within the funding already provided to community residences so that adjustments can be reflected in your employees rate of pay. Until then, disbursements of pay equity adjustments will be made through retroactive payments.

10. How long will it take for eligible employees to reach pay equity?

The pay equity program for the community residence sector will be implemented over a four (4) year period effective April 1, 2013.

11. What happens to pay equity funding after the 4 years?

Pay equity funding will be ongoing. It should be integrated into your current funding agreements with the Department of Social Development.

12. Are pay equity payments taxable?

Yes. These payments are considered income and form part of an employee's salary, therefore all the usual deductions will apply.

13. Since the pay equity funds are retroactive to April 1, 2013, am I obligated to contact former eligible employees who have since left?

Since the pay equity program is retroactive to April 1, 2013, a best effort must be made to reach former eligible employees owed pay equity adjustments. Should you not be able to locate former employees, these funds must remain available to them for a period of two (2) years in the event that they contact you. Any unclaimed amounts after the two (2) years must be reported to the Department of Social Development.

14. What defines "best effort" in question number 13?

"Best effort" includes making all reasonable attempts to make contact and arrange for amount owed to be paid. This would include using last known contact information (address, telephone numbers, email address, emergency contacts, etc.) or other reasonable means that you can access to attempt contact.

15. Under the pay equity program, what are my obligations as an employer?

Obligations as an employer in the Community Residence Sector under this program are to:

- identify eligible employees;
- calculate, on an individual basis, funds to be disbursed to each eligible employee;
- process payments to eligible employees in a timely manner;
- use pay equity funds solely for the purpose of the pay equity program;
- ensure pay equity funds do not adversely impact existing pay structures (i.e. regular wage increases for cost of living, experience, training qualifications, etc.);
- share pay equity program information with employees;
- keep detailed records of all pay equity adjustments;
- make a best effort to pay retroactive pay equity adjustments to employees who have left; and
- report on all unclaimed pay equity funds to the Department of Social Development.

For additional information:

Visit the Women's Equality Branch website at: www.gnb.ca/women

Or contact us at: Toll-Free Line: 1-877-253-0266

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