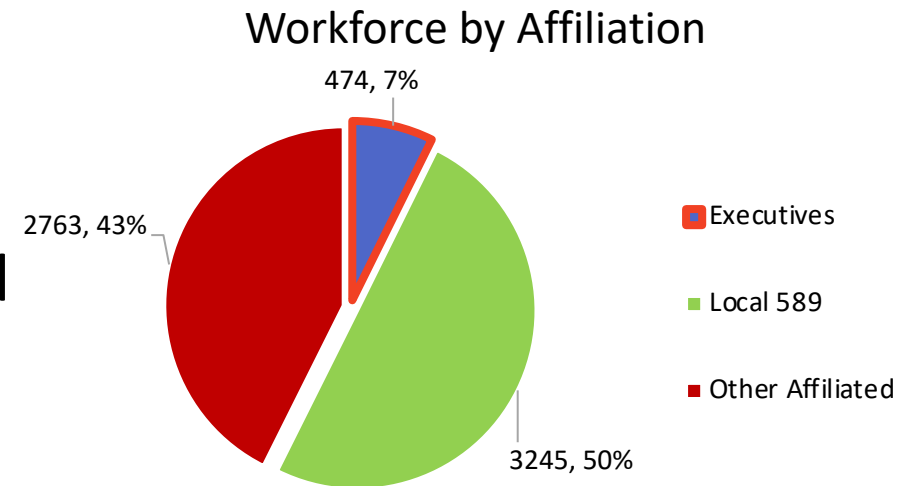


Massachusetts Bay Transportation Authority

Planning Workforce Development: Bi-Annual Workforce Analysis

Executive Employees Overview

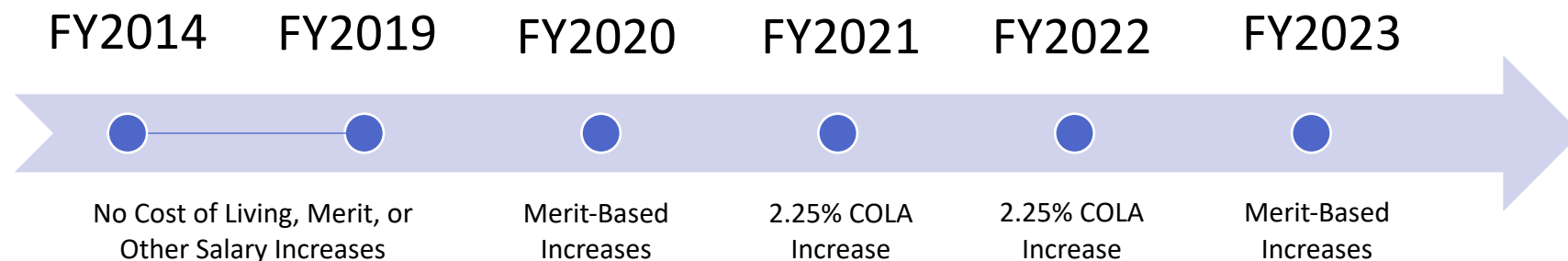
- “Executive” term generally applied to unaffiliated employees
 - These employees are in positions in Manager-title or above
- Executive employees work throughout the organization, generally leading departments and cross-functional teams
- Executives currently account for 7% of the MBTA’s workforce, with 474 employees
 - ~75 employees currently classified as Executives will be accreted into L453 in Q1 2023



Executive Compensation History

Executive Increases History

- FY2014- FY2019 – No COLA or Salary Increases
- FY2020 – Merit-based Increases for FY2020, Implemented for July 1, 2019
- FY2021 – COLA of 2.25% for FY2021, Implemented for July 1, 2020
- FY2022 – COLA of 2.25% for FY2022, Implemented for July 1, 2021
- FY2023 – Merit-based Increases for FY2023, Implemented for July 1, 2022



Current Compensation Overview

Executive (Unaffiliated) Compensation

- The current Human Resources Compensation Program was established in late 2018. Primary drivers included:
 - Compliance with:
 - Massachusetts Equal Pay Act (MEPA) 2018,
 - FTA EEO Circular C-4704.1A in 2017, and
 - Attorney General EEO Agreement 1997.
 - Salary impact for attraction and retention at the Authority.
- Since 2018, career levels have been developed with standardized minimum education and experience requirements, job evaluation methodology, jobs organized into families and market priced/benchmarked grade structure created.
 - Previously compensation management was done in a decentralized manner across the Authority.



HR Compensation Philosophy & Strategy

Philosophy

- Aligned with the organization's mission and business strategy, the MBTA would seek target market informed levels of pay to attract and retain quality employees.
- Provide fair, compliant, and consistent pay practices that enable business strategies, encourage engagement while rewarding performance

Strategy

- Build and implement structures, practices, & policies that support a performance-based culture
- Design and develop competitive base pay programs.
- Develop communication programs to ensure information is shared in an easy to understand, meaningful manner.
- Established a market informed job architecture with career levels and pay ranges etc.

Workforce Investment Internal Priority

- Supports recognizing diverse talent and developing it



Executive Compensation

Base Salary

- Salary determination and governance is based on the job architecture and peer review.
 - Salaries are determined using assigned grade and evaluated to benchmarked jobs and peer salary review
 - Peer jobs are considered having the same job family (i.e. finance, HR, vehicle engineering, transit operations) and career level

Bonus & Severance

- Bonuses and Severance Pay are currently only offered to Senior Leadership as a condition of Employment Contracts
 - Note: Only the GM and Deputy GM have severance agreements included in their employment agreements.

• Base Pay Strategy

- Active management of salaries
- Annual Equity and Market analysis
- Third party and industry survey analysis and recommendations

• Market Position

- Measure - Percent in Range (1% to 100%, target 50%)
 - In FY2018, Percent in Range was 25%
 - Currently, Percent in Range is ~37%

• FY2022 Merit and Adjustments Statistics

- Merit-based Increases of 0.0% - 4.0%, with an average increase of 2.5%
- 360 Merit Increases processed @ \$1.2M budget
- 64 Adjustments @ \$700K



Appendix



Retirement Plans

- Executive employees have the option to enroll in one of the following two (2) retirement plans:
 - MBTA Retirement (“Main”) Fund
 - 43.9% of Executives Enrolled in Main Fund
 - Executive Deferred Compensation 401(a) Savings Plan
 - 52.7% of Executives Enrolled in 401(a) Plan
- Additional Retirement Benefits offered to qualifying MBTA employees include:
 - Deferred Compensation Plan
 - Voluntary Massachusetts Deferred Compensation SMART Plan



Executive Leave Benefits

Vacation & Personal Leave

- The maximum amount of vacation time an eligible employee may accrue on any biweekly basis will be based on his/her regularly scheduled work hours and determined by the respective level of his/her job classification and/or his/her years of service with the Authority
- Executive employees are entitled to personal leave, up to 3 days per year

Sick Leave

- Executive employees accrue at a rate of 1.25 days per month, or 15 days per year

- Exempt positions classified as Level VI, V or IV:

Maximum Annual Vacation Accrual

- 10 days (0-5 years of service)
- 15 days (6-10 years of service)
- 20 days (11-20 years of service)
- 25 days (21+ years of service)

Rate of Accrual

- 2.98 hours bi-weekly
- 4.47 hours bi-weekly
- 5.96 hours bi-weekly
- 7.45 hours bi-weekly

- Exempt positions classified as Level III:

Maximum Annual Vacation Accrual

- 15 days (0-10 years of service)
- 20 days (11-20 years of service)
- 25 days (21+ years of service)

Rate of Accrual

- 4.47 hours bi-weekly
- 5.96 hours bi-weekly
- 7.45 hours bi-weekly

- Exempt positions classified as Level II:

Maximum Annual Vacation Accrual

- 20 days (0-10 years of service)
- 25 days (11+ years of service)

Rate of Accrual

- 5.96 hours bi-weekly
- 7.45 hours bi-weekly

- Exempt positions classified as Level I:

Maximum Annual Vacation Accrual

- 25 days, upon date of hire

Rate of Accrual

- 7.45 hours bi-weekly

Executive Benefits

- For Executive Authority employees, health, dental, vision, life, and long-term disability insurance packages are offered through the Group Insurance Commission.
 - Supplemental Dental and Vision insurance is also available through the MBTA Health & Welfare Fund
- Additional benefits offered to employees include Health & Dependent Care Spending Accounts
- Educational Assistance is offered to all MBTA employees, up to \$10,000 per year

