



Massachusetts Bay Transportation Authority

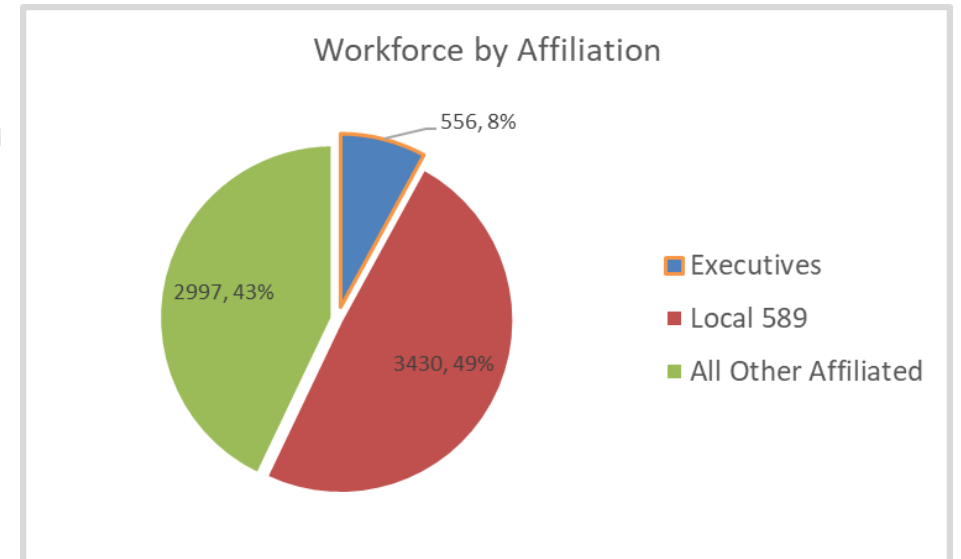
Unaffiliated Compensation Review

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Chief Workforce Officer

Unaffiliated Workforce Overview

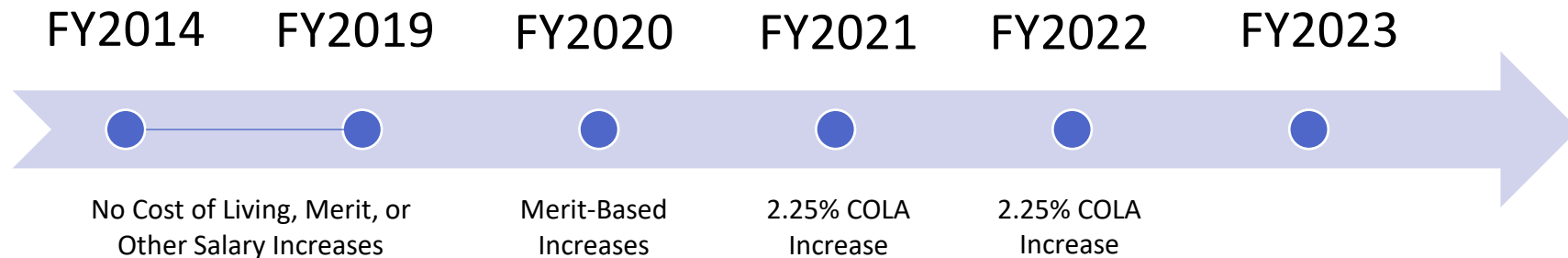
- “Executive” term generally applied to unaffiliated employees
 - These employees are in positions in Manager-title or above
 - Positions are not affiliated with Union representation
- Employees work throughout the organization, generally leading departments and cross-functional teams
- Unaffiliated Employees account for 8% of the MBTA’s workforce, with 556 employees



Unaffiliated Compensation History

Unaffiliated Increases History

- FY2014- FY2019 – No COLA or Salary Increases (8.5% unrealized wages 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



Current Compensation Overview

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.



Unaffiliated 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

• 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



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



Appendix



Report Requirement Legislation

M.G.L. Ch. 29 § 29K(2)(i)

Establish a compensation committee that shall: (i) meet independently of management at least once per calendar year and shall evaluate and establish executive compensation including, but not limited to, base salary, bonuses, severance, retirement or deferred compensation packages and policies relative to the accrual and payment of sick and vacation time, including payouts for unused sick and vacation time; and (ii) analyze and assess comparable compensation for positions with similar functions and responsibilities at state agencies and authorities, as well as for-profit and nonprofit private-sector employers; and

Prepare an annual financial report which shall disclose operating revenues and expenses, including the salaries and compensation of its executive director, officers, board members and senior management, and other highly-compensated employees



Retirement Plans

- Unaffiliated employees have the option to enroll in one of the following two (2) retirement plans:
 - MBTA Retirement (“Main”) Fund
 - 45.9% of Unaffiliated employees enrolled in Main Fund
 - Deferred Compensation 401(a) Savings Plan
 - 53.3% of Unaffiliated employees enrolled in 401(a) Plan
- Additional Retirement Benefits offered to qualifying MBTA employees include:
 - Deferred Compensation Plan
 - Voluntary Massachusetts Deferred Compensation SMART Plan



Unaffiliated 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

Unaffiliated Benefits

- For Unaffiliated 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

