



2018-2019 CANADA COMPENSATION PLANNING SURVEY RESULTS

About this Report:

Mercer's Canada Compensation Planning Survey is the largest and most comprehensive Canada salary increase survey available. Nearly 600 organizations provided data for the 2018-2019 survey from May to June of 2018. The full report provides additional analysis on salary increase budgets by industry, employee level, geography, and more. To purchase the full report visit www.imercer.ca/cps

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MAKE TOMORROW, TODAY

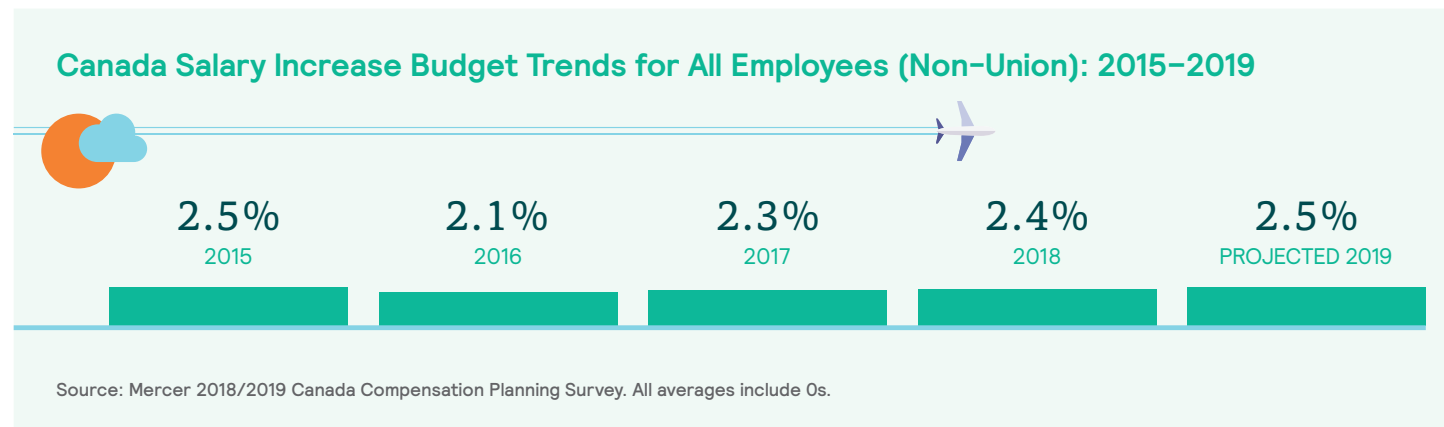


EMPOWER YOUR WORKFORCE FOR THE FUTURE: 2018/2019 KEY FINDINGS FROM CANADA'S COMPENSATION PLANNING SURVEY

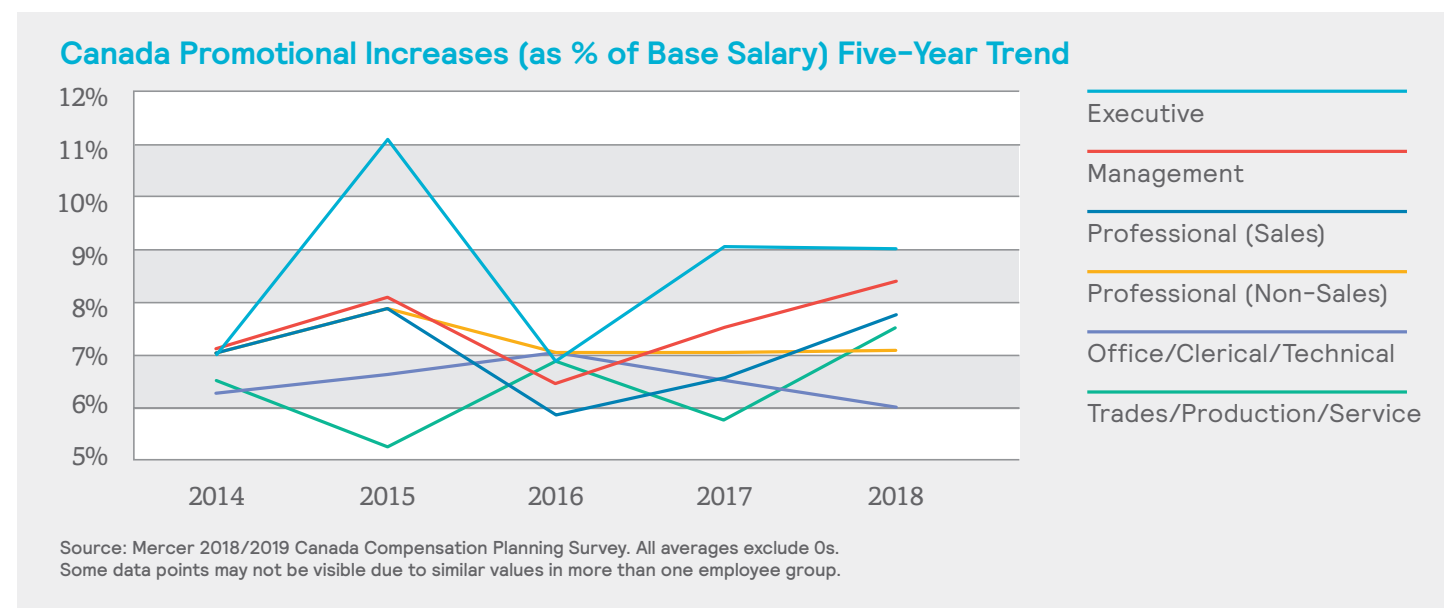
The results are in: Canadian employers are still not budging on salary budgets. Average salary increase budgets for 2018 are holding steady at 2.4% and projected to be 2.5% for 2019, despite increasing concerns over attraction and retention of their workforce for the future.

Here are the key findings from our 2018-2019 Canada Compensation Planning Survey to help you compare your company's salary strategy to the market, as you head into budget planning season and uncover a new approach to total rewards and employee value proposition.

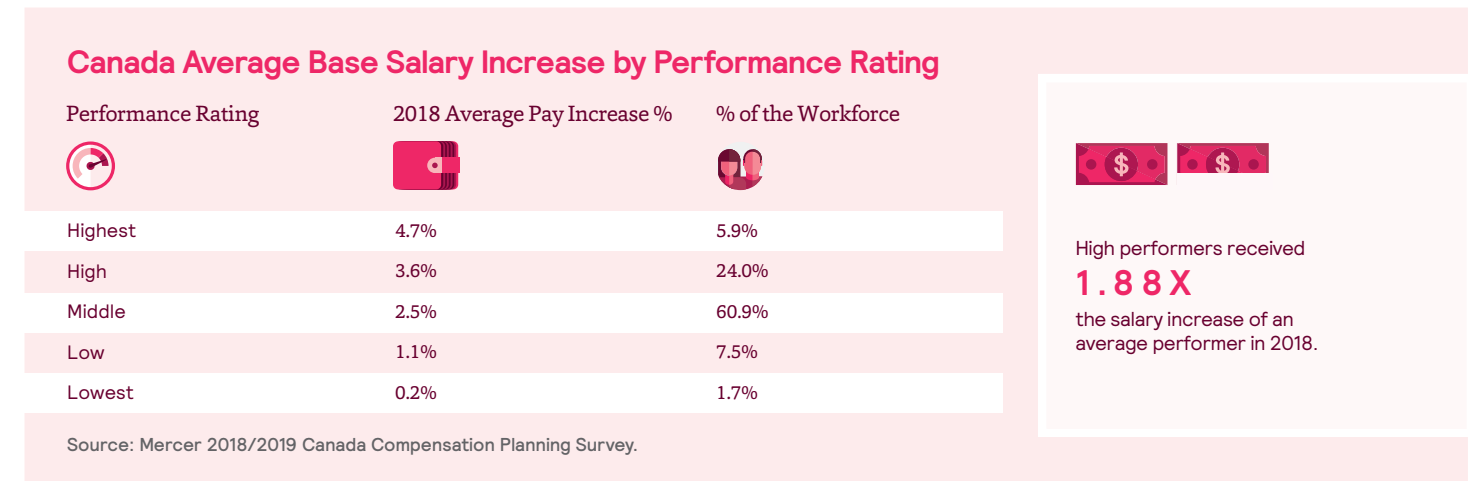
Canadian employers are holding steady on pay raises for employees, as merit salary increase budgets remain flat at 2.4% for 2018 and projected 2.5% in 2019 (including zeros).



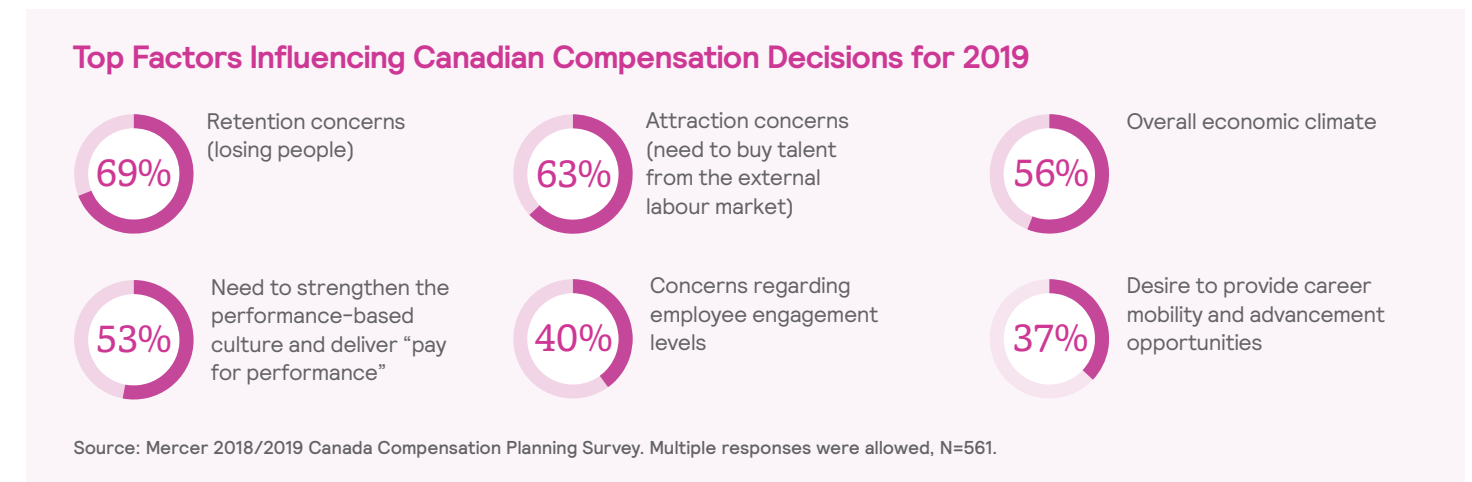
About half of organizations budget separately for promotional increases with an **average promotional salary budget of 1.2% of payroll (including zeros)** and an average promotion salary increase as percentage of base pay at 7.6% for 2018.



Most organizations (86%) still use individual performance to drive base salary adjustments and nearly half (49%) are using a five-level rating system to determine merit increases.



In planning for 2019, more organizations report **concerns about retention (69%) and attraction (63%) of talent**, while less are reporting a need to deliver "pay performance" (53%).



A majority of organizations primarily have an **annual salary increase budget to remain market competitive (79%) and reward individual performance (73%)** but less than half (47%) have it to retain employees.

