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Canada

Directive on the Performance Management Program (PMP) for Executives

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Directive on the Performance Management Program (PMP) for Executives

1. Effective date

1.1 This directive takes effect on July 16, 2007.

1.2 It replaces the following:

- [Directives for the Performance Management Program \(PMP\) for Executives](#), dated April 1, 2004, and
- [Salary Administration Policy for the Executive Group](#), Appendix B, dated September 1, 2002.

1.3 Transitional measures are as follows:

Interchange Canada agreements that were signed prior to July 16, 2007 are not affected by this directive.

2. Application

2.1 This directive applies to the core public administration as defined in section 11 of the [Financial Administration Act](#) unless excluded through specific acts, regulations or Orders in Council.

2.2 Specifically, this directive applies to excluded positions in the following groups and levels:

- Executive (EX) Group, levels 1 to 5
- Defence Scientific Service (DS) Group, levels 7A, 7B, and 8
- Medical Officer (MD-MOF) Group, levels 4 and 5, and
- Medical Specialist (MD-MSP) Group, level 3.

2.3 For the purpose of this directive, the term:

- "executive" refers to the groups and levels listed above.
- "executive position" refers to positions classified in the groups and levels listed above.

3. Context

3.1 The Performance Management Program (PMP) for executives is an essential component in the effective management of a department. This Directive describes the requirements for the PMP to:

- Link individual executive accountability to strategies and business priorities,
- Manage the performance of executives in support of Key Leadership Competencies and values and ethics, and,
- Administer performance awards.

3.2 This directive is issued pursuant to a delegation of the Treasury Board to the Chief Human Resources Officer (CHRO) of the Treasury Board Secretariat (TBS) authorized by s. 6(4.1) of the [Financial Administration Act](#).

3.3 This directive is to be read in conjunction with the *Policy on the Management of Executives* and the *Directive on Executive Compensation*.

3.4 Treasury Board has delegated authority to the Chief Human Resources Officer (CHRO) of the Treasury Board Secretariat to make technical amendments to this directive

4. Definitions

4.1 Definitions to be used in the interpretation of this directive are attached in Appendix A.

5. Requirements

5.1 Performance Agreements

5.1.1 Employees being paid as executives are to have valid performance agreements.

5.1.2 Requirements for performance agreements are provided in Appendix B of this directive.

5.2 Management and Assessment of Performance

5.2.1 Executives are to be managed and assessed according to the [Values and Ethics Code for the Public Service](#) and the requirements provided in Appendix C.

5.3 Administration of Performance Awards

5.3.1 Individual executive cash compensation is determined in recognition that compensation is a reflection of performance and contribution.

5.3.2 Requirements for the determination of performance awards are provided in Appendix D.

5.4 Letters of Attestation

5.4.1 Prior to issuing payments of performance awards, departments send a letter of attestation to the Chief Human Resources Officer, TBS by June 30 attesting that:

- Each executive had a valid performance agreement,
- Key Leadership Competencies were used to assess the performance of executives, and
- The department used a review mechanism to review the assessment of each of the executives' performance for equity and consistency, and
- The letter of attestation provides information about the overall expenditure for lump sum payments, as a percentage of executive payroll on March 31st.

5.4.2 Only deputy heads can sign the letter of attestation.

5.5 Budgets

5.5.1 Departmental reference levels are established to include an amount for in-range movement. In addition, the reference levels include a budget for lump sum performance awards as a percentage of the March 31 payroll for executives, as published from time to time by the Office of the Chief Human Resources Officer (OCHRO).

5.5.2 The budget for lump sum performance awards is based only on the salaries of those who were being paid as executives on March 31 of the fiscal year and those who died or retired during the fiscal year. Detailed instructions on which salaries are to be included in this budget can be found in Appendix D of this directive.

5.5.3 The budget for lump sum performance awards cannot be exceeded except in exceptional circumstances, such as where an outstanding result or outcome achieved by the organization warrants a larger expenditure, and when the excess can be found from existing reference levels. When these exceptional circumstances indicate a need to exceed the budget, the reason is to be substantiated in the letter of attestation.

5.6 The Office of the Chief Human Resources Officer (OCHRO) is responsible for:

5.6.1 Authorizing deputy heads to proceed with payment of performance awards when the requirements in section 5.4 have been met.

5.6.2 Providing supporting tools, templates and training materials to departments on the subject of PMP.

6. Monitoring and Reporting Requirements

Monitoring and reporting requirements are as described in section 6.3 of the *Policy on the Management of Executives*.

Detailed instructions for reporting on the PMP can be found in Appendix E.

7. Consequences

Consequences of non-compliance with this directive or inconsistency in its application are described in section 7 of the *Policy on the Management of Executives*.

8. Roles and Responsibilities of Other Government Organizations

N/A

9. References

9.1 Other Relevant Legislation and Regulations:

N/A

9.2 Related Policy Instruments and Publications:

- [Reports of the Advisory Committee on Senior Level Retention and Compensation](#), and
- Template for the Performance Agreement

10. Enquiries

Please direct enquiries about this directive to your departmental headquarters. For interpretation of this directive, departmental headquarters should contact:

Executive Management Policies
Office of the Chief Human Resources Officer
Ottawa, Ontario
K1A 0R5
Fax: 613-943-5205

Appendix A - Definitions

casual worker (*employé occasionnel*)

a person employed on a casual basis pursuant to the [Public Service Employment Act](#). The period of employment of a casual worker may not exceed ninety (90) working days in one calendar year in any particular department or other organization.

continuous employment (*emploi continu*)

one or more periods of service in the public service, as defined in the [Public Service Superannuation Act](#), with allowable breaks only as provided for in the terms and conditions of employment applicable to the employee.

demotion (*rétrogradation*)

the placement of an employee in a position that has a lower maximum rate of pay than the maximum rate of pay applicable to the employee's former position for reasons of discipline, unsatisfactory performance and reasons other than breaches of discipline or misconduct.

deployment (*mutation*)

the movement of an employee from one position to another position made pursuant to the [Public Service Employment Act](#).

deputy head (*administrateur général*)

for purposes of Schedule I of the [Financial Administration Act](#), the deputy minister, and for purposes of Schedule IV, the chief executive officer or the person who occupies such a position.

executive (*cadre supérieur*)

an employee appointed to the Executive Group (EX 01 to EX 05 levels). For purposes of this directive, employees who are classified in the following groups and levels are considered to be executive equivalents: Defence Scientific Service (DS) Group, levels 7A, 7B and 8, Medical Officer (MD-MOF) Group, levels 4 and 5, and Medical Specialist (MD-MSP) Group, level 3.

executive group, EX group (*groupe de la direction, Groupe EX*)

the occupational group as defined in the [Canada Gazette, Part 1, March 27, 1999](#).

in-range salary movement (*progression à l'intérieur de l'échelle salariale*)

an increase in annual salary within the minimum and maximum applicable to the employee's group and level.

job (*emploi*)

a unique position, or a number of positions that are similar or identical and whose work is described by one work description.

lay-off (*mise en disponibilité*)

the termination of employment in the core public administration pursuant to the [Public Service Employment Act](#).

lower classification level (*niveau de classification inférieur*)

a position with a lower maximum rate of pay than the previous position to which the employee is assigned to perform the duties, i.e. a difference of \$1.00 or more for annual rates and \$0.01 or more for hourly rates.

lump sum performance award (*prime au rendement*)

a performance award for the achievement of key commitments (at-risk pay and bonus).

notice period (*période de préavis*)

the period commencing with the formal notification of the executive's surplus situation and the actual termination date of employment.

position (*poste*)

the work requirements assigned by the respective manager that can be performed by one person.

public service (*fonction publique*)

as defined in section 11 (1) of the [Financial Administration Act](#).

reclassification (*reclassification*)

a change to either or both the occupational group and level of a position resulting from significant change in the work. A reclassification may be upward or downward.

resignation (*démission*)

the voluntary separation of an employee other than at the end of a specified term for reasons other than retirement or lay-off.

retirement (*retraite*)

the voluntary separation of an employee entitling the employee to benefits under the [Public Service Superannuation Act](#).

retroactive period (*période de rétroactivité*)

the period commencing on the effective date of implementation of the revision of rates of pay. Where no effective date of implementation is noted, the retroactive period ends on the day prior to the date formal notification of the revision is issued to departments.

salary (*salaire*)

the fixed recurring portion of an employee's cash compensation received for the performance of the regular duties of a position, exclusive of allowances, performance awards or other compensation or gratuities.

salary maintenance (*maintien du traitement*)

the treatment under the *Directive on Career Transition for Executives* given to the total compensation of an executive who is appointed to a position with a lower salary maximum while on surplus status,

or,

– the treatment under the *Directive on Executive Compensation* given to the total compensation of an executive who is appointed to an executive position which has a lower salary maximum than the salary the employee received in the former position.

salary protection for executives (*protection salariale pour les cadres supérieurs*)

the treatment given to the total compensation of an employee whose position has been reclassified or converted to a level with a lower salary maximum.

secondment (*détachement*)

an arrangement where an employee makes a lateral or downward move to another department to temporarily perform the functions of an existing position or to take on a special project, after which he or she returns to the home department. A secondment cannot change tenure or be a promotion.

separation (*cessation d'emploi*)

a severance of the relationship between employer and employee, whether voluntary (e.g. resignation) or involuntary (e.g. owing to illness, accident, disability, discharge or termination for disciplinary reasons).

service (*service*)

means continuous and discontinuous employment with any organization that is subject to the [Financial Administration Act](#) or with any organization for which the individual was a contributor under the [Public Service Superannuation Act](#), [Canadian Forces Superannuation Act](#) or the [Royal Canadian Mounted Police Superannuation Act](#).

substantive position (*poste d'attache*)

the position to which an employee has been appointed or deployed, or from which an employee is being appointed or deployed in accordance with the [Public Service Employment Act](#).

surplus status (*statut d'employé excédentaire*)

an indeterminate employee is in surplus status from the date he or she is declared surplus or notified that his or her position will become surplus, until:

- the date of lay-off,
- he or she is indeterminately appointed or deployed to another position,
- his or her surplus status is rescinded, or
- the employee resigns.

Appendix B - Requirements for Executive Performance Agreements

Contents

1. [Alignment](#)
2. [Valid Performance Agreements](#)
3. [Performance Agreement Templates](#)

This appendix sets out the requirements for executive performance agreements for section 5 of the *Directive on the Performance Management Program (PMP) for Executives*.

1. Alignment

Performance agreements are to demonstrate alignment with:

- Priorities of the government,
- Priorities of the Clerk of the Privy Council as Head of the public service,
- The department's Report on Plans and Priorities, and
- The performance agreement of the immediate manager, such that each executive's performance agreement is an operationalization of the immediate manager's agreement.

2. Valid Performance Agreements

To be considered valid for the purpose of performance awards, performance agreements are to include the following:

- The period covered by the agreement,
- Ongoing Commitments,
- Key Commitments (except for situations noted in various sections of this appendix),
- Performance measures of successful achievement of the commitments,
- A written assessment of actual results achieved during the fiscal year and the level of Key Leadership Competency demonstrated, and
- The signatures of the executive and the immediate manager when the commitments are approved.

2.1 Ongoing Commitments

- Ongoing Commitments are the principal results that the executive is expected to accomplish so that the department can achieve its business mandate.
- Ongoing Commitments are part of the continuing responsibilities of the position that do not normally change from year to year. They reflect a balanced representation of core accountabilities such as: financial management (budget), human resources management, business planning, policy development and operational program delivery and, self-development (including Key Leadership Competencies, values and ethics).
- A minimum of four (4) and a maximum of seven (7) Ongoing Commitments are established.

2.2 Key Commitments

- Key Commitments are areas of focus over and above Ongoing Commitments for the fiscal year. They can reflect change initiatives linked to business plans, corporate departmental priorities and/or priorities identified by the Clerk of the Privy Council as Head of the public service. They are intended to be challenging but achievable with effort.
- Normally Key Commitments change from year to year.
- At least one (1) Key Commitment and a maximum of three (3) Key Commitments are established.

2.3 Performance Measures

- Performance measures describe how an observer would know that the results are achieved within the fiscal year and define standards for the expected level of achievement of these results.
- The choice of a performance measure implies that quantifiable data/information indicating performance achievement is available and that efforts are made to obtain the information defined in the specific measure.
- If feasible, performance measures can also describe what characterizes levels of performance that are above expectations.
- Performance measures are established at the start of the fiscal year when commitments are established and can be adjusted during the fiscal year. There are one (1) to three (3) performance measures per Ongoing and Key Commitment.
- Departments are responsible for ensuring that performance measures are reviewed periodically to ensure they are measuring the right results.

2.4 Development

Performance agreements are used to identify individual development priorities for executives, including the development of Key Leadership Competencies.

2.5 Mid-year review of performance agreements

- Performance agreements are reviewed at least once a year.
- Revisions can be made throughout the fiscal year to the performance agreement, dictated by such factors as changed priorities or assignments or changes in immediate manager. Each new revision is signed and dated by the executive and immediate manager.
- An executive can have a number of performance agreements in any particular fiscal year.

3. Performance Agreement Templates

Departments can develop customized templates for performance agreements, provided the templates contain, as a minimum:

- Identification data: name of executive and immediate manager, dates covered by the performance agreements, dates of reviews of the performance agreement,
- Ongoing Commitments, performance measures and results achieved,
- Key Commitments, performance measures and results achieved,
- Narrative assessment and rating summary,
- Signatures of the executive and immediate manager, and
- The following privacy statement:

"Personal information will be protected under the provisions of the Privacy Act and will be stored in Standard Bank, Performance Reviews and Employee Appraisals PSE 912. This document can be used by the Public Service Human Resources Agency of Canada for audit or program evaluation purposes".

Appendix C Requirements for the Management and Assessment of Executive Performance

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1. [Management of Performance](#)
2. [Assessment of Performance](#)
3. [Performance Level Descriptions](#)
 - [Level 4 \(Surpassed\)](#)
 - [Level 3 \(Met All\)](#)
 - [Level 2 \(Met Most\)](#)
 - [Level 1 \(Did Not Meet\)](#)

- [Level 0 \(Unable to Assess\)](#)

This appendix sets out the requirements for the management and assessment of executive performance for section 5 of the *Directive on the Performance Management Program for Executives*.

1. Management of Performance

Management of performance includes, as a minimum:

- Agreement between the executive and immediate manager of:
 - the expectations for the results that are to be achieved,
 - how they are to be achieved (Key Leadership Competencies), as well as
 - the performance measures that will be used to assess the performance of the executive.
- Communication of expectations and priorities related to business planning and Key Leadership Competencies,
- Regular feedback to executives concerning their performance and learning and development opportunities to help executives improve their performance,
- Support for individual development in Key Leadership Competencies,
- Support for horizontal initiatives within and between departments in the core public administration, as well as other jurisdictions and levels of government through recognition of such teamwork in the performance agreements of executives, and
- Communication of performance assessment standards including clear information on what makes some commitments challenging, important or critical to the organization's mission.

2. Assessment of Performance

2.1 Assessment of performance includes, as a minimum:

- An assessment of the executive's performance against the Ongoing and Key commitments, and including an assessment of *how* the results were achieved, based on the Key Leadership Competencies and values and ethics,
- At mid-year and end of year, one-on-one discussions between executive and immediate manager, that include constructive feedback and identification of, and support for development and learning needs,
- Where performance is judged to be below expectations, timely notification to the executive that change is expected, along with identification of steps to be taken.

2.2 There is to be a normal distribution of performance ratings.

2.3 Assessment of executive performance is to be equitable and consistent, with differentiation made between levels of performance.

2.4 A written assessment of performance that takes place within sixty (60) days of the end of the fiscal year.

3. Performance Level Descriptions

3.1 The performance level descriptions below are to be used to assess and rate performance of Ongoing and Key Commitments.

- Levels 2 to 4 can be further subdivided, provided that definitions are developed to describe the expected level of performance and that these are communicated to executives at the beginning of the fiscal year.
- Non-numeric titles can be substituted for the numbered levels, provided they are cross-referenced to the four levels for reporting purposes.

Level 4 (Surpassed)

This performance level and results achieved are characterized by the following statements:

- Delivered on all commitments and exceeded expectations in the delivery of major commitments,
- Consistently delivers results that provide exceptional value to stakeholders and the department, and
- In delivering commitments, is seen as an organizational role model in demonstrating Key Leadership Competencies.

Level 3 (Met All)

This performance level and results achieved are characterized by the following statements:

- Delivered on all commitments,
- A strong contributor to stakeholder and organizational successes, and
- In delivering commitments, clearly demonstrated Key Leadership Competencies.

Level 2 (Met Most)

This performance level and results achieved are characterized by the following statements:

- Delivered on the most important commitments but not necessarily on all commitments,

- Performance results indicate a need for development in some areas, and
- In delivering commitments, demonstrated a need to show improvement in the Key Leadership Competencies.

Level 1 (Did Not Meet)

This performance level and results achieved are characterized by one or more of the following statements:

- Delivered on some but did not deliver on one or more of the most important commitments,
- Or
- Performance results fall below expected standards,
- Or
- In delivering commitments, had ongoing difficulty in demonstrating the Key Leadership Competencies.

Departments are responsible for ensuring that an action plan to address performance issues is developed for executives who receive a Level 1 assessment.

Level 0 (Unable to Assess)

Performance is considered unable to be assessed when there has been insufficient opportunity to allow for the achievement of performance commitments. This does not mean that the executive has not established a performance agreement, just that there has been insufficient opportunity for achievement against the commitments.

There are four situations where a Level 0 rating could apply for both Ongoing and Key Commitments:

- New to the core public administration,
- Newly appointed to the group from another occupational group,
- Non-EX executives acting in an executive position for three months or less, or if a departmental policy on performance awards and length of assignment exists, for less time than is specified in the departmental policy,
- Executive absent from the job for a significant period of the fiscal year, e.g. leave without pay or sick leave.

There are four situations where a Level 0 rating applies for Key Commitments only:

- Executives on language training have only one Ongoing Commitment for the duration of the language training – attendance at language training in order to meet the language requirements of the position- and they are considered to have met Ongoing Commitments. Since there are no Key Commitments for the period of training, they receive an Unable to Assess rating for Key Commitments in that period.
- Situations where no Key Commitments were established for the fiscal year, for example, an executive whose job consists of a single project or assignment to accomplish for the fiscal year.
- Situations where the department and the executive have agreed that the assignment is at a lower classification level and/or the expected results do not warrant performance pay.
- Executives who are salary protected in non-executive positions. These executives still require a performance agreement.

Appendix D - Requirements for the Administration of Performance Awards for Executives

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This appendix sets out the requirements for the administration of performance awards as per section 5 of the *Directive on the Performance Management Program (PMP) for Executives*.

1. Performance Awards

- Performance assessment determines executives' access to performance awards. Information on performance assessment can be found in Appendix C of the *Directive on the Performance Management Program (PMP) for Executives*.

Executives.

- Performance awards consist of:
 - Salary range revisions,
 - in-range salary movement, and
 - Lump sum performance awards (at-risk pay and bonuses)
- None of the performance awards listed above can be authorized in the absence of a valid performance agreement and an assessment of performance against it.
- In certain circumstances as described in this appendix, employees who have acted in executive positions are eligible for performance awards.
- Performance awards are paid in respect of the previous fiscal year from April 1st to March 31st.
- To be most effective, performance awards are paid within thirty (30) days following authorization of payment by OCHRO.

2. Eligibility for Performance Awards

To be eligible for a performance award, executives must:

- have a valid performance agreement and an assessment of performance against it,
- have worked in a position subject to the Performance Management Program (PMP) for a period of time that the executive's immediate manager has determined is sufficient to establish a valid performance agreement and to evaluate the results achieved against it. A minimum of three (3) months is recommended, and
- be on strength as of April 1st of the fiscal year following the year for which the performance awards are being considered (except in certain circumstances described in the table below).

The table below summarizes the treatment for lump sum performance awards for executives in a variety of circumstances and the budget implications (assuming other requirements of the PMP have been met):

Circumstance	Lump sum performance awards	Budget calculation implications
1. Executives who are employed in the core public administration on April 1, including executives on Interchange Canada assignments to organizations outside the core public administration	Eligible	March 31 salary is used to calculate the departmental budget for lump sum performance awards.
2. Executives who worked part of the fiscal year, on leave without pay on April 1	Eligible Prorated	March 31 salary is used for purposes of calculation of the departmental budget for lump sum performance awards.
3. Non-executive actors whose acting assignment ended prior to the end of the fiscal year (March 31)	Eligible Prorated	The acting executive's March 31 salary is not used for purposes of calculation of the departmental budget for lump sum performance awards.
4. Executives who died prior to the end of the fiscal year (March 31)	Eligible Prorated	March 31 salary is used for purposes of calculation of the departmental budget for lump sum performance awards.
5. Executives who retired prior to the end of the fiscal year (March 31).		
6. Executives in surplus status whose employment ends prior to the end of the fiscal year (March 31)	Eligible Prorated.	The executive's March 31 salary is not used for purposes of calculation of the departmental budget for lump sum performance awards.
7. Executives who have left the core public administration prior to April 1 for any other reason	Not eligible	Not applicable

3. Access to Revisions

- Access to salary range revisions is based on the achievement of Ongoing Commitments. Instructions on salary revisions are contained in the *Directive on Executive Compensation, Appendix B: Salary Elements of Executive Compensation*.

4. In-range Movement

- Progress of an executive's salary within the salary range established for the position, up to the maximum, is affected by the extent to which Ongoing Commitments were achieved as well as how they were achieved (demonstration of Key Leadership Competencies and values and ethics).
- When an executive's performance meets all expectations, normal progression through the salary range would be five (5) per cent per year, so that a salary that begins at the bottom of the range would reach the top of the range within three years. In-range movement that exceeds five per cent per year may be warranted when the executive's performance has surpassed expectations.
- An executive who has received an assessment of Level 0 (Unable to Assess) or Level 1 (Did Not Meet) in relation to

Ongoing Commitments is not eligible for in-range movement.

- A performance award for the achievement of Ongoing Commitments may only result in in-range movement and cannot result in either a salary in excess of the salary range maximum or in a lump sum payment.

5. Lump Sum Performance Awards: At-risk Pay and Bonuses

- In addition to the base salary, executives have the opportunity to earn lump sum performance awards each year. The amount of the lump sum performance award depends on the extent to which key commitments were accomplished.
- An executive who has received in-range movement for the achievement of Ongoing Commitments is also eligible for a lump sum performance award for the achievement of Key Commitments. Executive salaries need not be at the salary range maximum in order for executives to receive lump sum performance awards.
- A prerequisite for access to lump sum performance awards is that at least most expectations for the achievement of Ongoing Commitments have been met (Level 2 and up). No lump sum performance award may be provided when the executive's assessment for Key Commitments was Level 0 or 1 (Unable to Assess or Did Not Meet).
- In determining the amount of lump sum performance awards, the importance and impact of results achieved as well as how the results were achieved (demonstration of Key Leadership Competencies and values and ethics) are taken into consideration.
- Lump sum performance awards, from zero up to the maximum, can be provided when an executive's performance is at least Level 2 (Met Most) in relation to the achievement of both Ongoing and Key Commitments. If deemed appropriate, departments can provide no performance award for any rating level.
- Instructions and amounts for lump sum performance awards as approved by Treasury Board are published by the Public Service Human Resources Management Agency of Canada.
- Lump sum performance awards in the bonus range are provided only to executives who have surpassed expectations for the achievement of Key Commitments.
- The maximum lump sum performance awards established by OCHRO cannot be exceeded.
- Lump sum performance awards are re-earned each year, and do not increase an executive's base salary.

6. Prorating

- The PMP is a results-based performance management program. Thus, it is appropriate to base performance ratings and the resulting performance awards on the results achieved as well as how they were achieved.
- Section 11 of this appendix also describes situations where prorating according to time spent on the job is either required or optional.

7. Rounding

- In-range increases to base salary are rounded to the nearest one hundred dollars (\$100). Amounts ending in fifty dollars (\$50) are rounded up.
- Lump sum performance awards for the achievement of Key Commitments are rounded to the nearest dollar (\$1).

8. Administration of revisions

- The requirements for the administration of salary range revisions can be found in the *Directive on Executive Compensation, Appendix B: Salary Elements of Executive Compensation*.

9. Requirements for the Administration of Performance Awards for executives acting in higher level executive positions

9.1 General

- Acting pay should be established in accordance with the *Directive on Executive Compensation, Appendix B: Salary Elements of Executive Compensation*.
- In order to be eligible for in-range movement and lump sum performance awards, the period of acting must be of sufficient length to have established a valid performance agreement and to evaluate the results achieved. A suggested minimum time period is at least three (3) months.

9.2 In-range movement for the achievement of Ongoing Commitments when receiving acting pay

- If the performance rating for the achievement of Ongoing Commitments is Level 2 or better, the executive is eligible for in-range movement when receiving acting pay.
- If the executive's substantive salary is below its own range maximum, the executive's substantive salary is increased by the percentage awarded and a new acting salary is calculated based on the new substantive salary.
- If the executive's substantive salary is at its own salary range maximum, or if the recalculation of the substantive salary (above) does not result in a revised acting salary, the percentage award for the achievement of Ongoing Commitments should be based on and applied to the acting salary to determine the new acting salary.

9.3 Lump sum performance awards for the achievement of Key Commitments when receiving acting pay

- If the performance rating for the achievement of Key Commitments is Level 2 or better, the executive is eligible for a lump sum performance award in relation to the achievement of Key Commitments while receiving acting pay.
- The lump sum performance award is based on the executive's acting salary, prior to the application of any increase to

the substantive base salary resulting from the achievement of Ongoing Commitments.

10. Administration of Performance Awards for non-executives acting in executive positions

- Non-executives acting in executive positions are eligible for performance awards when the following conditions have been met:
 - Acting period is at least three (3) months. Departments can establish internal policies requiring a longer minimum acting period that is appropriate to operational requirements.
- When the acting period is less than three (3) months, or less than the minimum acting period established by the department as above, the performance of the non-executive actor is assessed based on the substantive performance pay plan (when applicable).

11. Administration of Performance Awards for Executives in Special Circumstances

11.1 Retirement or death

- The performance rating of executives who retire or die prior to the end of the fiscal year is based on an assessment of achievements against both Ongoing and Key Commitments. A performance award can be given for the achievement of Key Commitments only and is prorated according to time. In the case of death, the award is paid to the executive's named beneficiary or estate.

11.2 Language training

- In addition to the performance agreement for the portion of the year not spent on language training, a performance agreement is required for the portion of the year spent on language training. This performance agreement states that the executive's Ongoing Commitment is to diligently participate in language training to meet the requirements of the position. There are no Key Commitments for the period of the training.
- For diligent participation, executives receive a Level 3 (Met All) rating for Ongoing Commitments.
- There are no Key Commitments established for an executive on language training and therefore the executive is not entitled to a lump sum performance award for time spent on language training. Lump sum performance awards are prorated according to the amount of time on the job.

11.3 Interchange Canada assignments

11.3.1 Interchange Canada assignment to organizations outside the core public administration

- The executive is required to establish a performance agreement at the beginning of the assignment period with the immediate manager of the host organization.
- If the executive has worked with the host organization for an insufficient period of time to establish commitments and measures for that fiscal year, the evaluation of the executive's performance is based on the achievement of Ongoing and Key Commitments for the home position (department) with consideration of the results achieved while on the Interchange assignment.
- If the executive has worked in the home and host positions for a sufficient period of time, the achievement of Ongoing and Key Commitments in both the substantive executive position and Interchange assignment is taken into consideration to establish a rating for Ongoing Commitments and a rating for Key Commitments.
- In normal circumstances, performance ratings for executives on Interchange Canada assignments are not to exceed Level 3 (Met All).

11.3.2 Interchange Canada assignment from outside the core public administration

- "Executives" on Interchange Canada assignment from outside the core public administration are not employees of the public service and as such are not subject to the PMP. Their compensation and performance awards, if any, are determined by their home organizations.

11.4 Leave without pay (LWOP)

A performance agreement is not required for the portion of the fiscal year during which an executive is on leave without pay.

11.4.1 Leave without pay for the ENTIRE fiscal year

- Since the executive has not worked in the position, the executive is not entitled to in-range salary movement or lump sum performance awards.

11.4.2 Leave without pay for PART of the fiscal year

- An executive absent on LWOP for part of the fiscal year is eligible for a performance award for the period worked, provided that the executive's immediate manager has determined that there has been a sufficient period of time worked in the fiscal year to allow for the establishment and achievement of Ongoing and Key Commitments.
- Departments can prorate performance awards according to the amount of time on the job.

11.5 Salary maintenance status

11.5.1 Surplus executives who are on salary maintenance after being appointed to an executive position with a lower maximum salary than the salary they were receiving in their previous position

and

non-executives appointed to an executive position with a maximum salary lower than the salary they were receiving in their previous position:

- require performance agreements,
- are not eligible to receive in-range movement for the achievement of Ongoing Commitments
- are eligible to receive a lump sum performance award for Key Commitments. This award will be calculated as a percentage of the salary maximum of the new position, and
- When the executive's salary falls within the salary range of the new position and salary maintenance ends, in-range movement may be awarded and lump sum performance awards will be paid as a percentage of the executive's salary and not the salary maximum of the new position.

11.5.2 For executives on salary maintenance after having been declared surplus under the *Directive on Career Transition for Executives* and who are subsequently appointed to a lower level non-executive position while their salary is above the salary maximum of this lower level position:

- The executive is not subject to the PMP.

11.6 Salary protection status

- Executives in salary protection status need a valid performance agreement, even if they have been reclassified in a non-executive position.
- A salary-protected executive is eligible for in-range movement.
- An executive who is salary protected in a non-executive position is not eligible to receive at-risk lump sum awards for achieving Key Commitments.
- An executive who is salary protected in an EX position is eligible to receive a lump sum performance award for achieving Key Commitments. This award will be calculated as the lower of:
 - a percentage of the salary range maximum applicable to the level of the position occupied,

OR

- a percentage of the protected salary.

11.7 Secondment within the core public administration

- A performance agreement for a secondment is required if the executive will be working for a sufficient period of time on secondment to allow for the achievement of Ongoing and Key Commitments.
- Both the home and host departments are responsible for defining the executive's commitments and for evaluating the executive's achievements against them during the executive's period of work for them.
- The secondment agreement is to clearly identify which department (home or host) is responsible for payment of performance awards for the executive and which department will report payment to OCHRO. Reporting requirements for both home and host departments are described in [Appendix E: Requirements for PMP Reporting and Monitoring](#).

11.8 Special projects, special deployments or special assignments

- In situations where an executive is assigned to a special project or assignment, there are normally no Key Commitments, only Ongoing Commitments. A performance agreement is established and the executive's performance is assessed against the commitments.
- Executives assigned to special projects, special deployments or special assignments are not eligible for lump sum performance awards.
- Departments can consider exceptions when the special project or assignment is of such scope and complexity to warrant the development of Key Commitments.

11.9 Surplus status under the *Directive on Career Transition for Executives* during the notice period (priority status)

- If the executive's immediate manager has determined there will be sufficient time to allow for the achievement of Ongoing and Key Commitments related to the duties of the position, a performance agreement is required.
- Deputy heads can approve performance awards for executives who are declared surplus and leave the core public administration prior to April 1st. Performance awards are prorated according to the amount of time on the job.

11.10 Casual status

- Executives in casual status are not eligible for performance awards.

11.11 Specified period appointments (terms)

- Executives on specified period appointments are treated the same as those in indeterminate positions.

11.12 Promotion or reclassification during the fiscal year

11.12.1 Promotion

- In cases where an executive is promoted to a new position part way through the fiscal year, the performance on Ongoing and Key Commitments in the former position is considered for the purposes of in-range movement and lump sum awards in the new position.

11.12.2 Reclassification

- In cases where an executive has been appointed to his or her reclassified executive position (at either a higher or lower level) during the fiscal year, performance at both levels is considered for the purposes of in-range movement and lump sum performance awards at the end of the fiscal year.
- When the effective date is determined to have occurred prior to the fiscal year, departments can provide retroactive in-range movement and lump sum performance awards for a maximum of one year, provided that there was a valid performance agreement.
- Where the executive had a performance agreement for the prior year (while not under the PMP), an evaluation is made to determine whether Ongoing and Key Commitments can be identified from the existing performance agreement. On the basis of achievement of these commitments, both in-range movement and lump sum performance awards can be provided.
- The source of funds for retroactive performance awards is the departmental reference levels.

11.13 Part-time work

- Indeterminate part-time executives are eligible for performance awards provided all requirements of the PMP have been met.

Appendix E - Requirements for PMP Reporting and Monitoring

Contents

1. [Annual PMP Report](#)
2. [PMP Scorecards](#)

This Appendix sets out the reporting requirements for Section 6 of the *Directive on the Performance Management Program (PMP) for Executives*.

1. Annual PMP Report

This report is submitted annually, by June 30, for all groups and levels covered by the *Directive on the Performance Management Program (PMP) for Executives*. An EXCEL spreadsheet in electronic format is the preferred reporting format.

The PMP Report should be sent, under PROTECTED B status, to the senior analyst responsible for the PMP at:

Executive Management Policies
Office of the Chief Human Resources Officer
BMO, 10th Floor, 269 Laurier Avenue West
Ottawa ON
K1A 0R5

The data requirements for the Annual PMP Report are as follows:

Field name	Width	Contents
MIN CODE	3 letters	Department or agency's ministerial code (e.g. TBS, FIN)
PRI	8	Personal Record Identifier
FNAME	20	Employee family name
INIT	3	Employee Initials
GENDER	1	1 Male 2 Female
LOC	1	Geographic Location of the position: 1 Headquarters (HQ) 2 Location other than HQ

CLASS	6	Employee Group and Level Example: EX-01, EX-02, etc. (Acting status should be shown by placing an A/ in front the Group and Level, e.g. A/EX-01)
JRATE	6	March 31 salary range maximum The maximum of the salary range for the position No dollar signs
MARCH 31 SALARY	6	Employee's base salary at March 31 No dollar signs
OGC RATING	1	Ongoing Commitments Assessment Level: 4, 3, 2, 1, 0
BASE SALARY INCREASE	6	Actual amount of the increase to base salary (in-range movement) No dollar signs
FINAL SALARY APRIL 1	6	Revised base salary after in-range movement and any rounding No dollar signs
KC RATING	1	Key Commitments Assessment Level: 4, 3, 2, 1, 0 Note: The Unable to Assess rating MUST be used if the rating for Ongoing Commitments was Unable to Assess
KC LUMP SUM	6	Actual amount of lump sum performance award. Provide only one amount for the lump sum by adding at-risk and bonus together. (Do not include in-range movement in this figure.) No dollar signs
UTA REASON	1	Reason for the Unable to Assess Rating 1 New EX in PS 2 New EX from another PS group 3 Non-EX acting as EX less than 3 months 4 EX absent from position for a significant period of the fiscal year (e.g. language training, on LWOP or sick leave) 5 Unable to Assess for Key Commitments Only: EX on language training for the entire fiscal year (must be combined with Met All for Ongoing Commitments) 6 No Key Commitments were established (Use for Key Commitments only)
PERFORMANCE PAY CATEGORY	1	1 No At-Risk Pay 2 At-Risk Pay 3 Bonus
Complete this section only for those in the position less than a full year (e.g. actors, retirement during the year, newly hired)		
Start Date	6	Start date in position dd mm yy
End date	6	Last day worked in position dd mm yy
Days Worked	3	Number of days worked between start and end dates

Substantive	4	Group and Level for the substantive position Example: PE-6
Complete this section only for employees who were seconded to other departments on March 31		
SEC MIN CODE	3 letters	The three-letter code for the department to which the employee was seconded
REP MIN CODE	3 letters	The three-letter code for the department that is reporting on this employee
COMMENTS		As appropriate (e.g. leave with pay)

2. PMP Scorecards

The PMP Scorecard consists of the annual and triennial reporting elements listed below. Information on how to complete the scorecards is provided to departments annually. All departments are required to complete annual scorecards by September 30. OCHRO will notify departments that are required to complete the triennial scorecard.

Annual reporting elements consist of:

- Alignment and integration
- Consistent approach in determining ratings
- Clear relationship between performance and performance pay

Triennial reporting elements consist of:

- Effective administration processes
- Stakeholder awareness of the PMP
- Top talent identification and recognition
- Links to human resources applications
- Summary: priorities for improvement