



Performance Pay Administration Policy for Certain Non-Management Category Senior Excluded Levels

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Performance Pay Administration Policy for Certain Non-Management Category Senior Excluded Levels

Disclaimer

As per the February 7, 2014, Info Bulletin on the Terms and conditions of employment for the employees who occupy excluded positions in the Law Practitioner Group, this Policy no longer applies to the Law Practitioner Group (formerly called the Law Group (LA)).

1.0 Policy objective

1.1 To ensure the accurate and consistent administration of performance pay for certain non-Management Category senior excluded employees, including incentives to recognize and reward individuals in relation to their peers and subordinates.

2.0 Policy statement

2.1 It is government policy to pay certain senior excluded non-Management Category employees according to their assessed level of performance. This policy provides the means to achieve this. Its chief provisions are the following:

2.1.1 individuals may progress through the salary range by a series of variable increases related to the employee's assessed level of performance;

2.1.2 performance awards may be awarded to those whose salaries have reached the job rate and whose performance is fully satisfactory, superior or outstanding in a given year;

2.1.3 expenditures on salary administration must be controlled through a departmental performance increase budget.

3.0 Application

3.1 This policy applies to the core public administration and other sections of the federal public administration as defined in Schedules I and IV of the Financial Administration Act.

Group	Level
Administrative Services	AS-7 & 8
Economics	ES-8
Financial Administration	FI-4
Information Services	IS-6
Law Group	LA-1 & 2-A & 2-B
Personnel Administration	PE-6
Program Administration	PM-MCO 1 to 4
Purchasing and Supply	PG-6
Translation	TR-4 & 5
Welfare Programmes	WP-7

4.0 Exclusions

4.1 Employees affected by the Regulations respecting pay on reclassification or conversion whose salary is protected at a group and level not mentioned above are not subject to this plan. The relevant terms and conditions of employment apply to determine their appropriate salaries.

4.2 Employees absent on leave without pay are eligible for in-range performance increases or performance awards under this plan.

5.0 Policy requirements

5.1 Deputy Ministers/Deputy Heads must implement and adhere to the performance pay administration plan in their departments.

5.2 They must:

5.2.1 ensure that performance pay is administered according to the plan, based upon each employee's performance review and appraisal report;

5.5.2 provide all information, training, advice and guidance required to implement and administer the plan.

6.0 Monitoring

6.1 The following performance indicators will be used to evaluate departments' adherence to the plan:

6.1.1 performance awards are granted only to employees who have attained the job rate and are rated fully satisfactory, superior or outstanding;

6.1.2 in-range increases and performance awards do not exceed the percentage guidelines for each level of performance; and

6.1.3 performance increase expenditure does not exceed the approved target of 5%.

7.0 References

7.1 *Financial Administration Act*, Section 11(2)(d).

8.0 Enquiries

8.1 Enquiries about this policy should be referred to the responsible officers in departmental headquarters who in turn may direct questions regarding policy interpretations to:

Excluded Groups Compensation Directorate
Labour Relations and Compensation Operations
Treasury Board Secretariat

Appendix A – Performance Pay Administration Plan for Certain Non-Management Category Senior Excluded Levels

1.0 Purpose

1.1 This appendix presents guidelines for the consistent application of the performance pay administration plan throughout the Public Service.

2.0 Definitions

2.1 **Acting pay** (*rémunération provisoire*)

means the rate that an employee should be paid for a temporary assignment to a higher classification level position.

2.2 **In-range increase** (*augmentation à l'intérieur de l'échelle*)

means an increase in salary based on assessed level of performance, that results in an upward positioning in the range (not exceeding the job rate).

2.3 **job rate** (*taux normal*)

means the maximum rate of pay available to a qualified employee whose performance in the job is at least fully satisfactory.

2.4 **payroll** (*masse salariale*)

means the sum of salaries paid to employees subject to this plan, in a particular department or agency.

2.5 **performance award** (*prime au rendement*)

means a bonus payable to an employee whose salary has reached the job rate of the applicable salary range and whose assessed level of performance is fully satisfactory, superior or outstanding. It is payable in a lump sum and must be re-earned each year.

2.6 retroactive period (*période de rétroactivité*)

means the period commencing on the effective date of the retroactive upward revision in remuneration and ending on the day approval is given.

3.0 Performance Pay Administration

3.1 In-range increases and performance awards are to be administered on April 1 of each year or on a date prescribed by the Treasury Board.

3.2 Expenditures on in-range increases and performance awards are controlled by a departmental budget, which may not be exceeded.

4.0 In-range increases

4.1 As a general guide, in-range increases up to the job rate, as a percentage of the employee's salary, may be granted annually for assessed performance as follows:

Outstanding up to 10%

Superior up to 7%

Fully Satisfactory up to 5%

Satisfactory 0%

Unsatisfactory 0%

Unable to assess 0%

4.2 Under no circumstances should an in-range performance increase be authorised for an employee whose performance has been assessed as "unsatisfactory".

4.3 Global performance ratings should be used to assist in the decision process for the determination of individual awards.

4.4 The Departmental performance pay budget is limited to 5% of the departmental group payroll as at March 31. Only members of the group on strength March 31 and on April 1 in a position listed in paragraph 3.1 of this policy are eligible for the purposes of this exercise. Members of the group on leave without pay or on a maternity leave / paternal leave who would not normally be considered to be on strength, are, for purposes of this policy, deemed to be eligible.

4.5 Performance awards are limited to a maximum of 10% of an individual's salary (including a combination of in-range salary increase and lump sum payments). Performance must be at least fully satisfactory to be eligible for any lump sum award.

4.6 Performance awards for those paid below the job rate are to be applied as base salary increases within the current salary ranges. When the calculation of a performance award results in a salary that would exceed the current job rate, the difference is to be paid as a one-time lump sum.

4.7 Employees on full-time language training are deemed to be on strength and are eligible for payment under this plan.

4.8 Small departments, that is, those with fewer than 20 eligible employees, must apply the following limitations to their budget calculations:

No. of employees Performance budget (%)

1	10.0
2	7.0
3	6.0
4	6.3
5	5.8
6	5.5
7	5.7
8	5.5
9	5.3
10	5.2
11	5.4
12	5.3

13	5.2
14	5.3
15	5.2
16	5.1
17	5.2
18	5.2
19	5.1

Note: These figures represent a percentage of the total senior excluded non-Management Category employees' payroll on March 31 of each year.

5.0 Performance awards

5.1 A performance award (bonus) may be granted to an employee whose performance has been assessed as fully satisfactory, superior or outstanding, and whose salary is already at the job rate or has just reached the job rate by the application of an in-range increase, and who is on strength on March 31st and April 1st. These lump sums must be re-earned each year.

5.2 Increases are to be limited to:

Outstanding performance up to 10% of salary

Superior performance up to 7% of salary

Fully Satisfactory performance up to 5% of salary

5.3 The maximum permissible amount for the awards should not be automatically granted. Consideration must be given to factors such as the salary relationship with immediate supervisors or subordinates and, the number of consecutive years of above fully satisfactory performance.

6.0 Exceptions

6.1 Law Group (LA-1)

6.1.1 At the discretion of the Deputy Minister, the performance of legal officers at the LA-1 level may be reviewed on a semi-annual basis and in-range increase for performance granted consistent with the rates set out below. Performance awards (lump sum payments) are only paid out once a year.

7.0 Combined application of in-range increase and performance award

7.1 Some employees assessed as fully satisfactory, superior or outstanding will reach their job rate with in-range increases which are less than the amounts permissible under the guidelines. In these cases, deputy heads may grant a performance award in addition to the in-range increase. The combination of the two amounts may not exceed the amounts permissible under the guidelines 10% of salary for outstanding performance, 7% of salary for superior performance and 5% of salary for fully satisfactory performance.

8.0 Performance Pay for Employees on Leave without Pay

8.1 Employees who have been absent on leave without pay for the full fiscal year and have not returned to work by March 31 of that fiscal year are not eligible for any performance increase. They are not to be included in the calculation of the budget.

8.2 Employees who have been on leave without pay for a part of the fiscal year may be eligible for a performance increase if they have been on strength for long enough to permit a meaningful evaluation of performance. Any performance pay should be prorated for the time they have been back on payroll.

9.0 Performance pay while receiving acting pay

9.1 An employee who is receiving acting pay for a temporary assignment to a group and level covered by this plan is eligible for performance pay at the higher level when the following criteria are met:

9.1.1 The substantive rate of pay has reached the range maximum and the employee is no longer eligible for increments or in-range performance increases in the substantive level; **or** an increment or in-range performance increase in the substantive level does not result in a change to the acting rate of pay **and** performance of the higher level duties is assessed as fully satisfactory or better;

9.1.2 An employee on strength and in an acting situation on March 31st and in a position listed in paragraph 3.1 of this policy

on April 1, is eligible for the purposes of this exercise. Members of the group on leave without pay or on a maternity leave / paternal leave who would not normally be considered to be on strength, are, for purposes of this policy, deemed to be eligible.

9.1.3 There are sufficient funds in the performance budget to award a performance increase.

9.2 The commencement date of the acting assignment will not affect an employee's eligibility for performance pay when these conditions are met. Prorating the performance increase, based on the length of time in the acting assignment, is an option.

9.3 Employees in acting status who are eligible for performance pay are to be included in the calculation of the department's budget.

10.0 Ineligible employees

10.1 If within the review period an increment or an in-range performance increase in the substantive rate of pay results in a salary increase on recalculation of the acting pay, the employee **is not eligible for performance pay** under this plan, and should not be included in the calculation of the budget.

11.0 Limitations

11.1 Under no circumstances are the in-range increases and performance awards paid under this plan to exceed the maxima available for the evaluated level of performance. Likewise, departments may not exceed their aggregate exceptional performance budget.

12.0 Salary-related benefits

12.1 A performance award will be included as part of salary for the period in respect of which it was paid. Any such award paid in the year of retirement, but related to the year prior to retirement, will be fully counted in the calculation of the five-year average salary for pension purposes. However, it will not be reflected in the level of coverage under salary-related benefits such as Supplementary death benefit and insurances.

12.2 Performance awards will also not be considered part of salary for the purposes of termination benefits such as severance pay and cash-out of vacation leave, or for salary calculations related to promotion or transfer.

13.0 Authorization

13.1 The Deputy Minister / Deputy Head is authorized to determine increases in salary and to make performance awards within the guidelines prescribed in this plan unless otherwise directed by the Treasury Board Secretariat.

13.2 On those occasions when the circumstances of an individual case are so exceptional that a department believes the salary administration plan guidelines should be exceeded, the Deputy Minister must obtain prior written approval from the Treasury Board Secretariat.

14.0 Confidentiality

14.1 As a matter of government policy, disclosure is restricted to information on the salary ranges. The specific salary paid to an individual in a performance pay plan may be disclosed only to those public servants whose work requires access to such information.