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

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## Policy objective

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.

## Policy statement

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:

- individuals may progress through the salary range by a series of variable increases related to the employee's assessed level of performance;
- 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;
- expenditures on salary administration must be controlled through a departmental performance increase budget.

## Application

This policy applies to employees in the Public Service as specified in Part I of Schedule I of the *Public Service Staff Relations Act* who are not subject to a collective agreement and who are classified in the following groups and levels:

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

## Exclusions

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.

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

## **Policy requirements**

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

They must:

- ensure that performance pay is administered according to the plan, based upon each employee's performance review and appraisal report;
- provide all information, training, advice and guidance required to implement and administer the plan.

## **Monitoring**

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

- performance awards are granted only to employees who have attained the job rate and are rated fully satisfactory, superior or outstanding; and
- in-range increases and performance awards do not exceed the percentage guidelines for each level of performance.

## **References**

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

## **Enquiries**

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

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

### **Purpose**

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

### **Definitions**

**Acting pay (*rémunération provisoire*)** - the rate that an employee should be paid for a temporary assignment to a higher classification level position.

**In-range increase (*augmentation à l'intérieur de l'échelle*)** - an increase in salary based on assessed level of performance, that results in an upward positioning in the range (not exceeding the job rate).

**Job rate (*taux normal*)** - the maximum rate of pay available to a qualified employee whose performance in the job is at least fully satisfactory.

**Payroll (*masse salariale*)** - the sum of salaries paid to employees subject to this plan, in a particular department or agency.

**Performance award (*prime au rendement*)** - 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.

**retroactive period (*période de rétroactivité*)** - the period commencing on the effective date of the retroactive upward revision in remuneration and ending on the day approval is given.

## **Performance Pay Administration**

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.

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

## **In-range increases**

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%

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

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

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 in a position April 1, 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.

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.

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.

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.

**Performance awards**

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 in a position April 1, are eligible for the purposes of this exercise. These lump sums must be re-earned each year.

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

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.

## **Exceptions**

### **Law Group (LA-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.

### **Combined application of in-range increase and performance award**

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.

### **Performance Pay for Employees on Leave without Pay**

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.

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.

### **Performance pay while receiving acting pay**

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:

- 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;
- the employee is on strength in the acting situation on March 31st and in a position April 1, 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.
- there are sufficient funds in the performance budget to award a performance increase.

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.

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

### **Ineligible employees**

When 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.

### **Limitations**

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.

### **Salary-related benefits**

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.

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.

### **Authorization**

The Deputy Minister 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.

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.

### **Confidentiality**

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.

## Appendix B - Instructions for the Administration of Performance Awards for PMP for the EX Group

### 1. Guiding principles for the application of performance awards

1.1 The program policy governing performance awards for executives is the *Performance Management Program for the Executive Group*.

1.2 Departments must administer performance awards for the EX Group on April 1 of each year.

1.3 Performance awards are paid in respect of the previous fiscal year period from April 1 to March 31.

1.4 To be eligible for a performance award an executive must have a signed Performance Agreement for the performance cycle, and either

- be on strength on both March 31 and April 1; or
- be on leave without pay on March 31 and/or April 1, but have been on strength for a sufficient period of time during the performance cycle prior to the leave period to allow for the achievement of performance commitments; or
- have died prior to March 31 and/or April 1, but have been on strength for a sufficient period of time during the performance cycle to allow for the achievement of performance commitments.

1.5 Anyone else who has left the Public Service prior to April 1 is not entitled to receive any performance awards (in-range salary movement and lump sum payments).

1.6 Performance awards (in-range salary movement and at-risk lump sum payments) must not be made in the absence of a signed Performance Agreement.

1.7 Determining individual performance awards is the responsibility of deputy heads. Guidelines for in-range salary movement and at-risk lump sum payments are designed to give freedom of action and the managerial discretion to recognize and reward differing degrees of performance.

For an individual working in an EX position for less than the full performance cycle, the manager has discretion in determining if there is a sufficient period of time within the performance cycle to allow for the achievement of performance commitments. A suggested time frame is a period greater than 3 months.

1.8 In keeping with past practice, the final salary figure arrived at by applying any performance related in-range increase to base salary should be rounded to the nearest multiple of \$100.

1.9 At-risk lump sum payments in relation to Key Commitments should be rounded to the nearest dollar.

### 2. Performance agreement and performance award treatment under PMP for executives in normal circumstances

Performance awards may be given to an executive in the absence of a signed performance agreement describing the commitments and achievements expected during the performance cycle.

An executive who has received an assessment of "Unable to Assess" or "Did Not Meet" in relation to Ongoing Commitments is *not eligible for any performance*

**award** (either in-range movement or at-risk lump sum payment).

## **2.1 In-range increases for the achievement of Ongoing Commitments**

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

The PMP guidelines state that "Normal progression through the range would be 5% per year to reach the job rate (maximum) in 3 years." Since the range is 15% from minimum to job rate, this progression assumes that the individual enters the level at the minimum salary. For those individuals who enter the level closer to the top of the range and who receive an evaluation of "succeeded" or better, the deputy head may wish to exercise flexibility in the percentage increase awarded the first year. For all other executives who receive an evaluation of "succeeded" or better, it is expected that the deputy head would award at least a 5% increase, except where the job rate would be exceeded.

## **2.2 At-risk lump sum payments for the achievement of Key Commitments**

All performance awards for the achievement of Key Commitments are to be in the form of lump sum payments.

Executives need not be at the job rate to be eligible for at-risk lump sum payments. An executive who has received in-range movement for the achievement of Ongoing Commitments is also eligible for an at-risk lump sum payment for the achievement of Key Commitments.

Unless otherwise indicated, at-risk lump sum payments for the fiscal year during which the achievement of Key Commitments occurred are to be calculated on the individual's substantive salary as an EX in effect on March 31 of that fiscal year, i.e. prior to any in-range increase resulting from the achievement of Ongoing Commitments.

For executives at the EX-1 to EX-3 levels at-risk lump sum payments for the achievement of Key Commitments may range from zero to ten point zero percent (0 to 10.0%) of the individual's salary. For executives at the EX-4 or EX-5 level at-risk lump sum payments for the achievement of Key Commitments may range from zero to 15 point zero per cent (0 to 15.0%). **These maximums cannot be exceeded.**

Deputy heads have discretion to make at-risk lump sum payments up to these maximums when an individual's performance has been assessed as at least "succeeded" in relation to the achievement of both Ongoing and Key Commitments.

At-risk lump sum payments are to be associated with the fiscal year during which the commitments were achieved for pension purposes.

## **3. Performance agreement and performance award treatment under PMP for executives in special circumstances**

### **3.1 Executive on an Interchange assignment outside the Public Service (PS)**

The executive will be required to establish a performance agreement at the beginning of the assignment period with the manager of the host organization.

If the executive has worked with the host organization for an **insufficient** time to establish commitments and measures for that year's performance cycle, the evaluation of the executive's performance for the cycle should be based on the achievement of Ongoing and Key Commitments for the home position (department) with consideration

of performance 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 and interchange positions should be taken into consideration to determine the ratings for Ongoing and Key Commitments.

The executive is treated in the same manner for the performance award as those in normal circumstances (section 2).

### **3.2 Individual from outside the Public Service on Interchange assignment as an executive with the Public Service**

Compensation treatment is determined by the home organization.

### **3.3 Executive on Leave without Pay (LWOP) (includes education leave without pay)**

#### **3.3.1 for the ENTIRE performance cycle**

A performance agreement is not required.

Since the executive has not worked in the position and has completed no performance agreement associated with it, the executive is entitled to no performance award, neither in-range salary movement nor at-risk lump sum payment.

#### **3.3.2 for part of the performance cycle**

An executive absent on LWOP is eligible for a performance award provided that the manager has determined that there has been a sufficient period of time within the performance cycle to allow for the achievement of Ongoing and Key Commitments. In such a case a performance agreement is required.

For the period worked during the performance cycle the executive should be assessed in the normal manner against both Ongoing and Key Commitments.

If still an employee with the Public Service on March 31 and April 1, an executive on LWOP is treated in the same manner for the performance award as those in normal circumstances (section 2).

### **3.4 Executive on education leave with pay (including language training))**

#### **3.4.1 for the ENTIRE performance cycle**

A performance agreement is required. It should state that the time spent on education/language training is considered to be an Ongoing Commitment for the executive to meet the requirements of the position.

The executive receives a "succeeded" rating for Ongoing Commitments for the time spent on Education Leave with Pay, not for any academic accomplishment.

If still an employee with the Public Service on March 31 and April 1, an executive on Education Leave with Pay is eligible for in-range movement. If the employee's substantive salary is lower than the job rate, the EX receives an increase to the substantive salary.

There are no Key Commitments established for education/ language leave with pay

therefore, an executive is not entitled to an at-risk lump sum payment for time spent on paid education/ language training leave.

### **3.4.2 for part of the performance cycle**

A performance agreement is required. It should include both Ongoing and Key Commitments if the executive will be working for a sufficient period of time during the performance cycle. It should indicate that the time spent on education/language training is considered to be an Ongoing Commitment for the executive to meet the requirements of the position.

The executive receives a "succeeded" rating for Ongoing Commitments for the time spent on Education Leave with Pay, not for any academic accomplishment. For the remaining period worked during the performance cycle the executive should be assessed in the normal manner against both Ongoing and Key Commitments.

The executive is treated in the same manner for the performance award as those in normal circumstances (section 2).

### **3.5 Executive who has died during the performance cycle**

An executive who has died during the performance cycle is eligible for a performance award provided that the manager has determined that there was a sufficient period of time within the performance cycle to allow for the achievement of Ongoing and Key Commitments established in the performance agreement.

Achievements should be assessed against both Ongoing and Key Commitments. **A performance award can be given for the achievement of Key Commitments only.** This award is paid to the executive's estate.

The Treasury Board has authorized the following transitional provision to bridge the period between the implementation of the Performance Management Program (PMP) for Executives on April 1, 1999 and September 1, 2002, the effective date of this policy. Where compassionate circumstances warrant and the criteria identified in this section for granting a performance award have been met, Deputy Heads may request authority from the Secretary of the Treasury Board to pay a performance award to the estate of executives who died between April 1, 1999 and September 1, 2002.

### **3.6 Executive assigned to special project**

The executive's existing performance agreement should be modified to include the Commitments and measures for the special project(s) and to remove certain existing Commitments and measures if necessary.

The executive is treated in the same manner for both assessment and performance award as those in normal circumstances (section 2) unless the special project assignment results in an acting pay situation.

### **3.7 Executive on secondment within the federal Public Service**

The executive must have performance agreements to cover the entire performance cycle. If the executive will be working for a sufficient period of time in each of the home and host organizations during the performance cycle to allow for the achievement of Ongoing and Key Commitments in each place, the executive may have two performance agreements during the performance cycle.

The host organization is responsible for defining the assignment commitments and for evaluating the employee's achievements against them.

In developing secondment agreements, the guiding principle is that the organization, whether home or host, which is responsible for and enjoys the services of the employee for the greater part of the performance cycle is responsible for the performance assessment and performance award payment for that individual. This would apply no matter whether the seconded employee is actually working in the host or the home organization when performance pay is effective, that is, on April 1. The parties concerned may agree to some other performance pay funding arrangement. The details of such an arrangement should be specified in the secondment agreement.

It is expected that the performance rating of the executive would be discussed and agreed upon by the home and host managers.

The executive is treated in the same manner for the performance award as those in normal circumstances (section 2).

### **3.8 Executive on surplus status under the EET Policy during the notice period (priority status)**

A performance agreement will be required if the executive will be working for a sufficient period of time during the performance cycle to allow for the achievement of Ongoing and Key Commitments.

The executive is treated in the same manner for both the assessment and performance award as those in normal circumstances (section 2).

### **3.9 Executive with Salary Protection Status**

An executive with Salary Protection Status is to be treated in the same way as all other executives for purposes of Performance Agreements. A performance agreement will be required if the executive will be working for a sufficient period of time during the performance cycle to allow for the achievement of Ongoing and Key Commitments.

#### **3.9.1 occupying an EX position**

If the executive's personal rate of pay is below the job rate of the EX salary range applicable to the personal classification level, the employee is eligible to receive an in-range salary increase for the achievement of Ongoing Commitments.

The employee is eligible to receive at-risk lump sum payment for achieving Key Commitments. This award will be calculated as a percentage of the job rate applicable to the level of the EX position occupied.

#### **3.9.2 occupying a non-EX position**

If the executive's personal rate of pay is below the job rate of the EX salary range applicable to the personal classification level, the employee is eligible to receive an in-range salary increase for the achievement of Ongoing Commitments.

However, an employee who is salary protected against a non-executive position is not eligible to receive at-risk lump sum payment for the achievement of Key Commitments.

### **3.10 Executive with Salary Maintenance Status**

#### **3.10.1 occupying an EX position**

An executive with Salary Maintenance Status is to be treated in the same way as all other executives for purposes of Performance Agreements. A performance agreement will be required if the executive will be working for a sufficient period of time during the performance cycle to allow for the achievement of Ongoing and Key Commitments.

If the employee's personal rate of pay exceeds the job rate of the EX salary range applicable to the level of the position occupied and is, therefore, "frozen" the employee is not eligible to receive an in-range salary increase for the achievement of Ongoing Commitments.

The employee is eligible to receive an at-risk lump sum payment for achieving Key Commitments. This award will be calculated as a percentage of the job rate applicable to the level of the EX position occupied.

### 3.10.2 occupying a non-EX position

An executive with Salary Maintenance Status whose personal rate of pay is being maintained above the job rate of the non-EX position to which he or she has been appointed is not eligible for performance awards under the *Salary Administration Policy for the EX group*.

## 4. Performance agreement and performance award treatment under PMP for employees acting in EX Group positions

This section describes the application of performance agreements and performance award treatment - both in-range salary movement and at-risk lump sum payments - for the following three (3) types of employees acting in EX Group positions:

- executive acting in a higher level EX position;
- non-executive subject to performance pay in the substantive position acting in an EX position;
- non-executive not subject to performance pay in the substantive position acting in an EX position.

### 4.1 Guiding principles specific to all acting situations

These principles are in addition to the Guiding Principles described in Section 1.

4.1.1 An employee may receive a performance award under only one performance pay plan.

4.1.2 An employee must be on strength, acting in the position on **March 31 and April 1 and have been acting in the position for at least three (3) months prior to March 31 to receive a performance award at the acting salary level.**

4.1.3 An employee whose substantive group and level is non-executive and who is receiving acting pay for a temporary assignment to an EX Group position is eligible for a performance award at the EX Group level when the following criteria are met:

- the substantive rate of pay has reached the job rate and the employee is no longer eligible for increments or in-range salary movement in the substantive level; or, an increment or in-range salary movement in the substantive level does not result in a change to the acting rate of pay; and
- the employee's performance in the achievement of Ongoing and Key Commitments at the EX level is assessed as "succeeded" or better.

4.1.3 If an employee has worked in both the acting and substantive positions for a sufficient period of time, the achievement of Ongoing and Key Commitments in the acting position, as well as performance in the substantive position, should be taken into consideration to determine the ratings for Ongoing and Key Commitments.

**4.1.5** If the acting period has been **less than 3 months** or is **insufficient** to establish Commitments for the acting position,

(a) an **executive's** evaluation for the performance cycle should be based on the achievement of Ongoing and Key Commitments for the substantive position with consideration of performance while in the acting assignment. Performance awards in relation to Key Commitments, in this instance, should be based on the substantive salary.

(b) a **non-executive employee's** evaluation for the performance cycle should be based on achievement in the substantive position with consideration of performance while in the acting assignment. Employees in these circumstances would follow their substantive compensation plan for performance awards or incremental movement.

## **4.2 Executive acting in a higher EX position**

### **4.2.1 Treatment for Ongoing Commitments**

If the acting period is sufficient to have established commitments in a performance agreement and the rating for the achievement of Ongoing Commitments is "succeeded" or better, the employee is eligible for in-range salary movement.

If the employee's substantive salary is lower than the job rate for the substantive level, the employee receives an increase to the substantive salary. The salary for the acting position should be recalculated based on the new substantive salary.

If the employee is at the substantive level job rate, or the recalculation of the substantive salary does not result in a revised acting salary, then the percentage award for the achievement of Ongoing Commitments should be applied to the acting salary to determine the new acting salary.

### **4.2.2 Treatment for Key Commitments**

If the acting period is sufficient to have established commitments in a performance agreement and the performance rating for the achievement of Key Commitments is "succeeded" or better, the employee is eligible for a lump sum payment.

A lump sum payment is paid based on the employee's **acting salary**, prior to the application of any increase to the substantive base salary resulting from the achievement of Ongoing Commitments.

## **4.3 Non-executive, subject to performance pay in the substantive position, acting in an EX position**

### **4.3.1 Treatment for Ongoing Commitments**

If the acting period is sufficient to have established commitments in a performance agreement and the performance rating for the achievement of Ongoing Commitments is "succeeded" or better, the employee is eligible for in-range salary movement.

If the employee is **at the job rate** of the substantive level and the substantive position is one to which performance pay applies, the salary for the acting position should be increased by an amount equal to the percentage increase awarded for achievement of Ongoing Commitments.

If the employee is **not at the job rate** of the substantive level and the substantive position is one to which performance pay applies, the percentage awarded for achievement of Ongoing Commitments is applied to the salary for the substantive position to determine a new substantive salary. If a recalculation of the acting salary based on the new substantive salary results in a new acting salary, then this salary

applies during the period the individual continues to act. If a recalculation does not result in a new acting salary, then the percentage award for Ongoing Commitments must be applied to the existing acting salary to calculate a new acting salary.

Any lump sum payment as a result of the employee attaining the substantive position's job rate, is held until the acting assignment terminates, at which time calculations are made to determine if a lump sum payment is owing to the employee. (Section 4.3.3)

#### **4.3.2 Treatment for Key Commitments**

If the acting period is sufficient to have established commitments in a performance agreement and the performance rating for the achievement of Key Commitments is "succeeded" or better, the employee is eligible for a lump sum payment.

The lump sum payment is paid based on the employee's **acting salary**, prior to any adjustments resulting from the achievement of Ongoing Commitments.

#### **4.3.3 Performance awards at substantive group and level - excluded and unrepresented employees**

When an excluded or unrepresented employee who is paid under a performance pay plan reaches the job rate of the substantive level, he or she is no longer eligible for performance award in the substantive level while the acting assignment in the EX Group position continues. Instead, the employee may be eligible for a performance increase in the acting level when the criteria specified in paragraph 4.1.3 are met.

At the end of the acting assignment, it will be necessary to calculate what the employee would have received in the substantive level had the acting assignment not been in effect. If this amount is more than what was actually awarded at the higher level, and the relevant performance pay plan permits, the employee is to be paid the difference between the two amounts in a lump sum.

When the acting assignment ends, the percentage increase for performance, which would have been paid under the substantive position's performance pay plan, should be applied to the substantive position salary, to determine what dollar amount would have been paid to the employee as a lump sum performance award, had the employee remained in the substantive position. The lump sum dollar amount is prorated to the time remaining in the fiscal year, to determine what lump sum amount is payable to the employee upon their return to their substantive position.

### **4.4 Non-executive, not subject to performance pay in the substantive position, acting in an EX position**

#### **4.4.1 Treatment for Ongoing Commitments**

If the acting period is sufficient to have established commitments in a performance agreement and the performance rating for the achievement of Ongoing Commitments is "succeeded" or better, the employee is eligible for in-range salary movement.

If the employee is at the substantive position job rate, the employee receives an increase to the acting salary by applying the performance award resulting from the achievement of Ongoing Commitments to the existing acting salary.

If the employee is not at the substantive position job rate, the employee's substantive salary is revised on the employee's substantive position increment date and the acting salary is recalculated. If the recalculation of the acting salary based on the revised substantive salary results in a new acting salary, the new acting salary is paid to the employee. If the recalculation of the acting salary based on the revised substantive salary does not result in a new acting salary then the performance award resulting from the achievement of Ongoing Commitments is applied to the existing acting salary.

#### 4.4.2 Treatment for Key Commitments

If the acting period is sufficient to have established commitments in a performance agreement and the performance rating for the achievement of Key Commitments is "succeeded" or better, the employee is eligible for a lump sum payment.

The lump sum payment is paid based on the employee's **acting salary**, prior to any adjustments resulting from the achievement of Ongoing Commitments