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|  | SALARY ADMINISTRATION | Human Resource Manual |
| | Pay For Performance | Section 1409 |

PAY FOR PERFORMANCE

PURPOSE


1. The Government believes that employees should be compensated for their outstanding achievements and contributions.

APPLICATION

2. These guidelines and procedures apply to all GN employees in the Excluded group.

DEFINITIONS

3. **Performance Development System** is the system selected by Departments, Boards and Agencies in which the Manager and the employee:
 - at the beginning of the review period agree upon the major individual and group assignments, and the expected levels of individual achievements and contributions to group assignments, and
 - at the end of the review period agree on the demonstrated level of achievements and contributions, and if applicable, the degree to which expected levels were exceeded.
4. **Outstanding Achievements** are achievements that exceed the expected level of achievement of the individual assignments agreed upon by the Manager and the employee at the beginning of and during the performance review period.
5. **Outstanding Contributions** are contributions that exceed the expected level of contribution towards the achievement of group assignments agreed upon by the Manager and the employee at the beginning of and during the performance review period.
6. **Salary Increments** are step increases to the annual rates of pay in the salary range.
7. **Review Period** is a one-year period that is normally the applicable fiscal year for the Department, Board or Agency.

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PROVISIONS

8. Each Department, Board and Agency will develop detailed plans for the implementation of Pay For Performance. These plans will describe the processes to be used by the Department. Plans will be reviewed based on adherence to these guidelines and the following criteria:
 - Departmental processes must be based on completion of an annual performance appraisal for each employee;
 - Pay for performance will be based on recommendations from managers, however, all pay for performance rewards must be approved by the Deputy Head;
 - The process will occur once per year (April to June); and
 - Employees will not be informed of their recommendation for an award until after final Deputy Head approval has been given.

10. Each Department, Board and Agency must develop, in consultation with managers and employees, standards of performance that are generally expected for the nature of individual and group assignments that fall within the Department, Board, or Agency mandate and the overall Government mandate.

11. Managers must develop a written agreement with each employee at the beginning of the review period, setting out the major individual and group assignments and the level of expected achievements of individual assignments and the contributions to the group assignments. The written agreement normally consists of the performance review in which objectives are set. The written agreement may be amended by mutual consent during the review period to reflect changes to individual and group assignments.

12. At the end of the review period, Managers must develop a written agreement (normally a performance review) with each employee that summarizes the level of achievement of the employees' individual assignments and the contributions to the group assignments.

13. Employees whose overall achievements and contributions meet the agreed upon expected level of achievements and contributions and who are not at the maximum step of their salary range will receive one salary increment for the review period.

14. Employees whose overall achievements and contributions exceed the agreed upon expected level of achievements and contributions may receive, upon the recommendation of the supervisor/manager two increments for



employees who are two or more steps below the maximum step for their salary range.

15. Performance pay bonuses or increments are awarded for performance for the previous fiscal year, and are effective April 1st of the year immediately following the year to which the bonus applies.
16. The Human Resource Practitioner in the employing department is responsible for compiling a summary report of all agreements for all Departmental, Board or Agency employees, for review by the Deputy Head. A copy of the performance agreement will be submitted to the Department of Human Resources for placement on the appropriate employee's personnel file.
17. Deputy Heads must ensure that evaluations are consistent.
18. The Manager retains a copy of the agreement entered into with each employee at the end of the review period and provides a copy to the employee. The original is provided to the Human Resource Department for placement on the employees' personnel file. Review periods are to coincide with the fiscal year.

AUTHORITIES AND REFERENCES

19. Excluded Employees' Handbook
Performance Evaluation
Pay for Performance

CONTACTS

21. For further information or clarification, please contact:

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