

## 3.1 Salary Determination Policy

### Policy Statement

This policy is designed to ensure fairness and consistency in application of the *Civil Service Act* and regulations that provide for determination of an employee's pay rate in a position in a classification that is excluded from bargaining. This policy describes how an employee's pay rate is determined upon appointment, promotion, demotion, reclassification, temporary assignment, or lateral transfer within the civil service.

### Definitions

#### **ACTING PAY**

A rate of pay up to 10% higher than an employee's base pay rate not to exceed the maximum for the position in which the employee is acting.

#### **APPOINTMENT**

The appointment of a person to a position in the civil service.

#### **BASE PAY**

The regular bi-weekly pay rate for an employee's position exclusive of any pay adjustments or variable payments.

#### **CLASSIFICATION**

The rating of positions in the civil service by the Public Service Commission according to the character and importance of the work and the duties and responsibilities of the position.

#### **COMPA-RATIO**

An employee's base pay rate taken as a percentage of the job rate.

#### **DEMOTION**

An employee moves to a position which has a lower pay range maximum than the employee's immediate position.

#### **DEPARTMENT**

Any department, office, or public service entity established by the Government of Nova Scotia as identified in Schedule A of the General Civil Service Regulations.

**DEPUTY HEAD**

The deputy of the member of the Executive Council presiding over a department and all others whom the Governor in Council from time to time designates as having the status of deputy head.

**EMPLOYEE**

A civil servant employed by the Government of Nova Scotia who is not a bargaining unit employee and whose terms and conditions of employment are set out in accordance with the *Civil Service Act* and regulations.

**JOB RATE**

100% compa-ratio for the pay range.

**LATERAL TRANSFER**

An employee moves from one position to another which has an equivalent pay range maximum.

**PRESENT INCUMBENT ONLY (PIO)**

A form of salary protection where an employee retains their existing pay range after being placed or reclassified in a position with a lower pay range maximum. The employee continues to be eligible to receive all salary revisions and increment adjustments to which they would be entitled prior to the demotion.

**PROMOTION**

An employee moves to a position with a higher pay range maximum than the employee's immediate position.

**RECLASSIFICATION**

A position which an employee occupies is evaluated by the Public Service Commission resulting in a change in classification.

**TEMPORARY RECLASSIFICATION**

An employee is assigned a classification with a higher pay range maximum for a temporary period in accordance with the Temporary Assignment Policy.

**Policy Objectives**

- To establish and document a framework for setting individual employee pay rates.
- To promote fairness and consistency of compensation practices.
- To clarify roles and responsibilities in salary determination.

## Application

This policy applies to all non-bargaining unit civil servants whose terms and conditions of employment are set out in accordance with the *Civil Service Act* and regulations in so far as it does not conflict with any other existing policies governing salary determination.

The pay rate of Crown Attorneys upon appointment and promotion is determined in accordance with the Agreement between the Nova Scotia Public Service Commission and the Nova Scotia Crown Attorneys' Association.

## Policy Directives

Determination of a person's pay rate shall be in accordance with the General Civil Service Regulations and this policy.

Departments are required to document all criteria used to determine salary on the Public Service Commission approved form. This documentation along with any required Public Service Commission approval, is to be maintained in the Employee's Personnel file.

### APPOINTMENT

The pay rate for a person appointed to the Civil Service is the minimum rate prescribed for the position to which they are appointed.

If it is determined by the Human Resources Consultant that a higher rate than the minimum pay rate prescribed for the position is necessary to effect the appointment, the following factors should be considered in determining the pay rate:

- previous salary of the person as it relates to the position to which they are being appointed;
- the knowledge, skills and abilities of the person in relation to those required by the position; and
- salary relationship to subordinates, peers, and supervisor.

For determining the pay rate for positions in the Excluded Classification (EC) Pay Plan, use the "Salary Range Zone Definitions" attached as Schedule A.

The pay rate will not exceed the maximum pay rate assigned to the position. For positions in the EC Pay Plan the maximum pay rate upon appointment is the job rate (100% compa-ratio).

### **PROMOTION**

An employee's pay rate on promotion to a position in a classification that has a higher pay range maximum shall be at the next higher rate or the minimum of the new classification, whichever is greater, than that received by the employee before the promotion.

If it is determined by the Human Resource Consultant that a higher rate is necessary to effect the promotion than the minimum pay rate prescribed for the position, the following factors should be considered in determining the pay rate:

- the knowledge, skills and abilities of the person in relation to those required by the position; and
- salary relationship to subordinates, peers, and supervisor

For determining the pay rate for positions in the Excluded Classification (EC) Pay Plan, use the "Salary Range Zone Definitions" attached as Schedule A.

For positions in the EC Pay Plan, the pay rate will normally not exceed the job rate (100% compa-ratio). A pay rate that exceeds 100% compa-ratio requires the prior approval of the Public Service Commission, Compensation Division, on the approved Public Service Commission form.

### **DEMOTION**

An employee's pay rate on demotion to a position in a classification with a lower maximum pay rate shall be the maximum pay rate for the new classification or if the maximum pay rate for the new classification is higher than the rate received by the employee immediately before the demotion, the highest pay rate for the new classification that is lower than or equal to the rate received by the employee immediately before the demotion.

The Public Service Commission in its discretion, and for such time as it considers appropriate, may maintain the classification and pay rate of a position on a present incumbent only basis (PIO), or may require that the pay rate of the employee in the position be frozen, in one of the following circumstances:

- the employee is assigned the duties of a position that has a pay rate maximum lower than the pay rate being received by the employee at the time of the assignment;
- the employee's position is reclassified to a classification that has a pay range maximum lower than the pay rate in effect being received by the employee immediately before the reclassification.

In determining how an employee should be treated on demotion, refer to the “Guide for Determining Pay Upon Demotion” attached as Schedule B.

Any determination of an employee’s pay rate that is not provided for in the guide requires the prior approval of the Public Service Commission, Compensation Division.

**RECLASSIFICATION**

When a position is re-evaluated resulting in a higher classification, the employee’s pay rate will be determined in accordance with the promotion directive of this policy.

When a position is re-evaluated resulting in a lower classification, the employee’s pay rate will be determined in accordance with the demotion directive of this policy.

**TEMPORARY RECLASSIFICATION**

When an employee is assigned to a higher classification for a temporary period in accordance with the Temporary Assignment Policy, the employee’s pay rate will be determined in accordance with the promotion directive of this policy.

All salary-related benefits, including pension, and contributions during the temporary assignment will be based on the employee’s revised pay rate.

The employee’s pay will be readjusted at the end of the temporary reclassification to the pay the employee would have received if the assignment had not occurred.

**ACTING PAY**

Acting pay will be calculated on the basis of up to 10% of the employee’s base pay. In no case shall the adjusted pay rate exceed the maximum rate of the higher-paying position.

In determining the percentage of acting pay for employees in the EC Pay Plan, refer to the “Guide for Determining Acting Pay” attached as Schedule C. A pay rate that exceeds the equivalent of the job rate requires the prior approval of the Public Service Commission, Compensation Division, on the approved Public Service Commission form.

All salary-related benefits and contributions during the acting pay period will be based on the employee’s base pay except as provided for in the *Public Service Superannuation Act*, Section 2(j)(ii)(A) and (B).

The employee’s pay will be readjusted at the end of the acting pay period to the pay the employee would have received if the assignment had not occurred.

### **LATERAL TRANSFER**

When an employee is transferred to a position or a classification with the same pay range maximum, the employee will continue to be paid at the same pay rate.

If an employee is transferred to a position that requires a different skill set than their current position, the employee's pay rate may be determined in accordance with the appointment directive of this policy.

## **GUIDELINES**

- Salary Range Zone Definitions
- Guide for Determining Pay Upon Demotion
- Guide for Determining Acting Pay

## **ACCOUNTABILITY**

### **DEPUTY HEADS**

Deputy Heads are responsible for:

- ensuring departmental managers are familiar with this policy
- ensuring compliance with the policy.

### **DEPARTMENT MANAGERS**

Department managers are responsible for being familiar with this policy.

### **PUBLIC SERVICE COMMISSION**

The various divisions of the Public Service Commission are responsible as follows:

#### **Directors/Managers of Human Resources are responsible for:**

- ensuring the responsibility/authority for determination of salary is only delegated to trained and competent personnel and hold these personnel accountable for their decisions;
- obtaining Public Service Commission approval as required by the policy;
- ensuring that any review/audit results of the policy directives are reviewed and appropriate action is taken.

#### **Human Resource Consultants are responsible for:**

- determining an employee's pay rate in accordance with this policy;
- consistently administrating and applying this policy;
- maintaining all necessary documentation used in determining an employee's salary in the Employee's Personnel file

**Public Service Commission, Compensation Division is responsible for:**

- acting in an advisory capacity to human resource staff on issues of salary determination;
- approving pay rate adjustments that are in excess of established policy directives;
- approving demotions that result in present incumbent only and red-circle situations;
- monitoring and auditing the application of the policy directives.

## MONITORING

The Public Service Commission is responsible for continuously monitoring the effectiveness and consistent application of this policy. The Public Service Commission may periodically conduct audits and evaluations of line Human Resources systems/practices and will require access to personnel and data maintained by line Human Resources with respect to this policy.

## REFERENCES

*Civil Service Act*  
General Civil Service Regulations  
Temporary Assignment Policy  
*Public Sector Superannuation Act*

## ENQUIRIES

Public Service Commission  
Compensation Division  
Email: [psccompensationinquiries@novascotia.ca](mailto:psccompensationinquiries@novascotia.ca)

## Appendices

Schedule 3-A: Salary Range Zone Definitions  
Schedule 3-B: Guide for Determining Pay Upon Demotion  
Schedule 3-C: Guide for Determining Acting Pay

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Approval date: **February 17, 2011**  
Approved by: **Executive Council**

Effective date: **February 17, 2011**  
Administrative update: **November 14, 2019**

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## Schedule 3-A

## Salary Range Zone Definitions

	<b>Salary Range Zone Definitions</b>	<b>Compa Ratio</b>
<b>Minimum</b>	<b>New/Developmental Zone</b> <ul style="list-style-type: none"> <li>– Developing in the job and will likely require guidance on some of the more complex job requirements</li> <li>– Expected to be on a fast learning curve – especially at the lower end of this zone</li> <li>– New incumbents who possess the minimum qualifications for the job and have limited applicable experience</li> </ul>	80%
		87%
	<b>Seasoned Zone</b> <ul style="list-style-type: none"> <li>– Meets most or all job requirements - may require guidance from more seasoned staff or management to complete some of the more complex job requirements</li> <li>– Incumbents are developing well and are on target to reach the Fully Seasoned Zone</li> <li>– New incumbents who possess moderate levels of knowledge, skill and ability that are directly applicable to the job</li> </ul>	88%
		95%
<b>Job Rate</b>	<b>Fully Seasoned Zone</b> <ul style="list-style-type: none"> <li>– Meets all job requirements and may exceed some</li> <li>– Fully proficient in the role</li> <li>– History of sustained performance in the job or pay band</li> <li>– Fully demonstrates competencies at this level</li> <li>– New incumbents who greatly exceed the minimum qualifications; and possess all the knowledge, skill and ability to fully complete all job requirements</li> </ul>	96%
		100%
	<b>Exceeds Zone</b> <ul style="list-style-type: none"> <li>– Exceeds job requirements and competencies on a sustained basis as determined through performance management</li> <li>– No new appointments - must progress from Fully Seasoned Zone</li> </ul>	101%
		105%
<b>Maximum</b>	<b>Greatly Exceeds Zone</b> <ul style="list-style-type: none"> <li>– Greatly exceeds job requirements and competencies on a sustained basis as determined through performance management</li> <li>– Considered a role model to others</li> <li>– No new appointments - must progress from lower salary zones</li> </ul>	106%
		110%



## Schedule 3-B

# Guide for Determining Pay Rate Upon Demotion

### **INVOLUNTARY DEMOTION - JOB CHANGE**

An employee who is involuntarily placed in a lower classified job or whose own job is classified lower for reasons other than poor performance shall have their rate of pay maintained for a period of 6 months. At the end of the 6 month period, the following will apply:

- The employee shall be placed in the salary range for the lower classified job at the highest pay rate that is lower than or equal to the rate received by the employee immediately before the demotion.
- If this causes the employee to receive a decrease greater than 5%, the employee's rate will be reduced by 5% and frozen for a period of 6 months.
- This process will be repeated every 6 months until the employee's rate reaches the maximum of the lower classification.

### **INVOLUNTARY DEMOTION - PERFORMANCE RELATED**

For an employee who is placed in a lower classified job due to poor performance the following shall apply:

- The employee's pay rate will be the maximum pay rate of the new classification. EC Pay Plan employee's pay rate will be the job rate (100% compa-ratio).
- If the employee's pay rate immediately before the demotion is lower than the maximum pay rate/job rate of the new classification, the employee's pay rate in the new classification will be lower than or equal to the rate received by the employee immediately before the demotion.

### **VOLUNTARY DEMOTION**

An employee who voluntarily moves to a lower classified job will be placed in the new salary range using the appointment directive. If this causes the employee to receive a pay rate that is lower than that received by the employee immediately prior to accepting the lower classified job the following shall apply:

- The employee's pay rate will be the maximum pay rate of the new classification. EC Pay Plan employee's pay rate will be the job rate (100% compa-ratio).

**Schedule 3-C**

# **Guide for Determining Acting Pay**

The following will apply to employees receiving acting pay:

- Acting in a job classified one pay band higher - the employee may receive up to 5%.
- Acting in a job classified two or more pay bands higher - the employee may receive up to 10%.
- The employee's combined base salary and acting pay amount will not exceed the job rate (100% compa-ratio) for the higher classified job.

The exact Acting Pay amount should be determined using the salary zone descriptors and assessing the employee against the job.

Any situation that exceeds the equivalent to the job rate requires the prior approval of the Public Service Commission, Compensation Division, on the Public Service Commission's approved form.