

3.2 Excluded Classification (EC) Merit Pay Policy

Policy Statement

The Government of Nova Scotia is committed to providing employees compensated under the Excluded Classification (EC) Pay Plan the opportunity to move through their salary ranges based on performance.

Definitions

COMPA-RATIO

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

CIVIL SERVANT

An employee of the Government of Nova Scotia whose terms and conditions of employment are set out in accordance with the *Civil Service Act* and regulations.

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

An employee paid according to the EC Pay Plan.

JOB RATE

100% compa-ratio for the pay range.

LATERAL TRANSFER

An employee moves from one EC position to another with the same EC pay level.

PROMOTION

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

RED CIRCLE

A form of salary protection where an employee is placed or reclassified in a position with a lower pay range maximum and where their former pay rate is frozen for such time as the Public Service Commission deems appropriate.

Objectives

Merit pay is designed to provide an opportunity for employees to move through their salary ranges based on good performance.

Application

This policy applies to employees paid according to the EC Pay Plan and whose terms and conditions of employment are set out in accordance with the *Civil Service Act* and regulations.

Directives

PERFORMANCE MANAGEMENT PERIOD

The performance management period (performance period) used to determine an employee's eligibility for merit pay is April 1 to March 31 of the previous fiscal year.

ELIGIBILITY

Employees who satisfy the following criteria are eligible for merit pay:

- have had their performance evaluated through the Government of Nova Scotia Performance Management System for the period of time they worked as an EC employee during the previous performance period
- have worked for a minimum of six months with pay as an EC employee during the performance period.

EFFECTIVE DATE OF PAYMENT

Merit pay that results in an increase to base pay (compa-ratio) is paid bi-weekly to employees effective April 1 of the fiscal year immediately following the performance period on which the merit pay adjustment is based.

MERIT ADJUSTMENT

The size of the merit pay adjustment is determined using the Merit Pay Guide Chart and all relevant management directives and/or guidelines issued from time to time by the Public Service Commission.

PROMOTION - AFTER OCTOBER 1

An employee promoted after October 1 and who has worked a minimum of six months with pay as an employee paid according to the EC Pay Plan during the performance period shall be eligible for merit pay according to the following:

- all performance management results from the performance period have been considered and
- the promotional increase is consistent with the promotion guidelines.

The performance adjustment is determined using the employee's April 1 (post promotion) compa-ratio and the Merit Pay Guide Chart.

The size of this performance adjustment may be reduced if both the employee's immediate and next level managers are in agreement and it is approved by the appropriate Public Service Compensation Consultant.

DEMOTION

An employee who is demoted to a lower-level EC position during a performance period may be eligible for merit pay the following April 1, provided the eligibility criteria are satisfied and the performance management documentation for all former EC positions occupied during the 12-month performance period indicate a minimum performance level of "meets expectations."

LATERAL TRANSFER

An employee who moves from one position to another at an equivalent EC pay level is eligible for merit pay the following April 1 provided there has been no change to the employee's compa-ratio.

RED CIRCLE

An employee paid above the maximum pay range for their job and whose rate of pay has been red circled is ineligible for merit pay.

NO LONGER EC

Forfeits Payment

Anyone who ceases to be a civil servant paid according to the EC pay plan forfeits any future merit pay.

Leaves Prior to Payment

Anyone who leaves the Civil Service prior to merit pay being paid and who satisfies both the eligibility criteria and was a civil servant paid according to the EC pay plan as of March 31 of the previous performance period, may apply to receive merit pay prorated from April 1 of the payment year to the date of their departure.

Application and Timing

Those who leave prior to payment must submit a written application to their former Human Resources Division by March 31 of the fiscal year that merit pay is paid. Anyone who does not meet this time line forfeits any merit pay for which they were previously eligible.

PRIOR APPOINTMENT

A former non-Civil Service appointment may be used to assess an employee's eligibility for merit pay if

- the former appointment was not as a civil servant but the employee was paid according to the EC Pay Plan;
- the previous appointment was on a full-time basis in the same or similar position with the same department;
- the appointment was during the relevant performance period;
- the Civil Service appointment commenced the next working day after the non-Civil Service appointment had ended; and
- there was no resulting employee compa-ratio change between the former and Civil Service appointments.

No retroactive payments will be paid prior to the fiscal year immediately following the employee's Civil Service appointment.

TEMPORARY ASSIGNMENT

If an employee is temporarily reclassified to a higher EC pay level in a performance period, the employee is eligible for merit pay the following April 1, provided the eligibility criteria are satisfied. The merit pay adjustment is added to the employee's compa-ratio for their regular position effective the following April 1. If the employee remains in the temporary classification beyond the following April 1, the compa-ratio of the temporary position is adjusted effective April 1, by a compa-ratio equivalent to that added to the regular position.

SECONDMENT

Secondment within the Civil Service

An employee seconded within the Nova Scotia Civil Service is eligible for merit pay in accordance with this policy.

Secondment outside the Civil Service

An employee seconded outside the Civil Service who returns to the position they held immediately before the secondment may have their compa-ratio adjusted on their return to their former position provided the requirements of this policy

have been satisfied, and the employee's performance was evaluated during the secondment in a manner consistent with the Government of Nova Scotia's Performance Management System.

Any adjustments to an employee's compa-ratio upon their return would be made according to the relevant Government of Nova Scotia Merit Pay Guide Charts, not salary increases received at the host organization.

PREGNANCY, PARENTAL OR ADOPTION LEAVE

Employees who do not meet the merit pay eligibility criteria because of time not worked during the performance period due to pregnancy, parental or adoption leave(s) are deemed to be eligible for merit pay.

The method for determining the amount an employee will receive through merit pay will be based on the following:

- the employee will receive a payment consistent with a rating of three out of five, or
- if the employee's performance rating was less than three out of five during the performance period immediately prior to the leave this rating will be used to determine the employee's merit pay.

This section does not prevent an employee on a pregnancy, parental or adoption leave from being ineligible for merit pay for reasons not related to the leave.

INCREMENT DATE

For the purpose of determining the initial increment date, the anniversary date of an employee shall be deemed to be either

- the first day of April of the next fiscal year if the employee reports for duty on or before October first, or
- the first day of April of the second fiscal year if the employee reports for duty after October first.

An employee's increment date will change to April 1 of the following (second fiscal) year if one of the following applies:

- an increment has been deferred due to unsatisfactory performance, or
- an employee has not worked a minimum of six months with pay in the performance period.

For the purpose of determining the increment date as it relates to prior appointment, the increment date shall be deemed to be the following April 1 after the Civil Service appointment provided the eligibility criteria have been satisfied.

Guidelines / Procedures

Guidelines and procedures may be developed as required to assist departments with implementation and administration of the EC Merit Pay program.

Accountability

DEPUTY HEADS

Deputy Heads are responsible for:

- ensuring that merit pay is administered in accordance with this policy and any guidelines or procedures developed by the Public Service Commission
- ensuring that merit pay expenditures do not exceed the merit pay budget allotted for their department
- ensuring that every manager has all necessary performance appraisals completed that are needed to support the merit pay system
- ensuring that any review/audit results of the policy directives are reviewed and appropriate action is taken.

DEPARTMENTAL MANAGERS

Departmental Managers are responsible for:

- establishing annual performance targets for staff and evaluating the employee's performance against these targets at the end of the fiscal year or sooner if the employee or manager leaves their job
- where an employee has a demotion, promotion, lateral transfer, or temporary assignment during a performance period, the manager conducting the performance evaluation and merit pay assessment at the end of the performance period shall consider all the employee's performance management information from other positions held during that performance period
- providing each complete performance evaluation to their Human Resources Division in a timely fashion and in accordance with the time lines that may be developed to support this policy
- assessing each employee's eligibility for receipt of merit pay according to the terms and conditions of this policy.

DIRECTORS OF HUMAN RESOURCES

Directors of Human Resources are responsible for:

- reviewing merit pay information provided by managers to ensure compliance with this policy and merit pay guidelines
- maintaining merit pay and the supporting performance management information within each employee's personnel file
- ensuring that the new Human Resources Division receives a copy of the performance management evaluation for the relevant performance period where an employee transfers to another Civil Service position that is in a different CSU and where this transfer occurs during a performance period
- ensuring that when an employee transfers during a performance period the performance management evaluation for the former position is provided to the employee's new manager
- providing guidance and advice to managers and employees on merit pay
- administering merit pay in accordance with this policy and any guidelines or procedures developed by the Public Service Commission
- providing timely access to files for auditing purposes
- requesting direction from the Compensation Division, Public Service Commission to deal with any merit pay issues that may arise that are not dealt with in this policy or supporting guidelines.

PUBLIC SERVICE COMMISSION

The Public Service Commission is responsible for:

- conducting annual compensation planning for merit pay
- recommending an amount for merit pay to Executive Council as part of the annual budget process
- evaluating the effectiveness of the merit pay program and make any changes to the policy, guidelines, or procedures as necessary
- providing advice and guidance to Human Resources Divisions
- conducting audits periodically to ascertain compliance with this policy.

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 and practices and will require access to personnel and data maintained by the line Human Resources with respect to this policy.

References

Civil Service Act and Regulations
Performance Management Policy and Guidelines
EC Merit Pay Guide Chart

Enquiries

General Enquiries, Public Service Commission (902) 424-8387

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