

## Linking Pay to Performance

The underlying goal of the Corporation's compensation program is to assist in the attraction, retention and motivation of our employees to successfully contribute to achieving established organizational strategies and goals. Linking compensation to performance gives employees a tangible outcome from the Performance Management and Staff Development (PMSD) process.

Key Dates	
Salary review process begins	April 8, 2013
Communication of salary review results	June 24 – July 5, 2013
Salary effective date	June 17, 2013
Notify HR Shared Services of lump sum instructions	July 12, 2013
Salary recommendation on pay deposit	July 25, 2013
Lump sum payment on pay deposit	July 25, 2013

## Pay Bands

Pay bands represent the range of market values of the jobs within the job evaluation program. Pay bands are a tool for managing individual salaries and recognizing differences in individual contribution, within a competitive framework that reflects both the external market value and the internal value of jobs.

EFFECTIVE JUNE 17, 2013

BAND	ENTRY ZONE	REFERENCE ZONE			REFERENCE PLUS ZONE
	MINIMUM	BELOW MID-POINT	AT MID-POINT	ABOVE MID-POINT	MAXIMUM
PB04	\$44,500	\$50,600	\$58,100	\$64,300	\$72,100
PB05	\$47,800	\$53,700	\$63,600	\$72,800	\$80,000
PB06	\$53,500	\$59,500	\$68,700	\$78,100	\$86,000
PB07	\$60,000	\$69,000	\$81,200	\$90,300	\$99,000

## The Planning Matrix

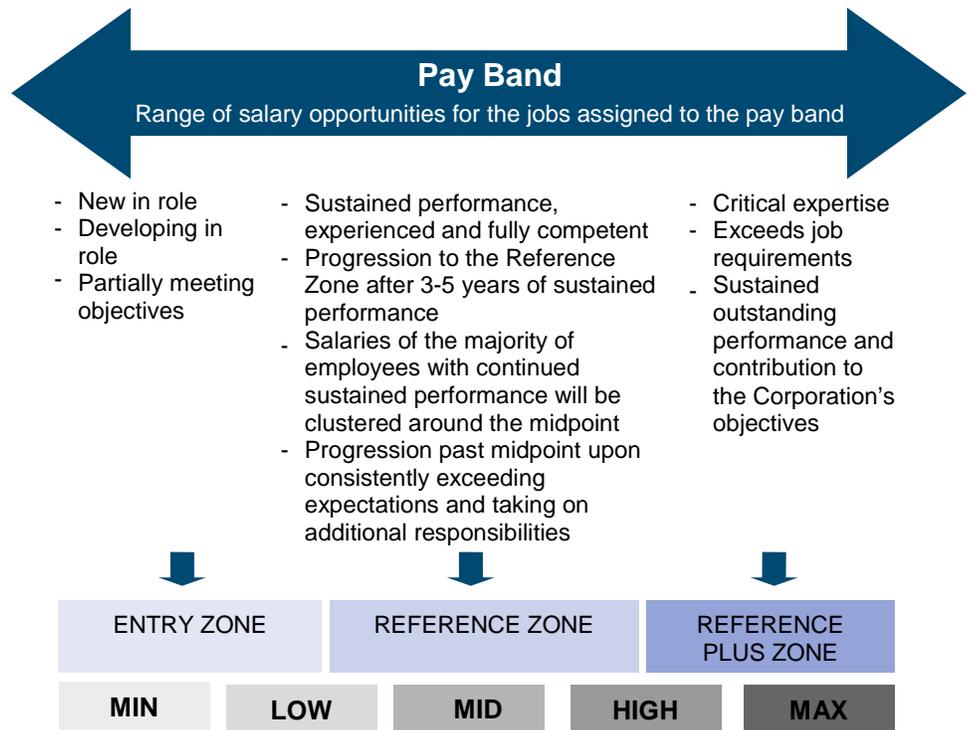
The planning matrix provides guidelines that link the placement of employees' salaries within the pay band, relative to their performance rating. The planning matrix integrates the PMSD process with established pay bands. The APS planning matrix should be applied to the base salary. Lump sum payments should only be used when the salary is above the maximum of the applicable pay band.

PERFORMANCE RATING	ENTRY ZONE	REFERENCE ZONE		REFERENCE PLUS ZONE	ABOVE BAND
		BELOW MID-POINT	AT / ABOVE MID-POINT		
	Base Salary				
Exceeds Expectations	3.1%	2.5%	0.9 - 2.9%	0.9 - 1.9%	Lump sum
Meets Expectations	1.4 - 2.4%	1.15 - 1.9%	0.9 - 1.9%	0 - 0.4%	Lump sum
Meets Some Expectations	0 - 1.9%	0%	0%	0%	0%
Below Expectations	0%	0%	0%	0%	0%

Note : Wherever in the wording of this document either gender is used, it shall be understood to include the other gender.

## Pay Band Zones

Each pay band is divided into three zones: Entry Zone, Reference Zone and Reference Plus Zone. The zones are guides that help position employees' salaries within the pay bands, based on their relative contribution over time.



## Your Salary Within the Pay Band

Managers should take the following into account when making salary review recommendations:

- The individual's performance, assessed through the PMSD process.
- The value of the job and the individual's position within the pay band.
- The individual's salary target position and the salary position of his peers, with respect to their performance.
- The budget allocation — since budgets are limited within the constraints of business operations, it is important to prioritize and appropriately allocate these resources and position employees within the pay bands, and progress them toward their target position over time.

## When to Use Growth, Salary Review and Lump Sum Payments

The table to the right summarizes the use of growth, salary review, and lump sums. It is intended as a guideline to assist the manager in making appropriate decisions during the review process.

Element	Definition	Implementation
Growth	<ul style="list-style-type: none"> <li>• Intended to assist managers to recognize an employee's development within the job with the progression of their salary in the applicable pay band.</li> <li>• Increase is a permanent adjustment to an employee's base salary.</li> </ul>	<ul style="list-style-type: none"> <li>• Typically only used for an employee whose salary is in the Entry Zone, or in some cases, in the Reference Zone below the midpoint.</li> </ul>
Salary review	<ul style="list-style-type: none"> <li>• Intended to assist managers in recognizing an employee's sustained performance in the job.</li> <li>• Increase is a permanent adjustment to an employee's base salary.</li> </ul>	<ul style="list-style-type: none"> <li>• Typically used for salaries positioned within the pay band.</li> </ul>
Lump sum	<ul style="list-style-type: none"> <li>• One-time payment to recognize an employee's contribution.</li> <li>• Does not increase base salary.</li> </ul>	<ul style="list-style-type: none"> <li>• Recognize the contribution of an employee whose salary is above the maximum of the applicable pay band.</li> </ul>

## Communicating Results to Employees

Once the recommendations have been approved by the Vice-president, People & Culture, the results will be confirmed to the planning managers who will then communicate with employees.

Planning managers will provide a letter to the employee detailing the final approved recommendation. Planning managers should schedule a meeting with each employee as soon as possible in order to communicate these results. In this way, those who wish to consider a lump sum transfer can do so within the allotted time frame.

## Lump Sum Payments

An employee who receives a lump sum payment may select to transfer funds to an RRSP or to Flexpen, after the confirmation of the results of the salary review. Detailed instructions and forms are available on *HR@myfingertips*, under the *Compensation* tab.

**To ensure that payments are transferred, all forms must be completed and received no later than July 12, 2013, 5:00 pm (ET)** at the Shared Services Centre, in Ottawa. Employees requiring additional information may contact the Shared Services Centre at 1 866-999-7888, option 2.

## Eligibility

Permanent and temporary APS represented employees with an “active” status as of June 17, 2013 are eligible for a salary review.

APS represented contract employees may also be considered eligible for a salary review, depending on the specific terms and conditions stipulated in their respective individual contracts. Managers must complete the salary review for their contract employees during the salary review process, even if the increase is to be applied upon contract renewal. The practice of reviewing contract staff along with permanent and temporary staff ensures consistent application of the compensation philosophy to all employees. It also enables both managers and the Corporation to better track the allocation of compensation funds throughout the year.

## Special Cases

### 1. Separated employees

Employees who are separated from the Corporation prior to June 17, 2013 are **not** eligible for a salary review.

### 2. Employees on Long-Term Disability (LTD)

Employees who are on Long-Term Disability on or before June 17, 2013 are **not** eligible for a salary review.

### 3. Employees on maternity leave/child care leave

Employees on maternity/childcare leave as of June 17, 2013 are eligible for a salary review. However, any adjustment will only be effective upon their return to work.

### 4. New hires and promotions

The salaries of newly hired or promoted employees should be reviewed to determine if they are positioned in the appropriate zone relative to the salary of peers in similar roles with similar experience and contribution.

### 5. Employees on secondary assignment (temporary upgrades)

Salaries for both primary and secondary segments are to be reviewed according to the applicable guidelines. The terms and conditions of a secondary assignment should be examined in order to determine if an adjustment is warranted (i.e., original terms of the assignment, relativity to others, etc.).

### 6. APS represented employees active for less than six months of the reference period

APS represented employees active for less than six months of the review period may be eligible at the discretion of their manager. Managers may assign an increase lower than that recommended in the Planning Matrix.