

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	May 22, 2012
Communication of salary review results	June 25 – July 6, 2012
Salary effective date	June 18, 2012
Notify HR Shared Services of lump sum instructions	July 25, 2012
Salary recommendation on pay deposit	July 26, 2012
Lump sum payment on pay deposit	August 9, 2012

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.

APS PAY BANDS					EFFECTIVE JUNE 18, 2012
BAND	ENTRY ZONE	REFERENCE ZONE			REFERENCE PLUS ZONE
	MINIMUM	LOW	MID	HIGH	MAXIMUM
PB 4	\$43,700	\$49,900	\$57,500	\$63,800	\$71,700
PB 5	\$46,950	\$53,000	\$62,950	\$72,250	\$78,600
PB 6	\$52,650	\$58,700	\$68,000	\$77,500	\$85,600
PB 7	\$59,100	\$68,100	\$80,400	\$89,650	\$98,200

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.

2012 SALARY REVIEW PLANNING MATRIX FOR APS EMPLOYEES

Contribution Indicator	ENTRY ZONE	REFERENCE ZONE		REFERENCE PLUS ZONE	ABOVE BAND
		Below Midpoint	Above Midpoint		
	Base salary				
Exceeds Expectations	3.1%	2.5%	0.9 - 2.9%	0 - 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 - 0.9%	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.

Communicating Results to Employees

Once the recommendations have been approved by the Vice-president, People and 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 @ my fingertips*, under the *Compensation* tab.

To ensure that payments are transferred, all forms must be completed and received no later than July 25, 2012, 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 employees with an “active” status as of June 18, 2012 are eligible for a salary review.

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 18, 2012 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 18, 2012 are **not** eligible for a salary review.

3. Employees on maternity leave/child care leave

Employees on maternity/childcare leave as of June 18, 2012 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. Employees active for less than six months of the reference period

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.