



2016 SALARY REVIEW GUIDELINES

For APS-represented employees

WHY IS COMPENSATION PLANNING IMPORTANT?

Every year, managers complete an annual review of how their employees are compensated for the work they do. Salary review is a key part of the Corporation's total compensation program that supports the attraction, retention and motivation of our employees to successfully contribute to achieving the Corporation's strategies and goals.

WHAT FACTORS ARE CONSIDERED WHEN MAKING SALARY REVIEW RECOMMENDATIONS?

The following five factors are taken into account:

1. **Position:** The individual's current position within the pay band;
2. **Performance:** The individual's performance, assessed through the year-end performance management process;
3. **Peers:** The individual's salary position in relation to that of their peers;
4. **Role:** The value of the job based on the roles and responsibilities of the individual; and
5. **Affordability:** Since budgets are limited within the constraints of business operations, it is important to prioritize and appropriately allocate these resources based on budget availability.

WHO IS ELIGIBLE?

- Permanent or temporary employees with an active status as of June 13, 2016.
- Contract employees may also be considered eligible for a salary review, depending on the specific terms and conditions stipulated in their respective contracts. Any recommendations must be completed during the salary review process, even if the increase is to be applied at the next contract renewal date.

KEY DATES

- May 6 – Last day to submit HR transactions with changes to Mgmt/APS/Conf employees
- May 16 – Salary review process begins
- June 9 - 17 – Communication of salary recommendations to employees
- June 13 – Salary recommendations become effective
- June 24 – Deadline to submit lump sum payment instructions to Shared Services
- July 7 – Salary / lump sum recommendations reflected on pay deposit

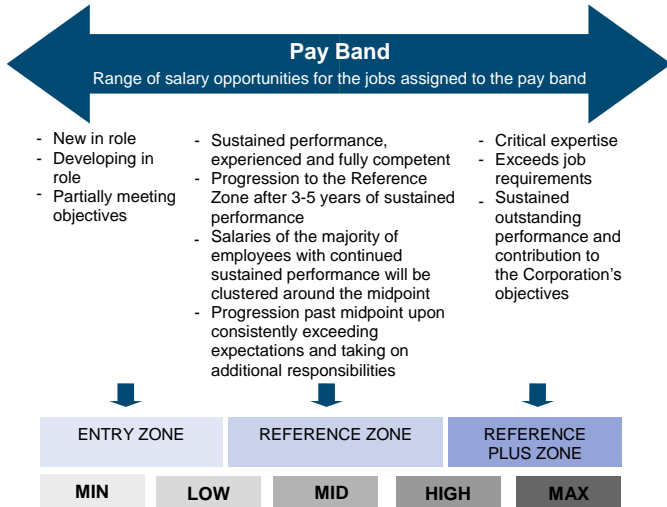
HOW DO MANAGERS DECIDE WHEN TO USE SALARY REVIEW, GROWTH OR LUMP SUM?

The following table is intended as a guideline to assist managers in making appropriate decisions during the review process.

ELEMENT	DEFINITION	IMPLEMENTATION
SALARY REVIEW	<ul style="list-style-type: none"> • Intended to support managers' recognition of an employee's sustained performance in the job. • Increase is a permanent adjustment to an employee's base salary. 	<ul style="list-style-type: none"> • Typically used for salaries positioned within the pay band.
GROWTH	<ul style="list-style-type: none"> • Intended to assist managers to recognize an employee's development within the job with the progression of their salary within the applicable pay band. • Increase is a permanent adjustment to an employee's base salary. 	<ul style="list-style-type: none"> • Typically used for an employee whose salary is in the Entry Zone, or in some cases, in the Reference Zone below the midpoint.
LUMP SUM	<ul style="list-style-type: none"> • One-time payment to recognize an employee's contribution. • Does not increase base salary. 	<ul style="list-style-type: none"> • Recognize the contribution of an employee whose salary is above the maximum of the applicable pay band.

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 and performance over time, and in relation to the **salaries of their peers**.



PLANNING MATRIX

The planning matrix provides guidelines that link the employee's **position in the pay band** relative to their **performance rating**. Managers make salary recommendations based on budget **affordability**.

PLANNING MATRIX FOR APS-REPRESENTED EMPLOYEES

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 - 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%

Matrix based on an overall salary review budget of 1.4%

PAY BANDS

These represent the range of market values of the role within the job evaluation program. Pay bands are a tool for managing individual salaries, providing the ability to recognize differences in individual contribution, within a competitive framework, that reflects both the **external market value** and the **internal value of role**. These are effective June 13, 2016.

BAND	ENTRY ZONE	REFERENCE ZONE			REFERENCE PLUS ZONE
	MINIMUM	BELOW MID-POINT	AT MID-POINT	ABOVE MID-POINT	MAXIMUM
PB 4	\$45,700	\$52,100	\$59,900	\$65,800	\$73,300
PB 5	\$49,300	\$55,200	\$65,400	\$74,300	\$81,200
PB 6	\$55,000	\$61,300	\$70,800	\$79,900	\$87,200
PB 7	\$61,800	\$71,100	\$83,600	\$92,400	\$100,500

EXCEPTIONS

- Employees who leave the Corporation prior to June 13, 2016 are not eligible for a salary review.
- Employees who are on Long-Term Disability on or before June 13, 2016 are not eligible for a salary review, however their salary should be reviewed upon their active return to work.
- Employees on maternity/paternity/childcare/adoption/deferred leave as of June 13, 2016, are eligible for a salary review; however any adjustment will be effective only upon their active return to work.
- 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.
- Salaries for both primary and secondary positions 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 peers, etc.).
- 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.