

# 2025 MERIT REVIEW GUIDELINES

For APS-represented employees

## WHY IS A MERIT REVIEW IMPORTANT?

Every year, managers complete a review of how their employees are compensated for the work they do. Merit review is a key part of the Corporation's Total Rewards Strategy 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 DURING THE MERIT REVIEW PROCESS?

The following five (5) 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 My Priorities + Development process;
3. **Peers:** The individual's salary position in relation to that of their peers, and to ensure pay equity;
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 16, 2025.
- Employees on maternity/paternity/childcare/adoption/deferred leave as of June 16, 2025, are eligible for a merit review; however, any adjustment will be effective only upon their active return to work.
- Contract employees may also be considered eligible for a merit review, depending on the specific terms and conditions stipulated in their respective contracts. Any proposed adjustments must be completed during the merit review process, even if the increase is to be applied at the next contract renewal date.

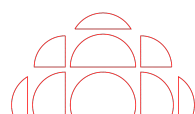
## KEY DATES

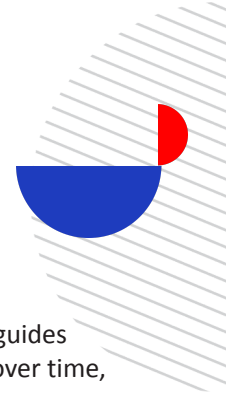
- May 12 – Merit review process begins
- June 9 – 13 – Managers inform employees of the outcome of the merit review process
- June 16 – Effective date of the new salary
- July 10 – New salary and/or lump sums reflected on pay deposit

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

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

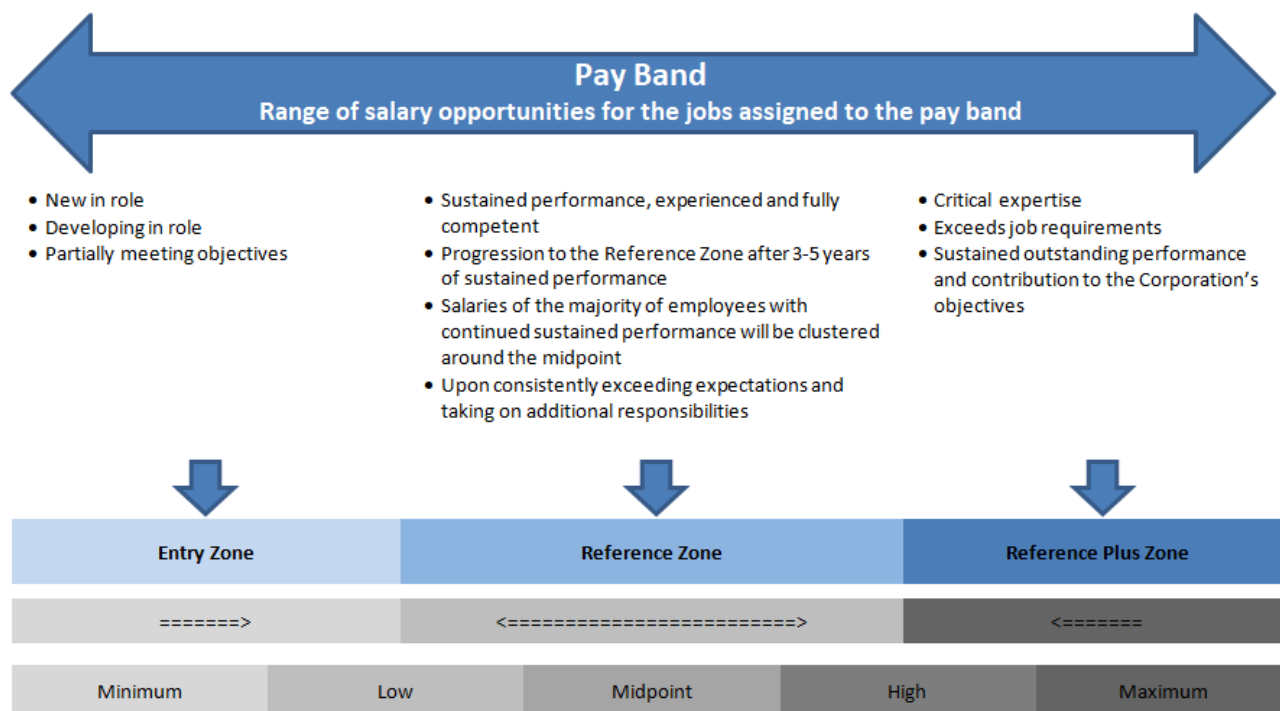
ELEMENT	DEFINITION	IMPLEMENTATION
MERIT REVIEW	<ul style="list-style-type: none"><li>▪ Intended to support managers' recognition of an employee's sustained performance in the job.</li><li>▪ Increase is a permanent adjustment to an employee's base salary.</li></ul>	<ul style="list-style-type: none"><li>▪ Typically used for salaries that are already positioned appropriately within the pay band.</li></ul>
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 within 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 used for an employee whose salary is below the midpoint.</li><li>▪ In some cases, it can be used for an employee whose salary is at or above the midpoint, in order to differentiate their salary based on exceptional sustained performance.</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>





## PAY BAND ZONES

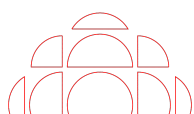
Each pay band is divided into three (3) zones (Entry Zone, Reference Zone and Reference Plus Zone). The zones are guides that help position employees' salaries within the pay bands, based on their relative contribution and performance over time, and in relation to the salaries of their peers.

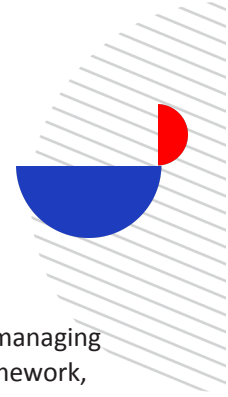


## MERIT PLANNING GUIDELINES

Link the employee's position in the pay band relative to their overall performance. Managers must also make merit recommendations based on budget affordability.

Performance Rating	Entry Zone	Reference Zone		Reference Zone Plus	Above Band
		Below Midpoint	At/Above Midpoint		
	Base Salary				
Exceeds Expectations	3.1%	2.5%	1.9%	1.15%	Lump Sum
Meets Expectations	2.0%	1.7%	1.4%	0.8%	Lump Sum
Meets Some Expectations	1.0%	0.5%	0%	0%	0%
Below Expectations	0%	0%	0%	0%	0%





## 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 the role. These pay bands are effective June 16, 2025.

PAY BAND	Entry Zone	Reference Zone			Reference Plus Zone
	Minimum	Low	Midpoint	High	Maximum
	=====>	<=====			<=====
PB 04	52,100	60,800	69,500	78,200	86,900
PB 05	59,300	69,100	79,000	88,900	98,800
PB 06	72,000	84,000	96,000	108,000	120,000
PB 07	87,400	101,900	116,500	131,100	145,600

## EXCEPTIONS

- Employees who leave the Corporation prior to June 16, 2025 are not eligible for a merit review.
- Employees who are on Long-Term Disability on or before June 16, 2025 are not eligible for a merit review, however their salary should be reviewed 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 the previous six (6) 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 Merit Planning Guidelines.

