

TOPIC PAY PRACTICES

POLICY An employee is paid a rate of pay in accordance with the position to which the employee is appointed. An employee may not receive additional remuneration beyond what the employee is entitled to receive under the pay plan except with the approval of Treasury Board

QUESTIONS AND ANSWERS

1. What principles apply to pay practices in the Manitoba civil service?
2. Under what circumstances will an employee's pay increase or decrease?
3. How are merit increases administered?
4. Can an employee receive a merit increase while in acting status?
5. What happens when an employee's merit increase is withheld?
6. How does a promotion affect an employee's anniversary date?
7. Can an employee be paid at a pay step lower than the minimum step in the pay range for the position classification?
8. Can an employee be paid at a pay step higher than the maximum step in the range for the position classification?
9. Who is eligible for over-range pay protection?
10. Can a civil servant appointed to a government board, commission or agency, receive additional remuneration?
11. Can an employee receive additional special compensation in recognition exceptional performance?
12. How are Apprenticeship rates determined?

AUTHORITY

Civil Service Act 9(2), 10(3-4), 11(1-7), 12(1-4), 14(3), 22, 29(1), 31(1)
Civil Service Act Regulation 6(2-6), 7(1-6), 14(1-3), 19, 20, 38(1-4)
Collective Agreements
Treasury Board Minutes T.B. 23B/2001 – ITEM 7, T.B 2A/2003 – ITEM 1

Effective Date June 9, 2006

1. What principles apply to pay practices in the Manitoba civil service?

The following principles apply to pay practices in the Manitoba civil service:

- Fairness
- Consistency
- Equity
- Merit
- Reasonableness

2. Under what circumstances will an employee's pay increase or decrease?

An employee's pay will increase in the following circumstances:

- A general pay increase (GPI) is implemented
- A special pay adjustment is implemented for a classification or series
- An employee is promoted through reclassification or appointment to a position with a higher maximum rate. In this circumstance an employee will be paid, if possible one full increment more than the rate of pay the employee was being paid in the employee's former position.
- An employee is temporarily assigned to a position with a higher rate of pay through acting status or interim reclassification. In this circumstance when the temporary assignment ends, an employee's pay reverts back to the appropriate pay rate in the pay range for the employee's former position.
- The employing authority authorizes a merit increase on the employee's anniversary date

An employee's pay will decrease in the following circumstances:

- An employee voluntarily accepts a position with a lower rate of pay
- An employee is reassigned to a position with a lower maximum rate as a result of reorganization or organizational need
- A pay adjustment is implemented as a result of a series review
- An employee is demoted as a method of corrective discipline

3. *How are merit increases administered?*

An employing authority may authorize a merit increase for an eligible employee on the employee's anniversary date in accordance with the provisions applicable to the employee concerned under either the collective agreement or Civil Service Regulation. A merit increase is granted in recognition of satisfactory service and should not be considered automatic. Where the pay range of an employee's classification permits, an employee is eligible to receive a merit increase on the employee's anniversary date provided the employee has accumulated 1008 regular hours of work during the 12 month period preceding the employee's anniversary date. An employee is eligible for a merit increase regardless of whether or not the employee was initially appointed at a rate of pay higher than the minimum of the pay range. An employee may progress through the pay range for the employee's position classification until the maximum pay rate is reached. An employee must be notified of the granting or denial of a merit increase by the employing authority on or prior to the employee's anniversary date. Where a merit increase has been denied an employee must be provided with the reasons for the denial in writing.

4. *Can an employee receive a merit increase while in acting status?*

An employee who has been appointed temporarily to a position with acting status is eligible to receive a merit increase in the acting position pay range on the employee's anniversary date. Upon revoking or expiry of the acting status, an employee will return to the appropriate rate of pay in the pay range for position to which the employee was assigned prior to the acting status appointment.

Where an employee is appointed temporarily to a position with acting status the employee's anniversary date is established as if the employee were permanently appointed to the position. In this circumstance the employee's anniversary date does not change except where the employee receives a pay increase of two (2) or more steps in the pay range. Where an employee receives two (2) or more steps the employee's anniversary date is changed to the effective date of the promotion in accordance with the provisions applicable to the employee concerned under either the collective agreement or Civil Service Regulation.

If the employee is subsequently permanently appointed to the position the employee's anniversary date will not change. (i.e. the employee is simply confirmed in the acting position with no change in salary.)

5. *What happens when an employee's merit increase is withheld?*

A decision to withhold a merit increase must be based on a formal assessment of an employee's performance that is documented and communicated to the employee. The employing authority must notify the employee that a merit increase is being withheld on or before the employee's anniversary date. Where a merit increase has been withheld and the employee remedies the performance issues, the employing authority may grant the merit increase on a subsequent monthly anniversary date in accordance with the collective agreement or Civil Service Regulation. Where a merit increase has been withheld the employee must be provided with the reasons for withholding the merit increase in writing. An employee who has had a merit increase withheld is eligible to be considered for a merit increase in subsequent years on the employee's anniversary date.

Redress. An employee who has been denied a merit increase has the right to file a grievance at Step 1 of the grievance procedure in accordance with the provisions applicable to the employee concerned under either the collective agreement or Civil Service Regulation and may appeal the decision to the Civil Service Commission.

6. *How does a promotion affect an employee's anniversary date?*

An employee's anniversary date does not change upon promotion except where the employee receives a pay increase of two (2) or more steps in the pay range. Where an employee receives two (2) or more steps on promotion the employee's anniversary date is changed to the effective date of the promotion in accordance with the provisions applicable to the employee concerned under either the collective agreement or Civil Service Regulation.

7. *Can an employee be paid at a pay step lower than the minimum step in the pay range for position classification?*

An employee may be appointed on an under fill basis to a position at a pay step that is less than the minimum pay rate in the range for the position classification where the employee does not meet all the requirements of the position classification.

In this situation the employer should prepare a development plan to assist the underfill employee to develop the required qualifications and should provide regular coaching and performance feedback.

An employee appointed to a position on an under fill basis may receive a one step increase in pay towards the level of the position every six months until the employee reaches the level of the position classification. **Note:** Salary adjustments in under fill situations do not change the employee's anniversary date.

8. Can an employee be paid at a pay step higher than the maximum step in the pay range for the position classification?

An employee can be paid at a pay step higher than the maximum step of the pay range for the position classification where over-range pay protection has been approved for the employee by Treasury Board

9. Who is eligible for over range pay protection?

A regular employee who is involuntarily re-assigned or reclassified to a position with a lower maximum salary may be eligible for over-range pay protection with the approval of Treasury Board where the reclassification is the result of:

- organizational change or restructuring
- a classification series review
- inability to meet new requirements of the position related to changes in the department's business or direction
- medically confirmed inability to perform all of the duties and responsibilities of the position due to diminished health or disability

Over-range pay protection may be approved for a period up to two years if the employee has been in the higher class for at least two years. If the employee has occupied the position at the higher pay range for less than two years, the period of pay protection will be pro-rated.

The purpose of over-range pay protection is to allow the employee time to adjust to the financial impact of a decrease in salary.

From the effective date of over range salary protection an employee's pay rate is "frozen" until the expiry of the over range period. Frozen means that the employee is not eligible to receive any form of pay increase until the maximum salary of position classification becomes equal to or greater than the employee's over range pay rate. Following expiry of the over range period an employee's salary reverts to the appropriate pay rate for the employee's position classification.

An employee is not eligible for over-range pay protection where the employee's reclassification is the result of:

- demotion as a method of corrective discipline
- workforce adjustment
- voluntary appointment to a position with a lower pay range
- poor performance where performance issues have been documented and communicated to the employee over a reasonable period of time.

An employee has the right to appeal the application of this policy to the Civil Service Commission Board.

Authority to approve over-range pay protection has been delegated to the Director, Compensation Services, by Treasury Board. A request for over-range pay protection for an employee must be supported in writing by the Deputy Minister of the department.

To obtain approval of over-range pay protection, the following procedure applies:

1. An employing authority may make a written recommendation for over-range pay protection to the Human Resource Director for the department.
2. The Human Resource Director or designate will prepare a submission for over-range pay protection which describes the circumstances of the employee's reclassification and includes the signed support of the Deputy Minister to be sent to the Director, Compensation Services, Treasury Board Secretariat.
3. The Director, Compensation Services will review the department's submission and approve or deny the request for over-range pay protection in accordance with the over-range pay protection policy.
4. The Director, Compensation Services will notify the department Human Resource Director of the recommended action.
5. The Human Resource Director will notify the employee and the employing authority in writing and process the documents required to "freeze" the employee's salary.

10. Can a civil servant appointed to a government board, commission or agency receive additional remuneration?

With the approval of Treasury Board, a civil servant appointed to a Government funded Board, Commission or Agency, for which there is a payment of a stipend from Government funds, may be entitled to receive the stipend under specified conditions.

Specific circumstances under which payment of additional remuneration to a civil servant may be considered are as follows:

1. Where an employee has been appointed in other than the employee's official capacity; and
2. Where the additional remuneration requested is for attendance at a board meeting(s); and
3. Where the employee is not receiving any salary or other remuneration for the period of time during which the employee attends the board meeting(s).

A civil servant appointed to a board, commission or agency is expected to negotiate a suitable arrangement with the employee's home department that satisfies the limitations expressed by this policy. Where necessary, guidance can be obtained from the Labour Relations Division Treasury Board Secretariat.

NOTE: An employee appointed in the employee's official capacity is not entitled to any additional remuneration beyond what the employee is entitled to receive under the pay plan.

Treasury Board has delegated authority to approve additional remuneration for civil servants appointed to Government Boards, Commissions or Agencies, in accordance with this policy, to a review committee comprised of the Civil Service Commissioner and the Secretary to Treasury Board.

Where approval of the payment of additional remuneration to a civil servant appointed to a Board, Commission or Agency is being requested, it is the responsibility of the sponsoring department, (the department responsible for the board appointment) to submit the request to the review committee on behalf of the civil servant.

Submissions including all relevant information pertaining to the request should be submitted to the review committee care of the Director, Compensation Services, Labour Relations Division Treasury Board Secretariat.

11. Can an employee receive additional special compensation in recognition of exceptional performance?

When a situation of exceptional performance on the part of an employee comes to the attention of management it should be encouraged by some form of recognition.

For the purpose of this policy, exceptional performance means performance by an employee which can be demonstrated to be at a level beyond the normal standards and expectations of the employee's regular assigned job requirements and for which the employee has not and cannot otherwise be recognized by way of a tangible form of reward or other appropriate means applicable to the situation.

Careful consideration of any request for additional special compensation in these circumstances is required to ensure that such recommendations are truly justified and based on exceptional performance. Requests for additional special compensation should be considered on the basis of internal relativity within the civil service; assessing how the employee's performance relates to other employees performing similar functions in the same department or same classification across the civil service.

Where exceptional performance is related to the handling of additional duties and responsibilities or the completion of a special project/assignment, the use of an interim reclassification or acting status should be considered before requesting a special merit increase or special lump sum payment.

Neither a special merit increase nor a special lump sum payment can be considered in the following situations:

- if the employee has already been compensated through interim reclassification, acting status, overtime or compensatory leave.
- if filling in for a position at a higher pay level is built into the specifications for the position classification.
- if the employee assumes duties at a higher pay level in the absence of another employee without the employer's approval.

Special Merit Increase

A special merit increase may be considered following the completion of the special circumstances during which an employee's performance was demonstrated to be exceptional.

With the approval of the Deputy Minister of the department concerned, an employee may be granted a special merit increase equivalent to one step in the pay range of the employee's position on the employee's anniversary date or any other monthly anniversary date deemed appropriate.

A special merit increase once granted is not rescinded and therefore carries a cumulative benefit, remaining until the employee reaches the maximum of the pay range for the position. For this reason requests for a special merit increase must be considered carefully in respect to the principles of fairness, consistency and merit to ensure such recommendations are truly justified and based on exceptional performance

Special Lump Sum Payment

A special lump sum payment may be considered following the completion of the special circumstances during which an employee's performance was demonstrated to be exceptional.

With the approval of Treasury Board, an employee may be granted a special lump sum payment calculated as the difference between the employee's normal pay rate and an appropriate higher pay rate applied to the specific period during which an employee's performance was demonstrated to be exceptional.

Following are some alternatives to special additional compensation which can be considered to recognize an employee's exceptional performance:

- verbal commendation or a letter of commendation
- face to face meeting with the Minister
- recognition in a newsletter or other publication
- plaque, certificate or other memento of recognition
- special training and development opportunity

For additional information on employee recognition see 4.7 Recognizing Performance in the Human Resource Policies and Procedures manual and 3.4, Treasury Board Directives, in the General Manual of Administration.

12. *How are Apprenticeship rates determined?*

Apprenticeship pay rates are calculated as a percentage of the applicable maintenance trade pay rate. Apprenticeship rates are available by contacting the Compensation Services Branch, Labour Relations Division of Treasury Board Secretariat.

COMMENT BOXES

Acting Status	Link to Staffing Methods
Anniversary Date	An employee's anniversary date is the first of the month which follows the date on which the employee is employed in a position in the civil service.
Corrective Discipline	Link to Corrective Discipline
Delegated Classification Authority	Treasury Board may delegate classification authority. Delegated classification authority allows a departmental Human Resource Director to approve classification decisions on behalf of Treasury Board. A Delegation Agreement between Treasury Board and the department lists those classifications which are delegated to that department and the conditions of delegated classification authority.
Demotion	Demotion means reducing an employee's level of pay or classification as a method of corrective discipline. Decisions related to demotion should be discussed with the Labour Relations Division, Treasury Board Secretariat.
Exceptional Performance	Link to Pay Practices
Interim reclassification	Interim reclassification means reclassifying a position for a limited and specific duration of time. Requests for interim reclassification are handled in the same manner as other classification reviews.
General Pay Increase	General pay increase refers to an across the board increase in pay afforded to all employees in the civil service.
Merit Increase	Merit increase means a one step increase in the pay range of an employee's position in recognition of satisfactory service.

Over range	Over-range means that an employee's pay rate is higher than the maximum rate of pay for the position classification.
Pay Range	A pay range is a series of rates of remuneration for a class that provides for a minimum rate, a maximum rate, and such intermediate rates as may be considered necessary to permit periodic increases in remuneration.
Performance Appraisal	Link to collective agreements and Civil Service Act Regulation
Promotion	Promotion means a change of employment from one position to another having a higher maximum salary. A promotion can result from direct or competitive appointment, or reclassification.
Re-assignment	Re-assignment means appointing an employee to a position with the same pay range or a lower pay range. It is non-disciplinary and can be voluntary or involuntary.
Special Merit Increase	A special merit increase is an increase equivalent to one step in an employee's pay range which may be granted in addition to an annual merit increase. This can only be applied where an employee has not yet reached the maximum of their pay range. An employee may receive only one special merit increase in a 12 month period. Authority to approve a special merit increase is delegated to the Deputy Minister of a department.

Special Lump Sum Payment

A special lump sum payment is a payment made to an employee in recognition of exceptional performance calculated as follows:

$$\begin{array}{r} \text{Appropriate higher level of pay} \quad \underline{\hspace{2cm}} \\ \text{Minus current level of pay} \quad \quad - \quad \underline{\hspace{2cm}} \\ \text{Calculate the difference} \quad \quad \quad = \quad \underline{\hspace{2cm}} \\ \text{Times applicable pay periods} \quad \quad \times \quad \underline{\hspace{2cm}} \\ \text{Equals lump sum award} \quad \quad \quad = \quad \underline{\hspace{2cm}} \end{array}$$

Authority to approve a special lump sum payment is delegated by Treasury Board to a committee comprised of the Secretary to Treasury Board and the Civil Service Commissioner.

Special Pay Adjustment

A special pay adjustment is a pay increase granted to selected classifications, usually to address an internal or market pay inequity.

Under fill

Under fill means an employee is appointed to a position at a pay step that is less than the minimum pay rate for the classification.

**Format for Over-Range Pay Protection Submission
to Treasury Board
from Manitoba (department)**

Subject: Over-Range Pay Protection
for (employee's name),
reassigned (XXX class) from (xxx class)

Background:

1. The Previous Work Assignment (former working title, former class, length of time in former class, maximum of range in previous class, position number.).
2. The New Work Assignment (current title, location, series class recommended, max salary of new class, effective date of deployment)
3. Difference in Salary Levels

Considerations:

1. Justification for the deployment. (voluntary or involuntary, discipline or non-disciplinary)
2. When and how the employee was advised of deployment, reclassification and effective date.
3. Potential implications within the department for other similar positions, and how the department intends to deal with those situations.

Recommendation:

That the Treasury Board authorize Manitoba (**department**) to maintain over-range the salary of (**employee's name**) at (**\$current level**) per annum for a maximum (**length of time**) period effective on (**date of deployment**) or until such a time as the maximum rate for series class is equal to or exceeds this fixed salary, whichever occurs first.

Employing Authority _____

Human Resources Director _____

Deputy Minister _____
