



### APPLICATION

- 9.1 This policy applies to all Category I non-unionized and Category II NPF employees except for those in Deployed Operations. Notwithstanding, Annex B applies to all Category I and Category II NPF jobs including those in Deployed Operations.

### APPROVAL AUTHORITY

Chief Executive Officer (CEO) or delegate

### OPI

Chief Human Resources Officer (CHRO)

### ENQUIRIES

- 9.2 All enquiries on the interpretation and application of this policy are to be directed to the HRM or RMHR and when required, forwarded to the Compensation Office or the Office of Primary Interest (OPI).

### DEFINITIONS

- 9.3 The following vocabulary is used throughout the policy:

Compensation (Rémunération) implies total compensation and covers cash and non-cash remuneration provided to an employee for services rendered, and includes, but is not limited to:

- a. wages and salaries and other cash compensation such as management incentive program;
- b. pensions and insurances benefits; and
- c. paid time off.

Job (Emploi) is the total collection of tasks, duties and responsibilities assigned to one or more individuals whose work has the same nature and level.

Lock-step Increments (Augmentation d'échelon) means that each pay band within each Category I pay grid has a range divided into a series of steps that permit employees to receive hourly rate increases up to the maximum rate of pay on a scheduled date.

Pay band (Échelle salariale) is a salary level within a pay grid. Each pay band has its own salary range or lock-step increments and every job is assigned to a pay band within the pay grid for the job category.

Pay grid (Grille salariale) outlines the salary ranges or lock-step increments for all the jobs within a job category. Each pay grid is divided into pay bands, and jobs within the job category are each assigned to a pay band within the pay grid.

Position (Poste) means the duties and responsibilities requiring the employment of a single employee. The total number of positions in an organization equals the number of employees plus vacancies.

Salary range (Fourchette salariale) means that each pay band within each Category II pay grid has an open salary range with minimum and maximum pay rates (in dollars) that permit an employee to receive salary increases up to the maximum of the range for a specific pay band.

9.4 Additional definitions may be found in the Compensation Glossary can be found at Annex A

## POLICY PURPOSE

9.5 The objectives of this policy are to:

- a. provide a framework that outlines the roles, responsibilities and administration requirements for the application of compensation; and
- b. establish compensation guidelines

## GENERAL POLICY

9.6 The organization is committed to:

- a. compensate employees in a manner such as to attract, retain and motivate staff in order to meet organizational goals;
- b. maintain internal equity between various jobs by objectively evaluating them using a fair and consistent process as outlined in Annex B; and
- c. provide compensation to employees that reflects equitable and fair pay rates while balancing the financial well being of the organization.

9.7 Under the authority of CHRO, all jobs are evaluated using a fair and consistent process as outlined in Annex B.

## CATEGORY I COMPENSATION-UNIONIZED LOCATIONS

9.8 In locations with unionized Category I jobs:

- a. the pay grid and rates of pay for Category I unionized jobs are negotiated with certified bargaining agents in accordance with the Collective Bargaining policy;
- b. the pay grid and rates of pay negotiated for Category I unionized jobs will normally apply to Category I non-bargaining unit jobs at the same location.

## CATEGORY I COMPENSATION-NON-UNIONIZED LOCATIONS

- 9.9 In locations with only non-unionized Category I jobs, the pay grid, rates of pay and economic adjustments are approved by the CEO or Delegate.
- 9.10 Salary actions applicable for non-unionized employees paid in a Category I pay grid are further explained at Annex C.

## CATEGORY II COMPENSATION

- 9.11 The pay grids and salary ranges for Category II jobs are established in the Category II National and Category II National Incentive pay grids as approved by the CEO or Delegate.
- 9.12 Category II employees are compensated on the basis of 1950 hours on an annual basis. The compensation will be adjusted for those employees who work less than 1950 on an annual basis
- 9.13 Salary actions applicable for employees paid in a Category II pay grid are further explained at Annex D.

## TIPS AND GRATUITIES AT CF NPP ENTITIES

- 9.14 NPF employees working at NPP entities with food and beverage services:
  - a. may accept direct tips from customers using Morale and Welfare services;
  - b. may not receive controlled tips.
- 9.15 Direct tips are gratuities that are paid directly by the client to the employee and that are not subject to any form of control by the employer.
- 9.16 Controlled tips are gratuities that are controlled and considered paid by the employer.
- 9.17 Employees are responsible to declare tips in accordance with provincial and/or federal legislation.

## NORTHERN ALLOWANCE AT CF BASE/WING/UNIT

- 9.18 The Northern Allowance is an amount of money paid to eligible NPF full-time and part-time employees who work in designated Base/Wing/Unit in recognition of the impact experienced by those living in specified hard-to-reach northern remote locations. The amount paid is pro-rated to the number of hours worked and is only paid while drawing a wage.

## NORTH OF 60 ALLOCATION AT CF BASE/WING/UNIT

- 9.19 The North of 60 Allocation is paid to NPF full-time and part-time employees who work in NPF operations that are located north of the 60° latitude. The amount paid is pro-rated to the number of hours worked and is only paid while drawing a wage.

## AUTHORITIES

9.20 The levels of accountability are as follows:

- a. The CEO/Delegate has the authority for:
  - i. approving the rates of pay and economic adjustments for Category I non unionized jobs at non unionized locations and all Category II jobs,
  - ii. ensuring the equitable process for evaluating all Category I and Category II jobs on a consistent basis;
- b. The CHRO has the delegated authority for:
  - i. establishing the rates of pay for Category I jobs at nonunionized locations,
  - ii. negotiating the organization's collective agreements on behalf of the Employer,
  - iii. ensuring the equitable process for evaluating Category I and Category II jobs on a consistent basis;
- c. Division Heads are responsible for ensuring that job evaluation requests are reviewed and approved based on legitimate operational requirements;
- d. Managers are responsible for ensuring that job descriptions within their work unit are accurate;
- e. Compensation Office is responsible for:
  - i. providing guidance to corporate management and HR personnel,
  - ii. monitoring the application of the compensation policy,
  - iii. evaluating all Category I and Category II jobs and providing guidance on evaluation of Category III jobs,
  - iv. managing the compensation program;
- f. HRMs and RMHRs are responsible for providing guidance to managers on the application of this policy.

## REFERENCES

9.21 The following legislation is relevant to the content of this policy:

- *Income Tax Act*
- *Public Sector Equitable Compensation Act*

## ANNEXES

9.22 The attachments listed below are part of the present policy:

- Annex A: Compensation Glossary
- Annex B: Job Evaluation
- Appendix 1 to Annex B: Job Evaluation Authorization Request Form
- Annex C: Category I Non-Unionized Compensation
- Annex D: Category II Compensation

### COMPENSATION GLOSSARY

- A.1 **Acting Appointment** (Nomination intérimaire) occurs when an employee is temporarily moved in writing to another position in a higher category or in a pay band which has a higher salary maximum than the employee's substantive position while retaining the rights to the substantive position or to a similar or comparable position. In some cases, an employee will not be appointed to an existing job, but appointed to a new position or a modified version of an existing job.
- A.2 **Acting Assignment** (Affectation intérimaire) occurs when an employee, while remaining in the substantive position, is temporarily assigned in writing additional duties or responsibilities by the employer that may or may not result in the employee's substantive position being temporarily moved into a higher pay band.
- A.3 **Demotion** (Rétrogradation):
- a. Indeterminate - occurs when the employer moves the employee to a position in a lower category or in a pay band which has a lower salary maximum than the former position without retaining the right to a former position.
  - b. Temporary - occurs when the employer temporarily moves the employee to a position in a lower category or in a pay band which has a lower salary maximum than the former position while retaining the rights to his/her substantive position or to a similar or comparable position.
- A.4 **Economic Adjustment** (Rajustement économique) is an annual adjustment, authorized by the CEO, made to a pay grid and to the salaries of the employees paid on the grid, normally occurring on the first day of the fiscal year.
- A.5 **In-range Increase** (Augmentation à l'intérieur de l'échelle) occurs when an employee paid in the Category II pay grid receives an annual salary increase by moving to a higher placement within the salary range.
- A.6 **Interchange Incoming Secondment** (Détachement-échange [accueil]) occurs when an employee of another organization temporarily moves to a job within NPF while employed by the other organization.
- A.7 **Interchange Outgoing Secondment** (Détachement-échange [parrainage]) occurs when a NPF employee temporarily moves to a job within another organization while employed by NPF.
- A.8 **Lateral Transfer** (Mutation latérale) occurs when an employee is appointed to a position in the same/comparable category and pay band to those of the former position without retaining the right to the former position.
- A.9 **Lower Level Appointment** (Nomination à un niveau inférieur) occurs when an employee is appointed to a position in a lower category or in a pay band which has a lower salary maximum than the former position without retaining the right to a former position.
- A.10 **New Hire** (Nouvel employé) occurs when the person hired is not an employee of the organization on the last working day immediately preceding the date of hire in that job.
- A.11 **Promotion** (Promotion) occurs when an employee is appointed to a position in a higher category or in a pay band which has a higher salary maximum than the former position without retaining the right to a former position.
- A.12 **Promotion during or Immediately Following an Acting Appointment/Assignment** (Promotion pendant ou suivant immédiatement une nomination/affectation intérimaire) occurs when an employee is promoted during, or on the day immediately following the conclusion of an acting appointment/assignment.

- A.13 **Reclassification to a Higher Level** (Reclassification à un niveau supérieur) occurs when a job is classified to a higher level.
- A.14 **Reclassification to a Lower Level** (Reclassification à un niveau inférieur) occurs when a job is classified to a lower level.
- A.15 **Red Circle** (Poste dont le salaire est bloqué) occurs when an employee, whose salary exceeds the maximum of the pay band of their position, has their rate of pay frozen until such time as the new maximum salary exceeds their current rate of pay.
- A.16 **Temporary Lower Level Appointment** (Nomination temporaire à un niveau inférieur)
- a. Employer initiated - occurs when the Employer temporarily assigns an employee to another job in a lower category or in a pay band which has a lower salary maximum than the employee's substantive position while the employee retains the rights to his/her substantive position or to a similar or comparable position.
  - b. Employee initiated - occurs when an employee temporarily moves to another job in a lower category or pay band which has a lower salary maximum than the employee's substantive position while retaining the rights to his/her substantive position or to a similar or comparable position.
- A.17 **Temporary Lateral Transfer** (Mutation latérale temporaire) occurs when an employee is temporarily moved in writing to a position in the same/comparable category and pay band for which the duties, responsibilities, status and remuneration are deemed comparable or equivalent to those of the former position while retaining the rights to the substantive position or a similar or comparable position.
- A.18 **Underfill Appointment** (Sousclassement) occurs when the best qualified candidate, who does not meet all of the qualifications or experience requirements of a position at the time of appointment, is appointed to a position in a higher category or in a pay band which has a higher salary maximum than the former position in order to follow a training program. An employee who is appointed in an underfill appointment does not retain the right to the former position.

## ANNEX 9-B

### JOB EVALUATION

#### GENERAL

- B.1 Job Evaluation means the systematic process of determining the relative worth of jobs in order to establish which jobs should be paid more than others within the organization.
- B.2 Job evaluations must be requested when creating or significantly amending a job and may be required to initiate a staffing action, a job modification or reorganization. On occasion, employees may request their own job to be reevaluated but only when the respective Division's delegated authority has confirmed that significant changes have occurred to the responsibilities and/or accountabilities of the position.
- B.3 All job evaluation requests must be approved by the respective Division's delegated authority and submitted following the steps described in this annex.

#### EXISTING NPF JOB

- B.4 If a NPF job already exists at the specific location and does not require any changes, the manager may proceed to fill the position without requesting a job evaluation. Managers may refer to the Talent Acquisition policy for further details pertaining to the recruitment and section action.

#### REQUESTS FOR JOB EVALUATION

- B.5 Managers in consultation with the local HRM and through their respective Division's delegated authority must request a job evaluation when:
  - a. creating a new job within the organization;
  - b. creating a new job at a specific location that currently exists at other locations;
  - c. making significant changes to an existing job:
    - i. on a permanent basis, or
    - ii. on a temporary basis for the purpose of an acting assignment or appointment.
- B.6 The manager will provide sufficient information regarding the job to the HRM in order for a proper job description to be created. If a similar or identical job exists within NPF, the existing job description should normally be used. In exceptional circumstances, the Division Head may authorize the creation of a unique job and job description if they are satisfied that operational requirements necessitate the creation of the unique job.
- B.7 An authorized job description is a written statement that outlines the major responsibilities and accountabilities of a job that has been evaluated and approved.
- B.8 Job evaluation requests must include:
  - a. a completed job evaluation justification form found at Appendix 1;
  - b. detailed organizational chart reflecting all positions within the work unit including a minimum of two levels above the job being evaluated, peers and all positions below;
  - c. proposed job description; and
  - d. other relevant information when appropriate.

- B.9 Job evaluation requests will be reviewed by the HRM to ensure it contains all the relevant information.
- B.10 In cases where the creation/modification of a job impacts other jobs within the work unit, all affected job descriptions must be submitted for job evaluation review at the same time.
- B.11 The duly completed job evaluation request form, including approval from the Division's delegated authority, will be submitted through the HR Office to the Compensation Office for evaluation.

### **JOB EVALUATION**

- B.12 Under the authority of CHRO, job evaluations are conducted by the Compensation Office to validate the category and determine the pay band level of the new or modified job.
- B.13 An ad-hoc committee may be convened at the discretion of VPHR to assist with the execution of job evaluation.

### **JOB EVALUATION RESULTS**

- B.14 Job evaluation results will be communicated to the manager by the HRM.
- B.15 When changes are made in a job currently occupied, the incumbent will be informed in writing of the job evaluation results.
- B.16 The incumbent will be asked to sign the new job description and a copy will be placed in the employee file.
- B.17 When job evaluation results in a salary change, the appropriate salary action will be initiated as indicated in other sections of this policy.

### **JOB TITLES**

- B.18 Under the authority of CHRO, jobs will be assigned titles by HR that accurately reflect the major responsibilities of the job. Given that job titles will be used for official purposes including personnel and payroll records, job titles may not be amended without authorization from the Compensation Office.





HUMAN RESOURCES MANAGER	
No existing Authorized Job Description?: Confirmed <input type="checkbox"/>	
Name:	Date:

APPROVALS	
Division Head (or Delegate): Authorized <input type="checkbox"/> Not Authorized <input type="checkbox"/>	
Comments:	
Name:	Date:
Signature*: _____	Date: _____
*Emails approval accepted	

REGIONAL MANAGER HUMAN RESOURCES	
Organizational Chart Received: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Comments:	
Job Description Received: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Comments:	
Name:	Date:

COMPENSATION AND BENEFITS ANALYST	
Is this a Benchmark position: Yes <input type="checkbox"/> No <input type="checkbox"/>	
Local <input type="checkbox"/> National <input type="checkbox"/>	
Recruiting Level:	
Comments:	
Approved position title:	
Name:	Date:
Evaluation results:	

AUTHORIZED IN ACCORDANCE WITH DELEGATION OF HR AUTHORITIES, STAFF OF THE NON-PUBLIC FUNDS	
Signature:	Date:

## ANNEX 9-C

### CATEGORY I NON-UNIONIZED COMPENSATION

- C.1 Salary actions may occur as a result of such activities as permanent or temporary advertised or non advertised staffing actions, reorganizations, position reviews or salary adjustments/increases.

### PERMANENT SALARY ACTIONS

#### PROMOTION

- C.2 An employee paid in a Category I pay grid promoted to:
- a. a Category I job is entitled to be placed at the lock-step increment minimum of the new position, or the lock-step increment closest to the former hourly rate plus three per cent (3%) without exceeding the lock-step increment maximum, whichever is greater.
  - b. a Category II job is entitled to be placed at the salary range minimum or the equivalent of the employee's former annual salary plus five percent (5%) of the salary range maximum of the new position without exceeding the salary range maximum of the new position, whichever is greater.
- C.3 In exceptional circumstances when a CAT I employee is promoted to a CAT II position, with sufficient justification, the Division Head, in consultation with HR, can exceed the standard promotion rule for a specific promotion, having given consideration to the integrity of this policy, operational requirements and the impact on the work unit. When exceeding the promotion rule by more than 2%, written CEO approval will be required.
- C.4 Criteria that can justify exceeding the standard promotion rule include any one of the following:
- a. recent previous experience of at least one (1) year in the same job;
  - b. education or previous experience that would significantly reduce the time for the employee to become fully operational in the position;
  - c. qualifications or previous experience that would enhance the productivity in the position;
  - d. the need to increase retention in a job that is critical to operational success; or
  - e. other exceptional circumstances that would provide benefit to the position or the organization.

#### DEMOTION

- C.5 An employee demoted to a position in a Category I pay grid is entitled to the closest lock-step increment of the new position which is equal to or lesser than the former hourly rate of pay.

#### LATERAL TRANSFER

- C.6 An employee paid in a Category I pay grid may be entitled to the closest lock-step increment equal or higher than the former hourly rate without exceeding the lock-step increment maximum of the new position, whichever is higher.

## LOWER LEVEL APPOINTMENT

C.7 The salary action for employees paid in Category I pay grids is outlined in para 9 C.5.

## NEW HIRE

- C.8 The hourly rate of a new employee should normally be set at the lock-step increment minimum in which the position was evaluated. The hourly rate above the lock-step increment minimum may be offered to new hires when:
- a. considered necessary to obtain suitably qualified persons due to skill shortages or difficulties in recruiting; and/or
  - b. the successful candidate possesses exceptional skills/experience that are desirable or beneficial to the organization now or in the future.
- C.9 Any decision to pay above the lock-step increment minimum for new hires must be approved by the manager with the appropriate delegated authority.

## NEW HIRE - CASUAL EMPLOYEES

C.10 Once the rate of pay for a casual employee has been established upon hire, there will be no further lockstep increases.

## RECLASSIFICATION TO A HIGHER LEVEL

C.11 The salary action for employees paid in Category I pay grids is outlined in para 9 C.2.

## RED-CIRCLE

C.12 When an employee's job is reclassified downward as a result of a position review exercise, the employee shall be red-circled if the current rate of pay is higher than the maximum of the new pay band.

## TEMPORARY SALARY ACTIONS

### ACTING APPOINTMENT/ASSIGNMENT

- C.13 The acting pay will be based upon the duties and responsibilities of the temporary job. The salary action for employees paid in Category I pay grids is outlined in para 9 C.2.
- C.14 Employees are entitled to acting pay upon the first day of the acting appointment/assignment. Acting appointments/ assignments shall not start or end on a date that is a nonworking day for the employee.
- C.15 Acting appointments/ assignments shall count as separate non cumulative periods when there is a break of at least one working day between periods.

- C.16 An employee's category and status shall not change during acting appointments/assignments that are less than thirty (30) consecutive calendar days in duration and the terms and conditions of employment, excluding the acting pay, shall remain those of the substantive position. When an employee is in an acting appointment/assignment for periods of thirty (30) consecutive calendar days or more, the employee's category and status shall be that of the position to which he/she has been appointed/assigned on an acting basis and the terms and conditions of employment shall be those of the position in which he/she is acting. At the conclusion of the acting appointment/assignment, the status and terms and conditions of employment shall revert to those of the substantive position.

## SUBSEQUENT ACTING APPOINTMENT/ASSIGNMENT

- C.17 In cases where an employee is further appointed/assigned a subsequent acting appointment/assignment while receiving acting pay In cases where an employee is further appointed/assigned a subsequent acting appointment/assignment while receiving acting pay:
- a. **higher category or pay band than current acting appointment/assignment and higher than the former position** - the acting pay will be recalculated based on the former position prior to the initial acting appointment/assignment;
  - b. **same category and pay band than current acting appointment/assignment** - no salary changes will be made to the employee's acting pay;
  - c. **lower category or pay band than current acting appointment/assignment but higher than former position** - the acting pay will be recalculated based on the former position prior to the initial acting appointment/assignment.
  - d. The employee does not retain any rights to the initial acting appointment/assignment and will return to the substantive position once the latest acting appointment/assignment ends.

## RETURN FROM ACTING APPOINTMENTS/ASSIGNMENTS

- C.18 The Employer can end the appointment/assignment at any time prior to/during appointment/assignment without further notice or obligation to the employee.
- C.19 When the employee returns to the substantive position the rate of pay will revert to what it was prior to the acting period plus any adjustments or increases that would have been made to the employee's substantive rate during the acting period.

## PROMOTION DURING OR IMMEDIATELY FOLLOWING AN ACTING APPOINTMENT/ASSIGNMENT

- C.20 The employee's former hourly rate prior to the initial acting pay in addition to any adjustments or increases to the hourly rate during the acting appointment/assignment may be subject to the following salary actions:
- a. **promotion to a higher category or pay band than the acting appointment/assignment** - the promotion salary action as outlined at para 9 C.2 will be based on the adjustment of the former hourly rate prior to the initial acting appointment/assignment;
  - b. **promotion to the same category and pay band than the acting appointment/assignment** - the promotion salary will remain at the same level as the employee received during the acting appointment/assignment;

- c. **promotion to a lower category or pay band than the acting appointment/assignment** - the promotion salary action as outlined at para 9 C.2 will be based on the adjustment of the former hourly rate prior to the initial acting appointment/assignment.

## TEMPORARY LATERAL TRANSFER

- C.21 The salary action for employees paid in Category I pay grid is outlined in para 9 C.6.

## TEMPORARY LOWER LEVEL APPOINTMENT

- C.22 If the temporary lower level appointment is initiated by the Employer, the salary action for employees paid in Category I pay grids is outlined in para 9 C.6.

## INTERCHANGE OUTGOING SECONDMENT

- C.23 NPF will continue to pay the NPF employee's hourly rate and preexisting employer-paid benefits and if applicable, overtime and other benefits during the length that he/she participates in an interchange secondment. Normally, the host organization will reimburse NPF for these costs.

## SALARY ADJUSTMENTS/ INCREASES

- C.24 An employee is only entitled to an adjustment/increase to his/her salary when:
  - a. occupying an eligible position on the effective date of the adjustment or increase;
  - b. drawing a NPF wage or on maternity/paternity leave without pay, compassionate care leave without pay or Long Term Disability (LTD). For employees on the above mentioned leaves without pay, the adjustment or increase will only be actioned upon the employee's return to work retroactive to the date of the adjustment or increase.

## LOCK-STEP INCREASE

- C.25 On the scheduled date of a lock-step increase, an employee not at the final step of the pay band will receive an increase by moving to the next step within the pay band.

## ECONOMIC ADJUSTMENT

- C.26 On the scheduled date of an approved economic adjustment, normally occurring on the first day of the fiscal year, eligible employees will receive an economic adjustment by moving to the same step within their pay band of the adjusted pay grid.
- C.27 When determining whether to authorize an economic adjustment and the amount of the economic adjustment, the CEO will consider, amongst other things, changes to the Consumer Price Index (CPI).
- C.28 In cases where an employee is subject to a red-circling, the employee's rate of pay will remain unchanged until such time as the maximum of the pay band of the employee's position exceeds the employee's current rate of pay or the employee moves into a new position.

## GRID ADJUSTMENT

- C.29 On the scheduled date of an approved grid adjustment an employee may be eligible to receive the grid adjustment by moving to the same step within their pay band of the adjusted pay grid.
- C.30 In cases where an employee is subject to a red-circling, the employee's rate of pay will remain unchanged until such time as the maximum of the pay and of the employee's position exceeds the employee's current rate of pay or the employee moves into a new position.

## ANNEX 9-D

### CATEGORY II COMPENSATION

- D.1 Salary actions may occur as a result of such activities as permanent or temporary advertised or non advertised staffing actions, reorganizations, position reviews or salary adjustments/increases to a salary.

### PERMANENT SALARY ACTIONS

#### PROMOTION

- D.2 An employee paid in a Category II pay grid is entitled to be placed at the salary range minimum or the equivalent of the former annual salary plus five per cent (5%) of the salary range maximum of the new position without exceeding the salary range maximum of the new position, whichever is greater.
- D.3 In exceptional circumstances and with sufficient justification, the Division Head, in consultation with HR, can exceed the standard promotion rule for a specific promotion, having given consideration to the integrity of the compensation policy, operational requirements and the impact on the work unit. When exceeding the promotion rule by more than 2 %, written CEO approval will be required.
- D.4 Criteria that can justify exceeding the standard promotion rule include any one of the following:
- a. recent previous experience of at least one (1) year in the same job;
  - b. education or previous experience that would significantly reduce the time for the employee to become fully operational in the position;
  - c. qualifications or previous experience that would enhance the productivity in the position;
  - d. the need to increase retention in a job that is critical to operational success; or
  - e. other exceptional circumstances that would provide benefit to the position or the organization.

#### DEMOTION

- D.5 An employee paid in a Category II pay grid is entitled to maintain their former annual salary or the salary range maximum of the new position whichever is lesser.

#### LATERAL TRANSFER

- D.6 An employee paid in a Category II pay grid may be entitled to a salary adjustment from one Category II pay grid to another to maintain a comparative salary (i.e. moving to/from CANEX Field positions).

#### LOWER LEVEL APPOINTMENT

- D.7 The salary action for employees paid in Category II pay grids is outlined in para 9 D.5.



## NEW HIRE

- D.8 The annual salary of the new employee should normally be set at the salary range minimum in which the position was evaluated.
- D.9 In exceptional circumstances and with sufficient justification, the Division Head, in consultation with HR, can hire an employee up to the salary maximum of the position, having given consideration to the integrity of the compensation policy, operational requirements and the impact on the work unit.
- D.10 Criteria that can justify hiring an employee above the minimum include:
  - a. prior NPF service;
  - b. education or previous experience that would significantly reduce the time for the employee to become fully operational in the position;
  - c. qualifications or previous experience that would enhance the productivity in the position;
  - d. the need to increase retention in a job that is critical to operational success; and
  - e. other exceptional circumstances that would provide benefit to the position or the organization.

## NEW HIRE - CASUAL EMPLOYEES

- D.11 Once the rate of pay for a casual employee has been established upon hire, there will be no further in-range increases.

## RECLASSIFICATION TO A HIGHER LEVEL

- D.12 The salary action for employees paid in Category II pay grids is outlined in para 9 D.2.

## SALARY PROTECTION

- D.13 When an employee's job is reclassified downward as a result of a position review exercise, the employee shall receive salary protection if the current rate of pay is higher than the maximum of the new pay band. The salary is frozen at its current salary rate until such time as the new salary maximum for the job exceeds the current rate of pay. The employee is eligible to receive a lump sum payment equal to the approved economic increase.

## UNDERFILL APPOINTMENT - EXTERNAL CANDIDATES

- D.14 External candidates hired as an underfill appointments are entitled to be paid at a rate of pay equivalent of ninety per cent (90%) of the salary range minimum established for the position for which they do not meet all of the position's requirements.
- D.15 Employees will not be entitled to in range increases during the period of the underfill appointment.
- D.16 A candidate offered a position as an underfill appointment must meet the full requirements of the position within the period of the underfill appointment, which should normally not exceed twelve (12) months. Once the individual meets all of the position's requirements, he/she will be offered the position as a new hire and will have the salary set to the salary range minimum of the position as outlined in the new hire salary action.

## UNDERFILL APPOINTMENT - INTERNAL CANDIDATES

- D.17 Internal candidates hired as an underfill appointment are entitled to be paid at a rate of pay equivalent of ninety per cent (90%) of the salary range minimum established for the position for which he/she does not meet all of the position's requirements or maintain the former salary or former comparative salary, whichever is greater.
- D.18 Employees will not be entitled to in range increases during the period of the underfill appointment.
- D.19 A candidate offered a position as an underfill appointment must meet the full requirements of the position within the period of the underfill appointment, which should normally not exceed twelve (12) months. Once the individual meets all of the position's requirements, he/she will be offered the position as a promotion and will have the salary set using the promotion salary actions based on the former salary on the last working day prior to the underfill appointment.

## TEMPORARY SALARY ACTIONS

### ACTING APPOINTMENT/ASSIGNMENT

- D.20 The acting pay will be based upon the duties and responsibilities of the temporary job. The salary action for employees paid in Category II pay grids is outlined in para 9 D.2.
- D.21 Employees are entitled to acting pay provided the length of the acting appointment/assignment meets a minimum qualifying time of thirty (30) consecutive calendar days or more. Acting appointments/ assignments shall not start or end on a date that is a nonworking day for the employee.
- D.22 Acting appointments/ assignments shall count as separate non cumulative periods when there is a break of at least one working day between periods.
- D.23 Acting appointments/ assignments for periods of thirty (30) consecutive calendar days or more shall change the employee's status and other terms and conditions of employment to reflect those of the position to which the employee is appointed/assigned.

### SUBSEQUENT ACTING APPOINTMENTS/ASSIGNMENTS

- D.24 In cases where an employee is further appointed/assigned a subsequent acting appointment/ assignment while receiving acting pay:
  - a. **higher category or pay band than current acting appointment/assignment and higher than the former position** - the acting pay will be recalculated based on the former position prior to the initial acting appointment/ assignment;
  - b. **same category and pay band than current acting appointment/assignment** - no salary changes will be made to the employee's acting pay;
  - c. **lower category or pay band than current acting appointment/assignment but higher than former position** - the acting pay will be recalculated based on the former position prior to the initial acting appointment/ assignment.
- D.25 The employee does not retain any rights to the initial acting appointment/assignment and will return to the substantive position once the latest acting appointment/assignment ends.

## RETURN FROM ACTING APPOINTMENTS/ ASSIGNMENTS

- D.26 The Employer can end the appointment/assignment at any time prior to/during appointment/assignment without further notice or obligation to the employee.
- D.27 When the employee returns to the substantive position the rate of pay will revert to what it was prior to the acting period plus any adjustments or increases that would have been made to the employee's substantive rate during the acting period.

## PROMOTION DURING OR IMMEDIATELY FOLLOWING AN ACTING APPOINTMENT/ ASSIGNMENT

- D.28 The employee's former salary prior to the initial acting pay in addition to any adjustments or increases to the salary during the acting appointment/ assignment may be subject to the following salary actions:
- a. **promotion to a higher category or pay band than the acting appointment/assignment** - the promotion salary action as outlined at para 9 D.2 will be based on the adjustment of the former salary prior to the initial acting appointment/assignment;
  - b. **promotion to the same category and pay band than the acting appointment/assignment** - the promotion salary will remain at the same level as the employee received during the acting appointment/assignment;
  - c. **promotion to a lower category or pay band than the acting appointment/assignment** - the promotion salary action as outlined at para 9 D.2 will be based on the adjustment of the former salary prior to the initial acting appointment/assignment.

## TEMPORARY LOWER LEVEL APPOINTMENT

- D.29 If the temporary lower level appointment is initiated by the Employer, the salary action for employees paid in Category II pay grids is outlined in para 9 D.6. For all other temporary lower level appointments, the salary action is outlined in para 9.D.5.

## TEMPORARY LATERAL TRANSFER

- D.30 The salary action for employees paid in Category II pay grids is outlined in para 9 D.6.

## INTERCHANGE OUTGOING SECONDMENT

- D.31 NPF will continue to pay the NPF employee's salary and pre-existing employer-paid benefits and, if applicable, and other benefits during the length that he/she participates in an interchange secondment. Normally, the host organization will reimburse NPF for these costs.

## SALARY ADJUSTMENTS/ INCREASES

- D.32 An employee is only entitled to an adjustment/increase to the salary when:
- a. occupying an eligible position on the effective date of the adjustment or increase; and
  - b. drawing a NPF wage or is on maternity-paternity leave without pay, compassionate care leave without pay or Long Term Disability (LTD). For employees on the above mentioned leaves without pay, the adjustment or increase will only be actioned upon the employee's return to work retroactive to the date of the adjustment or increase.

## **IN-RANGE INCREASE**

- D.33 On the scheduled date of an in-range increase, normally occurring on the first day of the fiscal year, an employee is entitled to receive an increase of three per cent (3%) of the salary on the day prior to the scheduled in-range increase without exceeding the salary range maximum of the position. The in-range increase will be pro-rated based on time in pay band.

## **ECONOMIC ADJUSTMENT**

- D.34 On the scheduled date of an approved economic adjustment, normally occurring on the first day of the fiscal year, eligible employees will receive an economic adjustment by applying the adjustment to the employee's salary.
- D.35 When determining whether to authorize an economic adjustment and the amount of the economic adjustment, the CEO will consider, amongst other things, changes to the Consumer Price Index (CPI).
- D.36 In cases where an employee is subject to salary protection, the employee's salary will remain unchanged until such time as the maximum of the salary range of the employee's position exceeds the employee's current salary or the employee moves into a new position. However, the employee will be entitled to receive a lump sum payment equal to the authorized economic adjustment based on their current salary.

## **MANAGEMENT INCENTIVE PROGRAM (MIP PROGRAM)**

- D.37 The MIP is a variable cash incentive program available to employees paid within the Category II National Incentive pay grid.
- D.38 An employee is only entitled to the MIP when:
- a. he/she has worked in a position subject to the MIP for a period of time that the manager has determined is sufficient to establish a valid performance and to evaluate the results against it; and
  - b. drawing a NPF wage:
    - i. if an employee is absent from work for part of the evaluation period, the MIP will be prorated for the time at work.
    - ii. if an employee is on a leave of absence without pay on the effective date of the MIP incentive payment, the employee will only receive the MIP incentive payment upon return to work.