

## Remuneration Policy Changes

The following changes are proposed to the remuneration policy regarding market movement and progression. This policy is subject to provisions in a CEA or IEA which prevails in the case of conflict. The overall policy remains subject to annual consideration of budget and funding.

### Grades and Rates

- 1 Each role is assigned a grade in accordance with the FENZ job evaluation / grading system.
- 2 Each grade in turn has an applicable market rate, based on market data.

### Steps from 90% to 100%

- 3 Each grade comprises five steps, from 90% of the applicable market rate (being Step One on appointment) to 100% of the applicable market rate being Step Five. Steps are at 2.5% margins:
  - a. Step One Appointment Step 90%
  - b. Step Two 92.5%
  - c. Step Three 95%
  - d. Step Four 97.5%
  - e. Step Five 100% Market Rate
- 4 Step One is the Appointment Step. Appointment may be made above Step One where warranted, where prior approval is given by the two up manager. Steps Two, Three, and Four are progression steps. Step Five is the Market Rate step at 100% market rate.

### Remuneration from 100 to 115%

- 5 There are no steps above 100%. Progression above 100% is based on performance as rated in the annual progression and performance review. Rating Exceeds Requirements results in 2.5% increase, Significantly Exceeds results in 3.5% increase.

### Progression from Steps One to Five – on anniversary of appointment

- 6 Progression applies annually on the anniversary of appointment to the substantive role. It operates independently of the market rate review which applies from 1 July each year.
- 7 To progress from one step to another, a rating of no less than **Achieves Requirements** is required in the annual progression and performance review. The review occurs when the progression is due, on the anniversary of appointment to the substantive role.
- 8 Progression is approved by the reporting manager, or in the event of incapacity or other special circumstances may be given by the two up manager or beyond.
- 9 Accelerated progression can be approved if a case is made by the Manager, supported by the two up manager, for performance rated **Exceeds Requirements**, or **Significantly Exceeds Requirements**\*. These ratings alone do not automatically gain accelerated progression. A case must be made for that. \*NB “Achieves Requirements”, “Exceeds Requirements”, and “Significantly Exceeds Requirements” are defined in the Enabling Performance Policy.

- 10 Progression may be declined only where there is clear evidence that performance is below requirements. Progression is only withheld on the authorisation of the two up manager who is required to review the supporting information.

### **Progression Above Step Five – on anniversary of appointment**

- 11 Upon achieving Step Five Market Rate, further annual pay increases for performance are only achievable where performance Exceeds Requirements for the role, or Significantly Exceeds Requirements for the role. The rating “Achieves Requirements” does not result in pay increases above Step Five Market Rate.
- 12 There are no defined steps above Step Five Market Rate. Increases for staff who are at or above Step Five Market Rate, apply as follows:
- Exceeds Requirements – 2.5% increase
  - Significantly Exceeds Requirements – 3.5% increase

### **Market Rate Review – from 1 July each year**

- 13 The applicable market rate for each grade is reviewed annually. Any market movement (change to the value of the step) is effective 1 July each year, subject to final organisational approval based on factors including but not limited to Government Expectations, market comparisons, recruitment and retention, budget and affordability, organisational priority setting.
- 14 The market rate review operates independently of annual progression from one step to another on anniversary date, and from pay increases above Step Five Market rate based on performance. That process occurs annually through a different process on the anniversary of appointment to the substantive role, separate to market rate review.
- 15 The outcome of the market rate review works like this:

#### **For Steps One to Five – The value of the steps is adjusted if the market rate increases and the staff member automatically gets the new step value**

- The rate applying to each step is adjusted to reflect the new market rate if the market rate increases. Staff on each step then simply receive an automatic increase in pay since the value attached to the step has increased. This is effective from 1 July.
- Progression** from Step One Appointment Step to Step Five Market Rate occurs separately (later) on the anniversary of appointment as explained elsewhere in the policy.

#### **For Remuneration Above Step Five Market Rate – There is no automatic market rate increase through this process, unless the new market rate overtakes the current pay.**

- The market rate for the job is adjusted with the value of steps One to Five increasing.
  - If the Step Five value overtakes the staff members current pay, the pay is adjusted to keep pace with Step Five Market rate.
  - If the Step Five value does not overtake current pay, there is no market rate adjustment and the pay remains the same.
- Progression above Step Five Market rate** for those who are at Step Five, or whose pay is above Step Five, occurs separately (later) on the anniversary of appointment as explained elsewhere in the policy.

## Translation to the New Policy

- 1 This policy is read alongside the current remuneration policy and where applicable supersedes that policy effective from 1 July 2018.
- 2 The following translation process applies to align staff to the steps of the new remuneration policy as at 1 July 2018. Any subsequent progression due applies under the new policy, on the anniversary of appointment to the substantive position.
  - a. The current market rates for each grade, or role where applicable, are reviewed effective from 1 July 2018.
  - b. The current position in range (PIR) under the old system, before the 2018 market rate is applied, determines the step to which the staff member translates as follows:

<b>Current Position in Range</b>	<b>New Step on Translation to the new 2018 market rate</b>
At or below 90% PIR in old system	<b>Pay increases to Step One</b> 90% new market rate
Above 90% and up to 92.5% PIR in old system	<b>Pay increases to Step Two</b> 92.5% new market rate
Above 92.5% and up to 95% PIR in old system	<b>Pay increases to Step Three</b> 95% new market rate
Above 95% and up to 97.5% PIR in old system	<b>Pay increases to Step Four</b> 97.5% new market rate
Above 97.5% and up to 100% PIR in old system	<b>Pay increases to Step Five</b> 100% new market rate
Above 100% PIR in old system	<p><b>Pay stays the same – unless Step Five New Market rate has overtaken current pay.</b></p> <p>If current pay is below new Step Five Market Rate, <b>increase</b> to new Step Five value to keep pace with market.</p>

- c. Translation is to the **NEW** market rate effective 1 July 2018. No one currently at or above 100% PIR in the old system drops back below Step Five 100% of the new market rate.
- d. This translation is separate to the progression and performance process which then applies from 1 July 2018 onwards, on the anniversary of appointment to the substantive role.