

DM-3 PERFORMANCE PAY – HISTORICAL DATA

- 1967 In response to a recommendation made by the Special Joint Committee of the Senate and House of Commons on Employer-Employee Relations, the Advisory Group on Executive Compensation in the Public Service was appointed to make recommendations from time to time on the rates of pay and conditions of employment of executive personnel. The Committee was also asked to make recommendations on the principles that should govern determination of the rates of pay and conditions of employment of other public servants employed in a managerial or confidential capacity.
- 1968 The Advisory Group on Executive Compensation in the Public Service recommended that salary ranges be established for Deputy Ministers and that progression within the range be based on performance. The information on file is sketchy at best, but it would seem that individuals whose performance was at least “acceptable” were awarded increases up to a certain point within the range. The Committee established that performance related increases should not be automatic but based on attainment of specific objectives and that “the higher rates in a range should apply only to officers whose performance is judged to be beyond normal expectations and maximum rates should be reserved for whose performance is judged to be clearly outstanding”.
- For 1968, Deputy Ministers who were at least « satisfactory » received 4%.
- 1969 to 1974 Application of the above performance pay policy.
- 1974 The Advisory Committee reiterated its previous recommendation that “salary progression not follow automatically from movement of range but should be based on sustained satisfactory performance of individuals. The upper levels of the salary ranges should apply only to officers whose performance was judged to be above normal expectations”. The mid-point of the range was established as the job rate which means that this is the normal salary which should be paid to a person who has attained the experience required and is judged to be “fully satisfactory” in the performance of those duties. Only those judged “superior” or “outstanding” on a sustained basis could eventually reach the maximum (merit maximum) of the range.
- The salary ranges were subdivided into performance sectors allowing salaries to move within the range to certain limits. For DM-3s this meant the following:
 - “outstanding” minimum to maximum (up to \$60,000)
 - “superior” minimum to 8th decile (up to \$58,000)
 - “fully satisfactory” minimum to 6th decile (up to \$56,000)
 - “acceptable” minimum to 4th decile (up to \$54,000).
- NOTE: Salary range was: \$50,000 - \$60,000
- 1975: Application of the above performance pay policy.
- 1976: The government imposed a freeze on salaries and performance pay for executives and DMs in anticipation of the introduction of the anti-inflation measures legislation.

- 1977: Performance awards were limited to \$2,150 per individual, in keeping with the anti-inflation measures legislation.
- 1978: Performance awards were limited to \$2,150 per individual, in keeping with the anti-inflation measures legislation.
- 1979: As a post anti-inflation measure, the government ruled that total increase to the EX/DM payroll would not exceed 7%.. To stay within budget, performance awards for those in appropriate performance sectors were limited as follows:
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| “outstanding” | up to 8% of salary |
| “superior” | up to 6% of salary |
| “fully satisfactory” | up to 4% of salary |
| “acceptable” | up to 2% of salary. |
- 1980: Normal performance pay policy established in 1974 was followed.
- 1981: Further to a recommendation of the Advisory Committee, the government approved a new structure for the Executive Group in the Public Service. As a result, effective April 1, 1981, salary ranges including those applicable to DMs were changed from a minimum-job rate-merit maximum model to a more simple minimum-job rate model. The job rate now being the absolute maximum of each range. Progression through the range continued to be based on individual performance. The revised performance pay policy, to provide an average performance award of 4% was established as follows:
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| “outstanding” | 7% to 10% of salary |
| “superior” | 5% to 7 % of salary |
| “fully satisfactory” | 3% to 5 % of salary |
| “satisfactory” | up to 3% |
| “unsatisfactory” | 0%. |
- However, once at the maximum of the range, only those with a rating of “outstanding” or “superior” could receive a lump sum performance award.
- 1982: Because of the 6% restriction on salary increases pursuant to the *Public Sector Compensation Restraint Act* (6 & 5), performance pay was suspended.
- 1983: Because of the 5% restriction on salary increases pursuant to the *Public Sector Compensation Restraint Act* (6 & 5), performance pay was suspended.
- 1984: The government continued to suspend performance pay.
- 1985: Performance pay as described in 1981 was implemented.
- 1986: Performance pay as described in 1981 was implemented.

- 1987: The government approved the Advisory Group's recommendation to award up to 15% of salary for an "outstanding" performance rating at the DM-1 and DM-2 levels and up to a maximum of 25% of salary for an "outstanding" performance rating at the DM-3 level.
- Upon implementation, potential performance awards for an "outstanding" performance rating was limited to a maximum of 12% of salary for DM-1s and DM-2s and to a maximum of 15% for DM-3s, except for a very few DM-3s who received up to 19% of salary.
- 1988: In keeping with the Advisory Group's recommendation in 1987, performance awards were limited to a maximum of up to 12% for DM-1s and DM-2s for an "outstanding" performance rating, although the government had approved a maximum of 15%. The maximum performance award for DM-3s receiving an "outstanding" performance rating was limited to 20% of salary, although the government had approved a maximum of up to 25%. However, the maximum of 25% was reserved for the very few exceptions.
- 1989: Performance awards were limited to 10% of salary for DM-1s and DM-2s for an "outstanding" performance rating, although the policy allowed for up to 15%. For DM-3s judged to be "outstanding", the maximum performance award was limited to 15% of salary, although the policy allowed for up to 25%. As a result of a recommendation of the Advisory Group, those at the maximum of their range who were rated "fully satisfactory" could receive performance pay in the form of a lump sum amount. In previous years, lump sum amounts were only awarded to those at the maximum of their range who had been rated "superior" or "outstanding".
- 1990: Performance pay was implemented, however, the maximum performance award for an "outstanding" performance rating at the DM-1 and DM-2 levels was limited to 10% of salary. The performance award for a DM-3 for an "outstanding" performance rating was limited to 15% of salary, to a maximum of \$10,300.
- 1991: The government decided not to implement performance pay for DMs and other GiCs, in anticipation of the passage of the *Public Sector Compensation Restraint Act*.
- 1992: Performance pay not implemented.
- 1993: Performance pay not implemented.
- 1994: Performance pay not implemented, as prohibited by the *Public Sector Compensation Restraint Act*.
- 1995: Performance pay not implemented, as prohibited by the *Public Sector Compensation Restraint Act*.

- 1996: Reinstatement of performance pay through legislation, effective July 1, 1996. Performance awards were limited to 10% of salary for “outstanding” performance rating at the DM-3 level. Of that award, a maximum of 2.5% could be added to base salary effective January 1, 1997. The outstanding amount was payable as a lump sum effective July 1, 1996.
- 1997: Performance pay was implemented to a maximum of 10% of salary for DM-3s for an “outstanding” performance rating.
- 1998: Performance pay was limited to a maximum of 7% of salary, for an “outstanding” performance rating for DM-3s. The performance awards were all paid as a lump sum.
- 1999: Performance pay was limited to a maximum of 10% of salary for DM-3s who “exceeded” objectives (half of the potential award of 20% recommended by the Advisory Committee on Senior Level Retention and Compensation).
- 2000: Performance pay will likely be limited to 10% of salary for DM-3s who “exceeded” objectives (half of the potential award of 20% recommended by the Advisory Committee on Senior Level Retention and Compensation).