

COMPENSATION POLICY

INTENT

The Atlantic First Nations Water Authority [AFNWA] is committed to a policy of salary administration which is internally equitable and externally competitive, and that also recognizes and encourages individual performance. AFNWA recognizes the importance of maintaining competitive compensation programs that are financially feasible and, as such, regularly surveys external market trends, locally and nationally, to ensure the attraction and retention of qualified employees. Economic factors such as the Cost of Living Index are also considered in determining our compensation strategy. Regular discussion of employees' immediate and long term career goals form part of this policy.

POLICY

The purpose of this policy is to:

- 1) Ensure the fair and equitable salary treatment of AFNWA's employees;
- 2) Establish salary levels which will enable AFNWA to recruit and retain qualified employees; and
- 3) Provide guidelines for ongoing salary administration.

Methodology

The AFNWA utilizes the HAY methodology has licensed through Korn Ferry for job evaluations.

New Employees

When determining the start rate for a new employee, recognition for qualifications and previous experience may be granted.

Performance Reviews and Increases

Adjustments to salaries (within established ranges approved by the AFNWA Board) are recommended by the Manager and approved by the Chief Executive Officer [CEO] on an annual basis, normally effective April 1st.

Regular Employees

All regular employees will have a performance review by their Manager or Supervisor on an annual basis, or earlier if required.

Part-Time or Temporary Employees

All part-time or temporary employees will have a performance review by their Manager within a reasonable time period prior to the end of the probationary period.

Increments

Where an employee's performance is found to be satisfactory or better, a salary adjustment may be granted if below the maximum salary for the position. If this is an **end of probationary period** review, the salary adjustment will be effective the date of the end of their probationary period. If the employee has completed their probationary period, a salary review will be carried out based on the fiscal year and any approved salary adjustment will be effective as of the beginning of the next fiscal year (i.e. April 1st).

New Job or Significantly Changed Duties

Where a new job is created or the duties of a current position are substantially altered the Department Manager will prepare a Job Analysis Questionnaire and submit it to the Manager of Corporate Services. The Questionnaire is then evaluated by the Job Evaluation Team [Personnel Committee, as reference in HR Policy] in accordance with the HAY methodology as licensed through Korn Ferry.

Triannual Salary Survey

Every three years a national market survey of Canadian public sector organizations is carried out by Korn Ferry. The 50th percentile (or P50) is established as the target for compensation to ensure that AFNWA is competitive in the marketplace. The target of P50 means that 50% of the organizations surveyed will pay more and 50 % will pay less.

Cost of Living Adjustments

In accordance with Board policy, in interim years between survey assessments, annual salary adjustments will be based on the Consumer Price Index (CPI) for Canada.

Individual Performance Incentive

An individual performance incentive will be available to the Executive based on performance and achieving the goals and objectives for that fiscal year. The range of 0 to 3 % is available to all Executive positions.

Organizational Award

An organizational award will be available to employees based on the performance outcomes of Key Performance Indicators (KPI's) which are linked to the Corporate Balanced Scorecard, as approved by the Board on an annual basis.

In order to qualify for the award an employee must have worked 9 of the 12 months in the fiscal year.

Over Time

Unless due to an operational emergency, overtime must be pre-approved by the Manager before undertaken. Overtime outside the normal hours of work is paid in relation to an employee's salary at 1.5 times the regular rate. For time worked on a federal statutory holiday, overtime will be paid at 2 times the regular rate. The Executive staff are not eligible for overtime.

Banking of Time

An employee is given the option of:

- a) banking the overtime hours worked to a maximum of 80 hours in a calendar year. All banked time that is not used in a calendar year shall be paid out by March 31st after the calendar year.
- b) taking time off with pay in a subsequent pay period if approved in advance by the Manager, however time-off-in-lieu cannot exceed one week.

Banked overtime hours will be converted to equivalent regular hours.

Pension – The interim AFNWA Pension Plan [Atlantic Policy Congress of First Nations Chiefs Secretariat Pension Plan] is a defined contribution plan and pension contributions are cost shared on a 50/50 basis. Participation in the pension plan is mandatory for all employees.

Medical and Dental Benefits – Employees are required to participate in the APC Medical and Dental Plans **unless** they provide proof of coverage under their partner/spouse's plan.