

“YEAR OF STANDING UP FOR GUYANA”

PUBLIC SERVICE MINISTRY

CIRCULAR NO.24/1986

REFERENCE NO. PS:18/0¹¹¹

FROM: Permanent Secretary,
Public Service Ministry

TO: All Permanent Secretaries,
Heads of Departments and
Regional Executive Officers

SUBJECT:

Introduction of Merit Increment Scheme in the Public Service and payment of Merit Increment in 1986.

DATE: 1986-11-03

1. **BACKGROUND**

The Agreement between the Government of Guyana and the Guyana Trades Union Congress for wage and salary adjustments during 1985 and 1986 (as notified in Public Service Ministry's Circular No. 28/1985 dated 2nd December, 1985 on the subject "Guidelines for Public Service Wage and Salary Adjustment") provided inter alia for: -

- (i) The payment of a 5% across-the-board increase in wages and salaries with effect from 1st January, 1986, and
- (ii) An increase in wages and salaries based on actual appraisals to be completed during the last quarter of 1986, but which would be retroactive to 1st January, 1986;
- (iii) The timing of the actual appraisals to be such as to reflect properly an estimate of employee's performance for the entire year.

1.1 As a pre-requisite to the actual appraisal of staff, heads of Agencies were requested at paragraph 5.1 of my circular under reference to have their appraisal systems in place by 31st March, 1986, and to forward to the Cde Minister of Finance status reports and plans for the implementation of the systems within their agencies during 1986. An integral part of these plans was the existence of adequate and accurate record-keeping mechanism. This exercise has since been completed.

2. **AUTHORITY**

In order to satisfy the requirement outlined at paragraph 1 (ii) above, the Public Service Ministry has collaborated with Permanent Secretaries, Heads of Departments, Regional Executive Officers, the Guyana Public Service Union and the Federation of Unions of Government Employees in the conceptualization and formulation of an appraisal scheme that is appropriate to the needs of the Public Service. After extensive consultations, the scheme was finalized and submitted to Cabinet which has approved its formal introduction in the Public Service and use for the purpose of paying Merit Increments in 1986. This circular is therefore

being issued pursuant to the relevant Cabinet decision and to the Agreement referred to at paragraph 1.1 hereto.

- 2.1 The scheme is known as the “Merit Increment Scheme”. Details are outlined in the accompanying handbook titled: “Guidelines to the Merit Increment Scheme, 1986”, copies of which were given to Permanent Secretaries, heads of Departments and Regional Executive Officers at a meeting held on 2nd October, 1986.
3. EFFECTIVE DATE The effective date of implementation of the Merit Increment Scheme and the payment of merit increments is 1st January, 1986.
4. ELIGIBILITY Subject to what is stated at paragraph 5 below, the scheme applies to all workers presently employed and who were recruited before 1st July, 1986. In keeping with the Guidelines mentioned at paragraph 1, persons employed on or after 1st July, 1986 are not eligible to have their wages/salaries adjusted on the basis of appraisals during 1986.
5. EXCLUSIONS The Merit Increment Scheme does not apply to the following categories of workers:-
- (a) Those recruited on or after 1st July, 1986;
 - (b) Those who are no longer employed in the Public Service;
 - (c) Persons on contract - their cases should be represented to the Cde Secretary to the Treasury for consideration of an increase of an increase based on merit;
 - (d) Permanent Secretaries, heads of Departments, Regional Executive Officers and persons holding positions which attract salary at the rate of \$5,000.00 per month and above. Separate instructions will be issued concerning the grant of merit increases to those workers.
6. BASIE WAGE SALARY TO BE USED IN THE COMPUTATION OF MERIT INCREMENTS. The basic wage/salary to be used in the computation of merit increments is as follows:
- (i) In the case of a worker who was in employment prior to 1st January, 1986, his/her salary/ wage as at 31st December, 1985; and
 - (ii) In the case of employees recruited during the period 1st January, 1986 to 30th June, 1986, the salary/wage attached to their respective posts, at 31st December, 1986. The following examples are provided to illustrate sub-paragraphs (i) and (ii) above respectively:-
- Example I
Officer appointed Clerk II with effect from 1st December, 1985 with salary at the rate of \$407.30 per month.
Officer’s salary at 31st December, 1985 = \$407.30.
Salary of Clerk II position at 31st December, 1985 = \$406.00.
Merit Increment awarded = 5% of salary at 31st December, 1985.
= 5% of \$406.00
= \$20.30 per month.
7. WAGE BILL CEILING OIN RELATION TO TOTAL PAYOUT. The total amount to be utilized in 1986 by each Ministry/Department /Region in making payment of merit increments to its employees shall not exceed five percent 5% of its actual wage bill (i.e. wages/salaries only) for the period 1st January to 31st December, 1986.
8. FINANCING PAYMENT It has been observed from the monthly Financial Statements submitted to

the Ministry of Finance that the majority of Ministries/Departments /Regions have large savings under their related Heads of Expenditure. It is therefore the intention that the payout with respect to increments for 1986 should be met from those savings. The Ministry of Finance must be informed whether these savings are adequate to meet the increment payouts for each agency.

- 8.1 Heads of Agencies are therefore required to submit this information in the format set out at Appendix I hereto, to the Secretary to the Treasury not later than November 7, 1986. Copies of the statement must be submitted to the Accountant General and the Permanent Secretary, Public Service Ministry.
- 8.2 Agencies which have adequate savings but would require virement should submit their requests to the Secretary to the Treasury not later than November 24, 1986.
9. ACCOUNTING
AGENCIES WITH
ADEQUATE SAVINGS
- 9.1 AGENCIES WITHOUT
AVAILABLE FUNDS
- 9.2 GENERAL
10. PAY DATE
11. REPORTING
12. SUPPLY OF FORMS
AND HANDBOOKS
13. BRIEFING SESSION ON
7TH NOVEMBER 1986
- On the release of funds to meet the payout applications for remittances from the Accountant General's Account No. 405 should be made in the usual manner.
- (a) Payments are to be charged against a special item of Expenditure under the control of the Accountant General.
 - (b) Inter-departmental Warrants would be issued upon application to the Accountant General.
 - (c) Applications for remittances from the Accountant General's Account No. 405 should be also submitted with the applications for the Inter-Departmental Warrant for the total amount required.
- (a) request for remittances from the Accountant General's Account No. 405 to make the payment must be for the actual amount to be paid.
- (b) Heads of Departments are therefore required to inform the Accountant General in advance of the request for the remittances of the actual amount to be paid out. Copies of the memorandum must be submitted to the Secretary to the Treasury and the Permanent Secretary, Public Service Ministry.
- Heads of Agencies covered by this circular are requested to ensure that action is taken to effect payment of increments to all qualifies workers as early as possible but not later than 31st December, 1986.
- Agencies covered by this circular must complete Appendix II hereto and return same to the Accountant General's Department by 28th December, 1986. Copies should be submitted to the Secretary to the Treasury, Permanent Secretary, Public Service Ministry and the Chief Planning Officer, State Planning Secretariat.
- The forms which are to be used to make appraisals of the various categories of workers in the Public Service are being received from the Printers, and will be made available to agencies in accordance with requests placed by them earlier this year. Additional copies of the Handbook will also be made available to those agencies which clearly have a definite need for them.
- Arrangements have been made for a briefing session to be held at the Sophia Auditorium at 1.30 pm on Friday, 7th November, 1986. Permanent Secretaries, Heads of Departments and Regional Executive Officers are invited to attend. The opportunity will be taken to answer queries and give

14. LIABILITY

clarifications which may be necessary.

It is extremely important that all appraisals of workers should be done in accordance with the guidelines issued. Heads of Agencies to whom this circular is addressed will be held liable for any errors arising out of non-compliance with the terms and conditions outlined. The Heads should therefore seek to ensure that appropriate systems and mechanisms are implemented in their Agencies whereby they could be personally satisfied with the appraisals done and the size of merit increments approved for payment.

15. REQUESTS FOR
FURTHER GUIDANCE
AND ASSISTANCE

The Public Service Ministry stands ready to give further guidance and assistance which may be required by any Agency so as to ensure the smooth and accurate implementation of the Scheme. Enquires should be directed to the Personnel Administrator or the Senior Assistant Personnel Administrator (Wages and Salaries) on telephone numbers 72292 and 60412, respectively.

R. Sivanand
for Permanent Secretary
Public Service Ministry

APPENDIX I TO PUBLIC SERVICE MINISTRY CIRCULAR NO. 24/1986
STATEMENT OF MAXIMUM INCREMENT PAYOUT 1986 AND INDICATION OF AVAILABILITY OF FUNDS

MINISTRY/DEPARTMENT/REGION

(1) Head of Expenditure	(2) Actual Wage Bill Jan. to Oct. 1986		(3) Average Monthly Wage Bill		(4) Wage Bill 1986 (Projected)		(5) 5% of 1986 Wage Bill		(6) Do you have Savings
Total									

Signed By:
 Permanent Secretary/Head of Department/Regional Executive Officer

Date: November, 1986

NOTES OF PREPARATION OF STATEMENT

1. Column 1 Staff explanatory
2. Column 2 Represents actual wages / salaries paid from January to October, 1986. Benefits and allowances are not included.
3. Column 3 The figure is arrived at by dividing figure in columns (2) by (10)
4. Column 4 The figure is arrived at by dividing figure in columns (3) by (12)
5. Column 5 Represents 5% of amount in column 4.
6. Column 6 Indicate "yes" or "no" as appropriate.
7. The statement should be signed by an officer not below the level of a Chief Accountant/Principal Assistant Secretary (Finance).
8. The original of this statement should be sent to Secretary by 1986-11-07 with copies to the Accountant General, and Permanent Secretary, Public Service Ministry.

