

**“YEAR OF PURPOSEFUL ECONOMIC ADJUSTMENT”**

**PUBLIC SERVICE MINISTRY**

**CIRCULAR NO. 36/1987**

**REFERENCE NO. PS: 18/0<sup>IV</sup>**

FROM: Permanent Secretary,  
Public Service Ministry

**SUBJECT:**

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

- (i) Payment of Merit Award for 1987.
- (ii) Additional Guidelines for payment of Merit Award.

DATE: 1987/12/18

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1. **BACKGROUND** The Agreement between the Government of Guyana and the Guyana Trades Union Congress for wage and salary adjustments during 1987 and 1988 (as notified in Public Service Ministry's Circular No. 17/1987 dated 14<sup>th</sup> May, 1987 on the subject "Guidelines for Public Service Wage and Salary Adjustments") provided inter alia for: -
    - (i) the payment of a 16.37% "across-the-board" increase plus \$100.00 per month / \$4.20 per day with effect from 1<sup>st</sup> January, 1987;
    - (ii) an increase in wages and salaries based on actual appraisals to be completed during the last quarter of 1987, but which would be retroactive to 1<sup>st</sup> January, 1987; and
    - (iii) the timing of the actual appraisals to be such as to reflect properly on estimate of employees' performance for the entire year.
  - 1.1 As a pre-requisite to the actual appraisal of staff, Heads of Agencies were requested at paragraph 3.3 of my Circular under reference to have their appraisal systems in place, and to ensure that the relevant record-keeping systems were up-to-date and were being monitored and supervised on an on-going basis.
  2. **AUTHORITY** This Circular is being issued pursuant to the relevant Cabinet Decision (Conclusion 14, CP(86)20<sup>th</sup> Meeting of Cabinet held on 30<sup>th</sup> September, 1986) which approved the introduction of the Merit Award Scheme in the Public Service, and to the Agreement referred to act paragraph 1 above. The Scheme itself was introduced at paragraph 2.1 of my Circular No. 24 / 1986 dated 3<sup>rd</sup> November, 1986.
  3. **EFFECTIVE DATE** The effective date for the payment of Merit Awards for 1987 is 1<sup>st</sup> January, 1987.
  4. **ELIGIBILITY** Subject to what is stated at paragraph 5 below, the Scheme applies to all workers on the payroll at 30<sup>th</sup> June, 1987, provided that they have served for at least six (6) months during the year.
  5. **EXCLUSIONS** The Merit Award Scheme does not apply to the following categories of workers: -
    - (a) those recruited after 1<sup>st</sup> July, 1987;
    - (b) persons on contract – their cases should be represented to the Secretary to the Treasury for consideration.

5.1 It should be noted that while the Merit awards Scheme is intended to apply to Permanent Secretaries, Heads of Departments, Regional Executive Officers and other persons holding positions which attract salary at the rate of \$5,919.00 per month and above, a special appraisal form is being designed for use in appraising their performance. Consequently, further instructions will be issued concerning the appraisal of and the grant of merit awards to these categories of workers.

6. BASIC WAGE / SALARY TO BE USED IN THE COMPUTATION OF MERIT AWARDS The basic wage / salary to be used in the computation of Merit Awards is as follows: -

- (i) in the case of workers who were in employment prior to 1<sup>st</sup> January, 1987, their wages / salaries as at 31<sup>st</sup> December, 1986;
- (ii) in the case of workers recruited during the period 1<sup>st</sup> January, 1987 to 30<sup>th</sup> June, 1987, the wages / salaries attached to their respective posts, at 31<sup>st</sup> December, 1986.

The following examples are provided to illustrate sub-paragraphs (i) and (ii) above, respectively:-

Example 1

Officer appointed Clerk II with effect from 1<sup>st</sup> December, 1986 with salary at the rate of \$426.00 per month.

- Officer's salary at 31<sup>st</sup> December, 1986 = \$426.00 per month.
- Salary of Clerk II position at 31<sup>st</sup> December, 1986 = \$426.00 per month.
- Merit award granted = 5% of salary at 31<sup>st</sup> December, 1986  
= 5% of \$426.00  
= \$21.30 per month

Example 2

Officer appointed Clerk II with effect from 1<sup>st</sup> February, 1987 with salary at the rate of \$596.00 per month.

- Salary of Clerk II position at 31<sup>st</sup> December, 1986 = \$426.00
- Merit award granted = 5% of salary of position at 31<sup>st</sup> December, 1986  
= 5% of \$426.00  
= \$21.30 per month

7. WAGE BILL CEILING IN RELATION TO TOTAL PAYOUT The minimum amount to be utilized in 1987 by each Ministry / Department / Region in making payment of merit awards to its employees is 5.5% of its actual wage bill for 1986. The maximum amount is 7%.

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 adequate overall savings under the Heads of expenditure under their control. In these cases, the payment of merit award for 1987 should be made from such savings, due regard being had to valid commitment and liabilities to be satisfied and charged against the current year's provision.

8.1 Where adequate funds are not available under the specific Sub-Heads against which payment is to be effected, application should be made to the Secretary to the Treasury for Virement in favour

of these Sub-Heads.

- 8.2 Where adequate balances are not available under the relevant Head or the specific Sub-Heads affected, funds will be provided from a special Sub-Head established under the Ministry of Finance to facilitate payment. In such cases, Inter-Departmental Warrants would be issued and financed by the Accountant General and should be accounted for in the usual manner.
- 8.3 In order to ensure that your Ministry / Department / Region has sufficient funds to meet payment for 1987 and to obtain approval for payment, it is necessary for you to submit the following to the Secretary to the Treasury as soon as it is practicable to do so: -
- (i) Statement of Actual Wage Bill and availability of funds for payment of Merit Award for 1987 (as per format in Appendix I hereto); and
  - (ii) Request for approval to pay Merit Award for 1987 (as per format in Appendix II hereto). On no account should a submission be made to the Secretary to the Treasury reflecting proposed payment of Merit Awards exceeding 7% of the 1986 Wage Bill. No payment is to be made unless approval to do so has been received from the Secretary to the Treasury.
- The Statement and Request which should be signed by an officer not below the level of Principal Assistant Secretary or officer of equivalent level, must be copied to the Accountant General and to this Ministry. Where Virement is required, application for same should be submitted to the Secretary to the Treasury at the same time.
9. GENERAL Requests for withdrawals from the Consolidated Fund (where applicable) and requests for Remittances from the General Account No. 405 should be submitted to the Accountant General in the usual manner to ensure that funds are available in the relevant main Bank Accounts for transfer to the respective salaries Bank Accounts.
- 9.1 Officers in charge of the Vote Accounting and Payroll Divisions and the Examinations Divisions of the various Ministries / Department / Regions, the Accountant General's Department (including the Regional Sub-Treasuries) should maintain control Registers of the amounts approved by the Secretary to the Treasury, the gross totals of paysheets passed for payment, and the balance available to meet outstanding payment so as to ensure that there is no payment in excess of the amount approved.
10. PAY DATE Heads of Agencies covered by this Circular are asked to ensure that action is taken to effect payment of awards to all qualified workers as early as possible.
11. LIABILITY It is extremely important that all appraisals of workers should be done accordance with the guidelines issued during November, 1986. 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. They 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 awards approved for payment.
12. ADDITIONAL GUIDELINES FOR PAYMENT OF MERIT AWARD Appendix III hereto provides additional guidelines in respect of the payment of merit awards. Personnel and Accounting Officers should take careful note of them.
13. 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 in connection with this Circular. Enquiries should be directed to the Senior Assistant Personnel Administration (Wages and Salaries) or other staff attached to the Wages and Salaries Section on telephone Numbers 02-60412, or 02-62963 and 02-72292.

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(R. Sivanand),  
for Permanent Secretary,  
Public Service Ministry.

MINISTRY / DEPARTMENT / REGION .....

To: Secretary to the Treasury.

STATEMENT OF ACTUAL WAGE BILL, 1986 AND AVAILABILITY OF FUNDS FOR PAYMENT OF MERIT AWARDS FOR 1987

(1) Head No. and Description	(2) Actual Wage Bill, 1986			(3) Total Amount of 1987 Merit Award; also state this amount as a %-age of 1986 Wage Bill.	(4) Availability of Funds to meet Payout of 1987 Merit Award		
	(a) Actual Wage Bill (exclusive of 1986 Merit Award).	(b) Total Amount approved by S.T. for payment of 1986 Merit Award.	(c) Total Wage Bill (add amounts in columns (2a) and (2b).		(a) Availability on specific Sub-Heads for payment.	(b) To be obtained by virement.	(c) Total available (add amounts stated at columns (4a) and (4b).
				\$  ...% of 1986 Wage Bill			
TOTAL							

NOTES ON COLUMNS IN ABOVE PORMAT:

- (1) All Heads under the control of the Ministry / Department / Region should be included in this statement.
- (2a) This information was required at column (3) of the format in the revised Appendix II to Public Service Ministry Circular No. 24/1986 (vide Public Service Ministry Circular No. 27/1986).
- (2b) Please quote Reference No. and date of S.T.'s memorandum of approval.
- (2) The amount stated in this column is derived from the total amount obtained at Appendix II overleaf.

Signed .....  
Permanent Secretary / Head of Department / Regional Executive Officer

Dated .....

REQUEST FOR APPROVAL TO PAY MERIT AWARDS FOR 1987.

MINISTRY / DEPARTMENT / REGION .....

TO: Secretary to the Treasury.

I hereby apply for approval to pay Merit Award to employees of this Ministry / Department / Region to the total amount of \$..... for the various Heads of Expenditure as computed in the following table:

Size of Merit Award	No. of Employees qualified for each size of Award.				Total cost of each size of Award			
	Head No.	Head No.	Head No.	Total	Head No.	Head No.	Head No.	Total
12% of salary / wage								
10% of salary / wage								
7% of salary / wage								
5% of salary / wage								
0% of salary / wage								
TOTAL								

NOTE:

Copies of Appendices I and II should be sent to the Permanent Secretary, Public Service Ministry and Accountant General.

Signed .....  
Permanent Secretary / Head of Department / Regional Executive Officer.

Dated .....

### APPENDIX III

#### ADDITIONAL GUIDELINES FOR PAYMENT OF MERIT AWARD

Public Service Ministry's Circular No. 24/1986 dated 1986-11-03 and the handbook titled "Guidelines to the Merit Increment Scheme, 1986" give guidance to Administrators, Personnel and Accounting Officers and Supervisors in determining who are eligible to benefit under the Scheme, and in calculating merit awards. Consequent upon the receipt of enquiries regarding situations not specifically catered for in the guidelines, as follows:

<u>Situations</u>	<u>Guidelines</u>
(i) An officer who receives acting and / or responsibility allowance/s for acting continuously in higher post/s, but proceeds on <u>annualized vacation leave</u> during the year during which period he / she is not normally paid acting or responsibility allowance.	The break should be ignored and the officer regarded as if he / she performed in the higher post/s continuously during the year, for merit award purposes.
(ii) An officer who performs continuously throughout the year in a higher position and receives acting and / or responsibility allowance/s.	The total of the officer's salary <u>plus</u> acting / responsibility allowance should be used in the calculation of the merit award. <u>However, the equivalent of this total at 1986-12-31 is used.</u> The merit award obtained is to be added to the officer's salary at the beginning of 1987 (or the year under review) to become the new rate of substantive salary. The acting or responsibility allowance remains unchanged and the officer receives increased remuneration by virtue of his / her substantive salary increasing, while the acting or responsibility allowance remains constant.
(iii) An officer who performs continuously throughout the year duties in more than one higher position and receives different rates of acting / responsibility allowance/s.	The officer should be granted an award using the allowance applicable to the higher position in which he / she served the longest during the year. The calculation should be as in (ii) above.
(iv) An officer who is promoted during the year.	Promotion is taken into account in calculating merit award. There are however <u>two</u> calculations to be made, as follows:-  (a) for the period from the commencement of the year to the date immediately <u>prior</u> to the date of promotion, the officer's salary at 1986-12-31 should be used to calculate the merit award. This award should be paid to the officer over the period in question, and becomes part of substantive salary over the same period;  (b) for the period commencing from the date of promotion to the end of the year, the new promotion salary converted to the rate at 1986-12-31, should be used to calculate merit award. This rate of merit award should be paid with effect from the date of promotion and the officer's new salary thus derived, goes over into 1988.
(v) An officer performs in a higher position, is paid acting / responsibility allowance and is subsequently promoted during the year, without a break in performance at the higher level.	(a) Where the salary plus acting / responsibility allowance is the same as the salary which the officer received upon promotion, the 1986 rate of the salary he / she received upon promotion should be used to calculate merit award. The

amount obtained should be added to the officer's substantive salary over the period prior to promotion (the acting / responsibility allowance remaining the same) and to the officer's salary upon promotion.

(b) Where the salary at promotion is different to the total of the officer's substantive salary plus acting / responsibility allowance (e.g. where he / she is promoted to a different higher position to the one in which he / she was functioning) there should be two calculations as follows:-

1. During the period the officer was functioning in the higher capacity, he / she should be paid merit award taking into account the acting or responsibility allowance (please see sub-paragraph (ii)).

2. With effect from the date of promotion, the principle set out at sub-paragraph (iv) (b) should be followed.

(vi) Where an officer resigns or dies during the year

Eligible to receive merit award calculated in the normal way and paid over the period of service provided however that the officer was on the payroll at 1987-06-30 and had served for at least six (6) months.

(vii) Employees who have been dismissed

Employees who have been dismissed subsequent to 30<sup>th</sup> June, 1987, had served for at least six (6) months during the year and whose dismissals were not due to valid reason relating to serious misconduct causing the contract of employment to be repudiated (e.g. for acts of theft, fraud, dishonesty and other offences warranting summary dismissal in accordance with the accepted disciplinary code) qualify for merit award.

(viii) Employees whose services have been terminated

Employees whose services have been terminated subsequent to 30<sup>th</sup> June, 1987, had served for at least six (6) months during the year, and whose termination was at the initiative of the employer (i.e. for economic, structural or technological reasons, or for reasons, other than those of serious misconduct resulting in dismissal) qualify for merit award.

(ix) Employees who have retired

Employees who retired subsequent to 30<sup>th</sup> June, 1987, on attaining retirement age or on medical grounds or whose retirement was due to economic, structural or technological reasons or reasons other than those of serious misconduct resulting in dismissal, qualify for merit award.

(x) Officer retires during the year and is re-employed immediately thereafter

If the officer is re-employed at the same salary, his / her merit award should be calculated as that of a normal serving officer who hold the same post and received the same salary throughout the year. If he / she is re-employed at a different salary, the principle outlined at:

(a) sub-paragraph (iv) (a) should be followed in respect of the period prior to re-employment;



(b) sub-paragraph (iv) (b) should be followed in respect of the period of re-employment.

- (xi) Officer who retires and is re-employed but who enjoyed pre-retirement leave (including deferred leave) not exceeding six (6) weeks  
Eligible for merit award.
- (xii) Officer transferred or seconded from "Other Public Service".  
Eligible for merit award provided that he / she came over to the Public Service prior to 1987-07-01 and served for at least six (6) months during the year. See the principle outlined at sub-paragraph – (xiv) below.
- (xiii) Officer who is transferred / seconded to "Other Public Service".  
Eligible, provided that the departure to "Other Public Service" took place after 1987-06-30 and the officer served for at least six (6) months during the year. The award is calculated in the normal way and paid up to the last date prior to transfer / secondment.
- (xiv) Employees appointed to a new class of position (i.e. not previously existing) during the year.  
Eligible for merit award provided that the appointment took place on or before 1987-07-01 and that the officer served for at least six (6) months during the year. In calculating the merit award, the officer's salary (1987) is converted to a hypothetical salary at 1986-12-31. For example:-
- officer's salary = \$1,077.51 per month
  - to obtain rate at 1986-12-31  
= \$1,077.51 - \$100.00 = \$977.51  
=  $\frac{\$ 977.51}{116.37} * 100$   
= \$ 977.51 ÷ 116.37 = \$840.00
  - officer's hypothetical salary at 1986-12-31  
= \$840.00 per month
- (xv) Officer who has proceeded on full-pay leave for training purposes.  
Eligible provided that he / she has been on the job for at least six (6) months during the year.

Cases and / or situations still not covered in the guidelines issued so far, should be referred to the Public Service Ministry for a ruling.