

“YEAR OF PURPOSEFUL ECONOMIC ADJUSTMENT”

PUBLIC SERVICE MINISTRY

CIRCULAR NO. 32/1988

REFERENCE NO. PS: PS:18/0^{iv}

FROM: Permanent Secretary,
Public Service Ministry

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

SUBJECT:

Payment of Merit Awards for 1988

DATE: 1988-12-09

1. **BACKGROUND**

Paragraph 3 of the Public Service Ministry's Circular No. 16/1988 dated 1988-05-10 which authorized the payment of and issued guidelines for, wage and salary adjustments in 1988, made reference to the payment of Merit Awards to employees in respect of 1988 subject to the following conditions:-

- payment would be based on actual appraisals
- the timing of appraisals should be such as to reflect properly an estimate of employees' performance for the whole year
- actual payment of Merit Awards arising from the appraisals, should be made during the last quarter of 1988.
- Heads of Agencies would ensure that an approved appraisal mechanism together with relevant record keeping systems was in place.

2. **AUTHORITY**

This Circular is being issued pursuant to the relevant Cabinet Decision (conclusion 14, CP (86) 20th Meeting of Cabinet held on 30th September, 1986) which approved the introduction of the Merit Award Scheme in the Public Service, and to the joint Agreement between the Government of Guyana and the Guyana Trades union Congress for wage and salary adjustments in 1987 and 1988. The scheme itself was introduced at paragraph 2 of my circular no. 24/1986 dated 3rd November, 1986.

3. **EFFECTIVE DATE**

4. **ELIGIBILITY**

The effective date for the payment of Merit Awards for 1988 is 1st January, 1988.

Subject to what is stated at paragraph 5 below, the scheme applies to all workers on the payroll at 30th June, 1988, 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 1st July, 1988;
 - (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 Award Scheme is intended to apply to:
- Permanent Secretaries, heads of Departments and Regional Executive Officers; and
 - Other persons holding positions which attract salary at the rate of \$6,215.00 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 basis 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 1st January, 1988, their wages/salaries as at 31st December, 1987;
 - (ii) in the case of workers recruited during the period 1st January, 1988 to 30th June, 1988, the wages/salaries attached to their respective posts at 31st December, 1987.
- The following examples are provided to illustrate sub-paragraphs (i) and (ii) above, respectively:-
- Example 1
- Officer appointed Clerk II with effect from 1st December, 1987 with salary at the rate of \$596.00 per month.
- officer's salary at 31st December, 1987 is \$596.00 per month
 - Merit Award granted is 5% of salary at 31st December, 1987, i.e. 5% of \$596.00 which is \$29.80 per month.
- Example 2
- Officer appointed Agricultural Field Assistant I with effect from 1st February, 1988 with salary at the rate of \$841.00 per month.
- salary of post of Agricultural Field Assistant I at 31st December, 1987 = \$801.00 per month.
 - Merit Award granted = 5% of salary of position at 31/12/87
= 5% of \$801.00 per month
= \$40.05 per month.
7. WAGE BILL CEILING IN RELATION TO TOTAL PAYOUT. The minimum amount to be utilized in 1988 by each Ministry/Department/Region in making payment of Merit Awards to its employees is 5.5% of its actual wage bill for 1987, taking into account the 1987 wage policy adjustments. The Maximum amount is 7%.

8. FINANCING PAYMENT It has been observed from the monthly Financial Statements submitted to the Ministry of Finance that many Ministries/Departments/Regions have adequate overall savings under the Heads of Expenditure under their control. In these cases, the payment of Merit Awards for 1988 should be made from such savings, due regard being had to valid commitments and liabilities to be satisfied and charged against the current year's provision.
- 8.1 Where adequate funds are not available under the specific Subheads against which payment is to be effected, application should be made to the Secretary to the Treasury for Virement in favour of these Subheads.
- 8.2 Where adequate balances are not available under the relevant head or the specific Subheads affected, funds will be provided from a special Subhead 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 1988 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 1988 (as per format in Appendix I hereto); and
 - (ii) request for approval to pay Merit Award for 1988 (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 1987 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 Payroll and Examinations Divisions of the various Ministries/Departments/Regions, and at the Accountant General's Department (including the Regional sub-treasuries) should maintain control registers of amounts approved by the Secretary to the Treasury, the gross totals of paysheets passed for payment, and the balance available to meet outstanding payments 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 in accordance with the guidelines issued by the Public Service Ministry. 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 GUIDELINEES FOR PAYMENT OF MERIT AWARDS 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. Enquires should be directed to the Senior Assistant Personnel Administrator (wages and salaries) or other staff attached to the Wages and Salaries Section on telephone numbers 02-65851

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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, 1987 AND AVAILABILITY OF FUNDS FOR PAYMENT OF
MERIT AWARDS FOR 1988**

1	2 Actual Wage Bill, 1987			3	4 Availability of funds to meet Payout of 1988 Merit Awards		
Head No. and Description	(a) Actual Wage Bill (exclusive of 1987 awards)	(b) Total amount approved by S.T. for payment of 1987 Merit Award	© Total Wage Bill (add amounts in columns (2a) and (2b))	Total Amount of 1988 Merit Award; also state this amount as a % of 1987 Wage Bill	(a) Availability on specific subheads for payment	(b) To be obtained by virement	© Total available (add amounts stated at column (4a) and (4b))
TOTAL							

\$.....
.....% of 1987
Wage Bill

NOTES ON COLUMNS IN THE ABOVE FORMAT

1. All Heads under the control of the Ministry/Department/Region should be included in this statement.
2. Please quote Ref. No. and date of S.T.'s memorandum of approval
3. The amount stated in this column is derived from the total amount obtained at Appendix II overleaf.

c.c P.S., P.S.M
Accountant General

Signed

Permanent Secretary/head of Department/Regional Executive Officer

Dated:

REQUEST FOR APPRAISAL TO PAY MERIT AWARDS FOR 1988

MINISTRY/DEPARTMENT/REGION

To. **Secretary to the treasury**

I hereby apply for approval to pay Merit Awards 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 Awards	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								

c.c P.S., P.S.M
Accountant General

Signed
Permanent Secretary/head of Department/Regional Executive Officer

Dated:

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 Administrations, 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 enquires regarding situations not specifically catered for in the additional 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 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 plus acting/responsibility allowance should be used in the calculation of the merit award. <u>However, the equivalent of this total at 1987-12-31 is used.</u> The merit award obtained is to be added to the officer's salary at the beginning of 1988 (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 performs continuously throughout the year duties in more than one year 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 be used to calculate the merit award. This merit 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 1987-12-31, 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 1989.

Situations

Guidelines

- 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 1987 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 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:-
- (i) during the period the officer was functioning in the capacity, he/she should be paid merit award taking into account the acting or responsibility allowance (please see sub-paragraph (ii))
- (ii) 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 1988-06-30 and had served for at least six (6) months.
- vii Employees who have been dismissed Employees who have been dismissed subsequent to 30th June, 1988, had served for at least six (6) months during the year and whose dismissals were not due to valid reasons relating to serious misconduct causing to 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 30th June, 1988, 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.
- iv Employees who have retired Employees who retired subsequent to 30th June, 1988, 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 Officers who retires during the year and is reemployed immediately thereafter. If the officer is reemployed at the same salary, his/her merit award should be calculated as that of a normal serving officer who held the same post and received the same salary throughout the year. If he/she is reemployed 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 reemployment.

Situations	Guidelines
xi Officer who retires and is reemployed but 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 <u>provided</u> that he/ she came over to the Public Service prior to 1988-07-01 and served for at least six (6) months during the year. See the principle outlined at subparagraph – (xiv) below.
xiii Officer who is transferred/ seconded to "other Public Service"	Eligible, <u>provided</u> that the departure to "other Public Service" took place <u>after</u> 1988-06-30 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 <u>provided</u> that the appointment took place on or before 1988-07-01 and that the officer served for at least six months during the year. In calculating the merit award the officer's salary (1988) is converted to a hypothetical salary at 1987-12-31. For example, <ul style="list-style-type: none"> - officer's salary = \$1,131.39 per month - to obtain rate at 1987-12-31 = $\\$1,131.39 * 100 / 105 = \\$1,077.51$ - officer's hypothetical salary at 1987-12-31 = \$1,077.51
xv Officer who has proceeded on full pay leave for training purposes.	Eligible <u>provided</u> 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.