

1 Q. Further to the response to PUB-NLH-032 does the 2013 Test Year Revenue
2 requirement include any amount for the merit-based, re-earnable cash payments
3 for employees referred to in footnote 1 of the response? If yes, state the 2013
4 forecast amount and the actual amounts of such payments each year from 2007 to
5 2012.

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8 A. Yes, Table 1 provides the actual merit-based re-earnable cash payments from 2008¹
9 to 2012 and forecast payments for 2013.

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Table 1

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Merit-Based, Re-Earnable Cash Payments

Year	Total ²
2008	\$207,185
2009	\$165,952
2010	\$170,071
2011	\$187,690
2012	\$69,180
2013TY	\$254,372

13 Merit-based, re-earnable cash payments are variable from year to year as they are
14 based on individual performance and the individual's salary relative to the job rate
15 (100% of the salary scale).³ In 2012, there was a notable decrease in the cash lump
16 sum payments to employees owing to the pay rate adjustment for Hay Groups 11 to

¹ Lump sum re-earnable cash payments linked to performance commenced in 2007. The first payments issued, which were based on 2007 performance, were in 2008.

² Payments received in any given year are based on the previous calendar year's performance evaluation and results.

³ Employees who are under 100% of the job rate will receive merit rewards in the form of salary progression up to the maximum of the pay scale (100%). Any remaining amount would be paid in the form of lump sum cash.

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1 18 (detailed in CA-NLH-105). The adjustment resulted in more employees receiving
2 the merit portion in their base pay (which is paid out over the year) as opposed to a
3 lump sum payment.