

**RECRUITMENT, REMUNERATION AND EMPLOYEE PERFORMANCE  
REVIEW POLICY**



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RECRUITMENT, REMUNERATION AND EMPLOYEE PERFORMANCE REVIEW POLICY

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## RECRUITMENT, REMUNERATION AND EMPLOYEE PERFORMANCE REVIEW POLICY

### 1. OBJECTIVE

The objective of this Recruitment, Remuneration and Performance Review Policy is to ensure that:

- only the quality and number of employees that meet the needs and expectations of the Authority are hired and retained;
- employees perform work that accomplishes the business needs of the Authority;
- employees clearly understand the scope, quality and quantity of work expected;
- employees receive ongoing information about how effectively they are performing relative to expectations;
- salaries increases and discretionary bonuses (if any) are based on employee performance;
- opportunities for employee development are identified and provided;
- employee performance that does not meet expectations is addressed; and
- management applies performance ratings in a fair and consistent manner.

### 2. SCOPE

This policy applies to all full-time employees of the Authority.

### 3. POLICY STATEMENTS

#### 3.1 Recruitment

- 3.1.1 The recruitment of staff is to be based on a demonstrated need;
- 3.1.2 Only suitably qualified staff is to be hired;
- 3.1.3 Each employee position is to be supported by an up-to-date Job Description;
- 3.1.4 Job vacancies that are to be filled are to be advertised locally, even if it is determined that there is merit in also advertising them overseas;
- 3.1.5 There is to be fair, equitable and unbiased treatment of all candidates in the recruitment and hiring process;
- 3.1.6 Discrimination on the basis of age, colour, race, disability, ethnicity, sex marital status, national origin, religion, or sexual orientation is prohibited
- 3.1.7 When qualifications, abilities and past performance of job candidates are substantially equal, preference should be given to Bermudians

#### 3.2 Remuneration

The Authority wishes to provide a level of remuneration which attracts, retains and motivates employees of a high calibre and who are committed to performing their roles in the long term interest of the Authority.

To maximise the effectiveness of this strategy, careful consideration will be given to aligning the remuneration with best practice.

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### 3.2.1 Salary & Benefits

The Authority's remuneration package is to consist of:

- 3.2.1.1 **Base Salaries** – Base salaries are established to attract and retain employees by paying market competitive pay for the role, skills and experience required for specific jobs business. Annual increases may only be awarded in accordance with parameters established by the Board that take into account inflation, affordability and competitive pay levels and are not to exceed 10% in any year without the prior approval of the Board.
- 3.2.1.2 **Benefits** - The Authority provides benefits in accordance with local market practice. They are to include:
  - 3.2.1.3 Statutory benefits; and
  - 3.2.1.4 Such other benefits as the Board, or the relevant Committee of the Board, may authorize.

### 3.2.2. Discretionary Performance Bonuses

The purpose of discretionary bonuses is to reward performance by members of management and staff which is consistently exceptional.

- 3.2.2.1 The determination as to whether or not bonuses will be allocated during any specific period and the amount of any bonuses is to be at the discretion of the Board, or the relevant Committee of the Board;
- 3.2.2.2 Any bonuses awarded to specific employees are to be based on a formal appraisal of their performance, the Authority's overall performance and their contributions to the Authority's overall performance.

### 3.2.3 Approval of Remuneration

3.2.3.1 The Chief Executive is to be responsible for:

- i. making recommendations to the Board in respect to proposed salary increases and any discretionary bonuses to be paid to employees who report directly to him; and
- ii. awarding pay increases and any discretionary bonuses for all other employees, provided that they are within policy guidelines and parameters approved by the Board, or the relevant Board Committee.

3.2.3.2 The Board is to approve:

- i. Individual remuneration packages (including any discretionary bonuses) for the Chief Executive and for those who report directly to that position;
- ii. All staff benefit plans; and
- iii. The general qualification requirement threshold for allocating Bonuses in any given year.

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### 3.3 The Authority's Performance Appraisal System

The Authority's performance appraisal system is intended to align each employee's activities to the vision, strategy and annual plans of the Authority; monitor employee performance against defined goals; and to identify career development and/or performance improvement needs. It is also intended to provide a measure for linking performance and pay.

- 3.3.1 The Authority's "employee performance appraisal period" begins on April 1<sup>st</sup> of each year, or as soon as practicable after the commencement of Employment with the Authority, and ends on the following March 31<sup>st</sup>.
- 3.3.2 Annual performance targets for each employee are to be:
  - i. established and communicated to the employee prior to the start of each "employee;
  - ii. performance appraisal period"; and
  - iii. aligned with the Authority's strategic goals and priorities; and annual workplans (including budgets)
- 3.3.3 Managers are expected to monitor staff member's work performance on a continuous basis, and provide ongoing feedback and dialogue about successes and areas for improvement. Formal performance appraisals must be completed for and reviewed with each full-time employee at least annually and as soon as practical after the end of the "employee performance appraisal period".
- 3.3.4 Employee performance appraisals for each employee, other than the Chief Executive, are to be completed by the individual to whom the employee reports.
- 3.3.5 Performance appraisals for the Chief Executive are to be approved by the Board or the Relevant Board Committee.
- 3.3.6 All proposed salary increases and discretionary bonuses, if any, must be supported by current performance appraisals.
- 3.3.7 Employees are to be rated using a 5 tier rating scale.

### 3. PROCEDURES

Written procedures that describe how Recruitment, Remuneration and Employee Performance measurement are to be carried out must be implemented by Management and must comply with this policy and good internal control practices.

### 4. RESPONSIBILITY

The Chief Financial Officer (CFO) is responsible for ensuring this Policy is kept up to date. The Policy shall be reviewed annually by the CFO and all recommended changes and updates must be submitted to the CE for review and approval before submission to the Board for its review and approval.

## RECRUITMENT, REMUNERATION AND EMPLOYEE PERFORMANCE REVIEW POLICY

The Board will provide oversight with respect to the CE's compensation framework for Management and all other employees.

### 5. EFFECTIVE DATE

This revised policy is effective as of February 2, 2016

### 6. REVIEW DATE

This policy will be regularly reviewed.

### 7. AMENDMENT HISTORY

<i>Date Policy was Issued</i>	<i>Date of Review</i>	<i>Version</i>	<i>Reason for Review</i>	<i>Lead Reviewer</i>	<i>Approved by</i>	<i>Date approved</i>
	Aug 6, 2015	Version 1	Drafting Policy	Paull Davis		
	Nov 30, 2015	Version 2	Amendments made to policy	Kyle Masters		
	Dec 2, 2015	Version 3	Formatting	Paull Davis		
	Feb 2, 2016	Version 4	Amendments made to policy	Kyle Masters	Board of Commissioners	Feb 2, 2016