

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 2008<sup>1</sup>  
9 to 2013 actual and 2014 and 2015 forecast.

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**Table 1**

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**Merit-Based, Re-Earnable Cash Payments**

Year	Total <sup>2</sup>
2008	\$207,185
2009	\$165,952
2010	\$170,071
2011	\$187,690
2012	\$69,180
2013	\$145,980
2014(F)	\$162,232
2015(F)	\$144,531

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).<sup>3</sup> 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

<sup>1</sup> 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.

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

<sup>3</sup> 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.

- 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.