

**General Order 13****Schedule 13.4****DEFINITION AND CALCULATION OF SALARIES & ALLOWANCES**

The following examples are provided to enable agencies to understand the rules, to make actionable decisions and to calculate officer's salaries and allowances. The PBSS rates effective from 1<sup>st</sup> January 2012, as listed in **Schedule 13.3**, have been utilized in these calculations.

**1. Salary Increase on Promotion to a Higher Grade**

The rule states that on promotion an officer shall receive an increase the greater of EITHER:

- (a) an increase which brings the officer to Grade Minimum Salary; OR
- (b) an increase at least equal to the next salary increment that would have been due to the officer in his or her present grade.

**Example 1:** An officer occupies a position at Grade 10 and wins a position at Grade 12.

Substantive salary is 10.5: K24,510; Incremental step in Grade 10 is K1,114

Therefore, the promotional increase must not be less than the incremental step of K1,114, ie, a new salary not less than K25,624. The salary point in Grade 12 which satisfies this requirement is 12.1: K25,791, resulting in a salary increase of K1,281 or 5%.

**Example 2:** An officer occupies a position at Grade 16 and wins a position at Grade 17.

Substantive salary is 16.5: K45,554; Incremental step in Grade 16 is K2,071.

Therefore, the promotional increase must not be less than the incremental step of K2,071, ie a new salary not less than K 47,625. The salary point in Grade 17 which satisfies this requirement is 17.3, mid-point equal to K49,732 resulting in a salary increase of K4,178 or 9% .

**2. Calculation of Higher Duties Allowance (HDA)**

The rule states that HDA will be equivalent to a promotional salary increase as though the officer has been promoted to the higher grade of the position in which the acting appointment has been made.

The two promotional increases examples have been used for HDA purposes;

**Example 1:** An officer occupies a position at Grade 10 and is appointed in an acting capacity to a position at Grade 12.

Substantive salary step is 10.5: K24,510; and promotional salary point is 12.1: K25,791

**Therefore, the HDA is equal to the difference of K25,791 minus K24,510, = K1,281**

**Example 2:** An officer occupies a position at Grade 16 and is appointed in an acting capacity to a position at Grade 17.

Substantive salary point is 16.5: K45,554; and promotional salary point is 17.3 equal to K49,732

**Therefore, the HDA is equal to the difference of K49,732 minus K45,554 = K4,178**

### 3. **Calculation of Non-Reduction Allowance (NRA)**

The rule states that NRA is payable to an officer in order to maintain his salary without reduction in the event that:

- (a) the officer is transferred to another position which is graded at a level lower than his or her substantive grade; or,
- (b) the position occupied by the officer is re-graded to a lower level following a JE review, and/or reorganisation.

**Example 1:** An officer's substantively held position is down-graded from Grade 15 to Grade 14. The officer's actual salary shall at no time be reduced, as the addition of NRA maintains the original level of salary.

The officer's salary at salary point 15.4, K39,155 will be reduced to 14.4, K35,474

**Hence the NRA will be the difference of K39,155 minus K35,474 = K3,681.**

In summary, therefore, the NRA maintains salary for all purposes as follows:

<b>New substantive salary at time of down-grading to 14.4</b>	<b>K35,474</b>
<b>Initial Non-Reduction Allowance</b>	<b>K 3,681</b>
<b><u>Total Salary for All Purposes</u></b>	<b><u>K39,155</u></b>

### 4. **Recalculation of an Established NRA Following a Salary Increases**

In the event that the officer is being paid NRA, and his or her substantive salary is increased, either due to a general salary increase or an individual performance based increase, then **the NRA will be reduced by the same amount as the increase to salary**, i.e. the total salary (substantive salary + NRA) will remain at the same level as existed prior to the transfer or salary regrading.

An example showing re-calculation of Non-Reduction Allowance following a salary increase is taken from Example 1 on NRA, as follows:-

<b>New substantive salary 14.4 at time of down-grading</b>	<b>K35,474</b>
<b>Initial Non-Reduction Allowance</b>	<b>K 3,681</b>
<b><u>Total Salary for All Purposes</u></b>	<b><u>K39,155</u></b>

If during the year, the officer is then awarded one salary step performance increase to Salary Grade & Point 14.5, at K37,164, i.e. a base salary increase of K1,690, the NRA will be reduced by the same amount, K1,690 to maintain the same level of total salary, i.e new NRA becomes K3,681 minus K1,690 = K1,991:-

<b>New substantive salary at performance increase 14.5</b>	<b>K37,164</b>
<b>New Non-Reduction Allowance</b>	<b>K 1,991</b>
<b><u>Total Salary for All Purposes</u></b>	<b><u>K39,155</u></b>

Hence **K39,155** is the same value of total salary payable prior to down-grading of the position. The process of substantive salary increases and reducing levels of NRA will continue until the officer's new substantive salary reaches the same level or exceeds his former substantive salary prior to down-grading of the job.

In the event that a salary increase results in the sum of the substantive salary plus NRA exceeding his or her previous substantive salary, at the time of transfer or down-grading, payment of the NRA shall automatically be ceased.