



## Policy Statement

This Policy outlines key components of the Government's remuneration system and how these impact the way remuneration is managed.

## Scope

The Policy applies to all employees across the Public Sector.

Heads of Agency roles have a separate pay structure to reflect the leadership and executive management competencies expected from these roles.

This Policy does not apply to the following:

- Independent Contractors
- Ministers and Members of Parliament
- Island Mayors and Councillors

## Principles

The Public Service Act identifies the following values for public servants to adhere to:

Honesty	acting honestly, being truthful, and abiding by the laws of the Cook Islands
Impartiality	providing impartial advice, acting without fear or favour, and making decisions on their merits
Service	serving the people well through faithful service to the Government of the Cook Islands
Respect	treating the people, the Government of the Cook Islands, and colleagues with courtesy and respect
Transparency	taking actions and making decisions in an open and transparent way
Accountability	being able to explain the reason for actions taken, and taking responsibility for those actions
Efficiency and Effectiveness	achieving good results for the Cook Islands in an economical way

---

In addition to the Public Service values, Agencies may promote other values specific to their organisational context.

The duty to act as a good employer requires employers to develop and implement personnel policies which ensure the fair and proper treatment of employees during employment, including the impartial recruitment of employees, employee capability development opportunities and good and safe working conditions.

Remuneration involves the recognition and payment for work done by employees. This Policy supports the fair and transparent remuneration of employees.

## Legislation and Regulations

---

The Public Service Act 2009, Employment Relations Act 2012 and other relevant legislation apply.

## Definitions

---

**Agency** means any public service department, instrument, or agent of the Government and includes a body corporate or organisation that is wholly owned or controlled by the Crown.

**Base salary** is the pay an employee regularly receives prior to any benefits being added. The base salary is determined by using the government approved pay structure as a guide.

**Career pathway** defines where each job fits in relation to four (4) career paths: Customer and Business Support, Operations, Technical/Specialist and Leadership.

**Direct Report** is any person an employee has to report directly to, in terms of their job. Tier 2 Managers' report directly to Heads of Agencies

**Employee** means any person who is an employee of the Public Sector.

**Employer** means the Public Service Commissioner or Heads of Public Sector Agencies or their delegated authority.

**Independent Contractor** means an individual or firm engaged to provide services to an agency within the Public Sector. The contractor is not an employee.

**Job description** is the document used to describe the job content, responsibilities, organisational context and specific competencies required to perform the job well.

**Job evaluation** is a systematic process of assessing the 'size' of a job based on job content and context, resulting in a weighted total score and grade, and then classified into a job band.

**Jobwise** is a job classification model which groups similar roles at different levels into four distinct career pathways.

**Market Premium** is an additional allowance paid outside and above the salary band to reflect the specialist/technical nature of the job, labour market conditions and the need to attract and retain the employee.

**Public Sector** includes Public Service Departments, Island Governments, Crown and Statutory Agencies, Offices of Parliament, Ministerial Support Offices, State Owned Enterprises, and Other agencies

**Pay Structure** presents salary ranges for each job band (A-K) linked to job evaluation points.

**Public Service Commissioner** means the Public Service Commissioner appointed under Article 73 of the Constitution and Section 5 of the Public Service Act.

**Remuneration** means the base salary or wage, allowances or benefits received during employment.

**Salaried employees** are public servants who are paid an annualised salary on a fortnightly basis.

**Salary range** is the range of salaries (minimum to maximum) payable for each job band.

**SP10** is the Cook Islands Government approved job evaluation system owned by a New Zealand based company (Strategic Pay). SP10 job points link job groups and types known as JobWise. JobWise is also owned by Strategic Pay.

## Procedures

---

Employers are responsible for administering and ensuring adherence to this policy. The employer is responsible for ensuring all policies are easily accessible by employees. Employees must read, understand and comply with this and other relevant government policies. Breaches of this policy may be considered misconduct and subject to disciplinary action.

## Roles and Responsibilities

---

### The Office of the Public Service Commissioner (OPSC) is responsible for:

- Reviewing and revising the Pay Structure and Remuneration policy
- Ensuring adherence to government's policies and legislation
- Establishing and maintaining criteria for market premiums
- Providing interpretation and guidance to Agencies on this policy
- Providing guidance on pay progression to employers
- Working with the Ministry of Finance and Economic Management (MFEM) to maintain the privacy of employee remuneration and other HR-related information on the government centralised HR and payroll information system (HRMIS)

### Employers must:

- Ensure jobs are written on the standardised Cook Islands Government job description template and are evaluated in adherence with the Job Evaluation policy
- Correctly administer this policy and ensure staff understand how remuneration is determined
- Pay employees within the Pay Structure and obtain approval for exceptions from the Public Service Commissioner
- Develop additional agency specific policies clarifying employee allowances
- Comply with information requests in relation to the implementation and review of this policy

## Remuneration

---

### Remuneration is determined through a combination of seven key factors:

1. **Policy and Practice** of government
2. **Job Evaluations** where jobs are evaluated according to the job content and context
3. **Pay Structure** where jobs are placed into 'bands' linked to a salary range
4. **Market Premiums** apply in rare circumstances for specific jobs
5. **Market Reviews** that inform adjustments to the Pay Structure and market premium criteria
6. **Performance** that is exemplary or poor and how they are managed
7. **Affordability** where it is essential to maintain a performing workforce within budgetary limits

### 1. Policy and Practice

---

Remuneration practices must support the attraction and retention of skilled employees to work for the Public Sector and embed a culture of performance within an environment of fiscal constraints, through:

- **Fairness** – involves setting remuneration levels that reflect:
  - Similar jobs within the Agency and across the public sector
  - The market value of the job
  - The jobholder's performance, contribution to the Agency and competencies used on the job
- **Flexibility** – where changes to jobs, agencies, government policy or the operating environment are accommodated within the pay structure to enable pay adjustments
- **Transparency** – where there is clarity and consistency in the application of policies
- **Effectiveness** – where policies are reviewed to ensure they remain relevant for the Public Sector

### Remuneration

Remuneration includes a salary (or wage) and benefits. Most employees receive a base salary within the salary range on the pay structure for their job. Examples of financial benefits include:

- Paid leave (refer to the Leave Policy for different categories of leave)
- Superannuation
- Allowances
- Performance bonuses

## **Allowances**

Employers can provide additional allowances within their authority applicable to the individual employee. Allowances can include but are not limited to: accommodation, transport and communications. Most allowances are taxable – refer to the MFEM website [www.mfem.gov.ck](http://www.mfem.gov.ck).

Employers who provide more allowances than those outlined in this policy, must ensure these are in adherence with relevant legislation and government policies.

## **Higher Duties**

Employees who are given delegated authority to a higher role by their employers or managers, will be entitled to time off in lieu (TOIL). TOIL is accrued at 1-2 days for every five working days of the delegated period, based on the responsibilities delegated and by negotiation.

Higher duties is only applicable for planned absences. All delegations must be in writing. If the role is split between individuals then TOIL should be shared appropriately, depending on the responsibilities delegated to each employee.

Agencies can develop their own internal policies to recognise and pay higher duties allowances such as a set daily rate, provided they are not below the minimum requirements provided in this policy.

## **Overtime**

Additional hours of work must be pre-approved by employers.

Employees who work outside their standard seven hour working day are entitled to time off in lieu (TOIL) or overtime. Overtime is paid at rate of one and a half times the employee's ordinary rate of pay for each hour worked outside of their normal working hours and double time on public holidays.

## **2. Job Evaluations**

---

The Cook Islands Government uses a systematic process for assessing jobs. All jobs will be evaluated using the approved job evaluation system known as SP10, as provided in the Government Job Evaluation Policy.

## **3. Pay Structure**

---

The Pay Structure is used to determine what to pay new employees or what to pay employees following a performance or salary review. While most salaried employees are paid within the Pay Structure, there may be exceptional cases where employees can be paid market premiums or discounts.

The Pay Structure considers these key elements:

1. Internal equity where:

- Job evaluation using the SP10 system places jobs into job bands based on points
- A series of job bands (A-K) are created representing different job types
- Each job band is linked to a salary range (minimum – maximum)
- Job bands A-E have five incremental steps and job bands F-K have 10

2. External equity which:

- Considers the remuneration of comparable jobs in the market
- Benchmarks (matches) internal jobs to similar jobs in the market to assess competitive pay practices

The table below shows the job bands and SP10 points linked to job groups and types.

Job Bands	SP10 Points	Job Groups	Job Types
A	117-144	S1,O1	(S1-S2) Office Support, Admin Staff (O1-O2) Manual Labour
B	145-190	S2,O2	
C	191-235	S3,O3	(S3) Admin Support (O3) Trades 1
D	236-285	S4,O4,T1,L1	(S4) Technical Admin (O4) Trades 2 (T1) Technical Support (L1) Leading Hand
E	286-334	S5,O5,T2,L2	(S5) Specialised Admin/Customer Focus (O5) Technician 1 (T2) Technician/ Entry Level Specialist (L2) Working Supervisor
F	335-394	S6,O6,T3,L3	(S6) Senior Specialised Business Support (O6) Technician 2 (T3) First Level Specialist (L3) Supervisor I
G	395-455	T4,L4	(T4-T7) Mid-level, Senior or Advanced Specialists, or Expert (L4-L8) Supervisor II, Team Leaders, Manager, Section Leader, Senior Managers or Direct Reports to Heads of Agencies.
H	456-520	T5,L5	
I	521-591	T6, L6	
J	592-675	T7, L7	
K	676-773	L8	

For more information on Job groups and types (JobWise) refer to Annex 01.

#### 4. Market Premiums and Discounts

Employers are expected to employ appropriately skilled and competent people within the salary ranges of each band without having to pay staff below minimum or above maximum levels.

While most jobs will be paid within the approved pay structure, the Public Service Act 2009 recognises that market premiums may need to be paid in exceptional circumstances to attract and retain specialist or technical skills within the Public Sector.

##### Market Premiums

The availability of specialist skills and knowledge within the labour market and calibre of employees required within the Public Sector can influence the need to pay market premiums for particular jobs in Bands F-K. These are the bands where the required specialist knowledge or experience may not be readily available in the national job market.

Periodic assessments of workforce requirements are required to identify skills that are in short supply in the labour market. A surplus of skilled employees in the market will keep remuneration within salary bands, but a shortage may require premium payments.

**Premiums may be paid for the following reasons:**

- Paying within the salary band is not sufficient for those with specialist/highly technical skills
- Labour market conditions reflect a shortage for certain skills or jobs
- Recruitment risk - where attempts to recruit to the job have failed due to remuneration constraints
- Retention risk - where it is difficult to retain skilled and performing employees within the salary range

**Employers who wish to pay Premiums must:**

- Present a strong case with detailed evidence to the Public Service Commissioner prior to offering the market premium remuneration package
- Ensure the Agency has sufficient budget to pay the premium
- Place employees receiving a premium on a fixed term contract
- Ensure employees understand the 'premium' is an additional allowance to their base salary and can be eliminated if the reasons for paying the premium no longer exist
- Commit to reviewing the necessity for the premium at the end of the employee's contract and seeking pre-approval from the Public Service Commissioner
- Provide an annual report to the Public Service Commissioner on the status of all approved premiums

If market conditions no longer warrant a market premium, the remuneration should revert to within the salary range for the job. Employees receiving a premium are not entitled to salary increments but may receive recognition for excellent performance in other ways.

**Discounts**

Employees can be paid below the minimum range of their job band where the employee does not meet essential criteria required for the job for a period of up to three months. Discounted pay must not be less than the approved national minimum wage rate.

**5. Market Reviews**

---

Market reviews ensure that the Pay Structure is robust and reflects the movements and challenges of the labour market. The Office of the Public Service Commissioner may commission periodic market surveys to review remuneration practices and salary ranges of comparable jobs across the public sector and national workforce. Comparisons to remuneration in other competitive markets may also be conducted.

Surveys may be used to inform adjustments to the Pay Structure and remuneration policy and practice, along with consideration of the government's ability to pay and other policy priorities. This Policy and associated incentives should support the attraction and retention of a highly motivated and performing workforce.

**6. Performance**

---

Pay progression is based on competence and exceptional performance. Exceptional performance by an employee is assessed according to the guidelines in the Performance Management Policy.

Employees who demonstrate competence in their roles may be rewarded with salary increments, while exceptional performance may be rewarded using performance bonuses. Where an employee is both competent and demonstrating exceptional performance, they may receive both a salary increment and performance bonus in each financial year.

Salary increments within the Pay Structure follow a five-step incremental system for jobs banded A-E and a 10-step incremental system for jobs banded F-K.

Salary increments and performance bonuses must be managed within Agency budgets.

## **7. Affordability**

---

The ability to pay is a crucial aspect of remuneration.

Employers are responsible for managing an appropriate workforce and remunerating employees within the Agency budget ceilings. While noting labour market trends and adjustments to the pay structure, remuneration offered to employees must be affordable and sustainable.

During an environment of national fiscal crisis such as that which occurred during 1995-1996, the government may apply constraints to the national budget to ensure affordability across the Public Sector.

### **Other Provisions**

---

All records relating to the remuneration policy and framework must be kept confidential for at least seven years and should only be accessible by the employer and/or authorised staff. After the seven year period, the agency may destroy the documentation in adherence with government official information management policies.

The Office of the Public Service Commissioner is responsible for reviewing and updating this policy after a year of implementation.

### **Associated Documents**

Recruitment Policy

Job Evaluation Policy

Performance Management Policy

Training and Development Policy

### **Other information**

For policy queries contact the Office of the Public Service Commissioner on phone (682) 29 421 or email: [pscinfo@cookislands.gov.ck](mailto:pscinfo@cookislands.gov.ck)

## Annex 01 – Job Wise Career Pathways and levels

### Customer and Business Support Pathway

The roles in this pathway perform a contributory role through undertaking defined duties and activities to support wider business goals, applying basic to more advanced levels of skills and following standard procedures to meet work goals. While the duties covered by such roles may be diverse, they require similar levels of skill and mental effort. For the most part, these roles provide inputs into the outputs of other jobs. They are contributory.

There are six levels of Customer and Business Support jobs:

**S1 – Task Support**

**S2 – Office Support**

**S3 – Administration/ Customer Support**

**S4 – Technical Admin/ Customer Focus**

**S5 – Specialised Admin/ Customer Focus**

**S6 – Senior Specialised Business Support**

**Example Jobs:** Administrative Assistant, Cleaner, Data Entry Operator, Help Desk Officer, Library Assistant, Project Assistant, Receptionist.

*Not all of the levels S1-S6 will necessarily be present in an agency. This will depend on the size of the agency, the way it is structured and the way individual jobs are designed to deliver outputs.*

### Operations Pathway

The roles in this pathway perform technical tasks and activities to support business operations, applying basic to more advanced levels of skills and following standard procedures to meet work goals. While the duties covered by such roles may be diverse, they require similar levels of skill and mental effort. These are technical roles, often requiring manual dexterity, typically based on trades or certificate level qualifications or equivalent expertise based on years of experience.

There are six levels of Operations jobs:

**O1 – Manual Labour 1**

**O2 – Manual Labour 2**

**O3 – Trades 1**

**O4 – Trades 2**

**O5 – Technician 1**

**O6 – Technician 2**

**Example Jobs:** Labourer, Trades Assistant, Gardener, Tradesman, Plant Operator, Mechanic, Electrician, Laboratory Technician, Instrument Technician.

*Not all of the levels O1-O6 will necessarily be present in an agency. This will depend on the size of the agency, the way it is structured and the way individual jobs are designed to deliver outputs.*

### **Technical/Specialist Pathway**

The roles in this pathway provide the organisation's technical outputs. They are primarily knowledge-based roles requiring the application of specialist technical, scholastic and/or research skills, theories and principles to analyse and interpret information, resolve both concrete and abstract problems, and formulate solutions. This knowledge will typically be derived from Diploma, and/or one or more university degrees.

There are seven levels of Technical/ Specialist jobs:

- T1** – Technical Support
- T2** – Technician/ Entry Level Specialist
- T3** – First Level Specialist
- T4** – Mid-level Specialist
- T5** – Senior Specialist
- T6** – Advanced Specialist
- T7** – Leading Expert

**Example Jobs:** Accountant, Advisor/Analyst, Doctor, Engineer, Human Resources Advisor, IT Specialist, Lawyer, Planner, Scientist.

*Not all of the levels T1-T7 will necessarily be present in an agency. This will depend on the size of the agency, the way it is structured and the way individual jobs are designed to deliver outputs.*

### **Leadership Pathway**

The roles in this pathway are accountable for the work and performance of others as supervisors and managers. They will be accountable for issues such as role definition, recruitment, staff performance, training and development. They may have input into decisions around promotion and remuneration. Management roles at higher levels within this pathway may also have accountability for expenditure budgets and the authority to enter into agreements or contracts on behalf of the organisation.

There are eight levels of Leadership jobs:

- L1** – Leading Hand
- L2** – Working Supervisor
- L3** – Supervisor I
- L4** – Supervisor II
- L5** – Team Leader
- L6** – Team Manager
- L7** – Section Leader
- L8** – Function Manager

*Not all of the levels L1-L8 will necessarily be present in an agency. This will depend on the size of the agency, the way it is structured and the way individual jobs are designed to deliver outputs*