



PERFORMANCE-BASED PAYMENTS

Introduction

Changes were agreed to NAECI 19.3 (d) applicable in the NAECI 2010-2012. It is understood that the usage and length of audit periods vary from project to project and that some guidance on implementation may be helpful to ensure consistency and fairness. The new clause, as per the current NAECI 2016-2018 is reproduced here:

(d) Forfeiting payment

Performance-based payments, which would otherwise have been payable under c) (i), (ii) and/or (iii) above, will automatically be forfeited, for the individual, for the monthly audit period (or four week period where no audit facility exists) in question, in the event of:

- (i) The employee taking unauthorised absence; and*
- (ii) The employee leaving his/her employment before termination by the employer*

Guidance

1. The agreed changes to allow forfeiting of payments should be regarded in the context of rewarding improvements to project performance and productivity through maximum time at the workplace.
2. The management of this new clause should take into account possible industrial relations issues which could arise where it was thought the arrangements were being unjustly applied. Whereas the provisions might be applied mechanistically in addressing habitual absenteeism, it is advisable to investigate the circumstances in other cases where the factors might dictate some additional consideration.
3. At site induction, these arrangements should be explained to new employees and where forfeiture is considered then it is recommended that the individuals concerned should have been seen previously and advised of the consequence of unauthorised absence.
4. Whilst the Agreement allows for forfeiture of payments Employers should take into account this guidance, where that is considered.
5. In the event of a grievance being raised, it is recommended that this should be resolved at project level via ROM facilitation.