



ALBERTA

Public Service Commission
Office of the Minister

Ministerial Order No. 01/2021

MINISTERIAL ORDER No. 01/2021

PUBLIC SERVICE COMMISSION PROVINCE OF ALBERTA

Reform of Agencies, Boards and Commissions Compensation Act

Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation, s. 8(2)(a)

MINISTERIAL GUIDELINES

I, Travis Toews, President of Treasury Board, Minister of Finance, pursuant to section 8(2)(a) of the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation*, do hereby:

1. Replace the Guidelines established under Ministerial Order 10/2020 with the Guidelines set out in the attached Appendix, effective April 1, 2021;
2. Rescind Ministerial Order 10/2020 effective April 1, 2021.

DATED this 23 day of March, 2021.

Travis Toews
President of Treasury Board, Minister of Finance

APPENDIX

Reform of Agencies, Boards and Commissions Compensation Act

Under section 8(2)(a) of the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation*

Ministerial Guidelines

1. Interpretation

1.1 In these Guidelines,

- a) words have the same meaning as in the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation*, unless a contrary intention appears in these Guidelines;
- b) “designated executive” has the same meaning as set out in section 3(1) and 3(2) of the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation*;
- c) “health spending account” means a private health services plan as defined by the *Income Tax Act (Canada)*;
- d) “faculty member” means an academic staff member as defined in the *Post-secondary Learning Act*;
- e) “public agency” means the public agency listed in Schedule 1 of the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation*; and
- f) “Regulation” means the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation*.

2. Benefits which must form part of the calculation under Section 8.1 of the Regulation

2.1 A public agency may provide the following benefits to a designated executive whose position is referred to in section 3(1) or (2) of the Regulation in an amount such that the cost to the public agency in respect of those benefits, inclusive of the fair market value of the benefits provided, does not exceed 35% of the designated executive's total remuneration:

2.1 Health Benefits

2.1.1 A public agency, may provide health benefits, including but not exclusive to group insurance for dental, medical and prescription drug costs, a health spending account, short and long-term disability benefits, and group life insurance plans.

2.1.2 A public agency may pay to the designated executive an amount in lieu of a benefit referred to in section 2.1.1.

2.2 Retirement Benefits

2.2.1 A public agency may provide to a designated executive any form of retirement benefit (including, pension benefits, supplemental retirement benefits and registered

retirement savings plan contributions), pay in lieu of retirement benefits, or a combination thereof in accordance with the following:

- a) in the case of a defined benefit retirement plan, the benefit formula will not result in a benefit that exceeds the benefit under the benefit formula for the Management Employees Pension Plan (MEPP) established by the *Public Sector Pension Plans Act* (2% x highest five year average pensionable salary up to the maximum allowed under the *Income Tax Act* (Canada) x years of pensionable service); and
- b) in the case of a supplementary defined benefit retirement plan, the benefit formula will not result in a benefit that exceeds the benefit under the benefit formula for the Supplementary Retirement Plan for Public Service Managers (MSRP) (2% x highest five year average pensionable salary in excess of the highest five year average salary provided under MEPP x years of pensionable service).

2.2.2 For the purposes of determining the costs to the public agency for supplementary defined benefit retirement plans, calculations are determined in accordance with the following:

- a) For funded plans, the cost is calculated based on employer contribution rates
- b) For unfunded plans, the cost is calculated based on what the cost to the public agency would be if the employee were a participant in the MSRP.

2.3 Vehicle

2.3.1 A public agency may provide a vehicle for the use of a designated executive. The cost to the public agency for the purposes of a calculation under s. 8.1 of the Regulation is determined according to the following formula:

Assessed value of the vehicle divided by five equals the annualized cost to the public agency.

2.3.2 Instead of providing the use of a vehicle under section 2.3.1, a public agency may provide a designated executive with a vehicle allowance. The annual vehicle allowance is the cost to the public agency for the purposes of a calculation under s. 8.1 of the Regulation.

2.4 Use of Accommodation, Residence or Housing

2.4.1 A public agency may provide a designated executive in section 3(1) of the *Reform of Agencies, Boards and Commissions (Post-secondary Institutions) Compensation Regulation* with the use of accommodation, residence, or housing owned or leased by the public agency. The cost to the public agency or the full fair market value rent is the cost to the public agency for the purposes of a calculation under s. 8.1 of the Regulation.

2.5 Other Benefits

2.5.1 A public agency may provide a designated executive with any other benefit, however the cost to the public agency or the fair market value of the benefit must be included for the purposes of the calculation under s. 8.1 of the Regulation.

3. Benefits that are Excluded from the 35% Calculation Pursuant to Section 8.1

3.1 Administrative Leave

3.1.1 A public agency that offered administrative leave to any non-bargaining unit employee of the public agency on the effective date of the Regulation, may provide administrative leave to a designated executive if the designated executive will return to, or will otherwise be employed in, a faculty member position following the expiration of the designated executive's employment contract or term of appointment.

3.2. Relocation Expenses

3.2.1 A public agency may reimburse a designated executive for any expenses incurred as a result of relocating for which non-bargaining unit employees of the public agency would be reimbursed.

3.3. Reimbursement of other expenses

3.3.1 A public agency may reimburse a designated executive for expenses in accordance with the *Travel, Meal and Hospitality Expenses Directive* (Treasury Board Directive #1/2015) as amended, other than section 3(2) of that Directive, at a rate or amount that does not exceed that at which an employee as defined under the *Public Service Act* would be reimbursed.

3.4. Paid Holidays

3.4.1. A public agency may provide a designated executive with the same paid holidays as are provided to non-bargaining unit employees.

3.5. Vacation Leave

3.5.1 In this section, "vacation leave" includes vacation supplement.

3.5.2 A public agency may provide a designated executive with vacation leave, pay in lieu of vacation leave, or any combination of vacation leave and pay in lieu of vacation leave, in an amount not exceeding 40 days per year.

3.5.3 As vacation leave is excluded from the calculation of payment in lieu of benefits pursuant to section 7(2)(c), a public agency may pay out accrued vacation leave on the termination of the designated executive's employment contract or term of appointment.

3.6. General Leave Days

3.6.1 In this section, "general leave" includes illness leave, family illness leave, bereavement leave, personal leave, maternity, parental or adoption leave, and leave for attendance at a court or tribunal.

3.6.2 A public agency may provide a designated executive, with the same general leave entitlements as are provided to non-bargaining unit employees.

3.7. Northern Allowance

3.7.1. A public agency may provide the following allowance or premium pay to a designated executive in the same circumstances, and at the same rate or amount, as an employee as defined under the *Public Service Act*: northern allowance under the *Public*

Service Employment Regulation, a Fort McMurray allowance under the Public Service Relocation and Employment Expenses Regulation, or a 55th to 57th parallels retention allowance under the Government of Alberta Premium Pay Directive.

3.7.2. A designated executive who is eligible to receive a Fort McMurray allowance is not eligible to receive a 55th to 57th parallels retention allowance.

4. Coming into Force

4.1 These Guidelines, which replace all prior versions of these Guidelines, come into force on April 1, 2021.