



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada



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GOVERNMENT,
Serving
CANADIANS.

PWGSC COMPENSATION ANNUAL REPORT 2010-2011



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This document is available on the PWGSC Compensation Website.

Table of Contents

Highlights	1
Message from the Assistant Deputy Minister	3
Our Three-Year Vision	6
About PWGSC Compensation	7
Our Commitments	10
1. Ensure the Integrity and Sustainability of Pay and Pension Operations	10
2. To deliver Quality Services that Meet the Needs of our Clientele	16
3. Modernizing Management Practices	21
4. Work Environment	26
Looking Ahead to 2011-2012	28

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Highlights

In 2010-2011, Public Works and Government Services Canada (PWGSC) Compensation continued its effective management of payroll, insurance and pension processes and systems by providing services to 112 departments, agencies and other organizations representing approximately 342,400 employees and 349,700 pensioners. Nearly 14.2 million payments were made to employees and pensioners during the year.

Continued progress was made towards modernizing both federal pay administration and pension administration and despite our aging technology and its inherent limitations, PWGSC was able to maintain support and services to client departments and agencies.

A skilled and knowledgeable workforce in PWGSC Compensation was made possible through multiple initiatives, including the ongoing staff development programs and the implementation of comprehensive Human Resources planning, well integrated with operational business plans.

Achievements include:

- The development and implementation of a key component of the new pension solution, Penfax Release 2.0 was successfully deployed on April 11, 2011;
- The centralization of three more services to the Public Service Pension Centre (Pension Centre) in Shediac, NB, bringing the total of centralized services to eleven out of twelve;
- The completion of enhancements to the Regional Pay System, thus ensuring improved accuracy of pay data, more efficient business processes and higher quality data;
- Other necessary changes to the pay system to reflect the implementation of 105 collective agreements as well as 14 policy and four insurance rate changes;
- The launch of the new Public Service Health Care Plan (PSHCP) Web self-service application which enables employees to directly modify their health care coverage;
- Further deployment of the Compensation Web Applications to more departments and agencies across the public service, making the e-service available to 320,000 employees;
- The enhancement of both classroom and on-line courses to address new or changed business processes; and
- The design of the service delivery model created for the new pay Centre of Expertise in Miramichi, NB.

This document outlines our progress on commitments, and provides a status report on all major activities and accomplishments for the fiscal year 2010-2011.

Message from the Assistant Deputy Minister

As you may be aware, PWGSC is the largest payroll and pension administrator in Canada. Through the Transformation of Pay and Pension Administration initiatives, our department is bringing its compensation systems and business practices into the 21st century by introducing modern software (commercial-off-the shelf products referred to as COTS) and industry standard business processes that will allow PWGSC to better meet changing, and more demanding client service requirements and sustain its current mandate.

From a service delivery perspective, the modernization initiatives include the Consolidation of Pension Services Delivery Project and the Consolidation of Pay Services Project. These projects are transferring the delivery of services from departments to two PWGSC's centres of expertise. Eleven of the twelve pension services have already been centralized to the Pension Centre in Shediac, NB. As well, the centralization of pay and benefits services will begin in 2012 and pay administration activities will be gradually transferred to a new Centre of Expertise in Miramichi, NB. By centralizing pay services, PWGSC will save the Government resources, and enable departments to focus on their core mandate.

Despite the many challenges of transformation, PWGSC Compensation continues to maintain its operations and remains committed to meeting our clients' requirements. As in the past, our legacy systems were maintained and subjected to numerous changes during the year, in order to implement the legislative changes and new operational requirements. In addition, the new pension administration system, Penfax, became operational in April 2011 at the Public Service Pension Centre.

We remain committed to optimizing the use of available resources to ensure seamless service delivery to our clients, until our new systems are fully in place. This past year, our periodic National Compensation Services Client Feedback Survey revealed a satisfactory rating of 87% for the pay services. We will certainly do our best to continue to maintain and strengthen all of our services as we proceed with our major transformation.



Renée Jolicoeur

A handwritten signature in black ink that reads "R. Jolicoeur". The signature is stylized with a cursive script.

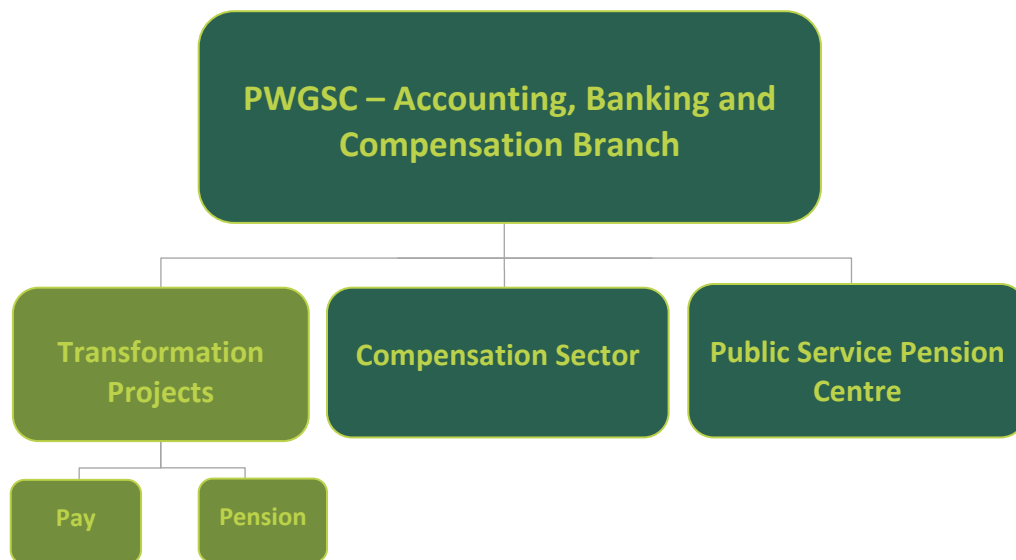
Assistant Deputy Minister
Accounting, Banking and Compensation Branch
Public Works and Government Services Canada

PWGSC Compensation

We provide payroll, insurance and most pension plan administrative functions for the Government of Canada.

Our Organization

The [Compensation Sector](#), the Public Service Pension Centre and the Transformation Projects are all part of PWGSC Accounting, Banking and Compensation Branch.



Our Three-Year Vision

Business and services

- A transparent client service approach in all areas of PWGSC Compensation.
- A commitment to perform our work quickly and accurately in order to ensure clients receive their payments and benefits entitlements.
- The successful implementation of new tools and processes resulting from pay and pension transformation, allowing our Sector to react quickly to changes and in a manner that is both cost-effective and beneficial to clients and stakeholders.

Our staff

- A workforce comprised of a community of knowledgeable workers, adequately trained to embrace change, and fully enabled to provide exceptional client service.
- A workforce that feels valued and supported in their career progression, as well as in their professional growth, while readying them for future roles in the Compensation area.

Our workplace

- A workplace that fosters more collaboration and cohesion rather than isolation, despite our staff and partners being spread over several office locations and in different cities.
- A workplace that allows and encourages internal position mobility and exchanges across the Branch, to ensure employees are exposed to varied experiences and increasing responsibilities, thus preparing staff for promotional opportunities.

About PWGSC Compensation

PWGSC Compensation is responsible for the government-wide pension administration and the central pay administration. The function is delivered by the Compensation Sector and the Public Service Pension Centre of the Accounting, Banking and Compensation Branch and six regional payroll offices under the responsibility of the Regional Directors General.

As part of its responsibilities, PWGSC Compensation develops and maintains computer systems and ensures an overall business administration infrastructure is in place for the delivery of pay and pension administration, including training and advisory services provided to more than 2,200 compensation staff across the government. This allows departments to administer pay and benefits in accordance with collective agreements and compensation policies established by the Treasury Board Secretariat of Canada (TBS) or certain separate employers; and ensures the administration of the pension plan for federal public service employees, as required by the *Public Service Superannuation Act* (PSSA) legislation¹. PWGSC Compensation also provides specialized services for the administration of superannuation plans to the Department of National Defence, Members of Parliament (MPs), diplomatic services, lieutenant governors and judges. Lastly, administrative support is provided for insurance plans, including the Public Service Health Care Plan, the Disability Insurance Plan, the Public Service Management Insurance Plan – Life Insurance and Long-term Disability, the Public Service Dental Care Plan, and the Pensioners' Dental Services Plan.

PWGSC Compensation could not accomplish its work without our primary partner, the Information Technology Services Branch, who ensures Compensation systems are maintained and updated to meet our ever changing needs. As functional authority, the Compensation Sector ensures oversight. The Sector provides support to the Pension Centre and regional offices, and is responsible for the overall business infrastructure and system development and maintenance. The Sector also assumes the responsibility of regional office for the National Capital Region (NCR) by providing training and advisory services, and processes pay transactions for client departments of the NCR. This same role is played by each regional office.

Pay Services

Six regional pay offices support client departments to ensure employees receive timely and accurate remuneration. A main responsibility of the regional pay office is to analyze and correct rejected transactions due to the pay system's inability to process them. Regional pay office staff also ensures that there is an adequate segregation of duties for pay transactions so that fraud is prevented. The six regional pay offices service over 319,000 employee accounts.

¹ An Act that provides pension benefits to eligible federal public servants and their dependants. The public service pension plan provides benefits for public service employees, payable on retirement, termination of service or disability and for their survivors after death under the provisions of the *Public Service Superannuation Act*.

Pay Accounts and Transactions by Regional Office as of March 2011
(Does not include the Royal Canadian Mounted Police [RCMP] accounts)

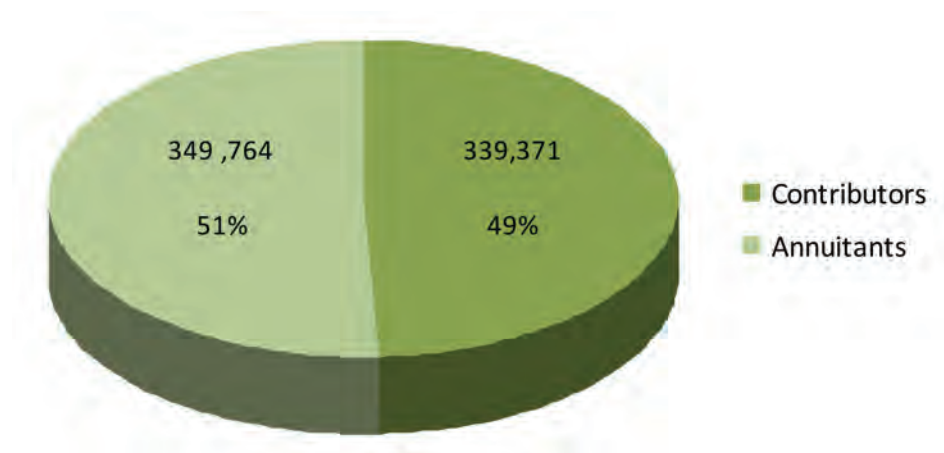
Regional Office	Pay Accounts	National Percentage
Atlantic	30,770	9%
Quebec	34,003	11%
NCR	142,598	45%
Ontario	47,221	15%
Western	38,646	12%
Pacific	25,487	8%



Pension Services

The Pension Centre in Shediac, NB, is responsible for the delivery of pension services, as provided under the *PSSA*. As of March 31, 2011, the total number of annuitants paid by the Pension Centre was 236,785. The Compensation Sector administers 112,979 accounts for Canadian Forces and other superannuation plans, bringing the total number of annuitants' accounts to 349,764. Payments for public servants contributors were processed for 339,371 accounts this year.

Pension Accounts by Type as of March 2011



Our Operations as of March 2011

PWGSC Compensation administers more than two million accounts in order to deliver pay, pension and insurance services.

Number of Accounts

Pay Systems	2009-2010	2010-2011
Unionized Employees	313,149	312,915
Non-Unionized	6,729	6,810
RCMP	22,878	22,736
TOTAL	342,756	342,461
Pension		
Public Service	231,889	236,785
Canadian Forces	111,404	111,590
MPs and Judges	1,378	1,389
TOTAL	344,671	349,764
Insurance		
Health Care Plan	548,834	564,003
Disability	244,679	243,579
Public Service Dental Care Plans	445,689	427,781
Public Service Management Insurance Plans		
○ Life Insurance	31,206	29,230
○ Long Term Disability	44,912	45,644
TOTAL	1,315,320	1,310,237

Annual Number of Payments in million \$

Pay		
Public Service	9.91	9.35
RCMP	.60	.61
TOTAL	10.51	9.96
Pension		
Public Service	2.81	2.84
Canadian Forces	1.34	1.35
MPs and Judges	.02	.02
TOTAL	4.17	4.21

Our Commitments

We have four major commitments to our clients, each of which were addressed over the year through specific compensation activities, as described below.

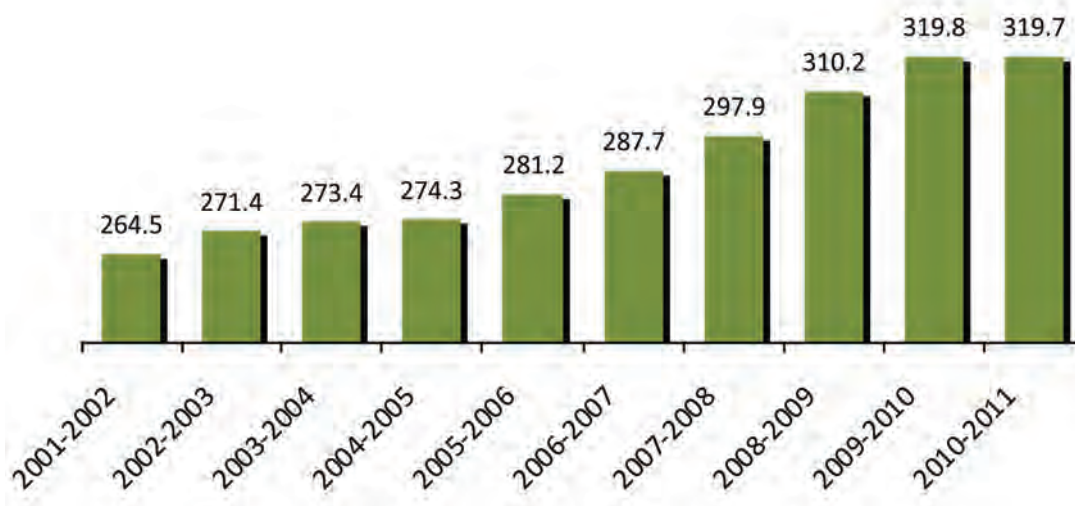
Commitment No. 1
To meet our stewardship obligation and ensure the integrity and sustainability of the pay and pension operations on behalf of the Government of Canada.

1.1 Getting People Paid

Pay

- Payments were processed on behalf of 112 client departments and agencies, separate employers, Crown corporations and the RCMP: a total of 12.2 million pay transactions were processed, which is a decrease of payments by 548,102, or 5.2%, from fiscal year 2009-2010.

The following chart depicts the historical trend of pay accounts administered under the Regional Pay System since 2001-2002. It does not include RCMP pay system accounts:

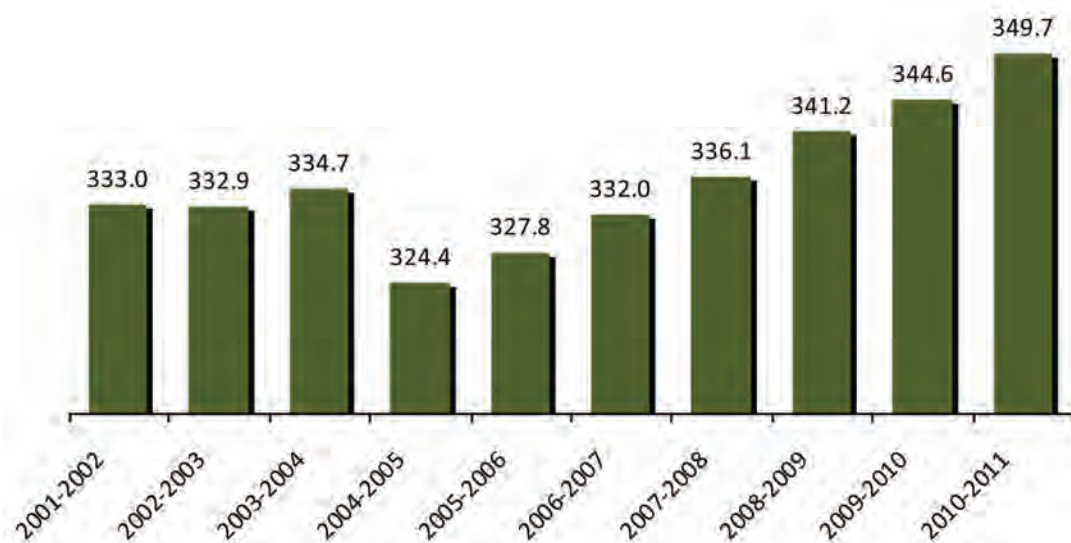


- Biweekly, monthly or supplementary payments related to 450 types of entitlements such as a signing bonus, isolated post allowance or bilingual bonus – were processed, from which over 357 types of deductions (e.g. for various unions, insurance benefits, or additional taxes) were made and remitted to 209 organizations.

- PWGSC Compensation implemented 105 collective agreements (60 from separate employers and 45 from federal organizations where TBS is the employer), and updated the pay system as a result of 14 TBS policy changes. In addition, 522 changes to Bargaining Unit Designators for both TBS and separate employers were made in the pay system during the year.

Pension

Pension payments were processed for a total of 349,764 client accounts which include 236,785 public servants, 111,590 members of Canadian Forces and 1,389 Members of Parliament and Judges or their respective survivors.



- Interim benefit payments were issued to improve service levels during backlog situations, and new pensioners were proactively contacted if service level agreements could not be met.
- The service buyback process in the certification of service and salary was streamlined, resulting in improved processing time and reduction in aged cases.
- An internal escalation process was established to provide an avenue for clients to contact us when they experience problems with their files.
- We promoted our client survey functionality when speaking with clients to gauge our level of service.

The combination of above actions enabled the Pension Centre to maintain levels of service standards despite transformation of systems and processes changes.

Pension Expert at the Public Service Pension Centre in Shediac, NB



1.2 Strengthening Benchmarking Practices

In conducting our operations, we want to be able to compare our costs and results with similar organizations. Accordingly, comparative assessments of business processes, human resources and technology used in the administration of pay, benefits and pension are useful to our operations. Such analyses are based on quantitative and qualitative elements such as cost, risk and complexity. They permit us to assess our performance and practices against other public and private organizations.

Pay

In 2010-2011, work was initiated to conduct a pay benchmarking survey based on 2009-2010 pay data. Information was gathered from stakeholders, and the assessment was conducted with an independent firm specializing in pay benchmarking. Approximately 50% of the PWGSC survey information was completed, and work is underway to ensure that the pay benchmarking study is completed in the winter of 2011-2012.

Pension

Pension administration measures its performance through membership in two benchmarking organizations:

- Cost Effectiveness Measurement (CEM), an international benchmarking organization that focuses on single year comparisons. An annual 'Defined Benefit Administration Benchmarking Analysis' is conducted by comparing results from 72 leading global public and private pension administrations including pension funds from Australia, Denmark, The Netherlands, The United Kingdom; and American states such as California, Illinois, Maine, Nevada, New York, Ohio and Virginia.
- Quantitative Services Measurements (QSM), a Canadian benchmarking organization that consists of seven major Canadian pension administrators providing public service pensions at the municipal, provincial and federal levels of governments. Participants to this benchmarking organization are Alberta Pensions Services Corporation, Alberta Teachers Retirement Fund Board, British Columbia Pension Corporation, "Commission administrative des régimes de retraite et d'assurances du Québec", Pensions and Employee Benefits of NB and the Ontario Public Sector Employee Union Pension Trust. Benchmarking products are focused on five year overviews and trends.

Comparative 2010-2011 data from both benchmarking organizations is being used to initiate discussions with other Canadian and international pension plan administrators in regards to ideas for reducing costs and improving services. Specific discussions are under way with Canadian plan administrators on how to expand the availability of electronic documents which are increasingly being requested by our client population.

1.3 Updating Training

PWGSC Compensation continued to provide expertise and training in pay, statutory deductions and insurance to its own staff and to departments. In addition to courses, we responded to about 42,700 requests for pay, insurance and pension-related information and guidance from clients during the year.

PWGSC Compensation also continued restructuring and redesigning paper-based self-instruction and classroom courses to capitalize on the potential of technology to empower learners with self-directed learning. Instructions for the On-line Departmental Security Application form were improved and converted to an online training module.

Updates to the Advanced Pay Course were initiated to reflect the new Policy on Terms and Conditions of Employment. Also, as a result of changes to severance pay entitlements in recently-signed collective agreements, additional updates are now required and will be completed in 2011-2012.

Total Number of Courses (Classroom only) Provided to Clients Nationally in 2010-2011

Region	Pay	Insurance	Pension	Total Sessions Delivered	Participants
Atlantic	19	10	4	33	201
Quebec	25	7	3	35	208
National Capital Region	67	40	18	125	866
Ontario	27	11	17	55	314
Western	21	9	13	43	414
Pacific	19	4	1	24	131
Total	178	81	56	315	2,134

A PSHCP Web-service application was recently launched to enable employees to directly modify their health care coverage. As a result of this new Web-service and the associated business process changes, three courses were redesigned and given a modern look. The Disability Insurance and Public Service Management Insurance courses were also updated.

In addition to classroom classes, a total of 19,166 public service employees attended 601 'Retirement Planning' information sessions during the year. While the Pension Centre assumes responsibility for the pension training, the sessions are often given by the Compensation Sector or regional pay offices.

Compensation Advisors in Training



Marketing of the Compensation Sector pension and benefits portal and compensation self-service tools was also conducted through exhibits held at public events that occurred in Ottawa and Halifax.

1.4 Assessing Internal Controls

Internal controls are an important aspect of both compensation and government oversight with the reality of accountability that has increased in the last 7 years. Effective controls are essential for deputy ministers to assume their Accounting Officer's responsibility. As such, internal controls not only need to be in place to ensure the accuracy and integrity of our systems and processes, but must be tested on an ongoing basis to make sure they remain effective at preventing or reducing errors, fraud or misappropriation of funds.

Pay

The Compensation Sector had previously undertaken to document and assess all internal controls of the pay system, and an initial assessment of key controls was completed. In 2010-2011, we completed the review and testing of all automated controls within the pay system to ensure that they were working effectively. An action plan was developed and implemented to address identified gaps. Work is now proceeding on the identification and testing of manual controls in the pay system using the same control objectives that were established for the automated controls.

Pension

PWGSC Compensation continued testing pension key controls and reviewed additional processes to ensure that internal controls were in place and working effectively. Throughout the design process of the new pension solution, work sessions were held to ensure that key controls were established in the pension system, Penfax. An assessment review was conducted in the spring 2011, and further assessment will continue until we reach the end state of implementation.

The Payment Integrity Testing program was also enhanced by establishing a process through which the listing of un-cashed cheques received from the Receiver General is obtained for review. This is serving as an excellent source of data to detect potential fraud, and has a positive impact on the results of our debt recovery initiative.

Commitment No. 2

To deliver quality services that meet the needs of our clientele: departments and agencies, public servants and pensioners.

2.1 Improving Client Communications

The [Compensation Sector Web site](#) provides information on pay, pension and insurance services. It also contains information on compensation products including: publications, directives, bulletins and communiqués. This fiscal year, nine new directives were posted on this Web site, as well as 248 updates to the manuals.

The popularity and success of the [Compensation Sector Web site](#) is demonstrated by the average number of visits which hits 2.7 million per month in 2010-2011.

[Your Public Service Pension and Benefits Web portal](#) is managed in partnership with TBS. This Web portal provides rapid access to information for active and retired plan members, as well as their dependants and/or survivors, while allowing compensation specialists to reduce the time spent on pension/benefit queries. This year, this Web site was improved by adding new life events features for active and retired members such as 'travelling outside of Canada' and 'working outside Canada'; and other life events for survivors/dependants such as 'death of a survivor' and 'living or moving outside of Canada'.

Among the many life events already available on [Your Public Service Pension and Benefits Web portal](#), the most visited life events during 2010-2011 were:

- Preparing for Retirement
- Getting Married or Reaching Common-Law Status
- Increasing Your Pension
- Terminating Employment with the Public Service
- New to the Public Service
- Newly Retired

The [public service pension plan repository Web site](#) contains all communications directed to pension plan members. This common repository stores all PWGSC compensation-authored plan member communication products, ensuring that pension members have easier access to the information they require.

PWGSC Compensation has undertaken a major overhaul of its Web sites to ensure they are fully compliant to the Common Look and Feel (CLF) 2.0 and the Web Content Accessibility Guidelines (WCAG) 2.0 and standards. The standards ensure Web content is accessible, primarily for disabled users. This specialized work is still underway and will require review and updating of more than 6,000 pages. The work to convert all compensation Web sites is expected to be completed by December 31, 2011.

Compensation Web Applications

Referred to as CWA, these applications are a suite of self-service pay and pension tools that enable employees to monitor and manage their personal compensation information, as well as calculate pay, insurance and pension 'what if' scenarios to assist with financial planning in addition to providing a key and cutting-edge service to public servants. The CWA services, which include pay and pension calculators, reduce the number of requests for estimates to compensation advisors, allowing them to concentrate on other value-added activities.

CWA at a glance

The self-service tools allow employees to:

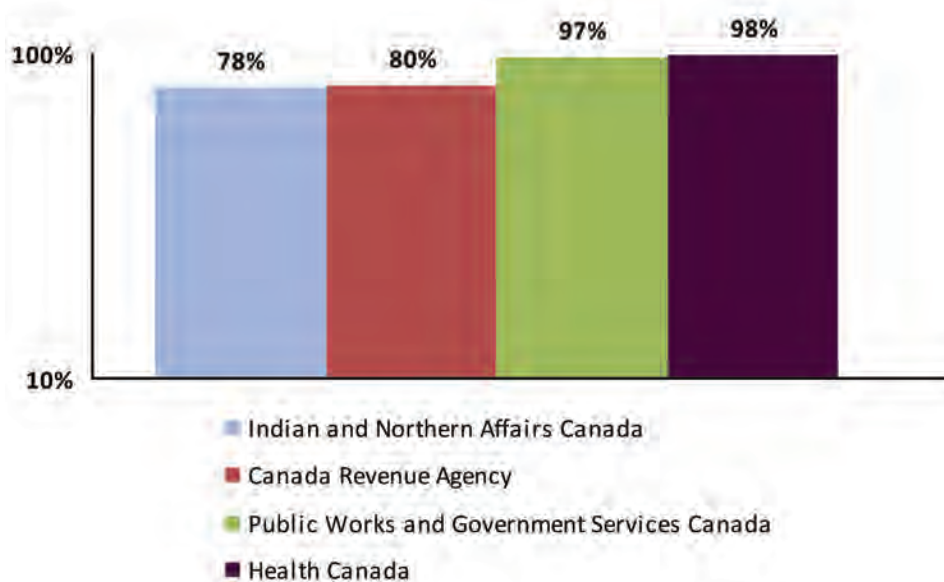
- view their Pension and Insurance Benefits Statements;
- view their statements of earnings (pay stubs);
- request changes to their voluntary deductions;
- calculate how a change in employment status, such as a promotion or a change from part-time to full-time hours will affect their pay; and
- use the Pension Calculator, the Service Buyback Estimator and various information packages (e.g. retirement, service buyback and the pension portability) to help them make important pension-related decisions.

CWA offers a paperless feature that significantly reduces costs associated with printing and distributing hard copy reports and pay stubs to all departments across Canada. Savings are also realized as a result of the automated record of employment, which is filed electronically with Human Resources and Skills Development Canada (HRSDC).

As of March 31, 2011, CWA had deployed to 102 departments, agencies and Crown corporations that receive pay and/or pension services, making the service available to approximately 320,000 employees. Once deployed in a department, efforts are made to increase awareness and use (i.e. take-up rate) amongst employees in that department.

A number of departments have stopped printing pay stubs, as a means to reduce costs and encourage use of CWA.

Top Four Departments with Highest Take-Up CWA Rate



Each month during 2010-2011, an average of:


- 59,029 self-service pension calculations were performed through CWA;
- 26,581 employees viewed their Pension and Insurance Benefits Statement online;
- 20,834 employees accessed the Gross-to-Net Regular Pay Estimate Calculator through CWA; and
- 3,091 service buyback estimates in CWA were calculated.

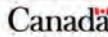
Saving paper through CWA


- During the year, more than 87,000 employees contributed to saving paper through the use of CWA by suppressing the printing of their pay stubs or their annual Pension and Insurance Benefit Statement, resulting in savings of 18.27 metric tonnes of paper. Since implementation of this feature in 2007, the use of Web applications has saved 39.08 metric tonnes of paper.
- Savings of 1.06 metric tonnes of paper were also realized through the use of electronic formats of 81,717 records of employments submitted by HRSDC. In addition, the paper pay register was not printed for 82 departments, which resulted in savings of 36.7 metric tonnes of paper in 2010-2011, and 110.15 since implementation.

Overall, the use of Web applications and electronic formats has saved the Government of Canada a total of 155.92 metric tonnes of paper to date. As well, this contributes to the government's efforts to reduce overall carbon emissions, as paper no longer needs to be produced, printed, or physically transported to data centres.

Entrance to Compensation Web Applications


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Home > Payments and Pensions > Compensation Sector > CWA

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Site Map
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Compensation Web Applications

You need your Personal Record Identifier (PRI) to access CWA. Please ensure a leading 0 is entered before your 8-digit PRI.

If you have forgotten your PRI, please check your Government of Canada pay stub or your Pension and Insurance Benefits Statement.

Need help? Contact your departmental Help Desk.

If you have questions about CWA or enrolment, you can refer to our [FAQ](#) or our [enrolment instructions](#).

A myKEY (commonly known as an ID based credential or PKI Key), Secure Token or Smart Card is now required to access CWA.

Returning Users already registered to CWA: verify your personal pay, pension, and insurance plan information by selecting an application below.

New Users: [Get your myKEY or enrol today!](#)

Pay

[Statement of Earnings \(Pay Stub\) and Tax Slips](#)

View and print your pay stubs and tax slips.

Note: Starting in January 2012 pension contribution rates will increase and EI/CPP/QPP/QPIP deductions will resume. For more information please visit the [Information Notice to Employees in Compensation Directive 2011-030](#)

[Gross to Net Calculator](#)

See how a change to your employment will affect your pay.

[Voluntary Deductions](#)

Apply common deductions to your regular pay.

Pension

[Active Member Pension Applications](#)

Personalized Pension Tools:

- Pension and Insurance Benefits Statement
- Pension Calculator
- Service Buyback Estimator

New features:

- Secure Messaging
- Web Inquiry

Insurance Plan

[Health Care Coverage](#)

Manage your Public Service Health Care Plan (PSHCP) coverage information.

2.2 Focusing on Client Satisfaction

PWGSC Compensation is fully committed to PWGSC's Client Service Strategy, an initiative to enhance PWGSC's relationships with client departments by delivering high-quality services that meet clients' needs.

In 2010-2011, the Compensation Sector reported on the previous year's client feedback survey regarding compensation services provided by the six regional pay offices, including headquarters. The target audience for the survey was compensation directors, managers and advisors in all departments, agencies and Crown corporations who receive PWGSC's services. The results show an overall national client satisfaction rate of 87%, exceeding our target of 85%. Corrective actions for any areas falling below the target, as well as best practices for any areas exceeding the target, are being gathered to help us gain insight in improving our national client service strategy.



The 2009-2010 Compensation Client Feedback Survey results are now being used by each regional pay office to improve services. It is PWGSC's objective that all clients receiving our pay services and for which we are processing pay transactions related to pension are satisfied with those services at all times. Preparations for the next survey scheduled for 2011-2012 are underway.

Commitment No. 3

To support the government's commitment to modernize management practices ensuring sound management, delivering services smarter, faster and at a reduced cost with improved accountability and increased transparency, supported by adequate risk management.

3.1 Transforming Compensation

The compensation transformation initiatives are Government of Canada's Compensation renewal of its pay and pension business processes and systems, including the consolidation of government compensation services from departments to PWGSC Centres of Expertise. The aim is to ensure the ongoing capability to provide compensation functions for federal public servants, pensioners, dependants and/or survivors, as well as to provide greater flexibility and functionality, and improved overall Government of Canada efficiency in service delivery.

3.1.1 Transformation of Pension Administration Initiatives

Prior to the Transformation of Pension Administration Initiatives, pension services were provided through a decentralized delivery model that relied heavily on the knowledge and experience of compensation advisors across 112 client departments, separate employers, agencies and Crown corporations. This fragmented and dispersed delivery model, combined with the outdated 40-year-old technology of the current pension systems, severely impacts PWGSC's ability to sustain the pension administration function; significantly restricts PWGSC's ability to maintain current service levels and meet client demands for improved services; and prevents the adoption of modern, cost-effective service delivery processes that are consistent with industry standard practices. In addition, the pressures will escalate in the coming years as the number of retiring public servants increases.

PWGSC has undertaken several initiatives aimed at ensuring the sustainability of the public service pension administration. These initiatives, collectively referred to as the Transformation of Pension Administration

Initiatives, are designed to improve service quality and efficiency, strengthen accountability and increase the capacity of the pension administration systems. The initiatives include:

Together, the Pension Modernization and Centralization of Pension Services Delivery Projects are changing the way pension services are provided across the public service. Pension Modernization is ~70% completed and is approaching a major milestone in 2011-2012 when it will implement major components of the new core pension system. Centralization is ~90% completed and will leverage the new system's capabilities to centralize two high volume services related to pension entitlements, as well as the new Employer Support Services.

- The Government of Canada Pension Modernization Project (GCPMP)
- The Centralization of Pension Services Delivery Project
- The GCPMP-RCMP Pension Project

Although these are separate and distinct initiatives, they are being developed and implemented concurrently and share the same objective of implementing renewed services, processes and systems to enable a modern pension administration model. As well, data integrity is being improved through specific data correction and auditing efforts.

Pension Administration Updates

Pension Modernization

- In 2010-2011, the Pension Modernization Project completed the development and testing of the largest and most complex of its five releases, Release 2.0. This release was implemented in April 2011, and provides the core pension functionality for the administration of active member or contributor accounts. In addition, it integrates the new pension system (Penfax) with the Siebel case management tools implemented in earlier releases.
- The project team continues to work on the last two releases: Release 2.5, related to 'service buyback' and 'leave without pay' functionalities; and Release 3.0, which will provide accounting functionality as well as the functionality for the administration of retired members (annuitant) accounts.

Centralization Project

- To date, the Centralization Project has completed the centralization of 11 of the 12 pension services to be centralized. Business process maps, work procedures and communication products were completed during the year to enable three services: pension benefit entitlements, survivor pension entitlements, and Employer Support Services, centralized in April 2011.
- Design work is now underway for the last of the 12 services to be centralized, 'leave without pay', which is expected to be implemented in November 2011.

RCMP Project

- In July 2010, the Transformation team began the first of four phases in the migration of the RCMP pension administration to PWGSC, using the new system and processes being implemented by the Pension Modernization Project. This joint PWGSC-RCMP project is expected to be completed in December 2013.

3.1.2 Transformation of Pay Administration

The existing federal payroll service delivery model relies on an antiquated legacy system and is decentralized. Part of the payroll administration process is conducted across government departments by compensation advisors. This delivery model makes the Government of Canada payroll administration among the least efficient when compared to the industry average.

To sustain the Government of Canada's long-term requirements for pay administration, the Transformation of Pay Administration Initiative was launched in October 2009. The goal is to transform the government's pay administration by streamlining processes, introducing increased self-service capabilities, and consolidated pay services for departments and agencies that are currently using PeopleSoft². On August 19, 2010, the Prime Minister announced that the Government of Canada is transforming pay administration by replacing its more than 40-year old pay system and gradually consolidating its pay services from departments to PWGSC's new pay Centre of Expertise in Miramichi, NB.

The Transformation of Pay Administration Initiative is comprised of two projects, scheduled to be completed by 2015-2016:

The establishment of the pay Centre of Expertise will lead to the creation of 550 public sector pay jobs in Miramichi, NB, starting in 2011-2012 and reaching a full staff complement by 2015-2016.

The Pay Modernization Project will replace the legacy pay system and modernize business processes based on industry standards.

The Consolidation of Pay Services Project will gradually transfer pay administration services from departments and agencies using PeopleSoft to the pay Centre of Expertise. The Centre of Expertise will provide sustainable, quality pay services, replacing the current decentralized service delivery model with a consolidated model focused on a standardized way of doing business.

The transformation of pay administration will ensure the long-term sustainability of the Government of Canada pay administration system and services, and contribute to a more effective and efficient public service, offering better value to Canadians.

Pay Administration Updates

Pay Modernization

- The procurement process for a system integrator and a commercial off-the shelf pay solution, including the request for proposal process and proposal evaluation, were completed.
- Business and information technology requirements were refined in order to provide the system integrator with up-to-date requirements

² The Government of Canada Human Resources Management System version of PeopleSoft

- A stakeholder engagement strategy and roadmap to engage stakeholders in business transformation activities was developed.
- The establishment of governance committees was completed.

Pay Consolidation

- Internal and external staffing processes for positions in the pay Centre of Expertise in Miramichi, NB, were initiated in January and February 2011.
- The request for information process for office space in Miramichi for the first wave of departments has been completed.
- A new service delivery model for the pay Centre of Expertise has been defined.
- A government-wide transition strategy has been developed to maximize employment opportunities for compensation staff as pay services are transferred to the pay Centre of Expertise. Sustaining pay services throughout the transition is the ultimate goal for this strategy.

3.2 Updating Service Channel and Business Processes

3.2.1 Expanding Self-Service for Benefits

PWGSC Compensation, in collaboration with the TBS, continues to advance the new health care Web service tools, integrated data files and insurance data exchanges. In 2010-2011, we completed the following activities:

- The implementation of a new PSHCP Web self-service application for both employees and pensioners as part of the suite of CWA tools has greatly improved the data integrity aspect of the plan. It has also reduced the time spent by compensation advisors on employee accounts since employees can start, stop, or modify their health coverage themselves; the compensation advisors only have to verify the transaction that the employee has entered. The self-service application reduces the paper usage as employees no longer have to complete a paper form to change their coverage. In the future, CWA will be expanded to include a tool for compensation advisors to calculate the 'Disability Insurance' and the 'Long-Term Disability insurance' plans deficiencies. This tool will streamline the current process and will result in more accurate estimation of deficiencies being provided to employees.
- Systems work was completed on the new weekly consolidated PSHCP coverage files for the insurance plan administrator. This means that member health coverage is updated more quickly, thus enabling member health claims to be processed appropriately and in a timely manner. The implementation of the new coverage file was delayed to May 2011, at the request of TBS.

3.2.2 Updating Supporting Tools and Systems

Additional interfaces between the Regional Pay System and the new pension solution were implemented in 2010-2011, allowing required data to be extracted and transferred to Penfax.

Electronic Systems Network Architecture Printing, or e-SNAP, is an internal tool that provides an easily viewed electronic version of systems reports and offers a workflow management process for certain reports. In 2010-2011, improvements were made to existing reports and a significant investment was made in improving the infrastructure to ensure that the e-SNAP solution is scalable and robust enough to meet future demands.

In conjunction with the Canada Revenue Agency, significant changes were also made to the design of the T4A tax slip. As well, modifications were made to the Regional Pay System programs that calculate income tax being taken at source for the T4A-RCA (retirement compensation arrangement) purposes.

Parking Taxable Benefits

In 2010, the Government of Canada and PWGSC announced market rates for government-owned parking. As a result, there was a requirement to report the taxable parking benefits on employees' tax slips for 2010. New reference codes were created in the pay system to report and identify the parking taxable benefits. The regional pay offices also manually entered parking taxable benefits for 11,079 employees to ensure that this information was included in the 2010 tax slips.

Commitment No. 4

To promote a work environment through an expert, diverse and motivated workforce which supports, understands and practices the concepts of integrity, values and ethics.

4.1 Recruitment and Development

PWGSC Compensation continued to address the ongoing issue of attrition resulting from upcoming retirements and loss of valued expertise. In order to maintain a staff of competent experts in compensation, the Accounting, Banking and Compensation Branch continued to recruit through the Compensation Analyst Development Program (CADP); in addition to a continued administration of two apprenticeship programs through The Pension Centre.

- The CADP includes an external and an internal recruitment component that then provides training and developmental assignments to all participants. For current employees, the internal component provides a vehicle for advancement within the Sector. The external component focuses on recruitment of individuals having university degrees with specialization in business administration, public administration, human resources management, labour or industrial relations who demonstrate core Sector competencies. Since 2004-2005, a total of seven recruits have now successfully completed the full four-year program. In addition, a total of eleven recruits were promoted to the next level and seven new recruits started the program in fiscal year 2010-2011, bringing the total CADP complement to 31 to date.
- Both the Pension Expert Apprenticeship Program and the Pension Benefit Apprenticeship Program, recruiting from outside and inside of the Public Service, provide the participants with the skills and knowledge they need to provide professional advice, interpretation and guidance in the delivery of pension products to the Pension Centre' clients and stakeholders. During the year, 79 employees have participated in the Pension Expert Apprenticeship Program; 39 of those have completed the program. In addition, 13 employees participated in the Pension Benefit Apprenticeship Program of which five have graduated.

Apprenticeship Recruits 2010-2011



4.2 Client Service Specialized Training

The Public Service Pension Centre has established a partnership with the Canada School of Public Service since 2009-2010 to organize a 'client service excellence' program for our Pension Experts. The program is offered through three courses and is delivered in one-day session each. To date, a cumulative total of 380 Pension Centre employees have attended only the first course; of those, 306 have attended the second and 198 have completed all three.

The course will also be offered to all Regional Pay Office staff that deal with departments and agencies in the delivery of pay office services.

Looking Ahead to 2011-2012

PWGSC Compensation remains excited about what's ahead for our team. While not an exhaustive list, here are some of the key activities we will be pursuing in the 2011-2012 fiscal year:

1. Develop and implement a new pension system, Penfax (Release 2.5), and prepare for the remaining releases.
2. Complete the centralization of the single remaining business process 'leave without pay' for pension services in Shediac, NB.
3. Continue the design activities related to the migration of the RCMP pension administration to PWGSC. Design workshops are expected to continue until January 2012, while functional specifications reviews are scheduled to be completed in May 2012.
4. Begin activities related to the migration of the Canadian Forces Pension Plans for both the regular forces and reservists.
5. Support the design and the definition of the Pay Modernization Project for the new PeopleSoft pay solution by active engagement with internal and external stakeholders.
6. Complete initial staffing processes for the pay Centre of Expertise in Miramichi, NB.
7. Begin the gradual consolidation of pay services from departments to the new pay Centre of Expertise.
8. Continue the deployment of CWA to departments and agencies that have not yet implemented the self-service tools.
9. Continue the development and redesign of training strategies to support the transformation of compensation projects. Six online training pay modules will be reviewed.
10. Explore further opportunities to green our operations such as adding a 'suppress-print' option to the CWA for tax slips. This would enable employees to discontinue receiving their tax slips in hard copy and simply print their own on demand.
11. Continue eliminating paper reports that are currently put on microfiche for Compensation Sector's use. These reports will be electronically moved to the e-SNAP tool. There will no longer be a need to print the reports, as they will be easily accessible online.
12. Finalize the work on manual controls in the Regional Pay System and take all necessary steps to address recommendations and ensure that the appropriate controls are in place.

13. Prepare for upcoming new policy change on the Canada Pension Plan (CPP) for working beneficiaries, and make the necessary changes to the Regional Pay System in the way the CPP and Quebec Pension Plan (QPP) pensionable earnings and employment insurable earnings are reported on the T4 and Relevé 1 tax slips.
14. Comply with tax legislation by creating two new entitlement codes in the Regional Pay System for taxable overtime meal allowances.

