

Directive on terms and conditions of employment for executives

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Directive on Terms and Conditions of Employment for Executives

1. Effective date

- 1.1 This directive takes effect on [month day, year].
- 1.2 This directive replaces the following Treasury Board policy instruments:
 - Directive on Executive Compensation (2007)
 - Directive on Career Transition for Executives (2007)
 - Parts of the Directive on the Performance Management Program (PMP) for Executives (2007)
- 1.3 Employees deployed or appointed (with the exception of acting appointments) to any Executive (EX) Group position on or after April 1, 2020, are subject to Appendix A, Part II, section 14.
- 1.4 Employees whose substantive position is at the EX-04 or EX-05 level on April 1, 2020, are subject to Appendix A, Part II, section 14. This condition of employment existed under the Directive on Executive Compensation (2007), which was rescinded with the coming into force of the Directive on Terms and Conditions of Employment for Executives.
- 1.5 Employees whose substantive position is at the EX-01, EX-02 or EX-03 level on April 1, 2020, are not subject to Appendix A, Part II, section 14, until they are deployed or appointed (with the exception of acting appointments) to another EX Group position, or until April 1, 2022, whichever comes first.

2. Authorities

- 2.1 This directive is issued pursuant to the authorities indicated in section 2 of the Policy on the Management of Executives.

3. Objective and expected results

- 3.1 The objective indicated in section 3 of the Policy on the Management of Executives applies to this directive.
- 3.2 The expected results of this directive are as follows:
 - 3.2.1 Provide for an equitable, consistent and transparent application of total compensation that consists of salary, performance pay, in-range salary movement

and non-salary elements;

- 3.2.2 Facilitate the career transition of executives in situations of lack of work, discontinuance of a function, or the transfer of work or a function outside the core public administration; and
- 3.2.3 Support for the temporary operational requirements of organizations through the special deployment of executives to positions that have not been classified or that are classified at a lower level than the executive's substantive group and level while protecting the executive's indeterminate status to meet specific, temporary operational requirements.

4. Requirements

- 4.1 The head of human resources is responsible for the following:
 - 4.1.1 Reviewing and advising deputy heads on the requirements described in the appendices of this directive;
 - 4.1.2 With regard to career transition:
 - 4.1.2.1 Notifying the Public Service Commission of Canada of the executive's surplus status and lay-off date, if the executive chooses to pursue further employment in the core public administration;
 - 4.1.2.2 Consulting the Office of the Chief Human Resources Officer of the Treasury Board of Canada Secretariat on the development of the career transition agreement when an executive chooses not to pursue further employment in the core public administration;
 - 4.1.2.3 Assisting executives who wish to remain in the core public administration to find alternative employment in accordance with Appendix E; and
 - 4.1.2.4 Deleting the surplus position once it is vacant.
- 4.2 Delegated managers are responsible for the following:
 - 4.2.1 Approving the following in accordance with Appendix A of this directive:
 - 4.2.1.1 Personal leave;
 - 4.2.1.2 Vacation leave;
 - 4.2.1.3 Maximum carry-over of vacation leave credits;
 - 4.2.1.4 Sick leave with pay and advancing sick leave credits;

- 4.2.1.5 Family-related responsibilities leave;
 - 4.2.1.6 Care of family leave;
 - 4.2.1.7 Exceptional leave with pay;
 - 4.2.1.8 Bereavement leave; and
 - 4.2.1.9 Relocation of spouse or common-law partner leave;
- 4.2.2 Notifying executives in writing of the effective date of salary and non-salary elements that apply as a result of the reclassification of their position;
- 4.2.3 With respect to career transition:
 - 4.2.3.1 Ensuring that no additional expenditures are incurred in the performance of the duties of the surplus position, once it is vacant.
- 4.3 Executives are responsible for the following:
 - 4.3.1 Consulting with their human resources advisors to determine the financial implications of leave without pay;
 - 4.3.2 With respect to career transition:
 - 4.3.2.1 Considering options presented in Appendix E for remaining or leaving the core public administration if their position is declared surplus;
 - 4.3.2.2 Informing the deputy head in writing if they will seek, or not, further employment in the core public administration upon return from leave without pay;
 - 4.3.2.3 Searching for employment opportunities if declared surplus and they wish to pursue further employment in the core public administration; and
 - 4.3.2.4 Negotiating and signing the career transition agreement.

5. Roles of other government organizations

- 5.1 The roles of other government organizations in relation to this directive are described in section 5 of the Policy on People Management.

6. Application

6.1 This directive applies to the organizations described in section 6 of the Policy on the Management of Executives.

6.2 The terms and conditions of employment apply in the following manner:

		EX-01 to EX-05	DS-7A, -7B, -08	MD-MOF-4, MOF-5, MD-MSP-3	LC-01 to LC-04
Appendix A*	Part I: Salary Elements	Applicable	Applicable	Not applicable	Applicable
	Part II: Non-Salary Elements	Applicable	Applicable****	Not applicable	Applicable****
	Part III: Elements of Compensation for Executives Employed as Casual Workers	Applicable	Applicable	Not applicable	Applicable
Appendix B**	Performance Pay and In-Range Salary Movement	Applicable	Applicable	Applicable	Applicable
Appendix C**	Special Deployments for the EX Group	Applicable	Not applicable	Not applicable	Not applicable
Appendix D**	Standard on Special Deployment Letters of Offer	Applicable	Not applicable	Not applicable	Not applicable
Appendix E***	Career Transition	Applicable	Applicable	Applicable	Applicable
Appendix F***	Mandatory Procedures for Notifying Executives in a Career Transition Situation	Applicable	Applicable	Applicable	Applicable

		EX-01 to EX-05	DS-7A, -7B, -08	MD-MOF-4, MOF-5, MD-MSP-3	LC-01 to LC-04
Appendix G***	Standard on Career Transition Agreements	Applicable	Applicable	Applicable	Applicable

6.3 Exceptions to the application of this directive are as follows:

- 6.3.1 One asterisk (*) in the table above denotes clauses that are not applicable to executives employed as casual workers, unless otherwise specified in Appendix A, Part II, section 7.
- 6.3.2 Two asterisks (**) in the table above denote clauses that are not applicable to executives employed as casual workers or part-time workers.
- 6.3.3 Three asterisks (***) in the table above denote clauses that are not applicable to executives employed as casual workers, employed on a term basis as prescribed in the Directive on Term Employment, or on special deployment.
- 6.3.4 Four asterisks (****) in the table above denote that Appendix A, Part II, section 14, is not applicable.

7. References

7.1 Legislation

- Accountable Advances Regulations
- Cheque Issue Regulations, 1997
- Definition of Promotion Regulations
- Employment Equity Act
- Employment Insurance Act
- Financial Administration Act
- Low-value Amounts Regulations
- Official Languages Act
- Public Service Employment Act
- Public Service Employment Regulations
- Public Service Superannuation Act

7.2 Policies

- [Contracting Policy](#)
- [Directive on Classification](#)
- [Directive on Executive \(EX\) Group Organization and Classification](#)
- [Directive on Interchange Canada](#)
- [Directive on Leave and Special Working Arrangements](#)
- [Directive on Official Languages for People Management](#)
- [Directive on Payments](#)
- [Directive on Performance and Talent Management for Executives](#)
- [Directive on Performance Management](#)
- [Directive on Term Employment](#)
- [Directive on Terms and Conditions of Employment](#)
- [Directive on Terms and Conditions of Employment for Certain Excluded/Unrepresented Employees](#)
- [Directive on Travel, Hospitality, Conferences and Event Expenditures](#)
- [National Joint Council Foreign Service Directives](#)
- [National Joint Council Relocation Directive](#)
- [National Joint Council Travel Directive](#)
- [Policy on People Management](#)
- [Policy on the Management of Executives](#)
- [Policy on Terms and Conditions of Employment](#)
- [Self-Funded Leave Policy](#)
- [Values and Ethics Code for the Public Sector](#)

7.3 Other

- [Executive Group \(EX\) and Governor In Council Appointees \(GIC\) - Relocation Provisions](#)
- [Pension Eligibility at Age 60 - Workforce Adjustment and Pension Waivers](#)
- [Pension Eligibility at Age 65 - Workforce Adjustment and Pension Waivers](#)
- [Public Service Health Care Plan](#)
- [Public Service Management Insurance Plan](#)
- [Québec Parental Insurance Plan](#)

8. Enquiries

- 8.1 Human Resources Advisors should direct enquiries about this directive to the departmental human resources office.
- 8.2 For interpretation of any aspect of this directive, please contact [Treasury Board of Canada Secretariat Public Enquiries](#).

Appendix A: Terms and Conditions of Employment for Executives

Part I: Salary Elements

Contents

- A.I.1 Salary entitlements
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- A.I.10 Performance pay and in-range salary movement

A.I.1 Salary entitlements

- A.I.1.1 Indeterminate executives and executives appointed for a specified period, as well as executives employed as casual workers, are paid in accordance with this appendix and related Treasury Board decisions that affect executive salaries.
- A.I.1.2 A part-time executive receives salary pro-rated to the number of hours of work per week as indicated in their letter of appointment.
- A.I.1.3 All salary calculations pursuant to sections of this appendix are rounded to the nearest multiple of \$100. Salary calculations ending in \$50 are rounded up to the next multiple of \$100.
- A.I.1.4 An executive is not entitled to payment for overtime.
- A.I.1.5 An executive cannot receive payment from the Consolidated Revenue Fund for a second public service position, unless authorized by or under an act of Parliament, or when the deputy head of the organization where the executive's original position resides certifies in writing that the performance of the duties of the second position does not impair the executive's effectiveness in their original position.
- A.I.1.6 When an executive with one or more years of service dies while on strength, their beneficiary or estate will receive their salary for the full month in which the executive dies, minus any salary payments already made in the month of death.

A.I.2 Revisions

- A.I.2.1 Executive salary ranges are revised periodically, as authorized by the Treasury Board.
- A.I.2.2 An executive whose performance on commitments was assessed at Level 1 (“did not meet”) is not eligible for revisions in the performance review period immediately following the review period in which the rating was obtained. This means that the executive’s salary may fall below the minimum of the salary range of the executive position.
- A.I.2.3 Subject to subsection A.I.2.2, an executive absent on leave with or without pay is eligible for the full percentage increase of the revision.
- A.I.2.4 The salary of an executive on leave without pay is recalculated for record purposes only to maintain the same position relative to the new salary maximum that existed within the old salary range.
- A.I.2.5 The salary-based allowance of an executive on leave without pay is adjusted to reflect the revision.

A.I.3 Payment of retroactive revisions

- A.I.3.1 Retroactive remuneration is paid in an amount equal to what would have been paid to the executive had the revision been approved on the effective date.
- A.I.3.2 A retroactive revision in salary ranges applies to executives, eligible actors and former executives or, in the case of death, the beneficiary or estate of former executives employed during the retroactive period.
- A.I.3.3 In order for former executives, or in the case of death, for the former executive’s beneficiary or estate to receive payment in accordance with subsection 3.2, the employer notifies by registered mail such individuals at their last known address that they have thirty (30) days from the date of receipt of the registered letter to request in writing such payment, after which time any obligation upon the employer to provide payment ceases.
- A.I.3.4 No payment or notification is made for one dollar (\$1) or less.
- A.I.3.5 Unless otherwise specified, the non-salary elements in Appendix A, Part II, are recalculated as though the revision had been approved on the effective date.
- A.I.3.6 When there is a retroactive revision, the revised salary of an executive in one of the situations listed below is calculated according to either subsection A.I.3.6.1 or

subsection A.I.3.6.2 (the calculation that provides the higher revised salary is applied):

- a. Promoted, demoted, or reclassified during the retroactive period,
- b. Commenced an acting appointment during the retroactive period, or
- c. Commenced an acting appointment prior to the start of the retroactive period but continued the acting appointment during the retroactive period.

A.I.3.6.1 Compare the higher of the revised salary under either a) or b) below to the salary calculated in subsection A.I.3.6.2:

- 1. Recalculate the executive's substantive salary (and in acting situations, also recalculate the executive's acting salary), based on the revised executive salary maximum applicable to the position, or
- 2. Maintain the executive's substantive salary (or acting salary) earned prior to the revision;

A.I.3.6.2 Apply the percentage increase to the executive's substantive salary (and when applicable, to the acting salary).

A.I.4 Salary on appointment

A.I.4.1 Appointment to an executive position from outside the public service

A.I.4.1.1 Persons recruited to executive positions from outside the public service may be appointed at any rate of pay within the applicable salary range of the executive position as determined by the delegated manager.

A.I.4.1.2 In exceptional circumstances, to facilitate recruitment and retention of executives from outside the public service, where a person's previous salary exceeds the salary maximum of the executive position, the deputy head may authorize a one-time lump sum payment. This lump sum is payable at the beginning of the executive's second performance review period in the core public administration and is based on an assessment of results achieved against established commitments and demonstration of the key leadership competencies, as prescribed in the Directive on Performance and Talent Management for Executives. The lump sum is established within the following limits:

A.I.4.1.2.1 10% of the salary maximum of the position for EX-01, EX-02, EX-03, DS-7A, DS-7B, LC-01, LC-02, LC-03;

A.I.4.1.2.2 15% of the salary maximum of the position for EX-04, EX-05, DS-8, LC-04; and

A.I.4.1.2.3 The amount of the lump sum is to be pro-rated against the number of hours worked for executives hired on a part-time basis.

A.I.4.1.3 Factors such as the following are to be considered when determining the rate of pay and the percentage of the lump sum awarded on appointment:

A.I.4.1.3.1 Internal salary relativities;

A.I.4.1.3.2 Requirement to relocate within Canada only;

A.I.4.1.3.3 Any automatic revisions that would have been granted to the executive in the former position during the balance of the calendar year in which the appointment occurs;

A.I.4.1.3.4 The position of the salary in the new range so as to leave room for future in-range salary movement;

A.I.4.1.3.5 Cash compensation (salary, performance pay, in-ange salary movement) received prior to joining the core public administration; and

A.I.4.1.3.6 Shortage of skills.

A.1.4.2 Appointment to an executive position from other occupational groups within the public service. For clarification, this also includes persons appointed from the Royal Canadian Mounted Police and the Canadian Armed Forces.

A.I.4.2.1 An increase in salary of 5% of the salary maximum of the executive position is the norm. The salary on appointment is at least the salary minimum of the executive position.

A.1.4.2.2 In exceptional circumstances, the deputy head may authorize an increase in salary of up to 10% of the salary maximum of the executive position. If the increase causes the new salary to exceed the salary maximum, the amount above the salary maximum is paid as a one-time lump sum on appointment. The amount of the increase is determined by considering such factors as:

A.I.4.2.2.1 Internal salary relativities:

A.I.4.2.2.2 Requirement to relocate in cases of employer-initiated relocation within Canada only;

A.I.4.2.2.3 Any automatic salary revisions that would have been granted to the executive in the former position during the balance of the calendar year in which the appointment occurs;

A.I.4.2.2.4 The position of the salary in the new range so as to leave room for future in-range salary movement; and

A.I.4.2.2.5 Shortage of skills.

A.I.4.2.3 When a non-executive who is already receiving acting pay accepts a permanent appointment to an executive position at the same level or higher than the position for which acting pay was being received, without a significant break between the two appointments, the executive is paid at the same rate of pay that was paid for the previous acting appointment, if it is greater than the salary as calculated in subsection A.I.4.2.1 or subsection A.I.4.2.2.

A.I.4.3 Appointment to a higher-level executive position

A.I.4.3.1 An increase in salary of 5% of the salary maximum of the higher executive position is the norm. The salary on appointment is at least the salary minimum of the higher executive position.

A.I.4.3.2 In exceptional circumstances, the deputy head may authorize an increase in salary of up to 10% of the salary maximum of the higher executive position. The amount of the increase is determined by considering such factors as:

A.I.4.3.2.1 Internal salary relativities;

A.I.4.3.2.2 Requirement to relocate in cases of employer-initiated relocation within Canada only;

A.I.4.3.2.3 Any salary revisions that would have been granted to the executive in the former position during the balance of the calendar year in which the appointment occurs;

A.I.4.3.2.4 The position of the salary in the new range so as to leave room for future in-range salary movement; and

A.I.4.3.2.5 Shortage of skills.

A.I.4.3.3 If the increase in salary in subsections A.I.4.3.1 or A.I.4.3.2 causes the new salary to exceed the salary maximum, the amount above the salary maximum is paid as a one-time lump sum on appointment.

- A.I.4.3.4 When an executive who is already receiving acting pay accepts a permanent appointment to an executive position at the same level or higher than the position for which acting pay was being received, without a significant break between the two appointments, the executive is paid at the same rate of pay that was paid for the previous acting appointment, if it is greater than the salary as calculated in subsections A.I.4.3.1 or A.I.4.3.2.
- A.I.4.4 Appointment or deployment to a position at the same level
- A.I.4.4.1 There is no salary increase on appointment or deployment to a position at the same level, except in cases of employer-requested appointments or deployments involving relocation within Canada, where the deputy head may grant an increase in salary of up to 5% of the salary maximum of the executive position. Geographic factors such as high cost of living or remoteness may be taken into account in determining whether to invoke this exceptional provision. Any such increase is paid as salary up to the salary maximum and the balance, if any, is paid as a one-time lump sum payment on appointment or deployment.
- A.I.4.5 Appointment of an EX-04 or EX-05 to a different EX Group position level
- A.I.4.5.1 When appointing an EX-04 or EX-05 to an EX Group position at a different level, the deputy head may continue to pay the executive at their personal classification level.
- A.I.4.5.2 Every reasonable effort is to be made to ensure coincidence, where possible, between the classification level of the executive at the EX-04 or EX-05 level and that of the position to which the executive is appointed.
- A.I.4.5.3 Appointment to a position classified at a different level should be an exception, not the norm. These appointments should address contingencies such as special projects, furthering the development of the executive, or broadening exposure in a different functional area or a different geographical setting.
- A.I.4.6 Demotion or deployment to a lower-level position
- A.I.4.6.1 When the demotion or deployment is to a lower-level executive position, the executive's salary is the lesser of:
- A.I.4.6.1.1 The salary maximum of the new position, or
- A.I.4.6.1.2 The executive's current salary.

A.I.4.6.2 When the demotion or deployment is to a lower-level non-executive position:

A.I.4.6.2.1 The demotion or deployment rules under the Directive on Terms and Conditions of Employment apply to the executive; and

A.I.4.6.2.2 The Policy on the Management of Executives and its associated directives cease to apply from the effective date of the appointment or deployment to the non-executive position.

A.I.4.6.3 An executive who is demoted or deployed to a lower-level position is not entitled to salary protection or salary maintenance, except as provided for under sections A.I.5 and A.I.6.

A.I.4.7 When an executive's position is retroactively reclassified to a group and/or level with a higher salary maximum, the salary elements of the new group and/or level are effective as of the date of appointment. The non-salary elements applicable to the new group and/or level are effective on the date that the reclassification decision is authorized.

A.I.4.8 In the event of a retroactive promotion, salary and non-salary elements are effective as of the date of appointment.

A.I.5 Salary protection

A.I.5.1 When an executive's position is reclassified to a group and/or level with a lower salary maximum, the executive's salary is protected in accordance with this section and the Directive on Terms and Conditions of Employment.

A.I.5.2 The executive's salary is protected:

A.I.5.2.1 As long as the executive continues to occupy the lower-level position, or

A.I.5.2.2 Until the salary maximum for the lower-level position matches or exceeds the salary maximum for the higher-level position.

A.I.5.3 The non-salary elements of the lower-level position apply from the effective date of the reclassification. When this lower-level position is a non-executive position, non-salary elements cease to apply on this date.

A.I.5.4 Salary-protected executives are subject to Appendix A, Part I, including executive salary range revisions under subsection A.I.3.1.

- A.I.5.5 Salary-protected executives are subject to the Directive on Performance and Talent Management for Executives and are eligible for in-range salary movement prescribed in Appendix B.

A.I.6 Salary maintenance

- A.I.6.1 Salary maintenance is provided when:

A.I.6.1.1 An executive who is declared surplus for reasons listed under Appendix E is subsequently appointed to a lower-level position while their salary is above the salary maximum of this lower-level position, or

A.I.6.1.2 The salary of a non-executive appointed to an executive position is greater than the salary maximum of the executive position the non-executive is appointed to.

- A.I.6.2 When an executive is declared surplus and is subsequently appointed to a lower-level executive position while their salary is above the salary maximum of this lower-level position:

A.I.6.2.1 The executive's salary is maintained at the rate in effect on the date of the appointment to the lower-level executive position until such time as it falls within the salary range of this position; and

A.I.6.2.2 If the executive later moves to a different position with a lower salary maximum the maintained salary continues to apply until such time as the executive's salary falls within the salary range of the lower-level position.

A.I.6.2.3 The salary elements, performance pay, in-range salary movement and non-salary elements applicable to the lower-level executive position apply.

A.I.6.2.4 If the executive salary range is revised, and the executive's maintained salary is still above the salary maximum of the lower-level position, the dollar amount of the executive range revision to the salary maximum of the new position is paid to the executive as a biweekly lump sum throughout the duration of the period that the range increase is in effect. If there is a subsequent revision, the executive will receive the dollar difference between the most recent salary maximum and the newly revised salary maximum in the form of biweekly lump sum payments. The two revisions are not compounded.

A.I.6.2.5 If the executive salary range is revised and the executive's maintained salary is within the revised salary range, salary maintenance ceases;

however, the revision is not applied to the executive's salary. The executive receives this last revision in the form of biweekly lump sum payments throughout the duration of the period that this revision is in effect.

- A.I.6.3 When an executive is declared surplus and is subsequently appointed to a lower-level non-executive position while their salary is above the salary maximum of this lower-level position:
 - A.I.6.3.1 The former executive's salary is maintained at the rate in effect on the date of the appointment to the lower-level position until such time as it falls within the salary range of this position;
 - A.I.6.3.2 If the former executive later moves to a different position with a lower salary maximum, the maintained salary continues to apply until such time as the executive's salary falls within the salary range of this lower-level position;
 - A.I.6.3.3 The salary elements, performance pay, in-range salary movement and non-salary elements applicable to the executive position cease to apply;
 - A.I.6.3.4 If the salary of the non-executive position is revised and the former executive's maintained salary is still above the maximum of the non-executive position, the dollar amount of the revision to the salary maximum of the non-executive position is paid to the former executive as a biweekly lump sum throughout the duration of the period that the revision is in effect. If there is a subsequent revision, and the former executive's maintained salary is still above the revised maximum of the non-executive position, the former executive will receive the dollar difference between the most recent salary maximum and the newly revised salary maximum in the form of biweekly lump sum payments. The two revisions are not compounded; and
 - A.I.6.3.5 If the non-executive position salary range is revised and the former executive's maintained salary is within the revised salary range, salary maintenance ceases; however, the revision is not applied to the former executive's salary. The former executive receives this revision in the form of biweekly lump sum payments throughout the duration of the period that this revision is in effect.
- A.I.6.4 When a non-executive's salary is maintained upon appointment to an executive position:
 - A.I.6.4.1 The new executive is subject to subsection A.I.4.2;

- A.I.6.4.2 The new executive's salary is maintained at the rate this person was receiving immediately prior to being appointed to the executive position until such time as it falls within the salary range of this executive position. The new executive's maintained salary will not change until executive salary ranges are revised such that the new executive's maintained salary falls below the salary maximum of the executive position;
- A.I.6.4.3 The salary elements, performance pay, in-range salary movement and non-salary elements of the executive position apply;
- A.I.6.4.4 If the salary of the executive position is revised, and the new executive's maintained salary is still above the revised maximum of the executive position, the dollar amount of the revision to the salary maximum of the executive position is paid to the new executive as a biweekly lump sum throughout the duration of the period that the revision is in effect. If there is a subsequent revision, and the executive's maintained salary is still above the revised maximum of the executive position, the new executive will receive the dollar difference between the most recent salary maximum and the newly revised salary maximum of the executive position in the form of biweekly lump sum payments. The two revisions are not compounded; and
- A.I.6.4.5 If the salary range of the executive position is revised and the new executive's maintained salary is within the revised range, salary maintenance ceases; however, the new executive's salary is not adjusted according to this last revision. The new executive receives this last revision in the form of biweekly lump sum payments throughout the duration of the period that this revision is in effect.

A.I.7 Executives acting in higher-level executive positions

- A.I.7.1 An executive at the EX-04, EX-05, DS-08 or LC-04 level is not eligible for acting pay.
- A.I.7.2 Acting pay is effective the date the executive begins the acting appointment. An executive is eligible to receive acting pay if:
 - A.I.7.2.1 The executive's substantive level is EX-01, EX-02, EX-03, DS-7A, DS-7B, LC-01, LC-02 or LC-03;
 - A.I.7.2.2 The executive substantially performs the duties of a position with a higher maximum salary; and
 - A.I.7.2.3 The executive has acted for at least three consecutive months.

- A.I.7.3 In organizations where rotational pools, developmental programs or appointment-to-level prevail, deputy heads may elect not to provide acting pay to participating executives.
- A.I.7.4 Acting appointments are not to exceed 12 months.
- A.I.7.5 The acting salary of an executive is determined as if the executive had been appointed to the higher level.
- A.I.7.6 In accordance with subsection A.I.2, an executive who receives acting pay is eligible for revisions applicable to the position in which they are acting.
- A.I.7.7 In accordance with subsection A.I.3, a retroactive revision in remuneration applies to executives, former executives or in the case of death, the beneficiary or estate of former executives who were acting in the executive positions during the retroactive period.
- A.I.7.8 When an executive who is already receiving acting pay accepts another acting appointment at the same level as the previous acting appointment, without a significant break between the two acting appointments:
 - A.I.7.8.1 A new three-month qualifying period does not have to be served to be eligible for acting pay in this subsequent acting appointment; and
 - A.I.7.8.2 The executive will be paid at the same rate of pay that was paid for the previous appointment.
- A.I.7.9 When an executive who is already receiving acting pay accepts a second acting appointment that without a significant break between the two acting appointments:
 - A.I.7.9.1 A new three-month qualifying period does not have to be served to be eligible for acting pay in this subsequent acting appointment;
 - A.I.7.9.2 To determine the acting pay, the executive's substantive salary is increased by 5% of the salary maximum of the second acting position. The acting salary is at least the salary minimum of the second acting position.
 - A.I.7.9.2.1 The acting salary for a second lower acting appointment is determined according to subsection A.I.4.3.4. Furthermore, any in-range movement received by the executive during the first acting appointment is taken into consideration when determining the second acting salary.
 - A.I.7.9.2.2 The acting salary for a second, higher acting appointment is not to be less than the acting salary that the executive was

receiving in the first acting appointment.

A.I.7.10 Upon reverting to the previous acting appointment without a significant break between the acting appointments:

A.I.7.10.1 A three-month qualifying period does not have to be served to be eligible for acting pay; and

A.I.7.10.2 The executive is paid the rate of pay that would have been paid had the previous duties been continuously performed. This previous acting salary is adjusted according to revisions and any in-range salary movement awarded in the second acting appointment.

A.I.8 Executives acting in non-executive positions

A.I.8.1 An executive is eligible to receive acting pay when temporarily appointed to and substantially performing the duties of a non-executive position that has a higher salary maximum than the executive's substantive executive salary. An executive who is temporarily performing the duties of a non-executive position may be:

A.I.8.1.1 Assigned these duties without receiving acting pay, in which case, the executive remains subject to the Policy on the Management of Executives and its associated directives; or

A.I.8.1.2 Appointed with acting pay, in which case, the executive is subject to the applicable collective agreement or terms and conditions of employment of the non-executive position.

A.I.8.2 An executive appointed to a non-executive position on an acting basis (receiving acting pay) becomes subject to the collective agreement or terms and conditions of employment governing the non-executive position. The salary elements, performance pay, in-range salary movement and non-salary elements of the substantive position cease to apply for the duration of the acting appointment. For greater clarity:

A.I.8.2.1 The instructions for acting pay that appear in the Directive on Terms and Conditions of Employment apply;

A.I.8.2.2 Where applicable, the executive will start paying the relevant union dues;

A.I.8.2.3 The executive is eligible for the non-executive position revisions to the acting salary;

A.I.8.2.4 The executive is eligible for executive salary range revisions. Any revision to the executive's substantive salary causes the acting salary to

be recalculated;

A.I.8.2.5 The executive is not subject to the Directive on Performance and Talent Management for Executives;

A.I.8.2.6 The executive may be eligible for overtime; and

A.I.8.2.7 Although Public Service Management Insurance Plan (PSMIP) coverage continues to apply, the employer ceases to pay the insurance coverage under this plan, and the executive will be responsible for paying the requisite insurance premiums.

A.I.8.3 The substantive salary of an executive acting in a non-executive position cannot exceed the salary maximum of the non-executive position. Acting pay ceases when the executive's substantive salary exceeds the salary maximum of the non-executive position.

A.I.9 Non-executives acting in executive positions

A.I.9.1 A non-executive acting in an executive position remains subject to the collective agreement governing their substantive position.

A.I.9.2 The instructions for acting pay that appear in the Directive on Terms and Conditions of Employment continue to apply to a non-executive acting in an executive position. Notwithstanding these instructions, the following exceptions and clarifications apply:

A.I.9.2.1 To determine the acting pay, the non-executive's substantive salary is increased by 5% of the salary maximum of the executive position. The acting salary is at least the salary minimum of the executive position;

A.I.9.2.2 In exceptional circumstances, the deputy head may authorize an increase of up to 10% of the salary maximum of the executive position. If the rate of increase causes the acting salary to exceed the salary maximum, the acting salary is limited to the salary maximum. No lump sum is paid for any amount that surpasses the salary maximum. The amount of the increase is determined by considering such factors as listed in subsection A.I.4.2.2;

A.I.9.2.3 Acting pay ceases when the non-executive's substantive salary exceeds the maximum salary of the executive position in which the non-executive is acting;

A.I.9.2.4 A non-executive acting in an executive position is not entitled to overtime pay;

- A.I.9.2.5 A non-executive who receives acting pay and whose substantive salary is below the salary maximum of their substantive non-executive position is eligible to receive increments (lockstep structures) or in-range increases (performance pay ranges), as well as any salary range revisions for the substantive level, in accordance with the applicable collective agreement or terms and conditions of employment;
 - A.I.9.2.6 When an increment or in-range salary increase to the non-executive's substantive salary occurs, the acting salary is recalculated and any resulting increase is paid to the non-executive; and
 - A.I.9.2.7 A non-executive who is already receiving acting pay in an executive position and who is appointed to a higher acting executive position without first resuming the duties of the substantive position is eligible for acting pay at the higher acting level immediately.
- A.I.9.3 A retroactive revision in remuneration applies to a non-executive who was acting in an executive position during the retroactive period, in accordance with subsection A.I.3.
- A.I.9.4 A non-executive acting in an executive position may become eligible to apply for coverage under the Public Service Management Insurance Plan (PSMIP) during the acting appointment. In that event:
- A.I.9.4.1 The non-executive is responsible for paying the requisite employee share of the insurance premiums and the employer only pays the employer share; and
 - A.I.9.4.2 Eligibility commences on the effective date of the acting appointment, or on the date on which the appointment is authorized, whichever is later.

A.I.10 Performance pay and in-range salary movement

- A.I.10.1 Executives may be eligible for performance pay and in-range salary movement pursuant to Appendix B.

Part II:

Non-salary Elements

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A.II.1 Hours of work

- A.II.1.1 The hours of work for full-time executives are not less than an average of 37.5 hours per week and are established taking into account the need for work-life balance.
- A.II.1.2 An executive is not entitled to payment for overtime.
- A.II.1.3 There is no provision for a compressed workweek for executives or for non-executives acting in executive positions.
- A.II.1.4 Executives who work beyond their normal working hours and through a normal meal period may be reimbursed for meal expenses in accordance with the Travel Directive and Special Travel Authorities.

A.II.2 Statutory holidays

- A.II.2.1 The following days are paid holidays:
 1. New Year's Day
 2. Good Friday
 3. Easter Monday
 4. Victoria Day
 5. Canada Day
 6. Labour Day
 7. Thanksgiving Day
 8. Remembrance Day
 9. Christmas Day
 10. Boxing Day

11. One provincial or civic holiday

A.II.2.2 When a statutory holiday coincides with a day of rest, the holiday is moved to the first scheduled working day following the day of rest.

A.II.2.3 An executive is not paid for a statutory holiday when that executive is:

A.II.2.3.1 On leave without pay on both the working day immediately preceding and the working day immediately following the designated holiday; or

A.II.2.3.2 A part-time employee and the holiday falls on a scheduled day of work.

A.II.3 Personal leave

A.II.3.1 Upon request, on approval of the delegated manager, and subject to operational requirements, executives are entitled to two (2) days of leave with pay for reasons of a personal nature in each fiscal year. This leave may be taken in periods of seven decimal five (7.5) hours or three decimal seven five (3.75) hours each and cannot be carried over to the next fiscal year.

A.II.4 Vacation leave

A.II.4.1 Executives are encouraged to use their vacation leave credits during the fiscal year in which they are earned, subject to the delegated manager's approval and operational requirements.

A.II.4.2 Entitlement

A.II.4.2.1 For each calendar month in which an executive has earned at least ten (10) days' pay, the executive earns:

A.II.4.2.1.1 One and two-thirds ($1 \frac{2}{3}$) days per month (4 weeks per year) of vacation leave credits on appointment to an executive position;

A.II.4.2.1.2 Two and one-twelfth ($2 \frac{1}{12}$) days per month (5 weeks per year) of vacation leave credits beginning the month of the earliest attainment of:

A.II.4.2.1.2.1 10 years of service in an executive position or an excluded LA position that converted to the LC Group on December 9, 2010; and

A.II.4.2.1.2.2 15 years of service of which 5 or more are in an executive position;

A.II.4.2.1.3 For those executives who have not attained five (5) years of service in an executive position:

A.II.4.2.1.3.1 One and five-sixths ($1 \frac{5}{6}$) days per month (4.4 weeks per year) of vacation leave credits, commencing with the month in which the executive's fifteenth (15th) anniversary of service occurs;

A.II.4.2.1.3.2 One and eleven-twelfths ($1 \frac{11}{12}$) days per month (4.6 weeks per year) of vacation leave credits, commencing with the month in which the executive's seventeenth (17th) anniversary of service occurs; and

A.II.4.2.1.3.3 Two and one-twelfth ($2 \frac{1}{12}$) days per month (5 weeks per year) of vacation leave credits, commencing with the month in which the executive's eighteenth (18th) anniversary of service occurs;

A.II.4.2.1.4 Two and one-fourth ($2 \frac{1}{4}$) days per month (5.4 weeks per year) of vacation leave credits, commencing with the month in which the executive's twenty-fifth (25th) anniversary of service occurs; and

A.II.4.2.1.5 Two and one-half ($2 \frac{1}{2}$) days per month (6 weeks per year) of vacation leave credits, commencing with the month in which the executive's twenty-eighth (28th) anniversary of service occurs.

A.II.4.2.2 Exceptions:

A.II.4.2.2.1 Employees who were appointed to an executive position from another group in the core public administration on or after April 1, 2004, and previously earned vacation leave credits greater than one and two-thirds ($1 \frac{2}{3}$) days per month (4 weeks per year) continue to earn vacation leave credits at the rate of entitlement on the day prior to appointment, until they qualify to earn the next level of entitlement under the executive provisions.

A.II.4.2.2.2 Employees appointed to an executive position from outside the core public administration, who are included in the definition of service and who were entitled to vacation leave

credits greater than one and two-thirds (1 2/3) days per month (4 weeks per year) while employed outside the core public administration, are entitled to keep earning their vacation leave credits at the same rate as prior to being appointed to an executive position, provided that the vacation entitlement rate does not exceed two and one-half (2 1/2) days per month (6 weeks per year).

A.II.4.2.2.3 Employees appointed to an executive position from outside the core public administration to whom the definition of service does not apply, who were entitled to vacation leave credits greater than one and two-thirds (1 2/3) days per month (4 weeks per year) while employed outside the core public administration, are eligible, at the discretion of the deputy head, to keep earning their vacation leave credits at the same rate as prior to being appointed to the executive position, provided that:

A.II.4.2.2.3.1 The executive demonstrates that their vacation entitlement was greater than one and two-thirds (1 2/3) days per month (4 weeks per year) while employed outside the core public administration; and

A.II.4.2.2.3.2 The vacation entitlement rate does not exceed two and one-half (2 1/2) days per month (6 weeks per year).

A.II.4.3 Maximum carry-over of vacation leave credits

A.II.4.3.1 The maximum carry-over of vacation leave credits is the greater of the executive's:

A.II.4.3.1.1 Current annual entitlement; or

A.II.4.3.1.2 Accumulated but unused vacation leave credits the executive had on appointment to the executive position if greater than one year's entitlement. In this case, the executive and the delegated manager must make arrangements for the liquidation of the excess vacation leave credits within three years of the appointment to the executive position.

A.II.4.3.2 In exceptional circumstances,

A.II.4.3.2.1 If an executive is not able to take all of their vacation leave in the year it is earned, and

A.II.4.3.2.2 If the executive has already accumulated the maximum vacation leave credits allowed,

A.II.4.3.2.3 With the approval of the delegated manager, the executive may carry over up to one additional year's entitlement of earned but unused vacation leave credits beyond the individual's permitted maximum accumulation. Any vacation leave carried over under this exception must be used within the immediate fiscal year or be subject to mandatory cash-out at the end of the fiscal year.

A.II.4.4 Liquidation of vacation leave credits

A.II.4.4.1 Vacation leave credits over the maximum accumulations are reduced by:

A.II.4.4.1.1 Scheduling leave over a period of time not exceeding three years, and using leave as scheduled;

A.II.4.4.1.2 Mandatory cash-out: On March 31 of each year, any earned but unused leave entitlement over the maximum accumulation will automatically be paid in cash, unless a request for carry-over has been made and approved in accordance with subsection A.II.4.3.2;

A.II.4.4.1.3 Voluntary cash-out: Subject to the delegated manager's approval, an executive may cash out a portion of or all accumulated vacation leave credits at any time;

A.II.4.4.1.4 Both mandatory and voluntary cash-out are based on current base salary (not including performance pay). For mandatory cash-out, the executive's current base salary is what the executive was earning on March 31 of the year in which the leave is being cashed out. For voluntary cash-out, the current base salary is what the executive was earning on the date the request for voluntary cash-out was made; and

A.II.4.4.1.5 Termination of employment: Except as provided under the portability provisions in subsection A.II.4.5 below, earned but unused vacation leave credits are automatically paid in cash on termination of employment in the core public administration.

A.II.4.5 Portability of vacation leave

A.II.4.5.1 Prior accumulated vacation leave credits from employment in organizations under the definition of service are accepted for use in the core public administration.

A.II.4.6 Recovery of salary for advanced leave

A.II.4.6.1 When employment is terminated for any reason other than death or lay-off, salary paid during any unearned vacation leave taken by the executive is subject to recovery.

A.II.4.7 Cancellation of vacation leave or recall from vacation leave

A.II.4.7.1 An executive recalled to duty from vacation leave, or whose vacation leave is cancelled without notice will be reimbursed reasonable expenses incurred by the recall or cancellation subject to the presentation of such documentation as the responsible manager may require.

A.II.5 Sick leave with pay

A.II.5.1 Credits

A.II.5.1.1 An executive earns sick leave credits at the rate of one and one-quarter (1 1/4) days (9.375 hours) for each month the executive receives at least 10 days' pay.

A.II.5.2 Granting of sick leave

A.II.5.2.1 An executive is granted sick leave with pay when unable to perform their duties because of illness or injury, provided that the necessary sick leave credits are available. A medical certificate is required when requested by the delegated manager.

A.II.5.3 Special sick leave (discretionary)

A.II.5.3.1 At the discretion of the deputy head, executives may be granted up to 130 days' sick leave once during the course of their career. This leave:

A.II.5.3.1.1 May be granted to an executive who has insufficient sick leave credits to cover the entire period of an illness;

A.II.5.3.1.2 Is granted after an executive has used all accumulated sick leave credits;

A.II.5.3.1.3 May be granted in several periods as required, depending on the executive's progress towards recovery;

A.II.5.3.1.4 Will not be recovered from future leave credits; and

A.II.5.3.1.5 Requires a medical certificate.

A.II.5.3.2 The deputy head may authorize the use of any balance of the 130 days used previously for a subsequent serious illness.

A.II.5.4 Portability of sick leave credits

A.II.5.4.1 Unused sick leave credits earned in organizations included in the definition of service may be transferred in on appointment to an executive position in the core public administration.

A.II.5.5 Sick leave credits on appointment

A.II.5.5.1 With deputy head approval, executives recruited from organizations other than those included in the definition of service may be credited 25 days of sick leave on appointment to an executive position.

A.II.5.6 Advancing sick leave credits

A.II.5.6.1 When an executive has insufficient or no credits to cover the granting of sick leave, the delegated manager may advance sick leave credits for a period of up to 25 days. Such advanced leave is deducted from any sick leave credits subsequently earned.

A.II.6 Family-related responsibilities

A.II.6.1 Leave with pay (discretionary)

A.II.6.1.1 Subject to approval of the delegated manager, an executive may be granted up to five (5) days' leave with pay during any fiscal year for family-related responsibilities.

A.II.6.2 Maternity leave without pay and allowance (mandatory)

A.II.6.2.1 An executive who becomes pregnant will, at their request, be granted maternity leave without pay for a period beginning before, on or after the date of childbirth, and ending no later than eighteen (18) weeks after the date of childbirth or the expected date of childbirth, provided that the executive has completed six (6) months of continuous employment before the commencement of the executive's maternity leave.

A.II.6.2.2 An executive who has not commenced maternity leave without pay may elect to use their sick leave credits up to and beyond the date that their pregnancy terminates, subject to the provisions set out in subsection A.II.5 on sick leave credits.

A.II.6.2.3 Where the executive's new-born child is hospitalized, and where the executive has proceeded on maternity leave without pay and then returns to work for all or part of the period during which the executive's newborn child is hospitalized, the immediate manager may extend the period of maternity leave without pay beyond the date falling eighteen (18) weeks after the date of termination of pregnancy by a period equal to that portion of the period of the child's hospitalization during which the executive was not on maternity leave, to a maximum of eighteen (18) weeks. The extension will end not later than fifty-two (52) weeks after the termination of pregnancy.

A.II.6.2.4 Maternity allowance payments made according to the Supplemental Unemployment Benefit (SUB) Plan will consist of the following:

A.II.6.2.4.1 Where an executive is subject to a waiting period of one (1) week before receiving Employment Insurance maternity benefits, ninety-three per cent (93%) of their weekly rate of pay for the waiting period, less any other monies earned during this period, at the executive's request, a payment will be estimated and advanced to the executive, and adjustments will be made once the executive provides proof of receipt of Employment Insurance or Quebec Parental Insurance benefits; and

A.II.6.2.4.2 For each week that the executive receives a maternity benefit under Employment Insurance or the Quebec Parental Insurance Plan, the executive is eligible to receive the difference between ninety-three per cent (93%) of their weekly rate and the maternity benefit, less any other monies earned during this period which may result in a decrease in their maternity benefit to which the executive would have been eligible if no extra monies had been earned during this period.

A.II.6.3 Parental leave without pay and allowance (mandatory)

A.II.6.3.1 An executive who becomes a parent through the birth of a child or adoption of a child is granted parental leave without pay for a single period of up to thirty-seven (37) consecutive weeks within the fifty-two

(52) week period beginning on the date of the child's birth, or the date of acceptance of custody of the child for adoption. At the request of the executive and at the discretion of the immediate manager, the leave may be taken in two periods.

A.II.6.3.2 The period of parental leave without pay ends no later than fifty-two (52) weeks after the child is born or the acceptance of custody.

A.II.6.3.3 Where a period of maternity leave without pay has been extended due to the hospitalization of the newborn child and is followed by a period of parental leave without pay, the period of parental leave without pay will end no later than one hundred and four (104) weeks after the day the child is born.

A.II.6.3.4 Parental allowance payments made according to the SUB Plan will consist of the following:

A.II.6.3.4.1 Where an executive is subject to a waiting period of one (1) week before receiving Employment Insurance parental benefits, ninety-three per cent (93%) of their weekly rate of pay for the waiting period, less any other monies earned during this period, at the executive's request, a payment will be estimated and advanced to the executive, and adjustments will be made once the executive provides proof of receipt of Employment Insurance or Quebec Parental Insurance benefits;

A.II.6.3.4.2 For each week the executive receives parental, paternity or adoption benefits under Employment Insurance or the Quebec Parental Insurance Plan, they are eligible to receive the difference between ninety-three per cent (93%) of their weekly rate and the parental, paternity or adoption benefit, less any other monies earned during this period, which may result in a decrease in their parental, paternity or adoption benefit to which the executive would have been eligible if no extra monies had been earned during this period;

A.II.6.3.4.3 Where an executive has received the full eighteen (18) weeks of maternity benefit and the full thirty-two (32) weeks of parental benefit under the Quebec Parental Insurance Plan and thereafter remains on parental leave without pay, the executive is eligible to receive a further parental allowance for a period of two (2) weeks of ninety-three per cent (93%) of

their weekly rate of pay for each week, less any other monies earned during this period;

A.II.6.3.4.4 Where an executive has received the full thirty-five (35) weeks of parental benefit under Employment Insurance and thereafter remains on parental leave without pay, they are eligible to receive a further parental allowance for a period of one (1) week of ninety-three per cent (93%) of their weekly rate of pay for each week, less any other monies earned during this period, unless said executive has already received the one (1) week of allowance under subsection A.II.6.3.4.1 for the same child; and

A.II.6.3.4.5 The maximum combined, shared maternity and parental allowances payable under this directive shall not exceed fifty-two (52) weeks for each combined maternity and parental leave without pay.

A.II.6.4 Maternity and parental allowances (mandatory)

A.II.6.4.1 An executive who has completed at least six (6) months of continuous employment and who requests maternity and/or parental leave will be paid a maternity and/or parental allowance in accordance with the SUB Plan as described in subsections A.II.6.2, A.II.6.3 and A.II.6.4 on the condition that the executive:

A.II.6.4.1.1 Agrees to return to work for a period equal to the period of receipt of maternity and/or parental allowance; and

A.II.6.4.1.2 Provides the immediate manager with proof that they have applied for and are eligible to receive maternity, paternity, parental or adoption benefits under Employment Insurance or the Quebec Parental Insurance Plan.

A.II.6.4.2 If the executive fails to return to work, for reasons other than death, lay-off, or having become disabled as defined in the Public Service Superannuation Act, on a date specified by the immediate manager and for a period of work equivalent to the time for which maternity and/or parental allowances were paid, then all monies received by the executive as maternity and/or parental allowance, equivalent to the period for which the executive fails to return to work, will be recovered.

A.II.6.4.3 However, if an executive is appointed for a specified period of employment and if the period of employment expired while the executive was on maternity or parental leave, the executive who is rehired in any

portion of the core public administration as specified in the Financial Administration Act within a period of ninety (90) days or less is not indebted for the amount if the new period of employment is sufficient to meet the obligations of returning to work for a period equal to the period of receipt of maternity and/or parental allowance.

- A.II.6.4.4 Periods of leave with pay count as time worked to fulfill the obligations of the period equal to the period of receipt of maternity and/or parental allowance. Periods of leave without pay during the employee's return to work will not count as time worked but interrupt the period of obligations to work for a period equal to the period of receipt of maternity and/or parental allowance without activating the recovery provisions.
- A.II.6.4.5 The maternity and/or parental allowance to which an executive is entitled, as specified in subsections A.II.6.2 and A.II.6.3, is limited to that provided under the SUB Plan and an executive will not be reimbursed for any amounts that they are required to repay pursuant to the Employment Insurance Act or the Quebec Parental Insurance Plan.
- A.II.6.4.6 The weekly rate of pay referred to in the SUB Plan is the rate to which the executive is entitled for their substantive level; however, if on the day immediately preceding the commencement of maternity or parental leave without pay an executive has been acting for at least four (4) months, the weekly rate is the rate they were being paid on that day.
- A.II.6.4.7 An executive who fails to satisfy the eligibility requirements under Employment Insurance or the Quebec Parental Insurance Plan, for maternity, paternity, parental or adoption benefits, solely because of a concurrent entitlement to benefits under the long-term disability insurance portion of the Public Service Management Insurance Plan (PSMIP) or the Government Employees Compensation Act, is paid, for each week the executive would have received a maternity or parental allowance had the executive met the eligibility requirements, the difference between ninety-three per cent (93%) of their weekly rate of pay and the gross amount of their weekly disability benefit.
- A.II.6.4.8 Maternity and parental leave without pay counts for the calculation of service for the purpose of calculating severance pay and vacation leave.

A.II.7 Care of family leave (mandatory)

A.II.7.1 Leave without pay

A.II.7.1.1 An executive is entitled to leave without pay for the care of a family member, provided that:

A.II.7.1.1.1 The executive notifies the immediate manager at least four (4) weeks in advance of the commencement date of such leave, unless such notice cannot be given because of an urgent or unforeseeable circumstance;

A.II.7.1.1.2 The leave is for a period of at least three (3) weeks; and

A.II.7.1.1.3 The total leave granted under this clause does not exceed five (5) years during an executive's total period of employment in the core public administration.

A.II.7.2 Counting leave for care of family towards service

A.II.7.2.1 For the purpose of calculating vacation leave entitlement and severance pay, only the first three months of leave for care of family is counted as service.

A.II.8 Court leave (mandatory)

A.II.8.1 Executives are entitled to leave with pay for:

A.II.8.1.1 Jury duty; and

A.II.8.1.2 Appearing before any body authorized by law to compel the attendance of witnesses, when summoned or subpoenaed to do so.

A.II.9 Exceptional leave with pay (discretionary)

A.II.9.1 Executives are eligible for exceptional leave with pay, as the delegated manager considers appropriate, for a period of up to five (5) days in one fiscal year.

A.II.9.2 Under exceptional circumstances, the deputy head may approve exceptional leave with pay for a period exceeding the five (5) days referred to in subsection A.II.9.1. The request for such leave needs to be substantiated.

A.II.9.3 Leave granted as exceptional leave with pay may be carried over into the next fiscal year and is to be used within six months of being granted.

A.II.10 Bereavement leave (mandatory)

A.II.10.1 When a member of an executive's family dies, the executive is entitled to leave with pay of a duration considered appropriate by the delegated manager.

A.II.11 Special leave without pay (discretionary)

A.II.11.1 With deputy head approval, an executive is eligible for leave without pay for any purpose not otherwise specified in this directive. Examples where such leave might be granted include assignments with an international organization or to accept an appointment in a Minister's office.

A.II.11.2 Counting special leave without pay towards service

A.II.11.2.1 For the purpose of calculating vacation leave entitlement and severance pay:

A.II.11.2.1.1 If the leave is primarily in the interest of the employee, only the first three months of special leave without pay is counted as service; and

A.II.11.2.1.2 If the leave is primarily in the interest of the department, the whole duration of the special leave without pay is counted as service.

A.II.12 Professional development leave without pay (discretionary)

A.II.12.1 The deputy head may approve professional development leave without pay for a period of up to one year to pursue learning activities. This period may be renewed by mutual agreement.

A.II.12.2 An executive on professional development leave without pay is eligible for an allowance in lieu of salary. This allowance is normally up to fifty per cent (50%) of the executive's base salary. In exceptional circumstances, and depending on the degree to which the professional development leave is deemed to be directly relevant to organizational requirements, the allowance may be greater than fifty per cent (50%) and up to one hundred per cent (100%) of the executive's base salary. At the discretion of the deputy head, tuition fees and course material may also be partially or fully reimbursed.

A.II.12.3 Professional development leave without pay with an allowance in lieu of salary cannot exceed 24 months in an executive's career.

A.II.12.4 Professional development leave for executives may be authorized if the executive:

A.II.12.4.1 Is a full-time indeterminate executive;

A.II.12.4.2 Has at least five years of experience in executive positions;

A.II.12.4.3 Has met achieved results and demonstrated the key leadership competencies in the two years prior to requesting professional development leave;

A.II.12.4.4 Demonstrates the value of the learning project; and

A.II.12.4.5 In the case of professional development leave with an allowance in lieu of salary, gives a written undertaking prior to the commencement of the leave to return to the service of the department granting the leave or an organization in the core public administration for a period of not less than 1.5 times the amount of leave granted.

A.II.12.5 If the executive fails to complete the learning activity successfully, or does not resume employment as stipulated in subsection A.II.12.4 above, except by reason of death or lay-off, the executive will repay all allowances paid to them during the professional development leave or such lesser sum determined by the deputy head.

A.II.12.6 Counting professional development leave without pay towards service

A.II.12.6.1 For the purpose of calculating vacation leave entitlement and severance pay:

A.II.12.6.1.1 If the leave is primarily in the interest of the employee, only the first three months of special leave without pay is counted as service; and

A.II.12.6.1.2 If the leave is primarily in the interest of the department, the whole duration of the special leave without pay is counted as service.

A.II.13 Relocation of spouse or common-law partner leave (mandatory)

A.II.13.1 At the executive's request, the delegated manager approves leave without pay of up to one year if the executive's spouse or common-law partner is permanently relocated, and up to five years if the spouse or common-law partner is temporarily relocated.

A.II.13.2 For the purpose of calculating vacation leave entitlement and severance pay, only the first three months of such leave count.

A.II.14 Agreement to being deployed

- A.II.14.1 Employees agree to being deployed as a condition of employment upon appointment (with the exception of acting appointments) or deployment to any position in the EX Group.
- A.II.14.2 Pursuant to subsection 1.5 of this directive, executives whose substantive position is at the EX-01, EX-02 or EX-03 level on April 1, 2020, are not subject to subsection 14.1 until they are deployed or appointed (with the exception of acting appointments) to another Executive Group position, or until April 1, 2022, whichever comes first.
- A.II.14.3 Employees whose substantive position is at the EX-04 or EX-05 level agree to being deployed as a condition of employment. This condition of employment existed under the Directive on Executive Compensation (2007), which was rescinded with the coming into force of the Directive on Terms and Conditions of Employment for Executives.

A.II.15 Severance benefits

A.II.15.1 Entitlement

- A.II.15.1.1 Indeterminate executives and executives appointed for a specified period are entitled to receive severance pay when they cease to be employed by reason of lay-off, death, termination of employment during probation, or termination for cause for reasons of incapacity or incompetence.
- A.II.15.1.2 Executives earn one (1) week's pay for each year of service to a maximum entitlement of twenty-eight (28) weeks.
- A.II.15.1.2.1 In the case of a partial year of service, the payment is one (1) week's pay multiplied by the number of days of service divided by three hundred and sixty-five (365) to a maximum of twenty-eight (28) weeks.
- A.II.15.1.2.2 In the case of part-time executives, periods of part-time service are converted to their full-time equivalent to determine the number of years of service.
- A.II.15.1.2.3 In cases where executives cease to be employed by termination of employment for reasons of incompetence, the executive must have completed more than ten (10) full years of service to receive one (1) week's pay for each complete year of service, to a maximum of twenty-eight (28) weeks.

A.II.15.1.2.4 The maximum entitlement of twenty-eight (28) weeks' pay is reduced by the number of weeks of severance pay, retiring leave, or cash gratuity in lieu of retiring leave previously paid out.

A.II.15.2 Voluntary separation from the core public administration

A.II.15.2.1 An executive who resigns or retires from the core public administration shall be paid for all severance benefits the executive accumulated before October 1, 2011, unless these amounts were previously paid out.

A.II.16 Additional benefits

A.II.16.1 Executives may be entitled to other benefits for which the employer is responsible.

Part III: Elements of Compensation for Executives Employed as Casual Workers

Contents

- A.III.1 Notes
- A.III.2 Statutory holidays
- A.III.3 Vacation leave
- A.III.4 Sick leave
- A.III.5 Court leave
- A.III.6 Bereavement leave
- A.III.7 Non-applicable elements

A.III.1 Notes

- A.III.1.1 Part-time executives are entitled to the elements of this part. Elements are pro-rated against 37.5 hours.
- A.III.1.2 Executives acting in non-executive positions are not entitled to the elements of this part.

A.III.2 Statutory holidays

- A.III.2.1 A full-time executive employed as a casual worker is entitled to be paid for a statutory holiday provided they are not on leave without pay the working day preceding and the working day following that holiday.

- A.III.2.2 A part-time executive employed as a casual worker is paid a premium of four point two five per cent (4.25%) of all hours worked in lieu of statutory holidays.

A.III.3 Vacation leave

- A.III.3.1 An executive employed as a casual worker is not entitled to vacation leave with pay. An amount of four per cent (4%) of salary is payable when the executive ceases to be employed as a casual worker.

A.III.4 Sick leave

- A.III.4.1 An executive employed as a casual worker earns sick leave credits at the rate of one and one-quarter (1 1/4) days for each month the executive employed as a casual worker receives at least ten (10) days' pay. However, the executive employed as a casual worker is not entitled to use these earned sick leave credits while employed as a casual worker. Should the executive employed as a casual worker become an employee of the core public administration, the executive may carry forward the sick leave credits earned while employed as a casual worker.

A.III.5 Court leave

- A.III.5.1 An executive employed as a casual worker is granted leave with pay for:
- A.III.5.1.1 Jury duty; and
 - A.III.5.1.2 Appearing before any body authorized by law to compel the attendance of witnesses, when summoned or subpoenaed to do so.

A.III.6 Bereavement leave

- A.III.6.1 When a member of the family of an executive employed as a casual worker dies, the executive employed as a casual worker is entitled to bereavement leave for a period considered appropriate by the delegated manager. Such leave is without pay in the first three months of continuous employment and with pay after the executive employed as a casual worker has completed three months of continuous employment.

A.III.7 Non-applicable elements

- A.III.7.1 The following elements of executive compensation that apply to executives covered under Appendix A, Part II, do not apply to executives employed as casual workers:
- o A.II.3 Personal leave

- A.II.6 Family-related responsibilities leave
- A.II.7 Care of family leave
- A.II.9 Exceptional leave with pay
- A.II.11 Special leave without pay (discretionary)
- A.II.12 Professional development leave without pay (discretionary)
- A.II.13 Relocation of spouse or common-law partner leave (mandatory)
- A.II.15 Severance benefits

A.III.7.2 Executives employed as casual workers or on a term basis are not subject to Appendix B.

Appendix B: Performance Pay and In-Range Salary Movement

B.1 Context

- B.1.1 Performance assessment determines executives' access to performance pay and in-range salary movement. Information on performance assessments may be found in the Directive on the Performance and Talent Management for Executives.
- B.1.2 Performance pay and in-range salary movement cannot be authorized in the absence of a completed performance assessment.
- B.1.3 Performance pay and in-range salary movement are paid in respect of the previous performance review period.

B.2 Budgets

- B.2.1 Departmental reference levels are established to include an amount for in-range salary movement. In addition, the reference levels include a budget for performance pay as a percentage of the March 31 payroll for executives, as published from time to time by the Office of the Chief Human Resources Officer (OCHRO).
- B.2.2 The budget for performance pay cannot be exceeded except in exceptional circumstances, such as where an outstanding result or outcome achieved by the organization warrants a larger expenditure, and when the excess may be found from existing reference levels. When these exceptional circumstances indicate a need to exceed the budget, the reason is to be substantiated in the letter of attestation signed by the deputy head.

B.3 Eligibility for performance pay and in-range salary movement

- B.3.1 To be eligible for performance pay and in-range salary movement, executives and non-executives appointed to executive positions must:
 - B.3.1.1 Have a completed performance assessment as prescribed in the Directive on Performance and Talent Management for Executives; and
 - B.3.1.2 Have worked in a position subject to the Directive on Performance and Talent Management for Executives for a period of three (3) consecutive months.

B.4 In-range salary movement

- B.4.1 Progress of an executive's salary within the salary range established for the position, up to the maximum, is affected by the extent to which results were achieved as well as how the key leadership competencies and values and ethics were demonstrated.
- B.4.2 Normal progression through the salary range would be five per cent (5%) per year, so that a salary that begins at the bottom of the range would reach the top of the range within three (3) years. In-range salary movement that exceeds five per cent (5%) per year may be warranted when the executive's performance has exceeded expectations.
- B.4.3 An executive who has received an assessment of Level 0 ("unable to assess") or Level 1 ("did not meet") in relation to commitments is not eligible for in-range salary movement.
- B.4.4 In-range salary movement cannot result in either a salary in excess of the salary range maximum or a lump sum payment.

B.5 Performance pay: at risk and bonus

- B.5.1 In addition to the base salary, executives may earn performance pay each year. Performance pay comprises two components, at-risk and bonus, which must be re-earned each year, based on the eligibility requirements prescribed in section B.3, and the requirements prescribed in this section. The amount of the performance pay depends on the extent to which results were achieved, as well as how the key leadership competencies and values and ethics were demonstrated.
- B.5.2 An executive who has received in-range salary movement is also eligible for performance pay. Executive salaries need not be at the salary range maximum in order for executives to receive performance pay.

- B.5.3 A prerequisite for access to performance pay is that the executive received at least a “succeeded minus” performance rating (Level 2 and up). No performance pay may be provided when the executive received a performance rating of “unable to assess” or “did not meet” (Level 0 or 1).
- B.5.4 Performance pay, from zero up to the maximum, may be provided when an executive’s performance is at least “succeeded minus” (Level 2 or higher). If deemed appropriate, departments may provide no performance pay for any rating level.
- B.5.5 Bonus is provided only to executives who have received a performance rating of “surpassed” (Level 5).
- B.5.6 The individual maximum performance pay percentages as established by OCHRO cannot be exceeded.

B.6 Rounding

- B.6.1 In-range increases to base salary are rounded to the nearest one hundred dollars (\$100). Amounts ending in fifty dollars (\$50) are rounded up.
- B.6.2 Performance pay for the achievement of commitments are rounded to the nearest dollar (\$1).

B.7 Requirements for the administration of performance pay and in-range salary movement for executives acting in higher-level executive positions

- B.7.1 In-range salary movement for the achievement of commitments when receiving acting pay:
 - B.7.1.1 If the executive received at least a “succeeded minus” performance rating (Level 2 or better), the executive is eligible for in-range salary movement when receiving acting pay.
 - B.7.1.2 If the salary for the executive’s substantive position is below the range maximum for the executive’s substantive position, the executive’s substantive position salary is increased by the percentage awarded, and a new acting salary is calculated based on the new substantive position salary.
 - B.7.1.3 If the executive’s substantive position salary is at its own salary range maximum, or if the recalculation of the substantive position salary in subsection B.7.1.2 does not result in a revised acting salary, the

percentage awarded for the achievement of commitments should be based on and applied to the acting salary to determine the new acting salary.

B.7.2 Performance pay when receiving acting pay:

- B.7.2.1** If the performance rating for the executive is at least “succeeded minus” (Level 2 or better), the executive is eligible for performance pay while receiving acting pay.
- B.7.2.2** Performance pay is based on the executive’s acting position salary, prior to the application of any increase to the substantive position base salary.

B.8 Administration of performance pay and in-range salary movement for executives in special circumstances

B.8.1 Retirement or death

- B.8.1.1** Performance pay and in-range salary movement may be given, provided that the executive meets the eligibility requirements under section B.3, and is pro-rated according to time spent performing the duties of the executive position.
- B.8.1.2** If an executive dies during the performance review period and was eligible for performance pay and in-range salary movement, they are to be paid to the executive’s named beneficiary or estate.

B.8.2 Language training

- B.8.2.1** An executive on full-time language training for nine months or more of the performance review period receives a Level 3 (“succeeded”) performance rating for diligent participation, is eligible for in-range salary movement, but is not eligible for performance pay.
- B.8.2.2** An executive on full-time language training for less than three consecutive months during the performance review period may be eligible for in-range salary movement and performance pay for the entire performance review period, provided the executive has met the requirements under section B.3.
- B.8.2.3** An executive on full-time language training for at least three consecutive months and no more than nine consecutive months during the performance review period may be eligible for:

- B.8.2.3.1 In-range salary movement, taking into account the executive's performance while on language training (i.e. receives a Level 3 performance rating for diligent participation) and while working in the position (i.e. meets the requirements under section B.3).
 - B.8.2.3.2 Performance pay prorated based on the time spent performing the duties of the position, provided the executive has met the requirements under section B.3. For greater certainty, an executive on full-time language training for three consecutive months or more during the performance review period is not eligible for performance pay for the time spent on full-time language training.
- B.8.3 Executives on Interchange Canada assignment to organizations outside the core public administration are eligible for performance pay and in-range salary movement.
- B.8.4 Executives on Interchange Canada assignment from outside the core public administration are not eligible for performance pay. Their compensation, performance pay and in-range salary movement, if any, are determined by their home organizations.
- B.8.5 Executives on leave with or without pay for the entire performance review period are not entitled to in-range salary movement or performance pay.
- B.8.6 Leave with or without pay for part of the performance review period
 - B.8.6.1 An executive who was on leave with or without pay for less than three (3) consecutive months during the performance review period is eligible for performance pay and in-range salary movement, provided that the executive has met the requirements under section B.3.
 - B.8.6.2 An executive who was on leave with or without pay for three consecutive months or more during the performance review period may be eligible for performance pay and in-range salary movement for the period of time worked, provided the executive has met the requirements under section B.3. Performance pay and in-range salary movement are pro-rated so that the leave period is not counted because the executive did not perform the duties of the position while on leave.
- B.8.7 Salary maintenance status
 - B.8.7.1 Surplus executives who are on salary maintenance after being appointed to an executive position with a lower maximum salary than the salary

they were receiving in their previous position, and no-nexecutives appointed to an executive position with a maximum salary lower than the salary they were receiving in their previous position:

B.8.7.1.1 Require performance agreements;

B.8.7.1.2 Are not eligible to receive in-range salary movement; and

B.8.7.1.3 Are eligible to receive performance pay, provided they have met the requirements under section B.3. Performance pay is calculated as a percentage of the salary maximum of the new position.

B.8.7.2 When the executive's salary falls within the salary range of the new position and salary maintenance ends, in-range salary movement and performance pay may be awarded and will be paid as a percentage of the executive's salary and not the salary maximum of the new position.

B.8.7.3 Executives on salary maintenance after having been declared surplus under the reasons listed in Appendix E and who are subsequently appointed to a lower-level non-executive position while their salary is above the salary maximum of this lower-level position are not subject to the Directive on Performance and Talent Management for Executives.

B.8.8 Salary protection status

B.8.8.1 Executives in salary protection status need a completed performance assessment as prescribed in the Directive on Performance and Talent Management for Executives.

B.8.8.2 A salary-protected executive is eligible for in-range salary movement.

B.8.8.3 An executive who is salary-protected in a non-executive position is not eligible to receive performance pay.

B.8.8.4 An executive who is salary-protected in an executive position is eligible to receive performance pay. This award will be calculated as the lower of:

B.8.8.4.1 A percentage of the salary range maximum applicable to the level of the position occupied; or

B.8.8.4.2 A percentage of the protected salary.

B.8.9 Executives on secondment within the core public administration are eligible for performance pay and in-range salary movement, provided they have met the

requirements under section B.3.

- B.8.10 Executives on special deployments are eligible for performance pay and in-range salary movement, provided they have met the requirements under section B.3.
- B.8.11 At the deputy head's approval, executives who are declared surplus and who leave the core public administration may be eligible for performance pay, provided they have met the requirements under section B.3. Performance pay is pro-rated according to the amount of time on the job.
- B.8.12 Executives appointed for a specified period are eligible for performance pay and in-range salary movement, provided they have met the requirements under section B.3.
- B.8.13 Promotion or reclassification during the performance review period
 - B.8.13.1 Promotion
 - B.8.13.1.1 In cases where an executive is promoted to a new executive position part way through the performance review period, their performance in the former position is considered for the purposes of in-range salary movement and performance pay in the new position.
 - B.8.13.2 Reclassification
 - B.8.13.2.1 In cases where an executive has been appointed to their reclassified executive position (at either a higher or lower level) during the performance review period, performance at both levels is considered for the purposes of in-range salary movement and performance pay at the end of the performance review period.
 - B.8.13.2.2 When the effective date is determined to have occurred prior to the start of the performance review period, departments may provide retroactive in-range salary movement and performance pay for a maximum of one year, provided there was a completed performance assessment as prescribed in the Directive on Performance and Talent Management for Executives.
 - B.8.13.2.3 Where the executive had a performance agreement (while in a position not subject to the Directive on Performance and Talent Management for Executives), an evaluation is made to determine whether commitments may be identified that reflect

the reclassified executive position. On the basis of achievement of results and demonstration of the key leadership competencies, both in-range salary movement and performance pay may be provided.

B.8.13.2.4 The source of funds for retroactive performance pay and in-range salary movement is the departmental reference levels.

B.8.14 Indeterminate part-time executives are eligible for performance pay and in-range salary movement, provided they have met the requirements under section B.3.

B.8.14.1 Performance pay and in-range salary movement are pro-rated according to the amount of time on the job.

Appendix C: Special Deployments for the EX Group

C.1 Context

C.1.1 The intent of a special deployment is to provide deputy heads with the flexibility to accommodate temporary operational requirements by quickly transferring executives to perform duties that have not been classified or that have been classified at a level lower than their substantive level for a temporary period of time while paying them at their substantive salary.

C.2 Agreement to special deployment

C.2.1 The executive's agreement to the special deployment is not required if the executive has agreed to being deployed as a condition of employment in their current position, in accordance with this directive.

C.3 Special deployment situations

C.3.1 Special deployments may be used to transfer executives to meet the following specific temporary operational requirements:

C.3.1.1 To conduct or participate in a specific temporary project not forming part of the usual and continuing functions of the department;

C.3.1.2 To increase the knowledge and skill of executives for the future advantage of both the executive and the core public administration;

C.3.1.3 To facilitate the sharing of program context, history and guidance; or

- C.3.1.4 To permit executives who are approaching retirement to apply their knowledge of the department's objectives, programs and procedures in a managerial or advisory role and to share their knowledge and experience to assist new executives or their replacement.

C.4 Special deployment duration

- C.4.1 A special deployment is initially for a period of up to two years. In exceptional cases, deputy heads may extend the special deployment up to one additional year for a maximum of three years in total.
- C.4.2 While a special deployment may be modified, its total duration must not exceed the maximum duration under subsection C.4.1

C.5 Conclusion of special deployment

- C.5.1 Except in cases of pre-retirement, a special deployment may not terminate the executive's employment. Due to the temporary nature of special deployments, the intent (except in the cases of pre-retirement) is that the executive's employment will continue.
- C.5.2 The executive's indeterminate status is protected during the period of time they are on special deployment. Departments may not declare the employee surplus at the end of the special deployment.

C.6 Use of assistant deputy head (ADM) titles

- C.6.1 Normally, ADM or other assistant deputy head titles are used only for classified positions in accordance with the Directive on Executive (EX) Group Organization and Classification. However, if an executive who is already an ADM by virtue of having been appointed to an EX-04 or EX-05 ADM or other assistant deputy head position is placed on a special deployment, the ADM title may continue to be used.

C.7 Language requirements

- C.7.1 All special deployments must be made in accordance with the Treasury Board Directive on Official Languages for People Management and the Official Languages Act.

C.8 Monitoring and reporting

- C.8.1 Departments establish individual records for each special deployment and provide these records to the Office of the Chief Human Resources Officer upon request. The records must include the following information:
 - C.8.1.1 Identification of the executive, including their substantive level;
 - C.8.1.2 The reason for the special deployment;
 - C.8.1.3 The start and end date of the special deployment and any extensions; and
 - C.8.1.4 Evidence that the executive was appointed or deployed to a classified position at the end of the deployment, or retired.

Appendix D: Standard on Special Deployment Letters of Offer

D.1 Effective date

- D.1.1 This standard takes effect on [month day, year].
- D.1.2 This standard replaces parts of the Directive on Executive Compensation, dated July 16, 2007.

D.2 Standards

- D.2.1 This standard provides details on the requirements set out in section 4 of the Directive on the Terms and Conditions of Employment for Executives.
- D.2.2 Standards are as follows:
 - D.2.2.1 The department provides the employee with a letter of offer detailing:
 - D.2.2.1.1 The work requirements, location, duration and conditions of the special deployment;
 - D.2.2.1.2 That the executive's indeterminate status will be protected for the duration of the special deployment;
 - D.2.2.1.3 The department's commitment to deploy or appoint the executive to another position at the executive's group and level at the end of the special deployment, except where the executive is to retire;

D.2.2.1.4 The executive's agreement to being deployed or appointed to a classified position at their substantive group and level at the end of the special deployment if that option is presented; and

D.2.2.1.5 The executive's eligibility for performance pay and in-range salary movement under Appendix B, section 3.

D.2.2.2 An executive who accepts a pre-retirement special deployment must submit, with the signed letter of offer, a signed letter of resignation effective immediately after the special deployment.

Appendix E: Career Transition for Executives

E.1 Context

- E.1.1 This appendix describes the available options, as well as actions that departments and executives take, to facilitate the career transition of an executive in situations of lack of work, discontinuance of a function, or the transfer of work or a function outside those portions of the federal public administration named in Schedule I, IV or V to the Financial Administration Act.
- E.1.2 This appendix is not to be used in situations of demotion and/or termination of employment for unsatisfactory performance, discipline, or demotion and/or termination of employment for reasons other than discipline (for example, medical incapacity).
- E.1.3 This appendix is not to be used in situations where an executive voluntarily ceases their employment by reason of resignation or planned retirement.
- E.1.4 All career transition agreements must be developed in accordance with the Standard on Career Transition Agreements.
- E.1.5 Executives must be notified in writing when their executive position will be declared surplus consistent with the Mandatory Procedures for Notifying Executives in a Career Transition Situation.

E.2 Options for executives in surplus situations

- E.2.1 When an executive position has been declared surplus, an executive has two options:
 - E.2.1.1 Option 1: leave the core public administration and seek employment elsewhere; or

- E.2.1.2 Option 2: seek continuing employment in the core public administration.
- E.2.2 Option 1: leave the core public administration and seek employment elsewhere
 - E.2.2.1 The head of human resources develops a career transition agreement in accordance with Appendix G of this directive and in consultation with the Office of the Chief Human Resources Officer.
 - E.2.2.2 The deputy head must negotiate the date of departure with the executive. The departure date should normally accommodate departmental operational requirements. A period of one (1) month is recommended as a minimum.
 - E.2.2.3 A bridging agreement to accommodate additional service or to facilitate permanent employment outside the core public administration may be negotiated as follows:
 - E.2.2.3.1 A period of leave without pay can be authorized to allow an executive who does not meet the age and service criteria under the Public Service Superannuation Act to accumulate additional service for pension qualification. An executive can only contribute to the pension plan for a total of five (5) years in a career, while on leave without pay for personal reasons.
 - E.2.2.3.2 An assignment to another employment sector is made in accordance with the Directive on Interchange Canada and authorized by the deputy head.
 - E.2.2.3.2.1 Prior to the commencement of the Interchange Canada assignment, surplus executives must agree, in writing, to resign as of the lay-off date of their core public administration employment and will be eligible only for their severance entitlement and payout of unused accumulated vacation leave credits. They will not be eligible for any of the cash or non-cash elements that could be provided as part of a career transition agreement.
 - E.2.2.3.2.2 Executives laid off while on Interchange Canada assignments are not eligible for priority entitlements for reintegration into the core public administration.

E.2.2.3.2.3 Executives laid off while on Interchange Canada assignments may be eligible, at the deputy head's discretion, for performance pay during their last year of employment as prescribed in Appendix B.

E.2.2.3.3 Executives on leave without pay (LWOP):

E.2.2.3.3.1 Must inform the deputy head in writing that they will not seek further core public administration employment upon return from LWOP;

E.2.2.3.3.2 Who choose this option are eligible for a career transition agreement developed in accordance with Appendix G, with the exception that they are not eligible to negotiate a lump sum payment in lieu of a notice period;

E.2.2.3.3.3 Are not eligible for this lump sum since they are not drawing a salary. It is an inappropriate use of this appendix to terminate the leave of executives and reappoint them expressly for the purpose of providing this lump sum payment in lieu of the notice period;

E.2.2.3.3.4 Resign and waive priority rights, if any; and

E.2.2.3.3.5 Are eligible to receive any earned severance entitlements and a cash payout of any accumulated but unused vacation leave credits.

E.2.3 Option 2: seek continuing employment in the core public administration

E.2.3.1 The deputy head declares the executive surplus and gives the executive formal written notice in accordance with the Mandatory Procedures for Notifying Executives in a Career Transition Situation.

E.2.3.2 The head of human resources must notify the Public Service Commission of Canada (PSC) of the executive's surplus status as soon as practicable.

E.2.3.3 If the executive accepts an appointment to a position with a lower maximum salary, they will become subject to salary maintenance and other compensation treatments as outlined in Appendix A, Part I.

- E.2.3.4 If the executive changes their decision and decides to leave the core public administration during the surplus period, the deputy head can negotiate a career transition agreement, taking into account the time already spent in surplus status. In such cases, the executive must resign (is not laid off) and is not entitled to one year of priority for appointment.
- E.2.3.5 Executives who wish to continue their core public administration employment but are unsuccessful at finding a new position are laid off on the date of lay-off indicated in the notification letter.
- E.2.3.6 Laid-off executives are eligible to receive only their severance entitlement and a cash payoff of any accumulated but unused vacation leave credits. They may also be eligible for performance pay, provided they have met the requirements under Appendix B, section 3.
- E.2.3.7 Executives who are laid off may have one year of priority entitlement for reintegration to the core public administration in accordance with the Public Service Employment Act.
- E.2.3.8 Executives on leave without pay (LWOP):
- E.2.3.8.1 Inform the deputy head in writing that they will seek further core public administration employment upon returning from LWOP.
 - E.2.3.8.2 If there is an entitlement to a priority, the head of human resources notifies the PSC of the executive's status as a surplus priority as soon as practicable.
 - E.2.3.8.3 The PSC administers the matching and referral of priority executives to positions for which the executive may be qualified. The PSC and the head of human resources try to place the executive.
 - E.2.3.8.4 If unsuccessful in finding further employment after a one-year period, commencing on the date the executive returns from leave without pay and notifies the department that they are available for work, the executive will be laid off and will be eligible to receive only their earned severance entitlement and a cash payout of any accumulated but unused vacation leave credits.
 - E.2.3.8.5 Executives who are laid off may have one year of priority entitlement for reintegration to the core public administration in accordance with the Public Service Employment Act.

E.2.3.8.6 Note regarding executives on short-term leave:

E.2.3.8.6.1 It may be appropriate to provide pay in lieu of a notice period to an executive who becomes surplus at the end of the period of unpaid leave when the executive has departed on LWOP with a guarantee of return to the same position (for example, on return from maternity leave, or when the approved period of leave is short and the executive's position was not staffed).

E.2.3.8.7 Note regarding executives on LWOP to work for international organizations:

E.2.3.8.7.1 Executives who accept assignments to further Canada's foreign policy objectives and/or to represent Canada at international organizations should be assured of support for reintegration to the core public administration upon their return to Canada. Good human resources planning should ensure reintegration of these executives at the end of such periods of LWOP.

E.2.3.8.7.2 If the procedure described under subsection E.2.3.9.7.1 is impossible, the deputy head may offer the executive a lump sum in lieu of the formal notice period to a maximum of twenty-six (26) weeks upon the executive's return to Canada in return for their resignation from the core public administration. This lump sum may be given only where there was a formal written agreement documenting the purpose of the leave and management's endorsement of the international assignment.

E.2.3.8.7.3 When an executive who is on LWOP to work with an international organization becomes surplus and voluntarily decides not to return to a position within the core public administration at the end of the period of approved leave but to remain with that organization permanently, the executive will not be eligible for any period of paid notice or pay in lieu of notice at the end of the period of approved leave. Under these

circumstances, the employee would resign in accordance with the Public Service Employment Act, section 63, and the normal entitlements applicable to a voluntary resignation apply.

- E.2.3.8.7.4 Executives who wish to return to Canada and seek further employment in the core public administration are treated in accordance with Option 2.

Appendix F: Mandatory Procedures for Notifying Executives in a Career Transition Situation

F.1 Effective date

- F.1.1 These procedures take effect on [month] [day], [year].
- F.1.2 These procedures replace section 1 of Appendix B of the Directive on Career Transition, dated July 16, 2007.

F.2 Procedures

- F.2.1 These procedures provide details on the requirements set out in subsections E.1.5 and E.2.3.1.
- F.2.2 Mandatory procedures are as follows:
 - F.2.2.1 The deputy head must notify the executive in writing that their position has been declared surplus;
 - F.2.2.2 The letter of notification must make the executive aware of:
 - F.2.2.2.1 The dates of the beginning and end of the surplus period;
 - F.2.2.2.2 The Directive on Terms and Conditions of Employment for Executives and the options available to executives as described in Appendix E;
 - F.2.2.2.3 The cash and non-cash elements that can be offered to assist in transitioning to employment inside or outside the core public administration; and
 - F.2.2.2.4 The time frame the executive has to respond back to the department with their choice of option.

- F.2.2.3 The executive must be given sufficient time to consider their personal circumstances and to seek the information required to make a decision (financial and/or pension considerations, employment prospects, etc.) with respect to the options described in Appendix E.
- F.2.2.4 Executives on leave without pay (LWOP) must also be notified in writing if their position is declared surplus during their period of LWOP. Procedures for executives whose position is declared surplus while they are on LWOP are described in Appendix E.

Appendix G: Standard on Career Transition Agreements

G.1 Effective date

- G.1.1 This standard takes effect on [month] [day], [year].
- G.1.2 This standard replaces Appendix C of the Directive on Career Transition, dated July 16, 2007.

G.2 Standards

- G.2.1 This standard provides details on the requirements set out in subsection 4.1.2.2 of the Directive on Terms and Conditions of Employment for Executives.
- G.2.2 Standards are as follows:
 - G.2.2.1 Career transition agreements are to be negotiated only in the following situations:
 - G.2.2.1.1 For executives who have chosen to leave the core public administration after their position has been declared surplus due to lack of work or discontinuance of a function; or
 - G.2.2.1.2 For executives who are included in the transfer of work or a function outside those portions of the federal public administration named in Schedule I, IV or V to the Financial Administration Act.
 - G.2.2.2 There are two potential settlement packages:
 - G.2.2.2.1 Cash and non-cash settlements for those who will be seeking employment outside the core public administration; or

G.2.2.2.2 Cash-only settlements for those who will not be seeking employment outside the core public administration.

G.2.2.3 Career transition agreements are not to be negotiated in the following situations:

G.2.2.3.1 Demotion or termination of employment for unsatisfactory performance or discipline, or for demotion and or termination of employment for reasons other than discipline (for example, owing to illness, accident or disability);

G.2.2.3.2 Where an executive voluntarily ceases their employment by reason of resignation (other than for reasons described in the subsection G.2.2.3.1) or planned retirement; or

G.2.2.3.3 Where executives cease their employment while on or at the conclusion of special deployments.

G.2.2.4 Cash and non-cash settlements (for those interested in seeking further employment outside of the core public administration) are to be developed using any or all of the elements listed below:

Element number	Description of element	Considerations
1.	<p>A lump sum payment normally between twenty-six (26) and thirty-two (32) weeks of the executive's weekly rate of pay.</p> <p>The deputy head can authorize a lump sum payment to a maximum of fifty-two (52) weeks of the executive's weekly rate of pay.</p> <p>In exceptional circumstances, a lump sum payment exceeding fifty-two (52) weeks of weekly pay can be offered to executives being laid off.</p>	<p>This is a payment in lieu of the executive continuing to work during a formal notice period. The following can be considered when determining the lump sum:</p> <ul style="list-style-type: none">▪ personal or family circumstances;▪ age;▪ experience;▪ length of service;▪ eligibility for an unreduced pension entitlement; and▪ outside employment prospects.

Element number	Description of element	Considerations
2.	<p>A lump sum payment in lieu of lost benefits of up to 10 per cent (10%) of annual salary to enable the executive to purchase comparable private insurance coverage for medical and dental expenses.</p>	<p>Determined based on the executive's individual circumstances.</p> <p>An executive who will be opting for an immediate annuity upon resignation and is therefore eligible for continuation of coverage under the retiree's medical and dental plans should receive a lesser benefit than an executive who does not have this option.</p>
3.	<p>A lump sum payment of up to thirty per cent (30%) of annual salary to offset pension reduction.</p>	<p>Available only to executives who are eligible for an annual allowance under the Public Service Superannuation Act (PSSA) and not eligible for a pension waiver under the PSSA.</p> <p>Departments should take into consideration the size of the pension reductions. An executive who would be subject to a reduction of five per cent (5%) should not receive a thirty per cent (30%) lump sum payment, whereas an executive subject to a greater reduction might receive a larger benefit.</p>

Element number	Description of element	Considerations
4.	A lump sum payment of up to fifteen per cent (15%) of the executive's annual salary.	<p>This amount is available when the executive foregoes financial counselling, job search benefits, outplacement counselling, training, travel, relocation benefits and all other non-cash elements.</p> <p>This amount cannot be provided in combination with a lump sum payment in lieu of lost benefits or a waiver of actuarial pension reductions.</p>
5.	A waiver of actuarial pension reductions due to age and service.	<p>Available only to executives who may be eligible for pension waivers under the PSSA and who meet the Treasury Board additional requirements for pension waivers.</p> <p>Service under pension transfer agreements or periods of prior service other than public service that the executive is buying back are not to be included in the determination of eligibility based on service.</p>

Element number	Description of element	Considerations
6.	<p>Outplacement counselling for executives seeking further employment outside the core public administration is not to exceed twenty per cent (20%) of the executive's salary. This 20% includes a training benefit up to \$7,000 to upgrade skills to enhance placement opportunities.</p>	<p>The executive should be involved in selection of the firm.</p> <p>The contract is to be between the department and the firm and is to be in accordance with Contracting Policy.</p>
7.	<p>Financial counselling to review the potential tax implications of any settlement amounts.</p>	<p>This is for the purpose of personal tax planning concerning the disposition of the settlement, not to provide extensive long-term investment and estate planning counselling.</p> <p>The executive should be involved in selection of the firm.</p> <p>The contract is to be between the department and the firm and is to be in accordance with Contracting Policy.</p>

Element number	Description of element	Considerations
8.	Reasonable travel expenses within the provisions of the National Joint Council (NJC) Travel Directive.	<p>May be negotiated under the following conditions:</p> <ul style="list-style-type: none"> ▪ Travel is pre-authorized and within agreed-to time limits; ▪ Travel is for interviews with non-core public administration employers who will not pay travel expense; and ▪ Travel is incurred within one year of the termination date.
9.	Reasonable receipted relocation and realty expenses within the provisions of the NJC Relocation Integrated Relocation Directive.	<p>May be negotiated under the following conditions:</p> <ul style="list-style-type: none"> ▪ To accept a firm offer with a non-core public administration employer if costs are not borne by the new employer; ▪ Relocation is undertaken within one year; and ▪ The limit and time frames are specified in the transition agreement.

Appendix H: Definitions

Definitions to be used in the interpretation of this directive can be found in this appendix, and Appendix D of the Policy on People Management and Appendix C of the Policy on the Management of Executives.

At-risk pay (rémunération à risque)

The main component of performance pay, at-risk pay is a percentage of base salary paid as a lump sum to eligible executives, based on the level of performance, as approved by the deputy head and within the limits prescribed by the Treasury Board. At-risk pay does not increase base pay and must be re-earned each performance review period.

Bonus (boni)

A component of performance pay, the bonus is a percentage of base salary paid as a lump sum to eligible executives, approved by the deputy head and within the limits prescribed by the Treasury Board, in addition to at-risk pay. A bonus may be earned by individuals whose performance is truly exceptional and obtained a rating of “surpassed (level 5)”. A bonus does not increase base pay and must be re-earned each performance review period.

Common-law partner (conjoint de fait)

(See also Spouse) A person living in a conjugal relationship with an employee for a continuous period of at least one year.

Commitment (s) (engagement (s))

The principal results, in support of governmental and organizational priorities, that executives are expected to achieve during the performance review period given their scope of responsibility.

Executive appointed for a specified period (cadre supérieur nommé pour une période déterminée)

An executive appointed in accordance with subsection 58(1) of the Public Service Employment Act.

Family (famille)

1. For the purpose of care of family leave:

- spouse or common-law partner resident with the employee;
- children (including foster children or children of spouse or common-law partner);
- parents (including step-parents and foster-parents); and,
- any relative residing in the executive’s household or with whom the executive permanently resides.

2. For the purpose of bereavement leave:

- spouse or common-law partner resident with the employee;
- children (including foster children or children of spouse or common-law partner), stepchildren, son-in-law, daughter-in-law and grandchildren;
- parents (including step-parents and foster-parents), father-in-law, mother-in-law and grandparents;

- brothers and sisters, brothers-in-law and sisters-in-law; and,
- any relative residing in the executive's household or with whom the executive permanently resides.

Lower-level position (poste de niveau inférieur)

A position with a lower salary maximum than the previous substantive level of the executive.

Notice period (période de préavis)

The period starting with the formal notification to the executive of their surplus status and their actual termination date of employment.

Retroactive period (période de rétroactivité)

The period starting on the effective date of the revised salary range and ending on the day prior to the date the formal notification of the revision is issued to departments, or on the date specified by the Treasury Board when the retroactive period in its entirety occurred prior to the formal notification being issued to departments.

Salary (salaire)

The fixed recurring portion of an employee's cash compensation received for the performance of the regular duties of a position, exclusive of allowances, performance pay or other compensation or gratuities.

Salary maintenance (maintien du traitement)

The treatment given to the salary and non-salary elements of an executive who is appointed to a lower-level position.

Salary protection for executives (protection salariale pour les cadres supérieurs)

The treatment given to the salary and non-salary elements of an executive whose position has been reclassified or converted to a lower-level position.

Service (service)

Continuous and discontinuous employment with any organization that is subject to the Financial Administration Act or with any organization in which the individual was a contributor under the Public Service Superannuation Act, Canadian Forces Superannuation Act or the Royal Canadian Mounted Police Superannuation Act.

Spouse (conjoint)

(See also Common-law partner) - The person married to the employee.

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