

The Reform of Agencies,  
Boards and Commissions

Compensation  
Regulation  
Handbook

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Public Service Commission, Government of Alberta

July 2018

The Reform of Agencies, Boards and Commissions Compensation Regulation Handbook

For more information about this content, visit: <https://open.alberta.ca/dataset/3e4bccf4-6758-4e4a-bfb9-f7f063b83962/resource/d3739e94-9dd4-4514-8ba3-67ca1ebff81b/download/GoA-Publications-Guideline.pdf>

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# The Reform of Agencies, Boards and Commissions Compensation Regulation

The Reform of Agencies, Boards and Commissions Compensation Regulation establishes the first compensation framework under the [Reform of Agencies, Boards and Commissions Compensation Act \(RABCCA\)](#). The regulation came into force on March 16, 2017.

This handbook provides more understanding about the meaning and intent of the compensation provisions under this regulation as well as additional policy direction and information. If there is a discrepancy between this handbook and the regulation or guidelines, the regulation will prevail.

## Overview

The regulation brings consistency and clarity to the approach of setting executive compensation in public agencies. The changes will:

- Reset the base salary of executives in designated public agencies;
- Eliminate bonuses for executives and non-bargaining unit employees;
- Eliminate executive market modifiers (i.e. pay over and above regular salary);
- Cap executive severance pay to fifty-two (52) weeks;
- Align other compensation components, such as benefits with the core public service, or senior management within the relevant agency;
- Enable government to eliminate perks including retention bonuses, club memberships and housing allowances.

## Background

Historically, CEO compensation under the [Alberta Public Agencies Governance Act \(APAGA\)](#) functioned under a decentralized system with independent ministerial and board decision-making. Some positions were governed under the Alberta government's Senior Official Pay Order in Council (SOPOC), and boards that appoint or engage their own CEO were also permitted to set the compensation for these executive roles. Without a common compensation framework, public agencies have not used a consistent approach to evaluate executive roles. Benchmarking against customized peer groups, including a mix of public and private sector comparators, contributed to further inconsistencies in compensation practices.

The Auditor General had previously recommended guidance on executive compensation for public agency executives. Findings from phase one of the Agencies, Boards and Commissions Review highlighted significant differences in compensation practices and a growing difference in compensation between some public agencies and the broader public sector. To address this issue the government passed the [Reform of Agencies, Boards and Commissions Compensation Act \(RABCCA\)](#) on May 27, 2016.

The legislation allows government to establish compensation frameworks for public agencies governed under APAGA to strengthen transparency, accountability and governance practices.

In spring 2016, the government determined the first regulation would focus on designated public agencies with CEOs earning a base salary of \$200,000 per year or more. These agencies represent a wide variety of industries and differ significantly in size, scope, complexity, expenditures and revenues.

## Compensation principles

The following core compensation principles guide development of the compensation framework, policies and guidelines for public agencies:

- **Public service** – Compensation supports recruitment and retention of specialized expertise required to perform roles, while reflecting a commitment to public service, diversity and inclusion
- **Fairness and consistency** – Compensation recognizes equal pay for work of equal value, and is competitive with similar roles in the Alberta public sector and comparable jurisdictions
- **Transparency** – Compensation policies and decisions are communicated clearly to board members, employees and the public
- **Fiscal prudence** – Compensation decisions are evidence-based, fiscally prudent and demonstrate accountability for the expenditure of public funds

## Developing the regulation

The Public Agency Secretariat (PAS) developed the regulation with the support of the Korn Ferry Hay Group (Hay Group), an independent national consulting firm, based on:

- Jurisdictional research of broader public sector compensation restraint initiatives;

- Analysis of key findings from information submitted by designated agencies on current executive plans, philosophies, programs and practices;
- Input from designated agency board chairs and CEOs to understand their roles and job complexity;
- Consultations with responsible government departments to ensure alignment with other strategic initiatives.

## Compensation oversight for public agencies

Under RABCCA, there are two approaches to compensation oversight for public agencies:

### 1. Executive compensation plan submission:

Five agencies are required to submit an executive compensation plan each year to the President of Treasury Board and Minister of Finance for review:

- Alberta Investment Management Corporation (AIMCo), ATB Financial (formerly Alberta Treasury Branches or ATB), and Alberta Teachers' Retirement Fund (ATRF):
  - These large financial agencies have a significant impact on the Alberta economy, and face strong competitive market pressures to attract and retain talent. Their compensation must recognize the specialized financial market in which they compete, while demonstrating alignment with government's compensation principles.
- Alberta Health Services (AHS):
  - AHS is Canada's only fully-integrated provincial health system, so comparing salaries to other jurisdictions is not possible.
  - Having AHS submit a compensation plan will ensure scrutiny of its compensation practices, while transparency will continue to be provided through salary disclosure.
- Alberta Electric System Operator (AESO):
  - AESO plays a critical role as Alberta's electricity system transitions to a capacity market.
  - AESO must submit a compensation plan that demonstrates how it is aligned to achieve the goals of market transition.

## 2. Compensation regulation

Other designated agencies are governed by the compensation regulation:

Agriculture Financial Services Corporation	Balancing Pool
Alberta Energy Regulator	Credit Union Deposit Guarantee Corporation
Alberta Enterprise Corporation	Energy Efficiency Alberta
Alberta Gaming and Liquor Commission	Fair Practices Office
Alberta Human Rights Commission	Health Quality Council of Alberta
Alberta Innovates	Labour Relations Board
Alberta Local Authorities Pension Plan Corp	Land Compensation Board
Alberta Motor Vehicle Industry Council	Market Surveillance Administrator
Alberta Pensions Services Corporation	Medical Panels Office
Alberta Petroleum Marketing Commission	Natural Resources Conservation Board
Alberta Securities Commission	Surface Rights Board
Alberta Sport Connection	Travel Alberta
Alberta Utilities Commission	Workers' Compensation Board
Appeals Commission for Workers' Compensation	

## Application of the compensation regulation

- The regulation applies to the 27 designated public agencies listed above.
- The framework applies immediately to new hires and reappointments to designated executives positions.
- For current incumbents in designated positions, there is a two-year notice period before the framework applies to them. This timeline varies based on the date that the position became subject to the requirements.
- The compensation regulation came into force March 16, 2017.
- All provisions in the regulation apply to the designated executives listed in [Column 1 of Schedule 1 – Designated Executives](#) of the regulation, including those listed in amendments (see O.C. [064/2018](#) and O.C. [220/2018](#)).

- One provision (the prohibition of variable pay) also applies to all non-bargaining unit employees in addition to the designated executives in Column 1 of Schedule 1 – Designated Executives.
- Before the regulation was implemented, nine designated agencies fell under the Alberta government Senior Official Pay Order in Council (SOPOC) – the pay schedule for all government deputy ministers and senior officials:
  - The regulation applies mainly to CEOs and equivalents; however, the vice-chair and member positions in these nine designated agencies have been removed from the SOPOC and brought under this regulation.
  - Doing so will keep vice-chairs and members aligned with their board chairs, chiefs and/or CEOs, and allows for the SOPOC to be used solely for senior officials of the Alberta Public Service.
  - The regulation will not apply to vice-chairs and members who are currently compensated under the Committee Remuneration Order or alternative arrangement, as these individuals are already governed by another framework.

## Regulation provisions – compensation elements

The regulation includes provisions that address various compensation elements.

### Base salary schedule

Different public agencies have different pay pressures to attract and retain top talent, and base salary ranges should accommodate current needs and future sustainability. In developing the base salary schedule, Public Agency Secretariat staff relied on Hay Group's job evaluation methodology, which the Alberta government has also used to evaluate positions in the Alberta Public Service. The federal government, other provinces and many public agencies across Canada have used a similar approach.

The schedule includes seven levels or salary ranges, with the mid-point of each range anchored to the 50<sup>th</sup> percentile of the national broader public sector market data. The market data includes more than 200 public sector organizations across Canada, including 29 diverse Alberta organizations. The methodology used in the base salary schedule accounts for the wide range of scope, complexity and business of the agencies and results in fair and consistent salary allocations within the salary ranges.

[Appendix 1](#) in this document provides the base salary schedule under the regulation and the placement of the designated positions.

### Salary Management

As a policy guideline, the salaries of designated positions will be managed to the mid-point salary and may reach the range maximum over time.

Salaries between the mid-point and range maximum may be maintained by current incumbents. However, new hires (including promotions) and/or reappointments should be held between the minimum and mid-point of the salary range. Any salary offers above the mid-point should only be made in exceptional cases to recognize the candidate’s unique skill set, and will be required to go through a specific process.

The following sets out the level of approval required for setting salaries for new hires and/or reappointments in designated positions:

Setting salaries above mid-point for	Level of approval
New CEO (or equivalent) incumbents	President of Treasury Board, Minister of Finance (Minister TBF) in consultation with Minister responsible via formal process
New designated Vice-Chair and member positions	Deputy Minister responsible for Public Agency Secretariat (PAS)
Returning incumbents for: <ul style="list-style-type: none"> <li>• CEO (or equivalent) positions</li> <li>• Vice-Chair positions</li> <li>• Member positions</li> </ul>	Assistant Deputy Minister, PAS

[Appendix 2](#) outlines the process to follow for requesting salary offers above the mid-point rate when a formal process is required, such as with new CEOs. Where a formal process is not

required, public agencies may contact PAS to discuss next steps in offering salary that is above the mid-point.

## **Market modifiers**

Market modifiers are defined as premiums paid above the base salary. As the base salary schedule is anchored to the broader public sector, its salary ranges have been structured wide enough to accommodate for the market pressures and specialized talent requirements in positions. As such, market modifiers are prohibited for designated executives under the regulation.

## **Variable pay**

Within the context of this regulation, variable pay refers to a bonus or other incentive pay provided on top of base salary.

All variable pay is prohibited for designated executives and non-bargaining unit positions within the designated agencies. This provision aligns with the Alberta Public Service, and is the only provision in the regulation that extends beyond the list of designated executives in [Appendix 1](#).

Agencies that currently have a bonus plan in place may submit a proposal to eliminate variable pay that includes making adjustments to base salaries for employees. The primary focus should be on employees whose incomes are below the threshold for salary disclosure under the [Public Sector Compensation Transparency Act](#). The current threshold amount is posted on the [Public sector body compensation disclosure web page on Alberta.ca](#). Each proposal must be approved by the President of Treasury Board and Minister of Finance.

[Appendix 3](#) provides more information on the process to submit a proposal to eliminate variable pay for relevant designated public agencies.

## **Severance and termination**

Severance pay may be provided to a designated executive who is terminated without cause in the amount of four (4) weeks of base salary for each full year of continuous service up to a maximum of fifty-two (52) weeks, plus up to 16 per cent of the severance amount in lieu of benefits received prior to termination.

To calculate years of continuous service, the executive's previous employment with a public agency or the Crown is considered continuous service if there was no break in service greater than thirty (30) days between employers.

### Repayment of severance amount

If an executive has been able to mitigate their losses by finding new employment during the severance period with either another public agency or the Crown, the executive is required to provide reimbursement of the severance amount originally paid. Severance pay will only be provided if the executive agrees in writing to this stipulation.

### Conditions of severance, termination or separation pay

Severance, termination or separation pay will not be provided under the following circumstances:

- Termination for cause;
- Non-renewal of a contract of employment or term of appointment;
- Resignation or retirement;
- Direct or indirect result of the establishment or amendment of the compensation framework in the regulation.

## **Benefits**

Within the regulation, benefits refer to non-cash compensation items, including the following:

- Retirement benefits, including pension benefits, supplemental retirement benefits and registered retirement savings plan contributions;
- Health benefits, including dental insurance, medical insurance and prescription drug insurance;
- Health spending accounts;
- Parking;
- Vehicle and vehicle allowance;
- Travel and living expense reimbursement;
- Leave days.

Benefits or pay in lieu of benefits may be provided to the designated executive as long as the benefits are consistent with the guidelines established by the President of Treasury Board and

Minister of Finance, or if the agency’s policy has been approved by the Minister responsible for the designated agency.

Alignment of benefit programs and policies with the regulation

Designated public agencies will have a two-year notice period to align their agency’s compensation plans, including benefit policies and programs, with the regulation’s provisions.

[Appendix 6](#) gives more details about how the Public Agency Secretariat will work with designated agencies to review any changes to their benefit programs and policies to ensure alignment with the provisions of the regulation and Ministerial Guidelines.

Where there is divergence in benefit plans and policies, the Public Agency Secretariat will provide assistance and advice on how the agency may better align with the regulation.

The following table summarizes the provisions for the benefits within the Ministerial Guidelines:

Compensation element	Description	Restriction
Health benefits	Includes: group insurance for dental, medical and prescription drug costs, health spending account, short and long-term disability benefits, group life insurance plans.	Employer cost must not exceed 5 per cent of executive’s base salary.  Gym/fitness and executive/private medical benefits are prohibited.
Retirement plan	May provide any form of retirement plan to the executive.	Must be a reasonable expectation that it is not more expensive to the public agency than if the executive were a participant in the <a href="#">Management Employees Pension Plan</a> and <a href="#">Supplementary Retirement Plan</a> for public service managers.

Payment in lieu of health benefits or retirement plan	May provide pay in lieu of health and/or retirement plan or benefits.	May offer designated executives up to 5 per cent of base salary in lieu of all health benefits and up to 14.36 per cent of base salary in lieu of all retirement benefits.
Relocation expenses	Expenses are permitted if executive incurs expenses resulting from needing to relocate for the role.	May reimburse for any expenses incurred as a result of relocating for which other senior management employees would be reimbursed.
Relocation leave	<p>Leave is permitted if executive is required to relocate due to:</p> <ul style="list-style-type: none"> <li>• Position's job location changes</li> <li>• If an executive was an employee or appointee at the same public agency immediately prior to being an executive and now needs to relocate for the role</li> </ul>	Up to five (5) days leave with pay.
Reimbursement of other expenses	May be reimbursed for the same expenses as a Government of Alberta employee would be under the relevant <a href="#">Travel and Hospitality Expenses Directive</a> , other than section 3(2) of the directive.	At a rate or amount that does not exceed what a Government of Alberta employee would be reimbursed.

Vehicle	Provision of vehicle permitted for designated executives who are assigned to level 3 or above in <a href="#">Schedule 2</a> of the regulation.	Total purchase price of the vehicle does not exceed \$39,000.
Vehicle allowance	Vehicle allowance permitted in lieu of vehicle for designated executives who are assigned to level 3 or above in <a href="#">Schedule 2</a> of the regulation.	Up to \$6,000 per year.
Parking	May be provided at the executive's primary work location.	
Paid holidays	Permitted	May be provided with the same paid holidays as are provided to all other senior management employees in the public agency.
Vacation leave	Permitted (includes vacation supplement).	Up to forty (40) days per year.
Pay in lieu of vacation leave	May provide pay in lieu of vacation leave.	May provide any combination of vacation leave and pay in lieu of vacation leave so long as the total amount does not exceed 40 days per year.

General leave days	Permitted (includes: illness leave, family illness leave, bereavement leave, personal leave, maternity, parental or adoption leave, leave for attendance at a court or tribunal).	May provide the same general leave entitlements as are provided to all other senior management employees in the public agency.
Leave of absence with or without pay	Permitted	May be provided if it is in the best interest of the public agency.

#### Notes

- In the case where the public agency receives approval for a benefit policy by their responsible Minister, the approval is valid for the time specified by that Minister to a maximum period of five (5) years.
- Ministerial Guidelines may be amended from time to time and designated public agencies should review the guidelines periodically on the Public Agency Secretariat's website or contact the Public Agency Secretariat to ensure compliance with the most up to date guideline provisions.

### **Fixed-term contracts and appointments**

- Standardized employment contract policy guideline:
  - Standardized contract templates are to be used for new appointments and reappointments.
  - Any exceptions to the standard contract clauses would require recommendation from the board (where appropriate), supported by the responsible Minister with final approval by the President of Treasury Board, Minister of Finance.
  - The Public Agency Secretariat will provide advice and assistance to public agencies in the drafting of employment contracts using standardized contract templates.
  - The Deputy Minister responsible for the Public Agency Secretariat is the final signatory on employment contracts to ensure terms and conditions are compliant with

the regulation. Once finalized, the public agency will file the contract with the Public Agency Secretariat within thirty (30) days.

- [Appendix 4](#) outlines the process of how the public agency and Public Agency Secretariat will work together to finalize the drafting and administration of employment contracts. Any subsequent contract amendments, signed-off by the Deputy Minister responsible for the Public Agency Secretariat should also be filed with the Public Agency Secretariat office.
- Public agencies may contact the Public Agency Secretariat for the most recent standardized contract template.
- Contract terms:
  - Designated executive employment contracts will be of fixed term for not more than six (6) years.
  - Current designated executives with indefinite employment terms will have their contracts expire two [2] years from the date the position became subject to the requirements to transition to a fixed-term contract.

## **No additional compensation**

All other forms of compensation for designated executives not expressly permitted by the regulation are prohibited. This excludes statutory benefits, such as statutory holidays and employer contributions such as Canada Pension Plan and Employment Insurance premiums.

## **Exemption or modification**

The President of Treasury Board, Minister of Finance may make exemptions from one or more provisions in the regulation for a designated executive or class of designated executives. This exemption power is expected to provide recourse in exceptional cases to address rare and unique circumstances. Exemption requests must provide a sound, evidence-based rationale.

If an exemption request is approved, the exemption may be for any period specified by the Minister. [Appendix 5](#) outlines the process for the submission of a request for an exemption.

## **Review and continuous improvement**

Ongoing maintenance and monitoring of the executive compensation framework within the regulation will ensure that it continues to be relevant and appropriate for designated public agencies.

As a policy guideline, formal review will be conducted every three to five years. This will provide enough time to evaluate the regulation's overall effectiveness, while also determining what further enhancements are required to ensure the overall integrity and rigor in the application of compensation practices.

The review will also permit ongoing evaluation of the effectiveness of the approach and ensures that any trends or issues with respect to the attraction and retention of talent are monitored and addressed.

## **Next steps**

- For designated public agencies impacted by the prohibition of variable pay:
  - Submit a proposal for the elimination of variable pay by the end of the two-year notice period (see [Appendix 3](#)).
  - Work with the Public Agency Secretariat to ensure agency's compensation programs/policies are aligned with the regulation and Ministerial Guidelines (see [Appendix 6](#)).
- All other designated public agencies:
  - Work with the Public Agency Secretariat to ensure agency's compensation programs/policies are aligned with the regulation and Ministerial Guidelines (see [Appendix 6](#)).

## Appendix 1: Base salary schedule

The following is the base salary schedule under the regulation:

Public agency	Position*	Level	Minimum salary (\$)	Mid-point salary (\$)	Maximum salary (\$)
Alberta Securities Commission	Chair and CEO	7	333,280	416,600	499,920
Alberta Energy Regulator	CEO	6	264,480	330,600	396,720
Alberta Innovates	CEO	6	264,480	330,600	396,720
Alberta Utilities Commission	Chair	6	264,480	330,600	396,720
The Workers' Compensation Board	President of the Board	6	264,480	330,600	396,720
Agriculture Financial Services Corporation	President and Managing Director	5	223,040	262,400	301,760
Alberta Gaming and Liquor Commission	CEO	5	223,040	262,400	301,760
Alberta Pensions Services Corporation	President and CEO	5	223,040	262,400	301,760
Alberta Petroleum Marketing Corporation	CEO	5	223,040	262,400	301,760

Alberta Securities Commission	Vice-chair	5	223,040	262,400	301,760
Credit Union Deposit Guarantee Corporation	CEO	5	223,040	262,400	301,760
Alberta Energy Regulator	Chief Hearing Commissioner	4	184,365	216,900	249,435
Alberta Enterprise Corporation	President and CEO	4	184,365	216,900	249,435
Alberta Human Rights Commission	Chief of the Commission and Tribunals	4	184,365	216,900	249,435
Alberta Local Authorities Pension Plan Corporation	President and CEO	4	184,365	216,900	249,435
Alberta Utilities Commission	Vice-chair	4	184,365	216,900	249,435
Appeals Commission under the Workers' Compensation Act	Chief Appeals Commissioner	4	184,365	216,900	249,435
Health Quality Council of Alberta	CEO	4	184,365	216,900	249,435
Labour Relations Board	Chair	4	184,365	216,900	249,435

Land Compensation Board	Chair	4	184,365	216,900	249,435
Market Surveillance Administrator	Market Surveillance Administrator	4	184,365	216,900	249,435
Natural Resources Conservation Board	Chair	4	184,365	216,900	249,435
Surface Rights Board	Chair	4	184,365	216,900	249,435
Travel Alberta	CEO	4	184,365	216,900	249,435
Alberta Energy Regulator	Hearing Commissioner	3	153,595	180,700	207,805
Alberta Utilities Commission	Member	3	153,595	180,700	207,805
Balancing Pool	CEO	3	153,595	180,700	207,805
Energy Efficiency Alberta	CEO	3	153,595	180,700	207,805
Medical Panels Office	Medical Panels Commissioner	3	153,595	180,700	207,805
Alberta Motor Vehicle Industry Council <sup>1</sup>	CEO	3	153,595	180,700	207,805

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<sup>1</sup> Effective October 31, 2018

Fair Practices Office <sup>2</sup>	Fair Practices Commissioner	3	153,595	180,700	207,805
Alberta Human Rights Commission	Member	2	130,135	153,100	176,065
Alberta Sport Connection	CEO	2	130,135	153,100	176,065
Appeals Commission under the Workers' Compensation Act	Vice-chair	2	130,135	153,100	176,065
Labour Relations Board	Vice-chair	2	130,135	153,100	176,065
Land Compensation Board	Vice-chair	2	130,135	153,100	176,065
Natural Resources Conservation Board	Member	2	130,135	153,100	176,065
Surface Rights Board	Vice-chair	2	130,135	153,100	176,065
Appeals Commission under the Workers' Compensation Act	Appeals Commissioner	1	111,775	131,500	151,225
Land Compensation Board	Member	1	111,775	131,500	151,225

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<sup>2</sup> Effective December 1, 2018

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Surface Rights Board	Member	1	111,775	131,500	151,225
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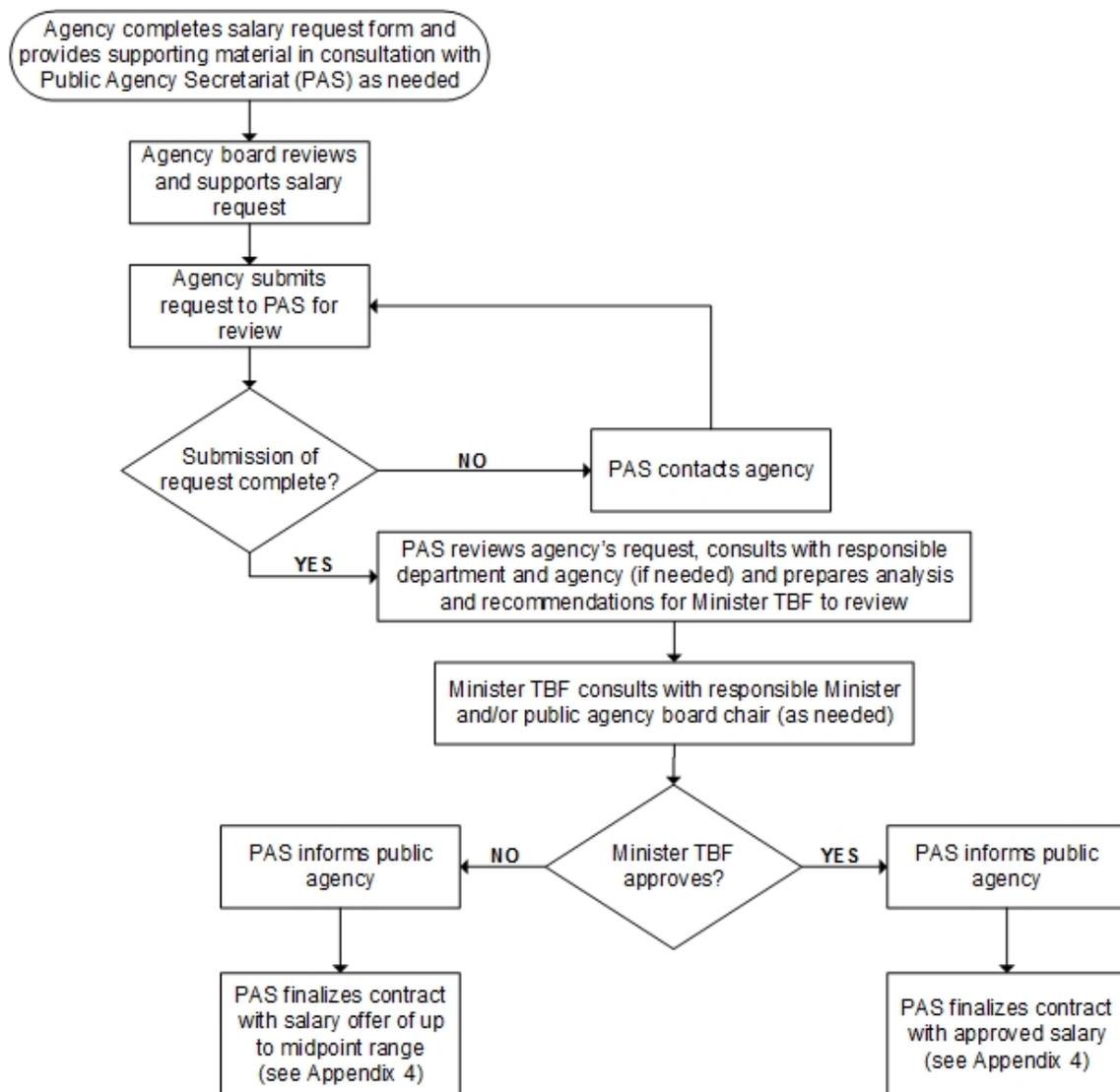
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\*The title of a position listed in Column 1 includes any other title or name that is or may be used for that position.

## Appendix 2: Request for salaries above mid-point rate

### Process

The diagram below outlines the process for requesting approval to offer base salaries above the mid-point rate to new hires when a formal process is required.



## Details

As a policy guideline, a public agency may offer any salary amount for “new hires” or promotions that is between the minimum and mid-point rate of the assigned salary range. Any salary offer that is above the mid-point should be reserved for unique circumstances to recognize exceptional skill and talent. Depending on the circumstance, formal approval may be required to offer a salary above mid-point by the President of Treasury Board, Minister of Finance upon consultation with your responsible Minister and PAS.

The following highlights the information public agencies should submit when requesting approval to offer a salary above the mid-point through the formal process. The Public Agency Secretariat provides the form that can be used when submitting a request.

### Section A: Public agency profile

- Functional category of public agency
- Number of FTEs and executives
- Operating budget and revenue (if applicable)
- Agency contact information

### Section B: Proposed base salary and benefits

- Position’s current base salary under the Compensation Regulation
- Designated executive’s proposed base salary above the mid-point and benefits (as a percentage of proposed base salary)

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### **Section C: Proposed total compensation**

- Designated executive's proposed total compensation includes proposed annual base salary, employer cost for total benefits, pension plan, supplementary retirement plan, pay in lieu or other allowances
- 

### **Sections D and E: Role evaluation criteria**

- Provides definitions and details of the criteria used to assess rationale for the proposed base salary
  - Comments and assessment against key criteria to provide further rationale for supporting the proposed base salary
- 

### **Section F: Additional compensation information**

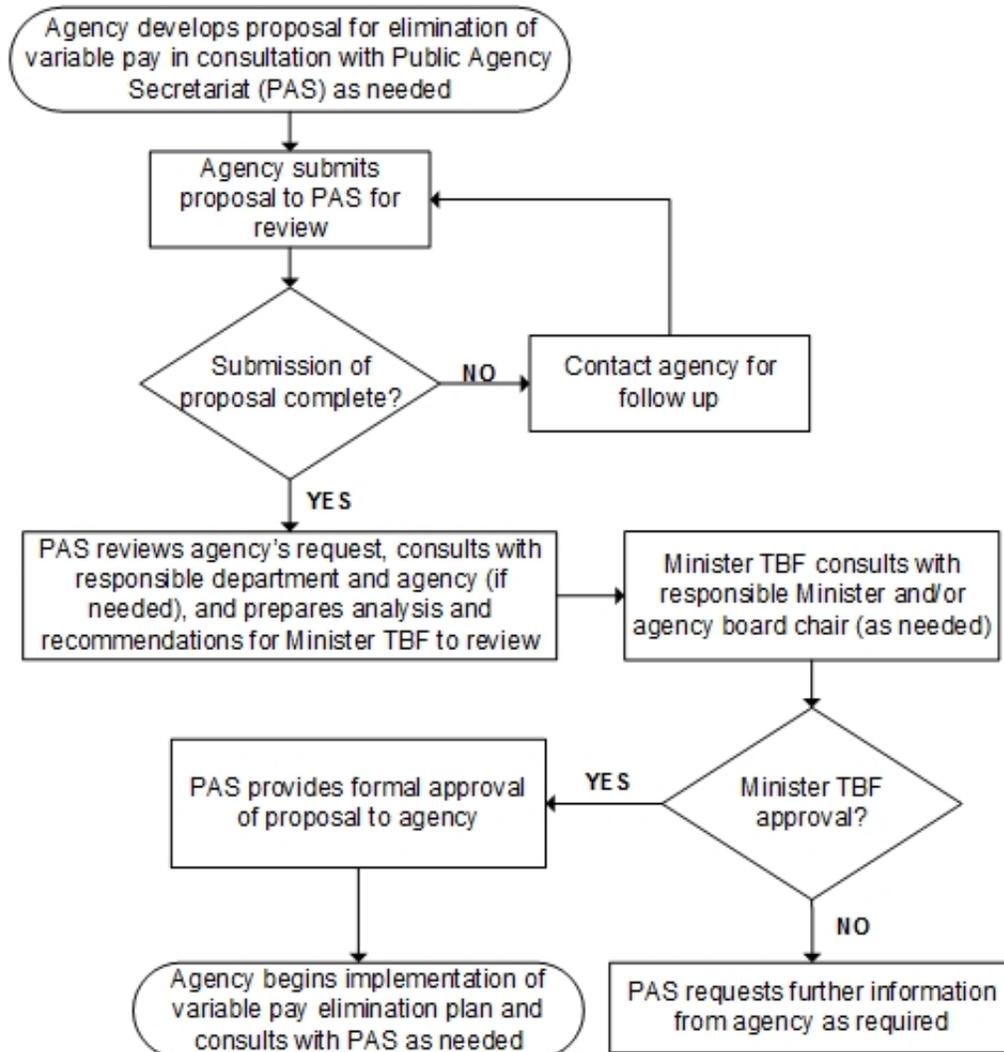
- Memo summarizing public agency's request and rationale
  - Designated executive's most recent job description/profile
  - Designated executive's most recent resume
  - Additional supplemental information that further supports the public agency's proposed salary request
-

## Appendix 3: Variable pay elimination proposal

### Process

The Public Agency Secretariat will work with public agencies to submit a variable pay elimination proposal. Initial steps with the public agency may include:

- Reviewing initial compensation data on positions that are eligible for variable pay.
- Upon the Public Agency Secretariat's feedback of the data, the agency will develop a proposal to adjust salaries for staff that are under the salary disclosure threshold.



## Details

Under the regulation, the provision of variable pay is prohibited. Public agencies impacted by this prohibition may submit a proposal for the adjustment of base salaries. Formal approval to implement such a plan is required by the President of Treasury Board and Minister of Finance upon consultation with your responsible Minister. Focus of the proposals will be on base salary adjustments for employees whose incomes are below the threshold of the salary disclosure under the [Public Sector Compensation Transparency Act](#). The current threshold amount is posted on the [Public sector body compensation disclosure web page on Alberta.ca](#).

The following highlights information that can guide the thought process in developing such a plan and should be included when submitting a proposal dealing with the elimination of variable pay. The Public Agency Secretariat provides a worksheet that may assist the development of a variable pay elimination proposal.

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### Section A: Public agency profile

- Functional category of public agency
  - Number of FTEs and executives
  - Operating budget and revenue (if applicable)
  - Agency contact information
- 

### Section B: Base salary and variable pay

- Employees' base salary and variable pay (prior to Compensation Regulation)
-

### Section C: Total compensation

- Employees' total compensation (includes: annual base salary, variable pay, employer cost for total benefits, pension plan, Supplementary Retirement Plan, Pay-in-Lieu or other allowances)
- 

### Section D: Proposed base salary

- Employees' base salary after implementation of Compensation Regulation and elimination of variable pay
- 

### Section E: Proposed total compensation

- Updated employee total compensation information (after elimination of variable pay)
- 

### Section F: Additional compensation information

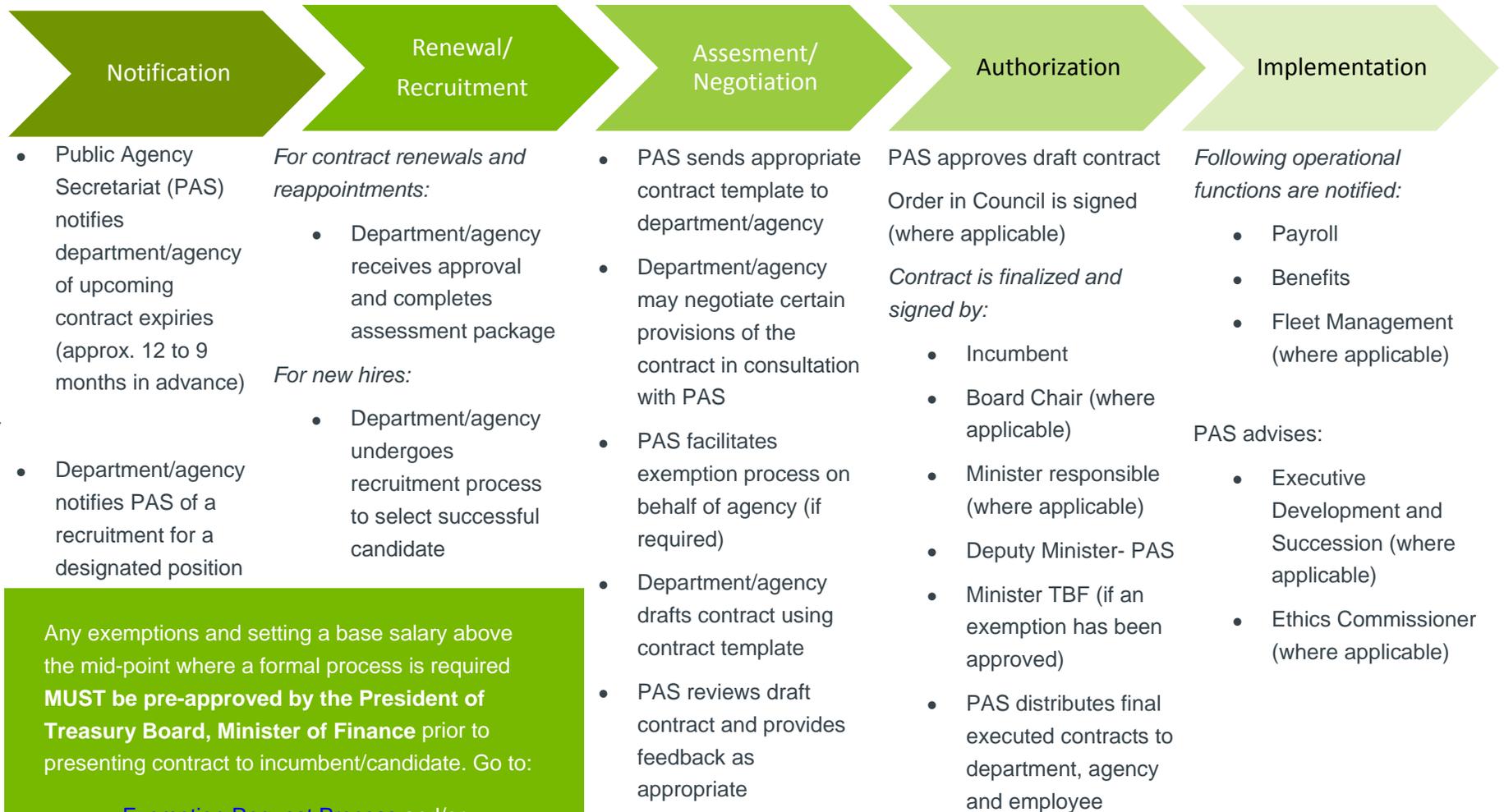
- Additional supplemental information to explain any modifications to agency's compensation policies and programs
- 

### Section G: Public agency compensation plan summary

- Summarizes the cost of the current and proposed compensation plan and calculates cost savings
-

## Appendix 4: Employment contract process

The following outlines the employment contract process for designated agencies under the regulation. Designated agencies may contact the Public Agency Secretariat for a standardized contract template.



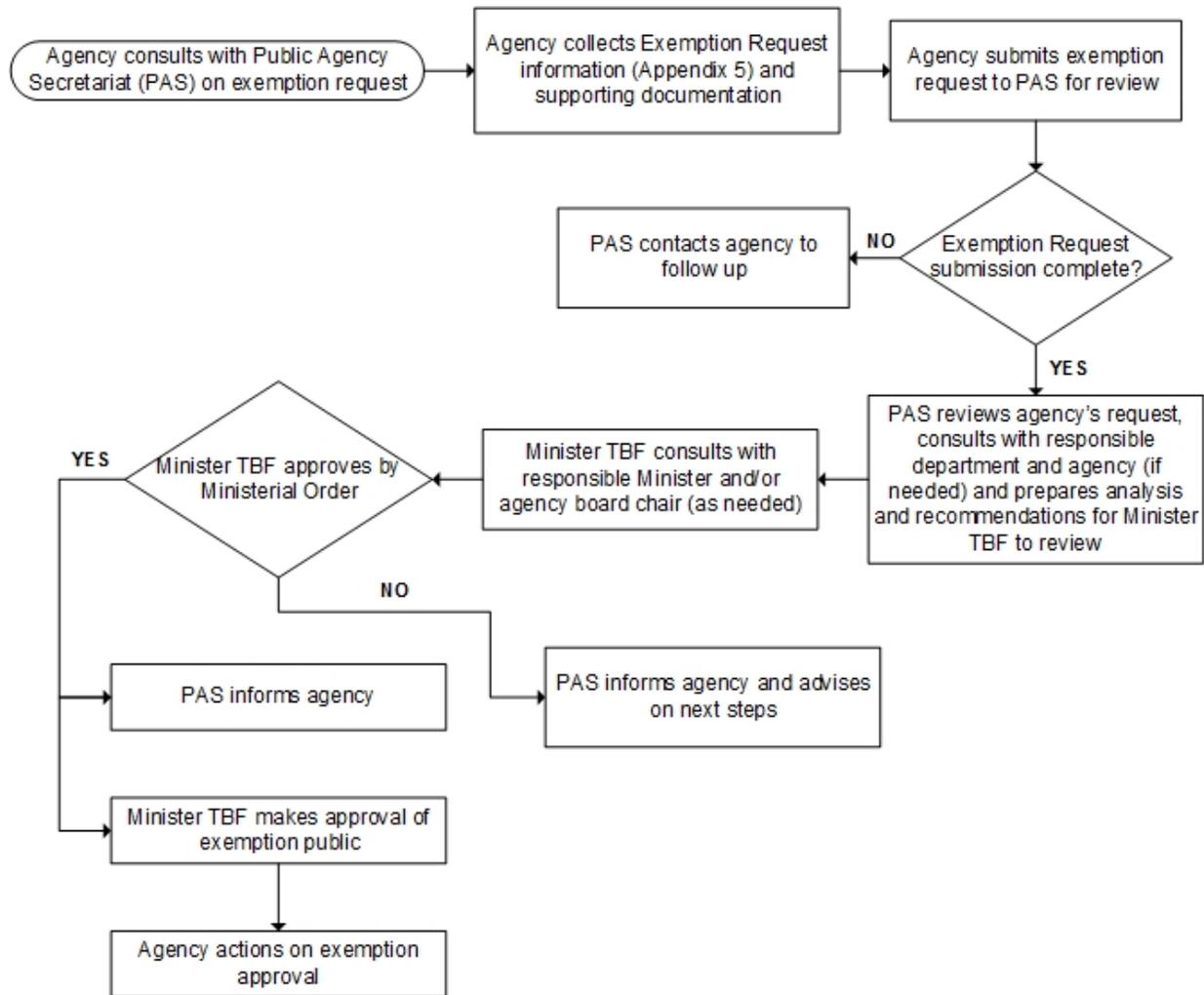
Any exemptions and setting a base salary above the mid-point where a formal process is required **MUST be pre-approved by the President of Treasury Board, Minister of Finance** prior to presenting contract to incumbent/candidate. Go to:

- [Exemption Request Process](#) and/or
- [Request for Salaries above Mid-point Rate](#)

## Appendix 5: Exemption request

### Process

The following outlines the process for submitting an exemption request:



## Details

Under the regulation, the President of Treasury Board, Minister of Finance may, by order, exempt a designated executive or class of designated executives from the application of one or more provisions of the compensation framework. Such exemptions will only be made in rare and exceptional circumstances that are anchored to evidence-based rationale.

The following highlights the information required when requesting approval for the exemption. The Public Agency Secretariat provides the form that can be used for submission to request an exemption.

<b>Public agency name:</b>	
Responsible ministry:	
Functional category:	
Background information:	<i>Provide background information that may support agency's exemption request</i>

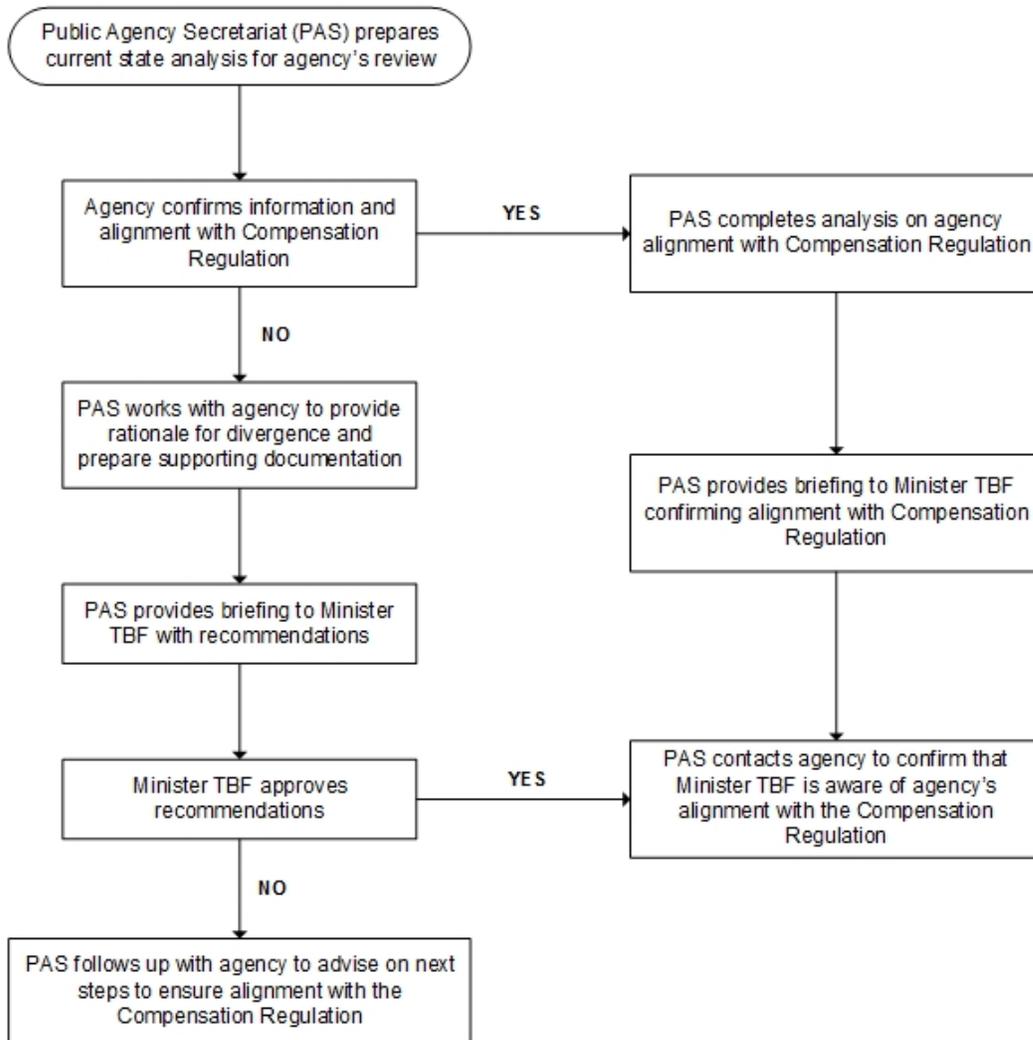
<b>Exemption Request:</b> Identify which provision in the regulation the exemption is for and rationale for the exemption. An example is provided to guide your request submission.		
<b>Regulation provision (include Section and Subsections)</b>	<b>Exemption request</b>	<b>Rationale for exemption</b>
<i>e.g. Section 9(1): Fixed term contracts and appointments</i>	<i>e.g. Request for a fixed term of 8 years (instead of 6 years)</i>	<i>State sound, evidence-based rationale</i>

The above information should be supported by a cover memo and any additional materials such as costing analyses, etc. that summarize the exemption and rationale for the request.

## Appendix 6: Regulation alignment

### Process

The following outlines the general process for ensuring designated agencies remain aligned with the regulation and Ministerial Guidelines:



## Details

Public agencies are required to follow the provisions as outlined in the regulation and its Ministerial Guidelines. If there is divergence in agency policies and programs from the regulation, PAS will provide guidance on how best to align with regulation provisions and/or suggest an alternative course of action.

To ensure ongoing alignment with the provisions of the regulation, PAS will work with agencies to review any changes or updates to their compensation programs and policies, including:

- Base salary and severance pay provisions
- Benefit and retirement plans
- Relocation expenses and leave policies
- Vacation and other leave
- Other compensation elements such as parking and vehicle provisions

## Appendix 7: Legislation, Forms and Templates

### Legislation and Regulation

[\*The Reform of Agencies, Boards and Commissions Compensation Act\*](#)

[The Reform of Agencies, Boards and Commissions Compensation Regulation](#)

[Ministerial Guidelines](#)

### Forms and Templates

The Public Agency Secretariat provides forms and templates for the following:

- Salary Request for Above Mid-point Range Form
- Variable Pay Elimination Proposal Worksheet
- Regulation Alignment Worksheet
- Standardized Contract Template
- Exemption Request Form

## PAS Compensation Unit contacts

Designated public agencies may contact the Public Agency Secretariat's Compensation Unit for the above forms and templates:

- Natasha Chai (Director, Agency Compensation and Recruitment)  
[natasha.chai@gov.ab.ca](mailto:natasha.chai@gov.ab.ca) | 780-408-8435
- Avy Wolf (Manager, Compensation)  
[avy.wolf@gov.ab.ca](mailto:avy.wolf@gov.ab.ca) | 780-427-8352
- Allison Husband (Compensation Specialist)  
[allison.husband@gov.ab.ca](mailto:allison.husband@gov.ab.ca) | 780-644-0489
- Sana Kazi (Compensation Specialist)  
[sana.kazi@gov.ab.ca](mailto:sana.kazi@gov.ab.ca) | 780-644-0484