

RABCCA Regulation

Overview

The *Reform of Agencies, Boards and Commissions Compensation Act* (RABCCA) authorizes the Lieutenant Governor, acting on the advice of Cabinet, to establish compensation frameworks for public agencies that fall under the *Alberta Public Agencies Governance Act*.

The [Reform of Agencies, Boards and Commissions Compensation Regulation](#) (RABCCA Regulation) establishes a compensation framework under RABCCA, setting parameters for total compensation, including salaries and benefits, for designated executives at specific agencies, boards, and commissions.

Application of the Regulation

The RABCCA Regulation applies to those public agencies listed in [Schedule 1](#) to the regulation.

The RABCCA Regulation designates certain positions at these agencies as “designated executives” to whom the regulation applies.

One element, the elimination of variable pay, applies to all non-bargaining unit employees of the public agencies listed in Schedule 1.

Effective Date

The RABCCA Regulation came into force on March 16, 2017.

Transition Period

Designated executives who held their positions when the RABCCA Regulation took effect are subject to a transition period of up to two years. The compensation structure for these existing designated executives will remain in effect for two years, or until the designated executive is

reappointed or their contract renewed, extended or amended, whichever occurs first. Since coming into force, Schedules 1 and 2 of the RABCCA Regulation have been amended to add new designated executives positions. Positions that became designated executives as a result of these amendments are subject to different two-year notice periods beginning on the date in which the amendment came into force.

The requirements of the RABCCA Regulation apply immediately to new hires.

Key Provisions in the Regulation

Salary

- The RABCCA Regulation sets a seven-level base salary model for designated executives. Each level has a salary range with a minimum, midpoint and maximum salary.
- The salary levels are based on the job’s complexity and responsibilities, so designated executives will receive similar compensation for a similar level work.

Variable Pay

- Within the context of this regulation, variable pay refers to a bonus, or other incentive pay, provided on top of base salary.
- Variable pay is prohibited for all non-bargaining unit employees (including executives) of the identified public agencies.

Severance and Termination

- The RABCCA Regulation prohibits separation pay (i.e. pay upon resignation or non-renewal of contract) for designated executives.
- In the event of a termination without cause, a designated executive may receive severance pay in an amount not greater than four weeks of base salary for each full year of continuous service, to a maximum of 52 weeks.

Benefits

- The RABCCA Regulation limits benefits that can be provided to designated executives.
- [Ministerial guidelines](#) have been established to provide further details regarding the administration of benefits under the RABCCA Regulation.
- Forms of compensation for designated executives that are not expressly permitted by the RABCCA Regulation or ministerial guidelines are prohibited.

Health and Retirement Benefits

- A public agency may provide a health benefits plan. The total annual employer cost may not exceed five per cent of the designated executive's base salary. Alternatively, an agency may provide pay in lieu of a health benefits plan in an amount not exceeding five per cent of the designated executive's base salary.
- Provision of gym/fitness facility memberships or executive or private health benefits is prohibited.
- An agency may provide any form of retirement benefit as long as:
 - a) for a defined benefit (DB) retirement plan and DB SRP (Supplementary Retirement Plan), respectively, the benefit formula will not result in a benefit that exceeds the benefit under the benefit formula for Management Employees Pension Plan (MEPP) or Supplementary Retirement Plan for Public Service Managers (MSRP), respectively.
 - b) for a defined contribution (DC) retirement plan or RRSP contributions, the employer contribution rate will not exceed the maximum contribution rate allowed under the *Income Tax Act* (Canada) (18 per cent of base salary).
 - c) for a DC SRP, the employer contribution rate will not exceed the maximum contribution rate under the *Income Tax Act* (18 per cent of base salary in excess of base salary for which benefits were earned under a DB or DC retirement plan).
- Alternatively, an agency may provide pay in lieu of a retirement plan in an amount not exceeding 13.20 per cent of the designated executive's base salary.

Vehicle

- A vehicle or vehicle allowance may be provided to designated executives who are assigned to level 3 or above in [Schedule 2](#) of the RABCCA Regulation.
- If an agency provides a vehicle for the designated executive, the total purchase price may not exceed \$39,000.
- Alternatively, an agency may provide the designated executive a vehicle allowance in an amount not greater than \$6,000 per year.

Other Benefits

- The RABCCA Regulation and ministerial guidelines also outline parameters for:
 - relocation expenses and leave
 - reimbursement of other expenses
 - parking
 - paid holidays
 - vacation leave
 - general leave days
 - leaves of absence with or without pay
- Generally, benefits may not exceed similar entitlements provided under applicable policy and directives for the Alberta public service, and may not exceed benefits received by senior management employees of the public agency who report to a designated executive.

Term Limits

- The employment contract or term of appointment for designated executives must be for a fixed term not exceeding six years.

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