

Clarification on Application of Public Sector Management Compensation Freeze

As we previously advised in *Exempt Staff Issues* bulletin No. 2012-02 dated October 11, 2012, the provincial government has established a freeze on management compensation in the public sector.

The freeze applies to:

- any movement within existing compensation ranges on the basis of service, merit, or other progression
- changes to existing ranges, and
- position reclassifications without substantive changes to responsibilities.

We also distributed the Public Sector Employers' Council (PSEC) Policy document, including Frequently Asked Questions, to assist employers in this regard.

We further advised that we were seeking clarification from PSEC with respect to application of the management compensation freeze policy to progression through an existing pay band where an "annual review" of salary is referenced in the employment contract.

PSEC has now advised that an annual salary review is not usually an entitlement to an increase, which includes progression through the pay band, unless there is some clear employer practice/policy/representation to support one.

If a school district has clear practice/policy to support automatic annual progression through the pay band, then progression may occur. In order to support the assertion of practice, this must be defined as documented regularity and consistency of both process and outcome over an extended period of time. In other words, the district must have a consistent and documented practice of automatically moving management employees through the pay band in order to continue to do so under the management freeze policy. If the district does not have a consistent and documented practice, then the freeze applies.

Questions

BCPSEA will work with school districts as issues arise with respect to implementation of the policy. Please direct any questions to Deborah Stewart, Senior Human Resources Consultant, at 604 730 4506 or deborahs@bcpsea.bc.ca.