

Exempt Staff Compensation Issues Update

We have recently engaged in discussions with the Public Sector Employers' Council (PSEC) Secretariat on issues related to the management and executive compensation freeze, and implications of the tentative settlement with support staff unions on exempt positions that are not management positions under the parameters of the compensation freeze. PSEC has provided the following information and clarification.

❖ Public Sector Management and Executive Compensation Freeze

As the Minister of Finance re-stated in the recent quarterly budget update, the wage freeze for public sector **management and executive staff** implemented by the provincial government in September 2012 remains in place. Specifically:

- This freeze applies to any movement within existing compensation ranges on the basis of service, merit, or other progression, or changes to existing ranges and to position reclassifications without substantive changes to responsibilities.
- Employers may not use organizational restructuring or reclassification of positions in order to circumvent the intent of this policy.
- The only exception is where managers/executives are eligible to receive compensation increases that are specified by time and amount in **legally-binding** contracts and **approved** compensation plans — these increases are obligatory, and not discretionary.

For further clarity, the wage freeze covers all employees who serve in supervisory or management-level positions. Typically, these employees may supervise staff, may have budget responsibility, and may have some decision-making authority. To be covered by the freeze, employees do not need to be performing all of these functions. For example, an employee overseeing a small number of unionized staff but without budget responsibility would be covered by the freeze. Similarly, an employee responsible for day-to-day oversight of a third-party contract but without signing authority would also be covered by the freeze.

❖ Non-Union, Non-Management Compensation Increases

We have received questions regarding the process for school district employers to provide modest wage increases to **non-union, non-management staff** who do not fall within the parameters of the wage freeze.

Eligibility

Under the terms of the wage freeze, employers are permitted to provide wage increases to non-management/non-executive employees who have a union equivalent position, for example:

- employees who work in a unionized environment but are excluded from union membership because they are employed in a confidential capacity in matters relating to labour relations or personnel;
- employees who would be eligible to belong to a union but currently do not;
- employees whose compensation is tied to collective agreement salary structures; or
- positions excluded from union membership by the *Labour Relations Code*.

Process

In order to provide an increase to eligible employees, employers must first have:

- an approved savings plan in place (employers may choose to include increases for eligible employees in the savings plans submitted for unionized staff); and
- signed and fully ratified agreements with their local support staff union(s).

Proposed wage increases *must **not** be higher than the wage increase provided to unionized staff.*

In order to receive approval for non-management excluded wage increases, employers must submit a proposal to BCPSEA describing:

- the positions to which they wish to provide increases;
- the number of employees affected; and
- a description of the costs associated with the increases.

BCPSEA is required to review the proposal with PSEC and will advise the district whether approval to implement the increase has been granted. We will manage submissions in as timely a manner as possible.

Questions

Please direct any questions (including questions of eligibility) and submissions to Deborah Stewart, Senior Human Resources Consultant, at the BCPSEA office (604 730 4506 or deborahs@bcpsea.bc.ca).