



September 19, 2012

Ref: 162484

To: All Board Chairs

**Re: Management Compensation Freeze**

I am writing in regard to Government's recent 2012/13 Quarterly Budget Report and the Finance Minister's September 13, 2012, announcement of an immediate freeze on management compensation across the public sector.

Under the *Public Sector Employers Act*, the Minister of Finance has authority to direct public sector employers and employers' associations to prepare compensation plans for public sector employees not subject to a collective agreement. The Finance Minister has directed that compensation for all public sector executives and management be frozen as of September 13, 2012, until further notice. The freeze applies to any movement within existing compensation ranges on the basis of service, merit or other progression, as well as to changes to existing ranges and position reclassifications without substantive changes to responsibilities. The Public Sector Employers' Council Secretariat will provide additional information about this policy to the BC Public School Employers' Association (BCPSEA).

Binding Collective agreements that allow unionized employees to move through ranges are not affected by this freeze, which applies only to non-union managers and executives. In addition, this does not apply to excluded managers and executives who win new positions that are higher in classification.

The compensation freeze is one of a number of measures that Government is implementing to assist in meeting our budgetary targets. Other announced measures include, a hiring freeze in the Public Service and a review of the Cooperative Gains Mandate.

Thank you in advance for your cooperation and assistance in the implementation of this policy. Please address any questions to BCPSEA.

Sincerely,

A handwritten signature in blue ink that reads "Don McRae". The signature is fluid and cursive.

Don McRae  
Minister

pc: Melanie Joy, Chair, BCPSEA  
Hugh Finlayson, CEO, BCPSEA