

Provincial Government Announces Public Sector Executive Compensation Freeze Policy

Arising from the "...high level of uncertainty regarding the magnitude and duration of the economic decline caused by the pandemic," the provincial government has today announced a policy to freeze public sector executive compensation for the 2020-2021 performance year.

In a letter issued to the BCPSEA Board Chair this morning (attached), the Minister of Finance advises that effective today, August 31, 2020, "...public sector employers currently subject to compensation plans under the *Public Sector Employers Act* will be required to amend their plans to indicate there will be no increases or adjustments paid to executive-level employees for the 2020/21 performance year."

In acknowledging that boards of education in the K-12 public education sector have sole purview to determine compensation decisions for the position of Superintendent of Schools, the Minister goes on to state as follows:

"I am confident that Boards will see the value in ensuring this policy direction is applied equitably across all executive positions in the school system and that Superintendent compensation will, like other executives in the public sector, not be increased during this time."

As directed by the Minister in her letter, BCPSEA will be proceeding to amend the exempt staff compensation management plan for the K-12 public education sector (BCPSEA Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*), which is an approved compensation plan under the *Public Sector Employers Act*, "...to indicate there will be no increases or adjustments paid to executive-level employees for the 2020/21 performance year."

❖ What positions are considered "executive positions" in the K-12 public education sector and therefore subject to the freeze?

The executive positions in the K-12 public education sector include:

- Superintendent of Schools
- Secretary Treasurer
- Second-level education-side position regardless of position title — Deputy/Assistant/Associate Superintendent.

❖ What is the 2020-2021 “performance year”?

The 2020-2021 performance year for the purpose of compensation increases in the K-12 public education sector is the period July 1, 2020 – June 30, 2021 OR August 1, 2020 – July 31, 2021, depending on the specific contract year.

❖ My district hasn’t yet completed (or received approval from BCPSEA) our submission for proposed increases under the Public Sector Employers’ Council (PSEC) exempt staff compensation policy direction for calendar 2020. Does this mean those proposed increases are affected by today’s compensation freeze announcement?

No. BCPSEA will continue to be able to process districts’ submissions for proposed increases under the calendar 2020 compensation policy direction, which addresses increases for executive and exempt employees based on the prior performance year.

For the calendar 2021 executive and exempt staff compensation submission process, however, districts will not be able to propose — and BCPSEA will not be able to approve — any increases to salary or other elements of the total compensation package for the executive positions.

❖ Does the policy apply just to salary increases or does it also apply to other elements of the compensation package?

The policy applies to all forms of increases or adjustments, including salary, benefit improvements, pension adjustments and any other form of compensation.

❖ Does the public sector executive compensation freeze policy mean that executive salary ranges will also be frozen and not updated for July 1/August 1, 2021 as they have been in the past?

No. It’s important to note that BCPSEA will continue to be able to “age” the district-based executive and exempt staff salary structure to reflect the increases provided to unionized teachers under the Provincial Collective Agreement between BCPSEA and the BC Teachers’ Federation. The salary ranges were most recently “aged” and distributed to school districts effective July 1/August 1, 2020. We will be able to “age” and distribute revised district-based executive and exempt staff salary structures in the new year that will be effective July 1/August 1, 2021.

Please see the attached Frequently Asked Questions document, prepared by the PSEC Secretariat, for further information.

Questions

If you have any questions, please contact Deborah Stewart, Executive Director, Corporate Services and Communications, at 604 730 4506 or deborahs@bcpsea.bc.ca.

Attachments:

- Letter from Minister of Finance dated August 31, 2020
- PSEC Secretariat Frequently Asked Questions, BC Public Sector Executive Compensation Freeze Policy