

# Policy for Senior Managers

*The Policy for Senior Managers is available as a draft document only.*

*To obtain a copy of this draft document, please contact your [HR Advisor](#).*

## **ADDENDUM**

### **BILL 66, PUBLIC SECTOR EMPLOYERS AMENDMENT ACT, 2002**

#### **What is the *Public Sector Employers Act*?**

Statutory provisions of the *Public Sector Employers Act* apply to excluded and executive compensation practices in British Columbia's Public Sector (<http://www.psec.gov.bc.ca/>). In particular the *Public Sector Employers Act* addresses:

- Compensation plans
- Severance standards including accrual of vacation and sick leave.

#### **Who does this apply to?**

The *Public Sector Employers Act* applies to all employees in the public sector who are excluded from membership in a bargaining unit (exempt employees). At Okanagan College, exempt (excluded and executive) employees include all Senior Management, Administrators and Excluded Support Staff.

#### **What is Bill 66?**

On October 21, 2002, the provincial government introduced Bill 66,

*Public Sector Employers Amendment Act 2002*, which included amendments to both the *Public Sector Employers' Act* and the *Employment Termination Standards Regulation (ETS)*.

Bill 66 introduced a new set of rules for public sector exempt compensation practices and reduced severance and accumulated benefit payments and ensured that all contracts must be fully disclosed.

You may access [Bill 66](#).

#### **What areas of the *Public Sector Employers Act* did Bill 66 change?**

The *Public Sector Employers Act* changed in five (5) major areas:

##### **1. Exempt Compensation Plans**

Effective March 31, 2003, all public sector employers must provide Public Sector Employer's Council (PSEC) with copies of contracts of employment and other information for its exempt employees for the purpose of monitoring compliance with employment compensation standards and employment termination standards.

##### **2. Vacation and Sick Leave Benefits**

**Vacation:** effective January 1, 2003 the *Public Sector Employers Act* prohibits the banking, accumulation, carry forward, or payout of any unused vacation leave, beyond the year in which it is entitled to be taken. The new rules specify that unused vacation leave may be carried over to the year following when it was accumulated however it must be used before the end of that year.

*However, employees who have previously accumulated banked vacation time prior to January 1, 2003, will not lose that time; it will be paid out under the previous rules under which it was accumulated prior to December 31, 2002.*

*Carry forward provisions for unused vacation entitlement will remain the same as outlined in the provisions of the Board policy governing your employment at Okanagan College.*

**Sick Leave:** effective January 1, 2003, the *Public Sector Employers Act* prohibits employees being paid out for any unused sick leave. Employees who are entitled to sick leave under their employment contract may accumulate or carry forward unused sick days, but can only use them in future years if they are sick; i.e., sick leave can only be used for the purpose of illness. It cannot be used for any other purpose, nor can employees be paid out their banked sick days upon termination, resignation, or retirement.

*However, employees who have accumulated sick leave time, prior to January 1, 2003, will not lose that time; it may still be paid out based on the previous rules under which it was accumulated prior to December 31, 2002.*

### **3. Employment Termination Standards**

The maximum amount of severance payable has been reduced from 24 to 18 months for all exempt employees.

### **4. Filing and Disclosure of Contract Information**

Employers must provide all compensation-related contract information for senior employees earning a base salary of \$125,000 or more a year to Public Sector Employer's Council (PSEC).

### **5. Compliance**

After the October 21, 2002 effective date, if a person accepts money or receives a benefit from a public sector employer that exceeds the amount or benefit permitted, the excess money or cost to the employer of the benefit is a debt that is payable to the government by the person who received the amount or benefit.

You may access additional information and frequently asked questions in "[\*A Guide to Excluded and Executive Compensation in the British Columbia Public Sector\*](#)".