

TREASURY BOARD DIRECTIVE

TO ALL: MINISTERS
DEPUTY MINISTERS
ASSOCIATE DEPUTY MINISTERS
ASSISTANT DEPUTY MINISTERS, CORPORATE SERVICES
SENIOR FINANCIAL OFFICERS

DIRECTIVE: 2/17

SUBJECT: Remuneration Guidelines for Appointees to Ministry and Crown Agency Boards


AUTHORITY: This Directive is issued pursuant to sections 4 and 27 of the *Financial Administration Act* and other applicable enactments

APPLICATION: This Directive applies to individuals appointed to Ministry and Crown Agency Boards

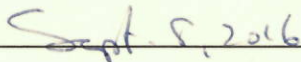
POLICY: SEE APPENDIX 1

REPEAL OF EXISTING POLICIES: Treasury Board Directive 3/11

EFFECTIVE DATE: Date signed below



Honourable Michael de Jong, Q.C.
Chair, Treasury Board



Date

TREASURY BOARD DIRECTIVE
APPENDIX 1

**REMUNERATION GUIDELINES
FOR APPOINTEES TO
MINISTRY AND CROWN AGENCY BOARDS**



1. POLICY OBJECTIVES

- 1.1 Ministry and Crown agency boards play a vital role in advancing the Government of British Columbia's policy priorities and objectives and in providing valuable public services such as hydro-electric operations, schools, and health and social services. Strengthening ministry and Crown agency board governance is an important element of Government's commitment to transparent and accountable government.
- 1.2 Appropriate remuneration for work performed by appointees to ministry and Crown agency boards is part of good governance practices. In the public sector, the maximum remuneration level should underscore the importance and professional nature of board work and attract and retain qualified individuals to serve. At the same time, there is underlying recognition that service on the board of a ministry or Crown agency entails an element of public service, varying in degree depending on the nature of the organization.
- 1.3 The policy objectives of these Remuneration Guidelines are to:
 - 1.3.1 Ensure a consistent and transparent approach to remuneration and expense reimbursement for appointees;
 - 1.3.2 Affirm the importance and professional nature of the work that appointees perform;
 - 1.3.3 Establish proportionality of remuneration between ministry and Crown Agency boards;
 - 1.3.4 Attract and retain highly-qualified individuals to serve as appointees; and
 - 1.3.5 Recognize there is a varying degree of public service in all appointments to ministry and Crown agency boards.

2. DEFINITIONS

“advisory board” means those ministry and Crown agency boards (agency, board, commission, committee, council, or such equivalent description) within the Government Reporting Entity, that are not separate legal entities and are not administrative tribunals and regulatory boards, and which provide advisory services to Government. Advisory boards are classified into remuneration levels 1 or 2 based on the criteria established in these guidelines.

“appointee” means an individual appointed by the Lieutenant Governor in Council, a minister responsible, or another person with delegated authority, to serve on the board of a ministry or Crown agency. The appointee may be designated chair, director, board member, or such equivalent description.

“Appointee Remuneration Committee” means the committee established by Treasury Board to administer these Remuneration Guidelines.

“board” means a governing agency, board, commission, committee, council, advisory board, or such equivalent description, established by a ministry or Crown agency, with or without governing legislation.

“board committee” means any committee established on a permanent or ongoing basis by the board of a ministry or Crown agency to assist the board in carrying out its work.

“Classification Grid” means the grid of six remuneration levels into which ministry and Crown agency boards may be classified by the Appointee Remuneration Committee depending on the criteria. These provisions are set out in section 5 of these Remuneration Guidelines.

“Crown agency” means an organization, other than a ministry, within the Government Reporting Entity that is administered with varying levels of independence from Government. Crown agencies are within Government’s control under standards defined in the Public Sector Accounting Handbook. The primary test for control is that Government appoints more than fifty percent of the appointees. Crown agencies include commercial Crown corporations, service delivery Crown corporations, SUCH sector organizations, Crown agency subsidiaries, advisory boards, administrative tribunals and regulatory boards.

“Crown Agency Registry” means the list of all Crown agencies in British Columbia as maintained by the Crown Agencies Resource Office.

“Crown agency subsidiary” means a wholly owned or majority owned subsidiary of a Crown agency.

“meeting fee” means a payment made to an appointee as remuneration for attending a board meeting or board committee meeting, or for other meetings attending to the business of the board. The amount of the meeting fee provided must not exceed the maximum amounts set out for the level in the Classification Grid assigned to the board. If the meeting lasts longer than four hours in a twenty-four hour day, the full meeting fee may be payable. If the meeting lasts four hours or less in a twenty-four hour day, one-half of the meeting fee may be payable. Remuneration may be provided on an alternate basis, but remuneration cannot be greater than set out in the Classification Grid.

“minister” means the minister who is accountable to government for the board. The minister may delegate authority to another person to carry out the responsibilities of the minister in these Remuneration Guidelines.

“per diems” means an amount equivalent to the relevant meeting fee and may be payable to an appointee for work undertaken by the appointee or for travel time to and from board business when the destination location for meetings is more than 32 kilometres from the appointee’s residence. Per diems are not provided for preparation time for board meetings, appointee education, conferences, or social functions associated with board business. Only level 1 chairs and level 2 chairs and appointees may be eligible for per diems. The intention is that time is not remunerated more than once. If a meeting is 3 hours and the travel time is 1 hour, the half day meeting fee is sufficient to cover both the meeting and the travel time

– in this circumstance, the appointee would not be eligible to receive a half day meeting fee and a half day per diem.

“**retainer**” means a fixed annual amount payable to an appointee in levels 3 to 6 for overall board service including preparation time and travel time. Appointees receiving retainers are not eligible for per diems. Retainers may be paid quarterly in advance, subject to reimbursement for no service provided.

3. APPLICATION

- 3.1 These Remuneration Guidelines govern the maximum remuneration and expense reimbursement payable to appointees who serve on the boards of ministries and Crown agencies except administrative tribunals and regulatory boards which are governed by Treasury Board Directive 1/17.
- 3.2 The criteria used to determine whether a ministry or Crown agency board falls within the scope of application of these Remuneration Guidelines are:
 - 3.2.1 Provincial Government appoints more than fifty percent of the members on the board.
 - 3.2.2 The organization is within the Government Reporting Entity.
 - 3.2.3 The board is operating within an area of direct and active interest of the Provincial Government (this is an overarching criterion).
- 3.3 Classification determinations under these Remuneration Guidelines are made by the Appointee Remuneration Committee. Treasury Board may provide direction to the Appointee Remuneration Committee to grant exceptions to the Remuneration Guidelines.
- 3.4 Unless remuneration has been determined by the Appointee Remuneration Committee, appointees are entitled only to reimbursement for expenses in accordance with section 7 of these Remuneration Guidelines.

4. ROLES AND RESPONSIBILITIES

- 4.1 **Treasury Board** establishes, and may revise from time to time, these Remuneration Guidelines and may consider requests for permanent exceptions to these Remuneration Guidelines.
- 4.2 **The Appointee Remuneration Committee:**
 - 4.2.1 Makes classification determinations under these Remuneration Guidelines upon application by the relevant minister, or under its own initiative, as follows:
 - 4.2.1.1 Classify a new, or review for re-classification an existing, ministry or Crown agency board on the Classification Grid.
 - 4.2.1.2 Approve remuneration exceptions to level 1 advisory boards up to a level 2 equivalent. The criteria used to determine an exception are:

- 4.2.1.2.1 Time-commitment.
 - 4.2.1.2.2 Level of expertise required of the board members.
 - 4.2.1.2.3 Significance of impact of the advice provided.
 - 4.2.1.3 Administer requests for permanent and exceptions to these Remuneration Guidelines to Treasury Board for decision and provide support and recommendations to Treasury Board in its deliberations.
 - 4.2.2 Meets at the call of the Appointee Remuneration Committee Chair.
 - 4.2.3 Maintains and makes available publicly on the Public Sector Employers' Council Secretariat website these Remuneration Guidelines, lists of the boards by classification level, links to other relevant provisions such as the Terms and Conditions of Employment for Excluded Employees / Appointees, and other relevant documents and information.
 - 4.2.4 Monitors annual remuneration disclosure and may post a single remuneration disclosure document on the Public Sector Employers' Council Secretariat website.
 - 4.2.5 Reviews these Remuneration Guidelines and makes recommendations to Treasury Board for review and revision as required but at least triennially.
- 4.3 **The Public Sector Employers' Council Secretariat** acts as the secretariat to the Appointee Remuneration Committee and ensures remuneration and classification information (including these Remuneration Guidelines, lists of boards by classification level, links to other relevant provisions such as the Terms and Conditions of Employment for Excluded Employees / Appointees, and other relevant documents and information) is publicly available.
- 4.4 **The Crown Agencies Resource Office** maintains the Crown Agency Registry.
- 4.5 **The minister** responsible for a board:
- 4.5.1 Makes applications to the Appointee Remuneration Committee for his/her portfolio of ministry and Crown agency boards when:
 - 4.5.1.1 A new ministry or Crown agency board is being established.
 - 4.5.1.2 There is a proposed permanent change to a ministry or Crown agency board mandate.
 - 4.5.1.3 There is an extraordinary circumstance where a board or its chair is required to contribute time over and above the 'ordinary' expected commitment or if it is expected that there will be a significant temporary decline from the 'ordinary' expected commitment, and a special time-limited remuneration arrangement is being sought.
-
-

- 4.5.1.4 There is a request for a permanent exception to these Remuneration Guidelines for Treasury Board decision.
 - 4.5.2 Determines the amount of retainers, meeting fees and per diem fees up to the maximum amounts permitted in the Classification Grid for appointees to a board in his/her portfolio of ministry and Crown agencies.
 - 4.5.3 Differentiates retainer amounts provided to appointees within boards, up to the maximum amounts in the Classification Grid, to recognize varying skills and experience or to recognize varying travel requirements in order to provide internal equity.
 - 4.5.4 Determines the number of meetings up to the maximum number permitted in paragraph 5.9 of these Remuneration Guidelines for appointees to a board in his/her portfolio of ministry and Crown agencies.
 - 4.5.5 Ensures the remuneration payable to appointees is in accordance with these Remuneration Guidelines and the classification determinations of the Appointee Remuneration Committee or Treasury Board.
 - 4.5.6 Provides actual remuneration information to the Appointee Remuneration Committee as per its request and makes such information available on the ministry website, if there is no agency or board website.
 - 4.5.7 Notifies the Appointee Remuneration Committee and the Crown Agencies Resource Office when a new ministry or Crown agency board is created, regardless of whether its appointees receive remuneration, and when any other changes are required to the Crown Agency Registry.
- 4.6 The ministry and Crown agency board**
- 4.6.1 Administers the remuneration, benefits, and expenses payable to appointees:
 - 4.6.1.1 In accordance with these Remuneration Guidelines.
 - 4.6.1.2 Within the maximum amount payable under the Classification Grid.
 - 4.6.1.3 In accordance with the classification determination of the Appointee Remuneration Committee or Treasury Board.
 - 4.6.1.4 In accordance with any determinations of the minister, as per paragraphs 4.5.2, 4.5.3 and 4.5.4 of these Remuneration Guidelines.
 - 4.6.2 Ensures actual remuneration information, as requested by the Appointee Remuneration Committee, is provided to the minister and is publicly available on the board, Crown agency or ministry website.
-
-

- 4.7 **The board chair** oversees the remuneration and expenses paid to appointees in accordance with paragraph 4.6 of these Remuneration Guidelines.

5. **REMUNERATION FRAMEWORK**

- 5.1 Upon application by the relevant minister, or upon its own initiative, the Appointee Remuneration Committee will classify a ministry or Crown agency board into one of six levels in accordance with the Classification Grid of these Remuneration Guidelines. In determining the classification of each ministry or Crown agency, the Appointee Remuneration Committee shall consider the following criteria:

- 5.1.1 The type of ministry and Crown agency (commercial, service delivery or advisory board).
- 5.1.2 The complexity of the service provided (provide advice or produce a product; provide a service or deliver a program; direct agents or manage contracts; coordinate service or program delivery).
- 5.1.3 The size and complexity of the operation (budget; multiple lines of business; organizational structure; geographical representation).
- 5.1.4 The degree of knowledge and specialized skills required.
- 5.1.5 The board's strategic importance to the Province (financial policy, social policy, economic policy, and infrastructure).
- 5.1.6 Comparability among the ministry and Crown agency boards for internal consistency and fairness.

No one criterion will be determinative, but the general expectation will be that advisory boards will be classified as level 1.

- 5.2 **There is no requirement that appointees be paid, nor that they be paid at maximum rates.** Remuneration amounts provided to appointees within a board may be differentiated to recognize varying skills, experience and knowledge, or to recognize varying travel requirements for the purpose of internal equity. Remuneration cannot be provided in excess of the maximum amounts specified for the level at which the applicable ministry or Crown agency board is classified unless an exception has been approved by the Appointee Remuneration Committee or Treasury Board.

- 5.3 **Retainers** may be payable to appointees in levels 3 through 6 for overall board service, including preparation time and travel time. Appointees receiving retainers are not eligible for per diems.

- 5.3.1 Retainers may be paid for services rendered, quarterly or annually.
 - 5.3.2 Retainers may be paid in advance of service, quarterly for example, subject to reimbursement for no service provided (if an appointee received a quarterly retainer on January 1 but resigned or the appointment was rescinded on January 31, the appointee must reimburse the amount associated with the subsequent 3 months).
-

5.4 **Level 1 Appointees**

- 5.4.1 Level 1 chairs are eligible for meeting fees and per diems in accordance with sections 4 and 5 of these Remuneration Guidelines and at the discretion of the minister. Advisory board chairs are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.
- 5.4.2 Level 1 appointees, other than the chairs, do not receive any form of remuneration (retainers, meeting fees or per diems). They are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.

5.5 **Level 2 appointees**, including the chairs, are eligible for meeting fees and per diems in accordance with sections 4 and 5 of these Remuneration Guidelines and at the discretion of the minister. Level 2 appointees are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.

5.6 **Level 3 through 6 appointees**, including the chairs, are eligible for annual retainers and meeting fees in accordance with sections 4 and section 5 of these Remuneration Guidelines and at the discretion of the minister. These appointees are **not** eligible for per diems. They are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.

5.7 **Crown Agency Subsidiary Board Appointees**

- 5.7.1 Appointees are not entitled to additional remuneration for time spent on business of the Crown agency subsidiary unless:
 - 5.6.1.1 The subsidiary operates as a stand-alone operating entity with its own board.
 - 5.6.1.2 The remuneration in respect of the Crown agency subsidiary board has been approved in advance by the Appointee Remuneration Committee.
 - 5.7.2 In determining remuneration payable for appointees to Crown agency subsidiary boards, the Appointee Remuneration Committee will assign the Crown agency subsidiary board to a specific level in the Classification Grid. Remuneration payable in respect of a Crown agency subsidiary board generally would not be higher than the remuneration paid in respect of the Crown agency parent board.
 - 5.7.3 Appointees to Crown agency subsidiary boards are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.
-
-

5.8 Classification Grid:

Maximum Remuneration	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Retainer – Chair	0	0	6,000	15,000	15,000	30,000
Retainer – Appointee	0	0	3,000	7,500	7,500	15,000
Retainer – Audit Cttee Chair	0	0	2,000	3,000	5,000	5,000
Retainer – Other Cttee Chair	0	0	1,000	2,000	3,000	3,000
Meeting Fee – Chair	350	350	300	500	500	750
Meeting Fee – Appointee	0	250	300	500	500	750

Level 1 - Advisory Boards

Level 2 - Small Service Delivery Crown Corporations

- Decision Making Boards (not a separate legal entity)

- Other Boards with Service/Program Responsibilities (not a separate legal entity)

Level 3 - Mid-size Service Delivery Crown Corporations

Level 4 - Small Commercial and Major Service Delivery Crown Corporations

Level 5 - Health Authorities and Large Commercial Crown Corporations

Level 6 - Major Commercial Crown Corporations

5.9 The maximum number of full day meeting fees is limited as follows:

5.9.1 Level 1 board chairs and appointees – 18 meetings per year.

5.9.2 Level 2, 3, 4, 5, and 6 board chairs – 60 meetings per year.

5.9.3 Level 2, 3, 4, 5, and 6 board appointees, other than the chairs – 30 meetings per year.

5.10 Only one full day (or two half day) meeting fee will be paid to any appointee for each twenty-four hour day in respect of attendance at board or subcommittee meetings and for other meetings attending to the business of the board. An appointee may receive additional remuneration during the same day in respect of meetings of another board.

5.11 **Per diems** are equivalent to the relevant meeting fee in levels 1 and 2. Only level 1 chairs and level 2 chairs and appointees may be eligible for per diems. The intention is that time is not remunerated more than once. If a meeting is 3 hours and the travel time is 1 hour, the half day meeting fee is sufficient to cover both the meeting and the travel time – in this circumstance, the appointee would not receive a half day meeting fee and a half day per diem.

5.11.1 A per diem may be provided to an appointee in respect of work undertaken by the appointee or for travel time to and from board business when the destination location for meetings is more than 32 kilometres from the appointee's residence in accordance with sections 4, 5, and 6 of these Remuneration Guidelines.

5.11.2 Per diems are not provided for preparation time for board meetings, appointee education, conferences, or social functions associated with board business.

6. ADDITIONAL REMUNERATION PAYMENT GUIDELINES

- 6.1 Appointees who receive remuneration in respect of their membership on a ministry or Crown agency board from a source outside government (e.g., industry) shall not receive any additional remuneration under these Remuneration Guidelines.
- 6.2 Members of the Legislative Assembly are not generally eligible for appointment to a ministry or Crown agency board. In the unusual event that they are appointed, Members of the Legislative Assembly will not receive any additional remuneration beyond the remuneration and rates of reimbursement for travel expenses to which they are entitled by virtue of their position or employment. Travel expenses incurred as a result of their ministry or Crown agency board duties will be reimbursed by the ministry responsible for the organization, and not by the board.
- 6.3 Government employees are not generally eligible for appointment to a ministry or Crown agency board. Government employees may only be appointed in limited instances such as periods of transition (e.g., start-up and wind-down) and for limited purpose entities established for a limited term. Employees who are appointed to a ministry or Crown agency board as part of their employment will not receive any additional remuneration beyond the remuneration and rates of reimbursement for travel expenses to which they are entitled by virtue of their position or employment. Travel expenses incurred as a result of their ministry or Crown agency board duties will be reimbursed by the ministry responsible for the board, and not by the board.
- 6.4 An employee of a Crown agency, in his or her individual capacity, may on occasion be appointed to the board of a ministry or another Crown agency whose mandate and operations are wholly unrelated to the appointee's Crown agency employer. In such circumstances, and provided that the appointee is appointed in his or her individual capacity, the appointee shall be entitled to remuneration and expenses in accordance with these Remuneration Guidelines.
- 6.5 Remuneration will be paid only to the person named on the instrument appointing that person to a ministry or Crown agency board.
- 6.6 Appointees to ministry and Crown agency boards are not employees and are not covered by the British Columbia Government Terms and Conditions of Employment for Excluded Employees / Appointees. Limited reimbursements and risk management losses are provided and are detailed in Part 10 of the Terms and Conditions for Category D appointees. See www.gov.bc.ca/myhr
Keyword search: *Terms and Conditions for Excluded Employees*
- Ministers must ensure that at no time is an employer/employee relationship established.
- 6.7 Appointees are not subject to deductions for the Canada Pension Plan or for Employment Insurance.
-

6.8 Remuneration paid to appointees is reported annually to the Canada Revenue Agency on a T4A Supplementary Slip.

7. BUSINESS TRAVEL AND EXPENSE REIMBURSEMENT GUIDELINES

7.1 Appointees incurring transportation, accommodation, meal and out of pocket expenses in the course of their duties as members of a ministry or Crown agency board will be reimbursed in accordance with Group 2 rates, policies, and procedures as outlined in the Terms and Conditions of Employment for Excluded Employees / Appointees. See

www.gov.bc.ca/myhr

Keyword search: *Terms and Conditions for Excluded Employees Part 6, Section 39.*

7.2 Appointees will not be reimbursed for professional dues or membership fees.

8. EXCEPTIONS

These Remuneration Guidelines apply to the Electoral Boundaries Commission and Judicial Compensation Commission except for the classification and remuneration rate. The remuneration rate will be reviewed and approved by the Appointee Remuneration Committee when required.

9. TRANSITION FROM TREASURY BOARD DIRECTIVE 3/11

These Remuneration Guidelines are effective on the date signed by the Chair of Treasury Board. The Appointee Remuneration Committee will notify each minister and chair in writing of the changes in these Remuneration Guidelines.

10. REVIEW

The Appointee Remuneration Committee will review the Remuneration Guidelines as it sees fit, and at a minimum every three years, and submit to Treasury Board a request for approval of any proposed adjustments.

