

Ministry of Education

**Office of the ADM**

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**2017: B05**

**MEMORANDUM TO:** Directors of Education  
  
Secretary-Treasurers of School Authorities (Isolate Boards)  
  
Business Administrators (Section 68 School Authorities)

**FROM:** Joshua Paul  
Assistant Deputy Minister (A)  
Financial Policy and Business Division

**DATE:** May 1, 2017

**SUBJECT:** **Broader public sector executive compensation and the provision of subsidized post-retirement benefits**

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I am writing to you today regarding the government's approach to broader public sector executive compensation as it relates to the provision of subsidized post-retirement benefits in the education sector. The government's approach established under the *Broader Public Sector Executive Compensation Act, 2014* (BPSECA) is intended to ensure the responsible and transparent administration of executive compensation across the broader public sector.

One of the key requirements is that designated executives are not provided insured benefits that are not generally provided to non-executive managers. In addition, with the exception of cash compensation, an employer cannot provide an element of compensation to executives, which is not generally provided to non-executive managers unless the element is required for the performance of the executive's job or is otherwise required for critical business reasons.

Two observations in the context of the government's approach to executive compensation are relevant to the provision of subsidized post-retirement benefits to

school board executives. First, non-executive managers, (e.g. primarily principals and vice-principals) do not currently have subsidized post-retirement benefits; and second, there does not appear to be an argument that post-retirement benefits are required for the performance of a designated executive's job or otherwise required for critical school board reasons.

Everyone will have seen the attached memorandum issued in early February 2017 from the President of Treasury Board, on the Broader Public Sector Executive Compensation Requirements. Based on the observations above, it is not clear that the ministry will be in a position to confirm, if required, a compensation plan on a go forward basis that allows for subsidized post-retirement benefits.

However, it is acknowledged that some employees have these benefits as a result of contracts that were in place prior to the effective date of the compensation restraint provisions of Part II.1 under the *Broader Public Sector Accountability Act, 2010*. Employees in this situation will become subject to their employer's compensation plan by the third anniversary of the effective date of the new compensation plan for the school board.

Should you require further information, please contact Romina Di Pasquale at 416-325-2057 or [Romina.DiPasquale@ontario.ca](mailto:Romina.DiPasquale@ontario.ca).

Thank you for your ongoing leadership and support.

Sincerely,

Original Signed by

Joshua Paul  
Assistant Deputy Minister (A)  
Financial Policy and Business Division

Attachment

cc: Superintendents of Business and Finance  
Andrew Davis, Assistant Deputy Minister (A), Labour Relations