

## **PUBLIC SERVICE PENSION PLAN PENSIONABLE SALARY POLICY**

### **Overview**

Salary for pension purposes includes regular, recurring earnings at regular rates of pay that are part of ongoing compensation relating to annual scheduled hours of work.

### **Inclusions**

A member's salary for pension purposes includes the following types of pay, and employers should report the following categories or types of pay as salary for pension purposes:

- regular pay - regular hours worked/paid
- substitution pay/temporary assignment pay
- vacation pay
- retroactive pay
- salary while on rehabilitation from long-term disability
- salary protection pay as an amount paid to an employee where his/her position is re-classified to a lower classification or the employer moves the employee into another position with a lower maximum salary
- for the period covered by the short term illness and injury plan (STIIP), pensionable salary is based on compensation the member would have received had the member been working, not on actual compensation during STIIP
- Workers' Compensation Board benefits that are paid through the employer to a member
- amounts (may be referred to as premiums by some employers) paid on an ongoing basis including, but not limited to, the following:
  - shift work and/or shift change premiums pay
  - dirty pay (working in dirty locations) and diving pay
  - amount paid for obtaining extra educational requirements of a specific job
  - amount paid for achieving and maintaining any certification required to perform specific tasks or functions (for example, first aid certification)
  - amount paid in addition to base pay and provided on a permanent basis to reflect fluctuating labour market discrepancies in certain work locations
- unused lieu days paid at termination, not as a lump sum, but as additional days of pay
- pay in lieu of statutory holidays (pensionable salary includes regular, straight time compensation only and does not include any overtime salary paid for working statutory holidays)
- pay for time off in lieu of lump sum overtime pay
- maternity and parental leave top-up pay
- pre-placement adoption leave allowance

### **Exclusions**

Despite the above-noted inclusions, a member's salary does not include the following types of pay or compensation, and employers should not report the following categories or types of pay as salary for pension purposes:

- overtime pay including, but not limited to, additional pay for working statutory holidays
- any non-taxable income associated with the work location, including, but not limited to, isolation pay and pay for work in remote locations
- stand-by pay as an amount paid for scheduled hours not included in the annual hours of work
- any performance-based pay that is not part of ongoing compensation including, but not limited to, incentive bonuses, incentive pay, and hold back pay
- any benefit or compensation paid for the provision of, or in lieu of, extended health, health benefit accounts, dental, or life insurance benefits
- any benefit, or compensation paid as an expense reimbursement, including, but not limited to, for the provision of a vehicle, whether or not it is required for work purposes
- honorariums
- lump sum payment(s) in lieu of a benefit including, but not limited to, the following:
  - lump sum vacation payments
  - lump sum severance payments
  - lump sum payment for unused sick days
  - achievement or other one-time awards or bonuses
  - long-service awards

Approved: effective March 11, 2003 in accordance with Article 6.3(a) of the Public Service Pension Plan Joint Trust Agreement and section 96(1) of the Public Service Pension Plan Rules

Last Revised: June 25, 2014