



PUBLIC SERVICE PENSION PLAN PENSIONABLE SALARY POLICY

Overview:

Section 96(1) of the Public Service Pension Plan rules defines “salary” to be “such amounts received by a member as recognized by the Board by resolution or policy ... but does not include any amounts expressly excluded by the Board in any such resolution or policy”.

This policy has been adopted by the Board and sets out what amounts will and will not be recognized as “salary” for the purposes of the Public Service Pension Plan.

This document sets out both general statements of principle and specific rules that must be applied in the context of each employer’s employment and compensation pattern.

In general, “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 payment of regular pay and other amounts that would be considered “salary”
- salary while on rehabilitation from long-term disability
- salary protection pay, which is an amount paid to an employee where the employee’s position is reclassified 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) or by any other short-term disability plan provided by an employer, pensionable salary is based on compensation the member would have received had the member been working, not on the actual compensation received from STIIP or another short-term disability plan provided by the employer
- WorkSafeBC 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



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- 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
 - stipend payments that are not related to performance-based pay
- unused lieu days paid at termination, not as a lump sum, but as additional days of pay
 - pay in lieu of a statutory holiday when the employee does not work on that statutory holiday
 - statutory holiday pay or other premium paid to an employee for working their regularly scheduled hours of employment on a statutory holiday (but any form of pay for working overtime on a statutory holiday is not “salary”)
 - pay for time off in lieu of lump sum overtime pay
 - maternity and parental leave top-up pay
 - pre-placement adoption leave allowance
 - pay for stand-by shifts where an employee is required to be physically present at their work location throughout the stand-by period
 - pay for union-related work where the employer considers the union work to be part of the employee’s responsibilities and duties, or the employer is required by collective agreement to give the employee paid time off to attend to union-related work

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 overtime on 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 where an employee is not required to be physically present at their work location
- 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



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- 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: April 1, 2024