TREASURY BOARD DIRECTIVE

TO ALL:	MINISTERS DEPUTY MINISTERS ASSOCIATE DEPUTY MINISTERS ASSISTANT DEPUTY MINISTERS, CORPORATE SERVICES SENIOR FINANCIAL OFFICERS
DIRECTIVE:	2/20
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 appointees to Ministry and Crown Agency Boards
POLICY:	SEE APPENDIX 1
REPEAL OF EXISTING POLICIES:	Treasury Board Directive 2/17
EFFECTIVE DATE:	April 1, 2020

Carole James — Dec. 12, 2019

Honourable Carole James — Date
Chair, Treasury Board

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. Strong and effective 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. 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 who reflect the diverse identities of British Columbians and the province's commitment to gender equity and to true and lasting reconciliation with Indigenous peoples in British Columbia.

1.3.5 Recognize there is a varying degree of public service expected from all appointees to ministry and Crown agency boards.

2. DEFINITIONS

"advisory board" means a board that does not hold or exercise governance responsibilities over a legal entity and includes ad hoc, time limited, or project-specific entities tasked with public engagement and/or delivering formal reports or recommendations to government.

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

“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 typically include commercial Crown corporations, service delivery Crown corporations, boards of education, health authorities, and post secondary colleges and institutions, universities, Crown agency subsidiaries, and advisory boards.

“**Crown Agency Registry**” means the list of all Government of British Columbia Crown agencies as maintained by the Crown Agencies and Board Resourcing 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 and/or work undertaken attending to the business of the board.

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

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

“retainer” means a fixed annual amount payable to an appointee for overall board service including preparation time and travel time.

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 1/20.

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:

- The Government of British Columbia appoints more than fifty percent of the members on the board.
- The organization is within the Government Reporting Entity.
- The board is operating within an area of direct and active interest of the Government of British Columbia (this is an overarching criterion).

3.3 Classification determinations under these Remuneration Guidelines are made by the Appointee Remuneration Committee.

3.4 Unless classification 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.

3.5 Treasury Board may provide direction to the Appointee Remuneration Committee to grant exceptions to the 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 exceptions to these Remuneration Guidelines.

4.2 **The Appointee Remuneration Committee**:

4.2.1 Classifies new, or reviews for re-classification existing ministry or Crown agency boards upon application by the minister, or under its own initiative.

4.2.2 May approve remuneration exceptions that fall within the following parameters:

4.2.2.1 With respect to a Level 1 advisory board, the Appointee Remuneration Committee may provide an exemption for some or all of the appointees to be remunerated up to the relevant maximums for a Level 2 board;

4.2.2.2 With respect to a time-limited or project-specific Level 1 advisory board, the Appointee Remuneration Committee may provide an exemption for

some or all of the appointees to be remunerated up to the relevant maximums for a Level 4 board for a period not to exceed 18 months.

4.2.2.3 With respect to extraordinary circumstance where a board or its chair is required to contribute time over and above the 'ordinary' expected commitment, the Appointee Remuneration Committee may provide an exemption for some or all of the appointees to receive additional remuneration not to exceed 50 percent of the remuneration that is otherwise available to the appointees, for a period not to exceed six months.

4.2.2.4 The criteria used to determine an exception are:

- time-commitment;
- level of expertise required of the board members;
- significance of impact of the advice provided;
- contribution towards reconciliation with Indigenous peoples in British Columbia; and
- gender and diversity factors.

4.2.3 Administers requests for exceptions to these Remuneration Guidelines to Treasury Board for decision and provide support and recommendations to Treasury Board in its deliberations.

4.2.4 Meets at the call of the Appointee Remuneration Committee Chair.

4.2.5 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 relevant provisions such as the *Terms and Conditions of Employment for Excluded Employees and Appointees*, and other relevant documents and information.

4.2.6 Monitors annual appointee remuneration disclosure and may post a single remuneration disclosure document on the Public Sector Employers' Council Secretariat website.

4.2.7 Reviews these Remuneration Guidelines and makes recommendations to Treasury Board as required, or at least every three years.

4.3 **The Public Sector Employers' Council Secretariat** acts as the secretariat to the Appointee Remuneration Committee and ensures remuneration and classification information is publicly available.

4.4 **The Crown Agencies and Board Resourcing Office** maintains the Crown Agency Registry.

4.5 **The minister** responsible for a board:

4.5.1 Makes applications to the Appointee Remuneration Committee:

4.5.1.1 To classify a new ministry or Crown agency board prior to appointing its members;

4.5.1.2 To re-evaluate a classification where there is material change to a ministry or Crown agency board mandate;

4.5.1.3 To seek a time-limited remuneration exemption for extraordinary circumstances 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;

4.5.1.4 To seek a permanent exception to these Remuneration Guidelines for Treasury Board decision.

4.5.2 Establishes or approves a remuneration policy for a board that:

4.5.2.1 Sets the retainer amount and meeting fees up to the maximum amounts permitted in the Remuneration Grid for appointees to their ministry and Crown agencies.

4.5.2.2 May differentiate retainer amounts provided to appointees within boards, up to the maximum amounts in the Remuneration Grid, to recognize varying skills and experience or to provide internal equity when recognizing varying travel requirements.

4.5.2.3 Determines the number of meetings up to the maximum number permitted in section 5.9 of these Remuneration Guidelines for appointees in their ministry and Crown agencies.

4.5.2.4 May specify other remuneration policies consistent with these Remuneration Guidelines.

4.5.2.5 Provides an explanation as to the treatment of appointees for the purposes of the Personal Income Tax withholdings, Goods and Services Tax (GST), Canada Pension Plan (CPP), and Employment Insurance Act (EI) schemes.

4.5.3 Ensures the remuneration payable to appointees is in accordance with these Remuneration Guidelines and the remuneration policy established under section 4.5.2.

4.5.4 Provides actual remuneration information and the remuneration policy established under section 4.5.2 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.

4.5.5 Notifies the Appointee Remuneration Committee and the Crown Agencies Board Resourcing 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 or Crown agency staff:**

4.6.1 Administers the remuneration, benefits, and expenses payable to appointees in accordance with these Remuneration Guidelines and the remuneration policy established under section 4.5.2.

4.6.2 Ensures actual remuneration information, as requested by the Appointee Remuneration Committee, is provided to the minister and this information, along with the remuneration policy established under section 4.5.2 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 section 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 level. 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.

5.2 No one criterion will be determinative, but the general expectation will be that the classification will align with the following:

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

5.3 There is no requirement that appointees be paid, nor that they be paid at maximum rates.

5.4 Remuneration amounts provided to appointees within a board may be differentiated to recognize varying skills, experience and knowledge, or to provide internal equity when recognizing varying travel requirements.

5.5 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.

5.6 All appointees are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.

5.7 **Meeting fees:**

5.7.1 May be provided for travel time to and from board business when the destination location for meetings is more than 32 kilometres from the appointee's residence and the appointee does not receive a retainer.

5.7.2 Meeting fees are not provided for preparation time for board meetings, or appointee education, conferences, or social functions associated with board business.

5.7.3 The amount of the meeting fee may be prorated to the length of the meeting (including applicable travel time) and must not exceed the maximum amounts set out for the level in the Remuneration Grid assigned to the board. If the

meeting lasts longer than four hours in a twenty-four-hour day, up to the full meeting fee may be payable. If the meeting lasts four hours or less in a twenty-four-hour day, up to one-half of the meeting fee may be payable.

5.8 **Retainers:**

5.8.1 May be payable to appointees in levels 3 through 6 for overall board service, including preparation time and travel time.

5.8.2 Appointees receiving retainers are not eligible for meeting fees provided to remunerate for travel time.

5.8.3 Retainers may be paid for services rendered, quarterly or annually.

5.8.4 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 three months).

5.9 **Level 1 appointees:**

5.9.1 Level 1 chairs are eligible for meeting fees in accordance with sections 4 and 5 of these Remuneration Guidelines and at the discretion of the minister.

5.9.2 Level 1 appointees, other than the chairs, do not receive any form of remuneration (neither retainers nor meeting fees) unless an exception has been provided under section 4.2.2.

5.10 **Level 2 appointees**, including the chairs, are eligible for meeting fees in accordance with sections 4 and 5 of these Remuneration Guidelines and at the discretion of the minister.

5.11 **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.

5.12 **Crown agency subsidiary board appointees:**

5.12.1 Appointees are not entitled to additional remuneration for time spent on business of the Crown agency subsidiary unless:

5.1.1.1 The subsidiary operates as a stand-alone operating entity with its own board.

5.1.1.2 The Crown agency subsidiary board has been classified by the Appointee Remuneration Committee.

5.1.1.3 In general, the classification of a Crown agency subsidiary board, and associated remuneration, would not be higher than the remuneration paid in respect of the Crown agency parent board.

5.12.2 Appointees to Crown agency subsidiary boards are eligible for reimbursement of expenses in accordance with section 7 of these Remuneration Guidelines.

5.13 **Remuneration 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

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

5.14.1 Level 1 board chairs – 18 meetings per year.

5.14.2 Level 2, 3, 4, 5, and 6 board appointees, other than the chairs – 30 meeting fees per year.

5.14.3 Level 2, 3, 4, 5, and 6 board chairs – 60 meeting fees per year.

5.15 Not more than the equivalent of one full day meeting fees 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.

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 individual named on the instrument appointing that individual 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 Government of British Columbia's *Terms and Conditions of Employment for Excluded Employees and Appointees*. Ministers must ensure that at no time is an employer/employee relationship established.

6.7 Remuneration paid to appointees is subject to Personal Income Tax withholding and is to be reported annually to the Canada Revenue Agency on a T4 Supplementary Slip.

6.8 Limited reimbursements and risk management losses may be provided consistent with part 10 of the *Terms and Conditions of Employment for Excluded Employees and Appointees* for Category D appointees.

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 and Appointees*.

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. EFFECTIVE DATE

These Remuneration Guidelines are effective on April 1, 2020.