

1     Q.    Please confirm that Government of Canada's Economic Action Plan 2012 tabled in  
2           the House of Commons on March 29, 2012 by Minister James M. Flaherty, Minister  
3           of Finance stated, "The Government is also taking specific action to bring federal  
4           public service compensation in line with that of other public and private sector  
5           employees. This includes eliminating the accumulation of severance benefits for  
6           voluntary resignation and retirement, which to date has been eliminated for about  
7           230,000 unionized and non-unionized federal government employees, including  
8           members of the Royal Canadian Mounted Police, the Canadian Forces and all  
9           executives in the core public administration."

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12    A.    The following is the website address where a copy of the Government of Canada's  
13           Economic Action Plan can be obtained: <http://actionplan.gc.ca/en/initiative/public-sector-compensation>.

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16    CA-NLH-247, Attachment 1 provides an excerpt relevant to the reference above  
17           from this website. Hydro is aware of the Government of Canada's Economic Action  
18           Plan but is not in the position to confirm information issued by the Government of  
19           Canada.

Available at website: <http://actionplan.gc.ca/en/initiative/public-sector-compensation>

The Government is eliminating the accumulation of severance benefits for voluntary resignation and retirement, for unionized and non-unionized federal government employees, including members of the Royal Canadian Mounted Police, the Canadian Forces and all executives in the core public administration.

## **About the Program**

The Treasury Board ensures fiscally responsible expenditure management by determining compensation for the Core Public Administration (except for the executive group), the Canadian Forces, and the Royal Canadian Mounted Police.

## **How It Works**

Compensation serves, with other key frameworks, to attract, retain, motivate and renew the workforce required to deliver results to Canadians. Compensation decisions by the Treasury Board in its various roles will be guided by four overarching principles: external comparability, internal relativity, individual/group performance, affordability.

Eliminating the accumulation of severance benefits for voluntary departures is expected to provide permanent, ongoing fiscal savings. Based on the estimated annual liability for the accumulation of severance benefits for voluntary departures before the Government began taking action to terminate this benefit, it is expected that this measure will provide ongoing fiscal savings of about \$500 million per year.

## **Progress to Date**

Economic Action Plan 2012 noted that severance had been eliminated for 230,000 public servants; it has been eliminated for an additional 55,000 employees in 2012-13. To date, severance pay for resignation and retirement has been eliminated for approximately 285,000 unionized and non-unionized public servants, including all executives, in the core public administration.

The commitments made in Economic Action Plan 2013 build on previous Budget commitments to manage compensation and improve the management of human resources in ways that result in savings for Canadian taxpayers. Economic Action Plan 2013 also indicated the Government will be taking steps to align employee compensation offered by Crown corporations with what is available to federal employees.

## **Find Out More**

For more information, please visit the [Treasury Board Secretariat](#) Web site.