

Compensation FOCUS

for the compensation community



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Review of Pension Services Delivery

Public Service Superannuation Act (PSSA) administrative services are provided by various organizations within federal public service departments and agencies. For a number of years now, everyone involved in pension administration services has been feeling the strain of increased demands.

As part of the Compensation Modernization initiative, the Compensation Sector representatives have visited world leaders in pension administration. During the course of these visits it has been noted that pension services in many large organizations tend to be centralized. Treasury Board Secretariat (TBS) and PWGSC have agreed to review the current delivery model and examine the feasibility and desirability of centralizing pension services in the federal government.

In April 2002, the HR Council, a consultative and decision-making body for human resources issues, priorities and policies, approved a proposal that PWGSC initiate a review of the way pension services are delivered to active members of the Public Service Superannuation Plan. This review is focusing on best practices that have been identified in the pension industry with an overall goal of improving services to the members.

This spring, various departments were approached to participate in a review of pension services currently provided by Compensation Advisors. During this review, participants were asked to verify the list of activities performed and to appraise the workload. Following group discussions, validation and analysis of the collected data was received.

This fall, focus groups will be conducted with plan members to seek their input. The objective of these focus groups will be to determine the type and desired level of services expected from a revised service delivery model.

All reviews and focus group consultations on pension service delivery are expected to be completed early next year. Once all of the input has been collated, work will begin on development of a new model for pension service delivery.

Compensation Modernization Survey results released

PWGSC would like to thank Federal Government Departments for their insightful contributions to the Compensation Modernization Survey conducted earlier this year. Clients who participated in this survey have contributed enormously to the development of future strategic and business models. Client feedback provided PWGSC with valuable data on current compensation systems and services, client expectations and plans for future compensation systems and service delivery. Feedback was received from many different perspectives throughout the Compensation community, including: clients who interface with the pay system through batch processes; those who interface using online screens; separate employers; and departments for whom Treasury Board is the employer.

As a summation, clients view PWGSC's services as adequate. However, it is felt for PWGSC to excel and become a world-class service provider, critical improvements are essential. Specific comments recommended greater client involvement in future innovations, more highly professional and trained experts, the extension of new

methods of service delivery and simplification of business processes. Respondents to the survey also urged PWGSC to make greater efforts to adapt its systems to be compatible with client HR systems.

These results will form a key component in the development of future Pay strategic goals and Pay business models.

Overall, clients are generally optimistic and supportive of PWGSC's modernization initiatives. Change is viewed as essential in the face of the pending retirement of large numbers of employees, including the HR and compensation staff who service them.

A global analysis of the Compensation Modernization Survey results will be presented to the HR Council. These results will form a key component in the development of future Pay strategic goals and Pay business models.



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Working Tools

This section is devoted to sharing ideas and information that make work easier.

Virtual Pay – a great new tool is born!

Launched on March 28, 2002, at the Compensation Managers' Conference held in the National Capital Region, *Virtual Pay* is now active!

Virtual Pay is an on-line electronic resource to support Compensation Advisors with best practices in the delivery of efficient and effective compensation services. It provides access to important checklists and calculators with links to key resources, including policy documents relevant to Compensation Advisors.

This great new tool was originally developed by Canada Customs and Revenue Agency, modified substantially by Human Resources Development Canada, and then adopted by Human Resources Development Secretariat TBS, for broader dissemination across the Public Service.

Of special significance, *Virtual Pay* was developed by the compensation community, for the compensation community!

Virtual Pay will aid and build upon the sound judgement of the users. This is the first of many installments that will make tools available to Compensation Advisors that are

based on best practices in the delivery of quality services to clients. The ultimate vision for *Virtual Pay* is "one-stop shopping" for tools and references key in the delivery of effective and efficient compensation services.

Virtual Pay is available at publservice.gc.ca/br/ebssave/vps or you can link to the page via the Compensation Sector site at <http://www.pwgsc.gc.ca/compensation/text/links-e.html>



The *Virtual Pay* development team included:

Evelyne Anderson, Privy Council Office; Beatrice Rogier, Indian and Northern Affairs; Nathalie St. Onge, Human Resources Development Canada; Charles Charbonneau, Human Resources Development Canada; Dianne Desjardins, Treasury Board Secretariat; Joanne Ladouceur, Transportation Safety Board.

If you have any shortcuts, tips or tricks you would like to share with other readers, contact our editor, Diane Gauthier, at (819) 956-6374, or diane.gauthier@pwgsc.gc.ca, or send them to Compensation FOCUS, 10B1 Place du Portage, Phase III, Hull, Quebec, K1A 0S5 fax: (819) 956-6484

What's New



On The Web?

Forms

Eleven forms have recently been added to the fillable form collection on-line. A total of 16 forms can now be completed on-line. If you have a preference for which form or forms should next be added to our fillable form collection, please contact us. Detailed data entry instructions are available on-line. Hard copies of forms completed on-line still need to be printed, signed and submitted manually. The Forms web page can be found at:

<http://www.pwgsc.gc.ca/compensation/forms/forms-e.html>

Compensation FOCUS

is published to provide timely work-related news to employees involved in compensation services at Public Works and Government Services Canada and its client departments.

We welcome letters, opinions and story ideas.

Send your contributions to

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Compensation FOCUS

is written and produced by Krista Dunlop and Associates Inc.

Crown Process Improvement Workbook for Crown Corporations

Training—New Pension Data Reporting Methods

All Crown Corporations and territorial governments across the country have now received training detailing new business processes for reporting all required pension plan data for both old and new funds. The training sessions introduced and explained the use of a new Crown Process Improvement (CPI) Workbook and related procedures to set up the application and initiate production of data input files. The new workbook provided Crown Corporations and territorial governments not using the

Regional Pay System (RPS), with further details concerning the management and reporting of post 1999 Pension Plan data.

Based on the individual transition period applicable to each agency, all Crown Corporations and territorial governments have the knowledge base required to address the legislative reporting and data retention requirements for the administration of the new Public Service Pension Fund (PSPF).

Employee Benefits Statement

Great News! Most Public Service Superannuation Pension Plan members are now receiving hard-copy personalized pension and group insurance-related information on an annual basis.

The decision by Treasury Board to extend distribution of the hard copy statements to all Plan members was based on the favourable results of a pilot project carried out last year. The extended distribution resulted in the production of approximately 234,500 statements for employees in 90 departments and 59 Crown Corporations. This distribution was completed in April 2002.

Most...But Not Quite All! Since the source data for the statements were in the Contributor System, it was essential that this information be updated to reflect employees' current salary figures. Organizations not using the Regional Pay System (RPS) were asked to ensure that this information was input. Those without access to the RPS were asked to forward completed PWGSC-TPSGC 2020 (Salary-Service Information - Pension Support System) forms to the Superannuation Directorate for input. Unfortunately, territorial governments and several Crown Corporations were unable to meet the deadline for updating salary information and were consequently unable to participate in this year's Employee Pension Benefit Statement (EPBS) program.

The Crown Process Improvement Workbook introduces reporting methods and electronic data transfer processes that will enable Crown Corporation and territorial government employees to benefit from future distributions of the EPBS. (See the article, *Crown Process Improvement Workbook for Crown Corporations*, also in this issue.)

In the future, the need for hard-copy statements will be dramatically reduced by implementing an Employee Pension Benefits Statement (EPBS) web site. Compensation Focus will keep you up-to-date on the status and expected launch date of this new web site.

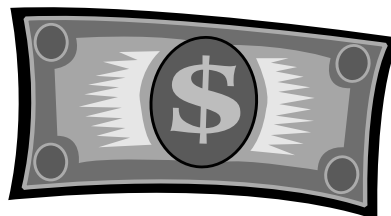
To meet the information needs of all Public Service Superannuation Pension Plan members, a central 1-800 Call Centre has been established to answer employees' questions once they have received their statements. The call centre number is 1-800-883-1411.

Tips re: Transfer Values procedures

Processing transfer value payments is a complex matter. In response to inquiries requesting clarification of procedures, the Superannuation Directorate has provided the following reminders and tips.

- The option for a Transfer Value must be made within one year of SOS.
- There are currently no provisions that permit revocation of a Transfer Value option, even in cases of erroneous advice.
- If an individual's employment was terminated and the employee is grieving the dismissal, no Transfer Value will be paid while the grievance proceedings are outstanding.
- The PSSA and its Regulations only permit the inclusion of that elective pensionable service which has been *paid for by the valuation date* (the later of the date of SOS or date of Transfer Value option). There is no discretion to accept late payment of arrears.
- Contributors may make arrangements with the personnel office to pay the balance of arrears owing from severance pay, a retirement allowance or an RRSP, provided the payments are received by the valuation date. Payment of arrears may not be taken from the "out" limit portion of a Transfer Value payment.

- Where an individual has been on leave without pay prior to SOS, personnel must advise the annuitant of the impact this can have on the benefit chosen. In general, the Transfer Value amount is increased when the leave without pay is counted. For counseling purposes, personnel are encouraged to prepare Transfer Value estimates with and without the leave without pay.
- Unlike elective service arrears that cannot be recovered from the Transfer Value amount, any current contribution deficiencies, including those for leave without pay, *are* recovered from the Transfer Value amount. It should be noted that deficiencies are collected from the "out" limit amount first before collecting from the "in" limit amount. Refer to SAM Special Bulletins 1997-05 and 1998-03 for further information.





This regular column in Compensation FOCUS is provided by the national Association of Compensation Managers to share its views on current compensation issues.

National Capital Area Symposium for Compensation Advisors draws praise

In November 2001, the NCA Regional Association of Compensation Managers held its first Symposium for Compensation Advisors. Events included workshops on such topics as, Employment Insurance, Garnishment, Terms & Conditions of Employment and Staying Professional.

Participants also had the opportunity to listen to Andree Jette, guest speaker, sharing

her wisdom on how to handle stress with humour. Most participants rated the event highly successful as a developmental learning opportunity.

We encourage all regions to send information covering upcoming, or previous events they would like published in Compensation FOCUS to Diane.Gauthier@pwgsc.gc.ca.

Interdepartmental Compensation Symposium 2002

"THE NEXT GENERATION"

Plans are presently underway to host an interdepartmental Compensation Symposium during the fall of 2002 at Le manoir St-Sauveur, in St-Sauveur, Québec during the week of October 27 to 30, 2002. The theme for this event will be — "The Next Generation"

Update — Compensation Recruitment Initiative

The Compensation Recruitment Initiative, a national interdepartmental recruitment process carried out this past year, was one component of an overall strategy to attract and retain compensation professionals to the Public Service. The year-long process, from March 2001 to March 2002, required the coordinated efforts of Compensation Managers from 15 departments and 18 locations across

Canada. This strategy embraced two separate hiring processes:

- A closed competition in which two separate assessment tools and interdepartmental selection boards were used to identify candidates suitable for careers as Compensation Advisors;
- In the National Capital area only, a visible minorities focus in which interested applicants from the Public

Service Commission Employment Equity Inventory were invited for cognitive abilities testing and subsequent referral to interested departments.

As of May 1, 2002 these efforts have resulted in the hiring of 70 indeterminate AS-1 Compensation Advisor trainees across various departments and locations:

Agriculture Canada	2	NCA	3	Guelph(1), Winnipeg(2)
Environment Canada	3	NCA	2	Vancouver(1), Toronto(1)
Health Canada	6	NCA	3	Halifax(1), Winnipeg(2)
Heritage Canada	1	NCA		
Human Resources Development Canada	5	NCA	10	Richmond Hill(1), Mississauga(1), Kitchener(1), Brantford(1), Owen Sound(1), Belleville(1), Winnipeg(2), Toronto(2)
Indian and Northern Affairs Canada	2	NCA		
Industry Canada	1	NCA		
Natural Resources Canada	3	NCA		
Privy Council Office	1	NCA		
Public Works and Government Services Canada	5	NCA	2	Edmonton(1), Vancouver(1)
Transport Canada	4	NCA		
Treasury Board/Department of Finance	2	NCA		
Citizenship and Immigration	1	NCA	2	Mississauga(1), Toronto(1)
Correctional Service of Canada			11	Moncton(1), Winnipeg(1), Prince Albert(1), Saskatoon(1), Edmonton(1), Abbotsford(6)
Statistics Canada			1	Edmonton(1)
TOTAL	36	NCA	34	REGIONS