

**FOLLOW-UP TO THE HOUSE OF COMMONS STANDING COMMITTEE ON
GOVERNMENT OPERATIONS AND ESTIMATES
Treasury Board Secretariat of Canada
June 16, 2020**

1. Code 699 Leave

(CPC) Mr. Kelly McCauley: ... When we had the PBO with us last week, we talked about leave code 699 in Treasury Board. We had asked PBO about it. I understand Treasury Board is following up with the PBO about it. I'm just wondering, are you going to meet the PBO deadline for providing this info, and also if you would be able to provide the aggregate info to this committee as well on the use of code 699?

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): I think to be expeditious in terms of this, we can undertake to get back to you on that question, Mr. McCauley.

Mr. Kelly McCauley: Good. While I'm asking, if you would commit to providing this committee with the aggregate info on the use of the 699?

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): I think we'll commit to getting back on the question first and foremost.

Mr. Kelly McCauley: Okay. I think you might be pushing our hand another way, but thanks.

Response

As noted in our earlier follow up to the committee, the Treasury Board Secretariat continues to work with departments to collect and aggregate workforce data.

Please find below an aggregate report regarding the use of “Other Paid Leave” (pay entitlement code 699) consistent with the data recently shared with the Parliamentary Budget Officer who requested similar information.

Number of departments/agencies who reported leave	62
Estimated Costs	\$439,397,764
Employee Count	76,804
Notes:	
Estimated costs refers to the estimated financial impact of 699 leave. The estimated cost of leave is calculated based on the average daily pay rate (\$309) of federal public service employees in March 2020.	
Employee count refers to employees who have taken 699 leave of any duration within this period (from March 15 to May 31, 2020).	

It is important to note that the leave data provided is a cumulative total for the requested period and does not reflect the current number of employees using “Other Paid Leave”, coded 699 in the enterprise systems. In fact, we have seen a steady decline in the use of this leave since April. Specifically, the number of hours in the week ending May 31,

2020 represented a 62% reduction from the peak usage of Other Paid Leave, based on data received to date.

Leave usage was higher at the onset of the pandemic when Canadians were instructed to remain at home and schools and daycares were closed. The government had to move quickly to respond to these unprecedented circumstances and take exceptional measures to curb the spread of the virus and to protect the health and safety of employees and the broader population. The vast majority of employees quickly made the shift to working from home, many adjusting their work schedules to cover their health, family or work situations, while others delivered services and programs from federal worksites.

“Other Paid Leave” is a type of paid leave provided to employees at the discretion of management for situations that are not already covered by other types of leave and where employees are unable to report to work for reasons beyond their control.

This type of leave has provided important supports for federal public servants across the country in times of need, such as when they have been unable to work due to natural disasters. In each case, employees have accessed leave on the basis of need, and then returned to regular working status as soon as they were able.

The pandemic has generated the same early access to leave when the need was most urgent. We have observed a steady and systematic reduction over the reporting period toward a return to regular working status, reflecting both sustained investments in telework productivity tools and the reopening of services such as childcare.

Employees are currently using this leave only when all options have been exhausted, for example in cases where no childcare arrangements can be made. This leave usage can vary from a few hours taken once or twice up to full-time hours, depending on individual circumstances.

2. Treasury Board Approval

(CPC) Mr. Kelly McCauley: ... Earlier in committee we heard from PCO that half of their \$50-million advertising ask was for future use, without an exact plan, in case something came up from COVID. They said it went through TBS approval. Why did that not go through a vote 5? It's a textbook definition of why it should be the vote 5 from TBS.

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): Are you referring to PCO funding—

Mr. Kelly McCauley: Yes, \$25 million. They said it passed through TBS approval for a plan for advertising spending they actually didn't have a plan for. It was just held in reserve, basically, if something came up with COVID. **Why would Treasury Board not put that into a vote 5?**

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): Why would it not put it into a vote 5 or why did it?

Mr. Kelly McCauley: Why didn't it? Why did it not?

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): Well—

Mr. Kelly McCauley: I'm curious how it got past Treasury Board and not put into a vote 5.

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): Certainly vote 5 is being considered for government contingencies where departments are not able to actually provide funding and support for certain initiatives. I think for PCO—

Mr. Kelly McCauley: **Maybe what I'll do is I'll ask you take a look at that specific one and maybe you can get back to the committee as to why Treasury Board approved it when they didn't actually have a plan for the money.**

Response

This funding will contribute to continuing to provide critical information to Canadians throughout the pandemic in four key areas: public health information, financial support for individual, financial support for business and the economy and public safety and security information, including travel advice. It will help ensure that all Canadians receive the information they need to stay healthy, and support campaigns that provide information on economic support to both businesses and individuals during this time of crisis.

Up to \$3.7M is related to estimated salary costs (including EBP) for up to 16.5 FTEs that will support this initiative, including behavioral scientists and dedicated resources in the digital communications, public opinion research and advertising teams.

Up to \$45.8M in non-salary related expenditures, which will be used to extend on-going paid advertising campaigns throughout the duration of the crisis and the economic recovery period that will follow. This includes \$10 million for an extension of the current PHAC campaign on COVID-19 and \$12 million for an extension of the Finance Canada campaign promoting economic supports for businesses and individuals. In addition to the \$22 million planned for the continuation of these two ongoing advertising

campaigns, the remaining funds will allow flexibility for PCO to support other advertising departmental initiatives related to COVID-19 that may arise as the pandemic situation evolves, or when a vaccine has been identified. The government uses various communications approaches including digital technologies balanced with traditional methods (eg, newspapers, television, print media which includes dailies, weeklies, ethnic and Indigenous newspapers). The accountability mechanisms for government advertising are identical to any other government expenditures and are governed by the *Financial Administration Act*, the Contracting Policy, and the Policy on Communications and Federal Identity.

As the total approved is an up to amount, unused funds related to this initiative will lapse and return to the fiscal framework.

The Government Contingencies central vote (vote 5) is to supplement departmental appropriations where there are urgent, unforeseen and unavoidable cash payments, that can neither be addressed with existing appropriations nor wait until approval of the next supply bill. The Privy Council office did not request or require urgent access to funding from TB Vote 5 for this initiative.

3. Breakdown of Paylist Requirements by organizations and benefits

(CPC) Mr. Kelly McCauley: Now what clause got amended in one of the collective agreements that brought this about, **who benefited and over what period of time is this money for?**

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): As committee members might know, a paylist is for a change in terms of conditions for employment, it's for maternity and paternity leave, it's for the condition of—

Mr. Kelly McCauley: Yes, I know. I'm aware. I'm just asking what the breakdown is the \$82.5 million for?

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): It's for the Canadian Broadcasting Corporation in terms of the recognition of the collective agreement they concluded and to provide funds—

Mr. Kelly McCauley: Okay. **Can you give us a breakdown, please, of that \$82.5 million, what makes it up, whether it's pure salary, pension adjustments or money for other amendments? Would you provide to committee, please?**

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): We can undertake to get back to you on that?

Mr. Kelly McCauley: Can you provide it to committee?

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): We can undertake to get back to the committee on that, yes.

Response

The \$82.5 million allocated to the Canadian Broadcasting Corporation from TB Vote 30, Paylist Requirements, is provided to cover only the wage increases (including retroactive payments) owed to employees of the Corporation under the recently signed collective agreement, which covers the period from 1 April 2019 to 31 March 2024.

4. Disability Insurance Plan

(CPC) Mr. Kelly McCauley: The next question. The disability insurance plan, the \$395.8 million, I know generally what that is about. I'm just wondering if you can provide a breakdown. How much is due to added public service employees? How much is added benefits they're receiving? Is there a change in actuarial numbers?

Mr. Glenn Purves (Assistant Secretary, EMS – TBS): I'll let my colleague, Karen Cahill, answer that one.

Mr. Kelly McCauley: Karen, part of the follow-up question, we asked PCO, "In the employee engagement survey 40% of all public servants say they're working in a psychologically healthy environment. How much is this contributing to our added costs in the disability insurance plan?"

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer – TBS): Thank you for the question, Mr. Chair. In effect, the \$395.8 million we're asking under the disability insurance plan is to cover two things: a lump sum payment of \$320 million that we have committed to the insurer, to reimburse the insurer. This is mainly to re-establish the health of the plan. As per the Office of the Superintendent of Financial Institutions, OSFI, we need to keep a 40% surplus to keep our plan in good health. This is to contribute to that.

Mr. Kelly McCauley: What's the balance?

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer – TBS): The balance would be a lump sum which is to account for an increase to 20% in the payment. As you know, it's 15%—

Mr. Kelly McCauley: How much of this \$395 million...how much is it from an increase in the amount of FTEs in the public service and how much is it again to increase use of this disability fund, again, looping back to 40% of the public servants saying they're working in a psychologically unhealthy work environment.

The Chair: Unfortunately, since we're completely out of time, I would ask that you provide that answer to Mr. McCauley's question, once again, in writing as quickly as possible and submit that to our clerk, please.

Response

The increased funding requirement is largely due to 3 main factors: an increase in claims in recent years, with 2019 claims 39% higher than in 2016; the cost to the Plan to update claims in order to reflect salaries negotiated during the 2014-2018 round of bargaining; and, the continuation of low interest rates.

With the adoption of the Federal Public Service Workplace Mental Health Strategy, focus has been placed on creating a culture that reduces the stigma associated with mental ill-health and on building capacity for prevention and early intervention with tools, such as the Employee Assistance Program (EAP) and resources for employees at all levels. The increased awareness about mental health encourages employees to seek help, when needed.