

**From:** "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

**To:** "Direct to Mayor and Council - DL"

**CC:** "City Manager's Correspondence Group - DL"

"Naklicki, Andrew" <andrew.naklicki@vancouver.ca>

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**Date:** 8/19/2020 9:51:55 AM

**Subject:** Confidential Memo: Changes to Total Compensation Provisions for Exempt Staff

**Attachments:** AN Staff Memo - Exempt Total Comp Changes (8-18-20).pdf

CMO - Memo re Changes to Total Compensation Provisions for Exempt Staff - 2020.08.18.pdf

Dear Mayor and Council,

Please find the attached Confidential Memo regarding Changes to Total Compensation Provisions for Exempt Staff. A brief summary is as follows:

- Changes were prompted by the implementation of unpaid furloughs for exempt staff and a review of our benefit package in the context of the pandemic and equity considerations. The changes are:
  - elimination of Gratuity days; an existing financial incentive for employees that do not take sick leave. This concept is inconsistent with the current public health direction for employees to stay home if they have any symptoms of illness. It also penalizes individuals that suffer from disabilities or chronic health conditions that cause absence from work.
  - reconfiguration of the "Earned Days Off" program to simplify the administration of time off for self and family
  - modernization of health benefits to include contraceptive coverage
  - alignment with Council's priority for the provision of supplementary employment income benefits (SEIB) top-up for all parents who are eligible for parental leave
  - 3 x paid days to be taken during the December 2020 holiday closure that would normally have been provided as paid time through the EDO program.
- The overall budgetary impact of these adjustments is neutral, although there is high value for staff attraction and retention.

Also attached for your reference is the memo that Andrew Naklicki will be distributing to staff tomorrow. Please keep this information confidential until relevant staff have been notified.

Best,  
Sadhu

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Pronouns: he, him, his



*The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.*

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## MEMORANDUM

August 19, 2020

TO: Exempt Staff

FROM: Andrew Naklicki  
Chief Human Resources Officer

SUBJECT: Changes to Total Compensation Provisions for Exempt Staff

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As you are aware, the COVID-19 pandemic significantly impacted the City's operating budget in 2020, and as a result a number of cost saving measures were introduced, including the implementation of furlough days and a delay in the processing of merit increases for exempt staff. CLT recognizes the financial toll this has taken on all of you and that you have continued to demonstrate the same level of professionalism and commitment to the organization throughout this difficult time. Thank you for your patience and understanding.

The pandemic has also provided an impetus for a review of the exempt total compensation guidelines. The review has resulted in the recommendation and approval of some changes that will help to simplify the administration of paid time-off provisions, align to a different world view in relation to sickness in the workplace, and to improve the existing benefit plan. The following is an outline of the changes approved by the CLT. An update to the Exempt Employee Handbook effective January 1, 2021 will be posted on Citywire once finalized.

### **Holiday Closure (December 2020)**

As mentioned in the Exempt Compensation Adjustments - (COVID19 Pandemic) FAQs, a decision would be forthcoming with respect to the holiday closure days. I can now confirm that the three weekdays falling between the Boxing Day stat holiday and New Year's Day will be treated as paid time, as per the past practice under the EDO program. Details related to the required time entry will be communicated separately. To confirm, staff do not need to reserve three vacation days to use in order to be paid for the three days of closure nor will any unused EDO time be reinstated for 2020. Please ensure vacation entitlements are used for 2020 in accordance with the guidelines within the [Vacation Bulletin](#).

Staff normally scheduled to work three days at the holiday closure will be provided with three alternate paid days off to be used by December 31, 2020. Again, specific time entry instructions will be communicated separately.

## **Wellness Days to replace Earned Days Off**

For 2020, our Earned Days Off (EDO) program has been suspended and replaced by unpaid furlough days. The furlough program and suspension of EDOs remains in place until the end of the calendar year (with the final furlough to be used by December 17). We do not intend to recommend continuation of the furlough program beyond December 17, 2020.

Effective January 1, 2021, the EDO program will be replaced by a comparable and simpler scheme to be known as 'Wellness Days'. All regular full time exempt employees will receive 15 Wellness Days to be used in the same manner as intended for EDOs. However, unlike the EDO program, the use of Wellness Days will not cause a reduction to vacation entitlement i.e.; 20 days in your vacation bank will be 20 days available to use.

We hope that once the transition is made, Wellness Days will be simpler to administer, explain and understand, particularly for hiring managers and the recruitment team.

## **Work Schedules**

Under the EDO program, staff worked an additional 0.5 hour each day in exchange for receiving 15 EDOs per year. This created a number of administrative challenges. Under the Wellness Days program that will commence January 1, 2021, we will change the way we record hours of work in the system to include those additional 0.5 hours per day. The change from EDOs to Wellness Days will not cause a change to your annual salary as of January 1st, 2021 or the hours you have previously been accustomed to working. The change will also not impact the value of any frozen banks you may have.

## **Gratuity**

The Gratuity Plan for exempt staff will not be extended beyond Q2 of 2020 (June 30, 2020).

Our current working and general living conditions resulting from the COVID-19 pandemic do not align with the Gratuity Plan. Gratuity rewards employees who do not utilize sick leave and may encourage attendance at work for staff while feeling unwell. CLT understands the Gratuity Plan has been an important benefit to staff who have been able to take advantage of it, however, in order to maintain a safe and healthy work environment the removal of the risk is necessary now and going forward.

Any Gratuity days earned in Q1 and Q2 2020 will be paid out as per previous years in the early part of 2021. The go forward savings realized from the discontinuation of the gratuity plan will be used to address the following gaps in our current benefit coverage that have been identified as having disproportionate implications for female staff.

## **Extended Health - Contraceptives**

Effective September 1, 2020, contraceptives will be covered under the Extended Health plan with Green Shield Canada (GSC).

## **Parental Leave – Top Up**

Effective September 1, 2020 exempt employees on approved parental leave will be eligible for salary top up to 75% of gross salary for 12 weeks. Parental leave must begin on or after September 1, 2020 for employees to be eligible for this new benefit.

Employees eligible for parental leave include the parent who gave birth and those who are parents of newborns and newly adopted children. Employees must show confirmation that they are in receipt of EI parental benefits in order to receive the top up.

As mentioned more details will be forthcoming over the coming weeks. In the meantime, if you have questions, please discuss them with your Manager, your HR Consultant, or send inquiries to [compensation@vancouver.ca](mailto:compensation@vancouver.ca).

We trust these changes will be of benefit to you and your family and encourage you to fully utilize them, along with your vacation entitlement to ensure you maintain a healthy work/life balance.

On behalf of CLT I would like to take this opportunity to thank you for your valued contribution.

Andrew