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## Directive on Career Transition for Executives

The *Policy on the Management of Executives* ensures that there is a consistent approach to managing executives across the public service. One of the directives referenced in this policy is the *Directive on Career Transition for Executives*. This fact sheet provides an overview of this directive.

Please consult the Directive on Career Transition for Executives for more details on the provisions listed below.

### Application

- ▶ This directive applies to the core public administration as defined in section 11 of the *Financial Administration Act* unless excluded through specific acts, regulations or Orders in Council.
- ▶ This directive specifically applies to excluded employees or excluded positions in the following groups and levels:
  - Executive (EX) Group, levels 01 to 05;
  - Defence Scientific Service (DS) Group, levels 7A, 7B, and 8;
  - Medical Officers (MD-MOF) Group, levels 04 and 05; and
  - Medical Specialist (MD-MSP) Group, level 03.
- ▶ For the purpose of this directive:
  - “executive” refers to employees appointed to the groups and levels listed above; and
  - “executive position” refers to positions classified in the groups and levels listed above.
- ▶ This directive does not apply to executives who are employed on a term basis or as a casual worker.
- ▶ This directive is not to be used in situations of demotion, termination of employment for unsatisfactory performance, discipline, or demotion or termination of employment for reasons other than discipline (e.g., medical incapacity).
- ▶ This directive is not to be used in situations where an executive voluntarily ceases his or her employment by resigning or planned retirement.
- ▶ This directive does not apply to executives who cease their employment while on special deployment assignments.

- ▶ Executives who are on leave without pay (LWOP) when their position is declared surplus are to be treated in accordance with “Appendix B-1 — Executives on Leave Without Pay in a Career Transition Situation” of the *Directive on Career Transition for Executives*.
- ▶ A part-time executive receives salary and non-salary elements under this directive, pro-rated to the number of hours they work per week as indicated in the letter of appointment.

### Requirements

- ▶ Only the deputy head can negotiate and authorize a Career Transition Agreement.
- ▶ Departments are responsible for:
  - declaring positions as surplus due to lack of work, discontinuance of a function, or the transfer of work or a function outside those portions of the federal public administration named in Schedule I, IV or V of the *Financial Administration Act*;
  - giving the executive written notice of his or her surplus status;
  - informing the executive of the options available;
  - assisting executives who wish to remain in the core public administration to find alternative employment in accordance with “Appendix B—Instructions for Surplus Situations in Career Transitions” of the *Directive on Career Transition for Executives*;
  - making every reasonable effort to place the executive within his or her own organization;
  - notifying the Public Service Commission (PSC) of the executive’s surplus status and layoff date, if the executive chooses to pursue further employment in the core public administration;
  - consulting with the Office of the Chief Human Resources Officer (OCHRO) on the development of the Career Transition Agreement when an executive chooses not to pursue further employment in the core public administration;
  - negotiating Career Transition Agreements with executives who choose not to pursue further employment in the core public administration, within the limits specified in “Appendix C—Instructions for Developing the Career Transition Agreement” of the *Directive on Career Transition for Executives*;

- deleting the surplus position once it is vacant;
  - ensuring that no additional expenditures are incurred in the performance of the duties of the deleted position; and
  - funding Career Transition Agreements from within existing operating budgets.
- ▶ Executives in career transition are responsible for:
- considering options presented to them for remaining or leaving the core public administration if their position is declared surplus;
  - diligently searching for employment opportunities if declared surplus and they wish to pursue further employment in the core public administration; and
  - negotiating and signing the Career Transition Agreement.

### Instructions for Surplus Situations in Career Transitions

These instructions are to be used when it becomes evident that a position will be declared surplus due to lack of work, discontinuance of a function, or the transfer of work or a function outside those portions of the federal public administration named in Schedule I, IV or V of the *Financial Administration Act*.

#### A. Notification of Executive

- ▶ The department notifies the executive in writing. The letter of notification must make the executive aware of:
- the Directive on Career Transition for Executives and the options available;
  - the cash and non-cash elements that can be offered to assist in transitioning to employment inside or outside the core public administration; and
  - the time frame the executive has to respond to the department with his or her choice of option.
- ▶ The executive is given sufficient time to consider his or her personal circumstances and to seek the information required to make this decision (i.e., financial and/or pension considerations, employment prospects, etc.);
- ▶ The maximum notice period for executives being declared surplus is 52 weeks.
- ▶ Executives on LWOP are also notified in writing if their position is declared surplus during their period of LWOP.

#### B. Options for Executives

- ▶ Executives have two options:

**Option 1**—Leave the core public administration and seek employment elsewhere; or

**Option 2**—Seek continuing employment in the core public administration.

##### Option 1—Executives Leaving the Core Public Administration to Seek Employment Elsewhere

- ▶ A Career Transition Agreement is developed in accordance with “Appendix C—Instructions for Developing the Career Transition Agreement” of the *Directive on Career Transition for Executives*.
- ▶ The department negotiates the date of departure with the executive. The departure date should normally accommodate departmental operational requirements. A minimum of one month before departure is recommended.
- ▶ An executive who accepts a transition agreement will be required to repay the lump sum in lieu of the notice period benefit or a pro-rated portion of it, if he or she becomes employed in any organization listed in Schedule I or IV of the *Financial Administration Act* within the number of weeks after their resignation covered by the lump sum benefit. This provision applies to indeterminate or term (fixed-period) appointments and to casual employees.
- ▶ An assignment to another employment sector in accordance with the *Policy on Interchange Canada* can be authorized.

##### Option 2—Executives Wishing to Seek Continued Employment Inside the Core Public Administration

- ▶ The department declares the executive surplus and gives him or her formal written notice, with the dates of the beginning and end of the surplus period clearly noted.
- ▶ The department immediately notifies the PSC of the executive’s surplus status.
- ▶ For executives at the EX-01 to EX-03 levels, the PSC endeavours to find alternative employment at the same level in a department or agency governed by the *Public Service Employment Act*.
- ▶ OCHRO takes the same steps for executives at the EX-04 and EX-05 levels. Placement at a lower level is also possible.



- ▶ If the executive accepts an appointment to a position that has a lower maximum salary, he or she will become subject to salary maintenance and other compensation treatment as outlined in the *Directive on Executive Compensation*.
- ▶ If the executive changes his or her decision and decides to leave the core public administration during the surplus period, the department can negotiate a Career Transition Agreement, taking into account the time the executive has already spent as having surplus status. In such cases, the executive resigns (he or she is not laid off) and is not entitled to one year of priority for appointment.
- ▶ Executives who wish to continue their core public administration employment but are unsuccessful at finding a new position are laid off on the date of layoff indicated in the notification letter.
- ▶ Laid-off executives are eligible to receive only their normal severance entitlement and a cash payout of any accumulated but unused vacation leave credits. They may also be eligible for a lump sum performance award under the Performance Management Program if they have worked in their position for a sufficient period of time prior to termination of employment for a meaningful evaluation to be conducted.
- ▶ Executives who are laid off may have one year of priority for reintegration into the core public administration in accordance with the *Public Service Employment Act*.

### Executives on Leave Without Pay in a Career Transition Situation

- ▶ Executives on LWOP must be notified in writing if their position becomes surplus to requirements due to lack of work, discontinuance of a function, or the transfer of work or a function outside those portions of the federal public administration named in Schedule I, IV or V to the *Financial Administration Act*. Such executives must be provided with the following two options: resign from the core public administration; or seek continuing employment after the conclusion of their scheduled period of LWOP.

### Resign From the Core Public Administration

- ▶ The executive must inform the deputy head in writing that he or she will not seek further core public administration employment upon his or her return from LWOP.

- ▶ An executive terminated in this way is eligible for a Career Transition Agreement developed in accordance with “Appendix C—Instructions for Developing the Career Transition Agreement” of the *Directive on Career Transition for Executives*, with the exception that the executive is not eligible to negotiate a lump sum payment in lieu of a notice period. The executive is not eligible for this lump sum since he or she is on LWOP and consequently is not drawing a salary. It is an inappropriate use of this directive to terminate the leave of the executive and reappoint him or her expressly for the purpose of providing this lump sum payment in lieu of the notice period.
- ▶ The executive resigns and waives priority for appointment rights, if any. The executive is also eligible to receive any earned severance entitlements and a cash payout of any accumulated but unused vacation leave credits.

### Seek Continuing Employment

- ▶ The executive informs the deputy head in writing that he or she will seek further core public administration employment upon the termination of his or her LWOP.
- ▶ If there is an entitlement to a priority, the department notifies the PSC as soon as possible of the executive's status as a surplus priority.
- ▶ The PSC administers the matching and referral of priority executives to positions for which the executive may be qualified. The PSC and the department try to place the executive. For the period in which the executive is a priority with the PSC, the executive remains on unpaid leave.
- ▶ If unsuccessful in finding further employment after a one-year period, commencing on the date the employee returns from LWOP and notifies the department that he or she is available for work, the executive will be laid off and will be eligible to receive only his or her earned severance entitlement and a cash payout of any accumulated but unused vacation leave credits.
- ▶ Employees who are laid off may have one year of priority for reintegration into the core public administration in accordance with the *Public Service Employment Act*.

### Executives on Short-Term Leave

- ▶ It may be appropriate to provide pay in lieu of a notice period to an executive who becomes surplus at the end of the period of unpaid leave when the executive has departed on LWOP with a guarantee of return to the same position (e.g., on return from maternity or parental leave or when the approved period of leave is short and the executive's position was not staffed).

### Executives on LWOP to Work for International Organizations

- ▶ Executives who accept assignments to further Canada's foreign policy objectives or to represent Canada at international organizations should be assured of support for reintegration into the core public administration upon their return to Canada. Good human resources planning should ensure reintegration of these executives at the end of such periods of LWOP. However, if this is impossible, the deputy head may offer the executive a lump sum in lieu of the formal notice period to a maximum of 26 weeks upon the executive's return to Canada in return for his or her resignation from the core public administration. This lump sum may be given only where there was a formal written agreement documenting the purpose of the leave and management's endorsement of the international assignment.
- ▶ When an executive who is on LWOP to work with an international organization becomes surplus and voluntarily decides not to return to a position within the core public administration at the end of the period of approved leave but to remain with that organization permanently, the executive will not be eligible for any period of paid notice or pay in lieu of notice at the end of the period of approved leave. Under these circumstances, the employee would resign in accordance with the *Public Service Employment Act*, section 63, and the normal entitlements applicable to a voluntary resignation would apply.
- ▶ Executives who wish to return to Canada and seek further employment in the core public administration are treated in accordance with Option 2 above.

### Career Transition Assignments Under Interchange Canada

- ▶ For surplus executives who are not interested in pursuing further employment in the public service, departments may authorize a transition assignment to another employment sector under the *Policy on Interchange Canada*.
- ▶ Before starting an Interchange Canada assignment, surplus executives must agree, in writing, to resign as of the layoff date of their core public administration employment and will be eligible only for their normal severance entitlement and payout of accumulated but unused vacation leave credits. They will not be eligible for any of the cash or non-cash elements that could be provided as part of a Career Transition Agreement.
- ▶ Executives who are laid off while on Interchange Canada assignments are not eligible for priority consideration for reintegration into the core public administration.
- ▶ Executives who are laid off while on Interchange Canada assignments may be eligible, at the deputy head's discretion, for a lump sum payment for their performance during their last year of employment. Instructions regarding this can be found in the *Directive on the Performance Management Program (PMP) for Executives*.

**English:** <http://publiservice.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14218>

**French:** <http://publiservice.tbs-sct.gc.ca/pol/doc-fra.aspx?id=14218>

For further information on the *Directive on Career Transition for Executives*, contact the Executive Management Policy Branch, Office of the Chief Human Resources Officer, by email at EMP-PGCS@tbs-sct.gc.ca.