



# **Perquisites Directive**

**Management Board of Cabinet**

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Ministry of Government Services

# **Perquisites Directive**

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# Perquisites Directive

## 1.0 PURPOSE

The purpose of this directive is to identify and set out the rules and principles pertaining to perquisites (or perks).

The term perquisites, or perks, refers to a privilege that is provided to an individual or to a group of individuals, provides a personal benefit, is not generally available to others, and is not a business-related requirement.

An allowable special consideration is not considered a perk because it is a business-related requirement for the effective performance of an individual's job, and is based on an approved business case (see section 3.2 for more information).

## APPLICATION AND SCOPE

This directive applies to all employees and appointees of:

- all ministries, including ministers' offices<sup>1</sup>,
- all classified agencies, and
- all organizations (i.e., "public entities") prescribed by regulation under the [\*Public Sector Expenses Review Act, 2009\*](#).

This directive does not apply to the following:

- provisions of collective agreements
- insured benefits
- items generally available on a non-discriminatory basis for all or most employees (e.g. Employee Assistance Program, pension plans)
- health and safety requirements (e.g. provision of work boots)
- employment accommodations made for human rights and/or accessibility considerations (e.g. special workstations, work hours, religious holidays)
- the Rules Governing the Expenses of Cabinet Ministers, Opposition Leaders and Other Persons (issued under the *Cabinet Ministers' and Opposition Leaders' Expenses Review and Accountability Act, 2002* (for ministers' office staff)
- expenses covered under the Travel, Meal and Hospitality Expenses Directive (for ministries and classified agencies/organizations)

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<sup>1</sup> The use of the word "ministry" or "ministries" includes ministers' offices unless otherwise noted.

For employees and appointees in ministries and in classified agencies that are Commission public bodies<sup>2</sup>, this directive does not apply to expenditures otherwise covered by applicable OPS directives and policies (e.g. Compensation Directive, Relocation Expenses Directive, OPS Learning and Development Operating Policy). For ministers' office staff, this directive does not apply to expenditures otherwise covered by directives and policies applicable to them.

Employees and appointees in other agencies/organizations should consult their responsible ministry or agency/organization to assess the possible applicability of the relevant OPS directives and policies.

In the event of a conflict or inconsistency, this directive prevails over a memorandum of understanding (MOU) between a minister and the head of an agency.

This directive does not prevail over legislation or a collective agreement.

## 2.0 PRINCIPLES

- Taxpayer dollars are used prudently and responsibly with a focus on accountability and transparency.
- Ministries and agencies/organizations are accountable for how public funds are used.
- All expenditures support business objectives.

## 3.0 MANDATORY REQUIREMENTS

### 3.1 No perquisites, or perks, are permitted in ministries or agencies/organizations.

The term perquisites, or perks, refers to a privilege that is provided to an individual or to a group of individuals, provides a personal benefit, is not generally available to others, and is not a business-related requirement.

This means that privileges such as these are not allowed under any circumstance:

- club memberships for personal recreation or socializing purposes, such as fitness clubs, golf clubs or social clubs
- seasons tickets to cultural or sporting events

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<sup>2</sup> Commission public bodies are classified agencies whose employees are appointed under [Part III of the Public Service of Ontario Act, 2006](#), (PSOA). Commission public bodies are prescribed by regulation under the PSOA.

- clothing allowances not related to health and safety or special job requirements
- access to private health clinics – medical services outside those provided by the provincial health care system or by the employer's group insured benefit plans
- professional advisory services for personal matters, such as tax or estate planning

These privileges cannot be provided by any means, including:

- an offer of employment letter, as a promise of a benefit,
- an employment contract, or
- a reimbursement of an expense.

- 3.2 In limited and exceptional circumstances, a special consideration may be provided to an individual or a group. Prior approval, supported by a business case, must be obtained before proceeding to offer and provide any special consideration to an individual or a group.

The perquisites listed above in section 3.1 cannot be provided as a special consideration under any circumstances.

A special consideration under this directive refers to an item provided to an individual or to a group of individuals that provides a personal benefit, is not generally available to others, but is proven through a business case to be a business-related requirement for the effective performance of the individual's job.

For more information on the approval process and the relevant criteria for a business case, see Appendix A.

For a chart setting out the approval levels required to provide any special consideration to an individual or a group, see Appendix B.

- 3.3 The provision of a special consideration must be well documented.

The documentation must include the approved business case for proceeding, the terms and conditions of the arrangement and any appropriate time limits.

If the arrangement is for one individual only, there must be an agreement that is signed by both the approver and the individual setting out the terms and conditions of the special consideration.

3.4 Information about any special considerations provided must be publicly available.

The information must include:

- a summary of any special considerations provided with rationale, and
- the timeframe during which the special consideration would be available.

Personal information should not be provided.

The following sets out direction on where the information must appear.

For agencies/organizations:

- information must be included in their annual reports,
- where a classified agency is not required to produce an annual report (e.g. advisory agencies), the classified agency must provide information about any special considerations to the responsible ministry to be included in the ministry's annual Published Results-Based Plan.

For ministries:

- information must be included in the annual Published Results-Based Plan,
- information must be included for agencies required to provide information on any special considerations to the ministry responsible (see above).

For more information on the application of the directive, see the support materials.

## 4.0 RESPONSIBILITIES

### **Employees and Appointees are responsible for:**

- ✓ following the principles and rules set out in this directive,
- ✓ being aware of the conflict of interest rules that govern their ministry, minister's office or agency/organization,
- ✓ being aware of any relevant directives, policies and guidelines.

### **Supervisors and Managers are responsible for:**

- ✓ ensuring staff are aware of the requirements of this directive,
- ✓ seeking timely direction when there are questions of application.

### **Deputy Ministers are responsible for:**

- ✓ ensuring the directive's principles and rules are implemented and monitored, including putting in place processes that support the directive,
- ✓ ensuring the directive is applied and monitored appropriately,
- ✓ ensuring that all persons covered by this directive are aware of their responsibilities under this directive,
- ✓ carrying out any delegated authorities and assigned tasks in accordance with this directive,
- ✓ approving requests for special considerations to be provided to employees, where appropriate, as set out in this directive.

### **CEOs (or Chairs if appropriate) are responsible for:**

- ✓ ensuring the directive's principles and rules are implemented and monitored, including putting in place processes that support the directive,
- ✓ ensuring the directive is applied and monitored appropriately,
- ✓ ensuring that all persons covered by this directive are aware of their responsibilities under this directive,
- ✓ approving requests for special considerations to be provided to employees, where appropriate, as set out in this directive.

### **Chairs are responsible for:**

- ✓ ensuring all employees and appointees are made aware of their responsibilities under this directive,
- ✓ ensuring the directive is applied and monitored appropriately.

**Deputy Minister, Ministry of Government Services is responsible for:**

- ✓ interpreting this directive and providing advice, guidance, educational materials and information.

**Secretary, Management Board of Cabinet is responsible for:**

- ✓ specifying any reporting requirements, monitoring the application of the directive and recommending improvements,
- ✓ carrying out any delegated authorities and assigned tasks in accordance with this directive.

**Secretary, Treasury Board is responsible for:**

- ✓ carrying out any delegated authorities and assigned tasks in accordance with this directive.

**Secretary of the Cabinet is responsible for:**

- ✓ approving requests for special considerations to be provided to Deputy Ministers as set out in this directive,
- ✓ approving requests for special considerations to be provided to employees in Commission public bodies as set out in this directive,
- ✓ delegating approval authority to Deputy Ministers and/or to the Secretaries of Treasury Board and Management Board of Cabinet as set out in this directive,
- ✓ submitting his or her own requests for special considerations to the Premier or Premier's designate for approval.

**Treasury Board/Management Board of Cabinet (TB/MBC) is responsible for:**

- ✓ approving requests for special considerations to be provided to ministers' office staff as set out in this directive,
- ✓ approving requests for special considerations to be provided to Chairs and other appointees as set out in this directive,
- ✓ granting exemptions from all or part of this directive.



## 5.0 DEFINITIONS

**Appointee:** A person appointed by the government to undertake any function on behalf of the government.

**Chair:** Someone appointed as head of an agency/organization, accountable to the minister, regardless of whether the title “Chair” is used.

**Chief Executive Officer (CEO):** The head of operations at agencies and organizations.

**Classified agency:** An entity that is part of the government of Ontario, but not organizationally part of a ministry, and is subject to the [TB/MBC Agency Establishment and Accountability Directive](#).

**Commission public body:** a classified agency whose employees are appointed under [Part III of the Public Service of Ontario Act, 2006](#) (PSOA) (Commission public bodies are prescribed by [regulation under PSOA](#)).

**Delegation of Authority:** A written assignment by which a person who has a power, duty, function or responsibility under this directive authorizes another person (identified by name or by position title) to exercise the power, duty, function or responsibility.

### **Employee:**

**OPS employee:** Individual appointed as a public servant under [Part III of the PSOA](#) (employees in ministries, including ministers’ offices, and in classified agencies that are Commission public bodies).

**Agency/organization employee:** Individual employed by an agency/organization that is **not** governed by [Part III of the PSOA](#) (includes some classified agencies and the corporations captured under the [Public Sector Expenses Review Act, 2009](#) that are not classified agencies).

**Organizations:** For the purposes of this directive, the corporations covered by the [Public Sector Expenses Review Act, 2009](#) that are not classified agencies.

**Perquisite or Perk:** For the purposes of this directive, a privilege that is provided to an individual or to a group of individuals, provides a personal benefit, is not generally available to others, and is not a business-related requirement.

**Special consideration:** A business-related requirement for the effective performance of an individual's job, based on an approved business case, and available only in limited and exceptional circumstances.

## 6.0 APPENDICES

### 6.1 Appendix A: Business Case

The following information sets out the business case required for requesting approval for a special consideration under this directive.

Ministries and agencies/organizations must establish a business case that must include at minimum, the following information:

- The nature of the special consideration, including any associated costs or resources required
- Identification of the business need that is being met
- Why the individual(s) needs the particular special consideration to do his/her job
- Any other relevant background information
- Identification of the timeframe (duration of the business need). Is it temporary, or ongoing - if temporary, provide the end date
- The options considered – “No other options” is not considered an appropriate response
- Why the proposed special consideration is the best/most appropriate of the options (e.g. What is the value that this special consideration delivers to the organization, and why does this deliver better value than the other options?)
- Implications of not proceeding with the special consideration
- Risk assessment of proceeding and of not proceeding
- Identification of any public/media interest that may be generated and any potential implications

Approvers should consider whether the request is:

- able to stand up to scrutiny by the auditors and members of the public
- properly explained and documented
- fair and equitable
- reasonable

Ministries and agencies/organizations must ensure that all appropriate managerial approvals are obtained before proceeding to the final approver.

## 6.2 Appendix B: Approvals for a Special Consideration

### Approvals for a special consideration to be provided to an individual or a group

Organization	Special consideration to be provided to	Approval authority	Ability to Delegate
Ministries, excluding Ministers' Offices	All employees up to SMG 3 and equivalents (e.g. Assistant Deputy Ministers)	Deputy Minister	No delegation
	Deputy Ministers and SMG 4 and equivalents (e.g. Associate Deputy Ministers)	Secretary of the Cabinet	Yes, delegation limited to either of the Secretaries of TB/MBC for some or all ministries, no further delegation
Ministers' Offices	Ministers' office staff	TB/MBC	No delegation
Classified Agencies – Commission public bodies <sup>3</sup>	Chair, other appointees	TB/MBC	No delegation
	CEO, other employees	Secretary of the Cabinet	Yes, delegation limited to: - a Deputy Minister for the Commission public bodies that report to the ministry, no further delegation, and/or - either of the Secretaries of TB/MBC for some or all ministries for the purpose of the Commission public bodies that report to a ministry, no further delegation
Classified Agencies/ Organizations – <u>not</u> Commission public bodies	Chair, other appointees	TB/MBC	No delegation
	CEO	Chair	
	Other employees	CEO	

<sup>3</sup> An agency whose employees are appointed under [Part III of the Public Service of Ontario Act, 2006](#) (PSOA)