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› [Policy on the Management of Executives](#)

Policy on the Management of Executives

1. Effective date

- 1.1 This policy takes effect on July 8, 2023.
- 1.2 This policy replaces the *Policy on the Management of Executives*, dated September 1, 2021.

2. Authorities

- 2.1 This policy is issued pursuant to subsections 7 and 11.1 of the *Financial Administration Act* and subsections 30(3) and 51(4) of the *Public Service Employment Act*.
- 2.2 The Treasury Board has delegated to the President of the Treasury Board the authority to:
 - 2.2.1 Determine the effective dates of this policy, in whole or in part, and the associated directives, standards, mandatory procedures and other appendices, unless otherwise specified; and

2.2.2 Issue and rescind directives, standards, mandatory procedures and other appendices associated to this policy on the recommendation of the Secretary and the Chief Human Resources Officer, providing these are consistent with the overall intent of the policy and there are no financial implications.

2.2.3 Make amendments to section A.II.2.1 of the Directive on Terms and Conditions of Employment for Executives to add new statutory holidays when proclaimed by an act of Parliament.

2.3 The Treasury Board has delegated authority to the Chief Human Resources Officer to:

2.3.1 Provide for the classification of Executive (EX) Group positions in the core public administration by making amendments to the Executive Group Job Evaluation Standard, the Executive Group definition and the Executive Group Qualification Standard, so long as the amendments neither entail a classification conversion nor have financial implications;

2.3.2 Determine the effective dates of the instruments specified in subsection 2.3.1, where the dates have not been specified by the Treasury Board or the President;

2.3.3 Direct deputy heads with respect to:

2.3.3.1 Their responsibilities related to organization and classification of EX Group positions and the terms

and conditions of employment and performance and talent management of executives;

- 2.3.3.2 Any oversight, systems, information requirements or reporting in respect of those responsibilities;
- 2.3.4 Make technical amendments to this policy;
- 2.3.5 Make amendments to directives, standards, mandatory procedures and other appendices associated to this policy, provided the amendments are consistent with the overall intent of this policy and the directive to which they apply, and do not have financial implications; and
- 2.3.6 Stipulate any training that must be completed or validated prior to exercising the responsibilities described in this policy and associated instruments.

3. Objective and expected results

- 3.1 The objective of this policy is an executive workforce that includes people first leaders that are accountable for delivering results for Canadians and embody the Key Leadership Competencies and the Values and Ethics Code for the Public Sector in their actions and decisions.
- 3.2 The expected results of this policy are as follows:
 - 3.2.1 The core public administration attracts, develops and retains a talented, representative, diverse and bilingual executive workforce;

- 3.2.2 Executive organizational structures are efficiently designed and managed to support the delivery of organizational mandates;
- 3.2.3 EX Group positions are classified consistently across the core public administration;
- 3.2.4 The performance and talent of executives are managed to deliver results and excellence in leadership; and
- 3.2.5 The executive workforce is mobile and enriched by experience from within and outside of the core public administration.

4. Requirements

Deputy heads

- 4.1 Deputy heads are responsible for:
 - 4.1.1 Ensuring that executives are informed of this policy and its associated directives, as well as organization-wide practices within the deputy head's discretion;
 - 4.1.2 Ensuring that managers and human resources staff to whom responsibility is assigned or authority is delegated fulfill their people management responsibilities in accordance with the relevant legislation and collective agreements, the Values and Ethics Code for the Public Sector, this policy and its associated directives;

- 4.1.3 Seeking Treasury Board approval to exceed the authorities described in this policy and associated directives;

Organization and classification

- 4.1.4 Designing and managing their EX Group organizational structure to optimize resources and deliver on results, in accordance with Appendix A and the *Directive on Executive (EX) Group Organization and Classification*;
- 4.1.5 Ensuring there are no more than three hierarchical levels of EX Group positions below the deputy head or associate deputy head;
- 4.1.6 Approving classification actions and decisions for EX Group positions, in accordance with the *Directive on Executive (EX) Group Organization and Classification*;

Terms and conditions of employment

- 4.1.7 Ensuring that the terms and conditions of employment for executives are administered in an equitable, consistent and transparent manner within their organization, in accordance with the Directive on the Terms and Conditions of Employment for Executives;

Performance and talent management

- 4.1.8 Ensuring that the performance and talent of executives are managed to deliver on current and future organizational and government priorities, in accordance with the Directive on Performance and Talent Management for Executives;

- 4.1.9 Establishing a review mechanism each performance review period to ensure fair and consistent performance and talent assessment of executives, in accordance with direction provided by the Chief Human Resources Officer;
- 4.1.10 Supporting the Chief Human Resources Officer's government-wide executive talent management and development initiatives;

Compliance

- 4.1.11 Ensuring that the Chief Human Resources Officer is informed promptly of any major concerns or problems that may arise with regard to the application of this policy and associated directives; and
- 4.1.12 Providing the Treasury Board of Canada Secretariat with information or reports for assessing compliance with this policy, its associated directives and other policy instruments, as directed by the Chief Human Resources Officer.

- 4.2 Deputy heads are solely responsible for and may not delegate the following:

Organization and classification

- 4.2.1 Approving job descriptions of EX Group positions that report directly to the deputy head, in accordance with the *Directive on Executive (EX) Group Organization and Classification*;
- 4.2.2 Approving classification decisions for EX Group positions on the recommendation of the Head of Human Resources, in

accordance with Appendix A of this policy and the *Directive on Executive (EX) Group Organization and Classification*;

4.2.3 Authorizing the creation of EX Group positions on the recommendation of the Head of Human Resources;

4.2.4 Creating Associate Assistant Deputy Head positions in accordance with the *Directive on Executive (EX) Group Organization and Classification*;

Terms and conditions of employment

Compensation

4.2.5 With regard to compensation, authorizing:

4.2.5.1 In cases of employer-requested appointments or deployments that involve relocation within Canada, an increase in salary up to 5% of the salary maximum of the executive position, in accordance with Part I, subsection A.I.4.4.1, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;

4.2.5.2 An EX-04 or EX-05 to continue to be paid at their personal classification level when appointed to an EX Group position at a different level, in accordance with Part I, subsection A.I.4.5, in Appendix A of the Directive on Terms and Conditions of Employment for Executives ;

4.2.5.3 In organizations where rotational pools, developmental programs or appointment to level

prevail, whether to provide acting pay to participating executives;

4.2.5.4 In-range salary movements and performance pay amounts for periods covered by a completed performance assessment, in accordance with the Directive on Terms and Conditions of Employment for Executives, the Directive on Performance and Talent Management for Executives, and direction provided by the Chief Human Resources Officer;

4.2.5.5 The payment of performance pay, in-range salary movements and salary revision amounts for executives once the Chief Human Resources Officer has confirmed that the requirements have been met;

4.2.5.6 Separation agreements for executives whose substantive position is within the EX Group, following consultation with the Office of the Chief Human Resources Officer;

4.2.6 In exceptional circumstances, authorizing:

4.2.6.1 To facilitate recruitment and retention of executives from outside the public service, where a person's previous salary exceeds the salary maximum of the executive position, a one-time lump sum payment upon appointment that is payable at the beginning of the executive's

second performance review period, in accordance with Part I, subsection A.I.4.1.2, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;

- 4.2.6.2 An increase in salary beyond 5% of the salary maximum of the executive position upon appointment to an executive position from another occupational group within the public service, in accordance with Part I, subsection A.I.4.2, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.6.3 An increase in salary beyond 5% of the salary maximum of the higher executive position upon promotion to another executive position, in accordance with Part I, subsection A.I.4.3, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.6.4 Acting pay situations in EX-01, EX-02, EX-03, DS-7A, DS-7B, LC-01, LC-02 and LC-03 positions that exceed 12 months;
- 4.2.6.5 An increase in salary beyond 5% of the salary maximum of the higher executive position upon acting appointment to another executive position, in accordance with Part I, subsection A.I.7, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;

- 4.2.6.6 An increase in salary beyond 5% of the salary maximum of the executive position, upon acting appointment to an executive position from a non-executive position within the core public administration, in accordance with Part I, subsection A.I.9.2, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.6.7 Expenditures greater than the organizational budget for performance pay, in accordance with subsection B.2.2, in Appendix B of the Directive on Terms and Conditions of Employment for Executives and any direction provided by the Chief Human Resources Officer;

Leave

- 4.2.7 With regard to leave, authorizing:
 - 4.2.7.1 The accumulation of vacation leave credits at the same rate as the executive had prior to joining the core public administration, in accordance with Part II, subsection A.II.4.2.2.2 or A.II.4.2.2.3, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
 - 4.2.7.2 Sick leave credits up to 25 days, upon appointment to an executive position, when the executive was recruited from organizations other than those included in the definition of service;

- 4.2.7.3 Special sick leave of up to 130 days once during the course of the executive's career, in accordance with Part II, subsection A.II.5.3, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.7.4 Exceptional leave with pay that exceeds five days per year, in accordance with Part II, section A.II.11, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;;
- 4.2.7.5 Special leave without pay, for any purpose not otherwise specified in the Directive on Terms and Conditions of Employment for Executives, in accordance with Part II, section A.II.13, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.7.6 Professional development leave without pay for up to one year, in accordance with Part II, section A.II.14, in Appendix A of the Directive on Terms and Conditions of Employment for Executives, including;
 - 4.2.7.6.1 The amount of allowances to be paid;
 - 4.2.7.6.2 Whether to reimburse tuition fees and course material, in whole or in part; and
 - 4.2.7.6.3 The amount of allowances that an executive must repay if the

professional development activity is not completed successfully or employment is not resumed;

Deployments

- 4.2.8 Ensuring that the deployments of executives are administered in a fair and transparent manner, including deployments made pursuant to Part II, section A.II.17, in Appendix A of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.9 Authorizing special deployments for up to two years and extensions to special deployments, in accordance with Appendix C of the Directive on Terms and Conditions of Employment for Executives;

Career Transition

- 4.2.10 Declaring positions 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 to the *Financial Administration Act*, in accordance with Appendix E of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.11 Notifying executives in writing that their position will be declared surplus, in accordance with Appendices E and F of the Directive on Terms and Conditions of Employment for Executives;

- 4.2.12 For executives who opted to leave the core public administration, negotiating, authorizing and funding career transition agreements and bridging agreements from within existing operating budgets, in accordance with Appendices E and G of the Directive on Terms and Conditions of Employment for Executives;
- 4.2.13 For executives who opted to seek continued employment in the core public administration, declaring the executive surplus and notifying the executive in writing, in accordance with Appendix E and F of the Directive on Terms and Conditions of Employment for Executives;

Performance and talent management

- 4.2.14 Authorizing performance ratings for all executives, in accordance with the Directive on Performance and Talent Management for Executives and direction provided by the Chief Human Resources Officer;
- 4.2.15 Providing to the Chief Human Resources Officer an attestation of compliance with the requirements related to the performance management of executives, in accordance with direction provided by the Chief Human Resources Officer;
- 4.2.16 Determining revised performance ratings, in accordance with the requirements in Appendix B and the Directive on Performance and Talent Management for Executives; and
- 4.2.17 Determining amounts of performance pay, in-range salary movement and salary revision to be recovered, in

accordance with Appendix B.

Chief Human Resources Officer

- 4.3 The Chief Human Resources Officer, Treasury Board of Canada Secretariat, is responsible for providing leadership for the management of executives in the core public administration, including:
- 4.3.1 Developing and maintaining the job evaluation standard and related tools for the EX Group;
 - 4.3.2 Determining the requirements for training on EX group classification;
 - 4.3.3 Overseeing and monitoring the overall health of the Classification Program for EX Group positions;
 - 4.3.4 Issuing notification and providing direction for the implementation of in-range salary movements and salary revisions, and for determining organizational budgets for performance pay, for executives;
 - 4.3.5 Authorizing deputy heads to proceed with the payment of performance pay, in-range salary movements and salary revisions, once compliance has been validated;
 - 4.3.6 Approving the key leadership competencies for executives;
 - 4.3.7 Providing direction to deputy heads on government-wide executive talent management and development initiatives;

- 4.3.8 Determining if an investigation or remedial action(s) may be warranted with regard to compliance with this policy; and
- 4.3.9 Directing specific actions to avoid or correct anomalies, or imposing consequences in cases of non-compliance, where warranted.

5. Roles of other government organizations

- 5.1 The roles of key government organizations with respect to this policy are described in section 5 of the Policy on People Management.

6. Application

- 6.1 This policy applies to persons employed as executives in the core public administration and to the organizations that make up the core public administration as defined in section 11 of the Financial Administration Act, unless otherwise stipulated within this policy or excluded through specific acts, regulations or orders-in-council.
- 6.2 Unless otherwise indicated, the provisions of the Policy on People Management apply to the management of executives.
- 6.3 For greater certainty:
 - 6.3.1 The authorities in this policy must be read consistently with the application of the requirements contained in each directive;
 - 6.3.2 With regard to EX Group positions and persons employed as executives, if there is a conflict between the provisions of the

Policy on People Management or associated directives and this policy or associated directives, this policy shall take precedence;

6.3.3 With regard to represented employees, if there is a conflict between a collective agreement and this policy or associated directives, the provisions of the collective agreement shall take precedence; and

6.3.4 With regard to Interchange Canada participants who are employed as executives, this policy and associated directives take precedence over the provisions of any National Joint Council directive dealing with the same matter; and

6.4 Section 7 of this policy does not apply to the following organizations whose deputy heads are solely responsible for monitoring and ensuring compliance with this policy within their organizations, as well as for addressing any situations of non-compliance in a manner that is consistent with section 7:

- Office of the Chief Electoral Officer
- Office of the Commissioner of Lobbying
- Office of the Commissioner of Official Languages
- Office of the Information Commissioner of Canada
- Office of the Privacy Commissioner of Canada
- Office of the Public Sector Integrity Commissioner

7. Consequences of non-compliance

7.1 The consequences of non-compliance described in section 7 of the Policy on People Management apply to this policy.

8. References

8.1 Legislation

- *Canada Labour Code*
- *Canadian Human Rights Act*
- *Employment Equity Act*
- *Federal Public Sector Labour Relations Act*
- *Financial Administration Act*
- *Government Employees Compensation Act*
- *Official Languages Act*
- *Pay Equity Act*
- *Public Service Employment Act*
- *Public Service Employment Regulations*
- *Public Service Rearrangement and Transfer of Duties Act*
- *Public Service Superannuation Act*

8.2 Policies

- *Foundation Framework for Treasury Board Policies*
- *Policy Framework for the Management of Compensation*
- *Policy on Official Languages*
- *Policy on People Management*
- *Policy on Terms and Conditions of Employment*
- *Values and Ethics Code for the Public Sector*

8.3 Other

- *Directive on Executive (EX) Group Organization and Classification*
- *Directive on Interchange Canada*
- *Directive on Performance and Talent Management for Executives*

- *Directive on the Terms and Conditions of Employment for Executives*
- *Executive Group Job Evaluation Standard*
- Executive (EX) Group Qualification Standard
- *Foreign Service Directives*
- *Key Leadership Competency profile*
- Management Accountability Framework

9. Enquiries

- 9.1 Human resources advisors should direct enquiries about this policy to the departmental human resources office.
- 9.2 For interpretation of any aspect of this policy, contact Treasury Board of Canada Secretariat Public Enquiries.
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Appendix A: Organization and Classification of Positions in the Executive Group

- A1 With regard to the approval of classification decisions for EX Group positions in subsection 4.2.2., these decisions must be:
- A1.1 Consistent with the Executive Group Job Evaluation Standard;
 - A1.2 Supported by persons who completed the training on EX Group classification prescribed by the Chief Human Resources Officer;

- A1.3 Reflective of core public administration inter-organizational relativity as confirmed through comparisons with appropriately classified positions in organizations of similar size, structure and mandate;
- A1.4 Arrived at in a transparent, equitable, consistent and bias-free manner; and
- A1.5 Supported by a job description, evaluation rationale and organization chart, in accordance with the *Directive on Executive (EX) Group Organization and Classification*.

Appendix B: Revision of Performance Ratings and Performance-Based Compensation

Context

The compensation regime of executives incentivizes performance by linking a portion of compensation to individual performance. A rigorous performance assessment process and the ability to accurately compensate for performance achieved are essential to the integrity of a high-performance culture. On occasion, information may come to light following the performance review period that is relevant to the assessment and performance-based compensation that was provided to an executive.

- B1 With regard to the revision of performance ratings in subsection 4.2.17., deputy heads are solely responsible for and may not delegate the following:

- B1.1 Determining the revised performance rating when it has been determined, following due process, that an executive:
 - B1.1.1 Sought to hide or misrepresent their achievements such that any deficiencies would have been difficult to detect at the time of assessment; or
 - B1.1.2 Committed breaches of conduct or mismanagement within a particular performance review period that would have had such a negative effect on the rating provided that they would have received a lower rating, including a rating of “did not meet”.
- B2 With regard to the recovery of performance pay, in-range salary movement and salary revision amounts in subsection 4.2.18., deputy heads are solely responsible for and may not delegate the following:
 - B2.1 Determining the amounts of performance pay, in-range salary movement and salary revision the executive should have earned as a result of the revised performance rating, when a performance rating is revised in accordance with subsection B1.1;
 - B2.2 Deeming the amounts and resulting pension entitlements eligible for recovery to be overpayments under section 155 of the Financial Administration Act; and
 - B2.3 Ensuring that the overpayments are appropriately recovered.

Appendix C: Definitions

Definitions to be used in the interpretation of this policy can be found in this appendix and Appendix D of the *Policy on People Management*.

Career transition agreement (entente de transition dans la carrière)

For an executive who received written notification that their substantive position was declared surplus, a settlement negotiated in exchange for their resignation from the core public administration.

Classification action (action de classification)

A classification activity that does not require a new classification decision and does not have an impact on the position's surrounding organizational structure.

Executive (cadre supérieur)

An employee appointed or deployed to an excluded and unrepresented position in one of the following groups and levels:

- i. Executive (EX) Group, levels 01 to 05;
- ii. Defence Scientific Service (DS) Group, levels 7A, 7B, and 8;
- iii. Medical Officer (MD-MOF) Group, levels 04 and 05;
- iv. Medical Specialist (MD-MSP) Group, level 3; or
- v. Law Management (LC) Group, levels 01 to 04.

Executive Group, EX group (groupe de la direction, groupe EX)

The occupational group as defined in the Canada Gazette, Part 1, March 27, 1999.

Executive position (poste de cadre supérieur)

An excluded and unrepresented position in one of the following groups and levels:

- i. Executive (EX) Group, levels 01 to 05;
- ii. Defence Scientific Service (DS) Group, levels 7A, 7B, and 8;
- iii. Medical Officer (MD-MOF) Group, levels 04 and 05;
- iv. Medical Specialist (MD-MSP) Group, level 3; or
- v. Law Management (LC) Group, levels 01 to 04.

In-range salary movement (progression à l'intérieur de l'échelle salariale)

For eligible executives, an increase in annual salary on April 1, within the minimum and maximum salary applicable to the executive's group and level, based on performance during the previous performance review period. The in-range salary movement must be re-earned each performance review period.

Higher-level position (poste de niveau supérieur)

For promotions to executive positions, a position with a higher salary maximum than the previous substantive level. For acting appointments to executive positions, a position with a higher salary maximum than the substantive level.

Key leadership competencies (compétences clés en leadership)

The behaviours expected of leaders in the core public administration, which serve as the basis for selection, learning and development, and performance and talent management of executives and other senior leaders.

Performance pay (at-risk and bonus) (rémunération au rendement)

A lump sum calculated as a percentage of the salary of the eligible executive, as approved by the deputy head and within the limits prescribed by the Treasury Board, that may be earned each performance review period based on the level of performance.

Resignation (démission)

The voluntary separation of an employee other than at the end of a specified term for reasons other than retirement or lay-off, in accordance with section 63 of the Public Service Employment Act.

Salary (salaire)

The fixed recurring portion of an employee's cash compensation received for the performance of the regular duties of a position, exclusive of allowances, performance pay or other compensation or gratuities.

Special deployment (mutation spéciale)

The transfer of an executive to temporarily perform duties that have not been classified. This provision applies to executives at the following levels:

- EX-01 to EX-05
- LC-01 to LC-04
- DS-07A, DS-07B and DS-08

Surplus status (statut excédentaire)

The status of an indeterminate executive who has chosen to seek continuing employment in the core public administration after being notified in writing that their services are or will no longer be required beyond a certain date. The surplus status ends:

- on the date of lay-off;
- when the executive is indeterminately appointed or deployed to another position;
- when the surplus status is rescinded; or
- when the executive resigns during the surplus status.

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