

Budget 2023

**SUPPLEMENT TO
THE ESTIMATES
OF EXPENDITURE**

**BUDGET
COMPLÉMENTAIRE**

2023/24

Manitoba Employee Pensions
and Other Costs

Régime de retraite de la fonction
publique et autres frais du Manitoba

Indigenous Land Acknowledgement

We recognize that Manitoba is on the Treaty Territories and ancestral lands of the Anishinaabeg, Anishinewuk, Dakota Oyate, Denesuline and Nehethowuk peoples.

We acknowledge Manitoba is located on the Homeland of the Red River Métis.

We acknowledge northern Manitoba includes lands that were and are the ancestral lands of the Inuit.

We respect the spirit and intent of Treaties and Treaty Making and remain committed to working in partnership with First Nations, Inuit and Métis people in the spirit of truth, reconciliation and collaboration.

Reconnaissance du territoire

Nous reconnaissons que le Manitoba se trouve sur les territoires visés par un traité et sur les territoires ancestraux des peuples anishinabé, anishinewuk, dakota oyate, denesuline et nehethowuk.

Nous reconnaissons que le Manitoba se trouve sur le territoire des Métis de la rivière Rouge.

Nous reconnaissons que le nord du Manitoba comprend des terres qui étaient et sont toujours les terres ancestrales des Inuits.

Nous respectons l'esprit et l'objectif des traités et de la conclusion de ces derniers. Nous restons déterminés à travailler en partenariat avec les Premières Nations, les Inuits et les Métis dans un esprit de vérité, de réconciliation et de collaboration.

Employee Pensions and Other Costs

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**Supplement
to the Estimates
of Expenditure
2023/2024**

**Budget
complémentaire
2023-2024**

**Manitoba Employee
Pensions and Other
Costs**

**Régime de retraite de
la fonction publique
et autres frais du
Manitoba**



**MINISTER
RESPONSIBLE FOR THE MANITOBA PUBLIC SERVICE**

Room 343
Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

Ministerial Message and Introduction

I am pleased to provide the 2023/24 Manitoba Employee Pensions and Other Costs Supplement to the Estimates of Expenditure. As the Minister responsible for the Manitoba Public Service Commission, I am accountable for the basis on which the Supplement to the Estimates of Expenditure is prepared.

Overview of the Supplement to the Estimates of Expenditure

This Supplement is intended to provide additional information to the Members of the Legislative Assembly and the public in their review of departmental information contained in the Summary Budget and departmental information contained in the Estimates of Expenditure for the fiscal year ending March 31, 2024.

This supplement is different from the other departmental supplements due to the unique nature of these business areas. There are no staff in these business areas and therefore there is no information to report related to departmental staffing and full time equivalent (FTE) details that are part of the other departmental supplements.

Other departmental supplements focus on strategic priorities and align with the Department's balanced scorecards. The business areas in this supplement provide authority as described below, but do not have any strategic priorities or balanced scorecard measures to report.

The Public Service Commission (PSC) is responsible for providing central administrative services for government-wide employee benefits and insurance programs in accordance with collective agreements, legislation and personnel policies. Negotiated plans include the Ambulance and Hospital Semi-Private (AHSP), Dental, Vision Care, Prescription Drug and Long Term Disability plans as well as the Health Spending Account. The PSC manages the chargeback and recovery of workers compensation costs from government departments and agencies and compiles financial information for statutory benefit and insurance programs including the Civil Service Superannuation Plan, Canada Pension Plan, Group Life Insurance, Employment Insurance and the Levy for Health and Post-Secondary Education.

Provisions for premium-based benefits such as Canada Pension Plan and Employment Insurance have been adjusted to reflect changes in premium rates and maximum insurable earning levels, where applicable. Provisions for self-insured benefits, such as long term disability and dental, have been adjusted for anticipated changes in volume as well as changes in eligible expense coverage negotiated as part of existing collective agreements, where applicable. These costs will be recovered from departments.

Thank you.

"Original signed by"

Honourable James Teitsma
Minister responsible for the Manitoba Public Service





MINISTRE
RESPONSABLE DE LA FONCTION PUBLIQUE DU MANITOBA

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CANADA

Message ministériel et Introduction

J'ai le plaisir de présenter le budget complémentaire du Régime de retraite de la fonction publique et autres frais du Manitoba de 2023-2024. En tant que ministre de la Commission de la fonction publique du Manitoba, j'assume une responsabilité quant aux fondements sur lesquels repose l'établissement du budget complémentaire.

Aperçu du budget complémentaire

Le présent document fournit un complément d'information aux députés à l'Assemblée législative ainsi qu'au public afin de les aider à passer en revue les renseignements ministériels présentés dans le Budget sommaire et le Budget des dépenses pour l'exercice se terminant le 31 mars 2024.

Le présent document diffère des autres budgets complémentaires ministériels en raison de la nature particulière de ces domaines d'activité. Contrairement aux autres budgets complémentaires ministériels, celui-ci ne contient aucune information au sujet des effectifs ministériels et des équivalents temps plein (ETP) du fait qu'aucun personnel n'est associé à ces domaines d'activité.

Les autres budgets complémentaires ministériels mettent l'accent sur les priorités stratégiques et sont harmonisés avec le tableau de bord équilibré de leur ministère. Cependant, le document ne présente aucune priorité stratégique ni aucune mesure associée à un tableau de bord équilibré.

La Commission de la fonction publique est responsable de la fourniture de services administratifs centraux pour les programmes d'avantages sociaux et d'assurance destinés aux employés à l'échelle gouvernementale, conformément aux conventions collectives, à la législation et aux politiques touchant les ressources humaines. Les régimes négociés comprennent le transport par ambulance et l'hospitalisation dans une chambre à deux lits, les soins dentaires, les soins de la vue, les médicaments délivrés sur ordonnance, ainsi que l'assurance invalidité de longue durée et l'aide en soins de santé. La Commission gère la facturation et le recouvrement du coût des indemnités liées aux accidents du travail auprès des ministères et des organismes gouvernementaux, et compile les renseignements financiers des programmes d'avantages sociaux et d'assurance prévus par la loi, notamment le Régime de retraite de la fonction publique, le Régime de pensions du Canada, l'assurance-vie collective, l'assurance-emploi, et l'impôt destiné aux services de santé et à l'enseignement postsecondaire.

Les dispositions relatives aux allocations fondées sur les primes, comme le Régime de pensions du Canada et l'assurance-emploi, ont été ajustées pour refléter les modifications des taux de prime et des niveaux maximaux de gains assurables, le cas échéant. Les dispositions relatives aux prestations autogérées, comme l'assurance invalidité de longue durée et les soins dentaires, ont été ajustées en vue des changements anticipés de volume, ainsi que des changements dans la couverture des dépenses admissibles négociée dans le cadre des conventions collectives existantes, le cas échéant. Ces coûts seront recouverts auprès des ministères.

Je vous remercie de votre attention.

« Original signé par »

Monsieur James Teitsma
Ministre responsable de la Commission de la fonction publique



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Financial Details

Consolidated Expenditures

This table includes the expenditures of the three business areas and the consolidation and other adjustments made to align to the Summary Budget.

Main Appropriations	Part A- Operating	Other Reporting Entities	Consolidation and Other Adjustments	2023/24 Summary	2022/23 Summary
					\$(000s)
Employee Pensions and Other Costs	33,652	-	(33,652)	-	-
General Eliminations	-	-	-	-	-
TOTAL	33,652	-	(33,652)	-	-

Employee Pensions and Other Costs

Financial Operating Information- Part A Expenditure

Employee Pensions and Other Cost (Res. No. 6.1)

Main Appropriation Description

Provides for the cost of various payments related to employees, including the employer's share of current service contributions; severance and separation pay liability; and other payments by the government as an employer.

Civil Service Superannuation Pension Related Cost

Provides for the employer portion of current service contributions and other costs associated with administration of the plan. The current service contributions are recovered from other departments with respect to their employees.

Other Salary Related Benefits

Provides for the annual increase/decrease in the liabilities for severance, vacation and overtime entitlements for employees who have met the service requirements stated in the collective agreement and who are still members of the civil service.

Workers Compensation Board Assessments

Provides for the annual payments to government employees injured at work as assessed by the Workers Compensation Board (WCB) as well as fees paid to WCB for administration of the compensation plan. The annual payments are recovered from other departments in respect of their employees.

The province is self-insured with respect to workers compensation payments, although the WCB provides administrative and assessment services.

Canada Pension Plan

Provides for the employer's matching contribution as required under the Canada Pension Plan (CPP) Act for all eligible public servants.

Employment Insurance Plan

Provides for the employer's share of premiums as required under the Employment Insurance (EI) Act for all public servants.

Civil Service Group Life Insurance

Provides for the government's share of payments under The Public Servants Insurance Act that provides for basic insurance coverage, including group life and accidental death and disablement insurance, for all eligible public servants.

Life insurance is provided to employees of up to five times their annual salary, to a maximum of \$1.0 million. The employer contribution is 27.5% of the first four multiples only (employee funds 100% of the fifth multiple). Accidental death and disablement insurance is 100% employer paid and is based on the employee's annual salary multiplied by class (1 to 5), as selected under the life insurance plan, up to a specified maximum.

Ambulance and Hospital Semi-Private Plan

As negotiated under various collective agreements or as provided in the regulations under The Public Service Act, the Supplementary Health Plan provides for an Ambulance and Hospital Semi-Private Plan to all eligible public servants. Premium payments to the plan carrier (Manitoba Blue Cross) are made, based on the number of eligible employees.

Full-time and part-time employees are eligible for coverage, although part-time employees are eligible for single coverage only. Premium payments to the plan carrier are 100% employer paid. Part-time employees may elect to increase their coverage to include family members by paying the difference between the family premium and single premium through voluntary payroll deductions.

Levy for Health and Post-Secondary Education

Provides for the province's payment as required by The Health and Post-Secondary Education Tax Levy Act.

Dental Plan

As negotiated under various collective agreements or as provided in the regulations under The Public Service Act, the Dental Plan provides coverage for basic and major restorative dentistry to all eligible public servants and their dependants, where applicable. The province is self-insured with the plan carrier (Manitoba Blue Cross) being reimbursed for payments made to government employees under the plan as well as an administrative fee.

The plan pays for eligible dental care expenses, to a specified maximum, for both full-time and part-time employees. The annual basic coverage maximum is \$1,475.00 and the orthodontic lifetime maximum is \$1,675.00 for full-time employees. Part-time employees are eligible for family coverage based on 50% of the coverage amounts applicable for full-time employees, up to 50% of the maximum.

Vision Care

As negotiated under various collective agreements or as provided in the regulations under The Public Service Act, the Vision Care plan provides coverage for prescription lenses and eye examinations for eligible public servants and their dependants, where applicable. The province is self-insured with the plan carrier (Manitoba Blue Cross) being reimbursed for payments made to government employees under the plan as well as an administrative fee.

Full-time employees are reimbursed 80% for eligible vision care expenses, to a maximum of \$275.00 while part-time employees are reimbursed 80% for eligible vision care expenses, to a maximum of \$137.50, in each 24 month period.

Prescription Drug Plan

As negotiated under various collective agreements or as provided in the regulations under The Public Service Act, the self-insured plan provides coverage for prescription drugs for eligible public servants. The plan carrier (Manitoba Blue Cross) is reimbursed for payments made to government employees under the plan as well as an administrative fee.

Full-time employees are reimbursed 80% for eligible expenses, to a maximum of \$800.00 per family per calendar year, while part-time employees are reimbursed 80% for eligible expenses, to a maximum of \$400.00 per family per calendar year.

Long Term Disability (LTD) Plan

As negotiated under various collective agreements or as provided in the regulations under The Public Service Act, the LTD Plan provides partial income protection to eligible full-time and part-time employees. The province is self-insured with the plan carrier (Canada Life) being reimbursed for payments made to government employees under the plan including administrative expenses.

Health Spending Account

As negotiated under various collective agreements or as provided in the regulations under The Public Service Act, this plan provides reimbursement of eligible costs to regular employees when the annual maximum claim limit of other benefit plans has been exceeded. Annual claim maximums are \$850.00 for full-time employees and \$425.00 for part-time. The plan is 100% employer funded.

Recoverable From Other Appropriations

Provides for the recovery from other departments for the cost of the various employee benefits plans and related overhead charges, as well as the health spending account. Costs associated with Other Salary Related Benefits, which reflect changes in the severance, vacation, overtime and long term disability liabilities, Civil Service Superannuation Plan and LTD legal costs are not recovered from departments.

Sub-appropriations	2023/24		2022/23		Expl.
	FTEs	\$ (000s)	FTEs	\$ (000s)	
Civil Service Superannuation Plan					
Pension Related Costs	-	96,425	-	95,094	
Less: Recoverable from other appropriations	-	(82,682)	-	(84,248)	
Subtotal		13,743		10,846	1
Other Salary Related Benefits	-	13,516	-	15,231	2
Workers Compensation Board:					
Assessments re: Accidents to Government Employees	-	14,528	-	13,355	
Less: Recoverable from other appropriations	-	(8,135)	-	(7,254)	
Subtotal		6,393		6,101	3
Canada Pension Plan	-	45,793	-	41,225	4
Employment Insurance Plan	-	16,506	-	15,277	4
Civil Service Group Life Insurance	-	2,626	-	2,561	4
Ambulance and Hospital Semi-Private Plan	-	298	-	298	
Levy for Health and Post-Secondary Education	-	22,358	-	21,306	4
Dental Plan	-	9,800	-	9,500	5
Vision Care	-	1,700	-	1,600	5
Prescription Drug Plan	-	4,300	-	4,200	5
Long Term Disability Plan	-	13,303	-	12,541	5
Health Spending Account	-	6,900	-	5,600	5
Subtotal		123,584		114,108	
Less: Recoverable from other appropriations		(123,584)		(114,108)	
TOTAL		33,652		32,178	
Expense by Type					
Salaries and Employee Benefits	-	25,292	-	24,110	
Other Expenditures	-	8,360	-	8,068	
TOTAL	-	33,652	-	32,178	

Explanation

1. Increase in unanticipated judicial pension plan withdrawals and administrative charges
2. Decrease in vacation and LTD liabilities
3. Increase in volume and duration of WCB claims
4. Increase in payroll cost and CPP/EI to maximum annual contribution per employee.
5. Projected increase in self-insured benefits.

Glossary

Alignment – The process of enabling all employees to see how their day-to-day actions are consistent with the values of the organization and how living those values is contributing to overall success. Creating alignment ensures employees are working toward the common goal, or vision.

Annual Report – Departmental annual reports are a supplement to the public accounts and provide variance explanations and background information to support the public accounts. Annual reports are either released (if the Legislature is not in session) or tabled in the Legislature (if in session) by September 30 following the fiscal year end.

Appropriation – amount voted by the Legislature approving the maximum amount that may be expended on a specific program or major activity during a fiscal year.

Main Appropriation – the total amount of each resolution passed by the Legislature as reported in the printed estimates of expenditure.

Sub Appropriation – the total amounts applicable to the various breakdowns of the main appropriations in the printed estimates of expenditure.

Balanced Scorecard – A scorecard is a business tool that shows what an organization wants to achieve (its broad priorities), and includes actions it needs to focus on to be successful. It also includes visual updates, such as the use of the colours red, yellow and green, to easily communicate progress made in each priority area. Red means “not on target,” yellow means “near target,” and green means “on target.” The ‘balance’ in a balanced scorecard refers to broadening traditional performance measures to not only include financial measures, but also customer, employee and process measures, which all play a part in helping an organization progress towards achieving its priorities.

Borrowings – Borrowings are securities issued in the name of the province to capital markets investors. Securities include debentures, treasury bills, promissory notes, medium-term notes and Manitoba Savings Bonds.

Cascading – This is the process of developing aligned scorecards throughout an organization. Each level of the organization will develop scorecards, based on the objectives and measures they can influence from the group to whom they report. Cascading allows every employee to demonstrate a contribution to overall organizational objectives.

Consolidation Impacts – The adjustments needed to bring the revenue and expenditure of the other reporting entities (ORE) into the summary budget, and to eliminate transactions between entities to avoid duplication of revenues and expenses (ex: a government grant is counted as an expenditure of core government and is eliminated from the revenue of the ORE).

Full-Time Equivalent (FTE) – A measurement for number of positions. Every full-time regular position represents one full-time equivalent position. Other categories (ex: term, departmental, seasonal, contract) are measured in proportional equivalents, ex: a program with a vote of 1.50 term FTE could hire staff in any combination that results in a total of one-and-one-half years (or 78 weeks) of employment (ex: 6 staff for 3 months (13 weeks) each; 2 staff for 9 months (39 weeks) each; 1 full-time and 1 half-time staff for 1 year; 3 half-time staff for 1 year; etc.).

Government Reporting Entity (GRE) – Includes core government and Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges.

Grants – Public money provided to an individual, organization or another government to assist in attaining their objectives and for which the government does not receive a good or service.

Gross Domestic Product (GDP) – Represents the total market value of all final goods and services produced in the Manitoba economy.

Guarantees – The province, in the normal course of business, may provide a guarantee to honour the repayment of debt or loans of an organization, primarily GBEs. Such a guarantee is provided on the Manitoba Hydro Savings Bonds.

Initiatives – These are the specific programs, activities, projects, or actions an organization will undertake to meet performance targets. Initiatives are often projects or events that aim to improve a process or an outcome in one of the four perspectives.

Measure – A measure is a standard used to evaluate and communicate performance against expected results. Measures are normally quantitative in nature, capturing numbers, dollars, percentages, and so on. Reporting and monitoring measures helps an organization gauge progress toward effective implementation of strategy.

Ministry – A grouping of government components, organizations and partnerships within a specific area of public administration that is presided over by a minister, not including Government Business Enterprises (GBEs) and Government Business Partnerships (GBP).

Mission Statement – A mission statement defines the core purpose of the organization — why it exists, and reflects employees’ motivations for engaging in the organization’s work. Effective missions are inspiring, long-term in nature, and easily understood and communicated. The provincial Mission Statement is “Manitoba: Measuring Progress.”

Objective – The objective is a concise statement describing the specific things an organization must do well to execute its strategy. Objectives often begin with an action verb such as increase, reduce, improve, or achieve. Strategy Maps are comprised entirely of objectives. “Strengthen respect in our workplace” is an example of an objective on the government Strategy Map.

Other Reporting Entities – Entities in the GRE such as Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges that are directly or indirectly controlled by the government, as prescribed by Public Sector Accounting Board – excludes core government.

Perspective – In balanced scorecard language, perspective refers to a category of performance objectives (the highest category of measures that sub-measures or key performance indicators tie into). The standard four perspectives are (Financial, Client, Internal Process, and Employee Learning and Growth).

Special Operating Agencies (SOA) – Service operations within departments granted more direct responsibility for results and increased management flexibility needed to reach new levels of performance. SOAs embrace market disciplines of the private sector while adhering to the public policy imperatives of government. Annual business plans define financial goals and performance targets. SOAs have the ability to raise capital outside of the Consolidated Fund.

Strategy – This represents the broad priorities adopted by an organization in recognition of its operating environment and in pursuit of its mission. Situated at the centre of the balanced scorecard system, all performance objectives and measures should align with the organization’s strategy.

Strategy Map – The strategy map is a one-page visual representation of what must be done well to execute strategy. Strategy maps reflect performance objectives spanning the four perspectives, combining to tell the organization’s strategic story.

Target – The target presents the desired result of a performance measure. They provide organizations with feedback about performance.

Values – Values represent the deeply-held beliefs of the organization, which are demonstrated through the day-to-day behaviours of all employees. An organization’s values make an open proclamation about how it expects everyone to behave. Values should endure over the long-term and provide a constant source of strength for an organization.

Vision – A powerful vision provides everyone in the organization with a shared mental framework that helps give form to the often abstract future that lies ahead. Effective visions provide a word picture of what the organization intends to ultimately become — which may be 5, 10, or 15 years in the future. This statement should contain as concrete a picture of the desired state as possible, and also provide the basis for formulating strategies and objectives. The vision serves as the guiding statement for the work being done. It should answer why the work being done is important.