



Re-Employment of Government Employees in Receipt of Severance/Enhanced Benefits

Issue Date: May 26, 2011

Authority

The Crown Corporations Act, 1993
CIC Board Minute Number #97/2011

Applicability

This policy is applicable to CIC and its subsidiary Crown corporations.

Purpose

This policy is intended to prevent individuals from receiving income from more than one entity within the Government of Saskatchewan at the same time (commonly known as “double dipping”).

Definitions

For the purpose of this policy, “Government of Saskatchewan” has the same meaning as “Crown Employer” in *The Crown Employment Contracts Act* and includes:

- Executive Government
- Treasury Board Crowns
- CIC Subsidiary Crown corporations
- Boards
- Agencies
- Commissions

Policy Statements

In recognition of the principle that all agents of the Crown are considered to be one employer, Crown corporations are encouraged to refrain from re-employing, either directly or indirectly, persons who are already receiving severance payments from the Government of Saskatchewan, unless the individual forgoes the severance payments for the period that overlaps their re-employment.

In a case where an individual is receiving enhanced benefits from the Government of Saskatchewan to leave employment early (i.e. early retirement), the individual should not be re-employed, either directly or indirectly, with the Government of Saskatchewan.

For the purposes of this policy, “indirectly re-employing” an individual would include entering into a consulting contract with the individual.

Should an individual in receipt of a severance package from the Government of Saskatchewan be under consideration for employment by a Crown corporation, the offer of employment must be made conditional upon repayment of a portion of the lump sum benefits commensurate with the period of overlap.



All Crown corporation severance agreements shall include clauses requiring the former employee to repay any portion of the severance payment that coincides with re-employment within the Government of Saskatchewan, without affecting the individual's duty to mitigate. Some examples are included in Appendix A, but should be modified as required by Crown corporations to accurately reflect the facts in any given situation.

Monitoring

Crown corporations are responsible to monitor ongoing internal compliance with this policy.

Administrative Information

Contact: Exec. Dir., Crown Sector & CIC Human Resources, Human Resources Policy, Governance and Legal, 787-1257

Reviewed: June 15, 2015

Appendix A

Sample Clauses for Severance Agreements

Example #1:

Should and for so long as [Employee] obtains employment or contracts with the Government of Saskatchewan or any of its agencies, boards, commissions or Crown corporations prior to _____, being the concluded date of the notice period, [Employee] agrees to account for and repay to [Crown corporation], all amounts paid by [Crown corporation] under clauses ** which amount shall not exceed the amounts earned by [Employee] for that period of time that would relate to the date of commencement of such employment or contract to the end of the notice period, subject to the following:

- (a) [Employee] shall have no obligation to account for and repay any amounts paid as statutory severance pursuant to *The Labour Standards Act* as set out in clause **.
- (b) [Crown corporation] remains, in any event, obligated to “top up” any income earned by [Employee] in the notice period so that his/her monthly earnings will be equal to the monthly earnings he/she would have received at [Crown corporation] up to _____, being the concluded date of the notice period.
- (c) [Employee]’s obligation to repay amounts received under clause ** will be net of the income tax deducted by [Crown corporation] in making those payments.
- (d) [Crown corporation] will entertain a reasonable repayment program for [Employee] to fulfill his/her obligations under this clause **.

This provision will survive the termination of the employment relationship and applies notwithstanding any release of obligations in favour of [Employee].

Example #2:

Should [Employee] obtain employment or contracts with the Government of Saskatchewan or any of its agencies, boards, commissions or Crown corporations during the period after _____ up to and including _____ (hereinafter “Government Employment”) [Employee] shall be obligated to account for and repay to [Crown corporation] relative to the given month the income and benefits paid by [Crown corporation] to him pursuant to clauses ** and/or ** above, such accounting and repayment being only to the extent of [Employee]’s earnings/benefits from the other Government Employment. If, for example, the amount of earnings/benefits received during any given month prior to _____ from such other Government Employment is less than \$_____, then [Crown corporation] will “top up” any income/benefits earned for that month so that [Employee]’s monthly earnings/benefits will be equal to \$_____. Conversely if, for example, the amount of earnings/benefits received during any given month prior to _____ from such other Government Employment is equal to or greater than \$_____, then [Crown corporation] will not be required to pay any amounts to [Employee] pursuant to clauses ** and ** above for that particular month and [Employee] shall account for and repay to [Employee] any amount to which [Crown corporation] has already paid [Employee] relative to that month.



Further, to the extent that [*Crown corporation*] has overpaid [*Employee*] relative to any given month, [*Crown corporation*] shall be entitled to set-off any future payments that may be owing to [*Employee*] against the overpayment.

Notwithstanding the foregoing, nothing in this clause shall require or obligate [*Employee*] to account or repay to [*Crown corporation*] such amounts as he/she would otherwise be entitled (i.e. six weeks pay in lieu of notice) pursuant to subsection 44(2) of *The Labour Standards Act* (Saskatchewan).

This provision will survive the termination of the employment relationship and applies notwithstanding any release of obligations in favour of [*Employee*].