

**Subject/Title: Perquisites Policy and Rules**

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**PURPOSE:**

The purpose of this policy is:

- 1) to outline those perquisites that are not permissible under the terms of this policy and the Directive;
- 2) to establish rules in respect of perquisites in accordance with the BPS Perquisites Directive effective August 2, 2011;
- 3) to establish procedures related to the approval of an item of compensation that may be considered a perquisite that is not strictly forbidden under the policy or Directive; and
- 4) This policy serves to define allowable perquisites and the process for governance in compliance with the Broader Public Sector Perquisites Directive embracing the principles of accountability, transparency and value for money.

**SCOPE:**

The policy covers employment and other relationships where the Hospital provides compensation in any form to an individual or a company providing services to the Hospital.

**DEFINITIONS:**

- *Perquisites or "Perks"*: are privileges that are provided to an individual or to a group of individuals, provides a personal benefit and is not generally available to others. It may or may not have a monetary value.
- *Business related requirement*: means that the "perk" being considered has a connection to the primary business of the hospital, is being considered in order to further an objective of the hospital, is essential to the performance of the individual receiving such "perk", and in no way is related to any "perk" restricted by this policy, the BPS directives, or the Hospital Business Travel and Expense Reimbursement Policy.
- *Offer of employment letter*: is a letter issued from the Human Resources Department to an individual for employment with St. Mary's General Hospital. All such offers will be subject to the approval process and supporting documentation shall include an approved "Staff Requisition Form"

- *Employment Contract*: is a contract covering terms of employment with St. Mary's General Hospital. All such Contracts will be subject to the approval process and supporting documentation shall include an approved "Staff Requisition Form". The term "Employment Contract" shall include any contractual arrangement with an outside organization whose primary purpose is to provide services to St. Mary's General Hospital using its own staff working onsite. All new contracts shall be review by external counsel prior to approval.
- *Reimbursement of an expense*: is generally covered by the Hospital's Business Travel and Expense Reimbursement Policy which is assumed to include the exclusion of any expenses not allowed under this policy and the BPS Directives.

**POLICY:**

SMGH is commitment to the principles outlined in the Broader Public Sector Perquisite Directive and to that end will ensure accountability, transparency and value for money. All expenditures will support business objectives. The rules for perquisites will be clear and easily understood ensuring that taxpayer's dollars are used prudently and responsibly. This policy is applicable to appointees, board members, and employees.

**RULES AND PROCEDURES:**

The following perquisites are not allowed in any format or under any circumstances;

- 1) Club memberships for personal recreation or socializing, such as fitness clubs, golf clubs, or social clubs
- 2) Seasons tickets to cultural or sporting events
- 3) Clothing allowances not related to health and safety or special job requirements
- 4) 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
- 5) Professional advisory services for personal matters such as tax or estate planning

The perquisites as above cannot be provided by any means including an offer of employment letter, as a promise or a benefit, an employment contract or a reimbursement of an expense and will not be approved as outlined in the approval process later in this policy.

A perquisite deemed not to be a "Business related requirement is not permissible and will not be approved under this policy. All perquisites must be demonstrated to be a SMGH business-related requirement for the effective performance of an individual's job.

A list of allowable perquisites will be established by the Resource Planning and Utilization Committee. (attachment A) This list will be reviewed on an annual basis or as needed. Approval for reimbursement will be through the President. Approval for reimbursement for the President will be by the Board Chair.

On an annual basis the Director of Human Resources shall summarize all such approved “perks” in a format that preserves anonymity of the individual while providing the perk provided and the rationale for its approval. This summary shall be posted on the Hospital’s website with a contact for further information

#### **PROCEDURE FOR THE APPROVAL OF A PERQUISITE**

- 1) This procedure is required where a hiring manager is considering any benefit that is not routinely included in an offer of employment letter or an employment contract. This is any benefit provided that is outside of Hospital Policy and/or Benefit Plans. Rules governing the application of HOOPP benefits are strictly governed by the Pension Plan and cannot be offered beyond its terms. These may include but are not limited to additional vacation, relocation expenses, educational reimbursement and any other reimbursement that is not strictly prohibited.
- 2) The hiring manager shall submit a completed “Request to Extend Perk for This Hire” form directly to the Human Resources Department prior to any offer or contract being extended to the potential employee.
- 3) Approval of a “perk” is limited to each individual circumstance and will only be considered on its individual merit and its relationship to the critical nature of an external hire or contract as it relates directly to the business of the Hospital.
- 4) The Director of Human Resources shall recommend to the relevant Vice President that such “perk” is appropriate in the situation. This decision may take into account such factors as the difficulty of the hire, the level of the position, the critical timing and nature of the hire, the circumstances in the sector or any other relevant factor. The Director of Human Resources may seek external legal counsel to ensure that a “perk” being considered does not violate the spirit or intent of the BPS Directives.
- 5) The relevant VP and the President shall consider this recommendation and provide approval where appropriate to do so. They shall jointly complete the relevant section of the form and return it to the Director of Human Resources.
- 6) The Human Resources Department shall then process the Offer of Employment Letter or Contract of Employment including any “perk” so approved.

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## Attachment A

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### **ALLOWABLE PERQUISTE LIST**

The Following expenditures are approved perquisites and do not require approval from the President or Board. These expenses should follow the appropriate SMGH expense policy guidelines.

1. Executive Car Allowances
2. Cost Associated with work related Conference Attendance within North America
3. Expenses associated with Professional Development
4. Professional Membership Fees
5. Business related community events that further the mission & vision of SMGH or the St. Joseph's Health System

### **See Also:**

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Origin: Human Resources

Date Approved: 24/01/2012

Dates Revised: January 2012

Date Reviewed: January 2012

Responsibility: Director, Human Resources

References:

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*Where relying upon any St. Mary's General Hospital policy and/or procedure, users are requested to consult the online policy and procedure manual to ensure access to and use of the most current, up-to-date and accurate policy. St. Mary's General Hospital cannot guarantee the currency or accuracy of any printed policy and/or procedure.*