Government of Canada Transformation of Pay and Pension Administration Initiatives

Presentation to Financial Management Institute – Public Sector Management Workshop

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May 28, 2012
Pay Transformation – Why Change?

Issues

- Obsolete technology
- Increasingly difficult to meet policy and legislative requirements
- Lack of integration with human resources systems
- Expectation for more self-service options
- Need for streamlined and standardized business processes
- High turnover and attrition of expertise in compensation
Transformation of Pay Administration Initiative

**Pay Modernization Project**
Replace 40 year-old pay system with an available commercially off-the-shelf (COTS) solution and business processes based on industry standard practices.
- Preliminary Project Approval (PPA): from October 2009 to September 2012
- Project Approval & Expenditure Authority Planning: from October 2012 to July 2015

**Consolidation of Pay Services Project**
Gradually consolidate pay services from departments and agencies to the Public Service Pay Centre leading to 550 Public Service jobs in Miramichi, N.B.
- Preliminary Project Approval (PPA): from October 2009 to December 2011
- Project Approval: from December 2011 to December 2015

**Overall Strategic Outcome**
Long-term sustainability of the Government of Canada pay administration system and services. When fully implemented, the initiative will generate savings of up to $78.1M per year.
Pay Modernization Project – Solution

- Implement a commercial-off-the-shelf (COTS) pay solution for all departments:
  - A modern, widely-used technological solution, including extensive Web-based capabilities
- Integration of new pay solution with the endorsed GC’s HRMS (PeopleSoft)
- Departments using endorsed GC HRMS (employees and managers) benefit from extensive self-service capabilities
- System will be more intuitive and responsive with business processes embedded in automated workflows
- A new business model:
  - Solution will leverage proven industry standard practices from the private sector and other public administrations
  - Leverage COTS business processes
Consolidation of Pay Services Project

- Establish a Centre for pay services in Miramichi, New Brunswick, to consolidate pay administration services currently provided by departments

- Start with departments using or planning to use the GC HRMS (PeopleSoft)

- Establish partnerships with community colleges for training

- Feasibility study to be undertaken with respect to consolidation of services provided by departments not currently using GC HRMS (PeopleSoft)

- Gradual, measured and deliberate approach to transfer work from departments to the Public Service Pay Centre from Spring 2012 to post-implementation of new pay system in 2015
Roll-out Strategy

Pay Modernization Project Phases

- Fit to Standard Analysis
- Design
- Development
- Train and Deploy

Business transformation

Consolidation of Pay Services Project Waves

Wave 1
- 146 employees
- 20,000 accounts

Wave 2
- 197 employees
- 40,000 accounts

Wave 3
- 207 employees
- 32,000 accounts

Transfer of 92,000 accounts for a total of 184,000 accounts—April 2015
Pay Modernization Project – Status

Planning and preliminary design of the new GC PeopleSoft Pay System is underway

✓ Completed key project deliverables, including:
  • Business Requirements and fit-gap assessment;
  • Concept of Operations;
  • Business Transformation Strategy
  • Deployment Strategy;
  • Integration with PeopleSoft Human Resources Management System;
  • Application Architecture; and
  • Infrastructure Assessment.

✓ Determined the Infrastructure Platform in collaboration with Shared Services Canada and Information Technology Services Branch
Pay Modernization Project – Status

**Project Management and Governance**

- Senior participation from Central Agencies, departments and agencies, in various Steering Committees such as:
  - Senior Project Advisory;
  - Stakeholder;
  - Information Technology;
  - Policy; and
  - Risk Management.

**Stakeholder collaboration activities**

- Collaborated with 30 stakeholder departments to understand alignment areas and fits/gap between the PeopleSoft Solution and GC pay requirements;

- Participating in an HRSDC Steering Committee Project to provide advice for the implementation of a GC HR PeopleSoft 9.1 commercial version to be integrated with SAP.
Getting ready to start the implementation phase

- Finalizing project deliverables for the planning phase, including:
  - Costing Model for the Implementation phase;
  - HR Strategy and Plan; and
  - Project Management Plan.

- The Pay Modernization Project is scheduled to start the implementation phase in Fall 2012, pending approval from TB Ministers.
Consolidation of Pay Services Project – Status

Getting ready to start operations on May 28, 2012

✓ Transfer schedule, Funding and Cost Savings Strategy endorsed by 56 departments and agencies
✓ Development of the Pay Centre Management Framework
  • Establishment of Labour Management Consultation Committee and Occupational Health and Safety Committee
  • Participation in various interdepartmental committees, New Brunswick Heads of HR and New Brunswick Federal Council
✓ Development of Operational Framework
  • Business processes validated by Wave 1 departments, including hand-off points between departments and the Pay Centre
  • Performance Measurement and Management Framework developed
  • Service Standards developed
  • Control Framework shared with Wave 1 departments
  • Requirements for departmental readiness defined
✓ Hiring of 145 Wave 1 employees completed
✓ Employees have been undergoing training since March 2012
✓ Wave 1 office location in Miramichi Mall opened in April 2012
## Consolidation of Pay Services Project – Status

### Tools for Pay Centre operations implemented

- IT connectivity to Wave 1 departmental HR systems and Regional Pay Systems
- Implementation of a telephony system
- Development of a Case Management Tool to track work, record calls and collect service feedback
- Extra-duty self service in compensation web applications

### Supporting employees and departments in placement activities

- Government of Canada wide HR management strategy for both PeopleSoft and non-PeopleSoft departments
- Experienced compensation staff can be deployed to Pay Centre
- Individual transition plans completed by all compensation staff
- Placement process established for employees interested to remain in compensation
Consolidation of Pay Services Project – Status

**Project Management and Governance**

- Senior participation from Central Agencies, departments and agencies, Association of Compensation Managers in various Steering Committees such as:
  - Risk Management; and
  - Human Resources.

- Union Management participation through:
  - Joint Public Service Alliance of Canada (PSAC) / PWGSC Transformation of Pay Administration (TPA) - Union Management Consultation Committee; and
  - Employment and Business Continuity Steering Committee.
Opening of the Public Service Pay Centre scheduled for May 28, 2012 for the first wave of departments:
- Immigration and Refugee Board
- Public Safety Canada
  - Inspector General of the Canadian Security Intelligence Service
  - Commission for Public Complaints Against the RCMP
  - Office of the Correctional Investigator
  - RCMP External Review Committee
- Natural Resources Canada
  - Northern Pipeline Agency
- Aboriginal Affairs and Northern Development Canada
  - Canadian Northern Economic Development Agency
- Parole Board of Canada
- Royal Canadian Mounted Police

Monitoring and adjustment of Pay Centre operations
Continue to work on placement activities
Explore the expansion of CWA to include an Executive Performance Pay Calculator
Public Service Pay Centre – What’s next…

**Wave 2 activities**

- Engagement with Wave 2 departments to start planning – meeting on May 23, 2012

- Wave 2 outreach and recruitment activities beginning in June 2012
  - Internal and interdepartmental advertisements
  - Post-secondary recruitment initiatives
  - External national advertisements
  - Community-based presentations in Miramichi and surrounding areas
  - Leveraging existing committees and councils to communicate employment opportunities at the Public Service Pay Centre

- Work transition toolkit for departmental readiness will be finalized and be distributed to all Heads of HR

- Second temporary location will be identified while waiting for end-state building in 2015-2016
Transformation of Pension Administration Initiative

**Pension Modernization Project**
Replace non-sustainable 40-year-old pension administration infrastructure with modern industry standard systems, business processes and service delivery methods used to deliver pension administration to ~300,000 pensioners and ~220,000 employees

**Current Schedule:** Phased implementation of new IT and business processes – July 2007 to December 2012

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**Centralization of Pension Services Delivery Project**
Centralize services provided by compensation advisors within the Public Service Pension Centre in Shediac, NB.

**Current Schedule:** Phased centralization of services – July 2007 to November 2011 (completed)
Pension Transformation Initiative – Status

Successfully Completed

- All services have been centralized to the Public Service Pension Centre (last service, Leave Without Pay, was centralized on November 28, 2011)
- Core pension system (functionalities for employees) implemented – replacing 40-year-old legacy system and more than 30 applications
- Paperless environment with implementation of a case management system fully integrated with an imaging and telephony system
Pension Transformation Initiative – What’s next…

- Modernization of system for administration of public service pension plan
  - Implementation of additional functionalities, including web-based self-service for contributors and system components for administering retired member accounts
  - Within scope and budget – to be completed in December 2012

- Transfer of RCMP pension plan administration to PWGSC’s Pension Centre using new system

- Transfer of Canadian Forces pension plan administration (for Regular and Reserve Forces) to PWGSC’s Pension Centre using new system
Questions and Discussion