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Vehicle Policy for Senior Officials

- Objective** *The objective is to provide guidelines for the compensation of senior officials for the operating costs of a leased or privately owned vehicle used on government business.*
- Authority** *The Financial Administration Act, 1993, clause 5(a), subsection 10(2)*
- Applicability** This policy applies to ministries.
- Treasury Board Policy**
- .01 Compensation for senior officials for the operating costs of a leased or privately owned vehicle used on government business is as follows:
 - GROUP 1 – Deputy Ministers and equivalents are entitled to a monthly allowance of \$350 or a leased Central Vehicle Agency (CVA) vehicle.
 - GROUP 2 – Associate and Assistant Deputy Ministers and equivalents are entitled to a monthly allowance of \$175. (Individuals receiving, as of December 31, 1997, a monthly allowance of \$100 in accordance with the previous policy but who no longer hold a Group 2 position, will continue to receive this allowance for as long as they remain in the position they were in as at December 31, 1997.)
 - GROUP 3 – Executive Directors are eligible for a monthly allowance of \$75.
 - .02 The approval of compensation for senior officials in Groups 1 and 2 is determined by the Deputy Minister to the Premier.
 - .03 The approval of compensation for senior officials in Group 3 will only be considered upon receipt of a recommendation from the permanent head to the Deputy Minister to the Premier.
 - .04 All individuals receiving a monthly allowance are ineligible for personal reimbursement for any mileage expenses; they may utilize a CVA vehicle or a rental vehicle through the Daily Rental Program (DRP) for out-of-town business travel if they desire. An individual receiving a monthly allowance that is unable to make use of a CVA vehicle or a rental vehicle through the DRP for out-of-town business travel may receive personal reimbursement of mileage expenses if prior approval

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is received at the requisite level. Group 1 requires approval by the Deputy Minister to the Premier or delegate. Groups 2 and 3 require approval by their Deputy Minister with no delegation.

Provincial Comptroller Directives

.05 Approval for personal reimbursement of mileage expenses as outlined under .04 should be requested only in exceptional situations where compelling circumstances warrant a departure from government policy.

Car Allowances

.06 The Public Service Commission (PSC) enters car allowances for senior officials on the Government's central payroll system using information from Executive Council. The allowance will be included in the employee's salary payment and reported on the employee's pay stub.

.07 Car allowance payments are taxable income. Tax will be deducted automatically at source. The taxable car allowances are accumulated and reported on the employee's T4.

Assigned CVA Vehicles

.08 The PSC is responsible for calculating the value of the employee's taxable benefit (standby charge and operating expense benefit) for the assigned vehicle provided by CVA.

.09 After the end of the calendar year, CVA provides a vehicle usage report to the PSC. The PSC prepares vehicle information for each senior official who has been assigned a vehicle under this policy. Forms are distributed to senior officials to declare their personal kilometres driven during the calendar year and return the forms to PSC for the calculation of the operating expense benefit and standby charge. Taxable benefits are accumulated and reported on the employee's T4.

.10 For more information, refer to the Canada Revenue Agency interpretation bulletins on automobile benefits.

Reference

Website

Canada Revenue Agency: Automobile and motor vehicle allowances
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/automobile/automobile-motor-vehicle-benefits.html>