

Part: **Financial Management and Administration**
 Section: **Treasury Board's General Management Policies**
 Subsection: **Personal Services**
 Policy: **Personal Service Contracts**

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Personal Service Contracts

- Objective** *The objective is to outline the policy for providing benefits pursuant to personal service contracts.*
- Authority** *The Financial Administration Act, 1993, clause 5(a) and subsection 10(2)*
- Applicability** This policy applies to ministries.
- Definition** A **personal service contract** is a contract that creates an employer/employee relationship.
- Treasury Board Policy**
- .01 Contracts that provide for benefits in addition to a fee shall contain CPP and EI premiums, and vacation pay (as provided for in *The Public Service Regulations, 1999*).
 - .02 Other benefits (e.g., disability, dental, group life, extended health, Public Employees Pension Plan, SDO's, sick leave) normally available to out-of-scope employees whose appointment is subject to *The Public Service Act, 1998* shall be made available where an employer/employee relationship clearly exists.
- Provincial Comptroller Directives**
- .03 Use of personal service contracts is generally discouraged within executive government.
 - .04 It can be difficult to determine if a contract creates an employer/employee relationship. Managers should contact their human resource branch if there is a question about the kind of contract being entered into. Specific contracts can be referred to the Civil Law Division, Ministry of Justice for a legal opinion.
 - .05 If a personal service contract is initiated, the contract should take the form of a memorandum/agreement of understanding or a formal written contract. See [Section 4510 Contracts for Services](#) for guidelines on contract formation. Input from the Civil Law Division, Ministry of Justice is recommended for personal service contracts due to the potential for legal implications.

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- .06 Direct any questions regarding the scope or inclusion of benefits to the ministry's HR Client Service Team at the Public Service Commission.
- .07 Labour standards apply to personal service contracts for non-bargaining unit work, including overtime provisions. The employer is also required to make deductions for income tax, CPP and EI on payments to the individual.
- .08 Payments related to personal service contracts are processed on the Government's central payroll system. See [Section 3120 Payroll Payments](#) for payroll details.
- .09 Contracts are provided to the Office of Executive Council in accordance with *The Crown Employment Contracts Act* (e.g., within 14 days of the contract) and following the procedures established by the Office of Executive Council.

References

- [3005 Refunds to Vote](#)
- [3120 Payroll Payments](#)
- [4205 Secondments](#)
- [4510 Contracts for Services](#)

[Accounting Manual, Appendix H Central System Processing](#)

- [*The Crown Employment Contracts Act*](#)
- [*The Public Service Act, 1998*](#)
- [*The Public Service Regulations, 1999*](#)