

position within the bureau as at April 1, 2002. These same averages have been used on an interim basis in these reference levels pending a review of average salaries being undertaken by SMSS. Once this review is completed, bureau allocations for Canada-based salaries will be increased to reflect the costs of new collective agreements and further adjusted, if necessary, in order to bring the average salaries by group and level to the appropriate levels as of April 1, 2003.

Consistent with a decision of the Treasury Board in 1994, maternity leave, severance costs and the cost of vacation credits due on separation from the Public Service are not included in bureau budgets. These costs are to be cash-managed by bureaux over the first six months of the fiscal year, after which SMPR will reimburse bureaux on a periodic basis. SMPR will also arrange for the Department to be compensated by the Treasury Board for such costs at the end of the fiscal year.

Locally Engaged Staff (LES) Salaries

These allocations include funds to cover the cost of salary revisions approved since last year's resource allocation exercise. In addition, bureau budgets have been adjusted to reflect changes in currency exchange rates (i.e. the Treasury Board-approved "base rates") from the previous year. Subsequent fluctuations between actual exchange rates and these updated base rates will be tracked each month by SMPR, and bureau budgets will be modified periodically throughout the fiscal year as required.

The LES funds provided to bureaux are expected to cover salaries, overtime, employee benefits and emergency LES employment. They are not intended to cover any changes in funding requirements resulting from the establishment of new LES positions or LES position reclassifications.

As indicated above for Canada-based salaries, maternity leave and severance costs for locally engaged staff are not included in bureau budgets and the same remedial measures will be taken to fund these expenditures.

As in previous years, HRL will determine the rate of salary revision at each mission for 2003-04 and missions will be compensated for these costs from a reserve that has been set aside for that purpose.

Foreign Service Allowances

Foreign service allowances continue to be managed centrally by HPD. To obtain a more accurate estimate of the full cost of running geographic bureaux overseas, foreign service allowances have been notionally allocated to geographic bureau budgets.

Contributions to Employee Benefit Plans (CEBP)

CEBP represents the government's contribution, as an employer, to various employee benefit plans (e.g. superannuation, retirement benefits, provincial and other medical and hospital insurance