

Reporting Requirements — Compliance with Legislative Provisions

The *Public Sector Employers Act* requires ongoing reporting on compensation matters for executive and exempt employees. The Public Sector Employers' Council (PSEC) has requested that we work with school districts in order to fulfill the intent of these legislative provisions.

1. Public Sector Executive Compensation Disclosure Reporting — Including District-Specific Excel Workbook

Background

Boards of Education are required to complete the Public Sector Executive Compensation Disclosure Report for fiscal 2013-2014 (year ending June 30, 2014). This executive compensation disclosure process was brought into effect in 2008 through the enactment of amendments to the *Public Sector Employers Act*; boards completed the first executive compensation reporting at the close of the fiscal year 2007-2008.

The disclosure requirements apply to chief executive officers and the next four highest paid executives, where these positions are paid an annual base salary of \$125,000 or more. **It should be noted that even if the Superintendent does not earn an annual salary of \$125,000 or more, there is still a requirement to file a disclosure report for that position.**

It should also be noted that a position filled or function being performed by a direct or indirect contractor who meets the disclosure requirements referenced above is to be disclosed. Footnotes may be employed in the disclosure report to clarify the individual's status as a contractor.

Reporting Process

Consistent with the revised approach introduced last year, for this year's disclosure the PSEC Secretariat has again developed an Excel Template Workbook to assist employers in providing compensation disclosure information in a consistent format that will be more accurate and efficient, and that is reflective of the [Executive Compensation Disclosure Guidelines](#).

Attached with this bulletin, each school district has received a district-specific Excel Workbook, including a Summary Compensation Table at Tab 4, pre-loaded with executive compensation disclosure information that was provided by the district last year (reporting year ending June 30, 2013), as prepared by the PSEC Secretariat.

This Workbook must be completed and the Summary Compensation Table at Tab 4 must be copied and pasted into your district's executive disclosure report for 2013-2014. **Please note** that the full disclosure document is still required. The Excel Workbook provides further details and instructions.

Boards should also review their prior year's report to ensure that the text portion of the report continues to match the approach to executive compensation and make any applicable amendments.

Please also note that the disclosure report must include an attestation letter from the Board Chair or designate to confirm the Board is aware of the executive compensation paid in the relevant fiscal year and to verify that the compensation was within the approved compensation plan(s).

For ease of reference, the BCPSEA *Template Disclosure Form 2014* including a sample attestation letter is also attached.

Submission Process to BCPSEA

Please submit the district's completed disclosure form, which should incorporate both the Summary Compensation Table and the Attestation Letter signed by the Board Chair, to the BCPSEA office to the attention of:

Deborah Stewart, Senior Human Resources Consultant, deborahs@bcpsea.bc.ca

as soon as possible but no later than **Friday, October 3, 2014**.

BCPSEA will then provide all districts' disclosure forms to PSEC in accordance with the process established by PSEC. PSEC will post the disclosure forms for the public school sector on their website, consistent with the approach for executive disclosure for all other public sector organizations. School districts are also required to post the executive disclosure report on their websites (or link to the PSEC website).

2. Exempt Employee Termination Reporting

Background

There is an ongoing obligation to report terminations of exempt employees. Each time an exempt employee is terminated and provided working notice and/or severance in lieu of notice, the employer is required to complete and forward an Exempt Employment Termination Summary Report, with all pertinent documents, to BCPSEA. A report is **not** required for employees who voluntarily resign.

Re-Employment in the Public Sector

The Employment Termination Standards Regulation (s. 6) of the *Public Sector Employers Act* requires that employees notify their original employer during the notice period (or period of notice in lieu of which severance pay is provided) if they are employed by a public sector employer during the notice period (or period of notice in lieu of which severance pay is provided). This will result, depending on circumstances, in severance pay ceasing or repayment of a pro-rated portion of a lump sum severance amount. If the salary of the new position is less than the salary earned by the individual in the position from which they were terminated, the difference may be retained by or continue to be paid to the employee.

PSEC has asked that we remind employers that it is important that when notification of re-employment in the public sector is received by the original employer, the original employer take recovery action immediately.

Submission Process and Timeline

A copy of the Exempt Employment Termination Summary Report is attached. If you have terminated any exempt employees and not yet filed the report, please complete and submit, along with all the required documentation, to the attention of Deborah Stewart (deborahs@bcpsea.bc.ca) at the BCPSEA office as soon as possible.

3. Senior Employee Compensation Reporting — PSEC Database

Background

Under sections 14.6 and 14.7 of the *Public Sector Employers Act*, all public sector employers in British Columbia are required to report the terms and conditions of employment for their “senior employees,” and provide copies of the senior employees’ employment contracts. By Order in Council 1030 dated November 28, 2002, “senior employee” is defined as any employee employed by a public sector employer who earns \$125,000 or more in base salary.

This reporting, including copies of employment contracts and any other relevant supporting documentation (policies, contract amendments, severance letters, settlement agreements, etc.) must be provided to the PSEC Secretariat in the following instances:

- **New Hire** — Within 15 days after a new contract of employment is entered into with a new senior employee.
- **Changes to Terms and Conditions of Employment** — Within 15 days of a change to any term or condition of a senior employee’s employment (including where an employee becomes a “senior employee” by virtue of a salary increase, etc.).
- **Termination of Employment** — Within 15 days of the termination of a senior employee’s employment.

This reporting requirement remains in force and effect via the [PSEC Senior Employee Compensation \(SEC\) Database](#). Districts should proceed to update information in the database on an ongoing basis as necessary, in accordance with the criteria as outlined above.

All districts should by now have created an account and uploaded the required information for the prior year.

If the district has not yet created an account, you are requested to do so as soon as possible as paper-based reports will not be accepted. There will be one account set-up per employer but the PSEC Secretariat can accommodate more account requests for larger employers. Your account information will be sent via e-mail provided in the user information form that you submit. After the account is set up, employers can add a new employee or update the existing employee information (please note that employers need to enter all employees for the first time in the database).

Once an electronic form is submitted from an employer to the PSEC Secretariat via the SEC database, you will receive acknowledgement of receipt of the form. After reviewing the form, the PSEC Secretariat will either accept the submission or return the form to the employer for further information/clarification. Once accepted, the record becomes the active record — all previous

information is historical and archived for the senior employee. Please note that PSEC relies on the employer for the accuracy of the information contained in the report.

Employers will be able to use the SEC database to view their historical and active records. If you have any database-related questions, please contact Pratibha Bhatnagar at the PSEC Secretariat at 250 356 0156 or email pratibha.bhatnagar@gov.bc.ca.

For Action

- **Executive Disclosure:** The Executive Compensation Disclosure Report is required to be updated for 2013-2014 (year ending June 30, 2014) with submission to BCPSEA as soon as possible but no later than **Friday, October 3, 2014**. **Please note that districts must submit both the Report AND the district-specific Excel workbook.**
- **Exempt Employment Termination:** If the employment of any exempt employee was terminated during the 2013-2014 school year and an Exempt Employment Termination Summary Report Form has not yet been submitted, please complete the attached report form and submit to BCPSEA as soon as possible.
- **Senior Employee Compensation Reporting:** If the district has not done so already, the district should proceed to set up a user account in the PSEC Senior Employee Compensation (SEC) database (<https://pseclrrs.gov.bc.ca/SEC>) and enter the required information for all senior employees. This database must be updated on an ongoing basis.

Your assistance in meeting these statutory reporting requirements is very much appreciated.

Submissions and Questions

Please direct any questions, and forward all Executive Compensation Disclosure Reports and Exempt Employment Termination Summary Reports, to:

Deborah Stewart, Senior Human Resources Consultant, 604 730 4506, deborahs@bcpsea.bc.ca.

Attachments:

- Public Sector Executive Compensation Report *Template Disclosure Form 2014* including Sample Attestation Letter from the Board Chair
- District-specific Excel Workbook
- Exempt Employment Termination Summary Report Form