

2019-02 June 27, 2019

By E-mail: Three Pages Plus Attachments

Public Sector Employers' Council Secretariat Compensation Reporting: Senior Employee Compensation and Annual Executive Compensation Disclosure

This is a reminder of the ongoing and annual reporting requirements under the *Public Sector Employers Act* with respect to compensation for executive and exempt employees, which includes reporting for:

- Senior employees — **ongoing reporting** for all exempt employees whose annual base salary is set at \$125,000 or more — see below for further information
- Executive employees — annual executive compensation disclosure for the CEO and next four top decision-makers with a base salary of \$125,000 or more — **see page 2 of this bulletin for information and the reporting timeline.**

Compensation data reporting and uploading of employment contracts is done through the Public Sector Employers' Council (PSEC) Secretariat [Labour Information Gathering and Executive Reporting system](#). Known as LIGER, this system streamlines both the ongoing senior employee compensation reporting requirement and the annual executive compensation disclosure requirement into one integrated online reporting system.

Ongoing and Immediate Requirement to Report: Senior Employee Compensation Reporting

- There is an **ongoing requirement** to update and maintain the information for Senior Employees in the [LIGER](#) system (the Senior Employee Compensation (SEC) module).
- This reporting requirement includes entry of compensation information **as well as uploading of the employment contract and/or other documents** that govern the terms and conditions of employment.
- 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.**
- Employers are required to input/update the information for senior employees in the LIGER system within 15 days of a new contract being entered into OR a change to terms and conditions related to compensation. The *Public Sector Employers Act* states:

14.6 (1) For each senior employee, a public sector employer must provide for the chief executive officer of the council a report specifying all the terms and conditions of employment relating to the senior employee's compensation.

(2) If any change is made to the terms and conditions of employment relating to a senior employee's compensation, the public sector employer must provide for the chief executive officer of the council a revised report specifying each change made to those terms and conditions.

(3) The terms and conditions referred to in subsection (1) and any changes to them must be specified and provided in a form and in a manner acceptable to the chief executive officer of the council.

14.7 (1) A public sector employer must file with the chief executive officer of the council a report required to be provided in relation to a senior employee under section 14.6 together with a copy of the written contract of employment, if any, for the senior employee

(a) within 15 days after the contract of employment is entered into, and

(b) within 15 days of any change to a term or condition of the senior employee's contract of employment that relates to compensation.

- **Employment contracts are public documents:** There is also an ongoing requirement under s. [14.8\(2\) and 14.8\(3\)](#) of the *Public Sector Employers Act* to ensure that the employment contracts of positions that meet the definition of senior employee are made available for public inspection during normal business hours at the school district office (with personal information deleted).

BCPSEA will continue to work with and assist school districts and PSEC Secretariat staff in meeting these statutory reporting requirements.

Annual Executive Compensation Disclosure Reporting: By October 11, 2019

Districts must complete their data entry and document uploads into the LIGER system by October 11, 2019.

PLEASE NOTE that the information for a senior employee must be entered into the SEC module in LIGER before that employee can be included in the Executive Compensation Disclosure (ECD) module.

The PSEC Secretariat encourages districts to enter their data into the SEC and ECD modules in LIGER as soon as possible to facilitate early review of the draft data.

The draft data will be reviewed by BCPSEA/PSEC Secretariat staff and districts may receive questions of clarification and/or requests for amendments arising from that review prior to providing to the board chair for final approval/sign-off.

Please refer to the April 2019 [Public Sector Executive Compensation Disclosure Guidelines](#) as published on the [PSEC Secretariat website](#) for more information.

The updated guidelines include the following clarifications:

- In keeping with the requirement to capture the compensation paid to an executive during the fiscal year, where an existing senior employee is acting or has obtained the CEO or one of the top four positions in the organization, the salary for both positions should be disclosed. Include comprehensive notes that reference the date on which employee began in the new executive position, as well the annual base salary for the position. This enhances transparency for the reporting period and avoids the misleading appearance of a partial year of salary for an

executive position. This does not extend retroactively to the columns that show the totals of the previous two year's total compensation.

- Professional development dollar amounts, as a reimbursable expense, do not need to be disclosed except in situations where an executive has been paid an annual lump sum allowance for training and has not provided receipts. Individual amounts reimbursed or pre-paid on behalf of an employee for professional development do not have to be disclosed, and it is expected that organizations would only pay for opportunities that clearly relate to the responsibilities of the position.
- Determining the top four executives that should be disclosed is based on the threshold of \$125K annual base salary and that the position is part of the organization's decision-making team. Staff preparing statements should confirm with the board if there is any doubt as to which positions meet this definition.
- A public sector employer's website should only post the disclosure statement for the current year. The PSEC Secretariat's website maintains each fiscal year of statements since the amendments requiring disclosure were made to the *Public Sector Employers Act* in 2007-08.
- Medical Services Plan (MSP) premiums will be completely eliminated effective January 1, 2020. Until then disclosure statements will still disclose an amount for employer-paid MSP at the 50% reduction rate for the 2018-19 and 2019-20 fiscal years. In 2020-21, the Employer Health Tax (EHT) will not be included in the calculation of total compensation, and therefore, not part of the disclosure.

Please note that as compensation decisions for the position of Superintendent only remain the sole purview of the board of education, the PSEC Secretariat may require additional information regarding increases for this position.

Districts' final executive compensation disclosure submission consists of three components:

- the attestation letter signed by the board chair
- the compensation philosophy document, both of which must be uploaded as separate documents into the LIGER system
- the Summary Compensation tables, which are generated directly from the LIGER system.

Questions

Please direct any questions on use of the LIGER system to LIGERHelp@gov.bc.ca.

Please direct any questions on the general reporting requirements to Dora Eng, Senior Data Analysis and Planning Coordinator, at 604 730 4512 or dorae@bcpsea.bc.ca.

Attachments:

- Sample Attestation Letter by Board Chair
- Template Compensation Disclosure Form 2018-2019