

Public Sector Compensation Transparency Act

Technical Guide for Public Sector Bodies

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1. Introduction and application

A. Purpose

The purpose of this guide is to help public sector bodies complete their disclosure obligations by explaining how to comply with the *Public Sector Compensation Transparency Act*, including how to prepare and publish the statement of remuneration. The guide establishes the form and manner of disclosure pursuant to section 3 of the act.

B. Background

The *Public Sector Compensation Transparency Act* requires public sector bodies to publicly disclose all remuneration paid to members and the remuneration paid to employees earning more than \$125,000 in a calendar year (as adjusted according to the act). This disclosure is done by publishing a statement of remuneration, which sets out the required information for each employee over the threshold, and for each member. As there is no threshold for members, all amounts of compensation for members must be included on the statement of remuneration. The statement of remuneration must be published by June 30 each year for compensation paid in the previous calendar year.

In 2016, public agencies have been asked to make disclosure by June 24.

C. What is a public sector body?

The act applies to public sector bodies and others such as the Government of Alberta. This technical guide sets out requirements for public sector bodies only.

A public sector body is:

- A public agency to which the *Alberta Public Agencies Governance Act* applies, and any subsidiary, except those entities exempted by regulation.
- An Office of the Legislature:
 - the Legislative Assembly Office
 - the Office of the Auditor General
 - the Office of the Ombudsman
 - the Office of the Chief Electoral Officer
 - the Office of the Ethics Commissioner
 - the Office of the Information and Privacy Commissioner
 - the Office of the Child and Youth Advocate
 - the Office of the Public Interest Commissioner
- Covenant Health and its subsidiaries.

D. Who is an employee or member?

An employee is someone employed at a public sector body, usually a person to whom the public sector body issues a T4. This could include seconded employees and anyone who has earned income from a public sector body in the calendar year being reported, even if they are not employed by a public sector body at the time of disclosure.

The compensation for a seconded employee will generally be reported by the organization that pays the employee and issues the T4. This is generally the “home” organization and not the organization for which the employee is temporarily working.

The term ‘member’ means:

- If the public sector body is a corporation, a ‘member’ is a board member, council member or member of its governing body.
- If the public sector body is not a corporation, a ‘member’ may be anyone sitting on an advisory board.

This generally includes people appointed to positions by Order in Council or Ministerial Order.

Examples:

- The chair and members of the board of directors of the Alberta Energy Regulator are ‘members’ for the purposes of this act.
- Individuals appointed to the Municipal Government Board and the New Home Buyer Protection Board are ‘members’ for the purposes of this act.

2. Contents of the Statement of Remuneration (grid)

The act requires the public sector body to publish a statement of remuneration. This statement is published in the form of a grid, as set out in the Appendix. It must include information for all members, regardless of whether they are over the threshold, as well as all employees whose income is over the threshold. Employees or members who have a written right of confidentiality must be excluded in some circumstances (see section B below). Individuals who have been granted an exemption from disclosure are also excluded (see section 6 below).

A. Determining whether an employee is over the threshold

All remuneration paid to members must be disclosed; however, an employee’s remuneration must only be disclosed when the employee earns over the threshold. For the 2015 calendar year (disclosure in 2016), the threshold is \$125,000.

To determine whether an employee is over the threshold, add the total compensation paid to the employee in the calendar year plus any severance paid or payable to the employee in that year. Details on how to calculate compensation and severance is set out in sections D and F below.

Members are not subject to any threshold. Therefore, a public sector body must report all compensation, severance or non-monetary benefits provided to a member. A person who sits on more than one board will have compensation reported separately by each board.

Examples:

- Jennifer's T4 (box 14) indicates she was paid \$130,000 in 2015. Jennifer is over the threshold and her compensation must be disclosed.
- Fred retired in 2015. Box 14 of his T4 indicates he earned \$103,000. He was also paid a retiring allowance of \$20,000, which appears in Box 66 of his T4. The total of these two amounts, 123,000, is less than the threshold. Fred does not need to be reported on the disclosure list.
- Melissa is an employee of a public sector body. She earned \$45,000 in 2015 in salary and taxable benefits as an employee. She was also a member of the board of the same public sector body in 2015 as an employee representative. She earned \$2,500 for serving on the Board. The public sector body must report the amount Melissa earned as a member of the board (\$2,500), but must not report her compensation (\$45,000).
- Jason is an employee of a public sector body. He earned \$124,000 in 2015 in salary and taxable benefits as an employee. Jason is also a member of the board of the public sector body as an employee representative. He earned \$2,500 for serving on the Board. The total amount he received from the public sector body equals \$126,500. The public sector body must report the amount Jason earned as a member of the board (\$2,500), but must not report his salary (\$124,000).
- Note: If Jason earns \$126,000 in salary and taxable benefits, and \$2,500 for his board service, the entire amount (\$128,500) would be disclosed by the public sector body. This is because Jason's \$126,000 salary exceeds the \$125,000 threshold for employees.

B. Employees with a written right of confidentiality

Section 3(4) of the act says that a public sector body shall not disclose information in respect of which an employee or member has a written contractual right of confidentiality that was acquired prior to November 5, 2015, subject to the expiry provisions in subsection 3(5) of the act.

This confidentiality protection generally would not apply to employees who do not have an individual written contract. Public sector bodies will have to review contracts signed prior to November 5, 2015, to determine whether individuals should be removed from the disclosure list.

C. What is included in the Statement of Remuneration?

The act and regulation define compensation, severance and non-monetary benefits. These definitions together are intended to capture all remuneration of any kind provided to an employee over the threshold and all remuneration of any kind provided to a member. All remuneration should fit into one of the categories without duplication, and all remuneration is required to be disclosed.

The information to be included in the statement of remuneration is:

- The employee’s or member’s name;
- The position or appointment last held by the employee or member during the previous year;
- The amount of compensation provided to the employee or member during the previous year;
- The amount or value of all non-monetary benefits provided to or in respect of the employee or member during the previous year;
- The amount of severance, if any, paid to the employee or member or to which the employee became entitled during the previous year;
- The public sector body making the disclosure; and
- The year to which the disclosure relates.

A sample disclosure is set out below in Figure A.

Public Sector Body	Name	Position	Year	Compensation	Other	Severance	Attachments
Public Sector Body 1	Lever,Mackenzie	Senior Manager	2015	\$ 124000.00	\$ 2000.00	\$ 0.00	C T
Public Sector Body 1	Otto,Risa	Board Member	2015	\$ 10050.00	\$ 2000.00	\$ 5000.00	C T
Public Sector Body 1	Valderrama,Heide	Chair	2015	\$ 206000.00	\$ 1000.00	\$ 0.00	C T
Public Sector Body 1	Magno,Elli	Board Member	2015	\$ 10006.00	\$ 2000.00	\$ 0.00	C T
Public Sector Body 1	Ardon,Dannie	Board Member	2015	\$ 30000.00	\$ 2000.00	\$ 0.00	C T
Public Sector Body 1	Raina,Oliverio	Executive Director	2015	\$ 182000.00	\$ 2000.00	\$ 5000.00	C T
Public Sector Body 2	Florentino,Sigler	Chair	2015	\$ 125.00	\$ 14000.00	\$ 0.00	C T
Public Sector Body 2	Odis,Core	Board Member	2015	\$ 10010.00	\$ 95.00	\$ 0.00	C T
Public Sector Body 3	Volpe,Setsuko	Chair	2015	\$ 10000.00	\$ 2000.00	\$ 0.00	C T
Public Sector Body 3	Phares,Barney	Board Member	2015	\$ 0.00	\$ 20000.00	\$ 0.00	C T

Figure A

Note that the sample contains a column for attachments. Currently there is no requirement for public sector bodies to disclose copies of contracts. However, [government has announced](#) that employment and severance contracts for public sector executives will be required to be disclosed within the next year.

The act contains definitions for the remuneration values. Below is a method of calculation for each.

D. Calculating compensation

Compensation means the total of all amounts paid and benefits provided in a year by a public sector body to an employee or member that are required for tax purposes to be included in that employee’s or member’s income for that year. Compensation does not include any amount of severance in respect of that year.

Compensation can be calculated in the following manner:

- Begin with Box 14 of the employee's T4 slip (Figure B).

Figure B

- Subtract any amount included in Box 14 for severance. The calculation of severance is set out in section 2F below.
- Add remuneration paid as honorariums or retainers if not already included in Box 14 or if payment is made to a person to whom a T4 slip is not issued.

Compensation includes any amount paid to an individual who is tax exempt under another piece of legislation, such as the *Indian Act*. In that case, the disclosure should include the total compensation calculated as if the person were not tax exempt.

E. Calculating other (non-monetary) benefits

The act requires non-monetary benefits to be disclosed. These are essentially other benefits provided to an employee that are not reported in one of the other categories. This includes the employer's portion of pension contributions for the employee or member.

Note: In practice, many benefits will be reported for tax purposes as compensation. Benefits reported on Box 40 of the T4 are included in Box 14 and therefore are reported as compensation. Thus, this 'other' category includes only those benefits paid or provided by the employer that are not included in compensation.

Other benefits are to be calculated in the following manner:

- Include the public sector body's portion of pension contributions.

- Include benefits paid or provided by the body in respect of an employee or member that are not included in compensation.
 - Examples are the employer's portion of pension contributions, the employer's portion of CPP (Canada Pension Plan) and EI (Employment Insurance) contributions.
- Add any other monetary remuneration that is paid to the employee or member as a non-taxable allowance.

Expenses reimbursed by the employer are not reported in the statement of remuneration.

F. Calculating severance

Severance is defined in the act as follows:

- (i) any remuneration paid or payable to an employee or member in lieu of, or supplementary to, notice of termination of employment or appointment; and
- (ii) any salary or remuneration paid or payable to an employee or member after permanent termination of the employee's employment or the member's appointment or status as a member.

Severance is only reported after an employee or member has been terminated. If an employee has a severance provision in an employment contract, but that employee's employment has not been terminated, then the severance provision is not disclosed.

Severance may include different forms of payments:

- If an individual has left their position and is no longer working at the employer, but continues to be an employee for payroll purposes (e.g. during a notice period), those amounts are severance. These amounts will generally appear on the T4 in box 14 and will need to be deducted from compensation and disclosed separately as severance.
- A settlement relating to termination of employment, including any damages amounts for employment related items is also counted as severance.

Severance includes amounts payable in the following or future years where that amount is known. For example, if an employee is terminated in 2015, and the severance terms include a lump sum payment in 2015 and in 2016, then both amounts are reported in 2015. The second lump sum is not reported in 2016.

Severance is to be calculated in the following manner:

- Include any severance deducted from the calculation of compensation as described above.
- Add any retiring allowance reported on Boxes 66 through 69 of the employee's T4 slip (These are not generally included in Box 14).
- Add any amount payable in the next calendar year in lieu of notice of termination.
- Deduct any amount payable pursuant to a lump sum settlement on termination not related to severance.

3. Disclosing the Statement of Remuneration

A. How and when to publish a Statement of Remuneration

The Statement of Remuneration must be made public by posting it online by June 24, 2016, in accordance with the requirements set out in the appendix. This year, the application deadline for individual exemptions is May 18, and anyone who applies will be exempt at least until their application has been fully considered. Therefore, public sector bodies should not make their disclosure until May 25 at the earliest to allow government time to notify them if any of their employees have applied for an exemption.

The technical requirements in the appendix are intended to provide users with a similar look and feel for the disclosure no matter which public sector body's information they are looking at.

Generally, the disclosure page begins with an overview of the disclosure followed by an interactive grid with which users can sort and filter the data in a variety of ways. Users can follow a link that leads to the public sector body's data set in CSV (Comma Separated Value) format. The Government of Alberta is providing a [toolkit](#) to facilitate the disclosure. This includes a spreadsheet template, web code, and instructions as well as overview text that may be used. Use of the toolkit is not mandatory.

Note that the toolkit contains a column for attachments. Currently there is no requirement for public sector bodies to disclose copies of contracts. However, [government announced](#) that employment and severance contracts for public sector executives will be required to be disclosed in the near future, so the toolkit is built to accommodate that future disclosure.

The Government of Alberta will facilitate public access by having a central webpage that contains links to the disclosure website for each public sector body.

B. Public sector bodies without a web presence

Some public sector bodies are small unincorporated bodies with no employees. They may only have a website presence as part of a Government of Alberta departmental website, or they may have no web presence at all.

The departments responsible for these public sector bodies will help them with the public posting requirements. For assistance, smaller public bodies should contact their responsible Government of Alberta department.

C. Public sector bodies whose members or employees are paid by the Government of Alberta

Some public sector bodies have members that are paid through the Government of Alberta's payroll system. Government will provide the information to the public sector

body, who will verify the information, remove any exempt employees, and make the required disclosure.

D. Disclosing the statement to the Minister

The act requires public sector bodies (except Legislative Offices) to provide the statement of remuneration to the Minister. After the disclosure has been posted online, public sector bodies must send notice of the posting including the name of the public sector body, the posting page URL, and technical contact information including a name, email and phone number by email to ABCDisclosureNotices@gov.ab.ca by June 24, 2016, if disclosing by that date.

E. Nil reports—where disclosure is not required

If a public sector body has no employees earning over the threshold **and** no members receiving compensation, severance or non-monetary benefits, then the public sector body is required to advise the public and the Minister in the following manner that there is no disclosure to be made:

- Complete the [nil report form](#); or
- Write a letter from the highest ranking officer with the following information:
 - A statement that to the best of the person’s knowledge and belief, there are no employees of the organization who earned more than \$125,000 in compensation and severance during 2015, and there were no members who received any amount of compensation, severance and non-monetary benefits. Include the signature of the highest ranking official and their position or title.
- Email the form or letter to the Minister at PSCTAreports@gov.ab.ca.
- If the public sector body has a website, post a notice with the substance of the form or letter in an appropriate place on that website.
- Email the name of the public sector body and the URL to the notice on the public sector body’s website to ABCDisclosureNotices@gov.ab.ca.

If a public sector body has at least one member who earns compensation, severance or non-monetary benefits, the public sector body must complete the disclosure for the year for all members, indicating those who earn zero.

F. Duration of disclosure

Once disclosure under the act is completed and the information is publicly available, public sector bodies are required to keep their disclosure links live for five (5) years from the date it was initially required to be disclosed.

Disclosure for the 2015 calendar year, which is required to be made public by June 30, 2016, must be kept online until June 30, 2021.

4. Correction of disclosure

If a public sector body discovers an error in the published disclosure, the public sector body should do the following:

- Make the correction on the public sector body's disclosure page as soon as possible relative to the nature of the error, but at the latest by the next time disclosure is required.
- Post a statement or note on the public sector body's disclosure page (or linked directly from the page) noting that corrections have been made and the nature of the corrections.
- Prepare a letter to the Minister with the following information:
 - Statement that a correction has been made to the disclosure.
 - The nature of the correction and the reason for the correction.
- Send the letter to the Minister at PSCTAreports@gov.ab.ca.

5. Contact person at public sector bodies

Each public sector body is required to appoint a contact person to receive inquiries relating to compensation disclosure, including exemption requests, from employees or members. The contact person will act as the liaison between government and the public sector body to help coordinate exemption requests and responses to inquiries.

The name and title of the contact person must be made available to the public on the body's website (if any) and also provided to the government official assigned to that public sector body. A list of assigned officials is [online](#).

6. Exemptions for individuals based on safety

The act authorizes the Minister to exempt a public sector body from the requirement to disclose in relation to a specific employee or member if, in the Minister's opinion, the disclosure could unduly threaten the safety of the employee or member.

Either an individual or a public sector body on behalf of an individual may apply for a safety exemption. Information on the exemption policy and process is available [here](#). The deadline to apply for an exemption from this year's disclosure is May 18, 2016.

A public sector body will be notified of any exemptions including any temporary exemptions granted pending review of an application. Any individual who has made an application for a safety exemption will not have their information disclosed in June, since individuals whose safety exemption applications have been denied are being given time to seek judicial review of those decisions. It is the responsibility of the public sector body to make sure that individual's information is not included in the statement of remuneration.

7. Appendix—IT Requirements

A. Website description

The website format for disclosure by public sector bodies is similar to that currently used by the [Government of Alberta](#). A public sector body will post its disclosure on its own website or, for those without a web presence, as described in section 3.B above. A central government page will provide links to disclosure for each public sector body.

Information about the act or data involved, including definitions and other explanatory text, may reside on either the central page and/or each entity site as appropriate. These requirements have been developed so that each body's website is consistent in its presentation of the data to ensure a friendly and familiar experience to visitors.

B. Grid requirements

This section documents the full set of capabilities each body's disclosure webpage must have. This list is not intended to restrict further innovations, formats or features but provides a baseline.

This approach allows, but does not require, organizations to work together to develop disclosure pages including consolidating data into group webpages.

This list does not lay out many aesthetic requirements, enabling each entity to maintain their existing visual identities and website layouts. However, some degree of uniformity in appearance is required:

- Pages linked from the Government of Alberta's central page will directly display the compensation data as opposed to requiring the user to follow additional links or buttons.
- Data in the statement of remuneration is to be displayed in a grid (table) with the following formatting and functions:
 - Fields appear in the following order with any non-applicable fields omitted:
 - **Public Sector Body** (name of public sector body, can be hidden from the grid if the page is only relevant to a single organization, but must still be present in the CSV or other downloadable data files);
 - **Name** of employee or member - formatted as Last Name, First Name (no space between comma and first name);
 - **Position** - can be abbreviated for longer position titles;
 - **Year** - full four digits;
 - **Compensation** - including dollar sign, comma between thousands, in decimal format including two digits for cents; Zeroes are *not* to be used in cases where the number is not yet known or disclosed (a blank cell is to be shown in such cases) but shows as \$0.00 when the amount has been determined to be zero;

- **Other** (non-monetary benefits) - same currency format as compensation;
- **Severance** - same currency format as compensation but shows as \$0.00 when no severance paid;
- **Attachments** (when required) - provided in an ISO 32000-1 compliant PDF format;
 - To save space, both employment contracts and severance contracts may be displayed in a shared column with download links including an icon and adjoining link text such as ‘C’ or ‘S’ denoting Contract and Severance documents; and
 - When clicked, these links direct the user to the appropriate PDF file.
- Through the use of tooltips, hover controls or other mechanisms, each column has a contextual description of its meaning and expansion of any abbreviations or acronyms used. Suggested tooltips are:
 - **Compensation:** Income plus taxable benefits paid to a member or employee. Excludes severance.
 - **Other:** Non-taxable benefits, includes public sector body’s share of pension and other contributions.
 - **Severance:** Includes payments when employment or member’s appointment ends or retiring allowance.
 - **Attachments (when required):** An employment contract or severance agreement for certain designated employees or members. If neither document is applicable, no attachment is posted.
- Data is either paged with a reasonable number of records per page (10 or more), but with no more than 30 records visible on the page itself. Alternately, the grid itself may also support scrolling within its confines to display further rows of data.
- Font size of data is no less than 11px.
- Clicking column headers results in ascending alphanumeric sorting on that column, and subsequent clicks reverse the sort order.
- All columns except name of public sector body and attachment support basic filtering:
 - for text fields, basic ‘starts with’ and/or ‘contains’ searches; and
 - for currency fields, include support for ‘greater than or equal to’ and ‘less than or equal to’.

C. Download information

Disclosure pages either link directly to a downloadable CSV file matching the contents of the grid, or to a page (such as one on an Open Data site) that in turn links to a downloadable CSV file matching the contents of the grid. When linking to a page, it must be a page specific to the disclosure data.

- While this can be included anywhere on the page, a copy of it must always be directly beneath the data grid.

- CSV data may exclude the name field, and since attachments cannot be embedded, the contract fields will contain URLs to the corresponding PDF files.
- Downloadable versions are to be made available under the [Open Government Licence - Alberta](#).
- Conventions for the CSV file:
 - Technical specifications include using commas as the value separator, with double quotes encasing values containing commas. Files are encoded as UTF-8 with both Carriage Return and Line Feed characters terminating each line (commonly referred to as the Dos/Windows line ending format). This is the default exported by Excel when saving as “CSV (Comma Separated)”.
 - Column headings are to be included as the first line of the CSV file.
 - Column titles and order are:
 - Public Sector Body, Name, Position, Year, Compensation, Other, Severance, Attachments
 - Name (employee or member) and Attachments columns may optionally be omitted from the CSV. If the attachments column is included in the file, when not blank, they must contain a full URL (including protocol designation) to the pdf.

D. Definitions

CSV – Short form for Comma Separated Value. Used to refer to a specific file format in which tabular data is presented by separating cells in each column with a comma and each row on a new line. While minor variations in the standards exist, this commonly used format is among the most accessible means of sharing basic structured data.

URL – short for Uniform Resource Locator. Reference to or address of a webpage. For example, <http://www.alberta.ca> is a URL for the Government of Alberta homepage.