

Amendments to *Public Sector Employers Act* Enacted

Further to *Exempt Staff Issues* bulletin No. 2008-05, dated April 21, 2008, the amendments to the *Public Sector Employers Act*, as contained in Bill 33, *Miscellaneous Statutes Amendment Act*, received Royal Assent on May 29, 2008.

The amendments to the Act as outlined in bulletin No. 2008-05 are now in full force and effect:

▪ **Compensation Administration — Superintendent of Schools**

Responsibility for determination of Superintendent compensation now rests solely with the board of education. This position is treated the same as CEOs in the public sector for public compensation disclosure purposes (see discussion below), and approval of the compensation package is therefore the responsibility of the board.

Since the early 1990s, school districts have been required to have an articulated compensation approach and structure for their executive and exempt staff. These compensation structures have been based on comparative compensation data and are reflective of a logical internal hierarchy.

Although the legislative amendments remove the position of Superintendent from the sectoral compensation administration regime, it is important to note that the amendments do not alter the need for boards, like other employers, to follow proper human resources practices with respect to executive and exempt staff compensation. The board should develop/maintain a comprehensive exempt staff compensation approach and structure, which is grounded in relevant labour market data and links all exempt positions — including the Superintendent position — to the structure.

▪ **Public Disclosure — Senior Employees.**

With respect to the enhanced disclosure requirements, these were described in the Ministry of Finance news release accompanying introduction of the legislation:

The changes will help bring public sector compensation reporting to best practice standards and provide the public with far more detail on the underlying compensation philosophy of an organization and how that compensation relates to performance...

The amendments will allow the government to require public sector organizations to proactively disclose the major elements of compensation, including base salary, benefits, employer pension contributions, and performance payments. **The enhanced disclosure requirements will apply to chief executive officers and the next four highest paid executives, where these positions hold an annual base salary of \$125,000 or more** [emphasis ours].

It should be noted that where the Superintendent does not earn an annual salary of \$125,000 or more, there is still be a requirement to file a disclosure report for that position.

Attached to this bulletin please find:

- letter from Chris Trumpy, Deputy Minister of Finance and CEO of the Public Sector Employers' Council (PSEC), outlining the new executive reporting details
- Public Sector Executive Compensation Reporting Guidelines Statement of Executive Compensation.

Reporting Timeline

Please note that boards of education are required to report on executive compensation through the new disclosure process **by August 30, 2008**. As the disclosure is comprehensive, PSEC advises that boards should turn their attention to this matter as soon as possible.

Implementation and Next Steps

Please note that BCPSEA will complete a template disclosure form which will be distributed to boards in the coming weeks to use as a reference guide.

Questions

Please direct any questions in the meantime with respect to the disclosure requirements, including completion of the required form, to Deborah Stewart, Senior Human Resources Consultant, at deborahs@bcpsea.bc.ca or 604.730.4506.

Attachments