

Preparing your report for the year  
2008

*Public Sector Salary Disclosure Act*

2008 Guide

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## Introduction

The *Public Sector Salary Disclosure Act, 1996* (PSSDA) and the *Public Sector Salary Disclosure Amendment Act, 2004* were passed to make Ontario's public sector more open and accountable to taxpayers. The *Public Sector Salary Disclosure Act* requires organizations that receive public funding from the Province of Ontario to disclose annually the names, positions, salaries and total taxable benefits of employees paid \$100,000 or more in a calendar year.

The Act covers the Government of Ontario, Crown Agencies, Municipalities, Hospitals, Boards of Public Health, School Boards, Universities, Colleges, Hydro One, Ontario Power Generation, and other public sector employers who receive a significant level of funding from the Province.

The main requirement for the organizations covered by the Act is to make their disclosure or, if applicable, to make their statement of no employee salaries to disclose available to the public by March 31. Organizations are also required to send their disclosure or statement to their funding ministry by March 31.

### **The purpose of this guide is to:**

1. help employers determine if they are covered under the Act
2. explain what to disclose, how salaries and total taxable benefits are calculated and how to prepare the disclosure report
3. explain how to comply with the legislative requirements

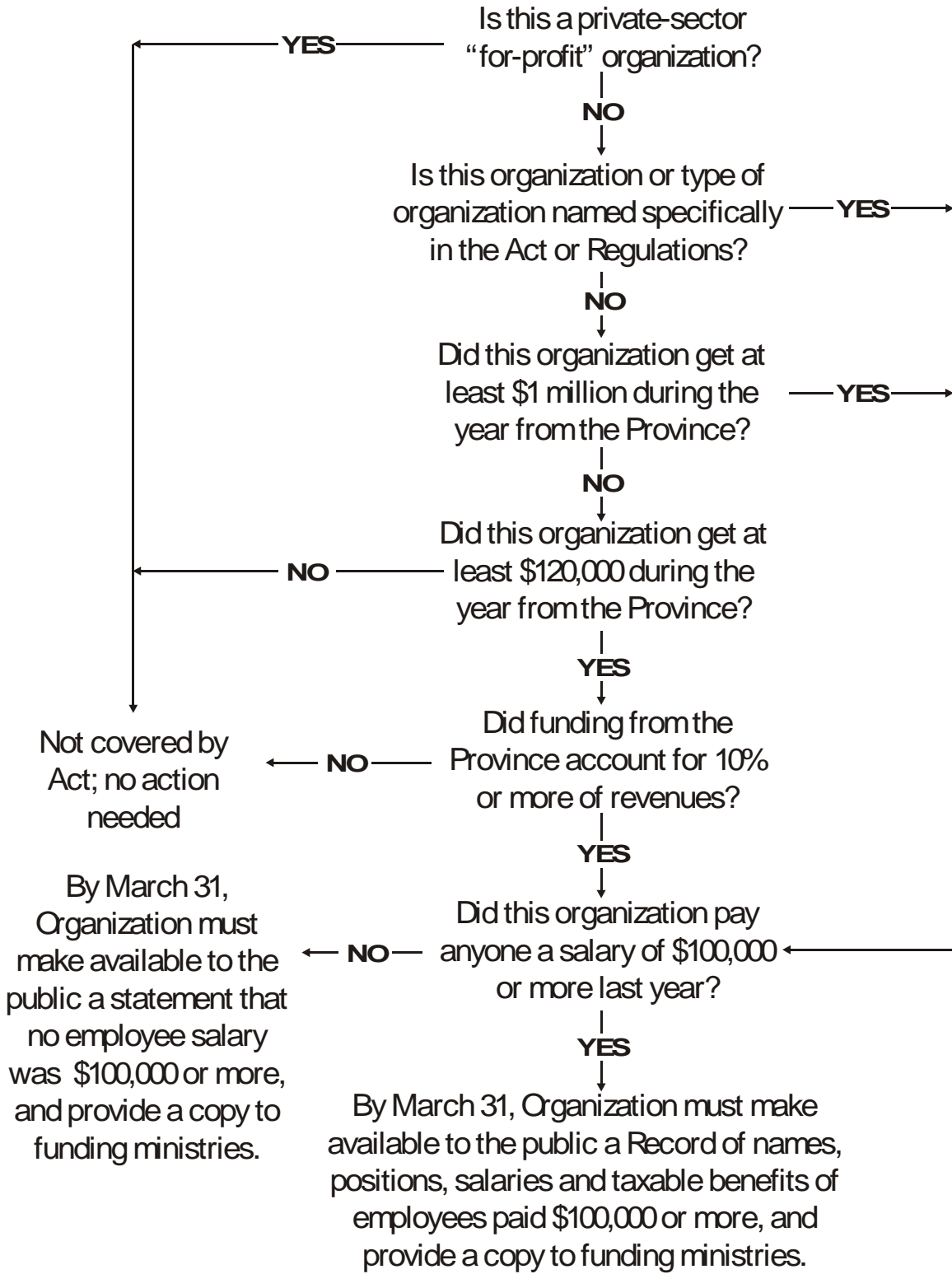
If you have any questions after reading this guide, please contact your responsible ministry. A list of contacts, phone numbers and e-mail addresses is available at the end of the guide.

Additional information can also be found at the Public Sector Salary Disclosure section of the Ministry of Finance website:

<http://www.fin.gov.on.ca/english/publications/salarydisclosure>

The *Public Sector Salary Disclosure Act, 1996* and the related Regulations are available on the Ontario E-Laws website <http://www.e-laws.gov.on.ca>

## Quick Guide to Public Sector Salary Disclosure



## Section 1: Is my organization covered under PSSDA?

This section explains which organizations are covered and the funding condition.

### 1.1 Public sector organizations specifically listed as "Employers" in the Act

All these organizations are covered under the PSSDA:

- The Crown in Right of Ontario (the Provincial Government)
- Municipalities
- School Boards
- Universities
- Colleges of Applied Arts and Technology
- Post secondary institutions in Ontario, the enrolments of which are counted for purposes of calculating annual operating grants entitlements
- Hospitals (as defined in the *Public Hospital Act*, *Private Hospital Act* and *Community Psychiatric Hospitals Act*)
- Boards of Health
- Agencies established by the Province of Ontario
- Authorities, boards, commissions, corporations, offices and organizations where a majority of the directors, members or officers are appointed under the authority of the Lieutenant Governor in Council by Order in Council
- Office of the Lieutenant Governor in Council, Office of the Assembly, members of the Assembly and offices of persons appointed on an address of the Assembly
- Hydro One Inc., Ontario Power Generation Inc. and each of their subsidiaries

### 1.2 Organizations considered as "Employers" if they meet the funding condition

Some organizations are covered only if they received a significant amount of funding from the Province during the calendar year:

- A local board of a municipality
- Corporations, with share capital, where at least 90% of the issued shares are owned or held by any of the organizations listed above and every wholly-owned subsidiary thereof
- Corporations without share capital, the majority of whose members, directors or officers are appointed or chosen by any of the organizations listed above and every wholly-owned subsidiary thereof
- Not-for-profit organizations receiving funding from the Province

### 1.3 Organizations excluded from the Act

The following organizations are not covered under the Act:

- Organizations that carry on their activities for the purpose of gain or profit to their members or shareholders
- Not-for-profit organizations, local boards of a municipality, corporations owned or controlled by the public sector organizations listed above (in section 1.1), **if they do not meet the funding condition.**

*If your organization does not meet the definition of "employer" under the Act, the Act does not apply to you, and no disclosure is necessary.*

## 1.4 The funding condition

Some organizations (such as not-for-profit organizations, local boards of municipalities, and corporations owned or controlled by the public sector organizations listed in the Act) are covered if they received funding from the Province as detailed below.

Generally, funding means transfer payments. A transfer payment is a transfer of money to an organization for which the Province **does not**:

- receive goods or services directly in return, as would occur in a purchase or sale transaction;
- expect to be repaid in the future, as would be expected in the case of a loan; or
- expect a financial return, as would be expected in the case of an investment.

The major types of transfer payments are entitlements, shared cost agreements and grants.

Funding received from the Province of Ontario in 2008	Requirements under PSSDA
Under \$120,000	The organization is not covered under PSSDA and does not have to disclose.
At least \$120,000 but under \$1 million	<p>The organization is covered under PSSDA <b>if the funding represents 10 per cent or more of the organization's gross revenues for the calendar year</b>. In that case, the organization must disclose.</p> <p>If the funding represents less than 10 per cent of the organization's gross revenues for the calendar year, the organization is not required to disclose. In this case, Management Board of Cabinet may require evidence that the funding is less than 10 per cent of the organization's gross revenues for the calendar year.</p>
\$1 million and more	Organization is covered under PSSDA and must disclose.
Total Funding	An organization may receive funding from more than one ministry. Ultimately, it is the responsibility of the organization to determine whether it meets the funding criteria since the Act refers to <b><u>total funding</u></b> from the Province, not just from one ministry.

## **Section 2: How do I know if my organization has any employees whose salary should be disclosed?**

This section explains how to identify the employees captured by the Act and how to calculate their salary paid. Ultimately, it is the organization that will know if it has to either disclose employees or complete a statement of no employee salaries to disclose.

### **2.1 Employees**

Everyone to whom your organization issues a T4 slip is considered an employee. This includes a person who is a director or officer of an employer and someone who is elected or appointed under the authority of an Act of Ontario.

Employees on secondment are considered employees of the organization that issued their T4 even if the organization is reimbursed for all or part of the employee's salary. You will find more details on how to disclose "seconded" employees in section 3.2(5).

### **2.2 Calculation of the salary paid**

It is only when an employee's salary is at least \$100,000 that an organization is required to disclose the salary amount and the value of the taxable benefits. The \$100,000 salary cutoff does not include taxable benefits. The definition of salary in PSSDA is tied to the *Income Tax Act*. Therefore, it is necessary to use the amounts in specific boxes on the T4 slip to calculate the salary paid and the taxable benefits.

#### **Salary Calculation**

**Salary Paid = (Box 14 of T4 slip) - (Boxes 30+32+34+36+38+40 of T4 slip)**

***Do not include amounts listed on a T4A slip when calculating the salary paid.***

### **2.3 Difference between salary rate and salary paid**

The salary paid on the T4 slip may not be the same as the salary *rate* for the position, or the salary *earned* in 2008. There may be differences due to payments such as retroactive pay, grievances prior to 2008, etc. Payment for overtime, which is usually paid on top of the annual salary, pushes the amount of salary *paid* above the annual salary *rate*.

### **2.4 No employee salaries to disclose**

An employer covered under the Act is required to produce a Statement of No Employee Salaries to Disclose if it has no employees to disclose (i.e. no employee was paid \$100,000 or more). Submit the completed statement to the responsible ministry. This form is available on the Ministry of Finance website at:

<http://www.fin.gov.on.ca/english/publications/salarydisclosure/2009>

Submit the statement by fax or e-mail to the funding ministry or ministries by **March 6, 2009**. Section 4 of this guide provides more information on where to send your statement. A list of ministry contacts is available at the end of this guide.

## Section 3: How does my organization disclose the employees earning \$100,000 or more?

This section explains how to complete the Record of Employees' 2008 Salaries and Benefits when an organization has employees to disclose.

### 3.1 Record of Employees' 2008 Salaries and Benefits

If your organization has employees who were paid \$100,000 or more, complete a Record of Employees' 2008 Salaries and Benefits. The template is available at:

<http://www.fin.gov.on.ca/english/publications/salarydisclosure/2009>

Submit the record to the funding ministry or ministries preferably in electronic format by **March 6, 2009**. Section 4 explains where to send the record. A list of ministry contacts is also available at the end of the guide.

### 3.2 How to complete the Excel Template

The Record of Employees' 2008 Salaries and Benefits consists of seven fields that need to be completed for each employee.

#### 1. Sector

Choose from one of the following in the dropdown menu:

- Government of Ontario
  - Ministries
  - Legislative Assembly and Offices
  - Judiciary

*Example: Government of Ontario - Ministries*
- Crown Agencies
- Municipalities and Services
- Hospitals and Boards of Public Health
- School Boards
- Universities
- Colleges
- Hydro One and Ontario Power Generation
- Other Public Sector Employers

#### 2. Employer

Provide the organization's legal name spelled in full. Do not abbreviate. Please be consistent with the name appearing in last year's disclosure, if applicable. Ministry of Finance will abbreviate where necessary.

#### 3. Surname

Use the employee's surname, as shown on the 2008 T4 slip. Do not use "Estate of" in the case where an employee is deceased. Use upper case text.

#### 4. Given name

Use the employee's full given name (not only first initial), as shown on the 2008 T4 slip. Do not use "Estate of" in the case where an employee is deceased.

Use upper case text.

Insert a period after middle initial(s) in the name.

#### 5. Position Title

Use the position title held on December 31, 2008. If the employee was no longer with the employer at the end of 2008, use the position title last held by the employee.

Spell the position title in full (no abbreviations).

Certain expressions should not be used in the position title as they provide extra information that is not required by the Act. Adding these expressions to a position title is an infringement of the *Freedom of Information and Protection of Privacy Act* (FIPPA).

Some examples are:

- Do not use the words "temporary" or "former."
- Do not use the word "Acting." The **only** exception is when there is an official contract or paper trail which officially designates the position as acting.
- Do not use the word "seconded." Employers can use the expression only if they receive a written consent from their employee.

#### 6. Salary Paid

Amount paid by the employer to the employee in 2008.

- To calculate the salary paid, subtract boxes 30, 32, 34, 36, 38, and 40 from box 14 of the T4 slip.
- Do not provide any breakdown of the components of the salary.
- **Salary Paid = [Box 14] - [Boxes 30+32+34+36+38+40]**

#### 7. Taxable Benefits

Amount paid by the employer to the employee in 2008 as reported on the T4 slip. (Total of boxes 30, 32, 34, 36 and 40).

- Do not provide any breakdown of the specific taxable benefits.
- **Taxable Benefits = Boxes 30+32+34+36+40**

Examples of fictitious situations and sample disclosures have been provided below for illustration purposes only.

### **Example 1**

Jane Doe is the Chief of Staff for Red Hospital. In 2008 she earned a regular salary of \$97,000 and taxable benefits of \$525.16. She also received a retroactive salary payment of \$4,500 for 2007, as a result of settlement of negotiations for a salary increase beginning in 2005. Jane's T4 for 2008 reflects a salary of \$101,500 (\$97,000 + \$4,500) in the year 2008.

Jane Doe's T4:

- Box 14 amount is \$102,025.16
- Box 30 = 0, Box 32 = \$525.16, Box 34 = 0, Box 36 = 0, Box 38 = 0 and Box 40 = 0
- **Salary paid** = [Box 14] - [Boxes 30+32+34+36+38+40]  
= \$102,025.16 - \$525.16 = **\$101,500**
- **Taxable Benefits** = Boxes 30+32+34+36+40  
= 0+525.16+0+0 = **\$525.16**

### **Example 2**

Rose Lee is a registered nurse and a permanent employee at the Red Hospital. She is on a secondment to the Blue Hospital to work on a special project from May 2008 to December 2009. Rose is still paid by Red Hospital during that time but Blue Hospital reimburses part of her salary to Red Hospital.

At the end of the year:

- Red Hospital issues a T4 for Rose for 2008.
- The calculation of her salary paid for *PSSDA* is over \$100,000.
- Rose's position title at Red Hospital is Registered Nurse but the payroll system reported her as "Registered Nurse seconded to Blue Hospital."
- Blue Hospital does not issue a T4 for Nurse Rose.

In this case, Rose will be disclosed under Red Hospital. Her position title will be Registered Nurse. If Red hospital wants to mention that Rose is on secondment with Blue Hospital, Rose needs to give written consent. If she accepts, her position title will be "Registered Nurse (seconded to Blue Hospital)."

### Sample record of disclosure

RECORD OF EMPLOYEES' 2008 SALARIES AND BENEFITS						
Sector	Employer	Surname	Given Name	Position	Salary Paid	Taxable Benefits
Hospitals and Boards of Public Health	Red Hospital	DOE	JANE	Chief of Staff	\$101,500.00	\$525.16
Hospitals and Boards of Public Health	Red Hospital	LEE	ROSE	Registered Nurse	\$101,040.00	\$200.00
<p>I certify that the information provided on this Record is correct in accordance with the <i>Public Sector Salary Disclosure Act, 1996</i>.</p> <p><b>Name</b> _____ <b>Position Title</b> _____</p> <p><b>Phone Number</b> _____ <b>Date</b> _____</p> <p style="text-align: center;"><i>Prepared under the Public Sector Salary Disclosure Act, 1996</i></p>						

## Section 4: What should I do with my disclosure record or “Statement of No Employee Salaries to Disclose”?

This section explains the two requirements for disclosure under the Act.

### 4.1 Submit the report to the funding ministry – paper copy or electronically

Submit your Record or Statement to your funding ministry as shown below. A list of contacts for each ministry is available at the end of this guide.

Employer	Ministry Receiving Record
Agencies and other bodies owned or controlled by the Province of Ontario	Every ministry that provided funding.
Municipalities and Services	Ministry of Municipal Affairs and Housing
School Boards	Ministry of Education
Universities	Ministry of Training, Colleges and Universities
Colleges	Ministry of Training, Colleges and Universities
Hospitals	Ministry of Health and Long-Term Care
Boards of Health	Ministry of Health and Long-Term Care
Hydro One Inc., Ontario Power Generation Inc. and each of their subsidiaries	Ministry of Energy and Infrastructure
Employers subject to the funding condition	Every ministry that provided funding. <b><u>You may have to report to more than one ministry.</u></b>

Please submit your record by **March 6, 2009** to your funding ministry.

Each year the Ministry of Finance publishes a compendium of statements and records. To ensure your record or statement is published in the compendium, please submit it by March 6, 2009. The Ministry of Finance also publishes an addendum a few months after the release of the compendium to include records and statements received after the production of the compendium.

### 4.2 Make the Record or Statement available on the premises of your head office

Your organization’s record or statement must be available for inspection without charge during your normal business hours from March 31 to December 31 of the same year. Copies are required to be available on request during and after the above period. You may charge 20 cents per page for providing a copy. However, you may waive this fee at your discretion. No separate fee is allowed for postage.

## **Section 5: What are my other responsibilities as an employer under PSSDA?**

This section explains how to deal with some of your employees' questions or concerns regarding the disclosure of their salaries. It also informs the employers of their responsibilities.

### **5.1 Inform your employees**

We recommend that you inform your employees about the disclosure of their salaries before you release the information. This will provide them with the opportunity to confirm the information before it is published. They will find more information on the PSSDA on the Ministry of Finance website.

<http://www.fin.gov.on.ca/english/publications/salarydisclosure>

### **5.2 Answering questions on the components of the salary paid or taxable benefits**

The Act authorizes employers to disclose the value of the salary paid and the taxable benefits as defined by the Canada Revenue Agency. The Act does not authorize employers to disclose what is specifically included in the salary paid or the specifics of the benefits.

### **5.3 Privacy of individuals and personal information**

Employers cannot be held liable for making this disclosure if they reasonably believed that they were required to make the disclosure. A non-disclosure clause in an employment contract cannot be used to avoid disclosure. If you have any doubts about what you are required to disclose, check with your funding ministry. The Act only covers information that it specifically authorizes employers to release, as explained in section 3 of this guide.

### **5.4 Penalties for not making the required disclosure**

The Act allows Management Board of Cabinet to direct a ministry to withhold part or all of the transfer payment to an employer if the employer has failed to comply with the Act. The funds will be paid once the employer complies. If the employer fails to comply after one year (by March 31 of the following year) the employer ceases to be entitled to the payment withheld. Management Board of Cabinet can also withhold funds if an organization fails to provide evidence regarding revenues under the funding criteria (i.e. whether at least 10 per cent of gross revenues came from the Province or not).

### **5.5 Deadline for disclosure**

Employers covered under the Act must make the Record of Employees' 2008 Salaries and Benefits or the Statement of No Employee Salaries to Disclose public by March 31.

Send your record or statement by **March 6, 2009** to ensure it is published in the compendium.

## **5.6 Salary disclosure in annual reports**

Employers which normally issue an annual report are required to include the salary disclosure with their annual report unless that disclosure is made available on a public website (a corporate website or on the Ministry of Finance website as part of the PSSD Compendium).

## List of Contacts

Ministry	E-Mail Address	Phone Number	Fax Number
Aboriginal Affairs	<a href="mailto:Carolanne.Allen@ontario.ca">Carolanne.Allen@ontario.ca</a>	416-326-4749	416-212-1644
Agriculture, Food and Rural Affairs	<a href="mailto:pssd.omafra@ontario.ca">pssd.omafra@ontario.ca</a>	519-826-3192	519-826-4130
Attorney General	<a href="mailto:pssd.mag@ontario.ca">pssd.mag@ontario.ca</a>	416-314-2118	416-326-3971
Children and Youth Services	<a href="mailto:pssd@css.gov.on.ca">pssd@css.gov.on.ca</a>	416-326-8021	416-325-5125
Citizenship and Immigration	<a href="mailto:pssd.mci@ontario.ca">pssd.mci@ontario.ca</a>	416-326-8388 416-325-6146	416-325-6387
Community and Social Services	<a href="mailto:pssd@css.gov.on.ca">pssd@css.gov.on.ca</a>	416-326-8021	416-325-5125
Community Safety and Correctional Services	<a href="mailto:pssd.jus@ontario.ca">pssd.jus@ontario.ca</a>	416-325-5085 416-326-9915	416-326-3465
Culture	<a href="mailto:pssd.mci@ontario.ca">pssd.mci@ontario.ca</a>	416-326-8388 416-325-6146	416-325-6387
Economic Development	<a href="mailto:Adelia.Neblett-Johnson@ontario.ca">Adelia.Neblett-Johnson@ontario.ca</a>	416 325-2154	416 325-6715
Education	<a href="mailto:pssd.met@ontario.ca">pssd.met@ontario.ca</a>	416-325-1859 416-327-9113	416-325-1835
Energy and Infrastructure	<a href="mailto:Adelia.Neblett-Johnson@ontario.ca">Adelia.Neblett-Johnson@ontario.ca</a>	416 325-2154	416 325-6715
Environment	<a href="mailto:pssdene@ontario.ca">pssdene@ontario.ca</a>	416-314-9385	416-314-9313
Finance	<a href="mailto:pssd.finanreven@ontario.ca">pssd.finanreven@ontario.ca</a>	905-433-6716	905-433-6588
Francophone Affairs	<a href="mailto:pssd@css.gov.on.ca">pssd@css.gov.on.ca</a>	416-326-8021	416-325-5125
Government Services	<a href="mailto:John.Leibycz@ontario.ca">John.Leibycz@ontario.ca</a> <a href="mailto:Niloufer.Srivastav@ontario.ca">Niloufer.Srivastav@ontario.ca</a>	416-327-8506 416-326-8915	416-327-4048
Health and Long-Term Care	<a href="mailto:pssd.moh@ontario.ca">pssd.moh@ontario.ca</a>	416-327-4374	416-327-8791
Health Promotion	<a href="mailto:Winnie.Chan@ontario.ca">Winnie.Chan@ontario.ca</a>	416-326-4356	416-326-4366
International Trade and Investment	<a href="mailto:Adelia.Neblett-Johnson@ontario.ca">Adelia.Neblett-Johnson@ontario.ca</a>	416 325-2154	416 325-6715
Labour	<a href="mailto:Pegah.Dezfooli@ontario.ca">Pegah.Dezfooli@ontario.ca</a>	416-235-5280	416-235-4189
Municipal Affairs and Housing	<a href="mailto:pssd.mah@ontario.ca">pssd.mah@ontario.ca</a>	416-585-6990	416-585-7292
Natural Resources	<a href="mailto:pssd.mnr@ontario.ca">pssd.mnr@ontario.ca</a>	705-755-1348	705-755-3108
Northern Development and Mines	<a href="mailto:Sandra.Ferguson2@ontario.ca">Sandra.Ferguson2@ontario.ca</a>	705-564-7415	705-564-7954
Research and Innovation	<a href="mailto:Adelia.Neblett-Johnson@ontario.ca">Adelia.Neblett-Johnson@ontario.ca</a>	416 325-2154	416 325-6715
Revenue	<a href="mailto:pssd.finanreven@ontario.ca">pssd.finanreven@ontario.ca</a>	905-433-6716	905-433-6588
Small Business and Consumer Services	<a href="mailto:Adelia.Neblett-Johnson@ontario.ca">Adelia.Neblett-Johnson@ontario.ca</a>	416 325-2154	416 325-6715
Tourism	<a href="mailto:pssd.mci@ontario.ca">pssd.mci@ontario.ca</a>	416-326-8388 416-325-6146	416-325-6387
Training, Colleges and Universities	<a href="mailto:pssdtcu@ontario.ca">pssdtcu@ontario.ca</a>	416-212-8880 416-327-9102	416-325-1835
Transportation	<a href="mailto:pssd.mto@ontario.ca">pssd.mto@ontario.ca</a>	905-704-2672	905-704-2720