

## Guidance for Preparing Pay Transparency Reports

The following guidelines are meant to assist with completing pay transparency reports.

The Pay Transparency Report must include the following:

- Name of organization
- Mailing address
- Applicable [NAICS code](#)
- Dates on which the reporting period began and ended
- The number of employees as of January 1, reported as within one of the following ranges:
  - 20 to 299 employees;
  - 300 to 999 employees; or
  - 1000 or more employees.
- The applicable reference category (if there are fewer than 10 in the gender category Man, an alternative reference category must be chosen, in accordance with the regulation)
- The results of the following pay gap calculations:
  - Percentage of employees in each gender category who received overtime pay in the reporting period
  - Percentage of employees in each gender category who received bonus pay during the reporting period
  - The difference in mean hourly pay
  - The difference in median hourly pay
  - The difference in mean overtime pay
  - The difference in median overtime pay
  - The difference in mean number of overtime hours
  - The difference in median number of overtime hours
  - The difference in mean bonus pay
  - The difference in median bonus pay
  - Proportion of each gender in each pay quarter.

The approaches to calculating these pay gaps are in line with the methodologies used by Statistics Canada and the Federal Employment Equity program. Pay gaps

are reported as a percentage between the gender category Man and the other three gender categories. To preserve privacy, data is suppressed if there are less than 10 individuals in a gender category. If there are less than 10 individuals in the Man category, then a different gender category is substituted as the reference group.

Overtime hours gaps are expressed as a difference in the number of hours, rather than percentages.

The following data elements allow for calculation of the pay gap information:

- Salary (ordinary pay), excluding any bonus pay and overtime pay, received in the reporting period
- Number of hours worked that can be attributed to the salary
- Bonus pay received in the reporting period
- Overtime pay received in the reporting period
- Number of overtime hours worked that can be attributed to the overtime pay

#### NAICS Code

Use the North American Industry Classification 2022 sector code that the majority of employees are working in. Use one of the following codes:

- 11 Agriculture, forestry, fishing and hunting
- 21 Mining, quarrying, and oil and gas extraction
- 22 Utilities
- 23 Construction
- 31-33 Manufacturing
- 41 Wholesale trade
- 44-45 Retail trade
- 48-49 Transportation and warehousing
- 51 Information and cultural industries
- 52 Finance and insurance
- 53 Real estate and rental and leasing
- 54 Professional, scientific and technical services
- 55 Management of companies and enterprises
- 56 Administrative and support, waste management and remediation services
- 61 Educational Services

- 62 Health care and social assistance
- 71 Arts, entertainment and recreation
- 72 Accommodation and food services
- 81 Other services (except public administration)
- 91 Public administration

### Salary/ Ordinary Pay

Salary, or ordinary pay, is money paid for hours worked before deductions. It includes paid leaves when the employee is paid at 100% of salary and premiums that are not overtime pay or an allowance. It does not include:

- Benefits, including taxable benefits
- Allowances
- Reimbursement for employment related expenses
- Severance pay or termination pay
- Vacation payouts when not taken as leave
- Retroactive payments for commitments outside the reporting period
- Securities

Salary will be divided by the number of hours reported to generate an hourly pay rate for each employee. If flex time can be banked and then paid out, it is to be treated the same as vacation.

### Allowances

Allowance is not to be included as Ordinary Pay. An allowance is any payment to support the duties of the employee's employment that meets **all** of the following criteria:

- the amount paid is predetermined
- the amount is paid for a certain purpose, and
- the amount paid is at the sole disposition of the employee receiving the payment.

These can include payments made for:

- accommodation
- transportation
- materials
- meals, or
- cost differences between remote and other locations, if working in isolated locations

## Number of Hours

This is the number of hours that can be attributed to the salary and refers to the number of hours for which an employee is paid, including hours on paid leave and excluding overtime hours for which they received overtime pay.

For employees whose hours of work are not recorded, an alternative approach to identify a representative number of hours may be used, such as:

- conversion formula, or
- alternate record of hours (such as from a logging device or logbook)

## Bonus Pay

Bonus pay means any additional remuneration paid to an employee as a result of:

- profit sharing
- productivity
- performance
- commissions
- referral bonus, or
- any other incentive (for example, signing bonuses)

If employees receive payments in addition to their ordinary pay as automatic rewards, these should be reported as bonus pay. Compensation for working additional hours should be reported as overtime pay.

Bonuses should be reported for the calendar year they are paid to the employee, even when the bonus was earned in a previous calendar year.

Report non-monetary bonuses that are vested and paid to the employee for the calendar year they are paid. This includes:

- stocks
- shares, and
- any other types of equity compensation

Payments an employee receives as a result of the following should also be reported as bonus pay:

- profit sharing, and

- other incentive plans introduced by an organization that are dependent on the organization's profitability.

Only include employees who received bonus pay in the reporting period in the bonus pay gap calculations.

### Overtime Pay

When calculating overtime pay gaps, only take into account overtime paid in the reporting period. This excludes overtime worked for which the employee is compensated with time in lieu or banked hours. Report as overtime hours the number of hours that relates to the overtime pay. Overtime pay should not include statutory pay. Any pay received as statutory pay should be included as part of ordinary pay and the related hours should be included in the number of hours worked.

Overtime pay is defined as money paid to an employee if the money is for hours worked in excess of the employee's usual hours of work and the money is based on a rate of pay that is at least 1.5 times the usual rate of pay. Report in the reporting period if the overtime has been paid (rather than the reporting period when it was worked).

### Collecting Employee Information

Reasonable efforts must be made to collect gender information from employees. This collection should include a notice to employees that the collection of gender information is for the purpose of preparing a pay transparency report.<sup>1</sup> Gender information used in this analysis must be voluntarily provided by employees. If an employee chooses not to provide their gender information for the purpose of preparing the pay gap report, their pay information will still be used to prepare the report and their gender will be marked as unknown (in accordance with the data standard, see link below).

It is possible for this gender information to be used for other purposes if employees are provided notice of that purpose at the time of collection and if they provide their consent<sup>2</sup>. This collection of gender information could occur at the

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<sup>1</sup> Note that for public bodies, a collection notice has specific requirements under [FOIPPA 27\(2\)](#). For private organizations, requirements are under [section 8\(3\) of PIPA](#).

<sup>2</sup> Consent requirements are different for public bodies subject to the *Freedom of Information and Protection of Privacy Act* (FOIPPA) and for non-public bodies (i.e., private organizations) subject to the *Personal Information Protection Act* (PIPA). Guidance related to consent requirements under FOIPPA is available here: <https://www2.gov.bc.ca/gov/content/governments/services-for-government/information-management->

start of the employment relationship and does not need to be repeated every year that a pay transparency report is prepared. However, employees should be given the opportunity to withdraw their consent at any time or to correct information that they have previously provided. Further, employers should not use gender information collected for the purposes of pay transparency reporting for other purposes, unless required to do so by law or where consent has been obtained from employees.

It is recommended that B.C.'s [Gender and Sex Data Standard](#) be used when collecting employee information. When people can self-identify their gender, employers can engage with them in an inclusive, safe and respectful way. Gender is how a person identifies as being a boy/man, girl/woman, a blend of both or neither. Guidelines for using the standard can be found here: [3.12 Gender and Sex Data Standard Guidelines \(gov.bc.ca\)](#).

Employers are responsible for collecting and managing personal information in compliance with their obligations under the [Freedom of Information and Protection of Privacy Act](#) or the [Personal Information Protection Act](#).