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January 31, 2024

Standing Committee on Families and Communities
c/o Committee Clerk
3rd Floor, 9820 – 107 Street
Edmonton, Alberta T5K 1E7

Via Email: FCCCommittee.Admin@assembly.ab.ca

Re: Review of the *Public Sector Compensation Transparency Act*

On December 19, 2023, an email invitation to provide input into the review of the *Public Sector Compensation Transparency Act* was received by Alberta Pensions Services Corporation (APS). The following response details the challenges the organization has experienced since the Act's expansion to Agencies, Board and Commissions and provides recommendations to help mitigate the risks to APS and other organizations.

Since the expansion of the *Public Sector Compensation Transparency Act* to Agencies, Boards and Commissions in 2016, APS has complied with the requirement to disclose the names of individuals whose compensation and severance amounts are greater than the published threshold. To our knowledge, there have been no public inquiries or complaints regarding employee compensation or severance. However, the impacts of the requirements of the Act and the risk to the organization are increasing over time.

As reported in our submission of February 2019, one of the critical issues with disclosure is the impact on hiring and retaining key staff. In the negotiation phase of hiring new staff, it is common for candidates to reference compensation disclosure and use this as a base for salary negotiations. Factors such as overtime due to special projects and client requirements and the employee's utilization rates of employee allowances may cause an employee's earnings to exceed the minimum threshold, but the context of these factors is not available to the public. Years of service, level of competency, and skill set are other factors that impact compensation but lose their value without the context. The private sector is our primary source of talent, and wages often far outpace public sector wages, resulting in wasted time with candidates pursuing positions for wages the organization is unable to offer. In addition, with compensation information readily available, organizations competing for our talent can easily reference staff compensation and offer positions at rates greater than APS' current compensation. As a result, the organization continuously faces the ongoing risk of losing staff, the investment in training, and the pension experience it has provided to staff.

Accountability to the public is important, and we support the GoA's efforts in this regard. As a Corporation, APS includes executive compensation disclosure in the Management Discussion and Analysis section of the APS Annual Report, where additional, relevant details and explanations are provided to the public. We believe the disclosure of executive compensation in this format addresses the need for transparency and will satisfy public interest.

Increasing Risk of Fraud for Government Workers

In the fall of 2023, a pension peer meeting in Washington state took place with attendees from the United States (US) and Western Canada. One topic that garnered attention was a recent incident that transpired at one of the pension organizations. A very large criminal organization had stolen pensioners' identities, infiltrated their accounts and stole their pension funds.

The starting point for these criminals was to gather data publicly available on government sunshine lists where the salaries of government staff were posted. The list targeted individuals and provided a starting point to gather more social media information until the criminals had enough data to impersonate a member and steal their identity. Once an identity was established, the criminals could phone call centers, pass all validation checks over the phone and request account or email changes. Once this was done, they used the access to redirect payments made to pensioners to other bank accounts and moved the money offshore where it could not be recovered.

This very detailed and organized group purposely used information posted on government websites where they knew individuals would have higher pensions based on posted salaries. At APS, we have seen very large traffic volumes to our websites from offshore IP's primarily from a country where we have little to no members. The page they are accessing on the website is the Pension Payment dates for Pensioners. This activity points clearly to activities similar to the case above.

At APS, we have moved this information behind the user authentication section of our website, and we recommend that the government discontinue publishing salaries on public-facing websites to mitigate the risk of identity theft and fraud.

Recommendation 1:


We recommend that compensation disclosure for executive staff be addressed through the organization's annual report and that compensation disclosure through web posting be eliminated. This approach continues to respect the need for public transparency but also protects an individual's privacy and the threat of being a target for criminal fraud.

Recommendation 2:

APS also recommends full disclosure of pay ranges and average benefit costs for public employees below the executive level. Information of this type provides full compensation transparency to the public without the specific details that are of particular interest to an organization's employees and outside competing organizations.

If there are any questions regarding the content of this letter, please feel free to contact Tamara Janzen, Vice President, Human Resources & Organizational Development, at (780)391-3547 or tamara.janzen@apsc.ca or the undersigned at APSBoardChair@apsc.ca.

Sincerely,



Colin P. MacDonald, K.C., ICD.D
Chair, Alberta Pensions Services Corporation Board

cc: Doug Woloshyn, Interim President and CEO, APS
Tamara Janzen, Vice President, Human Resources & Organizational Development, APS