

Taxable Gross Compensation and Implications

Recommendation:

That the September 20, 2012, Corporate Services report 2012COH023, be received for information.

Report Summary

This is a summary of the 2012 Total Compensation being provided to City of Edmonton Councillors and the Mayor. It includes displays of total compensation differentials for six different retirement payment scenarios.

Previous Council/Committee Action

At the July 16, 2012, Independent Council Compensation Committee meeting, the following motion was passed:

That Administration provide a report to the Independent Council Compensation Committee outlining current salary and benefits without a one-third tax free portion ("grossed up"), and the implications for total compensation, as per part a. of the motion passed at the June 25, 2012, Independent Council Compensation Committee meeting on the Gross Compensation and Differentials.

At the June 25, 2012, Independent Council Compensation Committee meeting, the following motion was passed:

That Administration provide a report to the Independent Council Compensation Committee outlining:

- a) current salary and benefits without one-third tax free portion ("grossed-up") and the implications for total compensation
- b) reasons for the compensation differential between Mayor and Councillors.

Report

- Using data and information provided from a variety of sources, this report details the 2012 Total Compensation packages provided to the City of Edmonton Councillors and Mayor. The separate charts provide family and individual benefit differentials along with the full calculated impact of actual base pay salary compared against grossed up salary amounts.
- Since health and dental benefits, and parking and bus pass perquisites are a flat rate computation, they provide no differential between Councillor and Mayor total compensation. As such, there is no grossed up salary impact on these numbers.
- Various retirement payment scenarios are represented including:
 1. 11% Retirement Payment (Status Quo)
 2. 3% AUMA Employer Contribution/ 8% Retirement Payment
 3. 5.5% AUMA Employer Contribution/ 5.5% Retirement Payment

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4. 6% AUMA Employer Contribution/ 5% Retirement Payment
 5. 7% AUMA Employer Contribution/ 4% Retirement Payment
 6. 6% AUMA Employer Contribution/ 6% Retirement Payment
- For the Mayor Total Compensation chart, Scenario #6 displays the Employer reaching the 2012 DC CRA maximum contribution limit in the grossed up compensation example. Excess dollars owing would be paid in cash.

Attachments

1. Mayor Total Compensation Scenarios
2. Councillor Total Compensation Scenarios