



FTE EMPLOYEE CALCULATION AND PAYMENT DISTRIBUTION

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1. Background

The Canadian Journalism Collective–Collectif canadien de journalisme (“CJC-CCJ”) will distribute compensation to news businesses in accordance with a contribution agreement (the “Agreement”) that the CJC-CCJ signed with Google LLC (“Google”) on 6 June 2024, in accordance with the approval of the Agreement by the Canadian Radio-television and Telecommunications Commission (“CRTC”).

The following guidance is intended to clarify how the CJC-CCJ will determine the share to pay to each eligible news business, including clarification regarding the information that news businesses must declare and which form the basis of that calculation. A separate CJC-CCJ policy, available on [the CJC-CCJ Documents webpage](#), addresses news business's eligibility to share in compensation, which is outside the scope of the present policy.

2. How to apply

A news business wishing to apply to share in compensation received under the Agreement based on its operations in 2023 must have completed and submitted an [Application to share in compensation pursuant to the Online News Act](#) (the “Application”) within the timelines published by the CJC-CCJ. The application timing and process for future years will be established by the CJC-CCJ at a later date.

3. How news businesses must determine the hours they declare in their Application

The Application asks news businesses to declare the following number, with respect to their operations during the 2023 calendar year:

A. Employee hours spent creating news content

In addition to the number of employee hours spent creating news content, the Application also asks news businesses to indicate:

B. The range, of the gross revenue ranges that follow, that corresponds to the sum of the total gross revenue of the news business and that of all businesses directly or indirectly linked to it by relationships such as those of subsidiary, parent or affiliate in 2023:

- less than or equal to \$200,000;
- over \$200,000 and less than or equal to \$1 million;
- over \$1 million and less than or equal to \$6 million; or
- over \$6 million¹; and

C. Whether or not the news business carries on a programming undertaking as defined in subsection 2(1) of the *Broadcasting Act*², in relation to news outlets that are or are part of a broadcasting undertaking as defined in that subsection.

The three pieces of information above (collectively, the “FTE employee inputs”) will allow the CJC-CCJ to calculate each eligible news business’s share of compensation according to the formulas described in the section [How news business payments will be calculated](#) below.

With respect to the fourth piece of information, news businesses that answer in the affirmative will share in the compensation pool for broadcasters while all others will share in the compensation pool for publishers,³ as defined in the [calculations section](#). When answering this question in the Application, please note that a “programming undertaking” does not include an undertaking that is an online undertaking.

The following subsections describe how to determine what to declare for each of the remaining three pieces of information listed above. Please note that the definition of “FTE employee inputs” above has a different meaning than references made to “FTE employee values”, which are values that are derived on the basis of the FTE employee inputs in the way described in the following section on [How news business payments will be calculated](#).

¹ The total gross revenue declared will not be used in the calculation of compensation. It was previously collected when the CJC intended to use it in connection with freelancer work, but a CRTC order later decided that the CJC cannot consider these hours in calculating the compensation, in its opinion. The over \$6 million range was collected because it is relevant to eligibility for certain CJC member classes.

² “[P]rogramming undertaking means an undertaking for the transmission of programs, either directly by radio waves or other means of telecommunication or indirectly through a distribution undertaking, for reception by the public by means of broadcasting receiving apparatus, but does not include such an undertaking that is an online undertaking; (entreprise de programmation)”

³ With the exception of the CBC, which is the sole member of its own, separate compensation pool.

(a) Calculating employee hours

In determining the total employee hours spent on original news production in 2023, part-time employees count toward total employee hours, but news businesses may only declare the portion of employee hours spent on tasks that qualify, according to the following sections that define the [Tasks that qualify](#) and the [Tasks that do not qualify as original news production](#). News businesses must also only declare hours spent on those tasks when they are related to producing original news content that is intended to be made available online, irrespective of whether or not the news content is behind a paywall.

The employee hours that a news business declares in its application may be audited. Auditors will seek to validate the amounts declared by means that may include reviewing the news business's documentation and interviewing relevant individuals.

Example: calculating employee hours

If an employee of a news business worked 20 hours per week and spent half of their time proofreading original news content (which qualifies as original news production) and half of their time creating summaries or highlights of existing news items (which does not qualify) then the news business would declare 10 hours per week that the employee worked in 2023. It would add that number to the hours it calculated by each of its other employees producing original news content in 2023, following the same process, to produce one final overall number.

When calculating employee hours spent creating original news content, vacation hours can be counted proportionally to the amount of hours the employee spends producing original news content.

For example, if an employee works 40 hours per week and spends 20 hours per week creating original news content, a news business can include half of the hours they spend on vacation in the total number of employee hours spent creating news content.

(b) Tasks that qualify as original news production

News businesses can declare the employee hours spent by their news outlets on the following tasks in the FTE employee inputs they declare, to the degree that their object is the production of original news content coverage.

1. News Gathering

- **Research:** Investigating current events, trends, and background information.
- **Sources:** Identifying and contacting reliable sources, including experts, witnesses, and public figures.
- **Interviews:** Conducting interviews to gather firsthand information and perspectives.
- **Data Collection:** Gathering data and statistics relevant to the story.

2. Story Development

- **Story Idea Generation:** Brainstorming and select newsworthy stories.
- **Angle and Focus:** Determining the angle or focus of the story based on relevance and interest.
- **Outline:** Creating an outline or structure for the story.

3. Verification and Fact-Checking

- **Fact-Checking:** Verifying the accuracy of information and claims.
- **Cross-Referencing:** Comparing information from multiple sources to ensure reliability.
- **Legal Review:** Ensuring content complies with legal standards and avoids libel or defamation.

4. Filming, Writing and Editing

- **Drafting:** Writing the initial draft of the story.
- **Editing:** Revising and refining the draft for clarity, accuracy, and style.
- **Proofreading:** Checking for grammatical errors, typos, and consistency.
- **Headlines:** Creating compelling and accurate headlines.
- **Filming:** Shooting video footage, including B-roll and interviews, using cameras and other equipment.
- **Sound Recording:** Capturing clear audio, including interviews and ambient sounds.
- **On-Site Reporting:** Reporting live from the field, if necessary, using live broadcast equipment.
- **Video Editing:** Editing footage to create a coherent and engaging story. This includes cutting, splicing, and sequencing video clips.
- **Audio Editing:** Editing audio to ensure clarity and proper synchronization with video.
- **Graphics and Animation:** Creating and integrating graphics, lower-thirds, and animations for visual enhancement.
- **Voiceover Recording:** Recording and editing voice overs as needed.
- **Photography and photojournalism:** Photographing events, people and places that help tell a story.

5. Broadcasting and Production

- **Layout and Design:** Arranging text, images, and multimedia elements for print or digital platforms.
- **Multimedia Integration:** Incorporating photos, videos, graphics, and audio where applicable.
- **Formatting:** Formatting the story for the specific medium (newspaper, website, broadcast, etc.).
- **Set Preparation:** Preparing the studio set, including lighting, props, and backdrop.
- **Camera Setup:** Positioning and adjusting cameras for optimal angles and coverage.

- **Teleprompter Operation:** Setting up and operating the teleprompter for anchors and reporters.
- **On-Air Presentation:** Presenting news stories on air, including anchoring, reporting live, and conducting interviews.
- **Viewer Interaction:** Engaging with viewers through live calls, social media, or other interactive features.
- **Translation:** Translating lower third graphics, program descriptions, descriptions of news events online etc) into a different language.
- **Interpretation:** Interpreting news content into another language.

6. Approval and Review

- **Editorial Review:** Approving and reviewing by senior editors or producers.
- **Compliance Check:** Ensuring the content meets editorial guidelines and standards.

7. Publishing and Distribution

- **Publication:** Releasing the news story on the appropriate platform (print, online, TV, radio).
- **Distribution:** Distributing the news through channels like social media, email newsletters,
- **Scheduling:** Scheduling news segments for broadcast times, including breaking news and scheduled updates.
- **Multichannel Distribution:** Distributing news through various channels, including TV, radio, and online platforms.

8. Promotion and Engagement

- **Social Media:** Promoting the story on social media platforms to reach a broader audience.
- **Audience Interaction:** Engaging with readers or viewers through comments, feedback, and follow-up stories.

9. Post-Publication

- **Corrections and Updates:** Addressing any errors or updates as new information emerges.

10. Archiving

- **Storage:** Archiving the story and related materials for future reference and historical record.
- **Cataloging:** Organizing and cataloging stories for easy retrieval and reference.

(c) Tasks that do not qualify as original news production

News businesses may not include employee hours spent on the following tasks in their declared FTE employee inputs:

1. Content Aggregation

- **Crawling:** Using web crawlers or scraping tools to gather news articles and content from selected sources.
- **Filtering:** Selecting the most relevant and credible existing news items based on criteria such as topic, timeliness, and reliability.
- **Categorization:** Organizing existing content created by other news outlets into categories or topics (e.g., politics, technology, health).
- **Summarizing:** Creating summaries or highlights of the collected existing news items to make them easily digestible.

2. Expressing Personal Viewpoints

- **Expressing Personal Viewpoints:** Sharing individual opinions on a topic, supported by personal experiences, anecdotes, or unique insights.

3. Advertorial content

- **Developing advertorial content:** Working on stories about a product in the style of an editorial or objective journalistic article.

(d) Calculating gross revenue

News businesses had to declare whether their gross revenue for 2023 was:

- less than or equal to \$200,000;
- over \$200,000 and less than or equal to \$1 million;
- over \$1 million and less than or equal to \$6 million; or
- over \$6 million.

Gross revenue for the purpose of this declaration included not only the news business's gross revenue as it would be reported on financial statements for the time period, but also the gross revenue of any business that is linked to it, directly or indirectly, by relationships such as subsidiary, parent or affiliate.

In the event that the news business is a sole proprietorship, it is only the news businesses owned by the sole proprietor that need to be taken into consideration, not any other businesses owned by them that are unrelated to news.

4. How news business payments will be calculated

(a) Calculating FTE values from the application information

The CJC-CCJ will use the values each eligible news business (“ENB”) declares according to the rules set out in the previous section to calculate FTE values as described in this section.

The FTE values that are used to calculate each news business’s share of compensation within its compensation pool (ENB_{share}) are defined as follows:

$$FTE_{employees} = \frac{\text{total employee-hours producing original news content in the relevant year}}{52 \text{ weeks/year} \times 35 \text{ hours/week}}$$

(b) Calculating each news business’s payment based on the FTE values

With respect to the payment formulas, the overall amount to be distributed to all news businesses will first be determined by subtracting the administrative costs borne by the CJC-CCJ from Google’s contribution:

$$\text{distribution amount} = \$100 \text{ million}_{\text{CPI adjusted}} - \text{administration costs}$$

The CJC-CCJ is allocating 7% of this amount to the CBC, 30% to other broadcaster ENBs, and the remaining 63% to publisher ENBs in 2024, based on 2023 FTE values.

The dollar amount that each eligible news business (ENB) that is in the broadcaster pool will receive ($ENB_{dollars}$) is calculated as follows:

$$ENB_{dollars} = 30\% \times \text{distribution amount} \times \frac{ENB_{share}}{ENB_{total \text{ broadcaster}}}$$

An ENB that is in the publisher pool will receive the following amount:

$$ENB_{dollars} = 63\% \times \text{distribution amount} \times \frac{ENB_{share}}{ENB_{total \text{ publisher}}}$$

The value ENB_{share} above represents the share of each ENB in the distribution amount for their pool. It is equal to the $FTE_{employees}$ for that news business.

The values $ENB_{total_publisher}$ and $ENB_{total_broadcaster}$ above represent the sum of all of the ENB_{share} values in the given pool (publisher or broadcaster).

(c) Adjusting payments in future years to encourage news investment

In the second year’s distribution, the CJC-CCJ will make any appropriate adjustments to the calculation to ensure that recipients use a majority of the monetary compensation to support the

production of local, regional and national news content, which is one of the goals of the Act. It will similarly make any appropriate adjustments to ensure that the distribution is equitable.⁴

⁴ And/or to ensure that the distribution satisfies the analogous principles set out in the Act and Regulations, such as that it provides fair compensation and provides comparable compensation to news businesses of a similar size, with a similar business model and similar capabilities that provide a similar type of news content to comparable markets and communities.