



Fraser Health Authority

Compensation Discussion & Analysis

June 30, 2008

Part I – Framework for Total Compensation

Compensation Plan

Fraser Health uses the health sector's *Compensation Reference Plan* as the framework for its compensation program covering individuals in the excluded employee group (Excluded Compensation). The *Compensation Reference Plan* has three components:

Job Evaluation. A common Job Evaluation Plan for health employers to assess the level of responsibility, skills and qualifications required of a job. The evaluation determines the appropriate salary range that is set for a job.

Fraser Health reviews job evaluations with the Health Employers Association of BC (HEABC) to ensure consistency of application.

Salary Ranges. Health employers use common salary ranges. Each range has a minimum and maximum amount. Individual salaries are set between these two limits. The salary ranges are used to set compensation for all excluded roles up to, but excluding, the Chief Executive Officer.

HEABC conducts a compensation survey on behalf of health employers. The survey collects compensation information from employers in the health, public and private sectors. The survey data is used to support recommendations to the Public Sector Employer's Council (PSEC) for approved salary ranges. PSEC approves salary ranges based on a guidelines set by the Government and the recommendations from HEABC.

The *Compensation Reference Plan* establishes salary ranges based on the market average, referred to the 50th Percentile. This is deemed to be a fair and defensible level of compensation. Over the past number of years, however, the salary ranges have been established based on factors that include market surveys, public sector bargaining and overall financial mandates set by Government. As such, for a range of positions, the salary ranges now reflect compensation levels that are below the market average or 50th Percentile. Despite this shortfall, Fraser Health establishes salaries within the approved salary ranges.

Fraser Health establishes individual compensation rates within the limits of the approved salary ranges. Annual salary reviews take place in conjunction with a formal performance management program, and individuals are eligible for salary increases based on performance, general guidelines on maximum increases to guide health care employers, and available room on the specific salary range.

The salary ranges do not include a range for the Chief Executive Officer. The total compensation allowable for the Chief Executive Officer is established by the Board and the Ministry of Finance as part of a Province-wide Public Sector CEO Compensation initiative. Any amendments to existing CEO compensation plans must be approved by the Minister Health, prior to seeking approval from the Minister of Finance.

Compensation Guidelines. Common guidelines help to establish consistency in compensation practices across health employers.

Fraser Health uses the guidelines to guide its administrative practices as well as the framework for employment contracts.

The terms and conditions of employment of Fraser Health Executives are outlined in an individual employment contract. All employment contracts are filed with the Public Sector Employers' Council Secretariat, the Health Employers Association of BC and made available for disclosure at the Corporate Office.

Fraser Health assesses all excluded group jobs with the assessments are reviewed by the Health Employer's Association of BC (HEABC). to help ensure consistency of application.

Benefits

Fraser Health provides a standard package of employee health and welfare benefits to its excluded employees. Benefits include Medical Service Plan Premiums, Long Term Disability, Short Term Illness, Sick Leave, Life Insurance, Accidental Death & Dismemberment (AD&D), Extended Health, Dental Plan and enrollment in the Municipal Pension Plan. Premiums are employer paid. Individuals have option to purchase additional insurance benefits on an employee premium basis.

Senior Executives benefit plans differ from the excluded employee group for Insurance and AD& D (five times annual salary rather than three times annual salary) and dental (major services and orthodontic services reimbursed at 100% rather than 75%).

Perquisites

The Chief Executive Officer receives a monthly car allowance of \$500.

Part II – Discussion on Total Compensation Reported

Total Compensation – Chief Executive Officer

The total compensation reported for Dr. Nigel Murray reflects compensation, employer paid benefit premiums, a car allowance and a lump sum incentive payment. The incentive

payment is part of a performance plan where objectives and results are assessment by the Board. The Chief Executive Officer is eligible for a payment of up to \$30,000. The payment to Dr. Murray was pro-rated based on time in the position and the assessment finalized by the Board. The incentive payment is for performance in 2007/08 and is therefore being reported this year; it will be paid in July 20087.

Total Compensation – Other Executives

Keith Anderson held Interim President and Chief Executive Officer role until August 1, 2008. Base pay includes additional compensation he received during that period.

Betty Ann Busse held Interim President and Chief Executive Officer from August to October 2007, base pay includes additional compensation received during that time period. Other compensation includes a payout of unused vacation.

Dr. P. Hill resigned from Fraser Health in fiscal year, other compensation amount includes the payout of unused vacation.



SUMMARY COMPENSATION TABLE

a	b	c	d	e	f	g	h
Name & Principle Position	Base Salary	Bonus	Incentive Plan Compensation Paid	Pension	All Other Compensation	Total Compensation for 07/08	
Murray, Dr. Nigel President & Chief Executive Officer	\$ 158,238		\$ 14,100	\$ 12,612	\$ 20,422	\$ 205,371	
Anderson, K. G President & Chief Executive Officer	\$ 269,967			\$ 21,895	\$ 28,105	\$ 319,967	
Taylor, Dr. T. VP Quality & Patient Safety	\$ 246,485			\$ 20,170	\$ 29,865	\$ 296,520	
Hill, Dr. P. VP Academic Development	\$ 247,815			\$ 20,170	\$ 59,474	\$ 327,459	
Busse, Elizabeth VP Health Promotion Community	\$ 229,179			\$ 20,077	\$ 44,736	\$ 293,992	
Petryshen, Patricia VP Acute Programs	\$ 224,575			\$ 18,607	\$ 27,895	\$ 271,077	

Notes:

No bonus payments made at Fraser Health.

Employer paid premiums for benefit plans and employer paid premiums to pension plan are reported under All Other Compensation.

Dr. N. Murray, CEO eff Oct 2007; annualized base salary \$329,849; annualized total compensation \$449,970
 Incentive pay based on performance criteria approved by Board. Payment for 21007/08 fiscal year, payment made in July 2008
 Other compensation includes car allowance

K.G. Anderson, Interim CEO to to August 2007, on secondment with Ministry of Health

Elizabeth Busse acting CEO role August to October 2007; other compensation includes payment for unused vacation

Dr. P. Hill, resigned, payment of unused vacation included in All Other Compensation

July 3, 2008