

EXECUTIVE COMPENSATION LIQUOR DISTRIBUTION BRANCH

Compensation Philosophy

The executive compensation approach will provide staff with a competitive total compensation package to attract and retain a qualified, diverse and engaged workforce that strives to achieve high levels of performance in delivering government services to the people of B.C.

The compensation philosophy outlines the BC Public Service's objectives and guiding principles for compensation for deputy ministers, associate deputy ministers and assistant deputy ministers.

Objectives

The objectives of the BC Public Service compensation philosophy are to:

1. Support and retain individuals who demonstrate the BC Public Service values and skills needed to achieve the objectives of government.
2. Attract qualified, diverse and high-potential individuals to the BC Public Service.
3. Support the development of a performance-based culture by providing incentives for employees to achieve results and exhibit superior performance.

Guiding Principles

The following principles guide the design, implementation and administration of BC Public Service compensation programs:

- **Differentiation**: Differentiation of salary is supported where there are differences in the scope of the position within a ministry or corporate context, and/or due to superior individual or team contributions.
- **Performance**: Compensation programs support and promote a performance-based organizational culture.
- **Transparent**: Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public, while at the same time protecting individual personnel information.
- **Accountable**: Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

Guidelines for Administration

Market Comparators

The BC Public Service has identified the primary competitors for talent as:

1. BC public sector organizations (including Crown corporations, the health sector, the education sector, community social services, regional governments, municipalities, and various other public bodies);
2. Other provincial jurisdictions and the federal government (excluding northern territory jurisdictions); and
3. The private sector.

Executive Compensation

The province's target position for executive compensation in the public sector market is to be from 3rd to 5th nationally amongst the provincial and federal governments: A determination is made respecting the appropriate ranking based on demographic and labour market trends, and economic variables.

Pay ranges for executives were last set in August 2008. Under the model introduced in 2008, the maximum attainable salary for BC Public Service deputy ministers and assistant deputy ministers ranks third among provinces and the federal government. Base pay for executives includes a salary holdback that is tied to leading human resources to corporate outcomes.

Review Periods

The maximum achievable salaries for executives under the framework approved by Cabinet in 2008 are now set at 83 per cent of federal equivalent levels, which reflects the recommendation of a 2001 analysis by the consulting firm Watson Wyatt.

Internal Relativity and Differentiation

Base pay will typically be set at levels within scope of comparable positions within the BC Public Service. Differentiation of base pay reflects:

- Differences in the scope and responsibility of the work assignment in a corporate context;
- Recruitment and retention pressure;
- Emphasis on specific talent or unique skills within ministries required to meet service plan priorities; and
- Relative performance in achieving work goals and objectives.

Salary Holdbacks

In 2009, the portion of executive compensation held back subject to performance was 10 percent of salary. However, because performance on the related holdback measures is not determined until the end of the fiscal year the holdback for fiscal 2009/10 will not be paid until fiscal 2010/11.

The assessment of performance of the Assistant Deputy Minister is based on the achievement of goals and targets within the ministry and LDB service plans and specific performance objectives. The measures for the salary holdback are based on the goals of the Corporate Human Resource Plan, meaning assessment for holdback purposes is based on the Performance of the executive in leading their human resources to corporate outcomes.

For the application of the 2009-10 measures the first measure is worth 50 per cent of the overall holdback result and the remaining measures are then weighted equally for the remaining 50 per cent of the holdback.

2009/10 Holdback Measures	
Measure	Target
1. The government's rating on employee engagement	'Improvement' measured by BC Stats through the Work Environment Survey.
2. The LDB's rating on employee engagement	'Improvement' measured by BC Stats through the Work Environment Survey.
3. The percentage of staff who received an annual performance review.	100% (-10%) measured by BC Stats through the Work Environment Survey.
4. Innovation in the BC Public Service.	Improved service delivery or processes representing \$250 thousand in net savings or cost avoidance activities at the LDB.
5. Ministry-specific measure to be added by each deputy minister based on one of the following priority areas within their ministry: <ul style="list-style-type: none"> • Short Term Illness and Injury Prevention (Sick Leave); • Under-30 hires; • Visible minority, disability or aboriginal hires; • Number of corporate "greenhouse" positions created; • A value target on learning and training opportunities; • A value target on workplace health. 	Quantitative target agreed to with the Deputy Minister to the Premier.
6. A specific measure from the Work Environment Survey determined by BC Stats.	'Improvement' measured by BC Stats through the Work Environment Survey.

Summary of Compensation Table

As required under the guidelines provided by the Public Sector Employer's Council, the table below outlines the total compensation earned by the LDB's General Manager for the fiscal year ending on March 31, 2010.

The General Manager of the Liquor Distribution Branch reports directly to the Minister of Housing and Social Development.

Name and Principal Position	Base Salary	Incentive Plan Compensation Paid ¹	Pension	All Other Compensation ²	Total Payments and Benefits	Previous Years Totals
Jay Chambers, General Manager, Assistant Deputy Minister	\$170,414	\$11,653	\$16,922	\$26,331	\$225,320	2007/08 = \$222,596 2008/09 = \$215,488

¹ The holdback for the 2009-10 fiscal year will be reflected in compensation reported for 2010-11.

² Includes pension, employer paid CPP and EI benefits, health and dental and MSP.