

## EXECUTIVE COMPENSATION BC PUBLIC SERVICE

### 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 personal 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 was 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 pressures;
- 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

The assessment of performance of Deputy Ministers in their roles is based on the achievement of goals and targets within ministry 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.

Assessment of compensation holdback is conducted following the completion of the fiscal year and paid in June of the following fiscal year.

In 2008/09, the portion of executive compensation held back subject to performance increased from five per cent to 10 per cent of salary. The holdback paid in the 2009/10 fiscal year reflects a blending of 5 percent for part of the year and 10 percent for the remainder of the year.

For the application of the 2009/10 measures, the first measure of an improved rating on government's employee engagement score was valued at 50 percent of the overall holdback result. The remaining measures were valued equally to determine the remaining 50 per cent of the holdback

In 2010/11 the assessment was changed. There are now four measures, with each measure equally weighted at 25 per cent. Holdback amounts calculated against these measures will be paid in the 2011/12 fiscal year.

Holdbacks paid in the 2010/11 fiscal year were based on the 2009/10 holdback measures

<b>2009/10 Holdback Measures</b>	
<b>Measure</b>	<b>Target</b>
1. The government's rating on employee engagement	'Improvement' measured by BC Stats through the Work Environment Survey.
2. The ministry'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 or a 95% achievement through the e-performance system.
4. Innovation in the BC Public Service.	Improved service delivery or processes representing \$250 million in net savings or cost avoidance activities.
5. Effective workforce planning Any holdbacks based on the 2010/11 holdback measures will be paid in the 2011/12 fiscal year and reported accordingly.	Ministry workforce plan approved and published

<b>2010/11 Holdback Measures</b>	
<b>Measure</b>	<b>Target</b>
1. Improved employee engagement across the BC Public Service.	As measured by improvement in the corporate score on the Supervisory Leadership drive on the 2010 Work Environment Survey.
2. Achievement of government's fiscal targets and performance on forecasts.	As measured by achievement of ministry budget targets and improved performance on quarterly forecasting.
3. Preparing for the future of the public service by realizing the potential for transformation and technology.	As measured by assessment of each ministry's first technology and transformation plan.
4. Delivering on the key priorities of government.	As measured by specific deliverable to each ministry as agreed to with the DM to the Premier.

### Summary Compensation Table

The highest-ranking public servant within the BC Public Service is the Deputy Minister to the Premier. Each ministry is led by a deputy minister. Each of the deputy ministers reports to the Deputy Minister to the Premier. They form the senior-executive of the BC Public Service. The Chief of Staff is a deputy minister equivalent and reports directly to the Premier.

Name/Role	2010/11 Salary (Excludes Holdback)	2009/10 Salary Holdback <sup>1</sup>	2010/11 Vacation Carryover Payout	2010/11 Taxable Benefits & Employer Paid Benefits <sup>2</sup>	2010/11 Other Payments <sup>3</sup>	2010/11 Total Payments & Benefits	2009/10 Total Payments & Benefits	2008/09 Total Payments & Benefits
Allan Seckel Deputy Minister to the Premier <sup>4</sup>	\$268,006.42	\$14,546.57	\$48,209.42	\$43,369.32	\$549,776.00	\$923,907.73	\$312,702.00	\$278,051.00
Martyn Brown Chief of Staff <sup>5</sup>	\$192,942.43	\$0.00	\$0.00	\$44,042.49	\$416,191.00	\$653,175.92	\$209,629.00	\$229,085.00
Graham Whitmarsh Deputy Minister of Finance <sup>6</sup>	\$225,092.40	\$13,800.00	\$20,698.14	\$28,558.47	\$0.00	\$288,149.01	\$288,642.00	\$254,069.00
David Loukidelis Deputy Attorney General	\$229,594.13	\$840.23	\$0.00	\$30,546.73	\$0.00	\$260,981.09	\$48,388.00	N/A
John Dyble Deputy Minister of Health <sup>7</sup>	\$227,990.14	\$14,891.26	\$0.00	\$31,273.76	\$0.00	\$274,155.16	\$277,178.00	\$254,078.00

- Administered as a 10% holdback of base salary. Executive holdbacks were paid out in June 2010 for fiscal year 2009/10.
- Includes pension, employer paid CPP and EI, health, dental, MSP, flex benefits and vehicle allowance or personal use of a lease vehicle.
- Other payments include severance payments.
- Allan Seckel was Deputy Minister to the Premier up to March 14, 2011. Other payments include severance of 18 months salary & benefits plus \$42,201 Executive Holdback.
- Martyn Brown was Chief of Staff to the Premier up to October 25th, 2010 at which time he became the Deputy Minister, Jobs, Tourism & Innovation. Other payments include severance of 18 months' salary & benefits plus \$33,075 Executive Holdback. Paul Taylor became Chief of Staff effective October 26, 2010, to March 12, 2011 for which time he received total payments and benefits of \$201,950 including a severance equivalent to six months' salary and benefits.
- Graham Whitmarsh became the Deputy Minister of Health effective March 14, 2011 at an annual achievable salary of \$250,000, including holdback.
- John Dyble became the Deputy Minister to the Premier, effective March 14, 2011 at an annual achievable salary of \$310,000, including holdback.



Where ideas work

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