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**University of Northern British Columbia  
Executive Compensation Disclosure Statement for 2015/2016  
May 9, 2016**

The following report provides an accurate representation of all compensation provided to the President and the next four highest ranking executive employees whose base salary was \$125,000 or greater in the fiscal year 2015/2016 at the University of Northern British Columbia (UNBC).

**Compensation Philosophy**

**1. Material principles and underlying policies and decisions for compensation provided to the President and Senior Executives for the most recently completed fiscal year.**

The Board's compensation decisions reflect the challenges associated with attracting and retaining exemplary administrative leaders to the north in a competitive national and international environment. Responsibility for determining compensation for the President and Senior Executives rests with the Human Resources Committee of the Board. For positions other than the President's, the Board will consider recommendations made by the President.

With Board of Governor and Executive oversight and approval, UNBC's Compensation Philosophy ensures alignment with B.C. Public Sector organizations, and consistency with the province's Taxpayer Accountability Principles.

The following outlines the broad approach with respect to compensation policy at UNBC.

**Core Principles:**

For all management employees, the following Core Principles embodies UNBC's approach for compensation. These principles guide the design, implementation and administration of UNBC's Compensation Philosophy:

- **Differentiation:** Differentiation of salary is supported where there are differences in the scope of the position within an organization, and/or due to superior individual or team contributions.
- **Performance:** Compensation programs support and promote a performance based (merit) organizational culture.

- **Transparency:** Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.
- **Accountability:** Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

### **Benchmarking Methodology:**

In determining the relevant labour markets for obtaining compensation data for executive and management employees, UNBC considers the following questions:

- From where do universities similar in scope and scale to UNBC recruit employees?
- What is the destination sector or employers for employees that leave UNBC?

Primary benchmarking comparators for management employees include the following:

- Other comparable academic institutions of similar size and scope to UNBC;
- Other BC and Canadian Public sector organizations with key comparability elements to UNBC;
- The BC Public Service for corporate service roles within the organization;
- Private sector comparators in cases of high demand positions only.

When benchmarking for positions, appropriate weighting is established based on current human resource practise guidelines.

### **President and Executive Compensation Factors:**

The compensation package for the President was approved by the Public Sector Employers' Council (PSEC) in 2014 and remains in effect for the five-year term of the contract, through to July 20, 2019.

When setting salary levels for Senior Executives, the Board of Governors considers the following factors; 1) compensation of current and/or recent senior staff, 2) recommended ranges provided by PSEC, 3) the designates' current compensation, 4) market survey information from other comparable universities and, 5) other factors that the Board deems to be relevant to the specific position.

Compensation for the President and other Senior Executives is currently frozen and remains as such, until otherwise notified by Government.

Benefit and pension plans are consistent with the employee group to which the Executive is most closely affiliated (i.e. Faculty Association or Senior Management Group). A non-registered supplemental pension arrangement is offered to the Senior Executives where total pension contributions exceed the contribution limit. The supplemental contribution amount is that which the employer would be required to contribute to the UNBC Pension Plan if there wasn't a maximum limit imposed by the Income Tax Act.

## 2. New Policies, Actions or Decisions

The Executive Compensation Policy was last updated in June 2009. The purpose was to formalize a policy framework and process for the annual performance review of the Senior Executives and for reporting changes in executive compensation consistent with the requirements of PSEC. The University is in compliance with the 2015 June PSEC employers' guide on implementing a common compensation philosophy for the B.C. public sector.

## 3. Leaves

Vacation leaves are set in each Executive's appointment letter, the starting point is five weeks, with the President's ability to recommend increases periodically. This partially acknowledges the time commitment beyond a normal work week of the President and Senior Executives, supports a balanced lifestyle, and is competitive in comparison to other academic organizations.

The President is provided a one year research leave following five years of service. The President's salary during the leave would be equal to the highest salary being paid to a full professor with tenure at the University at the time. For Senior Academic Executives, academic leaves are provided following five years of service. This leave is an acknowledgement that for the period they are in these roles, these academic leaders have forfeited their accrual toward sabbatical leaves that would have occurred as members of the Faculty Association. Senior Academic Executives leaves are at their professional salary level only.

A handwritten signature in black ink, appearing to read 'R. Matheson', with a stylized, overlapping loop at the end.

Ryan Matheson  
Chair, UNBC Board of Governors





