

EXECUTIVE COMPENSATION LIQUOR DISTRIBUTION BRANCH

The Liquor Distribution Branch follows the BC Public Service compensation policy and guidelines as outlined below:

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 the 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 2011/12 the assessment was changed to be based on four measures, with each measure equally weighted at 25 per cent. Holdback amounts calculated against these measures were paid in the 2013/14 fiscal year.

Leave Provisions

Deputy Ministers receive one additional week of vacation supplementary to the leave entitlements provided to all excluded managers in the BC public service.



Holdbacks based on the 2012/13 measures will be and reported and paid in fiscal 2013/14.

2012/13 Holdback Measures	
Measure	Targets
1. Achieving government's fiscal targets and performance forecast	Achievement of ministry budget targets; AND % margin on forecasting as determined in conjunction with the Ministry of Finance; AND achieving the budget approved by the Minister of Finance consistent with Budget 2012.
2. Achieving progress on ministry-specific LEAN initiatives	Achievement of approved deliverables and outcomes for the two designated ministry-specific LEAN initiatives: a. Submission of two projects by May 31/12 b. Achievements of approved project outcomes by March 31/13
3. Achieving progress corporately on cooperative gains	Achievement of corporate financial STOB 50 target that accommodates cooperative gains (1.5%). Ministry of Finance to finalize the target, consistent with Budget 2012.
4. Delivering on the key priorities of government	Specific measures as established with the DM to the Premier, including achievement of specific stretch deliverables



Holdbacks based on the 2013/14 measures will be and reported and paid in fiscal 2014/15.

2013/14 Holdback Measures	
Measure	Targets
1. Achieving government's fiscal targets and performance on forecast	Achievement of ministry budget targets; AND % margin on forecasting as determined in conjunction with the Ministry of Finance; AND achieving the budget approved by the Minister of Finance consistent with Budget 2013. <i>(June update)</i> Forecast targets will be confirmed by the Ministry of Finance
2. Achieving progress on ministry-specific LEAN initiatives.	Implementation of the Ministry's reporting requirements of the Lean Culture Deployment Strategy; and Execution of 2-4 Projects or as prescribed in the Year Two Lean Instructions, by March 31, 2014.
3. Achieving results on discretionary spending targets.	Achievement of a STOB 50 target by ministry, consistent with Budget 2013 <i>(June update)</i> . Targets will be confirmed by the Ministry of Finance.
4. Delivering on the key priorities of government.	Achievement of specific deliverables and outcomes from the tasks in the Minister's mandate letters (5 per ministry to be specified excluding the task on budget achievement as this is addressed in measure 1). For those agencies without a mandate letter, specific deliverables and outcomes will be agreed to with the Deputy Minister to the Premier.



Summary 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 General Manager and applicable executives for the fiscal year ending on March 31, 2014.

The General Manager of the Liquor Distribution Branch reports directly to the Minister of Justice.

Summary Compensation Table at March 31, 2014

Name and Position	Salary	Bonus and / or Incentive Plan Compensation ⁽¹⁾	Benefits	Pension	All Other Compensation (expanded below)	2013/14 Total	Previous Two Years Totals	
							2012/13	2011/12
R. Blain Lawson, General Manager and CEO ⁽²⁾	\$ 175,500	\$ 1,624	\$ 10,409	\$17,846	\$ -	\$205,379	\$ 16,338	\$ -
Roger Bissoondatt, CFO ⁽³⁾	\$ 126,000	\$ 18,429	\$ 8,528	\$13,121	\$ 1,621	\$167,699	\$ 232,806	\$177,497
Kelly Wilson, Executive Director, Wholesale and Retail Services	\$ 126,000	\$ 14,000	\$ 8,528	\$12,958	\$ 41,465	\$202,951	\$ 161,215	\$157,618

Summary Other Compensation Table at March 31, 2014

Name and Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
R. Blain Lawson, General Manager and CEO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roger Bissoondatt, CFO	\$ 1,621	\$ -	\$ 1,621	\$ -	\$ -	\$ -	\$ -
Kelly Wilson, Executive Director, Wholesale and Retail Services	\$ 41,465	\$ -	\$ 41,465	\$ -	\$ -	\$ -	\$ -

¹ Holdbacks are administered as a 10% holdback of total salary. Holdback amounts relate to prior fiscal year (2012/13) performance and were paid in June 2013.

² R. Blain Lawson was appointed March 4, 2013 at a salary of \$195,000 inclusive of a 10% performance holdback.

³ R. Bissoondatt was acting General Manager from July 2012 to March 2013 and the holdback calculation was pro-rated based on the time between the two positions.