

## 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 BC.*

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 (Executives).

### 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 achieve the goals and 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 protects 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
2. Other provincial jurisdictions and the federal government (excluding northern territory jurisdictions)
3. Private Sector

The public sector in BC includes crown corporations, health sector, education, community social services, regional government, municipalities, and various public bodies.

### **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 2006. In 2008 Deputy Ministers currently rank 6<sup>th</sup> and Assistant Deputy Ministers rank 10<sup>th</sup> nationally amongst the provincial and federal governments. The determination is based on both base salary and incentive pay amounts.

Base pay for executives includes a salary holdback that is tied to leading human resources to corporate outcomes.

### **Review Periods**

Review periods to adjust executive and management salary ranges and/or rankings against comparator groups can be aligned with collective bargaining cycles. Periodic events may initiate reviews outside of bargaining cycles. A substantive change to salary ranges and/or achievable salaries requires approval of the Minister for the Public Service Agency.

### **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;

- Relative performance in achieving work goals and objectives.

### Salary Holdbacks

Executives are subject to a minimum 5% salary holdback. 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, that is, assessment for holdback purposes is based on the performance of the executive in leading their human resources to corporate outcomes.

The first measure of an improved rating on government’s employee engagement score is core, meaning that improvement must be achieved on this measure to achieve any portion of a salary holdback. Achievement of each measure is then weighted equally, e.g. if a ministry executive achieves their target on 5 of 7 measures, the executive will receive 71% of their holdback. The Deputy Minister to the Premier does not accept any part of her holdback unless all executives achieve theirs.

<b>2007/08 Measures</b>	
Measure	Target
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.
4. Innovation in the BC Public Service.	Improved service delivery or processes representing \$250 million in net savings or cost avoidance activities.
5. The ministry’s rating on the executive level driver on providing clear direction for the future.	‘Improvement’ measured by BC Stats through the Work Environment Survey.
6. Ministry-specific measure to be added by each Deputy based on one of the following priority areas within their ministry: <ul style="list-style-type: none"> <li>• Short Term Illness and Injury Prevention (Sick Leave);</li> <li>• Under 30 hires;</li> <li>• Visible minority, disability or aboriginal hires;</li> <li>• Number of corporate “greenhouse” positions created;</li> <li>• A value target on learning and training opportunities;</li> <li>• A value target on workplace health.</li> </ul>	Quantitative target agreed to with the Deputy Minister to the Premier.
7. The ministry’s rating on the supervisor-level drivers from the Work Environment Survey.	‘Improvement’ measured by BC Stats through the Work Environment Survey.

**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	Salary (excludes holdback)	Incentive Plan Pay <sup>a</sup>	Car Allowance and Leases	Vacation Carry Over Payout	Taxable Benefits & Employer Paid Benefits <sup>b</sup>	Total Payments and Benefits
Jessica McDonald, Deputy Minister to the Premier	\$231,835	\$0 <sup>c</sup>	\$7,544	\$22,206	\$30,353	\$291,938
Martyn Brown, Chief of Staff	\$185,390	N/A		\$3,434	\$41,099	\$229,923
Chris Trumpy, Deputy Minister of Finance <sup>d</sup>	\$206,414	\$7,796	\$6,960		\$47,624	\$268,794
Allan Seckel, Deputy Attorney General	\$210,672	\$5,544	\$6,986	\$3,230	\$28,218	\$254,650
Gord Macatee, Deputy Minister of Health	\$210,672	\$8,316	\$6,962	\$807	\$28,218	\$254,975

<sup>a</sup> Administered as a 5% holdback to base salary, not as a bonus.

<sup>b</sup> Includes pension, employer paid CPP and EI benefits, health and dental and MSP.

<sup>c</sup> The Deputy Minister to the Premier does not accept any part of her holdback unless all executives achieve theirs.

<sup>d</sup> Chris Trumpy was appointed the Deputy Minister of Finance in July 2007. This salary therefore reflects a blend of his salary as the Deputy Minister of Environment and as Deputy Minister of Finance.