



Public Sector Executive Compensation Reporting – Fiscal Year 2008/09

Compensation Philosophy of The University of British Columbia

[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year

- As one of the highest ranked universities in Canada, and one of the top 40 universities in the world, UBC seeks to retain and attract the best senior administrators it can by remaining competitive in its compensation practices with other large research-intensive universities represented by the G13 (i.e., leading research-intensive universities in Canada), and in particular the University of Toronto and the University of Alberta, and with the global market for senior administrator talent generally.
- The compensation framework is designed to reward sustained performance.
- In recent years, a more visible factor has been introduced into the compensation framework to attract senior administrator talent to Metro Vancouver, particularly UBC's location at the end of a peninsula surrounded by Vancouver's most expensive real estate.
- Higher compensation values are often provided to senior academic roles such as the President, Provost and VP Academic, Deputy Vice Chancellor at UBC Okanagan, and Vice President Research to recognize that they have augmented their core academic roles with very senior administrative responsibilities, and to provide incentives for faculty members to undertake these significant administrative roles.
- Compensation values for senior administrative roles reflect a weighting of public and private sector values, with a clear weighting in favour of the public sector, and more particularly UBC's university competitors in Canada and internationally.
- As approved by the Public Sector Employers' Council (PSEC), the President's arrangement represents the organization's maximum compensation, and all other senior administrators must be compensated well within that maximum.
- Pension and benefit arrangements should mirror those of the employee group that most closely approximates the nature of the role. For academic senior administrators, benefits mirror those received by faculty members. For non-academic senior administrators, benefits mirror those received by management staff.

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- Annual performance reviews, as described below, are primarily driven by performance, and increases are typically provided as a recurring addition to base salary. This is intended to recognize the prior year's performance and the promise of future performance. In addition, there is a review of internal equity across senior administrator positions.

Responsibility for Senior Administrator Compensation:

- The responsibility for senior administrator compensation rests with the Management Resources Compensation Committee (MRCC) of the UBC Board of Governors after receiving recommendations from the President for all senior administrators reporting to him. The foundation of the process is each senior administrator's development of performance objectives at the outset of the performance period. These performance objectives align with the University's objectives. Actual performance is reviewed against objectives, together with the setting of the next year's objectives.
- The President is not reviewed for annual salary increases; rather, he is reviewed by the MRCC for the long-term incentive payment, as provided for in his employment agreement approved by PSEC and the responsible Minister.

[2] Changes Since Fiscal Year End

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets

- Targets are not quantified, except for the President's long-term incentive (50% is based on meeting performance objectives, 25% is based on meeting annual fundraising targets, and 25% is based on meeting annual academic and research ranking goals).



[4] Leaves

- Vacation and academic leaves are provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation permitted is six weeks. Academic leaves are provided as an incentive, common across universities, for faculty members to assume academic senior administrator roles. During these term positions they do not accrue service towards study or sabbatical leaves that they would normally receive as a faculty member under their collective agreement.

Footnote to Summary Compensation Table: UBC Supplemental Arrangement

- The total pension contributions made by the employee and the university in any one year cannot exceed the contribution limit, which is 18% of annual earnings, or the \$21,000 limit for 2008, whichever is less. Salaries exceeding \$149,936.04 in 2008 would have reached this limit. Excess University contributions are directed to the non-registered supplemental arrangement (SRP).
- The SRP contribution amount is that which the employer would be required to contribute to the Faculty Pension Plan (FPP) if there wasn't a maximum limit imposed by the Income Tax Act.
- The employer is the sole legal and beneficial owner of all assets in the SRP. All assets held in the SRP will be available for general creditors of the employer.
- The employer invests the assets.
- Withdrawals from the SRP are available only at termination, retirement, or death.

Contact for media and other inquires:

Scott Macrae
Executive Director, Public Affairs
The University of British Columbia
604 822-2064
scott.macrae@ubc.ca

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(a) Name	(b) Salary (\$)	(c) Bonus (\$)	(d) Incentive Plan Compensation Paid (\$)	(e) Pension (\$) ¹	(f) All Other Compensation ²	(g) Total (\$)	Previous Year's Total
Stephen Toope, President & Vice Chancellor	\$378,000	\$0	\$50,000	\$85,948	\$61,865 ³	\$575,813	2007/08 = \$578,937
David Farrar, VP Academic & Provost	\$298,333	\$0	\$0	\$29,143	\$11,486	\$338,962	New
Doug Owram, Deputy Vice Chancellor	\$267,969	\$0	\$0	\$26,483	\$36,625	\$331,077	2007/08 = \$322,034
John Hepburn, VP Research	\$254,815	\$0	\$0	\$25,115	\$32,021	\$311,951	2007/08 = \$306,424
Brian Sullivan, VP Students	\$247,253	\$0	\$0	\$24,298	\$32,026	\$303,577	2007/08 = \$282,123
Terry Sumner, VP, Admin & Finance	Retired						2007/08 = \$325,938

Notes:

[1] Includes supplemental pension

[2] Includes employer cost of health & welfare benefits, government benefits (i.e., CPP, WCB, EI), and pro-rated value of academic leave

[3] Includes taxable benefit related to housing

[4] Data represents "actual" amounts for the 2008/09 fiscal year; as such, senior administrators who were appointed part way through the period may not appear in this year's report, but will appear in future reporting periods.