



Fraser Health Authority

Compensation Discussion & Analysis

June 22, 2009

Part I – Framework for Total Compensation

Compensation Plan

Fraser Health uses the health sector's *Compensation Reference Plan* as the framework for its compensation program that covers individuals in the Management & Management Support (Excluded) employee group (Excluded Compensation). The *Compensation Reference Plan* has three components:

- **Job Evaluation.** A common Job Evaluation Plan is in place for health employers to assess the level of responsibility, skills and qualifications required of a job. The evaluation determines the appropriate salary range that is set for a job.
- Fraser Health assesses the jobs and the Health Employers Association of BC (HEABC) reviews to ensure consistency of application.
- **Salary Ranges.** Health employers use common salary ranges. Each salary range has a minimum and maximum amount. Individual salaries are set between these two amounts. The salary ranges are used to set compensation for all excluded roles up to, but excluding, the Chief Executive Officer.
- HEABC conducts a compensation survey on behalf of health employers. The survey collects compensation information from employers in the health, public and private sectors. The survey data is used to support recommendations to the Public Sector Employer's Council (PSEC) for approved salary ranges. PSEC approves salary ranges based on a guidelines set by the Government and the recommendations from HEABC.
- The *Compensation Reference Plan* provides for salary ranges to be based on the market average, referred to the 50th Percentile. This is deemed to be a fair and defensible level of compensation. Over the past number of years, however, the salary ranges have been established based on factors that include market surveys, public sector bargaining and overall financial mandates set by Government. As such, for a range of positions, the salary ranges now reflect compensation levels that are below the market average or 50th Percentile. Despite this shortfall, Fraser Health establishes salaries within the approved salary ranges.
- Fraser Health establishes individual compensation rates within the limits of the approved salary ranges. Annual salary reviews take place in conjunction with a formal performance management program, and individuals are eligible for salary increases based on performance, general guidelines on maximum increases to guide health care employers, and available room on the specific salary range.
- The salary ranges do not include that for the Chief Executive Officer. The total compensation allowable for the Chief Executive Officer is established by the Ministry of Finance as part of a Province-wide Public Sector CEO Compensation initiative. Any amendments to existing CEO compensation plans must be approved by the Minister Health, prior to seeking approval from the Minister of Finance.
- **Compensation Guidelines.** Common guidelines help to establish consistency in compensation practices across health employers.

- Fraser Health uses the guidelines to guide its administrative practices as well as the framework for employment contracts.
- The terms and conditions of employment for Fraser Health Executives are outlined in individual employment contracts. All employment contracts are filed with the Public Sector Employers' Council Secretariat, the Health Employers Association of BC and made available for disclosure at the Corporate Office.

Fraser Health assesses all excluded group jobs, the assessments are reviewed by the Health Employer's Association of BC (HEABC) to support consistency of application.

Benefits

Fraser Health provides a standard package of employee health and welfare benefits to its excluded employees. Benefits include Medical Service Plan Premiums, Long Term Disability, Short Term Illness, Sick Leave, Life Insurance, Accidental Death & Dismemberment (AD&D), Extended Health, Dental Plan and enrollment in the Municipal Pension Plan. Premiums are employer paid. Individuals have the option to purchase additional insurance benefits on an employee paid premium basis.

Senior Executives benefit plans provide different coverage from the plans for the Management & Management Support (Excluded) employee group. Insurance and AD& D (five times annual salary rather than three times annual salary) and dental (major services and orthodontic services reimbursed at 100% rather than 75%).

Perquisites

A Car Allowance of \$500 per month is provided to the Chief Executive Officer.

Part II – Discussion on Total Compensation Reported

Total Compensation – Chief Executive Officer

The total compensation reported for Dr. Nigel Murray reflects compensation, employer paid benefit premiums, a car allowance, a lump sum incentive payment and a one time payment for relocation. Fraser Health recruited Dr. Nigel in 2007/08 from New Zealand. The incentive payment is part of a performance plan where objectives and results are assessment by the Board. The Chief Executive Officer is eligible for an incentive plan payment of up to \$30,000 based on performance.

Total Compensation – Other Executives

Dr. A. Taylor – All Other Compensation includes the payout of vacation. Dr. Taylor commenced salary continuance in October 2008.



SUMMARY COMPENSATION TABLE

a	b	c	d	e	f	g	h
Name & Principle Position	Base Salary	Bonus	Incentive Plan Compensation Paid	Pension	All Other Compensation	Total Compensation for 08/09	Previous Reports
Murray, Dr. Nigel; President & Chief Executive Officer	\$ 348,660		\$ 30,000	\$ 27,761	\$ 59,755	\$ 466,176	2007/08 \$205,371
Woods, Brian; Vice President Corporate Integration & Chief Financial Officer	\$ 267,243			\$ 21,227	\$ 24,288	\$ 312,758	
Petryshen, Patricia; Vice President Quality & Health Services Performance	\$ 271,629			\$ 21,822	\$ 19,876	\$ 313,327	2007/08 \$293,992
Taylor, Dr. A.; VP Quality & Patient Safety	\$ 253,403			\$ 20,177	\$ 59,789	\$ 333,369	2007/08 \$296,520
Pelletier, Marc; Vice President Clinical Support & Strategic Planning	\$ 236,014			\$ 18,792	\$ 24,082	\$ 278,888	

Notes:

Employer paid premiums for benefit plans and employer paid premiums to pension plan are reported under All Other Compensation

Dr. Nigel Murray 2007/08 compensation reflects appointment effective October 2007. Compensation for 2008/09 reflects full year. Other compensation includes \$25,000 relocation allowance. Incentive compensation based on performance plan and accomplishments, reviewed by Board.

Dr. A. Taylor, salary continuance from October 2008. Other Compensation includes payout of vacation.

Marc Pelletier All Other Compensation includes vacation carryover payout.