



St. James Community Service Society

May 30, 2012

Kindree Draper
Corporate Relations Manager
Public Sector Employers' Council
Victoria, BC

Dear Ms. Draper:

RE: Public Sector Executive Compensation Reporting

Please accept this letter as St. James Community Service Society's Statement of Executive Compensation for the fiscal year 2011/2012. This report is provided in compliance with the Public Sector Employers Act and in the form and manner as established by the Public Sector Employers Council Secretariat.

As the Chair of the HR Committee of the Board at St. James, I attest that this accurately reflects the amount of compensation provided to the Executive Director.

If you have any questions, please contact Adam Charania, Manager of Human Resources at 604-606-0320.

Sincerely,

Dario Nonis
Chair, HR Committee

cc: Marleen Morris, Board Chair, SJCSS
Adam Charania, Manager, HR, SJCSS

Making a difference by valuing the dignity of individuals.

St. James Community Service Society (SJCSS)
Statement of Executive Compensation
2011 / 12

PART TWO

Compensation Discussion and Analysis

SJCSS is a member employer of the Health Employers Association of BC and is governed by the HEABC Compensation Reference Plan. This plan has been developed pursuant to the statutory requirements of the Public Sector Employers Act and is applied across the employer members of HEABC for non-union, management and executive roles within healthcare.

Compensation Principles

- ✓ Jobs not covered by collective agreements will be compensated in a fair and equitable manner.
- ✓ Levels of compensation will be valid and defensible to full disclosure, thus ensuring accountability to the public. Levels shall reflect those in an appropriate composite market.
- ✓ Compensation policies and practices include the total compensation for services through both traditional employer compensation policies and special employment contract relationships.
- ✓ To ensure equity, appropriate systems will measure and recognize the composite value of the skill, effort, responsibility and working conditions involved in performing the duties of jobs across the healthcare sector.

Compensation Policy Objectives

Consistent with the above principles, healthcare's non-contract compensation program has the following policy objectives:

- a. Healthcare's non-contract compensation plan would address the expectations of trustees, employees, and the Government.
- b. A defensible compensation system responds to broad equity issues. The compensation system recognizes the responsibility of the healthcare sector to establish compensation levels that acknowledge fairness and the public's ability to pay.
- c. Compensation levels are at a level so that healthcare employers can attract, motivate, and retain qualified individuals. Fundamental to this statement is the fact that healthcare compensation practices cannot lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs within the healthcare sector.
- d. Compensation levels must be competitive to control unnecessary levels of turnover.
- e. Compensation levels will be based on an analysis of internal and external compensation levels. The comparison would consider the type and range of organizations from which healthcare sector employers must recruit and retain highly qualified individuals.

- f. Internal equity requires that compensation be relative to the worth of jobs as measured by the composite value of skill, effort, responsibility and working conditions. External equity requires that compensation be relative to an acceptable composite market.
- g. Compensation should reinforce and reward performance. Employers shall establish measurable performance standards.
- h. Compensation policies should comply with the intent and requirements of legal obligations by being non-discriminatory in nature.
- i. Compensation policies and programs must be designed to be efficiently administered. The salary ranges will group jobs of similar value, and common impact and magnitude.

Compensation Surveys

The compensation reference plan shall be reflective of a representative market that shall be composed of an appropriate mix of employers from which healthcare must attract and retain qualified individuals.

HEABC is responsible for conducting an annual cash compensation survey to ensure appropriate internal and external equity are maintained.

Job market matches shall be appropriate to the type of position: local for administrative support positions; and provincial or national for managerial positions.

The comparison of compensation shall be to relevant external labour markets.

The external markets shall reflect the types of organizations from which healthcare employers must attract and retain individuals. This will include both the public and private sector. Compensation information will be collected on the basis of job content, not job title.

HEABC will conduct a total compensation survey on a minimum of a three-year, or as-needed cycle. Included in the survey will be: salaries, other cash and incentives; perquisites; holidays; vacations and other paid time off work; group benefits; retirement or savings benefits; and standard hours of work.

Compensation Reference Ranges

HEABC is responsible for providing healthcare employers with salary reference ranges. The reference salary ranges will be based on the 50th percentile of the blended healthcare and external market pay policy lines. The salary reference ranges will include provisions for an adequate range and spread of salary rates to reflect developmental, job standard, and above standard rates.

Employers are responsible for establishing salary ranges that conform to the reference salary ranges. Employers' salary ranges will be deemed to conform to the compensation reference ranges if the organization's overall comparison ratio is within 0.90 and 1.10 of the appropriate market reference rates.

The comparison ratio calculation is the total of the organization's actual salaries divided by the total of the appropriate market reference rates. Employers are responsible for administering salaries within the reference salary ranges.

Circumstances may require employers to establish job rates that exceed the recommended market reference rates. These circumstances typically are the result of supply and demand factors, or unusual or emergent conditions within the organization. Employers, in consultation with HEABC, may establish job rates that exceed the recommended reference rates. The organization's overall comparison ratio should not exceed the recommended target.

Circumstances may require employers to extend geographic cost of living considerations in determining the final salaries of executive and non-contract employees. Employers may include a geographic cost of living component provided the organization's overall comparison ratio does not exceed the recommended range.

Circumstances may require employers to address compression or inversion issues between non-contract staff and directly supervised bargaining unit employees. A premium differential of up to 15 percent may be established where there is a functional supervisory role, with responsibility and accountability for outcomes. This premium differential does not form part of the comparison ratio calculation.

Organization Information Plan

The Organization Information Plan provides a means of grouping organizations with similar characteristics for the purpose of comparing the pay practices of these groupings to a relevant external market. The grouping of organizations is determined by assessing certain characteristics that are inherent in all healthcare organizations.

HEABC is responsible for providing healthcare employers with a copy of the Organizational Information Questionnaire (OIQ), instructions on how it is used, and consulting assistance in order to complete and accurately collect the required information.

The healthcare employer is responsible for completing the questionnaire.

The healthcare employers' Board is responsible for approving the completed OIQ and returning the questionnaire to HEABC.

HEABC is responsible for reviewing all completed questionnaires for consistency in application and informing the healthcare employer of the final assessment.

The Organizational Information Questionnaire collects factual information on healthcare organizations.

Role Assessment Plan

The Role Assessment Plan provides a means of establishing an equitable hierarchy of jobs/roles within an organization, as well as a comparison of jobs/roles across the healthcare sector. The hierarchy of jobs/roles is determined by assessing the skill, effort, responsibility, and working conditions inherent in all jobs/roles in healthcare.

HEABC is responsible for providing healthcare employers with copies of the Role Assessment Plan, the associated Questionnaire, and consulting advice on the application of the system. HEABC is responsible for educating healthcare employers on the use of the plan and providing consulting advice and assistance as required.

Healthcare employers are responsible for ensuring that non-contract employees complete the questionnaire and having their respective managers approve the questionnaire to ensure the

information accurately reflects job content and requirements. The head of the healthcare employer, or designate, completes a final approval of the questionnaire.

HEABC is responsible for working with healthcare employers to ensure the consistent application of the plan through periodic reviews. HEABC is responsible to work with the healthcare employers to resolve any disputes on the application of the plan.

Application of the Compensation Reference Plan

For each of the NEOs reported in the Summary Compensation Table of this disclosure, SJCSS Health Centre has applied the Compensation Reference Plan, working with HEABC as necessary. The base salary and total compensation provided to each NEO is consistent with the principles and policy objectives stated above, as mandated by the Public Sector Employers Council in accordance with the Public Sector Employers Act.

SJCSS has established salary ranges and job rates consistent with the mandated 50th percentile of the blended market and HEABC reference salary ranges. Newly hired employees are placed on the appropriate salary range and at the appropriate range placement in accordance with their previous experience, competencies and current labour market conditions. Movement along the salary range is considered annually. Range movement is dependent on competency development and performance in the role. Performance and development are assessed between the employee and their manager annually prior to each employee's anniversary date.

Benefits

SJCSS' executive benefit package is the same benefit package as that provided by SJCSS to all its employees. Benefits include MSP premiums, Long Term Disability, Short Term Illness, Sick Leave, Life Insurance, Accidental Death and Dismemberment, Extended Health Plan (including vision care), Dental Plan, and matching contributions to a Group RRSP. Our benefit package is comparable with other health sector employers in British Columbia.

Annual Leave

Annual leave is based on years of employment with SJCSS (though continuous prior service in other Executive roles in the healthcare sector may also be recognized). Executives are eligible for four weeks annual vacation, with an additional week of vacation after 3 years, 10 years, and 20 years of employment with SJCSS. Our annual leave provisions are similar to other health sector employers in British Columbia, and are competitive. Annual leaves are included in the base salary component of the Summary Compensation Table.

**St. James Community Service Society (SJCSS)
Statement of Executive Compensation
2011/12**

PART THREE

SJCSS Pay Framework for Non-Contract/Excluded Staff

Please find attached the Pay Framework and our Policy and Procedures regarding compensation for non-contract/excluded staff.



PAY FRAMEWORK FOR NON-CONTRACT/EXCLUDED STAFF

Background Information

In 1994 HEABC developed a compensation program for executive, management and non-contract staff for employees in the health sector not covered by collective agreements. The **Compensation Reference Plan** is designed to promote the accountability of health care employers to the public, and enhance the credibility of management in the health sector, by providing a framework within which appropriate compensation practices are consistently managed.

All member organizations like St. James, are required to use the Compensation Reference Plan in establishing compensation levels, terms and conditions of employment for all executive, management and non-contract positions, and general standards of compensation in their organizations. The Compensation Reference Plan consists of the following parts:

1. Organizational Information Plan
2. Role Assessment Plan
3. Reference Salary Ranges
4. Compensation Reference Plan Guidelines

1. Organizational Information Plan:

The Organizational Information Plan is a point factor assessment tool that groups organizations with similar characteristics for the purpose of establishing consistent sector-wide pay practices. Each Employer Group has its own discrete Salary Ranges and pay practices. St. James is in Employer Group 3.

2. Role Assessment Plan:

The Role Assessment Plan is a point factor evaluation plan for individual jobs. It provides reliable and valid means of determining an equitable ranking of roles or positions within an individual organization by measuring the composite value of the skill, effort, responsibility, and working conditions in health care. Besides establishing a reliable and valid hierarchy of positions within an organization, the Role Assessment Plan provides a defensible comparison of positions across the health sector, as all positions are assessed using the same criteria. Each non-contract job at St. James is placed on a range of 1-18 within the Employer Group 3.

3. Reference Salary Ranges:

Reference Salary Ranges provide minimum, midpoint, and maximum reference salaries for each job. The ranges were developed through comprehensive market compensation surveys in private, public, and health sectors. HEABC conducts ongoing surveys to ensure the pay practices of the health sector remain consistent with those of relevant competing markets. The range midpoint is also called the 'Market' or 'Job Rate' and is the calculated market rate determined from the compensation

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surveys. The range minimum is calculated as 80% of the range mid-point. The range maximum is calculated as:

120% of the Range Midpoint for senior management positions (ranges 13-18)

115% of the Range Midpoint for management, professional, and technical positions (ranges 5-12)

105% of the Range Midpoint for administrative support positions (ranges 1-4).

80%	100%	105%	115%	120%
Range Minimum	Range Midpoint Or Market Range Or Job Rate	Range Maximum		

Organizations are free to establish salaries for individual positions at any point on the appropriate Reference Salary Range, provided that: (1) any individual salary does not exceed the maximum of the range; and (2) the Organizational Comparison Ratio (see below) does not exceed 1.1 (110%) This is intended to provide organizations with the flexibility to address supply and demand conditions in their relevant labour market.

Organization Comparison (Compa) Ratio

The Comparison (Compa) Ratio provides a means of ensuring that an organization's pay practices are consistent with the Reference Salary Ranges in the Compensation Reference Plan

Compa Ratio Calculation

$$\frac{\text{Total of Actual Salaries}}{\text{Total of Reference Range Midpoint Salaries}}$$

The Comparison Ratio (i.e. Compa Ratio) is the control mechanism by which organizations monitor their salaries in relation to the Compensation Reference Plan. The Compa Ratio is the relationship of the salaries that an organization actually pays, compared to the Midpoints of the Reference Salary Ranges. An organization's pay practice is considered to be in compliance with the Compensation Reference Plan if the organization's overall Compa Ratio is within the **target range of 0.90 and 1.10**.

4. Compensation Reference Plan Guidelines (Guidelines):

The Guidelines that include the standards developed by the Public Sector Employer's council (PSEC) to ensure consistent compensation practices across the broad public sector. The Guidelines

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must be incorporated into individual contracts of employment, letters of appointment, and an organization's general terms and conditions of employment.

Policy

Determining Individual Salaries Using the Reference Salary Ranges

In setting salaries for excluded / non-contract staff, St. James will use a balanced approach that is intended to take into consideration the following determining factors:

1. Competency in Role and Exceptional Performance
2. Length of Service in Role and Prior Experience in Equivalent Roles
3. Extenuating Market Factors

Procedure

Role Assessment

Every excluded / non-contract position within the agency will be submitted to HEABC for grading and placement on the range scale. It is the responsibility of supervisors (or the Board of Directors in the case of the Executive Director) to ensure that positions are regularly reviewed as conditions change. In addition, the Society, through the HR Department, will carry out periodic reviews as it sees fit.

Establishing the Job Rate

The Job Rate is the rate staff should be paid when they have the experience and knowledge to complete all aspects of their role fully competently. At St. James this will be set at the Range Midpoint for all excluded / non-contract positions, unless it can be demonstrated that extenuating market factors require a higher rate (e.g. the midpoint rate is shown to be less than the normal market rate for equivalent positions in Vancouver).

Starting Rate

The starting rate for staff in a new excluded / non-contract job will be at 80% of the job rate for that position's range, adjusted, as necessary, for:

1. **Prior Experience:** Experience in an equivalent position or a position that contains significant elements of the new role (either within St. James or another employer) may be recognized. Employees or prospective employees are required to provide documentary evidence of equivalence (defined as similar duties and level of responsibility, and not just similar salary levels).
2. **Market Factors:** Adjustments can be made for 'difficult to fill positions' if it can be demonstrated that a higher starting wage is necessary to secure the best, or a suitably qualified candidate.
3. **Compression Premium:** Wage compression occurs when the wage rates paid to subordinate union employees are close to the wage rates of non-contract supervisors and managers. Wage

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inversion occurs when the wage rates paid to subordinate unionized employees surpass those of non contract supervisors and managers. In these circumstances a functional supervisory role must exist, with responsibility and accountability for outcomes. To address these issues, a Compression Premium may be added to a starting rate, up to 15% greater than the base wage rate of the highest union position directly supervised.¹

Wage Increases

Annually, as part of the Society’s budget setting process, the Board of Directors (with the input of its Human Resources and Finance Committees) will approve a set amount of money to be allocated to wage increases for excluded / non-contract staff. This sum will cover both cost of living increases and range progression for staff. In setting this amount, the Board will consider:

1. The Society’s current Compa Ratio (calculated by using the methods described above) based on HEABC guidelines. HEABC Salary Ranges include cost of living Increases
2. The overall financial performance of the Society
3. Any additional market comparisons provided by staff

As a percentage of total excluded / non-contract staff wages, the amount allocated will not normally be below the annual cost of living Increase rate set by HEABC, nor will the amount allocated normally be above the annual cost of living Increase rate set by HEABC, plus 5%.

Based on annual performance reviews to be carried out in February and March each year, as well as information about length of service and other market considerations, increases will be awarded for each excluded / non-contract staff, effective April 1st. All increases will be authorized by the Executive Director, the Director of Human Resources, and other Directors.² It is the responsibility of the Director of Human Resource to ensure internal equity is maintained based on the broad determining factors outlined above, and that the overall Society Compa Ration stays within the required range. S/he will also ensure that wages rates are maintained within range maximums for all staff.

Implementation Factors

Notwithstanding the process outlined above, factors that will be considered when determining the implementation of this policy, both for individual positions and globally, will include: the impact on internal equity in the organization, and the ability of the Society to pay. It is the responsibility of the

¹ The Compression Premium is not included in the organization's overall Comparison Ratio Calculation (for the purpose of the Compa Ratio calculation, the Actual Salary would be recorded as the Job Rate of the applicable Salary Range).

² With the exception of the ED, whose increase will be approved by the Board, and other Directors, whose increases will be approved only by the ED.

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Executive Director and the Director Human Resources to communicate in a timely and open manner any factors that might impact the ability of the Society to implement this policy as intended.

In order to ensure internal equity and consistency, any variations to standard individual Job Rates and Starting Rates must be approved in writing by the appropriate supervising Director (or Board for the Executive Director) and by the Director of Human Resources.

Annual Timeline

- March / April - Individual Performance Goals & Objectives Set
- May to January - Regular Performance Coaching and Supervision
- February - Annual Performance Reviews
- March - Annual Society-Wide Wage Increase Amount Set
- April - Individual Increases Set and Implemented (retroactive to 1st)

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