northern health

Corporate Services
600-299 Victoria Street, Prince George, BC V2L 5B8
Telephone (250) 565-2922 Fax: (250) 564-7196

June 4, 2025

Mr. John Davison
President and CEO
Public Sector Employers' Council Secretariat
2nd Floor, 880 Douglas Street
Victoria, B.C. V8W 2B7

Dear John:

RE: Public Sector Employers Act – Section 14.8(3)
Compensation Disclosure for CEO and Senior Executives

Please accept this letter as Northern Health's Statement of Executive Compensation for the fiscal year 2024/2025. This report is provided in compliance with the Section 14.8(3) of the Public Sector Employers Act and in the form and manner as established by the Public Sector Employer's Council (PSEC) per the Public Sector Executive Compensation Disclosure Guidelines.

As the Board Chair for Northern Health, I confirm the following:

- The Board is aware of the executive compensation paid in fiscal year 2024/2025.
- The compensation information disclosed is accurate and includes all compensation paid by Northern Health, foundations, subsidiaries, or any other organization related to or associated with Northern Health. The disclosed information also includes the value of any pre-or-post-employment payments made during the 12-month period before or after the term of employment.
- Compensation provided is within the approved compensation plans and complies with the Public Sector Executive Compensation Disclosure Guidelines. Our submission includes the updated compensation philosophy for the BC Health Sector.

If you have any questions or require clarification, please contact David Williams, VP Human Resources at 250-645-8548

Sincerely,

Colleen V. Nyce
Board Chair
Northern Health Authority

Northern Health Authority
Compensation Discussion and Analysis

Background

Northern Health is the publicly funded healthcare provider for the northern half of British Columbia serving over 290,000 people in an area of 600,000 square kilometers. The health authority operates over two dozen hospitals, fourteen residential care facilities, many public health units, and offices providing specialized services. Northern Health employs over 8,000 people.

Northern Health is a member of the Health Employers Association of BC (HEABC) and is governed by the HEABC Compensation Reference Plan (CRP). This Plan has been refreshed to align with the broader public sector compensation policy and was approved by government in January 2016. It applies across the employer members of HEABC for non-union, management and executive roles within healthcare.

Application of the Compensation Reference Plan

HEABC's Role Assessment Plan is the tool used to evaluate all executive positions at Northern Health, with the exception of the President and Chief Executive Officer. The total compensation allowable for the President and 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 must be approved by the Minister of Health, prior to seeking approval from the Minister of Finance.

For each of the Executives reported in the Summary Compensation Table of this disclosure, Northern Health has applied the Role Assessment Plan, working with HEABC as necessary. The base salary and total compensation provided to each Executive is consistent with the principles and policy objectives stated above, as mandated by the Public Sector Employers' Council (PSEC) in accordance with the Public Sector Employers Act.

Each position is assigned to a salary range. Newly hired employees are placed on the salary range based on a number of factors including experience, skills, competencies, current placement of incumbents in comparable roles, and current labour market conditions.

Movement along the salary range is considered annually based on an approach and budget approved by the Board. Annual salary reviews take place in conjunction with a formal performance management program; employees are eligible for salary increases based on performance, annual increase guidelines, and available room on the specific salary range. Performance and development are assessed between the employee and their manager mid-year and at fiscal year-end. Northern Health's Board assesses the performance of the CEO.

Health and Welfare Benefits

Northern Health's benefit package includes Medical Services Plan, Long Term Disability (LTD), Sick Leave Accumulation, Group Life Insurance, Accidental Death & Dismemberment (AD&D), Dependent Life Insurance, Extended Health Care, and Dental Plan. Where applicable, benefit coverage is extended to employee dependents and are employer paid.

Northern Health's executive benefit plan provisions differ from those provided to its regular management and excluded support employees in the following ways: 1) Life Insurance and Accidental Death & Dismemberment Insurance is five times annual salary to a maximum of $1,000,000 rather than three times annual salary to a maximum of $700,000; 2) Long Term Disability Insurance provides for 77% of monthly earnings up to a maximum of $10,000 per month rather than 70% of monthly earnings up to a maximum of $14,000 per month; 3) Major reconstruction dental services are reimbursed at 100% rather than 75%; and 4) Orthodontic services are reimbursed at 100% with no monetary limit rather than 75% with a $3,000 lifetime maximum. Effective January 1, 2015, Northern Health's executive benefit package is identical to that offered by other BC health authorities and Providence Health Care.

Pension Plan

Enrolment in the pension plan is mandatory for regular full-time employees and optional for regular part-time employees. Eligible executives participate in the Municipal Pension Plan or the Public Service Pension Plan. The plan is funded through both employee payroll deductions and employer contributions.

Paid Leave

Executives are eligible for annual paid vacation up to a maximum of seven weeks. Annual vacation provides employees with a period of time away from the work environment. It is Northern Health's intention that all vacation is to be taken as a benefit and therefore employees are expected to utilize their full entitlement each year. Annual paid leave (statutory and paid holidays, annual vacation and paid sick time) are included in the base salary component of the Summary Compensation Table.

Retirement Allowances

Certain employees with ten years of service and having reached a certain age are entitled to receive special payments upon retirement or as specified by terms and conditions of employment or collective agreements. These payments are based upon accumulated sick leave credits and entitlements for each year of service. Credits are paid out at the time of leaving the workforce provided the person leaves on or after age 55 upon retirement, termination, death or disability. No payout is made in the event that the employee is dismissed with just cause.

Compensation Reference Plan

The Compensation Reference Plan promotes the accountability of health care employers to the public, and enhances the credibility of management in the health sector by providing a framework within which appropriate compensation practices are consistently managed.

All member organizations of the Health Employers Association of BC are required to use the Compensation Reference Plan in establishing compensation levels for the executive and non-contract positions in their organizations.

Health Employers Association of BC

January 26, 2016

Table of Contents

Compensation Philosophy 2
Core Principles 2
Policy Objectives 2
The Compensation Reference Plan Modules 3
Organization Information Plan 3
Role Assessment Plan 4
Reference Salary Ranges 5
Benchmarking the Reference Salary Ranges 6
Performance Based Pay 6
Disclosure & Reporting Requirements 8

Compensation Philosophy

To support the delivery of health services to the people of British Columbia the Compensation Reference Plan (Plan) establishes a fair, defensible and competitive total compensation package designed to attract and retain a qualified, diverse and engaged workforce that strives to achieve high levels of performance.

Core Principles

Performance: The Plan supports and promotes a performance-based (merit) culture with in-range salary progression to recognize performance.

Differentiation: Differentiation of salary is supported where there are differences in the scope of a position and the assignment of the position to the appropriate salary range. Differentiation of salary is also supported based on superior individual or team contributions.

Accountability: Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

Transparency: The Plan is designed, managed and communicated in a manner that ensures the program is clearly understood by government, trustees, employers, employees and the public while protecting individual personal information.

Policy Objectives

Consistent with the Core Principles, the Plan has the following policy objectives:

1. A defensible compensation system recognizes the responsibility of the health sector to establish compensation levels that acknowledge fairness and the public's ability to pay. Compensation levels in the health sector will reflect the market average and will not lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs in the health sector.

2. External equity requires competitive levels of compensation be established, that address issues of attraction and retention, by analyzing compensation practices in relevant labour markets including British Columbia health sector bargaining associations.

3. Internal equity requires the relative worth of jobs be established by measuring the composite value of skill, effort, responsibility and working conditions.

4. Compensation will reinforce and reward performance through measurable performance standards that support and promote a performance based culture.

5. Compensation policies will comply with the intent and requirements of legislation and be non-discriminatory in nature.

The Compensation Reference Plan Modules

The Plan promotes the accountability of employers in the health sector to the public, and enhances the credibility of management in the health sector by providing a framework within which appropriate compensation practices are consistently managed.

All member organizations of the HEABC are required to use the Compensation Reference Plan in establishing compensation levels for the executive and non-contract positions in their organizations. The Plan consists of three components that**,** working in concert**,** assign jobs to the appropriate salary range. The three components of the Plan are: the Organization Information Plan, the Role Assessment Plan and the Reference Salary Ranges.

ORGANIZATION INFORMATION PLAN

The Organization Information Plan provides a means of grouping organizations with similar characteristics for the purpose comparing pay practices of the employer groups to their relevant labour markets and establishing discrete salary ranges for each of the employer groups. There are five employer groups.

The grouping of organizations is determined by assessing certain characteristics that are inherent in all member organizations of HEABC. The factors employed in assessing the organizational characteristics are:

- Diversity of Program Delivery
- Research Activities
- Education Activities
- Work Force Characteristics
- Sources & Stability of Funding

Responsibilities and Accountabilities

1. HEABC will provide employers in the health sector with the Organizational Information Questionnaire (OIQ), instructions on how it's used, and consulting assistance in order to complete and accurately collect the required information.

2. Employers in the health sector will complete the OIQ.

3. The Board Chair of employers in the health sector will approve the completed OIQ and return the questionnaire to HEABC.

4. HEABC will review all completed questionnaires for consistency in application and inform the employers in the health sector of the final assessment.

ROLE ASSESSMENT PLAN

The Role Assessment Plan (a point factor job evaluation plan) is the tool that allows employers to describe the jobs in their organizations. The Role Assessment Plan provides a means of establishing an equitable hierarchy of jobs within an organization, as well as a comparison of jobs across the health sector. The hierarchy of jobs is determined by assessing the skill, effort, responsibility and working conditions inherent in all jobs in HEABC member organizations. The factors employed in assessing the skill, effort, responsibility and working conditions are described in the table that follows.

Role Assessment Plan Factors

Skill	• Knowledge Gained Through Education and Training • Knowledge Gained Through Previous Experience • Internal Communications and Contacts • External Communication and Contacts
Effort	• Effort as a Result of Concentration • Effort as a Result of Physical Exertion
Responsibility	• Complexity of Decision Making • Impact of Decision Making • Nature of Responsibility of Financial Resources • Magnitude of Financial Resources • Nature of Leadership • Magnitude of Leadership
Working Conditions	• Conditions Under which the Work is Performed

Responsibilities and Accountabilities

1. HEABC will provide employers in the health sector with consulting advice on the application of the Role Assessment Plan.

2. Employers in the health sector will ensure that all executive and non-contract jobs are assessed using the Role Assessment Plan.

3. HEABC will work with employers in the health sector to ensure the consistent application of the plan through periodic reviews.

4. HEABC will work with employers in the health sector to resolve any disputes on the application of the Plan.

REFERENCE SALARY RANGES

A defensible compensation system responds to broad equity issues. The Plan recognizes the responsibility of the health sector to establish compensation levels that acknowledge fairness and the public's ability to pay, re-enforcing the notion of accountability. Fundamental to this statement is the fact that compensation practices in the health sector cannot lead the market, while providing appropriate levels of compensation that support recruitment and retention needs. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs within the health care sector, further re-enforcing the notion of accountability.

Responsibilities and Accountabilities

1. HEABC will provide employers in the health sector with reference salary ranges.

    1.1. The reference salary ranges will be based on the 50th percentile of the blended market survey.

    1.2. The reference salary ranges will include provisions for an adequate range and spread of salary rates to differentiate developmental, job standard, and above standard rates.

2. Employers will administer salaries within the reference salary ranges.

    2.1. Circumstances may require employers to address compression or inversion issues between non-contract staff and directly supervised bargaining unit employees.

    A differential of up to 15% may be established where there is a functional supervisory role, with responsibility and accountability for outcomes. This differential does not form part of the comparison ratio calculation.

    2.2. Employers compensation practices will be deemed to conform to the reference salary ranges if the organization's overall comparison ratio is within 0.90 and 1.10 of the appropriate salary control points.

    2.3. The comparison ratio calculation is the total of the organization's actual salaries divided by the total of the appropriate salary control points.

Benchmarking the Reference Salary Ranges

1 The Plan will be reflective of a representative market that shall be composed of an appropriate mix of employers from which the health sector must attract and retain qualified individuals.

2 The composite market is based on consideration of:

2.1 Size of organization, as this drives the span of control and scope of accountability.

2.2 The industry, as organizations operating in the broad public sector likely have jobs that require similar skills and capabilities.

2.3 Geography, considers the locations where qualified talent could be sourced from when recruiting and where current employees could potentially leave to join other organizations.

2.4 Ownership type, for example public sector, health sector where jobs that require similar skills and capabilities form part of the recruitment/retention matrix.

3 This mix is to include:

3.1 B.C. Public Sector Organizations – Crown corporations, health sector, K-12 education, community social services, regional government, municipalities and the public service.

3.2 Other provincial jurisdictions (including the health sector) where relevant, excluding territories.

3.3 Private Sector – to be utilized only in cases of talent in high demand with significant recruitment pressure from the private sector.

4 HEABC will conduct total cash and total compensation surveys to ensure appropriate internal and external equity are maintained.

Performance Based Pay

1 Employers in the health sector recognize that strengthening the linkage between individual performance and organizational objectives is a fundamental role for an organization's compensation strategy.

2 Performance based pay programs would include documented objectives with clearly defined and measurable performance outcomes.

3 The Compensation Reference Plan's salary ranges are applicable to a system of performance based pay. The salary ranges are structured to recognize competence, performance and exceptional market conditions. *Employers cannot establish salaries above the range maximum.*

Salary Structure Ranges 13 through 18

Range Minimum		Midpoint		Range Maximum	
80%	90%	90%	110%	110%	120%
Developmental Zone		Standard Zone		Advanced/Market Zone	

Salary Range Structure Ranges 5 through 12

Range Minimum		Midpoint		Range Maximum	
80%	90%	90%	110%	110%	115%
Developmental Zone		Standard Zone		Advanced/Market Zone	

Salary Range Structure Ranges 1 through 4

Range Minimum		Midpoint		Range Maximum	
80%	90%	90%	105%	n/a	n/a
Developmental Zone		Standard Zone			

Developmental Zone: Target pay for individuals who are new or developing in the job and are not yet performing the full breadth of duties and responsibilities expected of the job at this level. Accelerated progression through this portion of the salary range is common.

Market Zone: Target pay for employees who are fully seasoned in the job with the combination of experience and competencies needed to perform all duties and responsibilities expected of the job.

Innovative Practice Zone: Target pay for employees who consistently exceed all expectations through a unique and exceptional application of knowledge, skills and/or effort over a consistent and sustained period that justifies the use of this this Zone; or to address exceptional recruitment and retention market pressures.

4 Each job will have an assigned salary range. Employers in the health sector will place their employees on the applicable range for that job. Progression throughout the range is based on job proficiency or performance. Employers cannot establish salaries above the range maximum.

5 A Merit Matrix will be used to determine the amount of the approved salary increases to targeted groups of employees. The matrix addresses both the performance (performance based culture) and position in the range (internal equity) to differentiate salaries. The table that follows illustrates the grid. The position in range bands would be adjusted to reflect the actual width of the

salary range. The grid becomes an effective tool when the salary ranges match the levels recommended by market surveys and there is consistent performance management practices and the level of increase for the base calculation provides a meaningful change in salary.

Illustrative Merit Matrix Illustration: ex.1% increase)			Position on Range		
			80% to 90%	90% to 110%	110% to 120%
Performance Rating	5	Highest	2.0%	1.7%	1.3%
	4	Next Highest	1.7%	1.3%	1.0%
	3	Middle	1.3%	1.0%	.7%
	2	Low	.7%	.7%	0.0%
	1	Lowest	0.0%	0.0%	0.0%
	% increase cannot exceed the salary range maximum				

Disclosure & Reporting Requirements

1 HEABC will coordinate the reporting of total compensation for executive and non-contract employees within the sector.

2 Employers in the health sector will provide HEABC with total compensation information and related compensation policy information to meet the reporting requirements of employers and employers' associations within the sectoral compensation guidelines. Full disclosure of public sector compensation is public policy in British Columbia. This policy serves two main purposes:

2.1. Promotes the accountability of public sector employers to the public.

2.2. Enhances the credibility of public sector management by providing a framework within which appropriate compensation practices can be explained to the public.

Northern Health Authority

Summary Compensation Table at 2025

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2024/2025 Total Compensation	Previous Two Years Totals Total Compensation	
							2023/2024	2022/2023
Ciro Panessa, President and CEO	$ 402,583	-	$ 18,515	$ 37,481	-	$ 458,579	$ 351,291	
Dr Ronald Chapman, VP Medicine	$ 340,451	-	$ 17,555	$ 30,477	-	$ 388,483	$ 378,387	$ 354,395
Mark De Croos, VP Financial & Corporate Services/CFO	$ 298,224	-	$ 17,735	$ 27,765	-	$ 343,724	$ 327,621	$ 274,270
Angela De Smit, VP, Professional Practice, Chief Nursing & Allied Health Executive (PP CNAHE)	$ 268,693	-	$ 16,967	$ 20,015	-	$ 305,675	$ 298,498	
Dr Jong Woan Kim, Chief Medical Health Officer	$ 344,702	-	$ 15,268	$ 33,581	$ 16,352	$ 409,903	$ 375,108	$ 340,463

Summary Other Compensation Table at 2025

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
Ciro Panessa, President and CEO	-	-	-	-	-	-	-
Dr Ronald Chapman, VP Medicine	-	-	-	-	-	-	-
Mark De Croos, VP Financial & Corporate Services/CFO	-	-	-	-	-	-	-
Angela De Smit, VP, Professional Practice, Chief Nursing & Allied Health Executive (PP CNAHE)	-	-	-	-	-	-	-
Dr Jong Woan Kim, Chief Medical Health Officer	$ 16,352	-	-	-	-	-	$ 16,352

Notes

Ciro Panessa, President and CEO	**General Note:** Ciro Panessa received 5% performance based salary increase effective April 1, 2024. Subsequently, he has received an 8% probationary increase effective June 5, 2024, as per offer letter.
Dr Ronald Chapman, VP Medicine	**General Note:** Dr. Chapman has received a 3% performance based salary increase effective April 1, 2024
Mark De Croos, VP Financial & Corporate Services/CFO	**General Note:** Mark De Croos has received a 3% performance based salary increase effective April 1, 2024. Mark's job has also been reclassified from R17 to R18 effective January 3, 2025 and his compensation has been increased by 10% in accordance with the Accountable Compensation guidelines.
Angela De Smit, VP, Professional Practice, Chief Nursing & Allied Health Executive (PP CNAHE)	**General Note:** Angela De Smit has received a 3% performance based salary increase effective April 1, 2024. Additional responsibility pay of 10% for Acting VP, Clinical Ops has stopped effective August 17, 2024. Angela's salary has changed from $284,232 to $258,394.
Dr Jong Woan Kim, Chief Medical Health Officer	**General Note:** Dr. Kim is paid under the PMA salary schedule and has received a 3.25% adjustment, effective April 1, 2023 (received April 2024), and a 4.5% adjustment effective April 1, 2024, in accordance with PMA wage schedule. **Other Note:** Retro for earnings prior to April 1, 2024 PMA rates retro implementation