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The United Church Health Services Society

June 4, 2012

Kindree Draper
Corporate Relations Manager
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
P.O. Box 9400, Stn Prov Govt
Victoria, B.C.
V8W 9V1

Sent via email to: Kindree.Draper@gov.bc.ca

Dear Kindree Draper :

**RE: Public Sector Employers Act – Section 14.8(3)
Public Sector Executive Compensation Reporting Form**

Please accept this letter as The United Church Health Services Society Statement of Executive Compensation for the fiscal year 2011/12. 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 Employers' Council (PSEC) per the Public Sector Executive Compensation Reporting Guidelines.

The report that follows is in two parts. Part One is the Summary Compensation Table for The United Church Health Services Society. Part Two is a narrative discussion of our compensation principles, policies and practices.

If you have any questions or require clarification, please contact me at 250 957-7650.

Sincerely,

Mary Jean Morrison
CEO

cc. Lynn. M. Nelson Chair, United Church Health Services Society
Pamaljit Gill HEABC, via email to: PamG@heabc.bc.ca.

Part 1

Summary Compensation Table								
<i>Name and Principle Position (a)</i>	<i>Salary \$ (b)</i>	<i>Bonus and Incentive Plan Comp Paid (\$) (c)</i>	<i>Benefits \$ (d)</i>	<i>Pension (e)</i>	<i>All Other Comp (f)</i>	<i>Total (\$) (g)</i>	<i>Previous 2 Years Total Comp (h)</i>	
Mary Jean Morrison CEO	\$125,000	\$0	\$15,000 in lieu of benefits	\$ 0		\$140,000	09/10 (partial year)	\$130,000
							2010/11	\$140,000
MJ Morrison appointed July1, 2009 as interim CEO and appointed CEO January 2010								
(a) CEO M.J. Morrison the only position in United Church Health Services (UCHSS) with a base salary of \$125, 000. Promoted from Director Professional Services to CEO July 1, 2009 (b) CEO base annual salary. - \$125,000 based on HEABC assessment grid. Board sets compensation. (c) The United Church Health Services does not have any bonus or incentive plan compensation (d) The UCHSS pays a percentage in lieu of benefits for CEO – percentage 12% (e) The UCHSS does not pay pension for CEO contracted position (f) No other compensation other than reported (g) Total Compensation - total of columns (b) through (f). \$140,000 (h) Report column (h totals from previous two fiscal years. Total = \$ 270,000.								

Part 2

The United Church Health Services Compensation Discussion and Analysis

The United Church Health Services Society 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 health care.

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 health care sector.

Compensation Policy Objectives

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

- a. Health care's non-contract compensation plan would address the expectations of trustees, employers, employees and the government.
- b. A defensible compensation system responds to broad equity issues. The compensation system recognizes the responsibility of the health care sector to establish compensation levels that acknowledge fairness and the public's ability to pay.
- c. Compensation levels must be at a level so that health care employers can attract, motivate, and retain qualified individuals. Fundamental to this statement is the fact that health care compensation practices cannot lead the market. This ensures that taxpayers receive the maximum benefits from qualified individuals occupying jobs within the health care 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 health care 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 health care 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 health care 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 health care employers with salary reference ranges. The reference salary ranges will be based on the 50th percentile of the blended health care 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.

The United Church Health Services Society is 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 United Church Health Services Society has reviewed all excluded positions and referenced the HEABC salary grid and positions are within the appropriate market rate April 29, 2012 at the regular Board meeting.

The comparison ratio calculation is the total of the organization's actual salaries divided by the total of the appropriate market reference rates. The United Church Health Services is 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. The United Church Health Services has stayed within the recommended reference rates.

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. The United Church Health Services does not provide a geographic cost of living consideration in the salary provided to executive and non-contract employees.

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 per cent 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. The United Church Health Services is not providing a premium differential.

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 health care organizations.

HEABC is responsible for providing health care 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 health care employer is responsible for completing the questionnaire. The United Church Health Services has submitted documentation as requested.

The health care 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 health care employer of the final assessment.

The Organizational Information Questionnaire collects factual information on health care 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 health care sector. The hierarchy of jobs/roles is determined by assessing the skill, effort, responsibility, and working conditions inherent in all jobs/roles in health care.

HEABC is responsible for providing health care 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 health care employers on the use of the plan and provide consulting advice and assistance as required.

Health care employers are responsible for ensuring that non-contract employees complete the questionnaire and have their respective managers approve the questionnaire to ensure the information accurately reflects job content and requirements. The CEO of the United Church Health Services or designate, completes a final approval of the questionnaire.

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

Application of the Compensation Reference Plan

For the NEO reported in the Summary Compensation Table of this disclosure, The United Church Health Services has applied the Compensation Reference Plan, working with HEABC as necessary. The base salary and total compensation provided to the 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.

The United Church Health Services 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 at each employee's anniversary date. 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

The United Church Health Services executive percentage of total benefits was negotiated as part of the employment contract with the CEO and is less than the standard benefit package as that provided by The United Church Health Services to all its employees. Regular employees receive MSP premiums, long-term disability, short-term illness, sick leave, life insurance (2x annual base salary), accidental death and dismemberment, extended health plan (including vision care), dental plan, and enrolment in the Municipal Pension Plan. Our employee benefit package is comparable with other health sector employers in British Columbia; the CEO is a contracted position.

Perquisites

The United Church Health Services does not have any perquisites for named executive

Annual Leave

Annual leave is based on years of employment with The United Church Health Services. Executives are eligible for four weeks annual vacation, with an additional week of vacation after each five years continuous employment with The United Church Health Services. Maximum vacation entitlement is six weeks. 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.