



How you want to be treated.

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June 6, 2014

Lee Doney
Interim President & CEO
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria, B.C.
V8W 2B7

Dear Mr. Doney:

RE: Public Sector Executive Compensation Reporting Form

Please accept this letter as Providence Health Care's Statement of Executive Compensation for the fiscal year 2013/14. 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.

Attached you will find the Executive Compensation summary table in the excel template provided by you. The board is aware of the executive compensation paid in the prior fiscal year and the information being disclosed is accurate and was within approved compensation plans. In addition we have included the narrative discussion of our compensation principles, policies and practices.

If you have any questions or require clarification, please contact Ms. Zulie Sachedina, Vice President Human Resources & General Counsel, at 604-806-8881.

Sincerely,

Geoff Plant
Chair, Board, Providence Health Care

cc: Dianne Doyle, President & CEO, Providence Health Care
Zulie Sachedina, Vice President, Human Resources & General Counsel
Michael Marchbank, President & CEO, HEABC

/encl



Public Sector Executive Compensation Reporting

Providence Health Care Statement of Executive Compensation 2013/14

Summary Compensation Table at FISCAL, 2014

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2013/14 Total	Previous Two Years Totals	
							2012 / 13 (s)	2011 / 12 (t)
Dianne Doyle, President and CEO	\$ 325,486	\$ -	\$ 12,029	\$ 28,821	\$ 10,868	\$ 377,205	\$ 371,459	\$ 369,909
Robert Sindelar, VP, Research & Academic Affairs	\$ 274,623	\$ -	\$ 12,441	\$ 23,355	\$ 3,659	\$ 314,078	\$ 41,610	\$ -
Zulie Sachedina, VP, Human Resources & General Counsel	\$ 228,234	\$ -	\$ 10,903	\$ 20,148	\$ 7,791	\$ 267,075	\$ 265,022	\$ 260,394
Ron Carere, VP, Medical Affairs	\$ 262,500	\$ -	\$ -	\$ -	\$ 1,105	\$ 263,605	\$ 281,277	\$ 276,733
Mary Procter, VP, Finance & Planning	\$ 224,567	\$ -	\$ 10,330	\$ 19,804	\$ 697	\$ 255,398	\$ 251,211	\$ 244,277

Summary Other Compensation Table at FISCAL, 2014

Name and Position (a)	All Other Compensation (n)	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Dianne Doyle, President and CEO	\$ 10,868	\$ -	\$ -	\$ -	\$ 9,659	\$ 1,209	\$ -
Robert Sindelar, VP, Research & Academic Affairs	\$ 3,659	\$ -	\$ -	\$ -	\$ 3,659	\$ -	\$ -
Zulie Sachedina, VP, Human Resources & General Counsel	\$ 7,791	\$ -	\$ -	\$ -	\$ 3,659	\$ 4,132	\$ -
Ron Carere, VP, Medical Affairs	\$ 1,105	\$ -	\$ -	\$ -	\$ 1,105	\$ -	\$ -
Mary Procter, VP, Finance & Planning	\$ 697	\$ -	\$ -	\$ -	\$ -	\$ 697	\$ -

Notes:

Dianne Doyle, President and CEO	<p>(c) Providence Health Care Society has no bonus or re-earnable incentive payment plan.</p> <p>(d) Includes employer contributions/payments/premiums provided to all eligible staff for EI, CPP, WCB, Extended H&D, MSP, Group Life, AD&D, and LTD.</p> <p>(e) Pension plan is the Municipal Pension Plan for most staff. No other retirement schemes in place. Only employer contribution is reported.</p> <p>(k) Consists of car allowance of \$6,000 and \$3,659 parking stall.</p> <p>(l) Consists of association membership fees.</p> <p>(p) Accrued maximum retirement allowance to be paid at final salary. Total accrued to date is twenty weeks.</p>
Robert Sindelar, VP, Research & Academic Affairs	<p>(c) Providence Health Care Society has no bonus or re-earnable incentive payment plan.</p> <p>(d) Includes employer contributions/payments/premiums provided to all eligible staff for EI, CPP, WCB, Extended H&D, MSP, Group Life, AD&D, and LTD.</p> <p>(e) Pension plan is the Municipal Pension Plan for most staff. No other retirement schemes in place. Only employer contribution is reported.</p> <p>(k) Consists of \$3,659 parking stall.</p> <p>(p) Accrued one week of retirement allowance per every two years of service to be paid at final salary. Total accrued to date is under one week.</p> <p>(s) Dr Sindelar in VP, Research & Academic Affairs role commenced March 1, 2013 in 2012/13.</p>
Zulie Sachedina, VP, Human Resources & General Counsel	<p>(c) Providence Health Care Society has no bonus or re-earnable incentive payment plan.</p> <p>(d) Includes employer contributions/payments/premiums provided to all eligible staff for EI, CPP, WCB, Extended H&D, MSP, Group Life, AD&D, and LTD.</p> <p>(e) Pension plan is the Municipal Pension Plan for most staff. No other retirement schemes in place. Only employer contribution is reported.</p> <p>(k) Consists of \$3,659 parking stall.</p> <p>(l) Consists of association membership fees.</p> <p>(p) Accrued one week of retirement allowance per every two years of service to be paid at final salary. Total accrued to date is six weeks.</p>
Ron Carere, VP, Medical Affairs	<p>(b) Dr Carere is also a practicing physician and receives related income from sources including MSP.</p> <p>(c) Providence Health Care Society has no bonus or re-earnable incentive payment plan.</p> <p>(d) Includes employer contributions/payments/premiums provided to all eligible staff for EI, CPP, WCB, Extended H&D, MSP, Group Life, AD&D, and LTD.</p> <p>(e) Pension plan is the Municipal Pension Plan for most staff. No other retirement schemes in place. Only employer contribution is reported.</p> <p>(k) Consists of \$1,105 parking stall.</p> <p>(p) Accrued one week of retirement allowance for every two years of service to be paid at final salary. Total accrued to date is two weeks.</p>
Mary Procter, VP, Finance & Planning	<p>(c) Providence Health Care Society has no bonus or re-earnable incentive payment plan.</p> <p>(d) Includes employer contributions/payments/premiums provided to all eligible staff for EI, CPP, WCB, Extended H&D, MSP, Group Life, AD&D, and LTD.</p> <p>(e) Pension plan is the Municipal Pension Plan for most staff. No other retirement schemes in place. Only employer contribution is reported.</p> <p>(l) Consists of association membership fees.</p> <p>(p) Accrued one week of retirement allowance per every two years of service to be paid at final salary. Total accrued to date is four weeks.</p>

Compensation Discussion and Analysis

Providence Health Care 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, employers, 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 organization 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 employer's 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, compiles 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 NEO's reported in the Summary Compensation Table of this disclosure, Providence Health Care 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.

Providence Health Care 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 annual prior to each employee's anniversary date.

Benefits

Providence Health Care's executive benefits package provides enhanced benefits to the package that is provided by Providence Health Care to all its non-contract 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 enrolment in the Municipal Pension Plan. Our benefit package is comparable with other health sector employers in British Columbia.

Perquisites

Providence Health Care's executive perquisites consist of a car allowance for the CEO.

Annual Leave

Annual leave is generally based on years of employment with Providence Health Care, allowing for portability of vacation entitlements and internal equity. Executives are eligible for four weeks annual vacation, with an addition day of vacation for each additional year's employment with Providence Health Care. 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.