



**Legal
Services
Society**

Providing legal aid
in British Columbia
since 1979

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Executive Office

May 16, 2018

Ms. Christina Zacharuk
President & CEO
Public Sector Employers' Council Secretariat
2nd Floor, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk:

Re: Public Sector Executive Compensation Disclosure
2017/2018 Statement of Executive Compensation for Legal Services Society

As requested and PSEC approved, the 2017/2018 compensation information for the Legal Services Society has been entered in the new Executive Compensation Disclosure module of the LIGER system as set out in the Public Sector Employers Act.

Included in our reporting is a detailed breakdown of all compensation provided to the CEO and the four highest ranking/paid Named Executive Officers "NEOs" of the Society. They include Mark Benton QC, CEO; Harold V.J. Clark, Vice President, Strategic Planning, Policy and Human Resources; Sherry MacLennan, Vice President, Public Legal Information & Applications; Heidi Mason, Vice President, Legal Advice & Representation; and Doug Wong, Vice President, Finance and Corporate Services.

The Legal Services Society PSEC approved Executive Compensation Governance Framework, has also been uploaded into the LIGER system.

As the Chair for LSS Board of Directors, I confirm that the Board is aware of the executive compensation paid in fiscal year 2017/2018 and verify that the compensation provided falls within approved compensation plans.

If you have any questions regarding this statement, please contact Harold V.J. Clark, CPHR, Vice President, Strategic Planning, Policy and Human Resources at 604-601-6025 for clarification on any of the information provided.

Yours truly,

Celeste Haldane

Chair, LSS Board of Directors

cc: Mark Benton, QC, CEO
Harold V.J. Clark, CPHR, Vice President, Strategic Planning, Policy & HR

LSS Compensation Governance Framework

This document discusses the Legal Services Society's ("LSS") Compensation program. It includes information on LSS's compensation governance, compensation philosophy and the processes used in determining compensation.

Compensation Governance

LSS's Board of Directors is responsible for reviewing and determining the types and amounts of compensation provided to the exempt, management and executive positions, with oversight provided by the Crown Corporation Employers' Association ("CCEA") and the Public Sector Employers' Council Secretariat ("PSEC"). The Board of Directors is also responsible for reviewing and approving the compensation plan for exempt staff and the executives who report to the CEO/Executive Director.

Compensation Philosophy

Compensation is an important tool used by LSS to attract, motivate and retain employees with the skills, experience and commitment necessary to achieve the organization's mandate, goals and objectives. LSS's compensation philosophy is to set its maximum total compensation levels equal to the 60th percentile of total compensation provided to comparable positions by relevant comparison organizations. Total compensation includes base salary, bonuses or other incentive plans, perquisites, retirement and other benefits, and all forms of paid time off.

The design and administration of LSS's compensation program is guided by the following four principles:

- ◆ **performance** – the compensation program supports and promotes a performance-based (merit) organizational culture;
- ◆ **differentiation** – differentiation of salary is supported where there are differences in the scope of the position within LSS and/or where there is superior individual team contributions;
- ◆ **accountability** – compensation decisions are objective and based upon a clear and well-documented business rationale that demonstrates an appropriate expenditure of public funds; and
- ◆ **transparency** – the compensation program is designed, managed and communicated in a manner which ensures the program is clearly understood by employees and the public while protecting individual personal information.

Benchmarking & Determining Compensation Levels

The process by which LSS benchmarks and determines its compensation levels is described below.

LSS Compensation Governance Framework (Cont'd)

Selection of Comparison Organizations

The comparison organizations for benchmarking purposes are selected by the CEO/Executive Director and the Director, Strategic Planning, Policy and Human Resources, with input from external compensation consultants. The comparison organizations are public sector or not-for-profit entities, have positions similar to those at LSS, compete with LSS for employees in the market and meet several of the following additional criteria:

- ◆ is a provincial legal aid organization;
- ◆ is a BC provincial crown corporation/agency;
- ◆ has a provincial mandate; and
- ◆ is typically similar in size to LSS.

Survey of Comparison Organizations

A survey is conducted of the comparison organizations by external compensation consultants, including the collection and comparison of the content of positions and the collection of detailed information on the following components of compensation:

- ◆ salaries;
- ◆ incentive/salary holdback plans;
- ◆ perquisites;
- ◆ group benefits;
- ◆ retirement/savings benefits; and
- ◆ paid time off.

The above components of compensation are financially valued to permit a comparison of the total compensation paid by LSS to that paid by the organizations used for benchmarking purposes.

Application of Market Comparison Information

LSS's compensation philosophy is to set its maximum total compensation levels equal to the 60th percentile of the total compensation provided by the comparison organizations. Accordingly, the external compensation consultants calculate for each benchmark position the salary which LSS would have to pay in order to provide total compensation equal to the 60th percentile total compensation of the comparison group. This salary is then used by LSS as the maximum of the salary range for the position. The salary range minimum is calculated as 75% of the maximum.

Components of Compensation

Appendix A contains a summary of the total compensation provided by LSS. The individual components of compensation are discussed below.

LSS Compensation Governance Framework (Cont'd)

Salary Ranges

External equity or market competitiveness is achieved by using the benchmarking results to develop salary ranges covering all exempt LSS positions. Internal equity is maintained by ensuring that the salary ranges are consistent with the relative internal value of each LSS position. Internal values are determined by an ongoing analysis of the responsibilities and accountabilities of positions using LSS's job evaluation program, which is administered by the Executive Management Committee. The Executive Management Committee positions are evaluated externally by independent compensation consultants using the same job evaluation program.

Appendix B contains LSS's exempt, management and executive salary ranges. Progression by an incumbent within his or her respective salary range is determined by the individual's increasing levels of competencies, coupled with a performance assessment regarding achievement of the deliverables set out in his or her performance development plan ("PDP").

Annual Salary Holdback Incentive Plan

A new policy on Crown Corporation Executive Compensation was issued on July 25, 2012, containing guidelines for annual incentive/bonus plans. This policy requires that crown corporations/agencies with annual incentive/bonus plans for executives move towards replacing such plans with salary holdback arrangements. In addition, the policy requires that the amount of any salary holdback awarded to executives not be considered as earnings for pension purposes.

LSS does not currently have an annual salary holdback incentive plan for CEO/Executive Director and Executive staff. At any given time LSS may come forward to develop and implement an annual salary holdback incentive plan consistent with other crowns and alignment with PSEC government policy.

Employee Benefits

All LSS employees participate in the same employee benefits programs. The benefits are comprised of standard public sector entitlements, including medical, dental, life and accident insurance, short-term and long-term disability coverage, extended health benefits and a dental plan.

The CEO/Executive Director also receives a vehicle allowance and paid parking, while the executives who report to the CEO/Executive Director receive paid parking.

Retirement Plans

The CEO/Executive Director is provided with a defined contribution retirement arrangement, whereby LSS contributes to his RRSP an amount equal to what LSS would contribute on his behalf if he were a member of the Municipal Pension Plan. The remaining LSS employees are members of the Municipal Pension Plan.

APPENDIX A

Components of Total Compensation

Base Pay

- ◆ Regular Pay
- ◆ Bonus/other incentive payments
- ◆ Acting Pay
- ◆ Excluded Benefit Plan (Salary Deferral)

Monetary Benefits

- | | |
|---|---|
| ◆ Life Insurance | ◆ Professional Development Allowance |
| ◆ Accidental Death & Dismemberment | ◆ Vacation |
| ◆ Sick Leave & Weekly Indemnity | ◆ Statutory Holidays |
| ◆ Long Term Disability | ◆ Special Leave |
| ◆ Medical Services Plan | ◆ Flex Days |
| ◆ Extended Health | ◆ Employment Insurance |
| ◆ Dental | ◆ Workers' Compensation |
| ◆ Employee & Family Assistance | ◆ Canada Pension Plan |
| ◆ Maternity, Parental & Pre-Adoption Leave Top-Up | ◆ Meals & Mileage – per government per diem rates |
| ◆ Municipal Pension Plan | |

Notes:

1. CEO/Executive Director is provided with a vehicle allowance in accordance with Provincial Government guidelines, along with paid parking. The executives who report to the CEO/Executive Director are provided with paid parking.
2. At any given time LSS may come forward to develop and implement an annual salary holdback incentive plan for CEO/Executive Director and Executive staff, consistent with other crowns and alignment with PSEC government policy.

APPENDIX B

Excluded Executive and Management Salary Grid

PSEC Approved

EXCLUDED EXECUTIVE

Pay Band	1.5% + 0.4 = 1.9% Year 2 01-Jan-18		1.0% + ESD Year 3 01-Jan-19	
	MIN	MAX	MIN	MAX
10	\$129,223	\$173,315	\$130,516	\$175,048
11	\$139,566	\$187,186	\$140,962	\$189,057
12	\$150,735	\$202,166	\$152,243	\$204,188
13	\$162,799	\$218,346	\$164,427	\$220,530

Position	Pay Band	Current Salary Range	
		MIN	MAX
EXECUTIVE			
Chief Executive Officer	13	\$162,799	\$218,346
VP, Finance & Corporate Services	10	\$129,223	\$173,315
VP, Indigenous Services	10	\$129,223	\$173,315
VP, Legal Advice & Representation	10	\$129,223	\$173,315
VP, Public Legal Information & Applications	10	\$129,223	\$173,315
VP, Strategic Planning, Policy & HR	10	\$129,223	\$173,315

EXCLUDED MANAGEMENT SALARIES

Pay Band	1.5% + 0.4 = 1.9% Year 2 01-Jan-18		1.5% + ESD Year 3 01-Jan-19	
	MIN	MAX	MIN	MAX
1	\$48,653	\$65,254	\$49,383	\$66,233
2	\$54,728	\$73,400	\$55,549	\$74,501
3	\$61,561	\$82,566	\$62,484	\$83,804
4	\$69,248	\$92,875	\$70,287	\$94,268
5	\$78,728	\$105,590	\$79,909	\$107,174
6	\$81,704	\$109,582	\$82,929	\$111,226
7	\$91,918	\$123,280	\$93,296	\$125,130
8	\$102,635	\$137,653	\$104,175	\$139,718
9	\$115,412	\$154,791	\$117,143	\$157,113

Position	Pay Band	Current Salary Range	
		MIN	MAX
MANAGEMENT			
Manager, Audit & Investigation	8	\$102,635	\$137,653
Manager, Community & Publishing Services	8	\$102,635	\$137,653
Manager, Criminal, Immigration & Appeals	8	\$102,635	\$137,653
Manager, Family Law Services	8	\$102,635	\$137,653
Manager, Finance & Administration	8	\$102,635	\$137,653
Manager, Indigenous Services	8	\$102,635	\$137,653
Manager, Information Technology	8	\$102,635	\$137,653
Manager, Intake & Referral Services	8	\$102,635	\$137,653
Manager, Lawyer Services	8	\$102,635	\$137,653
Manager, LSS Initiatives	8	\$102,635	\$137,653
Manager, Strategic Planning and Policy	8	\$102,635	\$137,653
Manager, Communications & General Counsel	7	\$91,918	\$123,280
Manager, HR & Organizational Development	7	\$91,918	\$123,280

Legal Services Society

Summary Compensation Table at 2018

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2017/2018 Total Compensation	Previous Two Years Totals Total Compensation	
							2016/2017	2015/2016
Mark Benton QC, Chief Executive Officer	\$ 196,887	-	\$ 15,993	\$ 20,163	\$ 31,654	\$ 264,697	\$ 255,531	\$ 260,963
Harold V J Clark, Vice-President, Strategic Planning, Policy & HR	\$ 156,296	-	\$ 15,358	\$ 16,089	\$ 31,949	\$ 219,692	\$ 201,330	\$ 215,897
Sherry MacLennan, Vice-President, Public Legal Info & Appl.	\$ 156,296	-	\$ 16,464	\$ 16,154	\$ 25,078	\$ 213,992	\$ 189,153	\$ 200,221
Heidi Mason, Vice-President, Legal Advice & Representation	\$ 156,296	-	\$ 16,626	\$ 16,037	\$ 12,575	\$ 201,534	\$ 195,926	\$ 206,454
Douglas Wong, Director, Finance & Corporate Services	\$ 147,304	-	\$ 16,743	\$ 14,396	\$ 174,448	\$ 352,891	\$ 178,848	\$ 191,690

Summary Other Compensation Table at 2018

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Mark Benton QC, Chief Executive Officer	\$ 31,654	-	\$ 18,535	-	\$ 6,960	\$ 5,859	\$ 300
Harold V J Clark, Vice-President, Strategic Planning, Policy & HR	\$ 31,949	-	\$ 24,991	-	-	\$ 5,859	\$ 1,099
Sherry MacLennan, Vice-President, Public Legal Info & Appl.	\$ 25,078	-	\$ 17,527	-	-	\$ 5,859	\$ 1,692
Heidi Mason, Vice-President, Legal Advice & Representation	\$ 12,575	-	\$ 6,129	-	-	\$ 5,859	\$ 587
Douglas Wong, Director, Finance & Corporate Services	\$ 174,448	\$ 148,771	\$ 19,997	-	-	\$ 5,380	\$ 300

Notes

Mark Benton QC, Chief Executive Officer	General Note: Salary increase July 1, 2017 & January 1, 2018. The change of salary increase date to January 1 was to align with other management staff to be on the same schedule for performance based salary increases on a go-forward basis. Perquisite/Other Allowance Note: Parking Other Note: Wellness - \$300
Harold V J Clark, Vice-President, Strategic Planning, Policy & HR	General Note: Salary increase July 1, 2017 & January 1, 2018. The change of salary increase date to January 1 was to align with other management staff to be on the same schedule for performance based salary increases on a go-forward basis. Perquisite/Other Allowance Note: Parking Other Note: Substitution Pay when acted as CEO - \$799 Wellness - \$300
Sherry MacLennan, Vice-President, Public Legal Info & Appl.	General Note: Salary increase July 1, 2017 & January 1, 2018. The change of salary increase date to January 1 was to align with other management staff to be on the same schedule for performance based salary increases on a go-forward basis. Perquisite/Other Allowance Note: Parking Other Note: Substitution Pay when acted as CEO - \$1403 Wellness - \$289
Heidi Mason, Vice-President, Legal Advice & Representation	General Note: Salary increase July 1, 2017 & January 1, 2018. The change of salary increase date to January 1 was to align with other management staff to be on the same schedule for performance based salary increases on a go-forward basis. Perquisite/Other Allowance Note: Parking Other Note: Substitution Pay when acted as CEO - \$287 Wellness - \$300
Douglas Wong, Director, Finance & Corporate Services	General Note: Salary increase July 1, 2017 & January 1, 2018. The change of salary increase date to January 1 was to align with other management staff to be on the same schedule for performance based salary increases on a go-forward basis. Severance \$128,942 and 7 weeks In lieu of notice \$19,829 = \$148,771 Perquisite/Other Allowance Note: Parking Other Note: Wellness - \$300