

May 15, 2020

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
2019/2020 Statement of Executive Compensation for Legal Aid BC

As requested and PSEC approved, the 2019/2020 compensation information for the Legal Aid BC 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 five highest ranking/paid Named Executive Officers "NEOs" of LABC. 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; Chris Earle, Vice President, Finance and Corporate Services; and Gail Murray, Vice President, Indigenous Services.

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

As the Chair for LABC Board of Directors, I confirm that the Board is aware of the executive compensation paid in fiscal year 2019/2020 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 604-315-7132 for clarification on any of the information provided.

Yours truly,



Jean Whittow, QC
Chair, LABC Board of Directors

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

LABC Compensation Governance Framework

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

Compensation Governance

LABC'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 LABC to attract, motivate and retain employees with the skills, experience and commitment necessary to achieve the organization's mandate, goals and objectives. LABC'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 LABC'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 LABC 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 LABC benchmarks and determines its compensation levels is described below.

LABC 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 LABC, compete with LABC 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 LABC.

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 LABC to that paid by the organizations used for benchmarking purposes.

Application of Market Comparison Information

LABC'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 LABC 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 LABC 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 LABC. The individual components of compensation are discussed below.

LABC 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 LABC positions. Internal equity is maintained by ensuring that the salary ranges are consistent with the relative internal value of each LABC position. Internal values are determined by an ongoing analysis of the responsibilities and accountabilities of positions using LABC'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 LABC'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.

LABC does not currently have an annual salary holdback incentive plan for CEO/Executive Director and Executive staff. At any given time LABC 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 LABC 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 LABC contributes to his RRSP an amount equal to what LABC would contribute on his behalf if he were a member of the Municipal Pension Plan. The remaining LABC 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 LABC 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 | 2.0% + .75 = 2.75% Year 01-Jan-20 | | 2.0% Year 01-Jan-21 | | 2.0% Year 01-Jan-22 | |
|----------|---|-----------|---------------------------|-----------|---------------------------|-----------|
| | MIN | MAX | MIN | MAX | MIN | MAX |
| 10 | \$134,636 | \$180,574 | \$137,329 | \$184,185 | \$140,076 | \$187,869 |
| 11 | \$145,134 | \$195,026 | \$148,037 | \$198,926 | \$150,998 | \$202,905 |
| 12 | \$157,049 | \$210,633 | \$160,190 | \$214,846 | \$163,394 | \$219,143 |
| 13 | \$169,618 | \$227,122 | \$173,010 | \$231,664 | \$176,470 | \$236,297 |

| Position | Pay Band |
|---|----------|
| EXECUTIVE | |
| Chief Executive Officer | 13 |
| VP, Finance & Corporate Services | 10 |
| VP, Indigenous Services | 10 |
| VP, Legal Advice & Representation | 10 |
| VP, Public Legal Information & Applications | 10 |
| VP, Strategic Planning, Policy & HR | 10 |

EXCLUDED MANAGEMENT

| Pay Band | 2.0% + .75 = 2.75% Year 01-Jan-20 | | 2.0% Year 01-Jan-21 | | 2.0% Year 01-Jan-22 | |
|----------|---|-----------|---------------------------|-----------|---------------------------|-----------|
| | MIN | MAX | MIN | MAX | MIN | MAX |
| 1 | \$ 50,940 | \$ 68,323 | \$ 51,959 | \$ 69,689 | \$ 52,998 | \$ 71,083 |
| 2 | \$ 57,302 | \$ 76,852 | \$ 58,448 | \$ 78,389 | \$ 59,617 | \$ 79,957 |
| 3 | \$ 64,456 | \$ 86,448 | \$ 65,745 | \$ 88,177 | \$ 67,060 | \$ 89,940 |
| 4 | \$ 72,505 | \$ 97,242 | \$ 73,955 | \$ 99,186 | \$ 75,434 | \$101,170 |
| 5 | \$ 82,430 | \$110,555 | \$ 84,079 | \$112,766 | \$ 85,760 | \$115,021 |
| 6 | \$ 85,546 | \$114,735 | \$ 87,256 | \$117,029 | \$ 89,002 | \$119,370 |
| 7 | \$ 96,240 | \$129,078 | \$ 98,165 | \$131,659 | \$100,128 | \$134,292 |
| 8 | \$107,461 | \$144,126 | \$109,610 | \$147,009 | \$111,803 | \$149,949 |
| 9 | \$120,839 | \$162,070 | \$123,256 | \$165,311 | \$125,721 | \$168,617 |

| Position | Pay Band |
|---|----------|
| MANAGEMENT | |
| Manager, Audit & Investigation | 8 |
| Manager, Communications & General Counsel | 8 |
| Manager, Community & Publishing Services | 8 |
| Manager, Criminal, Immigration & Appeals | 8 |
| Manager, Digital Delivery | 7 |
| Manager, Family Law Services | 8 |
| Manager, Finance & Administration | 8 |
| Manager, Strategic Planning & Policy | 8 |
| Manager, Indigenous Services | 8 |
| Manager, Information Technology | 8 |
| Manager, Intake & Referral Services | 8 |
| Manager, Lawyer Services | 8 |
| Manager, Learning & Development | 6 |
| Manager, LABC Initiatives | 8 |
| Manager, Strategic Planning & Policy | 8 |

Legal Aid BC

Summary Compensation Table at 2020

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2019/2020 Total Compensation | Previous Two Years Totals Total Compensation | |
|--|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2018/2019 | 2017/2018 |
| Mark Benton QC, Chief Executive Officer | \$ 205,443 | - | \$ 20,781 | \$ 19,964 | \$ 24,374 | \$ 270,562 | \$ 267,975 | \$ 264,697 |
| Harold V J Clark, Vice President, Strategic Planning, Policy & HR | \$ 178,162 | - | \$ 18,256 | \$ 17,593 | \$ 18,508 | \$ 232,519 | \$ 224,284 | \$ 219,692 |
| Chris Earle, Vice President, Finance & Corporate Services | \$ 166,391 | - | \$ 16,719 | - | \$ 4,912 | \$ 188,022 | \$ 180,587 | |
| Sherry MacLennan, Vice President, Public Legal Info & Appl. | \$ 178,162 | - | \$ 18,828 | \$ 17,581 | \$ 7,335 | \$ 221,906 | \$ 206,791 | \$ 213,992 |
| Heidi Mason, Vice President, Legal Advice & Representation | \$ 178,162 | - | \$ 19,563 | \$ 17,484 | \$ 10,629 | \$ 225,838 | \$ 217,338 | \$ 201,534 |
| Gail Murray, Vice President, Indigenous Services | \$ 161,545 | - | \$ 20,289 | \$ 7,833 | \$ 300 | \$ 189,967 | | |

Notes

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|---|--|
| Mark Benton QC, Chief Executive Officer | Perquisite/Other Allowance Note: Parking Other Note: Wellness |
| Harold V J Clark, Vice President, Strategic Planning, Policy & HR | Perquisite/Other Allowance Note: Parking Other Note: Wellness - \$300 Substitution pay when acted as CEO - \$390 |
| Chris Earle, Vice President, Finance & Corporate Services | Perquisite/Other Allowance Note: Parking Other Note: Wellness |
| Sherry MacLennan, Vice President, Public Legal Info & Appl. | Perquisite/Other Allowance Note: Parking Other Note: Substitution Pay when acted as CEO - \$1300 Wellness - \$209 |
| Heidi Mason, Vice President, Legal Advice & Representation | Perquisite/Other Allowance Note: Parking Other Note: Wellness |
| Gail Murray, Vice President, Indigenous Services | Other Note: Wellness |