



May 25, 2022

John Davison, President & CEO
PSEC Secretariat
Suite 210 – 880 Douglas Street
Victoria, B.C. V8W 2B7

Dear Mr. Davison,

Re: Public Sector Executive Compensation Disclosure - 2021/22 Statement of
Executive Compensation for the British Columbia Family Maintenance Agency

The 2021/22 compensation information for BC Family Maintenance Agency (BCFMA) has been entered in the Executive Compensation Disclosure module of the Labour Information Gathering and Executive Reporting (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 Chief Executive Officer (CEO) and the four highest paid decision makers of the Agency, as of the fiscal year ended March 31, 2022. They include Joanne Hanson, CEO; Angela Accettura, Director of Legal Services; Siong Chan, Chief Information Officer; Colin Millar, Vice-President, Operations; and Jelena Vukmirica, Vice-President, Human Resources.

The PSEC-approved BCFMA Executive Compensation Governance Framework has been uploaded into the LIGER system.

As Chair of the BCFMA Board of Directors, I confirm that the Board is aware of the executive compensation paid in fiscal year 2021/22 and verify that the compensation provided falls within approved compensation plans. If you have any questions regarding this statement, please contact Joanne Hanson, Chief Executive Officer, BCFMA.

Yours truly,

Richard J.M. Fyfe, QC
Chair, Board of Directors, BCFMA

cc: Kevin Jardine, Board Director, BCFMA
Joanne Hanson, Chief Executive Officer, BCFMA

British Columbia Family Maintenance Agency Executive Compensation Governance Framework May 2022

Background/Purpose

British Columbia Family Maintenance Agency (BCFMA) is responsible for the administration of the Family Maintenance Enforcement Program (FMEP) and for offering supports that strengthen families, so that they may achieve their full potential and secure the best possible future for their children. BCFMA is central to supporting government's foundational principle of putting people first. The Agency facilitates over \$225 million in support payments annually, which produces better economic circumstances for children and families throughout the province. The *Family Maintenance Enforcement Act (FMEA)* provides the authority for BCFMA to monitor, facilitate and enforce court ordered maintenance orders and agreements, ensuring that families receive the financial support that they are entitled to under provincial and federal law.

BCFMA continues to develop and improve the social and multicultural aspects of our business by addressing the B.C. government's foundational principles, including a commitment to equity, diversity and inclusion through Gender Based Analysis + and Accessibility Act programs, lasting and meaningful Indigenous reconciliation, and putting people first through outreach and collaboration with stakeholders and communities.

Families impacted by separation or divorce will benefit from an increased focus by BCFMA using resources and strategic direction to integrate services and to improve connections with external service providers. The organization has identified three main themes that capture our strategic challenges and opportunities:

- Accessibility – making the program more accessible available and approachable to those who need our help, clients and partners using technology and client-centric re-design of technology services;
- Modernization – ensuring we have the appropriate operations, technology, and financial and human resources systems, policies and procedures in place to efficiently and effectively address client needs; and
- Connections – developing marketing strategies and methods, creating outreach opportunities with Indigenous governments, and improving working relationships with justice sector service delivery organizations so that we can provide client-specific solutions.

Executive Compensation Philosophy

The BCFMA executive compensation philosophy has been created to comply with the core principles established by the Public Sector Employers' Council Secretariat (PSEC) in their compensation and expense framework guidelines.

The executive compensation philosophy is aligned with the strategic plan and corporate culture of the Crown agency and is instrumental in supporting the achievement of corporate goals and objectives. The philosophy is a fundamental tool that provides a basis for performance management, staffing initiatives, budget allocations, strategic human resource practices and related business operations.

The executive compensation philosophy is intended to maintain consistency and transparency in salary assignments both internally and sectorally. The executive compensation philosophy supports both the business objectives of the BCFMA and the appropriate expenditure of public funds. The philosophy is intended to position the Crown agency as pay competitive, but not as a pay leader.

Application of the Core Principles

The executive compensation philosophy embodies the following four core principles:

1. **Performance** – Compensation supports and promotes a performance-based (merit) organizational culture.

BCFMA executives must meet or exceed their deliverables while supporting corporate expectations for leadership, integrity, teamwork, and related competencies to be eligible for a compensatory increase. Performance is recognized through potential increases on the employee's respective salary range subject to pay guidelines. Performance increments are distinct from cost of living adjustments that may be periodically applied.

2. **Differentiation** – Differentiation of salary is supported where there are differences in the scope of the position within an organization, and/or due to superior individual team contributions.

The executive classification plan is the primary determinant of relative scope within the organization and the determinant of the appropriate pay level salary range. Differentiation is assessed through significant incremental job responsibilities. Superior individual team contributions are differentiated through salary range allocation.

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

Compensation decisions are based on approved pay guidelines that are subject to public disclosure. Executive leaders that make compensation decisions are expected to accept responsibility for the decisions.

4. **Transparency** – Executive compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by BCFMA executives and the public while protecting individual personal information.

A defensible and compliant rationale for placement at a salary level and allocation on the corresponding salary range is available to executives. Total compensation for executive and senior employees is subject to public disclosure. The framework for salary assignment and salary progression must be logical and comprehensible.

Compensation Philosophy Objectives

The following core principles provide a framework for BCFMA to meet its strategic and operational objectives:

- Attract, retain, and motivate employees with the requisite competencies.
- Recognize employees that exceed prescribed performance standards.
- Support internal equity and relativity.
- Compliance with PSEC guidelines.
- Flexibility to adapt to a competitive market for talent.

Comparator Organizations

The executive salary ranges for BCFMA are established through benchmarking with other organizations. The primary comparator organizations in value-weighted order are:

1. BC public service as defined by core government.
2. Public sector Crown organizations with a compliance role as a component of their mandate. The organizations may include, but are not limited to:
 - BC Financial Services Authority
 - Oil and Gas Commission
 - BC Assessment Authority

- Industry Training Authority
 - Community Living BC
3. Municipal and/or Regional government where there is evidence of direct competition for the same employee skill sets.

Where documented cases of significant recruitment and retention challenges are prevalent, comparator organizations may be extended to other provincial jurisdictions and/or the private sector within the geographical area, subject to PSEC approval.

Comparators with other organizations consider total compensation inclusive of such components as base salary; vacation and leave provisions; pension; and health and welfare benefits.

Executive Salary Ranges

All BCFMA position compensation ranges are developed through benchmarking with other organizations and as per consultation with PSEC. Overall, compared to similar jobs in comparator organizations, the long-term corporate objective is for BCFMA to rank in the 40th to 60th percentile for all organizational positions.

The BCFMA executive salary range (not including CEO) as established through the BCFMA Compensation and Classification Plan benchmarking exercise is from \$140,000 to \$180,000. For Vice-Presidents and equivalents, maximums for each salary range may be aged, equivalent to percentages negotiated with those of unionized employees under the 2019 Sustainable Services Negotiating Mandate, as of April 2021. The maximum salary is deemed to be a competitive market rate for the work performed. Cumulative increases of >10% per calendar year require PSEC Secretariat approval.

BC Family Maintenance Agency

Summary Compensation Table at 2022

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2021/2022 Total Compensation | Previous Two Years Totals Total Compensation | |
|---|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2020/2021 | 2019/2020 |
| Joanne Hanson, Chief Executive Officer | \$ 171,881 | - | \$ 9,338 | \$ 17,068 | \$ 24,905 | \$ 223,192 | \$ 14,384 | |
| Angela Accettura, Director of Legal Services | \$ 166,620 | - | \$ 12,425 | \$ 16,412 | \$ 1,562 | \$ 197,019 | \$ 194,921 | \$ 205,443 |
| Siong H Chan, Chief Information Officer | \$ 160,000 | - | \$ 14,993 | \$ 15,760 | \$ 417 | \$ 191,170 | \$ 106,637 | |
| Colin Millar, Vice-President, Operations | \$ 140,000 | - | \$ 14,858 | \$ 13,790 | - | \$ 168,648 | \$ 162,173 | |
| Jelena Vukmirica, Vice President, Human Resources | \$ 140,000 | - | \$ 13,209 | \$ 13,202 | - | \$ 166,411 | \$ 154,661 | \$ 133,185 |

Notes

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|---|---|
| Joanne Hanson, Chief Executive Officer | <p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. The salary reported this year represents a full year in the role. As a result of a probationary increase, annual salary paid through BCFMA increased from \$7,000 to \$12,389 effective September 1, 2021 (pro-rated for the 2021/22 fiscal at \$10,144). The remainder of the CEO's salary (annual base of \$173,204) is paid through the initial secondment agreement under the probationary salary. Total salary for this position is \$185,593.</p> <p>Other Note: Includes a parking allowance of \$606 (set at 10% of value as of April 1/2021, then 30% of value as of Dec. 31/2021, as a result of COVID), \$877 for group life Insurance over the basic amount, and a \$10,144 annual salary increase paid through BCFMA.</p> |
| Angela Accettura, Director of Legal Services | <p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Includes value of parking provided (included in building lease) - not a taxable benefit as car is required for work.</p> |
| Siong H Chan, Chief Information Officer | <p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. The salary reported this year represents a full year in the role.</p> <p>Other Note: Includes value of parking - taxable benefit.</p> |
| Colin Millar, Vice-President, Operations | <p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. The salary reported this year represents a full year in the role.</p> |
| Jelena Vukmirica, Vice President, Human Resources | <p>General Note: This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. The salary reported this year represents a full year in the role.</p> |