

May 27, 2020

Christina Zacharuk  
Chief Executive Officer & President  
Public Sector Employers' Council Secretariat  
2nd Floor, 880 Douglas Street  
Victoria, BC V8W 2B7

Dear Ms. Zacharuk,

On behalf of the Board of Directors of BC Financial Services Authority (BCFSA), I confirm the BCFSA's Compensation Philosophy and the amounts paid to BCFSA's highest paid employees in the fiscal year 2019/2020 are set out in Attachments 1 and 2, respectively, to this letter. This represents the period from November 1, 2019 (when BCFSA commenced business operations) to March 31, 2020.

The disclosed information is accurate and includes all compensation paid by the employer. This also includes the value of any pre- or post-employment payments made during the 12-month period before or after the term of employment. The compensation provided is in accordance with the compensation plan approved for BCFSA and complies with the Executive Compensation Disclosure guidelines issued by Public Sector Employers' Council Secretariat.

Yours truly,



Stanley Hamilton  
Chair

## ATTACHMENT 1 - COMPENSATION PHILOSOPHY

BCFSA provides a total compensation package that balances our need to attract and retain employees in a competitive marketplace with our responsibility to operate in an affordable and sustainable manner. Our total compensation package consists of direct (e.g., salary) and indirect (e.g., pension, health and dental benefits, and vacation) compensation components.

Our compensation philosophy reflects the following principles:

- Decisions will be objective
- Salary design will consider job attributes
- Salary increases will be performance based
- Employees and the public will understand the compensation program

We strive to offer a total compensation package that reflects median placement in our targeted employment sector marketplace. We conduct periodic surveys and propose adjustments where appropriate. All proposed adjustments to our total compensation program are presented to the Board of Directors for endorsement and then to the Minister of Finance, through the Public Sector Employers Council (PSEC), for approval.

To maintain our diverse regulatory and financial services industry expertise, we benchmark total compensation against similar organizations in the following sectors:

1. Core BC public service
2. Broader BC public service
3. Canadian provincial and federal regulators
4. Private sectors (used when public sector comparators are not available)

We maintain a comprehensive compensation and performance management policy for employees. We award performance-based salary increases. We meet with employees to review and formally document their performance, at least bi-annually.

Information and documents related to Compensation matters, included those set out below, can be found at [www.bcfsa.ca](http://www.bcfsa.ca):

- Board of Directors Compensation Policy;
- Annual Financial Information Act Report; and
- Annual Executive Compensation Disclosure.

**Attachment 2 - Compensation Summary - For the Period Starting at November 1, 2019<sup>1</sup> and Ending March 31, 2020**

Executive and Senior Management Compensation	Salary	Holdback/ bonus/ Incentive Plan Compensation	Benefits <sup>2</sup>	Pension <sup>3</sup>	Other Compensation <sup>4</sup>	2019/2020 Total Compensation	Previous Two Years Totals Total Compensation	
							2017/2018	2018/2019
<b>Blair Morrison</b> Chief Executive Officer & Chief Statutory Officer	\$119,709.61	\$0	\$6,418.93	\$11,791.39	\$0	\$137,919.93	\$0	\$0
<b>Michael Peters</b> Vice President & Deputy Superintendent Pensions	\$77,464.54	\$0	\$6,019.10	\$7,630.25	\$11,487.47	\$102,601.37	\$0	\$0
<b>Frank Chong</b> Vice President & Deputy Superintendent Financial Institutions – Regulation	\$81,095.19	\$0	\$6,110.54	\$7,987.87	\$6,523.36	\$101,716.97	\$0	\$0
<b>Christopher Carter</b> Vice President & Deputy Superintendent Market Conduct & Deputy Registrar Mortgage Broker	\$80,120.82	\$0	\$6,023.65	\$7,891.90	\$5,611.50	\$99,647.87	\$0	\$0
<b>Christopher Elgar</b> Vice President & Deputy Superintendent Financial Institutions – Supervision	\$84,713.60	\$0	\$6,080.82	\$8,344.28	\$0	\$99,138.71	\$0	\$0

<sup>1</sup> BCFSa commenced its business operations on November 1, 2019.

<sup>2</sup> Benefits includes long-term disability plan premiums, Canada Pension Plan premiums, extended health and dental plan expenses, Medical Services Plan premiums, Employment Insurance premiums, WorkSafeBC premiums, group life insurance premiums, and wellness/fitness reimbursements (max \$300/year).

<sup>3</sup> Public Service Pension Plan employer contributions effective November 1, 2019 is a 9.85% flat rate.

<sup>4</sup> Payment of earned and unused 2018 vacation.