

From: [Leslie, Lisa GCPE:EX](#)
To: [Spilker, Robyn FIN:EX](#); [Lawson, Liam FIN:EX](#); [Thomson, Krystal FIN:EX](#); [Smith, Jimmy GCPE:EX](#)
Cc: [Youngs, Kirsten R GCPE:EX](#); [Grieve, Chandler GCPE:EX](#); [Wanamaker, Lori FIN:EX](#); [Foster, Doug FIN:EX](#)
Subject: Van Sun - public sector salaries
Date: January 30, 2020 9:23:09 AM
Attachments: [IN Exec Wages Dec 2019 Draft.docx](#)
[IN BCI Wages Dec 2019 FINAL.docx](#)
[IN FIN GEO Pay Equity Jan. 15 2019.doc](#)

Good morning,

I am sure you have seen this from the Sun this morning – the sunshine list we have been waiting for.
<https://vancouversun.com/news/local-news/b-c-public-sector-salaries-database-10th-edition>

The story indicates that they will start a six part series on Saturday, Feb. 1., with some focus on:

- A major gender imbalance at most of the largest municipalities in Metro Vancouver. Four out of every five city hall workers who make more than \$75,000 a year are men.
- Only 16 of the 100 highest-paid university employees are women, and UBC has the lion's share of top-earning academics.
- Within the provincial government, only six of the top 25 highest-paid employees are women.
- The highest paid public sector worker is the CEO of the B.C. Investment Management Corporation, who makes \$3 million. There are 48 people who make more than a half-million dollars a year on the public purse.
- There are nearly 3,800 public sector employees who make more than Premier John Horgan, who pocketed \$172,000 in 2018, according to the data provided to The Sun.
- B.C. Hydro pays 100 people more than \$200,000 a year, in addition to the 40 people who make at least \$200,000 at its subsidiary Powerex.

Relevant INs attached and we'll refine as needed.

Lisa Leslie
Communications Director
Ministry of Finance
250-213-7724

ADVICE TO MINISTER

<p>CONFIDENTIAL GCPE-FIN ISSUE NOTE</p> <p>Ministry of Finance Date: December 11, 2019 Minister Responsible: Carole James</p>	<p>Compensation for BCI employees</p>
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RECOMMENDED RESPONSE:

- Our government is committed to making sure every dollar being spent by government is going towards helping people.
- First off, it's important to clarify that BCI does not receive a single dollar of public funding assistance from government. As a result, the provincial government has no role in determining compensation rates for BCI executive and employee salaries.
- Having said that, these are indeed high salaries and I can understand people wanting to know the rationale for that.
- The investment world is very competitive and complex, requiring a unique and highly specialized skill set. These expert investment management personnel are in demand and their services are highly sought after.
- BCI serves an important role by managing the pensions on behalf of more than half-a-million public servants, including police officers; firefighters; provincial and municipal government employees; teachers; post-secondary staff; and nurses and other health care personnel.
- Keeping BCI compensation competitive and comparable to industry standards helps ensure these public sector pensions are in good hands and will be there for British Columbians when they retire.
- Many of the executive salaries at BCI are comparable to, if not below, executive salaries for similar investment management services in Alberta, Ontario and Quebec.
- Once again, to avoid potential or perceived conflicts, BCI operates commercially and independent of government. Its operational model does not require any third-party or public dollar subsidies for providing its expert services.
- BCI's job is to help ensure that public sector pension and other funds it holds remain protected and are invested wisely.

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IF ASKED: WHY ARE THESE SALARIES NOT CAPPED? IS THERE NOT A MODEL FOR SALARIES AS IDENTIFIED UNDER THE PUBLIC SECTOR EMPLOYERS ACT?

- BCI is not governed by the Province – it is governed by representatives of the clients it serves, such as the various independent public sector pension plan boards.
- BCI is not covered by the Public Sector Employers Act and therefore does not come under the provincial compensation mandate.
- BCI is intentionally not included under the Act so as to maintain BCI's independence from government and avoid any conflicts of interest in both BCI and government decisions.
- BCI's independence helps ensure that it continues to have the resources and expertise required to deliver effective specialized investment management services at a time when finding good investment returns is difficult in today's environment.

IF ASKED: THIS COMPANY MANAGES YOUR PENSION – ALONG WITH THOUSANDS OF OTHER PUBLIC SECTOR PENSIONS THAT HAVE BEEN FUNDED BY TAXPAYER DOLLARS? WHY AREN'T THEY REGULATED?

- Again, BCI receives and invests funds on behalf of its clients, including public sector pension plans, government and other public sector organizations and third-party sources.
- BCI manages pension portfolios for hundreds of thousands of British Columbians, including teachers and employees in the provincial and local government, post-secondary, healthcare, social service police and firefighter sectors.

• s.13

- More than half a million of these hardworking British Columbians are counting on their pensions to be there for them when they retire. Keeping salaries competitive and comparable to industry standards helps ensure these pensions are protected and wisely invested for the people of B.C.

ADVICE TO MINISTER

BACKGROUND:

The Vancouver Sun has issued an FOI request under FIPPA to collect the names and salaries for all employees working at the British Columbia Investment Management Corporation (BCI) who made over \$75, 000 in compensation during the 2018 calendar year. The request is part of a future article that will outline salaries across the public sector.

The response to the request will show seven BCI employees have salaries exceeding \$1 million dollars and a total of 31 employees have salaries of more than \$500, 000 a year. A total of 363 names, including 355 BC employees and eight board directors will be given to the media outlet as part of the FOI request.

The response will also show the CEO of BCI makes \$2.95 million for the 2018 fiscal year.

The BCI data provided does not include its subsidiary QuadReal.

BCI works independently from government and does not receive any government funding assistance. This structure is set up to avoid any perceived conflicts of interest between government policy and the safeguarding and management of public sector funds held by BCI on behalf of its clients, which include the provincial government, its Crown agencies and the province's largest public sector pension plans.

BCI's compensation structure is determined by a seven-member Board of Directors. The board's philosophy relating to compensation is based on a pay-for-performance and meeting clients' service, advice and investment return expectations. Three of the seven board members are appointed by the Minister of Finance.

BCI intends to respond to the request no later than December 16, 2019.

BCI oversees the safekeeping and investment of pension funds covering more than 598,000 public sector personnel in the province. These plans include the Municipal Pension Plan, the Public Service Pension Plan, Teachers' and Colleges Pension Plans and the BC Hydro Pension Plan.

BCI's total costs were \$873.2 million or 58.4 cents for every \$100 of net assets under management for fiscal 2018. Salaries and benefits for BCI's entire staff complement accounted for \$119.5 million (8.0 cents of every \$100 of net assets under management). BCI is one of the largest asset managers in Canada, with \$153.4 billion of managed assets on behalf of its clients.

Below is a table that compares BCI's CEO salary to similar identities across Canada.

ADVICE TO MINISTER

2. How does BCI's CEO/CIO remuneration compare with the Canadian investment industry?

- Compensation, including incentives, as well as the maximum allowable payments, for investment professionals is comparable to the Canadian industry.



Organization	Total Compensation Paid to CEO/CIO Equivalent in 2018	Assets under Management (\$ billion)
CPP Investment Board	\$5,756,406 (F2019)	\$392.0 (Mar. 31/19)
OMERS	\$4,126,632 (2018)	\$97.0 (Dec. 31/18)
Ontario Teachers' Pension Plan	\$4,892,661 (2018)	\$191.1 (Dec. 31/18)
Caisse d'épargne du Québec	\$3,868,100 (2018)	\$309.5 (Dec. 31/18)
PSP Investment Board	\$3,173,500 (F2019)	\$168.0 (Mar. 31/19)
BCI	\$2,955,239 (2018)*	\$153.4 (Mar. 31/19)
AIMCo	\$3,443,351 (2018)	\$108.2 (Dec. 31/18)

*Remuneration amount for calendar 2018 released in FIPPA request



Communications Contact: Chandler 250-883-2237

Grieve

Program Area Contact:

File Created: Dec 11, 2019

File Updated:

Program Area	Comm. Director	Deputy	Minister's Office
T.R.	L.L.	T.R.	

ADVICE TO MINISTER

CONFIDENTIAL
GCPE-FIN ISSUE NOTE

Ministry of Finance

Date: December 11, 2019

Minister Responsible: Carole James

Compensation for public sector staff

RECOMMENDED RESPONSE:

- **Public service executives lead in the innovation and delivery of services that support our communities in every corner of the province as our government delivers historic investments in housing, child care, and infrastructure.**
- **Compensation levels for deputy ministers and associate deputy ministers align with the current compensation framework in public sector.**
- **These compensation decisions reflect the challenges of attracting and retaining skilled administrators.**
- **They also reflect the responsibilities that come with leading a public service that is making life more affordable, improving services and helping to build a strong, sustainable economy for the people of this province.**

BACKGROUND:

The Vancouver Sun has asked ministries across government to release the names and salaries for employees making more than \$75,000 a year. This is part of the ongoing database Postmedia publishes to track public sector salaries, often referred to as the “Sunshine list.”

The database was last updated in 2014/15.

Communications Contact: Chandler 250-883-2237

Grieve

Program Area Contact:

File Created: Dec 11, 2019

File Updated:

Program Area	Comm. Director	Deputy	Minister's Office
T.R.	K.Y.	T.R.	

ADVICE TO MINISTER

**CONFIDENTIAL
GCPE-FIN ISSUE NOTE**

Ministry of Finance

Date: Jan. 15, 2020

Parliamentary Secretary Responsible: Mitzi
Dean

Pay Equity

RECOMMENDED RESPONSE:

- All workers deserve fair pay — too many women in B.C. are still making less than men for doing work of equal value.
- The majority of part-time, minimum wage and lower-paid workers are women, and many also face barriers to employment due to a lack of access to affordable childcare.
- Removing systemic barriers to pay equity is important to our government — that's why we are focusing on tackling some of biggest challenges by:
 - Making historic investments in B.C.'s childcare plan so no parent is forced to choose between their career and family – this is the single most impactful way we can close the gap.
 - Investing in housing for women creating a life after violence.
 - Raising B.C.'s minimum wage; raising liquor server wages to meet the minimum wage for workers in that industry, the majority of whom are women; and making sure that tipping is fair.
 - Giving extra support to women in skilled trades through enhanced employment and skills training so women stand to benefit from good paying jobs.
- We are actively working to tackle these systemic issues and we know there's more to do.
- We won't back down on tackling these issues to make life better and more equitable for people in B.C.

If asked: will B.C. introduce pay equity legislation?

- It's great to see the federal government's leadership in this area, and legislation is one way to address pay equity — but it has to make sense for B.C.
- Federal legislation addresses businesses with more than 50 employees — in B.C., 98% of businesses are small businesses with under 50

employees.

- We know there is more work to do; in looking at legislation, we need to make sure it benefits not just a few.
- We considered our options and decided the best way to help the most women in B.C. was to remove barriers, including working towards universal childcare.
- Currently, pay equity issues in this province are addressed through B.C.'s Human Rights Code.

If asked about recent amendments to the Employment Standards Act respecting domestic or sexual violence leave:

- Ensuring job security for people who experience domestic or sexual violence is a priority with this new leave — along with balancing the needs of employers.
- This is a first step — we have been engaging the public on ways to further improve leaves for people experiencing domestic or sexual violence.

BACKGROUND:

A 2016 Conference Board of Canada report cites that B.C. has one of the highest pay equity disparities in Canada at 22.6%, with women making 77.4 cents for every dollar earned by a man.

On Oct. 7, 2019, Stats Canada issued a report examining the evolution of the gender pay gap in hourly wages from 1998 to 2018 among employees aged 25 to 54. The report indicates that while the gender gap in hourly wages has narrowed by 5.5 percent since 1998, women in Canada still earn 13.3% less, on average, than men. B.C. is cited as having the largest gap at 18.9 per cent.

Note: BC Stats' Provincial Statistician has confirmed that both measures are valid but due to different methodology used, are not directly comparable.

Media have reported on the topic with interest in a private members bill introduced in March 2018 by MLA Stephanie Cadieux (the *Equal Pay Certification Act*), which sought to rectify the pay gap that exists in earnings between men and women in British Columbia by enhancing measures under the current Human Rights Code, including establishing independent oversight. This bill did not move forward.

In general, drivers of the pay gap include the fact women are over-represented in lower paid jobs, under-represented in leadership and higher paid jobs, expectations for women around unpaid work and caregiving (which can lead to a drop in income), sexual harassment (a significant barrier to workplace advancement), lack of affordable childcare and wage discrimination (differences between earnings within the same or similar occupations).

Ongoing measures to address pay equity in B.C. include laying the groundwork for universal childcare, raising the minimum wage, supporting elder care, encouraging more women and girls in STEM careers (Science, Technology, Engineering and Mathematics) and investments in education and skills training.

ADVICE TO MINISTER

Pay equity mechanisms

There are three main mechanisms for legislating pay equity across the provinces and territories: Standalone Pay Equity Legislation, Employment Standards legislation and Human Rights legislation.

In B.C., the Human Rights Code governs many aspects of pay discrimination. Section 12 provides that the same employer cannot discriminate between employees doing similar or substantially similar work on the basis of sex. Section 12(2) sets out the concept of “similar or substantially similar work” must be based on the concept of skill, effort and responsibility.

An employee who feels they have experienced discrimination in wages can file a complaint with the BC Human Rights Tribunal.

The province’s public sector does have pay equity policy.

Other Provinces:

Pay equity – “equal work for work of equal value” - is legally required in separate pay equity legislation for the public sector in Manitoba, Nova Scotia, New Brunswick and Prince Edward Island and for the public and certain private sectors in Quebec and Ontario.

Pay discrimination on the grounds of gender is prohibited by Human Rights legislation in B.C., Alberta, Ontario, Saskatchewan.

Equal pay for “same or similar work” is a requirement of Employment Standards legislation in Ontario, Manitoba, Saskatchewan, Yukon, Newfoundland and Northwest Territories.

On March 6, 2018, Ontario announced it would be introducing pay transparency legislation in an effort to narrow the pay gap between men and women. The legislation would force firms to disclose salary ranges in jobs ads and also report to the province what they pay their employees. The governing party in Ontario has since changed and this pay transparency legislation is delayed.

Federal Legislation

On Oct. 29, 2018, the federal government announced new legislation – *An Act to Establish a Proactive Pay Equity Regime within the Federal Public and Private Sectors* (Pay Equity Act), as well as proposed amendments to the *Canadian Human Rights Act* (CHRA) and the *Parliamentary Employment and Staff Relations Act* (PERSA).

The *Pay Equity Act*, which was passed in December 2018, applies to federally regulated public and private sector employers with 10 or more employees, as well as Ministers’ Offices. This new pay equity legislation seeks to ensure that women working in federally regulated workplaces receive equal pay for work of equal value. It is estimated that the new law will apply to 1.2 million Canadians.

Recent changes to the Employment Standards Act

In spring 2019, the Minister of Labour passed amendments to the Employment Standards Act, which included new, unpaid job-protected leave for workers who have experienced or are the parent of a child who has experienced, domestic or sexual violence. The amendments:

- Provide up to 10 non-consecutive days of unpaid job-protected leaves for those workers, so they can look for a new home, go to medical appointments, etc.
- Additionally, workers will have a second option that will see them receive up to 15 weeks of consecutive unpaid leave.

Concerns have been raised about the unpaid nature of the domestic violence leave, as some provinces, as well the federal government, offer paid leave. B.C. provides 10 days, as well as 15 consecutive weeks, of unpaid leave. Ontario and Manitoba each provide roughly the same, except they provide five

days of paid leave. Starting Sept. 1, 2019, federally regulated workers can take 10 days off — five paid and five unpaid. Some other provinces offer fewer days of paid leave or unpaid leave with job protection.

Communications Contact:
Program Area Contact:

Joanne Whittier
Melanie Stewart

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(250) 213-8764

Plan, Jakelene GCPE:EX

From: Whittier, Joanne GCPE:EX
Sent: January 30, 2020 8:31 AM
To: Grieve, Chandler GCPE:EX
Cc: Leslie, Lisa GCPE:EX; Youngs, Kirsten R GCPE:EX; Foster, Doug FIN:EX
Subject: Re: Van Sun (Sunshine)Employee List is Live

Thx Chandler! Yes, I have an IN on pay equity but will update with a few bullets from the recent media request. Jo

Sent from my iPhone

On Jan 30, 2020, at 8:17 AM, Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca> wrote:

Hey there,

I know we worked on this last month so I thought I would flag it for you all.

The list of public sector salaries are out.

<https://vancouver.sun.com/news/local-news/b-c-public-sector-salaries-database-10th-edition>.

Looks like the Sun is focusing on Gender imbalance at many provincial agencies and crowns.

From the editor on twitter.

"In the days ahead, our series will examine the major gender imbalance at the top of the pay scale in many provincial agencies, city halls and universities."

Jo – it may be good to start working on some messaging around this but I'm sure you have some KM's on this issue already.

No surprise – 9 of the top 10 earners are from BCI.

Cheers,

Chandler

Chandler Grieve

Senior Public Affairs Officer/Media Relations | Ministry of Finance
Government Communications & Public Engagement
C: 250-883-2237 W: 778-974-3341

Plan, Jakelene GCPE:EX

From: Youngs, Kirsten R GCPE:EX
Sent: January 30, 2020 8:51 AM
To: Leslie, Lisa GCPE:EX; Grieve, Chandler GCPE:EX
Subject: FYI: Potential Media Coverage related to BCI: Scheduling a Briefing and Supporting Materials
Attachments: Dec9_IssuesNote_MoF_Remuneration_FINAL.pdf; Dec9_BN_MoF_Remuneration_FINAL.pdf

FYI 🙄

From: Chittenden, Gwen-Ann J <Gwen-Ann.Chittenden@bci.ca>
Sent: December 10, 2019 8:08 AM
To: Foster, Doug FIN:EX <Doug.Foster@gov.bc.ca>; Leslie, Lisa GCPE:EX <Lisa.Leslie@gov.bc.ca>; Youngs, Kirsten R GCPE:EX <Kirsten.Youngs@gov.bc.ca>
Cc: Morhart, David BCIM:EX <David.Morhart@bci.ca>; O'Hara-Byrne, Ben E BCIM:EX <Ben.OHara-Byrne@bci.ca>; Wright, Candice BCIM:EX <Candice.Wright@bci.ca>
Subject: Potential Media Coverage related to BCI: Scheduling a Briefing and Supporting Materials

Good morning,

BCI will respond to a request submitted by the Vancouver Sun under the *Freedom of Information and Protection of Privacy Act* (the Act) for the names, titles and individual dollar amount for all employees who received remuneration of \$75,000 or more during calendar year 2018. The request also includes the remuneration and expenses of BCI's board directors for the calendar year 2018 regardless of the total dollar value of remuneration. The data will be made available to the Vancouver Sun on or before December 16.

We would like to schedule a call to discuss the matters relating to BCI's remuneration and the possibility that the Vancouver Sun may approach the Ministry for comment. The attached documents include:

- a briefing note that provides an overview of BCI's compensation philosophy and structure, and
- an issues note with suggested key messaging in the event that the Ministry is approached for comment

We welcome the opportunity to further discuss this matter, as well as collaborate with Lisa and Kirsten on any related communication initiatives.

Kind regards, Gwen-Ann

GWEN-ANN CHITTENDEN MBA
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This email is intended only for the use of the intended recipients and may contain confidential information. No waiver of the confidentiality of this information is intended by its transmission through the internet. If you are not an intended recipient of this email:

Prepared for: Communications, Ministry of Finance
Prepared by: Ben O'Hara-Byrne, Manager, External Communication
Date: December 06, 2019
Purpose: For Information
Subject: Release of remuneration and expenses at BCI to the Vancouver Sun under FIPPA

BACKGROUND

BCI will respond to a request from the Vancouver Sun submitted under the *Freedom of Information and Protection of Privacy Act* for the names, titles and individual dollar amounts for all employees who received remuneration (including base salary, performance-based compensation, and amounts paid including for relocation and parental leave) of \$75,000 or more during the calendar year 2018. The request also includes the remuneration and expenses of BCI's board directors for the calendar year 2018 regardless of the total dollar value of remuneration. A list of 363 names including 355 BCI employees and eight board directors will be given to the Sun by December 16, 2019.

The information will reveal that in calendar 2018 seven employees received remuneration of more than \$1 million in calendar 2018 including the CEO/CIO who received \$2.95 million. And 31 employees received remuneration of more than \$500,000. It will likely mean BCI employees will dominate the list of the top 100 public sector salaries including most of the top 10. This may prompt questions about BCI's mandate, who determines BCI's salary structure and compensation philosophy, BCI's relationship with the Ministry of Finance, and governance.

In line with BCI's communication policy, board chair Peter Milburn is designated to serve as the media spokesperson for all matters related to compensation.

KEY MESSAGES AND RECOMMENDED RESPONSES

About BCI:

- BCI makes investment decisions that help secure the financial futures of their clients' pension plan members representing more than 598,000 people, the insurance and benefit funds for over 2.3 million workers across the province, as well as the beneficiaries of the various trust funds with the Province of British Columbia. For pension plans, BCI's returns play a crucial role – for every \$100 paid to their clients' plan members, on average \$75 comes from investment returns.
- BCI clients are not mandated to use BCI and have voluntarily chosen them as their investment manager.

Governance:

- The Honourable Minister of Finance appoints three members of BCI's seven-member board of directors including the board chair.
- The board oversees BCI's strategic direction, operations and ensures proper reporting and accountability to its clients. The board is also responsible for establishing BCI's employee classification system and compensation scale.

Role of the BCI Board in Compensation:

- BCI's compensation structure is guided by the board's philosophy that emphasizes pay-for-performance, long-term investment returns, and meeting clients' return expectations.
- The BCI board establishes transparent performance metrics, approves the policies that govern the annual and long-term incentive plans, and conducts a comprehensive review of the compensation structure every three years.

Costs and Fees:

- BCI operates on a cost-recovery basis and is accountable to their clients for the management of their funds, investment returns and associated fees.
- BCI does not receive any government funding or third-party subsidies.

Reporting Obligations:

- By design, BCI operates independently of the government to avoid potential or perceived conflicts that may arise between government policy and the management of public sector funds.
- BCI is outside the government reporting entity (as defined by the *Budget Transparency and Accountability Act*), the *Financial Institutions Act*, the *Public Service Act*, the *Public Service Labour Relations Act*, and the Public Sector Employers Council. This ensures that BCI has the necessary resources to attract and retain the specialized investment expertise required to meet the challenges of global fund management.
- As BCI is defined as a public body within the *Freedom of Information and Protection of Privacy Act*, BCI is required to respond to requests for information that are made in terms of the Act.
- BCI discloses the compensation of its senior executives in its corporate annual report. BCI started disclosing compensation in F2007 and the approach is consistent with industry practices.

Prepared for: Doug Foster, Assistant Deputy Minister, Strategic Initiatives – Ministry of Finance
Prepared by: David Morhart, EVP, Corporate and Investor Relations
Date: December 05, 2019
Purpose: For Information
Subject: Release of remuneration and expenses at BCI to the Vancouver Sun under FIPPA

BACKGROUND

BCI will respond to a request from the Vancouver Sun submitted under the *Freedom of Information and Protection of Privacy Act* (FIPPA) for the names, titles and individual dollar amounts for all employees who received remuneration (including base salary, performance-based compensation, and amounts paid including for relocation and parental leave) of \$75,000 or more during the calendar year 2018. The request also includes the remuneration and expenses of BCI's board directors for the calendar year 2018 regardless of the total dollar value of remuneration. A list of 363 names including 355 BCI employees and eight board directors will be given to the Sun by December 16, 2019.

The information given to the Sun will reveal that seven BCI employees received remuneration of more than \$1 million in calendar 2018 including the CEO/CIO who received \$2.95 million. Two other BCI employees received remuneration of more than \$900,000. A total of 31 BCI employees received remuneration of more than \$500,000 in calendar 2018. It will likely mean BCI employees will dominate the list of the top 100 public sector salaries including most of the top 10. This may prompt questions about BCI's mandate, how BCI's salary structure and compensation philosophy is determined, and oversight.

BCI has advised employees, the board of directors as well as our clients about the request.

The Sun has not submitted a request or published remuneration and expenses information for public sector employees obtained under FIPPA since 2016 (using 2014 data). As in the past, it is expected the Sun will create a database listing the remuneration paid all public sector employees who earned at least \$75,000 in calendar 2018, as well as articles and opinion pieces based on the data. We do not know exactly when the Sun will begin publishing the information.

FOR DISCUSSION

Over the past five years, BCI has adopted an active in-house approach to investment activities that emphasizes private markets and global equities. In fiscal 2015, approximately 57.0 per cent of our clients' assets were managed internally, that has now increased to almost 80 per cent (actual 79.3 per cent in F2019). This provides our clients with more cost-effective management services by employing our own investment professionals with highly specialized skillsets and offering them competitive compensation rather than outsourcing the responsibilities to external managers that charge high fees.

The shift to an active in-house asset management model necessitated a comprehensive review of BCI's compensation structure beginning in F2016. Adjustments beginning in April 2016 were based on an approach that emphasized pay-for-performance and enabled management to begin attracting the skill base needed to move forward with BCI's business plan and manage the complexity of a global investment platform.

BCI's compensation structure continues to be guided by the board of directors' philosophy that emphasizes pay-for-performance, long-term investment returns, and meeting clients' expectations. The board establishes transparent performance metrics, decides on annual and long-term incentive plan policies, and conducts a comprehensive review of the compensation structure every three years. The board also relies on third-party surveys to benchmark BCI against the market.

BCI's compensation structure includes a base salary, and performance-based remuneration through the annual incentive plan and the long-term incentive plan for senior roles.

All permanent employees are eligible to participate in the annual incentive plan, providing the opportunity to receive additional compensation based on the achievement of BCI's corporate objectives, investment performances, and individual efforts. The long-term incentive plan for senior employees is designed to align with BCI's longer-term investment results.

Over the past five years, BCI's annualized return has been 8.2 per cent against a benchmark of 7.2 per cent, adding \$6.1 billion in value to our clients including \$2.0 billion in F2019. In generating 2.0 billion in added value for our clients in F2019, BCI's compensation expenses were \$119.5 million or 6 per cent. Of that \$119.5 million in compensation, nearly \$49 million (41 per cent) was tied to short and long-term targets. Overall, BCI's total costs in F2019 were \$873.2 million or 58.4 cents for every \$100 of net assets under management (AUM), compared to 65.4 cents in F2018.

Since F2007, compensation of BCI's senior executives has been disclosed in BCI's corporate annual report. The approach is consistent with industry practices. The annual report also includes total cost of salaries and benefits for the entire BCI employee complement, as well as our operating costs.

Compensation for investment positions is aligned and comparable with the industry and investment managers such as Alberta Investment Management Corporation (AIMCo), Caisse de dépôt et placement du Québec (CDPQ), the Canada Pension Plan Investment Board (CPPIB), the Ontario Municipal Employees Retirement System (OMERS), the Ontario Teachers' Pension Plan (OTPP), and the Public Sector Pension Investment Board (PSPIB). Compensation for non-investment positions is aligned with the general financial industry and equivalent positions within the BC public sector.

BCI is independent of government and does not receive any government funding or third-party subsidies. BCI operates on a cost-recovery basis and is accountable to our clients for the management of their funds, investment returns and associated fees.

We anticipate the Sun will request an interview to discuss BCI's remuneration figures. In line with BCI's communication policy, board chair Peter Milburn is designated to serve as the media spokesperson for all matters related to compensation.

Plan, Jakelene GCPE:EX

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Subject: Van Sun - public sector salaries
Attachments: IN_Exec Wages_Dec 2019_Draft.docx; IN_BCI Wages_Dec 2019_FINAL.docx; IN_FIN GEO_Pay Equity_Jan. 15_2019.doc

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- Only 16 of the 100 highest-paid university employees are women, and UBC has the lion's share of top-earning academics.
- Within the provincial government, only six of the top 25 highest-paid employees are women.
- The highest paid public sector worker is the CEO of the B.C. Investment Management Corporation, who makes \$3 million. There are 48 people who make more than a half-million dollars a year on the public purse.
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Lisa Leslie
Communications Director
Ministry of Finance
250-213-7724

Page 18 of 49 to/à Page 26 of 49

Withheld pursuant to/removed as

DUPLICATE

Plan, Jakelene GCPE:EX

From: O'Hara-Byrne, Ben E BCIM:EX
Sent: January 30, 2020 12:22 PM
To: Leslie, Lisa GCPE:EX; Grieve, Chandler GCPE:EX
Subject: BCI/Vancouver Sun Public Sector Salary Database
Attachments: Issues Note for Ministry of Finance communication - Van Sun Public Sector Salary Database.pdf

Good afternoon, hope this finds you both well.

I've prepared an updated BCI briefing note for you following today's publication by the Vancouver Sun of its on-line public sector salary database.

As I mention in the note, we have yet to receive an interview request from Sun to comment on what the database reveals.

Following our discussion on the matter in December and given the terminology used by the Sun in the article that accompanies the publication of the database, I suspect the section on BCI's costs and fees may be most relevant to you.

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As well as that, by design, BCI operates independently of government to avoid potential or perceived conflicts that may arise between government policy and the management of public sector funds.

Please let me know if you have any questions,

Kinds regards, Ben

BEN O'HARA-BYRNE

Manager, External Communication
Corporate & Investor Relations
T +1 778 410 7412

750 Pandora Ave, Victoria BC
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Prepared for: Communications, Ministry of Finance
Prepared by: Ben O'Hara-Byrne, Manager, External Communication
Date: January 30, 2020
Purpose: For Information
Subject: Publication by the Vancouver Sun of the Public Sector Database

BACKGROUND

BCI responded in December to a request from the Vancouver Sun submitted under the *Freedom of Information and Protection of Privacy Act* for the names, titles and individual dollar amounts for all employees who received remuneration (including base salary, performance-based compensation, and amounts paid including for relocation and parental leave) of \$75,000 or more during the calendar year 2018. The request also included the remuneration and expenses of BCI's board directors for the calendar year 2018 regardless of the total dollar value of remuneration. A list of 363 names including 355 BCI employees and eight board directors was given to the Sun on December 16, 2019.

On January 30, 2020, the Sun published the 10th edition of its Public Sector Salaries Database on-line. It includes the names and employers of more than 88,000 public sector workers including the 363 names submitted by BCI.

The searchable database shows that seven BCI employees received remuneration of more than \$1 million in calendar 2018 including the CEO/CIO who received \$2.95 million, while two other BCI employees received remuneration of more than \$900,000. Overall, BCI employees represent nine of the top ten and 21 of the top 25 highest paid public sector employees included in the Sun database.

An initial on-line article on the Sun website makes only brief mention of BCI in relation to the CEO being the highest paid public sector employee in the province. The Sun also indicates it will begin publishing a six-part series analysing the salary data starting on-line on Friday, January 31, and in print on Saturday, February 1.

BCI's board chair, Peter Milburn, is the spokesperson on all matters related to employee compensation. At the time of the release of the remuneration information to the Sun in December, BCI offered to arrange an interview with Mr. Milburn, however, the Sun has yet to submit an interview request.

BCI provided details to employees, clients, and the board of directors when the initial remuneration information was released to the Sun. BCI provided a further update following publication of the database.

KEY MESSAGES AND RECOMMENDED RESPONSES

About BCI:

- BCI makes investment decisions that help secure the financial futures of their clients' pension plan members representing more than 598,000 people, the insurance and benefit funds for over 2.3 million workers across the province, as well as the beneficiaries of the various trust funds with the Province of British Columbia. For pension plans, BCI's returns play a crucial role – for every \$100 paid to their clients' plan members, on average \$75 comes from investment returns.
- BCI clients are not mandated to use BCI and have voluntarily chosen them as their investment manager.

Costs and Fees:

- BCI operates on a cost-recovery basis and is accountable to their clients for the management of their funds, investment returns and associated fees.
- BCI does not receive any government funding or third-party subsidies.

Role of the BCI Board in Compensation:

- BCI's compensation structure is guided by the board's philosophy that emphasizes pay-for-performance, long-term investment returns, and meeting clients' return expectations.
- The BCI board establishes transparent performance metrics, approves the policies that govern the annual and long-term incentive plans, and conducts a comprehensive review of the compensation structure every three years.

Governance:

- The Honourable Minister of Finance appoints three members of BCI's seven-member board of directors including the board chair.
- The board oversees BCI's strategic direction, operations and ensures proper reporting and accountability to its clients. The board is also responsible for establishing BCI's employee classification system and compensation scale.

Reporting Obligations:

- By design, BCI operates independently of the government to avoid potential or perceived conflicts that may arise between government policy and the management of public sector funds.
- BCI is outside the government reporting entity (as defined by the *Budget Transparency and Accountability Act*), the *Financial Institutions Act*, the *Public Service Act*, the *Public Service Labour Relations Act*, and the Public Sector Employers Council. This ensures that BCI has the necessary resources to attract and retain the specialized investment expertise required to meet the challenges of global fund management.
- As BCI is defined as a public body within the *Freedom of Information and Protection of Privacy Act*, BCI is required to respond to requests for information that are made in terms of the Act.
- BCI discloses the compensation of its senior executives in its corporate annual report. BCI started disclosing compensation in F2007 and the approach is consistent with industry practices.

January 30, 2020

4 of 4

Plan, Jakelene GCPE:EX

From: Leslie, Lisa GCPE:EX
Sent: February 6, 2020 9:36 AM
To: Grieve, Chandler GCPE:EX
Subject: RE: BC investment management corp

Yes but can you do a call with Ben first to get to the bottom of why Lori is unclear? What did they tell her?

From: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Sent: February 6, 2020 9:34 AM
To: Leslie, Lisa GCPE:EX <Lisa.Leslie@gov.bc.ca>
Subject: FW: BC investment management corp

I can send her the following bullet ?

- **It's important to clarify that BCI does not receive a single dollar of public funding assistance from government. As a result, the provincial government has no role in determining compensation rates for BCI executive and employee salaries.**

From: Culbert, Lori <LCulbert@postmedia.com>
Sent: February 6, 2020 9:31 AM
To: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Subject: BC investment management corp

Hi Chandler,
I don't need this for attribution, but I'm getting mixed answers to questions about the BCIMC.
Does government provide any money to the agency, or is all of the executive/employee pay financed through the pensions that it manages?
Thanks,
Lori.

Lori Culbert

Reporter

Vancouver Sun | The Province

T: 604.605.2018

C: 604.816.4059

#400 – 2985 Virtual Way

Vancouver, BC V5M 4X7

lculbert@postmedia.com



The Province

 **POSTMEDIA**

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Plan, Jakelene GCPE:EX

From: O'Hara-Byrne, Ben E BCIM:EX
Sent: February 6, 2020 9:39 AM
To: Grieve, Chandler GCPE:EX
Subject: RE: BCI/Vancouver Sun Public Sector Salary Database

Hey Chandler,

Sure thing. I'm in a meeting until 10am, I'll give you a shout when I get back to my desk.

Thx Ben

From: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Sent: February-06-20 9:38 AM
To: O'Hara-Byrne, Ben <Ben.OHara-Byrne@bci.ca>
Subject: RE: BCI/Vancouver Sun Public Sector Salary Database

Hey Ben,

We got an email from Postmedia today around this and have a quick question.

Can you give me a shout?

Thanks,

Chandler Grieve

Senior Public Affairs Officer/Media Relations | Ministry of Finance
Government Communications & Public Engagement
C: 250-883-2237 W: 778-974-3341

From: O'Hara-Byrne, Ben <Ben.OHara-Byrne@bci.ca>
Sent: January 30, 2020 4:28 PM
To: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Subject: RE: BCI/Vancouver Sun Public Sector Salary Database

Thanks, I'll keep you posted as the six-part series rolls out.

s.22

All the best,

Ben.

From: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Sent: January-30-20 12:38 PM
To: O'Hara-Byrne, Ben <Ben.OHara-Byrne@bci.ca>; Leslie, Lisa GCPE:EX <Lisa.Leslie@gov.bc.ca>
Subject: RE: BCI/Vancouver Sun Public Sector Salary Database

Hey,

Thanks for this Ben

We shared messaging with our ministers office and across government GCPE offices regarding this list using our December discussions and materials as a base.

We will let you know if any media comes in on this and please do the same.

s.22

Cheers,

Chandler

From: O'Hara-Byrne, Ben <Ben.OHara-Byrne@bci.ca>
Sent: January 30, 2020 12:22 PM
To: Leslie, Lisa GCPE:EX <Lisa.Leslie@gov.bc.ca>; Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
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Plan, Jakelene GCPE:EX

From: O'Hara-Byrne, Ben E BCIM:EX
Sent: February 6, 2020 2:10 PM
To: Grieve, Chandler GCPE:EX
Subject: Re: BCI/Vancouver Sun Public Sector Salary Database

Thanks. I'll keep you posted on any developments. Ben.

On: 06 February 2020 13:59,
"Grieve, Chandler GCPE:EX" <Chandler.Grieve@gov.bc.ca> wrote:

Hey Ben,

Yes – we just sent what we discussed and got a thanks back.

That's the summary of the community we had today.

- **It's important to clarify that BCI does not receive a single dollar of public funding assistance from government. As a result, the provincial government does not play a role in determining compensation rates for BCI executive and employee salaries.**

From: O'Hara-Byrne, Ben <Ben.OHara-Byrne@bci.ca>
Sent: February 6, 2020 1:56 PM
To: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Subject: RE: BCI/Vancouver Sun Public Sector Salary Database

Hey Chandler, did everything work out with the request?

We still haven't heard from Postmedia despite our offers of an interview with the board chair.

Thx, Ben.

From: Grieve, Chandler GCPE:EX <Chandler.Grieve@gov.bc.ca>
Sent: February-06-20 9:38 AM
To: O'Hara-Byrne, Ben <Ben.OHara-Byrne@bci.ca>
Subject: RE: BCI/Vancouver Sun Public Sector Salary Database

Hey Ben,

We got an email from Postmedia today around this and have a quick question.

Can you give me a shout?

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