



Executive Programs Overview

Last Updated: December 20, 2011

The following document contains program details specific to executives at the Hospital for Sick Children. Contents include an overview of the Executive Merit Increase Program, Executive Performance Incentive Plan, Executive Perquisite Program, and Executive Vacation Day Policy. SickKids reserves the right to change the Executive Programs, at any time, at its sole discretion.

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The Hospital for Sick Children Executive Merit Increase Program

Specific principles and guidelines of the Executive Merit Increase Program are outlined below. The performance year runs from October 1 to September 31.

Principles for the Executive Merit Increase Program

The Executive Merit Increase Program is based on the following principles:

- To reward and recognize individual executive performance through enabling progression within a salary range;
 - To comply with legislation and directives related to base salary increases in the broader public sector.
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Eligibility for the Executive Merit Increase Program

The Executive Merit Increase Program applies to the following roles:

- Vice Presidents
 - Executive Vice Presidents
 - President & CEO
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Overview of the Executive Merit Increase Program

Those executives in an eligible role will have an opportunity to receive a merit increase related to their actual and active performance in the executive role, and dependent upon current placement within the salary range.

Merit increases are discretionary and are based upon the executive's individual performance obtained during the performance year.

New Hires & Promotions

New hires and first-time executive promotions in eligible roles will begin participation in the Executive Merit Increase Program based on the date of hire/promotion. Executives who are new to SickKids and begin their executive role prior to April 1 will be eligible to participate in the Executive Merit Increase Program during their first year of employment as an executive. Executives who are new to SickKids and begin their executive role after April 1 will not be eligible to participate in the Executive Merit Increase Program mid-cycle.

Employees who have been promoted into an executive role prior to April 1 will be eligible to participate in the Executive Merit Increase Program during their first year of employment as an executive. Employees who have been promoted into an executive role after April 1 will be eligible to receive a merit increase based on a percentage of the salary earned in their previous role, which will then be added to their executive base salary.

Leave of Absence

Executives who are on a leave of absence prescribed by the Ontario Employment Standards Act, 2000 or on STD will continue to participate in the Executive Merit Increase Program, and, if applicable, the value of the increase will be entered into the system and reflected on the executive's pay effective the date of return to work. If the executive was at work long enough for a performance rating to be determined, then they will be included in the executive calibration and the rating will determine the percentage increase. If the executive was off work for greater than 9 months during the performance year, the merit increase is at the discretion of the CEO, with approval by the Human Resource Committee of the Board of Trustees. If an executive receives LTD benefits, their participation in the Executive Merit Increase Program will be discontinued. Executives on a Personal Leave will not be eligible to participate in the Executive Merit Increase Program during the period of their leave.

The Hospital for Sick Children Executive Performance Incentive Plan

Specific principles and guidelines of the Executive Performance Incentive Plan are outlined below. The performance year runs from October 1 to September 31.

Principles for the Executive Performance Incentive Plan

The Executive Performance Incentive Plan is based on the following principles:

- To reward and recognize top individual performance;
 - To comply with legislation and directives related to variable pay or “pay at risk” in the broader public sector.
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Eligibility for the Executive Performance Incentive Plan

The Executive Performance Incentive Plan applies to the following roles:

- Vice Presidents
 - Executive Vice Presidents
 - President & CEO
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Overview of the Executive Performance Incentive Plan

Those executives in an eligible role will have an opportunity to earn an annual incentive payment related to their actual and active performance in the executive role, dependent upon overall organizational performance. Payments under the program are pensionable, and subject to applicable statutory deductions.

The funding pool for performance incentive payments is based, and dependent, upon overall organizational performance. Conditional upon there being an adequate funding pool available, individual performance incentive awards are determined based on a range set for each performance rating. An executive’s overall performance rating is a reflection of both the Hospital’s performance against organizational objectives as well as the executive’s individual performance against both portfolio objectives and demonstration of Hospital values for the performance year. In this way, the Executive Performance Incentive Plan has been designed to recognize top individual performance.

For Executive Performance Incentive Plan payments the Management Resources Committee of the Board of Trustees may claw back any related portion of a payment in the event of (A) a restatement of financial results due to a material misrepresentation, or (B) a material error relating to such payments, where such event occurs within the previous 24 months.

New Hires & Promotions

New hires and first-time executive promotions in eligible roles will begin participation in the Executive Performance Incentive Plan based on the date of hire/promotion. Executives hired with less than 3 months of active employment in the executive role, will not be eligible to participate in the Executive Performance Incentive Plan for that year. Executives hired with 3-6 months of active employment in the executive role, will participate in the Executive Performance Incentive Plan at the discretion of the CEO.

Any performance incentive payment made at the end of the Performance Year will be prorated based on eligible earnings in the executive role from day of hire/promotion.

Leave of Absence

Executives who are on a leave of absence prescribed by the Ontario *Employment Standards Act, 2000* or on STD will continue to participate in the Executive Incentive Plan, at a rate based on the average incentive payment received by the executive in the three complete years immediately preceding the date of the leave of absence. If an executive receives LTD benefits, their participation in the Executive Incentive Plan will be discontinued. Executives on a Personal Leave will not be eligible to participate in the Executive Incentive Plan during the period of their leave.

**Retirement/
Termination of
Employment**

Upon termination from the Hospital, eligibility to participate in the Executive Performance Incentive Plan will cease effective the last date of employment, and no incentive payment will be made for that performance year. For example, if an executive's last date of employment with the Hospital is July 1st, the executive will not be eligible to receive a pro-rated incentive payment for the current performance year running from October 1 to September 30. If an executive's last date of employment is October 5th, the executive will be eligible to receive an incentive payment for the performance year just completed, and the incentive payment will be based upon the Executive Performance Incentive Plan principles and process outlined above.

Upon retirement from the Hospital, the executive's incentive plan payment will be pro-rated to the last day of employment with the Hospital, and will be based upon the average incentive payment received by the executive in the three complete years preceding the termination of his or her employment.

The Hospital for Sick Children Executive Perquisite Program

Specific principles and guidelines of the Executive Perquisite Program are outlined below:

Principles for the Executive Perquisite Program	<p>The Executive Perquisite Program is based on the following principles:</p> <ul style="list-style-type: none">• To cover business-related expenses for the effective performance of the Executive's duties ;• To comply with legislation and directives related to perquisites in the broader public sector;• To comply with Canada Revenue Agency (CRA) tax requirements.
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Eligibility for the Executive Perquisite Program	<p>The Executive Perquisite Program applies to the following roles:</p> <ul style="list-style-type: none">• Vice Presidents• Executive Vice Presidents
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Overview of the Executive Perquisite Program	<p>Those executives in an eligible role will participate in an Executive Perquisite Program that includes the following:</p> <ol style="list-style-type: none">1. Car Allowance - \$1,000/month, less applicable deductions2. Retirement Planning* – up to \$4,000/calendar year, not taxable3. Parking Pass – taxable benefit4. Legal advice related to employment contract matters
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*Executives will be required to submit a receipt to Executive Compensation which clearly indicates that the services provided were related to retirement planning and/or legal advice. Reimbursement for retirement planning services will occur through a check requisition that is submitted and tracked by Executive Compensation. Invoices related to legal advice should be submitted to Executive Compensation for direct reimbursement to the law firm. Professional services related to financial planning, income tax preparation or estate planning are not eligible expenses and therefore, not reimbursable.

New Hires & Promotions	<p>New hires and first-time executive promotions in eligible roles will begin participation in the Executive Perquisite Program based on the date of hire/promotion.</p>
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Leave of Absence	<p>Executives who are on a leave of absence prescribed by the Ontario <i>Employment Standards Act, 2000</i> or on STD will continue to participate in the Executive Perquisite Program. If an executive receives LTD benefits, their participation in the Executive Perquisite Program will be discontinued. Executives on a Personal Leave will not be eligible to participate in the Executive Perquisite Program during the period of their leave.</p>
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Retirement/ Termination of Employment	<p>Upon termination, retirement or resignation from the Hospital, eligibility to participate in the Executive Perquisite Program will cease effective the last day of active employment. Under circumstances where the executive is receiving severance through salary continuance, participation in the Executive Perquisite Program will continue through the period of salary continuance.</p>
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The Hospital for Sick Children CEO Perquisite Program

Specific principles and guidelines of the CEO Perquisite Program are outlined below:

Principles for the CEO Perquisite Program

The CEO Perquisite Program is based on the following principles:

- To cover business-related expenses for the effective performance of the CEO's duties ;
- To comply with legislation and directives related to perquisites in the broader public sector;
- To comply with Canada Revenue Agency (CRA) tax requirements.

Eligibility for the CEO Perquisite Program

The CEO Perquisite Program applies to the following roles:

- President & CEO

Overview of the CEO Perquisite Program

Those executives in an eligible role will participate in an Executive Perquisite Program that includes the following:

1. Car Lease – including all operating expenses
2. Retirement Planning* – up to \$4,000/calendar year, not taxable
3. Parking Pass – taxable benefit
4. Legal advice related to employment contract matters

*Executives will be required to submit a receipt to Executive Compensation which clearly indicates that the services provided were related to retirement planning and/or legal advice. Reimbursement for retirement planning services will occur through a check requisition that is submitted and tracked by Executive Compensation. Invoices related to legal advice should be submitted to Executive Compensation for direct reimbursement to the law firm. Professional services related to financial planning, income tax preparation or estate planning are not eligible expenses and therefore, not reimbursable.

Leave of Absence

Should the President & CEO be on a leave of absence prescribed by the Ontario *Employment Standards Act, 2000* or on STD, he or she will continue to be eligible for the CEO Perquisite Program. If the President & CEO receives LTD benefits, his or her eligibility for the CEO Perquisite Program will be discontinued. The President & CEO on a Personal Leave will not be eligible to participate in the CEO Perquisite Program during the period of their leave.

Retirement/ Termination of Employment

Upon termination, retirement or resignation from the Hospital, eligibility for the CEO Perquisite Program will be administered as outlined in the terms set out in the employment contract.

The Hospital for Sick Children Executive Vacation Day Program

Specific guidelines for the executive vacation day program are outlined below:

Principles for the Executive Vacation Day Program

The Executive Vacation Day Program is based on the following principle:

- To provide executives with a vacation day program that promotes well-being and is fiscally responsible.
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Eligibility for the Executive Vacation Day Program

The Executive Vacation Day Program applies to the following roles:

- Vice Presidents
 - Executive Vice Presidents
 - President & CEO
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Overview of the Executive Vacation Day Program

Those executives in an eligible role will receive their allocation of vacation days on a calendar year basis. Any unused vacation days from the previous year must be used by March 31 of the following year or they will be forfeited. No exceptions will be granted.

Executives are also eligible for 2 float days which are granted at the start of the calendar year. A float day bank cannot exceed 3 days and therefore, executives with 3 or more float days in their float day bank on January 1st, will not be granted the additional float days for the following year.

New Hires & Promotions

New hires and first-time executive promotions in eligible roles will begin participation in the Executive Vacation Day Program on a pro-rated basis, based on the date of hire/promotion.

The vacation benefit determined for new hires will be prorated based on the number of complete months remaining in the calendar year from the start date of the executive. For example, if an executive is hired March 5, and is eligible for 4 weeks holidays (20 days): $20/12 \times 9$ (April through December are complete months) = 15 days vacation.

Leave of Absence

Annual vacation day allotment for executives who are on a leave of absence prescribed by the Ontario Employment Standards Act, 2000 or on STD will be treated on a pro-rated basis, as calculated based upon the executive's active employment for the calendar year. If an executive receives LTD benefits, their participation in the Executive Vacation Day Program will be discontinued, and the executive will be paid out vacation banks owing based upon the date the executive moves to LTD. Executives on a Personal Leave will not be eligible to participate in the Executive Vacation Day Program during the period of their leave.

Termination of Employment

Vacation days are considered "earned" based on the number of weeks worked through the year and therefore, upon exit from the organization vacation days will be reconciled to determine:

- If the executive is owed payment for earned vacation not taken prior to their departure
- If the executive has taken more vacation time than has been earned up to that point in the vacation year

Any vacation balances (positive or negative) will be reflected in the executive's final pay.