

## ***Board Director Compensation Policy***

Effective Date: November 24, 2019

Review Date: September 2020

### **1. PURPOSE**

The purpose of this Policy is to compensate OMA Board Directors for time and costs in carrying out their fiduciary duties.

### **2. SCOPE**

This policy applies to all Board Directors of the Ontario Medical Association.

### **3. COMPENSATION PRINCIPLES**

The following principles govern this Policy:

- The Policy will provide compensation based on the time a Director spends in carrying out their fiduciary duties;
- The Policy will be transparent and cost-effective to administer;
- The Policy will ensure that the Association's honoraria and expense payments are:
  - competitive to attract and retain skilled, productive Board Directors;
  - flexible and responsive to variation in the duration and timing of meetings;
  - provide options for Directors to receive expense reimbursements or allowances;
  - allowances will be based on the most cost-effective manner as determined jointly by the Director and organization;
- The Policy will be reviewed annually by the Finance and Audit Committee of the Board of Directors and approved by the Board.

### **4. ADJUDICATION AND APPEALS**

- If a Director's claim is not covered by the Policy, or if a Director wishes to appeal the administration of the Policy, the Chair of the Board will adjudicate the claim based on these principles.
- In the adjudication, the Chair may consider the Director's loss of practice time and resulting opportunity to earn practice income. If a precedent is likely to be established by the claim, the Chair will make a decision in consultation with the Finance and Audit Committee and/or the President and Executive Committee.

## 5. POLICY STATEMENTS

### a) Compensation

Compensation will consist of honoraria for time spent in carrying out the Director's fiduciary duties. Components of compensation include time spent: preparing for meeting; travelling to meetings; participating in meetings.

### b) Expenses

Expenses will be paid via one of two methods: 1) direct reimbursement supported by receipts for expense greater than \$25; or 2) agreed upon allowance. The method of payment will be determined at the commencement of the Director's term and reviewed annually. Directors may still be required to retain the actual receipts for income tax purposes.

The Association is not responsible for the expenses of spouses or guests unless approved by the Board Chair with supported rationale.

## 6. COMPENSATION

### a) Honoraria for time spent in meetings

Honoraria for time spent in meetings will be paid at the full-day rate of \$1,195 or the equivalent per hour rate of \$170. These rates apply both to face-to-face meetings and to teleconferences. Meeting time is normally payable in half-day increments. For this purpose, a single date may have three half-days – morning, afternoon and evening. To be eligible for a third half day, the meetings must extend beyond 9.5 hours.

Face to face meetings and meetings attended by teleconference during normal business hours will be paid at the greater of scheduled or actual meeting duration. Meetings attended by teleconference outside of normal business hours will be paid based on the actual duration. In both cases the minimum meeting duration is one half-hour with payment in half-hour increments, rounded to the nearest half hour. The following table details the basis for payment.

Meeting duration	Basis for honorarium
0.5 to 2.0 hours	Hourly
2.5 to 4.5 hours	1 Half-day
5.0 to 9.5 hours	1 Full day
More than 9.5 hours (on the same calendar day)	3 Half-days

### b) Allowance for time spent travelling

A travel allowance is paid to compensate Directors for the time of a round trip of one half-hour or more spent on OMA business. The allowance will be determined by taking the time for the most reasonable method of travel and multiplying it by the hourly rate. This will be agreed upon by the Director and organization at the commencement of the term and will be reviewed annually.

**c) Allowance for time spent preparing**

An allowance will be paid as a premium of 25% of the applicable meeting honoraria to recognize preparation time for all Board Committees meetings, except for Council meetings.

**d) Allowance for Chairs / Vice-Chairs**

An allowance will be paid to the Chairs and Vice-Chairs of Board and Committees for time worked outside formal meetings. The allowance will be paid as a premium of 25% of the applicable meeting honorarium in their duty as Chair. The allowance will be paid as a premium of 12.5% of the applicable meeting honorarium in their duty as Vice-Chair.

**e) Cancellation of Meetings**

Directors will be paid honoraria and non-recoverable out of pocket expenses when a scheduled meeting has been cancelled or they are prevented from attending by meeting-related circumstances, such as travel delays, if the cancellation was beyond the Director's control and the Director incurred financial loss beyond their capacity to mitigate. The Chair must submit a formal notice of the meeting and its cancellation.

**7. EXPENSES**

**a) Transportation**

Members may be reimbursed for their actual out-of-pocket transportation expenses, subject to the following limitations:

- The means of transportation (air, rail, automobile) chosen is the most efficient and cost-effective means of travel;
- Regardless of the means of transportation, total transportation costs may not be higher than the cost of Air Canada Economy – Flex class airfare plus related ground transportation;
- Directors will be reimbursed for re-booking or change fees when these are incurred for reasons beyond their control;
- The reimbursement limit for rail travel is based on Economy Plus train fare and related out of pocket expenses;
- Directors whose most efficient means of travel is by air, may be reimbursed for a flight pass at the Latitude class;
- Directors whose most efficient means of travel is by rail, may be reimbursed for a Business BizPak;
- Directors whose most efficient means of travel is by automobile may claim a mileage allowance as well as actual parking charges. The amount of the mileage allowance will be set at the CRA maximum rate for kilometers in excess of 5,000 per year.

Transportation can alternatively be paid as an allowance, reflecting the most efficient and cost-effective means for that trip with incidental charges being considered (i.e. parking)

## **b) Accommodation**

Members may be reimbursed for their actual out-of-pocket accommodation expenses, subject to the following limitations:

- Maximum allowable accommodation expense is the negotiated OMA rate at the Association's base hotel, which is designated by the Board from time to time;
- When a meeting is held in a hotel, members who stay in the meeting hotel will be reimbursed up to the negotiated OMA base rate for that hotel;
- Directors who stay at another hotel will be reimbursed for that hotel's preferred OMA rates if available, up to a maximum of the OMA rate at the Association's designated base hotel.

Alternatively, an allowance for accommodation may be paid for the base negotiated rate in effect at the time of booking. The base negotiated rate is for the designated hotel unless otherwise approved by the Board.

An amount of \$100 per night may be claimed in lieu of hotel for accommodation as a guest in a private home.

## **c) Meals:**

Reasonable cost of meals required during the Director's absence from home are covered. Maximum daily expense is \$90.00 including taxes and gratuities.

Depending on the time and length of the meeting, standard allowances will be approved by the Board Chair based on each Director's District.

## **d) Caregiving**

Directors will be reimbursed for reasonable costs of caregiving for an immediate dependent when necessary for the attendance an eligible committee meeting. The maximum reimbursable amount based on Ontario minimum wage will be \$77 for each half day of meeting time and \$126 for each full day of meeting time.

If instead of caregiving expenses, a Director incurs other incremental expenses such as additional accommodation costs, the incremental expenses will be reimbursed to a maximum of the amount that would have been reimbursable as caregiving expenses.

## **e) Other expenses**

The Association is not responsible for expenses of a personal nature (such as laundry, personal telephone calls, drinks or entertainment, including in-room bar). Essential laundry and pressing may be claimed if three or more consecutive days of business are required without the opportunity to return home.

## **8. OTHER PROVISIONS**

### **a) Directors-Elect**

A member who has been elected as a Director but has not yet started his/her term of office may be paid honoraria and reimbursed out of pocket expenses under the usual terms of this policy for the following meetings:

- Council meetings if not attending in any other capacity;
- Strategic planning sessions of the Board of Directors;
- Meetings of the Board of Directors, by invitation of the Chair of the Board;
- Meetings attended in lieu of an incumbent Director when the incumbent is unable to attend, by invitation of the Chair of the Board or the incumbent Director.

### **b) Annual Indexing of Member Honoraria**

Subject to Board approval each year, honoraria rates and stipends will be indexed using the average of the 12-month moving averages for each of the Ontario Consumer Price Index and Ontario Average Weekly Earnings.

### **c) Accidental death and dismemberment insurance**

Each member of the Association under 70 years of age whose expenses are normally paid by the Association is covered while on Association business by a \$400,000 AD&D policy. Members of the Board of Directors are covered 24 hours per day throughout their term of office. This coverage does not extend to members flying their own aircraft on Association business.

Coverage may start at any point (home, office or hospital) and will terminate on the members return to their home or place of work, whichever happens first.

In the event of a fatality, benefits will be paid to the estate of the insured member.

### **d) OMA Council**

Directors are eligible for expenses and honoraria for attending meetings of OMA Council except for the honoraria premium for preparation time.

## 9. SUPPORTING/REFERENCED DOCUMENTS AND TEMPLATES

Use Type	Document Title
Referenced	Financial Matters Policy – Council, Non-Board Committees’ and Non-Board Task Forces
	Financial Matters Policy - Sections, Medical Interest Groups, Branch Societies and Districts

## 10. RESPONSIBILITIES

POSITION	ACTIONS
Board of Directors and Finance & Audit Committee	Approve Governing Policies and/or Procedures.
Finance	Monitor compliance with this policy by members. Obtain training for employees if required.
Information and Records Management (Custodian)	Review and provide additional metadata as required. Publish to Staff Space. Notify Process Owner when each policy reaches its review date. Maintain original documentation for archiving.
Members	Acknowledge as required and comply with policies/procedures.

Author:

Process/Service Owner: Finance and Audit Committee and Board of Directors

**BOARD OF DIRECTORS  
COUNCIL**

**November 23, 2019**

Approved By \_\_\_\_\_

Approval Date \_\_\_\_\_