



# Performance, Compensation & Talent Management Committee

## Agenda Item 7

February 13, 2018

**Item Name:** Semiannual Status Reports on Incentive Plans of the Chief Executive Officer and Chief Investment Officer

**Program:** Administration

**Item Type:** Action

### **Recommendations**

Approve the Semiannual Status Reports on Incentive Plans of the Chief Executive Officer and Chief Investment Officer.

### **Executive Summary**

This agenda item presents for Board action the Semiannual Status Reports for the 2017-18 fiscal year for the Chief Executive Officer and Chief Investment Officer.

### **Strategic Plan**

This agenda item supports CalPERS' Strategic Goal to promote a high-performing and diverse workforce in the 2017-22 Strategic Plan. The Executive Compensation Program provides a means for recruiting, retaining, and empowering highly-skilled executives to meet our organizational priorities.

### **Background**

The Executive Compensation Policy requires that executives prepare a short status report on their respective incentive plans for the Performance, Compensation and Talent Management Committee on a semiannual basis.

The establishment of incentive plan measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization.

### **Analysis**

Attachments 1 and 2 are the status reports for the Chief Executive Officer and Chief Investment Officer for the period of July 1, 2017, through December 31, 2017. Through the process of reviewing the incentive metrics contained in these plans, staff identified typographical errors made in previous versions presented to the Committee. These typographical inconsistencies were corrected (marked in bold), and all of the information presented today reflects the metric details originally approved by the Committee. It is important to note that at no time did these errors impact the results of any metric or subsequent award.

**Budget and Fiscal Impacts**

The cost of incentive awards and base pay adjustments that arise from the recommendations in this item during the year-end performance evaluation process have been addressed through the annual budget process and will be funded from existing resources.

**Benefits and Risks**

Status reports provided to the Board demonstrate identifiable progress made to date on the organizational priorities stated in the Strategic and Business Plans, helping to identify potential challenges and mitigation strategies.

If the 2017-18 semiannual status reports on incentive plans for covered positions are not accepted, the associated risk would be non-compliance with the Board's Executive Compensation Policy.

**Attachments**

Attachment 1 – Semiannual Status Report of the Chief Executive Officer

Attachment 2 – Semiannual Status Report of the Chief Investment Officer

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**Tina Campbell, Chief**  
Human Resources Division

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**Doug Hoffner**  
Deputy Executive Officer  
Operations and Technology