



# CalPERS Executive Review – Chief Executive Officer

November 2019

# Executive Summary

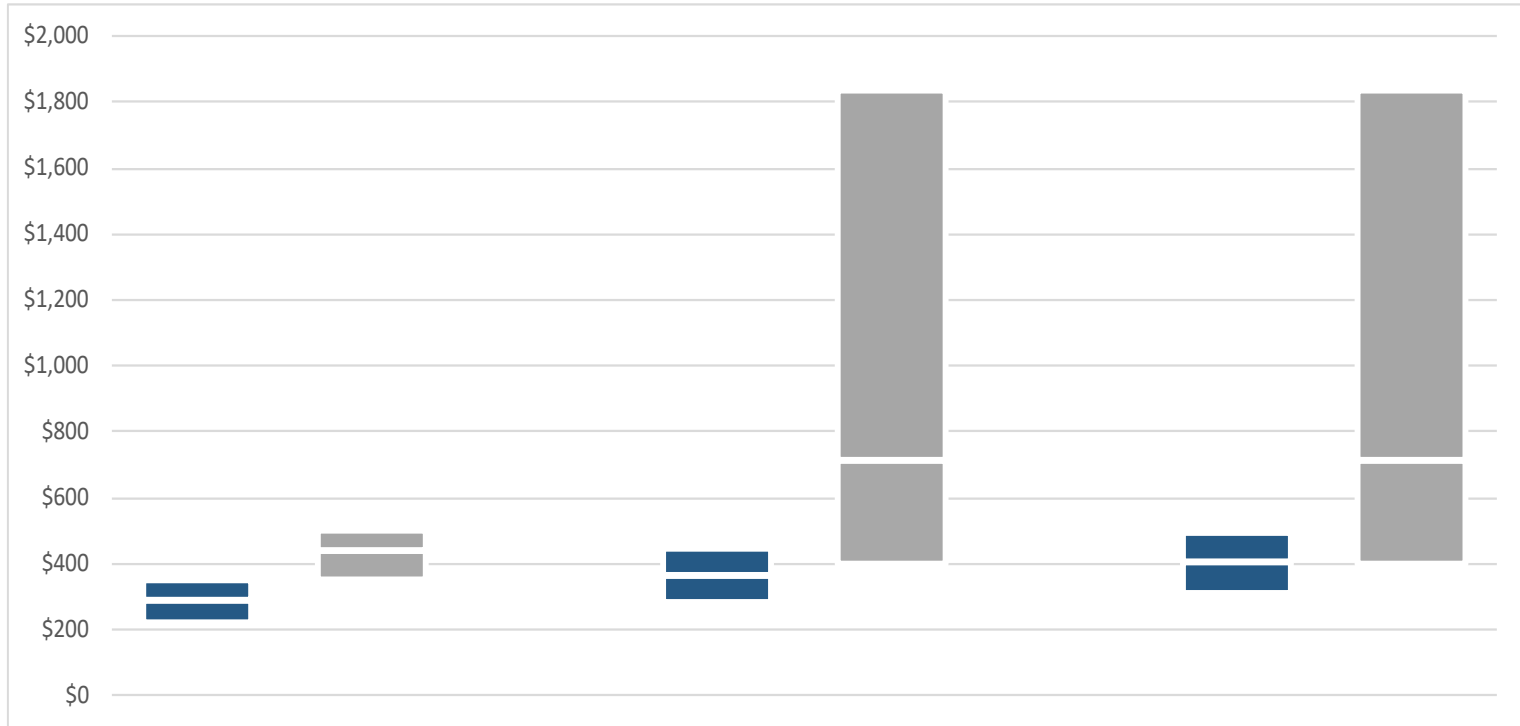
- The California Public Employees Retirement System (“CalPERS”) asked McLagan to assemble competitive compensation data for CalPERS’s Chief Executive Officer (“CEO”) position from its Board-approved compensation comparator group.
- McLagan assembled data from our 2019 Investment Management Compensation Survey Suite from US and Canadian public funds, banks, and insurance companies. Additionally, compensation data was assembled by CalPERS staff for the CA-based public agencies included in the peer group.
- As shown on the following pages, CalPERS’ CEO pay is positioned conservatively versus market:

CalPERS’ Midpoint	Combined Peers	Public Peers	Private Peers
Base Salary	Below the 25th	Below the 25th	Below the 25th
Salary + Target Incentives	Below the 25th	Between 25 <sup>th</sup> and 50th	Below the 25th
Salary + Max Incentives	Approximates the 25th	Between 25 <sup>th</sup> and 50th	Below the 25th

- This report includes the competitive 25<sup>th</sup>, 50<sup>th</sup> (median), and 75<sup>th</sup> percentiles for base salary and base salary + cash incentives. As with prior analyses, long-term incentives and benefits are excluded from this analysis.

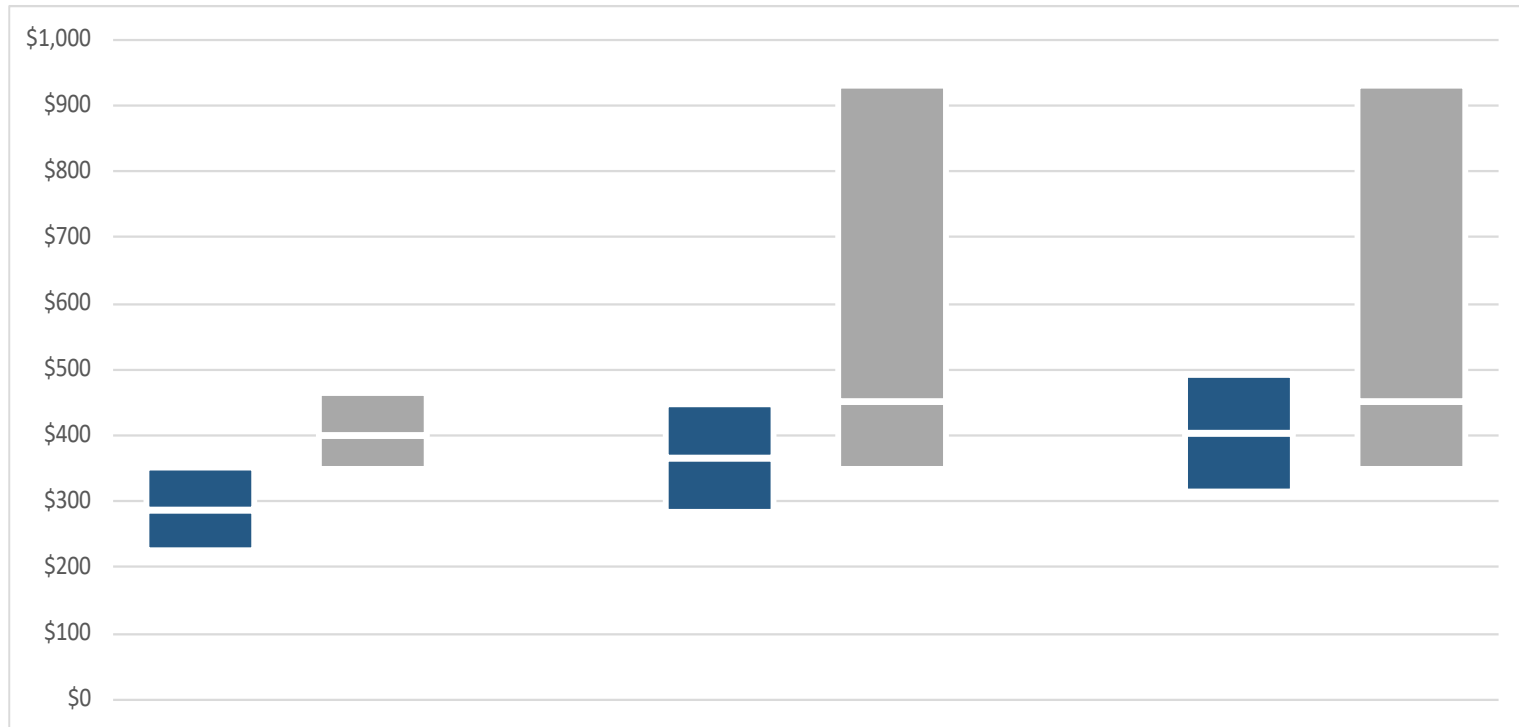
# Chief Executive Officer: Combined Peer Group Data

**Market Total Cash = Salary + Cash Bonus (excludes long-term/deferred awards)**



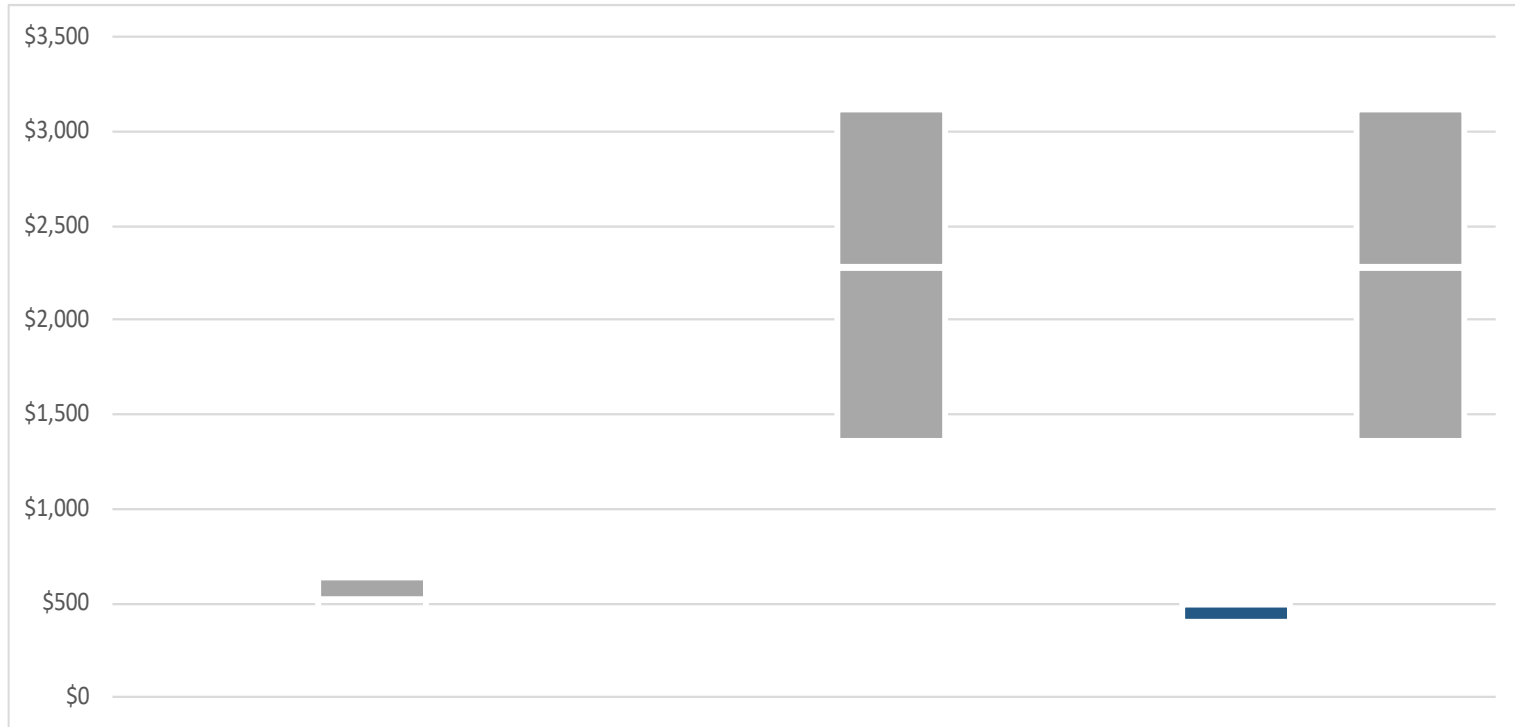
	Salary		Salary + Target		Salary + Max	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash
Max / 75th	353	503	448	1,837	494	1,837
Mid / Median	<b>\$288</b>	<b>\$437</b>	<b>\$366</b>	<b>\$712</b>	<b>\$404</b>	<b>\$712</b>
Min / 25th	224	350	284	396	314	396

**Market Total Cash = Salary + Cash Bonus (excludes long-term/deferred awards)**



	Salary		Salary + Target		Salary + Max	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash
Max / 75th	353	463	448	932	494	932
Mid / Median	<b>\$288</b>	<b>\$400</b>	<b>\$366</b>	<b>\$450</b>	<b>\$404</b>	<b>\$450</b>
Min / 25th	224	348	284	348	314	348

**Market Total Cash = Salary + Cash Bonus (excludes long-term/deferred awards)**



	Salary		Salary + Target		Salary + Max	
	CalPERS	Market	CalPERS	Mkt TCash	CalPERS	Mkt TCash
Max / 75th	353	640	448	3,125	494	3,125
Mid / Median	<b>\$288</b>	<b>\$525</b>	<b>\$366</b>	<b>\$2,276</b>	<b>\$404</b>	<b>\$2,276</b>
Min / 25th	224	437	284	1,360	314	1,360

## Appendix

Executive Mgmt Peer Group Summary			
	Public Sector	Private Sector	Combined
<b>Government</b>			
Leading US Public Funds	✓		✓
Leading Canadian Public Funds	✓		✓
CA-based Agencies	✓		✓
<b>For Profit</b>			
Banks		✓	✓
Insurance Companies		✓	✓

California based Agency Comparators		
Agency	Governed by a Board	Independent Pay Authority
Bay Area Rapid Transit (BART)	✓	✓
City of Los Angeles	✓	
County of Los Angeles	✓	✓
Covered California (California Health Benefit Exchange)	✓	
East Bay Municipal Utility District	✓	✓
Los Angeles County Employee Retirement System (LACERA)	✓	✓
Los Angeles Department of Water and Power (LADWP)	✓	
Sacramento Municipal Utility District (SMUD)	✓	
San Diego City Employees' Retirement System (SDCERS)	✓	
Santa Barbara County Employees' Retirement System (SBCERS)	✓	
State Compensation Insurance Fund (SCIF)	✓	



Public Sector Peers		
		AUM
Canada Pension Plan Investment Board	Canadian Pension Fund	\$304.5
Caisse de depot et placement du Quebec	Canadian Pension Fund	235.2
CA State Teachers' Retirement Sys	US Public Fund	214.7
Teacher Retirement Sys of Texas	US Public Fund	145.4
Ontario Teachers Pension Plan Board	Canadian Pension Fund	145.2
British Columbia Investment Management Corp	Canadian Pension Fund	116.6
State of Wisconsin Investment Board	US Public Fund	110.4
Virginia Retirement Sys	US Public Fund	75.8
OMERS	Canadian Pension Fund	73.7
State Teachers Retirement Sys of Ohio	US Public Fund	71.5
Healthcare of Ontario Pension Plan	Canadian Pension Fund	60.0
	High Q	\$180.1
	<b>Median</b>	<b>116.6</b>
	Low Q	74.8