

409A and 457(f), and any state law of similar effect, provided under Treasury Regulation section 1.409A-1(b)(4) and proposed Treasury Regulation section 1.457-12(d)(2), namely as “short-term deferrals.”

Base Pay

Base Pay Ranges

Base pay ranges, rather than single rates of pay, will be established for positions covered under Government Code Section 20098(a).

Determination of base pay ranges will be based upon one or more of the following:

- Consideration of internal equity factors
- Relevant marketplace salary survey data gathered every two years, or as determined by the Performance, Compensation and Talent Management Committee (PCTMC)
- A review of relevant data when a position becomes vacant
- Consideration of industry standards and best practices relative to executive and investment compensation

Determining Base Pay Ranges

At the discretion of the PCTMC, the target quartile for covered positions may be determined based on market salary data for the comparator groups below at the time each salary survey is conducted.

Base pay ranges are established by using a blend of private and public-sector data as follows:

Executive Management Positions:

- Leading US public funds, leading Canadian public funds, select California-based agencies (including large local agencies), banks and insurance companies.

Investment Management Positions:

- Large and complex institutional investors, including: US public funds, Canadian public funds and US corporate plan sponsors.
- Private sector asset management organizations of comparable size (\$150B to \$350B AUM) that are key competitors for CalPERS team members, including: investment management/advisory firms, university endowment funds, insurance companies and banks.

Current Base Pay Ranges

The following base pay ranges and associated quartiles are effective July 1, 2020, unless otherwise noted:

Position	Base Pay Range	Max of 1 st Quartile	Max of 2 nd Quartile	Max of 3 rd Quartile	Max of 4 th Quartile
Chief Executive Officer	\$377,250 - \$628,750	\$440,125	\$503,000	\$565,875	\$628,750
Chief Actuary	\$206,000 - \$310,000	\$232,000	\$258,000	\$284,000	\$310,000
Chief Financial Officer	\$217,500 - \$362,500	\$253,750	\$290,000	\$326,250	\$362,500
Chief Health Director	\$204,750 - \$341,250	\$238,875	\$273,000	\$307,125	\$341,250
Chief Operating Officer	\$187,500 - \$312,500	\$218,750	\$250,000	\$281,250	\$312,500
General Counsel	\$225,000 - \$375,000	\$262,500	\$300,000	\$337,500	\$375,000
Chief Investment Officer	\$424,500 - \$707,500	\$495,250	\$566,000	\$636,750	\$707,500
Deputy Chief Investment Officer	\$339,900 - \$566,500	\$396,550	\$453,200	\$509,850	\$566,500
Chief Operating Investment Officer	\$246,000 - \$410,000	\$287,000	\$328,000	\$369,000	\$410,000
Managing Investment Director	\$309,000 - \$515,000	\$360,500	\$412,000	\$463,500	\$515,000
Investment Director	\$240,750 - \$401,250	\$280,875	\$321,000	\$361,125	\$401,250
Investment Manager	\$183,000 - \$305,000	\$213,500	\$244,000	\$274,500	\$305,000
Associate Investment Manager	\$109,500 - \$182,500	\$127,750	\$146,000	\$164,250	\$182,500

Salary Surveys

To ensure base pay ranges are appropriate and relatively competitive with the defined market comparator group, a comprehensive salary survey of all comparable executive and investment management positions may be conducted every two years, or as the Board deems necessary. Special surveys may also be done to validate the existing range or establish a new recruiting range when a position becomes vacant or a new position is established. In the intervening years, base pay ranges may be adjusted by an amount reflective of general annual private sector salary movement as substantiated by current market data. The implementation date of

any revised or newly-established pay range will be determined by the Board at the time the range is approved.

Base Pay Upon Appointment

Individual base pay is determined at the time of hire by the hiring supervisor based on factors such as internal equity, value of skills and/or expertise, length of similar experience, and other relevant factors.

For the Chief Executive Officer, base pay is determined by the Board, based on the recommendation of the PCTMC. An individual’s base pay upon appointment may not exceed the maximum for the established pay range of the position.

Base Pay Increase and Merit Matrix

Individual base pay increases are considered annually in conjunction with the performance appraisal process. While an annual base pay increase is not guaranteed, an individual may be granted an increase based on the Overall Performance Rating on their annual performance appraisal and as guided by the following Merit Matrix:

Overall Performance Rating	Percentage Increase
Outstanding	7%
Consistently Exceeds Standards	5%
Meets Standards	3%
Does Not Fully Meet Standards	0%

Annual base pay increases will be based upon the written performance appraisal, unless otherwise recommended by the PCTMC to address existing retention or pay equity considerations. A base pay increase may be withheld if there is a violation of CalPERS’ policies and/or unsatisfactory demonstration of CalPERS Leadership Competencies or Core Values.

If the annual increase, as defined by the Merit Matrix, places the individual’s base pay above the maximum for the base pay range, the individual will be placed at the maximum for the range. Under no circumstance can the base pay exceed the range maximum.

Annual Incentive Plan

Elements of Annual Incentive Plan

The basis for payment of the annual incentive award is the Annual Incentive Plan, which will tie annual incentive awards to the following distinct segments of the plan:

- Organizational Performance Outcomes (e.g., Incentive Metrics, investment returns)
- Individual Key Business Objectives (e.g. business goals, leadership)

All participants will have Organizational Performance Outcomes as part of their Annual Incentive Plan. Specific Organizational Performance Outcomes may vary from participant to participant. Participants may or may not have Individual Key Business Objectives.

Organizational Performance Outcomes will be quantifiable metrics that reward for PCTMC pre-approved performance criteria in categories such as the following:

- Operational Effectiveness: Measures organizational efficiency
- Stakeholder Engagement: Measures member and/or employer perceptions
- Customer Satisfaction: Measures member and/or employer and/or employee perspectives on service received
- Investment Returns: Measures total fund and/or asset class and/or portfolio returns

Covered positions responsible for investment compliance oversight or investment financial independent check functions will not have Investment Returns as an Organizational Performance Outcome.

Individual Key Business Objectives can be either quantitative or qualitative performance measurements that represent specific focal points for the participant relative to the Organizational Performance Outcome categories discussed above.

Organizational Performance Outcomes and Individual Key Business Objectives will each be assigned a weight, with total weighting per Annual Incentive Plan not to exceed 100%. Weights, like the applicability of each metric, may vary from participant to participant. Performance will be rated as follows:

Measure Type	Performance Level
Organizational Performance Outcomes	Maximum (Far Exceeds High Expectations) Between Target and Maximum Target (Stretch High Expectations) Between Threshold and Target Threshold (Minimum Incentive Level) Below Threshold (no award)
Individual Key Business Objectives	Maximum (Far Exceeds High Expectations) Target (Stretch High Expectations) Threshold (Minimum Incentive Level) Below Threshold (no award)

The Discretionary Modifier is an upward or downward adjustment that can be applied to all participants on an individual basis, as detailed in *Discretionary Performance Adjustments* (page 16).

Annual Incentive Plan Cycle

The Annual Incentive Plan cycle consists of the following activities:

- Annual Incentive Plan Development
- Semiannual Performance Reporting
- Performance Evaluation based upon achievement of Annual Incentive Plan measures
- Board approval, which generally occurs in or around September of each year

Development of an Annual Incentive Plan

Prior to the beginning of the fiscal year (or as soon as practical for new hires), each participant develops an Annual Incentive Plan comprised of quantitative and/or qualitative incentive plan measures for approval as follows:

Position	Approver(s)
Chief Executive Officer	Board (upon recommendation of PCTMC)
Chief Actuary Chief Health Director Chief Financial Officer Chief Operating Officer Chief Investment Officer General Counsel	Chief Executive Officer (by delegation from the Board)
Deputy Chief Investment Officer Chief Operating Investment Officer Managing Investment Director Investment Director Investment Manager Associate Investment Manager	Chief Executive Officer Chief Investment Officer (by delegation from Chief Executive Officer)

Organizational Performance Outcomes and Key Business Objectives will be measured against approved performance criteria (e.g., benchmarks, enterprise performance targets). To ensure consistency with CalPERS long-term strategies, all measures require the review of appropriate supervisors and the Board’s investment consultant as follows:

Position	Supervisor	DCIO	CIO	Investment Consultant ²	CEO	Board
Chief Executive Officer	No	No	No	Yes	No	Yes
Chief Investment Officer	No	No	No	Yes	Yes	No
Chief Actuary Chief Health Director Chief Financial Officer Chief Operating Officer General Counsel	No	No	No	No	Yes	No

² Investment Consultant review is required for all Investment Return performance outcomes.

Payouts for Total Fund performance between target/goal and maximum levels will be linearly interpolated.

Sample Long-Term Incentive Payout Table:

Performance Level	5-Year Total Fund Return Level	Payout Ratio (Multiplier)
Maximum	8.4%	1.5
Target/Goal	7.0%	1.0
Below Target/Goal	Less than 7.0%	0.0

Discretionary Performance Adjustments

Discretion can be exercised to adjust an individual’s incentive award in the following situations:

- An annual incentive award can be adjusted upward to any percentage (not to exceed the maximum of the individual’s associated incentive range) based on extraordinary qualitative individual contributions.
- An annual incentive award can be adjusted downward to any percentage, or eliminated altogether, based on unsatisfactory individual performance, violation of CalPERS’ policies, and/or unsatisfactory demonstration of CalPERS Leadership Competencies or Core Values.
- For situations of non-adherence to CalPERS’ risk management principles, policies, processes, or procedures, an annual and/or long-term incentive award can be reduced by either 50% or eliminated entirely, based on the severity of non-adherence.

These adjustments will be made based on the annual performance evaluation process and will take into account qualitative factors such as performance relative to CalPERS’ culture and values; leadership; extraordinary contributions, efforts, or results; development and successful implementation of business or stakeholder imperatives; or strategic workforce activities involving succession planning, retention and flight risk, or talent supply or development.

Discretionary Modifier adjustments will be administered as follows:

Position	Approval Authority
Chief Executive Officer	Board (upon recommendation of PCTMC)
Chief Actuary Chief Health Director Chief Financial Officer Chief Operating Officer Chief Investment Officer General Counsel	Chief Executive Officer (by delegation from the Board)

Position	Approval Authority
Deputy Chief Investment Officer Chief Operating Investment Officer Managing Investment Director Investment Director Investment Manager Associate Investment Manager	Chief Executive Officer (based upon recommendation of the Chief Investment Officer)

Discretion exercised by the Chief Executive Officer must be disclosed to the PCTMC as part of the annual incentive award determination process.

Pro-Rata Awards

Annual incentive awards may be prorated based on months of service for participants who are appointed during the first half of the fiscal year. The recommendation for a pro-rata incentive award will be based on the nature of the performance measures, the level of progress in their achievement, as well as overall performance. Long-term incentive awards may be prorated based on months of service for participants who are appointed during the first half of the fiscal year and meet continued employment conditions (see page 19).

An individual appointed during the second half of a fiscal year will normally not receive an annual incentive award until after completion of the following full fiscal year, at which time the award will be pro-rated to reflect the entire period of performance in the covered position. An individual appointed during the second half of the fiscal year will not be eligible for the LTI until the five-year performance period which begins the subsequent fiscal year.

At the discretion of, and upon the recommendation of the Chief Executive Officer and the PCTMC, the Board may grant a partial year pro-rata annual incentive award to an individual who has served fewer than six months in a covered position, if the award is based entirely on performance measures designed to cover the period of time between the appointment and the end of the fiscal year. An individual who vacates a covered position within six months of appointment shall not receive an annual or long-term incentive award.

An individual who is promoted from the Investment Officer III, CalPERS (IO III) classification to a covered position during the fiscal year would be eligible to receive an incentive award based on the incentive plans and annual base salaries of both positions (as pro-rated to reflect the mid-year appointment), subject to the applicable policy provisions and calculation processes outlined in the respective IO III and Executive and Investment Management Positions policies. A partial year award shall not be granted to an individual who has served fewer than a combined six months in both positions during the fiscal year.

Authority to Defer, Reduce, or Eliminate Incentive Awards³

Payment of incentive awards shall be subject to and conditioned upon all of the following (among other conditions described herein):

In the event that Total Fund for a performance period is negative, and such negative return exceeds the benchmark for the period, then the Board will have the discretion to reduce, defer or eliminate all or a portion of an incentive award that would otherwise have been made. In the event the Board elects to defer payment of an award to a future date (a “Deferred Payment Date”), the deferred incentive award shall remain subject to forfeiture until the Deferred Payment Date and shall be conditioned upon the employee continuing to perform services for CalPERS up to the Deferred Payment Date, as described below. Where in the event that the Board elects to defer payment of an award to a subsequent fiscal year, payment of the award may be deferred up to 115 days beyond the end of the first subsequent fiscal year in which the one-year absolute return on the Total Fund exceeds zero percent (0%). To the extent payment is deferred for more than 120 days after the end of the fiscal year for which the incentive award is payable, the incentive award shall be credited with earnings that approximate the absolute return of the Total Fund for the deferral period as determined by the Board, but not in excess of 15% annually. The Board shall not be obligated to treat all employees eligible to an incentive award alike in determining whether to defer, reduce or eliminate an incentive award, how large a portion to defer or reduce, and when to pay the deferred or reduced incentive award.

- a) An employee will be entitled to an incentive award for any period only if the employee has complied with the CalPERS Investment Policy and CalPERS ethics-related policies, such as, but not limited to, CalPERS Fraud, Criminal Acts, and Internal Investigations Policy, CalPERS Statement of Incompatible Activities, CalPERS Conflict of Interest Code, and regulatory requirements (collectively, Incentive Award Policies) throughout the period, as determined by the Board in good faith. An Incentive Award Policies violation in a prior period shall be treated as a continuing violation in each subsequent period through the date as of which the Board determines that the violation was adequately remedied. All references to the Board in this subsection and the following subsections also refer to the Board’s delegate or CalPERS staffing on behalf of the Board, and all references to “employees” in these subsections refer both to current employees and former employees.
- b) If the Board believes an employee is not entitled to an incentive award due to an Incentive Award Policies violation, it will notify the employee in writing by certified mail or personal service on the employee. If the employee disputes that finding, the employee must so notify the Board in writing within 15 days of receiving the Board’s

³ The terms “disabled,” “disability,” “retired,” “retires” and “retirement” throughout the policy are used as defined in California Public Employees’ Retirement Law sections 20026, 20027 and 20060.

notice. If the employee does not timely notify the Board, the employee will be deemed to have admitted the violation. If the employee admits or is deemed to have admitted the violation, the employee will forfeit the incentive award in question. If the employee timely denies the violation, the Board will conduct such further investigations as it deems appropriate ("Investigation"). The Investigation must be completed within 90 days of the date the incentive award would otherwise have been paid but for the violation. Within 60 days after the Investigation has been completed, the Board shall determine whether the violation occurred. Its good faith determination shall be final and binding. The incentive award shall remain subject to forfeiture if and until the Board makes a final determination that it should be paid, and no amount shall be paid pending that determination. If the Board determines that there was no violation, the employee will receive the incentive award plus interest at the annual rate of 6% interest for the period of late payment in excess of 60 days between the date the Board makes its final determination following the Investigation and the date the incentive award would otherwise have been paid. This payment will be made by the earlier of (1) 30 days after the Board's determination following the Investigation, or (2) December 31 following the Board's determination.'

- c) If an incentive award is paid to an employee but, within three years after the payment, the Board determines that the employee was not entitled to the payment because of an Incentive Award Policies violation, it will notify the employee in writing by certified mail or personal service on the employee. If the employee disputes that finding, the employee must so notify the Board in writing within 15 days of receiving the Board's notice. If the employee does not timely notify the Board, the employee will be deemed to have admitted the violation. If the employee timely denies the violation, the Board will conduct an Investigation. When the Investigation has been completed, the Board shall determine whether the violation occurred. Its good faith determination shall be final and binding. If the Board determines that there was a violation, or if the employee admits the violation or is deemed to have admitted it, the employee must repay the incentive award, plus interest at the annual rate of 6% interest for the period from payment to repayment, within 365 days after the Board's determination following the Investigation.
- d) If at any time the Board determines the criteria used to determine an employee's incentive award were, with hindsight, improperly designed or otherwise mistaken, the Board may correct those criteria in any way, even if correction reduces or eliminates the incentive award the employee would otherwise receive.
- e) Notwithstanding anything else, an employee shall not be entitled to an incentive award to the extent the Board determines that payment of the incentive award would violate applicable law.

Action Upon Unsatisfactory Performance

Individuals must achieve a minimum Overall Performance Rating (see *Year-End Performance Appraisal Process*, page 23) of “Meets Standards” and have complied with all CalPERS risk management and ethics-related principles, policies, and procedures to be eligible for incentive award payout.

Individuals who receive an Overall Performance Rating of “Does Not Fully Meet Standards” in their annual performance appraisal will be ineligible to receive any portion of the annual incentive award at any time for the year in which the unacceptable rating was received.

Individuals who receive an Overall Performance Rating of “Does Not Fully Meet Standards” in their annual performance appraisal will be ineligible to receive any portion of the long-term incentive award for the five-year performance period that ended the year they received the unacceptable rating.

In addition, individuals who receive an unacceptable rating and participate in the long-term incentive program will be subject to an initial long-term incentive award value of zero for the performance period that begins the year the unacceptable rating was received.

Continued Employment Requirement

Notwithstanding anything to the contrary, an employee shall have no right to an incentive award if his or her employment with CalPERS terminates for any reason prior to the date on which incentive awards for such year are presented to and/or approved by the Board (generally in September following the performance period), whether or not such employee’s individual incentive award is actually presented to or approved by the Board (the “Approval Date”), or, in the case of a deferred incentive award, prior to the Deferred Payment Date. If an employee’s employment terminates for any reason prior to the Approval Date or, if applicable, Deferred Payment Date, the incentive award will be forfeited; provided however, the Board may, in its sole discretion and without any obligation to do so, approve an annual incentive award for a former employee whose employment terminated during the performance period on account of death, disability, retirement or involuntary termination without cause. If the Board does approve an incentive award to (or in the event of death, with respect to) such a former employee, then the term “Approval Date” shall refer to the date on which the Board approves the incentive award to the former employee. For purposes of this Policy, an employee will be deemed to have terminated employment with CalPERS if they have had a separation from service within the meaning of Treasury Regulation section 1.409A-1(h).

Time of Payment

Incentive Award payments shall be paid as soon as practicable following the Approval Date (or, if applicable, Deferred Payment Date), but in no event later than the 15th day of the third

month following the end of the calendar year in which the Approval Date or Deferred Payment Date occurs or, if later, the 15th day of the third month following the end of the CalPERS fiscal year in which the applicable Approval Date or Deferred Payment Date occurs.

Special Pay

Special Within-Range Base Pay Adjustment – Investment Management Positions

The Chief Investment Officer may, at any time during the year, recommend granting a special within-range base pay adjustment of up to 15% of annual base pay to an investment management team member covered by this policy, to address retention or internal equity issues. In extenuating circumstances, the within-range adjustment may exceed 15% of annual base pay. All adjustments (up to and exceeding 15%) must be approved by the Chief Executive Officer by delegation from the Board and will be reported to the PCTMC.

Criteria considered in support of a Special Within-Range Base Pay Adjustment include the following:

- **Performance:** Individual performance that significantly and consistently exceeds expectations
- **Equity:** Demonstrated value of incumbent and/or inequity with relevant peers
- **Retention:** To retain competent investment professionals at risk of leaving to accept offers from other money managers or employers

Special Within-Range Base Pay Adjustment – Executive Positions

There may be extraordinary circumstances that warrant a covered executive’s base pay rate be increased, in conjunction with or outside of the annual performance appraisal process, to address unique retention or pay equity considerations. When a Special Within-Range Base Pay Adjustment is deemed necessary for an executive, the following approvals are required:

Position	Approver
Chief Executive Officer	Board (upon recommendation of PCTMC)
Chief Actuary Chief Health Director Chief Financial Officer Chief Operating Officer Chief Investment Officer General Counsel	Chief Executive Officer (by delegation from the Board)

Interim Appointment

Interim appointments to covered positions may be made in instances where it is necessary to temporarily assign a team member the full range of responsibilities in a position until a new

permanent appointment is completed. Such assignments shall typically be at least 60 days in duration. Interim incumbents may be eligible for additional pay while performing the interim higher-level duties. Additional pay may be based on factors such as level of duties and the base pay range of the vacant position.

Interim appointments and temporary additional compensation require the following approvals:

Position	Approver
Chief Executive Officer	Board (upon recommendation of PCTMC)
Chief Actuary Chief Health Director Chief Financial Officer Chief Operating Officer Chief Investment Officer General Counsel	Chief Executive Officer (by delegation from the Board)
Deputy Chief Investment Officer Chief Operating Investment Officer Managing Investment Director Investment Director Investment Manager Associate Investment Manager	Chief Executive Officer (based upon recommendation of the Chief Investment Officer)

The Chief Executive Officer will report interim appointments and additional temporary compensation to the PCTMC and the Board.

Recruitment Differential

In order to attract and retain highly skilled executives and investment management professionals, a recruitment differential may be provided when hiring individuals from outside State service. It is a one-time, front-end payment upon appointment and is designated as an incentive to accept a position. The amount of the differential is specific to each eligible individual’s personal circumstances. In no case shall a recruitment differential exceed 60% of a new hire’s annual base pay. The following approvals are required:

Position	Approver
Chief Executive Officer	Board (upon recommendation of PCTMC)
Chief Actuary Chief Health Director Chief Financial Officer Chief Operating Officer Chief Investment Officer General Counsel	Chief Executive Officer (by delegation from the Board)

Position	Approver
Deputy Chief Investment Officer Chief Operating Investment Officer Managing Investment Director Investment Director Investment Manager Associate Investment Manager	Chief Executive Officer (based upon recommendation of the Chief Investment Officer)

The following payback provisions apply to all employees awarded a recruitment differential:

- 100% payback is required if employed less than 12 full months from appointment date
- 50% payback is required if employed between 12 and 24 months from appointment date

Any exception to the repayment schedule requires approval of the Chief Executive Officer and/or other approving authority as listed above.

Year-End Performance Appraisal Process (Incentive Awards and Base Pay Increase)

Performance Appraisal Process Overview

The year-end performance appraisal process is the basis of the payment of the annual incentive award and the individual base pay increase. The performance appraisal document is completed at the end of the plan/fiscal year and covers both individual achievement on the Annual Incentive Plan and general managerial performance as described below.

The Chief Executive Officer, with partial re-delegation to the Chief Investment Officer for the investment management positions, will approve performance appraisal outcomes and base pay increases within the established ranges for covered positions. The PCTMC completes the performance appraisal for the Chief Executive Officer.

Annual Incentive Award Determination Process

As part of the performance appraisal process, each participant must submit a year-end (2nd semiannual) status report to his/her immediate supervisor reflecting the final status of all Annual Incentive Plan measures. This comprehensive report is the basis for the annual incentive award.

For purposes of determining the annual incentive award amount, the following occurs:

- The primary evaluator assigns performance ratings (for qualitative measures) and comments, soliciting additional input if appropriate.
- Performance ratings on quantitative investment measures are determined by calculations performed by the Board’s Investment Consultant, based upon investment

performance data provided by the bank engaged to provide custodial services to CalPERS, as well as other relevant sources.

- Using calculations received from the Board’s Investment Consultant, Human Resources aggregates the quantitative factor multipliers (ratings), adds in the impact of qualitative factors ratings, and calculates the dollar value of the annual incentive award.
- CalPERS’ external auditor or other select independent advisor will review and assess the accuracy of data and processes used to calculate the results of all Organizational Performance Outcome performance achievement prior to any award being paid.

Final approval of incentive awards is defined as shown in the *Performance Appraisal Approval Process* section of the policy on page 25.

Base Pay Increase and Overall Performance Rating Scale

The general assessment of managerial performance and the Overall Performance Rating is the basis for consideration of a participant’s base pay increase. Base Pay Increases are administered separately and apart from the Annual Incentive Plan. At the end of the plan/fiscal year (June 30), all participants prepare a year-end Summary of Accomplishments highlighting their most noteworthy achievements not covered in the incentive plan. The primary evaluator completes the assessment of the individual’s general managerial performance and assigns an Overall Performance Rating.

The Overall Performance Rating, as indicated below, is the basis for consideration of a base pay increase as defined in the Merit Matrix on page 8.

Overall Performance Rating	Definition
Outstanding	Continuously delivered results that significantly exceeded expectations. Successfully met challenges which were at times beyond the executive’s control and required sustained extraordinary effort. The quality of program management, work products and leadership is superior.
Consistently Exceeds Standards	Overall performance exceeded expectations and was characterized by applying a high degree of initiative and resourcefulness in addressing several key issues during the year. The quality of work products and responsiveness to priorities is exceptional.
Meets Standards	The quality of executive performance is consistent with expectations. The quality and timeliness of work products meets expectations. Responsiveness to priorities and overall leadership has been completely demonstrated and work produced is satisfactory
Does Not Fully Meet Standards	There is a pattern of less than anticipated quality in program performance. Responsiveness to changes in priorities has been slow, work products are incomplete, and/or the quality of leadership is below expectations

Performance Appraisal Approval Process

The following depicts the primary evaluator and final approver for all performance appraisal outcomes:

Position	Primary Evaluator	Provides Input	Approver(s)
Chief Executive Officer	PCTMC	Board members not on PCTMC	Board (upon recommendation of PCTMC)
Chief Actuary Chief Financial Officer Chief Health Director Chief Investment Officer Chief Operating Officer General Counsel	Chief Executive Officer	PCTMC and other Board members (optional)	Chief Executive Officer (by delegation from the Board)
Deputy Chief Investment Officer	Chief Investment Officer	Chief Executive Officer	Chief Executive Officer (by delegation from the Board; based on recommendation of Chief Investment Officer)
Chief Operating Investment Officer	Deputy Chief Investment Officer	Chief Investment Officer	Chief Executive Officer (by delegation from the Board; based on recommendation of Chief Investment Officer)
Managing Investment Director	Deputy Chief Investment Officer	Chief Investment Officer	Chief Executive Officer (by delegation from the Board; based on recommendation of Chief Investment Officer)
Investment Director	Managing Investment Director	Chief Investment Officer Chief Operating Investment Officer	Chief Executive Officer (by delegation from the Board; based on recommendation of Chief Investment Officer)
Investment Manager	Investment Director	Managing Investment Director Chief Operating Investment Officer	Chief Executive Officer (by delegation from the Board; based on recommendation of Chief Investment Officer)
Associate Investment Manager	Investment Manager	Managing Investment Director Chief Operating Investment Officer	Chief Executive Officer (by delegation from the Board; based on recommendation of Chief Investment Officer)

Revision History

This policy has been approved as follows:

Effective Date	Approved by	Description of Changes (if needed)
7/1/2019	Board of Administration	Addition of Chief Health Director and Chief Operating Officer positions Updated base pay and incentive ranges (effective 7/1/2019) Other revisions related to policy administration (e.g., base pay Merit Matrix, tax section, award calculation based on employee's start date in covered position)
7/1/2019	Board of Administration	Updated base pay range for General Counsel position Addition of Long-Term Incentive Program
9/18/2019	Board of Administration	Addition of Deputy Chief Investment Officer position
7/1/2020	Board of Administration	Updated base pay range for Chief Executive Officer position
11/18/2021	Not applicable	Document made accessible