



Performance, Compensation & Talent Management Committee Agenda Item 6b

February 17, 2021

Item Name: Review of Performance, Compensation & Talent Management Committee Delegation

Program: Administration

Item Type: Action Consent

Recommendation

Approve proposed amendments to the Performance, Compensation and Talent Management Committee Delegation Resolution (PCTMC Delegation) as part of the annual board committee delegation review process.

Executive Summary

The PCTMC Delegation is reviewed on an annual basis. This year, CalPERS team members propose revisions to the PCTMC Delegation to reflect direction from the Board to establish shared responsibility between the Board and CEO for hiring, evaluating, and terminating of the Chief Investment Officer position. Any revisions approved today by the PCTMC will be presented to the full board for approval at a future meeting.

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 organizational priorities and strengthen the long-term sustainability of the pension fund by generating returns to pay member benefits.

Background

In compliance with the Board Governance Policy, committee delegations are reviewed annually and revised as needed. The last revision to the PCTMC Delegation, approved by the Board in April 2020, simplified language to aligned formatting with other Committee delegations to reduce complexity.

Analysis

CalPERS team members have reviewed the PCTMC Delegation and recommend revisions to effectuate organizational structure changes approved by the Board in September 2020.

Proposed revisions are displayed in tracked changes in Attachment 1, and Attachment 2 presents a version with all proposed changes accepted. Any additional revisions to the PCTMC Delegation the Committee wishes to make will be incorporated and brought back for Board consideration and approval at a future meeting.

Budget and Fiscal Impacts

Not applicable.

Benefits and Risks

The benefit of reviewing and updating the PCTMC Delegation Resolution is to continually align the Committee's authority with the needs of our members while keeping CalPERS' commitment to its strategic goals and objectives.

Attachment

Attachment 1 – PCTMC Delegation (tracked changes)

Attachment 2 – PCTMC Delegation (proposed changes accepted)

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Chief Operating Officer