



Regular Meeting

Item Number 11 – Open Session

Subject: Administrative Procedure Changes Pursuant to CEO Delegation

Presenter(s): Chairperson

Item Type: Consent Information

Date & Time: May 3, 2023 – 0 minutes

Attachment(s): Administrative Procedures for the Teachers' Retirement Board's Compensation Policy – Section 6

PowerPoint(s): None

Item Purpose

The purpose of this item is to inform the board of changes to the Administrative Procedures for the Teachers' Retirement Board's Compensation Policy that were made effective July 1, 2022, pursuant to the Chief Executive Officer (CEO) Delegation.

Executive Summary

Pursuant to the CEO's delegated authority to make specified changes to the Compensation Policy's Administrative Procedures, the CEO has approved updates to incentive performance criteria, in addition to technical housekeeping changes. A summary of the changes are as follows:

- Technical Housekeeping to retitle the Administrative Procedures document to correspond with the Board Governance Manual section renumbering of the Compensation Policy from Section 700 to Section 6. (Attachment 1 – page 1)
- Removes the Director of Investment Operations classification. This classification was abolished in the establishment of a revised Investment Management classification series. (Attachment 1 – pages 4 and 7)
- Amends the incentive performance criteria for the Deputy Chief Investment Officer to restructure the weightings of the measures increasing emphasis on Total Fund performance. The previous weightings were 50 percent Asset Class, 30 percent Total

Fund and 20 percent Qualitative. The new weightings are 40 percent Asset Class, 40 percent Total Fund and 20 percent Qualitative. (Attachment 1 – pages 9 and 36)

- Establishes incentive performance criteria for the previously approved classifications of Senior Investment Director, Public Markets and Senior Investment Director, Private Markets. (Attachment 1 – pages 9, 37, 38)
- Amends the incentive performance criteria for Investment Strategy & Risk to include Innovation Staff. This amendment communicates transition of Innovation staff to the Investment Strategy & Risk incentive performance criteria over a 3-year period. (Attachment 1 – page 47)
- Technical housekeeping to update the asset class/function performance criteria appendices to include the previously approved classification of Senior Portfolio Manager classification. (Attachment 1 – pages 39 – 47)

Strategic Plan Linkage: Goal 1: Trusted Stewards – Ensure a well-governed, financially sound trust fund with Objective A: Achieve full funding of the Defined Benefit Program by June 30, 2046.

Board Policy Linkage: [Compensation Policy for Designated Executive Management and Investment Staff – Section 6](#)

Optional Reference Material: None