

Public Agenda Item #17

Review, Discussion and Consideration of the
ERS Incentive Compensation Plan

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Chineque “DeeDee” Sterns, Director of Human Resources

Incentive Compensation Plan (ICP)

Review and Consideration



Plan is designed to:

- Encourage sustained levels of prudent outstanding investment performance;
- Promote teamwork among employees;
- Support ERS' strategic/operational goals;
- Attract and retain key employees in a cost-effective manner; and
- Focus employees on high quality outcomes.

Incentive Compensation Plan (ICP)

Review and Consideration



Proposed Plan Revisions:

- Modify the new hire eligibility date
First day of the first full month after employee becomes an Eligible Employee and successful completion of:
 - (a) ERS' six month probationary period, or
 - (b) 90 days of ERS employment, at the Board's or the Executive Director's discretion
- Calculate the Maximum Incentive Compensation Awards with a weighted salary

Incentive Compensation Plan (ICP)

Review and Consideration



Plan Process Improvements:

- Centralize the administration of the plan
- Executive Director designates who calculates the awards
- Global Investment Performance Standards (GIPS) inclusion
- Payment Date refined
- ICP Calculation Methodologies (*addition of Appendix C*)
- Retain the existing Qualitative Performance Goal and metric

Questions?