



Regular Meeting

Item Number 15 – Open Session

Subject: Labor Market Benchmarking Study Update

Presenter(s): Kristel Turko

Item Type: Information

Date & Time: September 14, 2023 – 15 minutes

Attachment(s): None

PowerPoint(s): None

Item Purpose

The purpose of this item is to provide the board with an update on the labor market benchmarking study for positions under the board's compensation setting authority.

Executive Summary

Per the board's 2023-24 work plan, a report on a labor market compensation analysis for positions under the board's compensation setting authority is to be presented to the board at its March 2024 meeting. As delineated in the Administrative Procedures for the Teachers' Retirement Board's Compensation Policy, the Chief Executive Officer may initiate market pay studies consistent with the board approved compensation comparator groups and board approved target market position and will inform the board of these activities. The labor market analysis report and recommendations will be presented at the March 2024 meeting to assist the board in its assessment of whether changes to salary ranges and/or incentive plan opportunities are warranted.

Staff will procure the services of McLagan Partners to conduct a labor market pay analysis of base salary and incentives for positions under the board's compensation setting authority. Kristel Turko, Director of Human Resources, will provide an update on the current labor benchmarking study activities and progress to date.

Background

Per the Administrative Procedures for the Teachers' Retirement Board's Compensation Policy, the board will assess relevant competitive market compensation survey data from reputable third-

party sources every two years or as otherwise determined by the board. At previous meetings, the board has discussed maintaining a prudent two-year schedule and has expressed its preference to perform regular reviews of compensation survey data to address variances to the market, if any, while they are narrow rather than having to address wide variances that may occur between assessments of longer intervals. The board last assessed labor market data in June 2021. At that time, the board took the following actions effective July 1, 2021.

- Increased the salary range for the Deputy Chief Investment Officer by 8.8 percent.
- Increased the salary range for the General Counsel by 4.2 percent.
- Established salary ranges and incentive opportunities for the new classifications of Senior Investment Director and Senior Portfolio Manager.

Next Steps

The board will receive a report and recommendations from the labor market compensation analysis at its March 2024 meeting.

Strategic Plan Linkage: Goal 1: Ensure a well-governed, financially sound trust fund.

Board Policy Linkage: The Teachers' Retirement Board's Governance Manual, [Section 6, Compensation Policy](#) for Designated Executive Management and Investment Staff and its [Administrative Procedures](#).

Optional Reference Material: None