



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
FINANCIAL OPERATIONS DIVISION

JANET COWELL
TREASURER

FRAN LAWRENCE
DEPUTY TREASURER / CFO

September 30, 2016

To: Joint Legislative Commission on Governmental Operations
Joint Legislative Oversight Committee on General Government

From: Fran Lawrence *FL*
Deputy Treasurer/CFO

Subject: Report under G.S. 147-69.3(i1) and 147-69.3(i2) – Incentive Bonus for Chief
Investment Officer and Salaries and Bonuses Paid under G.S. 147-69.3(i2)

G.S. 147-69.3 grants the State Treasurer the authority to award each of the Chief Investment Officer and Investment Directors a performance-based incentive bonus based upon compensation studies conducted by a nationally recognized firm specializing in public fund investment compensation and the Pension Plan performance.

In accordance with the requirement of G.S. 147-69.3(i1), this letter serves to inform you that the State Treasurer elected not to pay the Chief Investment Officer or Investment Directors a bonus for the fiscal year ending June 30, 2016. The compensation plan that the Treasurer has adopted under G.S. 147-69.3(i2) provides for compensation only in the form of salary, not bonuses.

In accordance with the reporting requirement of G.S. 147-69.3(i2), this letter provides the salaries and bonuses paid under that provision. No bonuses have been paid since the inception of the market-oriented compensation plan, so as a result the report lists only salaries. Subsection (i2) requires reporting "annually," but does not specify a date. We provided the first report under subsection (i2) on February 27, 2015 pursuant to the separate deadline in § 33.2(d) of the Appropriations Act of 2014, and we provided supplemental information to Fiscal Research in December 2015. Going forward, we will make the (i2) report on the same October 1 date as the (i1) report, unless the Committee would prefer another date.

The legislative increase and any other adjustments following the end of the 2015-2016 fiscal year will be reported in the next annual report under G.S. 147-69.3(i2).

Enclosure: Position Number, Position Title in Beacon System, and Salary for Affected Employees

Position Number	Position Title	Annual Salary as of 7/1/16
60009069	DST Chief Investment Officer	386,081.00
60009300	DST Investment Accountant	58,997.00
60009308	DST Investment Accountant	62,930.00
60009285	DST Investment Accountant	62,930.00
60088630	DST Investment Accounting Manager	95,156.00
60009294	DST Investment Accounting Supervisor	75,174.00
65022138	DST Investment Analyst Advanced	90,335.00
65006073	DST Investment Analyst Contributing	66,609.00
60090004	DST Investment Analyst Contributing	66,609.00
65022134	DST Investment Analyst Journey	75,174.00
65022135	DST Investment Analyst Journey	75,174.00
65006074	DST Investment Analyst Journey	80,185.00
60090005	DST Investment Analyst Journey	80,185.00
65022136	DST Investment Analyst Journey	80,185.00
60009305	DST Investment Chief Financial Officer	220,001.00
60009291	DST Investment Dep Dir Fin Operations	145,145.00
65011778	DST Investment Deputy General Counsel	120,850.00
60009059	DST Investment Deputy General Counsel	136,962.00
65006300	DST Investment Deputy General Counsel	145,145.00
65012554	DST Investment Director Advanced	223,618.00
60009061	DST Investment Director Advanced	238,525.00
65012552	DST Investment Director Advanced	223,618.00
60009068	DST Investment Director Advanced	238,525.00
60009067	DST Investment Director Advanced	223,618.00
60009066	DST Investment Director Advanced	273,708.00
60009055	DST Investment Director Contributing	194,119.00
60009054	DST Investment Director Contributing	209,648.00
60009057	DST Investment Portfolio Manager Journey	146,960.00
65022142	DST Investment Portfolio Manager Journey	136,074.00
60009064	DST Investment Portfolio Manager Journey	153,202.00
60009058	DST Investment Portfolio Manager Journey	153,202.00
65006636	DST Investment Portfolio Manager Journey	153,202.00
65022141	DST Investment Portfolio Manager Journey	136,074.00
65022140	DST Investment Portfolio Manager Journey	163,415.00
65006559	DST Investment Portfolio Manager Journey	163,415.00
60009071	DST Investment Portfolio Manager Journey	163,415.00
65022143	DST Investment Portfolio Manager Journey	163,415.00
60009063	DST Investment Portfolio Manager Journey	168,317.00
65006101	DST Investment Portfolio Manager Journey	163,415.00
60009070	DST Investment Portfolio Manager Journey	187,519.00
60009062	DST Investment Portfolio Manager Journey	176,488.00
60009056	DST Investment Portfolio Manager Journey	176,488.00