



October 1, 2021

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

From: Dale R. Folwell, CPA
State Treasurer of North Carolina

Subject: Reports under N.C. Gen. Stat. §§ 147-69.3(i1) and 147-69.3(i2) – Incentive
Bonus for Chief Investment Officer and Salaries and Bonuses Paid under §
147-69.3(i2)

N.C. Gen. Stat. § 147-69.3 provides 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 N.C. Gen. Stat. § 147-69.3(i1), this letter serves to inform you that the State Treasurer elected **not to pay** any Chief Investment Officer or Investment Director bonuses for the fiscal year ending June 30, 2021. In general, the compensation plan that the Treasurer has adopted under N.C. Gen. Stat. § 147-69.3(i2) provides for compensation in the form of salary, not bonuses.

In accordance with the reporting requirement of § 147-69.3(i2), the table enclosed with this letter provides the salaries (only) paid under that provision. No bonuses have been paid to any person included in the table in the last fiscal year (between July 1, 2020, and June 30, 2021). With respect to last year's report, dated October 1, 2020, one clarification is needed: one position listed on last year's table, that of DST Investment Accounting Manager (position # 60088630) in the Financial Operations Division, received a one-time bonus of \$1,000.00, which was paid in June 2020.

Applicable legislative increase or other salary adjustments provided after June 30, 2021, will be reported in the next annual report submitted pursuant to § 147-69.3(i2).

As a final note, 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 the Fiscal Research Division of the North Carolina General Assembly in December 2015. Going forward, we will continue to submit the § 147-69.3(i2) report on the same October 1 date as the § 147-69.3(i1) report until the recipients communicate a preference for another date.

Enclosure: Table with Position Number, Position Title in BEACON System, and Salary for Affected Employees as of June 30, 2021.

2021 Report under N.C.G.S. 147-69.3(i1) and (i2)

Position - Key	Position	Salaried Amount (as of 6/30/2021)
60009285	DST Investment Accountant	64,575.00
60009300	DST Investment Accountant	74,415.00
60009308	DST Investment Accountant	64,500.00
60088630	DST Investment Accounting Manager	102,500.00
60009294	DST Investment Accounting Supervisor	85,000.00
60090004	DST Investment Analyst Contributing	75,015.00
65006074	DST Investment Analyst Journey	96,658.00
65022138	DST Investment Analyst Journey	75,015.00
65022136	DST Investment Analyst Journey	95,000.00
60009305	DST Investment Chief Financial Officer	224,991.35
60009291	DST Investment Dep Dir Fin Operations	163,893.00
60009066	DST Investment Director Advanced	310,000.00
60009054	DST Investment Director Contributing	225,739.00
65023571	DST Investment Director Contributing	218,686.00
65012552	DST Investment Director Journey	240,709.00
60009067	DST Investment Director Journey	225,001.00
65012554	DST Investment Director Journey	270,000.00
60009068	DST Investment Director Journey	256,685.00
60009065	DST Investment Director Journey	237,167.00
60009021	DST Investment General Counsel	143,000.00
65012555	DST Investment Operations Director	205,398.00
60009070	DST Investment Portfolio Manager Advance	202,023.00
60009071	DST Investment Portfolio Manager Advance	176,193.00
65022137	DST Investment Portfolio Manager Contrib	144,738.00
60009056	DST Investment Portfolio Manager Journey	158,559.00
60009062	DST Investment Portfolio Manager Journey	190,203.00
65022139	DST Investment Portfolio Manager Journey	173,605.00

2021 Report under N.C.G.S. 147-69.3(i1) and (i2)

60009064	DST Investment Portfolio Manager Journey	151,101.00
65022142	DST Investment Portfolio Manager Journey	151,101.00
	Total	4,801,470.35