

## AGENDA

### April 21, 2020

- 8:00 -8:30 a.m. Continental Breakfast
- 8:30 – 9.00 a.m. **Welcome from RMA and Participant Introductions**
- Participant Discussions – Issues and Trends
- 9:00 – 9:45 a.m. **Compensation Philosophy; Covered Employees**
- Is your philosophy generally/well understood?
  - How do you communicate it? Medium & frequency
  - Pay transparency
  - Utilization of market data
  - Pay mix; portion of pay at risk v. deferred?
  - How does risk/compensation play into your strategic planning process?
  - Whether institutions are making changes to their “Covered Employee” programs?
  - Additional simplifications?
  - Changes to identification processes?
  - Updates of score-carding process
    - Whether institutions continue to issue risk scorecards
    - How do institutions track their risk scorecards; i.e., monthly/quarterly/annually
    - When are employees informed of their performance
    - Challenges?
    - Best practices?
- 9:45 a.m. – 10:30 **Challenges in Acquiring & Retaining Talent**
- Issues in local markets
  - Impact of persistent low net interest margin environment
  - Millennials/Gen X/Boomers; needs and expectations
  - Using Incentive Compensation Plans as a competitive advantage
  - How are you discussing/training employees relative to compensation, incentive compensation, compensation risk?
- 10:30 – 10:45 a.m. **Break**
- 10:45—11:30 a.m. **Pay for Performance**
- Metric selection; goal setting
    - Pursuant to the institution’s budget
    - Relative to a peer group
    - Fixed standard
  - Aligning incentive plan design and pay for performance
    - How do you empower staff; and drive accountability?
    - Performance measures:
      - EPS
      - Net Income

- ROA
- Other(s)

11:30 – 12:15 p.m.

### **Framework for Managing Incentive Compensation**

- Number and Types of Incentive Programs
- Compensation Principles; Alignment with Risk Management Framework
  - How has your incentive compensation risk management process evolved over the past year?
- Structure of risk management incentive compensation oversight Role of HR, Compliance and Internal Audit
- How do you determine year-end compensation funding and decisions?
  - What role does risk play?
  - What is the role of the CRO?
  - How does your incentive compensation risk management program feed that process?

12:15 – 1:15 p.m.

### **Lunch**

1:15- 2:00 p.m.

### **Risk Assessments**

- Risk tools used to review incentive plans
- Validation and backtesting
- Plan modifications

2:00-2:45 p.m.

### **Pool Adjustments**

- Role of risk adjustments
- Determining whether adjustments should be made; quantitative v. judgement-based approaches
- Pool adjustment process

2:45– 3:30 p.m.

### **Framework for Compensation Adjustment**

- Process to determine risk adjustment
  - Triggers?
  - Definitions?
- Role/ importance of self-identified issues
- Due Process?
- Communication of risk adjustment
- Mechanics of claw-backs; equity cancellation

3:30- 4:15 p.m.

### **Communications**

- Working with the Line of Business
- Communications with Covered Employees
- Training

4:15 – 4:30 p.m.

### **Summary: recap, action items and next steps.**



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