

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
POLICY AND PROCEDURE

POLICY NUMBER: PP-2026-02
SUBJECT: COMPENSATION POLICY
EFFECTIVE DATE: APRIL 17, 2026
AMENDED:

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A. PURPOSE

1. The purpose of the Compensation Policy is to create and maintain a pay structure that attracts, develops, and retains excellent employees who model and promote the IPOPIF mission and values.
2. The Compensation Policy applies to all employees of the Illinois Police Officers' Investment Fund. Compensation provisions of Board-approved employment agreements may differ from this policy.
3. The goals of the Compensation Policy are to:
 - i. Create and maintain a pay structure that is competitive in the public pension plan community and aligned with published market data for similar public pension plans in the State of Illinois and similar organizations in the Peoria community.
 - ii. Recognize and reward individual performance, initiatives, growth in job proficiency, and achievement of stated goals.

- iii. Provide IPOPIF employees with some measure of predictability with respect to both salary growth and rewards for superior performance.

B. COMPENSATION RANGES:

1. The IPOPIF Board of Trustees will approve a salary range for each IPOPIF staff position. Consistent with the goals of this Policy, the salary ranges will be competitive with Illinois public pension systems and/or Peoria community organizations.
2. The Executive Director will be responsible for ensuring that the Board approved salary ranges are reviewed at least every three years to ensure that they remain competitive.
3. The maximum salary range for all staff positions will be adjusted annually at the start of the Fiscal Year based on the cost-of-living inflationary index adjustment approved by the Board of Trustees.

C. COMPENSATION PROCESS:

1. Compensation adjustments will consider both employee performance and the cost of living (inflationary).
2. Merit Compensation adjustments (Merit Adjustments):
 - i. Merit adjustments will be provided to employees on an annual basis and will be effective on July 1 of each new fiscal year. Merit adjustments should address employee growth and the competitive market. Employees who are performing consistent with their job description may be fairly compensated and may not warrant a merit increase. Lack of a merit increase is not an indication of poor performance.
 1. Each IPOPIF employee who was employed by IPOPIF at the start and end of each Fiscal Year period will receive an annual performance evaluation by the end of that same Fiscal Year, usually in June.

2. Employees who receive a satisfactory annual performance evaluation will receive a Merit adjustment effective on July 1 for the next fiscal year period.
 3. Merit adjustments for an employee on the annual review date may not exceed 5% of salary without specific Board approval.
 - ii. Merit adjustment for employees who began employment during a fiscal year will receive a performance evaluation at the one-year anniversary of employment.
 1. A Merit adjustment will be effective on the one-year anniversary date.
 2. Merit adjustments for an employee at the one-year anniversary date may not exceed 3% of salary without specific Board approval.
 3. Inflationary Compensation Adjustments (Inflation Adjustments)
 - i. Each IPOPIF employee who was employed by IPOPIF at the start of the Fiscal Year will be entitled to a cost-of-living adjustment effective for the next fiscal year.
 - ii. The cost-of-living adjustment will be provided to each employee who received a satisfactory performance evaluation.
 - iii. The cost-of-living adjustment will be provided in addition to compensation adjustments for the individual.
 - iv. The cost-of-living adjustment will be approved annually by the Board of Trustees.
 - v. The inflationary index used shall be the Consumer Price Index for Urban Consumers using the Peoria Area Economic Summary published by the Bureau of Labor Statistics. The index used shall be the most current index for the upcoming Fiscal Year period.
 4. Compensation adjustments rules:
 - i. Compensation adjustments will be provided to all employees until such time as the maximum salary range for the specific position is attained. If an employee's compensation increase under this policy would cause the employee's compensation to exceed the maximum of the salary range for

the position, the employee's compensation will be limited to the maximum for the range.

- ii. Compensation adjustments will be determined by the Executive Director or Chief Investment Officer for their respective employees. Salary adjustments will be determined for each employee separately. Salary adjustments may not exceed the approved maximum salary range to the job classification.

D. POLICY REVIEW

1. The Policy is subject to change in the exercise of the Board's judgement.
2. The Board of Trustees will review this Policy and procedure at least every two (2) years to ensure that it remains relevant, appropriate, and consistent with state and federal laws and regulations.
3. The Policy was adopted by the Board of Trustees on April 17, 2026