



Chicago Teachers' Pension Fund

203 North La Salle Street, suite 2600 | Chicago, Illinois 60601-1231

November 25, 2013

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F St. NE
Washington, DC 20549-1090

Re: Pay Ratio Disclosure, File No. S7-07-13

Dear Ms. Murphy:

I am writing on behalf of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago ("CTPF") to express strong support for the Commission's proposal requiring disclosure of the CEO-to-worker pay ratio as mandated by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As an institutional investor with over \$10 billion in assets, the Board of Trustees voted unanimously to support the law requiring CEO-to-worker pay ratio disclosure. The Board of Trustees believes that this data will benefit CTPF and our nearly 60,000 participants and retirees, as well as investors both large and small across the nation.

Our Board supports the Commission's conclusion that the ratio of CEO to worker pay at individual companies is material information for investors. High pay disparities inside a company certainly can and do hurt employee morale and productivity, and have a negative impact on a company's overall performance. Moreover, disclosure of the median employee pay will help investors better understand companies' overall compensation approach to developing their human capital.

Investors will also be able to use CEO-to-worker pay ratios as an additional metric for evaluating say-on-pay votes and other executive compensation issues. Pay ratio disclosure helps investors evaluate CEO pay levels in the context of companies' internal compensation structures. Investors will be able to see how the ratio changes over time at individual companies and to compare companies within industries.

As required by Dodd-Frank Section 953(b), the proposed rule appropriately requires companies to disclose the median pay of *all* of their employees. Given recent labor market trends, many publicly traded companies employ a majority of international employees or part-time employees. Investors will receive an incomplete picture of their company's pay practices if these employees are excluded from the disclosure.

The CTPF Board of Trustees commends the Commission for proposing to reduce compliance costs as much as possible without reducing the benefits to investors. The Board of Trustees agrees that the proposed rule gives companies considerable flexibility through sampling or using payroll data to calculate the median. The Board of Trustees support the Commission's proposal to permit companies to provide supplemental disclosure on their overall workforce compensation practices.



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We appreciate the complexities of the Commission's work but would urge the Commission to act swiftly to adopt the final rule implementing Section 953(b) of the Dodd Frank Act. Investors will benefit from this disclosure in proxy voting on executive compensation and in making investment decisions based on workforce considerations. Thank you for taking the CTPF's Board of Trustees' views into consideration for your final rulemaking.

Sincerely,

Jay C. Rehak
President, Board of Trustees

Cc: Board of Trustees
Kevin Huber, Executive Director