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Circular Letter

October 21, 2016

TO: **ALL CALPERS EMPLOYERS**

SUBJECT: **CALPERS EMPLOYER COMPLIANCE REVIEWS**

The purpose of this letter is to inform you of changes that the Office of Audit Services (OFAS) is making to CalPERS' employer compliance reviews. These reviews are conducted to determine whether employers comply with applicable sections of the California Government Code (GC), California Public Employees' Pension Reform Act of 2013, California Code of Regulations (CCR), and CalPERS contract provisions.

CalPERS recently issued a Circular Letter on the Administration of CalPERS' Employer Compliance Reviews (200-025-16) which described the compliance review process, resolution of findings, and the most common findings. Although the review process will remain the same, OFAS is changing the scope of these reviews and the report format.

Review Scope:

The scope of each review cycle will be limited to a specific compliance requirement for testing identified as part of a risk assessment process. OFAS will identify approximately 60-80 employers to review in each cycle and expects to perform at least four review cycles each fiscal year.

Review Results:

OFAS will continue to report the results of each review to the employer in a draft report that will now be more condensed. Each employer will continue to have an opportunity to respond to the draft report. Upon receipt of responses from all employers reviewed in each cycle, OFAS will prepare one final report. The final report will summarize the results of all employers reviewed, and include individual employer results. Each employer reviewed during the review cycle will receive an electronic copy of the final report. The final report also will be posted on the CalPERS website.

Attachments:

Page one includes a table that summarizes the differences between the prior compliance reviews and the new reviews. Additionally, pages two and three include an example of a new employer compliance report.

If you have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Beliz Chappuie, Chief
Office of Audit Services