BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
TRAVEL POLICY

This document is effective immediately upon adoption, and is adopted pursuant to California Government Code sections 20093 and 20120, and California Constitution, article XVI, section 17.

I. PURPOSE

The California Public Employees' Retirement System (CalPERS a.k.a. the System) is a public trust, and administration of the System is subject to strict fiduciary responsibilities under trust law. The policies set forth in this document are intended to comply with common law trust requirements and to reflect sensitivity to the members and beneficiaries on whose behalf the CalPERS Board of Administration (CalPERS Board) serves.

CalPERS is a multi-jurisdictional retirement system. The CalPERS Board has a constitutional and statutory duty to administer the System in a sound and prudent manner. The California Constitution vests in the CalPERS Board the exclusive responsibility to administer the System.

The CalPERS Board is mindful of California state laws and regulations governing travel and conflicts of interest, and intends to harmonize its fiduciary duties with these state laws and regulations. Further, CalPERS Board Members are mindful of their obligations to all members of CalPERS to administer the System in a cost-effective manner, minimizing costs wherever possible.

Because CalPERS is one of the largest pension systems in the world and is the largest public employee retirement system in the United States, exceptional conditions of public trust leadership are placed upon the CalPERS Board. The complexities of sound management of the assets and liabilities of such a trust fund impose a continuing need for all Members of the CalPERS Board to attend business meetings, professional and educational conferences, seminars, and other events that are required to conduct the business of CalPERS, or that will better prepare them to perform their fiduciary duties. Such business meetings, conferences, seminars, and other events may occur within California, outside of California but within the United States, or outside of the United States. Further, some of these conferences may be sponsored by organizations or persons with which CalPERS has had prior contractual relationships, or is having current contractual relationships. Further, some of these organizations or persons may be seeking to enter into business contracts with CalPERS.

This travel policy is intended to prohibit any actual occurrence of conflict of interest by the CalPERS Board or its individual Members and to avoid even the appearance of conflict of interest behavior by the CalPERS Board and its individual members.

II. STATEMENT OF POLICY

A. Board Responsibility and Delegation

Establishing standards of accountability for CalPERS Board Members relative to official travel is vested with the Board itself.[1] Approval of official travel by CalPERS Board Members likewise is vested with the Board itself, but is delegated (as is more specifically described in paragraph B, below) to (1) the Board President and Vice President, subject to concurrence by the full Board, and (2) each individual Board Member.

B. Travel Requests and Approval

Board Members may exercise their own discretion, subject to their fiduciary responsibilities, to approve their own travel (1) as necessary to attend publicly noticed meetings or workshops of the CalPERS Board and its committees; (2) to and from CalPERS office locations for CalPERS-related business; and (3) within California, as necessary for CalPERS-related business. All other travel requires approval by the Board President (or in his/her absence, and in cases involving the President's out-of-state travel, the Vice President), with the concurrence of the full Board.

Board members shall inform the Board Services Unit in advance of any intended travel on CalPERS business. The Board Services Unit, in conjunction with the Board President's office, will maintain a calendar of all Board member travel.

The President of the Board shall, at least quarterly, provide all Members of the Board a listing of upcoming business meetings, professional and educational conferences, seminars, and other events that might be required to conduct the business of CalPERS, or that might better prepare Board Members to perform their fiduciary duties.

Individual Board Members shall file a written request to participate in any event requiring travel approval to the Board President. For participation by the Board President in any event requiring travel outside of California,

[1]The term "official travel" refers to all travel away from the Board Member's headquarters by a CalPERS Board Member represented as such. All references to travel in this policy document are intended to refer to official travel unless specifically defined otherwise.

the Board President shall file a written request for travel approval with the Board Vice President. All such requests shall be timely, usually made a minimum of thirty calendar days prior to the occurrence of the event. The President shall inform the requesting Member of travel permission approval or travel permission denial within seven calendar days of receiving the request for travel approval. The Board Vice President shall either approve or deny travel requests of the Board President within seven calendar days of receiving the request for travel approval. The Board President will coordinate the approved out of California travel of all Board Members to be put in the travel agenda item for Board concurrence at its next monthly meeting.

No prepayment or reimbursement of CalPERS Board Members for travel expenses will be made for travel that is not approved in advance as provided for in this policy.

C. Guidelines for Considering Travel Requests

1. Approval

Approval of Board Member travel outside of California (domestic or international) will be approved only when a special case is made by the requesting Member that such travel is required to conduct the business of CalPERS, or that such travel will better prepare the Board Member to perform his or her fiduciary duties. Except for publicly noticed meetings or workshops of the CalPERS Board, it will normally be the case that no more than two Board Members will be given approval to travel to any single event held outside of California. All approved Board Member travel outside of California (domestic or international), will be placed on a general consent list each month and presented as a regular agenda item for information and approval by the full Board. On an annual basis, CalPERS staff will prepare a report for the full Board outlining self-approved travel by all Board Members.

Any Board Member may remove any item from the travel general consent list for separate consideration by the full Board. Such items must be approved by a majority vote of the Board. If no item is removed from the travel consent list, the list will be treated as approved by general consent with no further action required.

It is recognized that there will be a need for travel which will arise in addition to that presented in the monthly travel general consent list for Board action. In those urgency situations, the Board President will review and approve or deny the travel requests for travel which have not been approved at a previous monthly Board meeting, but which will occur prior to the next Board meeting. The Vice

President will review and approve or deny urgency travel requests for the Board President.

If neither the Board President nor Vice President of the Board can be contacted to render a timely judgment in such urgency situations, the Chairman of the CalPERS Finance Committee shall act in their place.

All such approved travel will be placed on a general consent list each month and presented as a regular agenda item for information and approval by the full Board. Any Board Member may remove any item from the travel general consent list for separate consideration by the full Board. Such items must be approved by a majority vote of the Board. If no item is removed from the travel consent list, the list will be treated as approved by general consent with no further action required.

2. Speaker Designations

Requests for speakers from the CalPERS Board requiring travel shall be directed to the President of the Board rather than to individual Board Members. The Board President, in consultation with the Chief Executive Officer, shall determine who is the most appropriate individual Board Member to represent CalPERS as a speaker and shall communicate this determination to the individual Board Member.

D. Payment for Travel

Except as provided below, CalPERS shall pay for all approved CalPERS Board Member travel (including transportation and related meals and lodging).

Exceptions:

1. While traveling, Board Members may participate in meals provided by third parties. In these situations, Board Members may not claim per diem reimbursement for such meals and must comply with the Political Reform Act (Gov. Code sec. 81000 et seq.) and the Board's disclosure policies and procedures, as applicable.

2. Board Members may accept payment for necessary transportation, meals and lodging from a conference organizer, when the receipt of such is in connection with a speech as defined in regulations implementing the Political Reform Act and does not constitute a reportable "gift" under the Political Reform Act. Before accepting such payment, Board Members should consult with CalPERS Legal

Office to determine whether or not a reportable gift will result. If a Board Member inadvertently accepts payment for speech-related travel that constitutes a reportable gift, the Board Member must comply with all policies and procedures required under the Political Reform Act as well as the Board's own disclosure policies and procedures.

3. Board Members may accept payment for transportation, meals or lodging that are paid by a third party with a contractual obligation to CalPERS to pay for such expenses. (For example, if a Board Member represents CalPERS at a meeting of an Advisory Committee related to an Alternative Investment, and the partnership agreement requires that Advisory Committee expenses be paid by the partnership, the Board Member may accept payment and no reportable gift exists.)

4. The Board may accept a gift of travel-related expenses, donated to CalPERS under the conditions of California Code of Regulations section 18944.2. These conditions are:

   a. CalPERS receives and controls the payment.

   b. The payment is used for travel that has been approved by CalPERS for official CalPERS business.

   c. CalPERS, in its sole discretion, determines the specific CalPERS Board Member or employee who will use the payment, consistent with the donor's stated purpose.

   d. CalPERS appropriately memorializes the payment in a written public record, using the forms that are attached to this Policy.

   e. In addition, the Board will only accept a gift to CalPERS of travel-related expenses from donors who meet all of the following criteria:

      I. The donor is sponsoring an event that is designed to provide an opportunity to the invited CalPERS participant to discuss public policy or private practices relevant to the mission of CalPERS.

      II. The CalPERS representative is participating in the event as a contributor to the general educational and communication objectives of the event.

III. The donor is not an organization that does, or is of the type likely to do, business for gain with CalPERS.

f. The Board President will determine whether to accept a gift to CalPERS, and will designate the CalPERS Board Member or, with the concurrence of the Chief Executive Officer, a CalPERS employee, to attend the event. The Board President may be designated as the attendee only with the approval of Board Vice President and concurrence of the Board.

E. Political Reform Act Requirements

Individual CalPERS Board Members have the responsibility to ascertain and comply with their obligations under the Political Reform Act. For example, if a Board Member's travel is not approved and is paid for by a third party (i.e., not the Board Member or CalPERS), the Board Member is responsible for his or her compliance with the Political Reform Act.

F. Procedures

Prepayment and reimbursement of CalPERS Board Members for travel expenses will be made in conformance with current State of California travel expense limitations.

Standard forms shall be developed to facilitate the filing of travel requests, the approval or denial of travel requests, and the reporting on concluded travel.

Upon the required approval of a travel request, the Secretary to the Board shall assist the Member in making the necessary travel arrangements.

Upon completing attendance at any event requiring travel approval, each Board Member shall complete a claim of expenses and submit the claim to the Board Secretary within sixty (60) days of such event.

The President of the Board shall report each month to the Board a list of all Board Member CalPERS-related travel approved under this policy completed for the previous month.

Further, each Board Member shall complete a summary report on any event requiring travel outside of California (with the exception of meetings noticed by the Board) and shall submit the report to the President of the Board within sixty (60) days of the event. The report shall:

1. itemize the costs for the trip for all items of travel, lodging, meals and any registration fees, and

2. provide a summary of any information obtained during the event which will better prepare Board Members to perform their fiduciary duties.

Each summary report, upon receipt, shall be included in the agenda by the President as part of the monthly Board travel report.

Failure to submit timely claims and summary reports shall result in the denial of future travel requests.

G. Dissemination of Policies

These travel policies have been discussed and adopted in a public session of the CalPERS Board and distributed to:

* The appropriate State Legislative committees;
* The State and Consumer Services Agency;
* The Department of Finance;
* The Department of Personnel Administration;
* The Fair Political Practices Commission (FPPC);
* All affected parties; and
* All interested parties.