

**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. or~~ 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~~ the duties owed to the members and beneficiaries on whose behalf the CalPERS Board of Administration (CalPERS Board) serves.

~~The CalPERS Board has a fiduciary responsibility to administer the System in the best interests of and ensure the delivery of benefits and related services to CalPERS members and beneficiaries. In order to fulfill their fiduciary responsibilities, there is a need for Board Members 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. Attendance at these events serves the interests of CalPERS and its members and beneficiaries. The System will therefore pay for all approved travel.~~

~~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.<sup>1</sup> 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

#### 1. General Travel Rules

Board Members may exercise their own discretion, subject to their fiduciary responsibilities, to travel:

- 1) as necessary to attend publicly noticed meetings or workshops of the CalPERS Board and its committees; and

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<sup>1</sup>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.

2) to and from CalPERS office locations for CalPERS-related business.

Board ~~m~~M~~Members~~ shall inform the Board Services Unit in advance of any intended travel on CalPERS business, ~~including without limitation any business where reimbursement for expenses or employer reimbursement will be claimed.~~ The Board Services Unit will maintain a calendar of all Board ~~m~~M~~Member~~ travel on CalPERS-related business.

The ~~President of the Board~~ Services Unit will make available to President ~~shall, at least quarterly, provide~~ all Board ~~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~~ may better prepare Board Members to perform their fiduciary duties.

## 2. Travel Within California

Board ~~m~~M~~Members~~ will inform the Board President in advance of all travel within California when CalPERS-related business will be conducted, ~~and where reimbursement for expenses or employer reimbursement will be claimed.~~

## 3. Travel Outside California and Attendance at Events with Registration Fees Over \$500

All travel outside California and attendance at any event (within or outside California) with a registration fee of over \$500 requires approval by the Board President (or in his/her absence, and in cases involving the President's out-of-state travel or attendance at the event, the Vice President), with the concurrence of the full Board.

Individual Board Members shall file a written request for approval to travel outside California on CalPERS-related business and requests to attend an event (within or outside California) with a registration fee of over \$500 ("Travel Request") ~~with~~ the Board President. The Board President shall file his or her Travel Requests ~~a written request for approval to travel outside California on CalPERS-related business~~ with the Board Vice President. All such requests shall be made a minimum of 30 calendar days prior to the beginning of travel or the date of the event, except as provided in paragraph C.2., below. The Board President shall inform the requesting Board ~~Member~~ whether the ~~travel request~~ Travel Request has been approved or denied within five calendar days of receiving the Travel Request ~~request for travel approval~~. The Board Vice President shall either approve or deny Travel Request ~~travel requests~~ of the Board President

within five calendar days of receiving the ~~Travel Request~~request for travel approval.

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

### C. Guidelines for Considering Travel Requests

#### 1. Approval

~~Travel Requests~~Board Member travel outside of California (domestic or international) will be approved only when a special case is made by the requesting Board Member that such travel or attendance at the event 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.

~~Travel Requests~~All Board Member travel outside of California (domestic or international) approved in accordance with paragraph B.3., above, will be presented as a regular an action consent agenda item for approval by the full Board.

#### 2. Urgency Situations

In the event that a Board ~~m~~Member needs to travel before the next Board ~~meeting of the Board~~, and there is insufficient time to follow the procedures set forth in this Policy, the Board President will review and approve or deny the ~~Travel Request~~travel request and inform the Board at its next meeting. The Vice President will review and approve or deny urgency ~~Travel Request~~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.~~

#### 3. Speaker Designations

Requests for speakers from the CalPERS Board requiring travel shall be directed to the Board ~~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 Board Gift Policy Requirements**

Individual ~~CalPERS~~ Board Members have the responsibility to ascertain and comply with their obligations under the Board Gift Policy. ~~Political Reform Act.~~ Consistent with this policy, travel expenses shall generally not be paid for by third parties. Board Members also have a responsibility to ascertain and comply with the limits and other restrictions pertaining to receipt of travel payments identified in 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.~~

CalPERS shall book all travel arrangements, including hotel and flight reservations. CalPERS will pay for all hotel and airfare expenses and will seek reimbursement for travel expenses from third parties, if applicable.

## F. Procedures

Prepayment and reimbursement ~~of CalPERS to~~ 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~~travel request~~, the Board Services Unit shall assist the individual Board Member in making the necessary travel arrangements.

Board Members shall complete and submit a claim of expenses ~~and submit the claim~~ to the Board Services Unit within thirty (30) days of returning from travel. Failure to submit timely expense claims with supporting receipts and documentation ~~may will~~ result in suspension of travel privileges, both within and outside California, until such expense claims have been submitted.

Each Board Member shall complete an Education Evaluation Report for every educational event attended by the Board Member ~~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 Board President ~~of the Board~~ within thirty (30) days of the event. The report shall: provide a summary of any information obtained during the event which will better prepare Board Members in performing their fiduciary duties.

- ~~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 Education Evaluation Reports~~summary report~~, upon receipt, shall be made available to all Board members~~included in the Board folder by the President as part of the Board's monthly supplemental information.~~

Failure to submit Education Evaluation Reports may ~~summary reports shall~~ result in the denial of future Travel Requests ~~travel requests, until such reports are received.~~

~~Annually, the Board President shall provide a~~ summary report ~~to the Board~~ of all Board ~~m~~Member travel and a total of all Board ~~m~~Member travel expenses, for the prior year, individually for each Board ~~m~~Member and in the aggregate for the entire Board will be posted on the CalPERS website.

### **G. Dissemination of Policies**

These travel policies have been discussed and adopted in a public session of the CalPERS Board and are available upon request. ~~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.~~