

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

These Legislative Policy Standards express the CalPERS Board of Administration's general policy principles that are designed to guide staff in formulating recommendations on legislative proposals. They in no way bind the Board when considering and adopting a position on any specific legislative proposal.

Sponsor or Support:

- ◇ Proposals that add protection to the Trusts.
- ◇ Proposals that give the Board increased flexibility in its administration or reduce administrative costs.
- ◇ Proposals that provide remedies for inequitable or discriminatory benefits.
- ◇ Proposals that correct structural deficiencies, prevent fraud or abuse, and ensure proper funding of retiree health, and other benefits in retirement and health benefit program design.
- ◇ Proposals that promote transparency and accountability for the System and all who participate in the System, or conduct business with the System.
- ◇ Proposals that enhance ethics and integrity in System governance.
- ◇ Proposals that support appropriate levels of risk-pooling for pension and health benefits.
- ◇ Proposals that promote or strengthen defined benefit retirement plans that provide sound income replacement in retirement through shared responsibility, pooled and professionally managed investments and lifetime benefits.

Neutral or No Position:

- ◇ Proposals that change retirement benefits that are appropriately subject to collective bargaining and are consistent with other Board policies.
- ◇ Healthcare industry mandates that add benefits or coverages that are already included in the PEMHCA standardized health benefit package or are not detrimental to the program.
- ◇ Proposals that have conflicting policy implications.

Oppose:

- ◇ Proposals that threaten the Trusts or are contrary to the Board's fiduciary responsibilities.
- ◇ Proposals that deprive members of vested benefits and do not provide an equivalent, compensating benefit.
- ◇ Proposals that endanger the tax-exempt status of CalPERS programs or the deferred treatment of income tax on employer contributions and related earnings.
- ◇ Proposals that impose any investment mandate or restriction on the Board's investment authority.
- ◇ Proposals that create unreasonable cost or complexity for the administration of the System.
- ◇ Proposals that reduce or limit the Board's administrative or actuarial authority.
- ◇ Proposals that mandate social security coverage for all State and local government employees.
- ◇ Proposals that would be detrimental to the PEMHCA program.