



## Agenda Item 9

October 16, 2012

**ITEM NAME:** Pension Reform Implementation Status Update

**PROGRAM:** Pension

**ITEM TYPE:** Information

### **EXECUTIVE SUMMARY**

This agenda item provides an overview of California Public Employees' Retirement System (CalPERS) staff efforts to review, analyze and identify program and technology impacts, identify resource needs, and develop an implementation plan for Assembly Bill (AB) 340, the California Public Employees' Pension Reform Act of 2013 (PEPRA), and related Public Employees' Retirement Law (PERL) changes.

### **BACKGROUND**

On September 12, 2012, Governor Jerry Brown signed into law AB 340, the PEPRA and related PERL changes. PEPRA enacts changes to pension benefits effective January 1, 2013.

### **ANALYSIS**

Extensive review and analysis of PEPRA and related changes to the PERL were initiated in September. The PEPRA language and PERL changes are very complex and there are many challenges to implementing the language as drafted. An internal working group of program experts and division management has been formed to review and identify how the System can address the outstanding issues necessary to try to implement this timely. Since September, staff have been actively working to:

- Identify ambiguous statutory language in PEPRA and provisions that conflict with existing law to prepare recommendations for the PEPRA "clean-up" legislation.
- Define and develop necessary emergency regulatory changes, or subsequent regulations post January 1, 2013 or statutory amendments. In the event the identified regulations and regulatory changes are deemed to meet the emergency regulations criteria, staff will prepare a regulatory package to be presented to the Pension and Health Committee in November 2012.
- Identify and design changes to my|CalPERS that are necessary to implement PEPRA and PERL related changes.
- Identify and develop content to update 18 publications to reflect PEPRA and PERL related changes by January 1, 2013.

- Prepare Board Members and Executives for the public dialogue and education for the October 2012 Educational Forum.
- Communicate with members, employers, and stakeholders the impacts of PEPRA and PERL related changes through CalPERS On-Line, CalPERS Responds, Circular Letters, and other communication channels.

Tackling the complexities associated with implementation will require a dedicated and focused effort to effectively implement PEPRA. Throughout 2012, staff will continue to keep this Committee and Board leadership apprised of the status of the analysis and implementation efforts, and escalate issues expeditiously, if necessary.

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