



## Agenda Item 5

March 19, 2013

**ITEM NAME:** Committee Governance -- Review Pension & Health Benefits Committee Delegation

**PROGRAM:** Benefit Programs Policy and Planning

**ITEM TYPE:** Action

### **RECOMMENDATION**

Recommend proposed changes to the Pension and Health Benefits Committee (PHBC) Delegation for Board consideration and approval at the April Board meeting.

### **EXECUTIVE SUMMARY**

Attachment 1 sets forth the proposed changes to the current PHBC Delegation Resolution. The Delegation is reviewed on an annual basis to ensure the PHBC maintains the authority needed to effectively support our members and stakeholders while keeping aligned with our Strategic Plan.

### **STRATEGIC PLAN**

This agenda item supports Strategic Plan Goal B: Cultivate a high-performing, risk-intelligent and innovative organization. The item also supports the following Objectives: use a focused approach to generate, test, refine and implement new ideas; deliver superior end-to-end customer service that is adaptive to customer needs; and, actively manage business risks with an enterprise-wide view.

### **BACKGROUND**

The Board of Administration (Board), Board Governance Policy, approved in February 2012, states that the powers of each committee are set forth in a delegation resolution whereby the Board has delegated specified authority to each committee. The committee delegations will be reviewed annually and updated as needed. The initial PHBC Delegation Resolution was approved by the Board in December 2011.

### **ANALYSIS**

The proposed changes to the PHBC Delegation Resolution are to delete items (C) 1 and 2 with the understanding that they will be added to the Finance and Administration Committee's delegation. This action would transition to Finance and Administration review and approval of pension plan actuarial policies, assumptions, methods that are directly tied to the overall soundness of the system. These functions are not directly related to the design of the pension and health benefits themselves, and so are more appropriate in Finance and Administration.

**BENEFITS/RISKS**

The benefits of approving the proposed changes to the PHBC Delegation Resolution are to continually align the Committee's authority with the needs of our members while keeping CalPERS commitment to its strategic goals and objectives.

**ATTACHMENT**

PHBC Delegation Resolution Proposed Changes

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