



## **Agenda Item 8a**

August 21, 2013

**ITEM NAME:** Proposed Decision – In the Matter of the Application for Disability Retirement of LARRY L. HEDRICK, Respondent, and DEPARTMENT OF MENTAL HEALTH (ATASCADERO STATE HOSPITAL), Respondent, Case No. 9641

**PROGRAM:** Benefit Services Division

**ITEM TYPE:** Action

### **PARTIES' POSITIONS**

Staff argues that the Board of Administration should adopt the Proposed Decision.

Respondent argues that the Board of Administration should decline to adopt the Proposed Decision.

### **STRATEGIC PLAN**

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

### **PROCEDURAL SUMMARY**

Respondent, the California Department of Mental Health, submitted an employer's application for disability retirement on behalf of respondent, Larry L. Hedrick, based on injuries sustained by respondent Hedrick to both knees. CalPERS denied the employer's application for disability retirement. Respondent, California Department of Mental Health did not appeal the decision. Respondent Hedrick appealed this decision and the matter was heard by the Office of Administrative Hearings on October 16, 2012. A Proposed Decision was issued on May 16, 2013, denying the employer's application for disability retirement.

### **ALTERNATIVES**

- A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System hereby adopts as its own Decision the Proposed Decision dated May 16, 2013, concerning the application of Larry L.

Hedrick and Department of Mental Health; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated May 16, 2013, concerning the application of Larry L. Hedrick and Department of Mental Health, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

- C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated May 16, 2013, concerning the application of Larry L. Hedrick and Department of Mental Health, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

- D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the application of Larry L. Hedrick and Department of Mental Health, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.

2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, hereby designates as precedential its

Decision concerning the application of Larry L. Hedrick and Department of  
Mental Health.

**BUDGET AND FISCAL IMPACTS:** Not Applicable

**ATTACHMENTS**

- Attachment A: Proposed Decision
- Attachment B: Staff's Argument
- Attachment C: Respondent(s) Argument(s)

---

DONNA RAMEL LUM  
Deputy Executive Officer  
Customer Services and Support