

V. BOARD MEMBER COMPETENCIES

CalPERS is the largest public pension fund in the United States. It administers retirement benefits for more than 1.6 million state and local government employees, retirees, and their families and health benefits for more than 1.3 million enrollees. Members of the CalPERS Board of Administration should possess the knowledge and expertise to oversee the management and administration of this system.

In order to be more effective members of the CalPERS Board, Board members are expected to develop an understanding of the following ~~competencies and skills to be effective CalPERS Board members:~~

Governance Competencies:

- ~~An understanding of the~~ The role and ~~responsibilities expectations~~ of Board members;
- ~~An understanding of the~~ The Board committees and their purposes;
- ~~A thorough understanding of the~~ The CalPERS Board Governance Policy and other Board policies;
- ~~A broad understanding of~~ Fiduciary responsibilities and duties, conflicts of interest and ethics;
- ~~An understanding of the~~ The CalPERS organizational structure and the roles of executive staff and key service providers, including Board consultants, external auditors and attorneys, investment managers and the custodian;
- ~~A working knowledge of the~~ The Open Meeting Act and the Public Records Act;
- ~~An understanding of the~~ The role of CalPERS as a state agency and a trust fund, CalPERS its mission and purpose, as well as applicable principles of public administration and public policymaking;
- ~~An understanding of~~ best practices for and current trends regarding pension and trust fund governance;

Strategic Competencies:

- ~~An understanding of the~~ The CalPERS health benefits program structure and delivery;
- ~~An understanding of the~~ The CalPERS pension benefit structure and administration;
- ~~An understanding of~~ ivestment markets, investment asset classes and CalPERS investment processes;
- ~~An understanding of~~ financial statements, balance sheets, budgets, audit reports, and legal opinions;

- ~~A general understanding of e~~Economic principles;
- ~~An understanding of the~~The actuarial valuation, assumptions and methodologies and asset/liability management processes;
- ~~An understanding of r~~Risk management and oversight;
- ~~An understanding of the~~CalPERS strategic planning process, the CalPERS Strategic Plan, and corresponding performance measures;
- The U.S. healthcare system and the healthcare marketplace;
- Defined contribution plans, ERISA, Social Security and the private retirement marketplace;

Communication Competencies:

- ~~An understanding of how~~CalPERS objectives and approach with respect to communicationcommunicates with the media and stakeholders;
- The ~~ability to~~use of current forms of electronic communication tools; and
- ~~How~~The ~~ability~~ to express opinions and ask questions in a constructive manner that encourages critical thinking and analysis and improves decision making.