



Agenda Item 8b

February 19, 2014

ITEM NAME: Pension Database Update

PROGRAM: Pension

ITEM TYPE: Information

EXECUTIVE SUMMARY

At the September 2013 meeting of the Finance and Administration Committee Staff informed the Board that the California Public Employees' Retirement System (CalPERS) would postpone the launch of the pension database pending the outcome of legislative efforts embarked on by two member associations. In the time following that meeting, staff has continued to engage our stakeholders and partners, and have come to better understand their concerns about posting this public information in a secure database on the CalPERS website.

Staff no longer believes the intended benefits of posting the database on the CalPERS website outweigh the risks and concerns to our members and will no longer move forward with previous plans to implement the database. While CalPERS will still comply with PRAs as currently required by law, we recognize the concerns of our members and will always strive to protect them and their personal information.

STRATEGIC PLAN

This item supports the Strategic Plan Goal C to engage in State and national policy development to enhance the long-term sustainability and effectiveness of our programs. CalPERS engagement with the Legislature, stakeholders, other pension funds and the media regarding the appropriate balance between operational transparency and member privacy is an ongoing effort. Staff will monitor future developments regarding this issue and provide updates to the Board when necessary.

BACKGROUND

CalPERS is required to publicly release certain information according to Government Code section 20230, various provisions of the California Public Records Act and established case law. In order to better protect the security and accuracy of the pension data of the CalPERS retirees, staff embarked in 2012 on an effort to develop a secure pension database that would be hosted on the CalPERS website. The member information which would have been contained in the database is considered a public record and it is the most frequently requested information that CalPERS receives from the public, news organizations and other interested parties.

The information that is legally required to be made available to the public: retiree name, last employer, gross monthly payment, base pension, cost-of-living adjustment (COLA), years of service as a public employee, final compensation, retirement date, the agency from which the member retired and other data identifying the type of pension and formula used to calculate the pension. Private information like a retiree's address, birthdate, or medical information would not have been included.

CalPERS staff met with retiree associations and other stakeholders during the development of this project, conducted briefings and demonstrations, and provided materials and articles about the database to be included in retiree association publications.

Following the CalPERS public announcement of its planned secure pension database in early July 2013, two of the member associations stated their intent to pursue legislation to limit the amount of pension data that is required to be released under the Public Records Act (PRA). In addition, the Chairs of both the Assembly Committee on Public Employees, Retirement and Social Security, and the Senate Committee on Public Employees and Retirement expressed a desire to hold interim legislative hearings on the issue of pension data privacy and requested CalPERS delay implementation of the pension database.

Staff informed the Board at the September 2013 meeting of the Finance and Administration Committee that CalPERS would postpone the launch of the pension database pending the outcome of these legislative efforts.

ANALYSIS

Over the last several months staff continued to meet and engage with our stakeholders over the CalPERS secure pension database. Through these conversations we have a better understanding of their concerns that in today's internet age this information could be used to prey on our retirees. Having this information easily available from a trusted government entity would only exacerbate that concern. While CalPERS will still comply with PRAs as currently required by law, we recognize the concerns of our members and will always strive to protect them and their personal information.

BUDGET AND FISCAL IMPACTS

Abandoning the project reduces ongoing costs and staff resources dedicated to implementing and maintaining an online database of retiree information, however these costs may have been partially offset by a reduction in costs associated with fulfilling related PRA requests.

BENEFITS/RISKS

Benefits

- Reduces ongoing cost and staff resources dedicated to implementing and maintaining an online database.
- Reduces the likelihood that CalPERS retirees will become subject to fraud and abuse.

Risks

- Staff workload may increase due to more requests for the data without it being available in a secure online database.

ROBERT UDALL GLAZIER
Deputy Executive Officer
External Affairs Branch