



Finance & Administration Committee

California Public Employees' Retirement System

Agenda Item 7b

April 14, 2014

ITEM NAME: Board Member Employer Reimbursement

PROGRAM: Administration

ITEM TYPE: Action

RECOMMENDATION

Approval by the Board of the proposed elected Board Member percentages of time to be spent on Board related duties for Fiscal Year (FY) 2014-15.

EXECUTIVE SUMMARY

The Board's *Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members* indicates that on an annual basis, the Board member will propose and obtain the approval of the Finance & Administration Committee at its April meeting of the percentage of the elected Board Member's time, up to 100%, that will be required of the Board Member to fulfill his or her duties to CalPERS in the coming year.

STRATEGIC PLAN

Not Applicable.

BACKGROUND

Government Code 20092, as amended January 1, 2014, allows the reimbursement of elected Board Member's salary and benefits paid based on the Board approved percentage. In March 2014, elected Board Members were requested to provide their proposed percentage of time necessary to fulfill his or her duties to CalPERS in the coming fiscal year.

The costs associated with employer reimbursements are based on the percentage of time the elected Board Member spends on his or her duties as a member of the CalPERS Board of Administration. The percentage is based on the elected Board Member's leave time from their regular work schedule to fulfill his or her responsibilities to the system. Reimbursement to the elected Board Member's employer is processed on a quarterly basis based on the approved percentage of time.

ANALYSIS

Included in Table 1 below, are the proposed percentages of time, as requested by the individual elected Board Members, for FY 2014-15.

Table 1

Board Member	Role(s) as a CalPERS Board Member	Proposed Percentage of Time
Michael Bilbrey	<ul style="list-style-type: none"> - Member Board Governance Committee - Member Pension & Health Benefits Committee - Member Risk & Audit Committee - Chair: Performance, Compensation & Talent Management Committee - Member Investment Committee 	65%
George Diehr*	<ul style="list-style-type: none"> - Member Board Governance Committee - Vice Chair: Pension & Health Benefits Committee - Chair: Risk & Audit Committee - Member Finance & Administration Committee - Vice Chair: Investment Committee 	100%
Rob Feckner	<ul style="list-style-type: none"> - President: Board of Administration - Chair: Board Governance Committee - Member Pension & Health Benefits Committee - Member Risk & Audit Committee - Member Investment Committee 	100%
JJ Jelincic	<ul style="list-style-type: none"> - Member Board Governance Committee - Member Pension & Health Benefits Committee - Member Risk & Audit Committee - Member Investment Committee 	100%
Priya Sara Mathur	<ul style="list-style-type: none"> - Vice President: Board of Administration - Vice Chair: Board Governance Committee - Chair: Pension & Health Benefits Committee - Member Risk & Audit Committee - Vice Chair: Performance, Compensation & Talent Management Committee - Member Investment Committee 	91.5%

*Based on 1,440 annual full-time equivalent (FTE) hours. All other Board Members based on 2,080 annual FTE hours.

BENEFITS/RISKS

If recommendations are not approved, there is the risk that elected Board Members' employers may not be reimbursed for the amount equal to the salary and benefits paid to the elected Board Member in fulfilling his or her responsibilities to CalPERS in accordance with the Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members.

ATTACHMENTS

Attachment 1: Fiscal Year Baseline Hours Required For CalPERS Board Duties

KRISTIN MONTGOMERY
Controller

CHERYL EASON
Chief Financial Officer