

#	Pension Beliefs	Revised version
1	The retirement system must meet the needs of members and employers to be successful over time.	A retirement system must meet the needs of members and employers to be successful.
2	Plan design should ensure lifetime retirement benefits are proportional to each employee's years of service and are adequate for full-career employees.	Plan design should ensure lifetime retirement benefits <u>reflect</u> each employee's years of service, <u>age and earnings</u> and are adequate for full-career employees.
3	Public and private sector organizations will better succeed if all employees have effective means to pursue retirement security.	Delete
4	Undersaving for retirement is a looming national crisis that presents financial threats to public and private sector organizations.	<u>Inadequate financial preparation for retirement by most Americans is a [looming national crisis] [significant fiscal concern nationally];</u> therefore, all employees should have effective means to pursue retirement security.
5	A defined benefit plan is the most efficient retirement plan design and best supports lifetime retirement income.	<u>To most effectively support lifetime income security, a retirement plan design should have professionally managed funds with a long-term horizon, and incorporate pooled investments and risk.</u>
6	The retirement system should ensure funding of promised benefits, promote stability of contributions over time and respect intergenerational equity with regard to benefit cost.	Delete
7	Funding policies must be applied in a disciplined and consistent manner, react to investment return fluctuations, and support rate stability.	Funding policies should be applied in <u>a fair</u> , consistent manner, <u>accommodate</u> investment return fluctuations and support rate stability.
8	Responsibility for funding pension benefits is balanced between employers and employees <i>[contributing to the stability and long-term sustainability of the plan].*</i>	Pension benefits are deferred compensation and the responsibility for <u>proper</u> funding should be shared between employers and employees.
9	Decisions must give precedence to the fiduciary duty owed to members, but should also consider the interests of all stakeholders including employers and tax payers.	<u>All</u> decisions must give precedence to the fiduciary duty owed to members, <u>[but]</u> <u>[and]</u> should also consider the interests of all stakeholders.
10	Trustees, administrators and all other fiduciaries are accountable for their actions, and must transparently perform their duties to the highest ethical standards <i>[free from inappropriate influence or conflict of interest].*</i>	Trustees, administrators and all other fiduciaries are accountable for their actions, and must transparently perform their duties to the highest ethical standards.
11	The retirement system integrates risk management into its strategic planning and enterprise-wide operations and is proactive, creative, and responsive in addressing internal and external risk to protect the system's integrity and sustainability.	Delete
12	The ongoing success of the retirement system relies on the sound understanding and deployment of risk management within and across business lines.	<u>Sound understanding and deployment of enterprise-wide risk management is essential to the ongoing success of a retirement system.</u>

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13	System administrators must achieve high levels of efficiency and cost effectiveness across all aspects of the operation.	Delete
14		<u>A retirement system should offer innovative and flexible financial education that adapts to the changing needs of its membership.</u>
15		<u>CalPERS has a responsibility as a leader to continue advocating for defined benefit plans.</u>