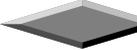


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**BOARD OF ADMINISTRATION
PENSION & HEALTH BENEFITS COMMITTEE
MEETING MINUTES**

October 14, 2014



The Pension and Health Benefits Committee met in Open Session on Tuesday, October 14, 2014, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 11:16 a.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Michael Bilbrey
Barbara Liebert for John Chiang
Rob Feckner
Ralph Cobb for Richard Gillihan
JJ Jelincic
Henry Jones
Grant Boyken for Bill Lockyer

Other Board Members Present:

Richard Costigan
Dana Hollinger
Ron Lind
Bill Slaton

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided an update on the following items: the Inside an Inquiry Speaker Series, Early Retiree Reinsurance Program audit; Dependent Eligibility Verification Project; and, CalPERSCompare.

Donna Lum, Deputy Executive Officer, Customer Services and Support, provided an update on the Customer Service and Outreach Division office move and the CalPERS Benefit Education Events, formerly known as the CalPERS Retirement Fairs.

AGENDA ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Item:

- 3a. Approval of the September 16, 2014, Pension and Health Benefits Committee Meeting Minutes

AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following Information Consent Items:

- 4a. Annual Calendar Review
- 4b. Draft Agenda for November 18, 2014, Pension and Health Benefits Committee Meeting

AGENDA ITEM 5 – PROPOSED REGULATIONS TO THE CALPERS PLANS IN ACCORDANCE WITH THE INTERNAL REVENUE SERVICE RULES

Lisa Hammond, Senior Staff Counsel, Legal Office, presented the proposed regulations to clarify and make explicit certain technical provisions required of tax-qualified plans in accordance with the Internal Revenue Service (IRS) rules.

JJ Jelincic moved staff's recommendation to approve the proposed regulations and the initiation of the rulemaking process to make technical amendments to the plan provisions for the Public Employees' Retirement Fund, the Legislators' Retirement Fund, the Judges' Retirement Fund, the Judges' Retirement Fund II, and the Supplemental Contributions Plan (individually the "Plan", and collectively "the Plans") in accordance with the Internal Revenue Service rules (Attachment 1). The motion was seconded and carried.

AGENDA ITEM 6 – CUSTOMER SERVICES AND SUPPORT COST EFFECTIVE MEASURE REPORT

As an information item, Donna Lum, Deputy Executive Officer, Customer Services and Support, and Tom Scheibelhut, Chief Executive Officer, CEM Benchmarking, Inc., presented CalPERS CEM Report that compares CalPERS to its peers and shows a view of its performance in key activities within the areas of service levels, costs and volumes.

AGENDA ITEM 7 – PRESCRIPTION DRUGS: UTILIZATION AND COST TRENDS

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, and Dr. Melissa Mantong, CalPERS Staff, provided an update on the prescription drug utilization and cost trends for all CalPERS health plans from 2009 through 2013.

AGENDA ITEM 8 – PUBLIC COMMENT

The Committee received public comment from Clarence Fischer, CalPERS Member, regarding the Dependent Eligibility Verification Project.

The meeting was adjourned at 12:25 p.m.

The next meeting of the Pension and Health Benefits Committee is scheduled for November 18, 2014, in Sacramento, California.

Attachment

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning