Board of Administration
California Public Employees' Retirement System

Agenda Item 8j

February 19, 2015

ITEM NAME: Proposed Decision – In the Matter of the Appeal Regarding Reciprocal Redeposit Service Credit of SUSAN STOCKHAMMER, Respondent; and CALIFORNIA STATE UNIVERSITY FULLERTON, CALIFORNIA STATE UNIVERSITY DOMINGUEZ HILLS, LOS ANGELES UNIFIED SCHOOL DISTRICT

PROGRAM: Customer Account Services Division

ITEM TYPE: Action

PARTIES' POSITIONS

Staff argues that the Board of Administration should adopt the Proposed Decision.

Susan Stockhammer (Respondent Stockhammer) argues that the Board of Administration should decline to adopt the Proposed Decision.

STRATEGIC PLAN

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

PROCEDURAL SUMMARY

In 1986, Respondent Stockhammer withdrew her contributions from and terminated her membership in CalPERS. At that time she became a member of CalSTRS. While preparing for retirement from CalSTRS, Respondent Stockhammer was informed by a CalSTRS retirement counselor that she might be able to establish reciprocity by redepositing the withdrawn contributions to CalPERS. If a redeposit could be accomplished, she would be eligible for reciprocity, which would increase her monthly pension benefits. A key requirement for redepositing contributions is that it must be done before retiring. Respondent Stockhammer did not postpone her retirement date with CalSTRS. Because she retired before completing the CalPERS application process, and because her window of time to finalize the paperwork had expired after she retired from CalSTRS, she lost her eligibility to redeposit and establish reciprocity. Respondent Stockhammer appealed this determination by CalPERS and the matter was heard by the Office of Administrative Hearings on September 30, 2014. A Proposed Decision was issued on December 31, 2014, denying Respondent Stockhammer's appeal.

ALTERNATIVES

A. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System hereby adopts as its own Decision the Proposed Decision dated December 31, 2014, concerning the appeal of Susan Stockhammer; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

B. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated December 31, 2014, concerning the appeal of Susan Stockhammer, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

C. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated December 31, 2014, concerning the appeal of Susan Stockhammer, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

D. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the appeal of Susan Stockhammer, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as precedential, and that the

Board will consider the issue whether to designate its Decision as precedential at a time to be determined.

2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

   RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, hereby designates as precedential its Decision concerning the appeal of Susan Stockhammer.

BUDGET AND FISCAL IMPACTS: Not applicable

ATTACHMENTS

Attachment A: Proposed Decision
Attachment B: Staff's Argument
Attachment C: Respondent's Argument

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DONNA RAMEL LUM
Deputy Executive Officer
Customer Services and Support