



## Finance & Administration Committee

California Public Employees' Retirement System

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### Agenda Item 7b

April 14, 2015

**ITEM NAME:** Annual Review of Board Member Employer Reimbursements

**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 based on Board and committee selections held in January, February, and March 2015. The percentages approved in April will be effective as of the committee selection date(s).

#### **EXECUTIVE SUMMARY**

The Board of Administration's Policy for the Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members requires the recommended percentage up to 100 percent of the elected Board Member's time that will be required of the Board Member to fulfill his or her duties for approval by the Finance & Administration Committee.

#### **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.

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.

To improve transparency and accountability, an annual summary is provided (Table 1) of employer reimbursed salary and benefits by Board Member, as requested by the employer, for the Fiscal Year 2013/14. The annual summary provides a sound framework that correlates reimbursed costs based on approved percentages to specific activities, the streamlined approval and processing of reimbursement requests from employers, in combination with the Board oversight role.

Included in Table 1, is the summary of employer reimbursed salary and benefits by Board Member, as requested by the employer, for the Fiscal Year 2013/14.

Table 1

<b>Board Member</b>	<b>Salary and Benefits Reimbursed FY 2013/14</b>
Michael Bilbrey	\$17,351
George Diehr	\$55,883
Rob Feckner	\$81,259
JJ Jelincic	\$154,584
Priya Mathur	\$118,963

**ANALYSIS**

Included in Table 2, are the proposed percentages of time, as requested by the individual Board Members.

Table 2

<b>Board Member</b>	<b>Additional Role(s) as a CalPERS Board Member</b>	<b>Proposed Percentage of Time</b>	<b>Effective Date</b>
Michael Bilbrey	- Vice Chair: Pension & Health Benefits Committee - Member Board Governance Committee - Member Investment Committee	62%	2/18/15 to 3/16/15
	Above duties plus: - Chair: Performance, Compensation, & Talent Management Committee	67%	3/17/15
Rob Feckner	- President: Board of Administration - Member Board Governance Committee - Member Pension & Health Benefits Committee - Member Risk & Audit Committee - Member Investment Committee	100%	2/18/15
JJ Jelincic	- Vice Chair: Risk & Audit Committee - Member Pension & Health Benefits Committee - Member Finance & Administration Committee - Member Investment Committee	100%	3/17/15

<b>Board Member</b>	<b>Additional Role(s) as a CalPERS Board Member</b>	<b>Proposed Percentage of Time</b>	<b>Effective Date</b>
Priya Mathur	- Chair: Pension & Health Benefits Committee - Member Risk & Audit Committee - Member Investment Committee	85%	2/18/15 to 3/16/15
	Above duties plus: - Vice Chair: Performance, Compensation, & Talent Management Committee	87%	3/17/15
Theresa Taylor	- Member Pension & Health Benefits Committee - Member Risk & Audit Committee - Member Performance, Compensation, & Talent Management Committee - Member Investment Committee	61%	1/1/15

**BENEFITS/RISKS**

If recommendations are not approved, there is a risk that elected Board Member's 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

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KRISTIN MONTGOMERY  
 Controller

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CHERYL EASON  
 Chief Financial Officer