



August 16, 2016

**Item Name:** Annual Discharge of Accountability for Uncollectible Debt

**Program:** Retirement

**Item Type:** Information Consent

**Executive Summary**

The reporting period for this report has changed to align with the fiscal year. To accommodate this change, this report covers the shortened period from February 2016 through June 2016. The next report will contain data for the entire fiscal year.

During the period from February 1, 2016, through June 30, 2016, the total dollar amount of uncollectible debt discharged was \$134,905. Discharge of accountability improves the accuracy of CalPERS' financial statements by removing uncollectible debts that overstate the assets of the system.

**Strategic Plan**

This report supports Goal B of the CalPERS 2012-2017 Strategic Plan to actively manage business risks with an enterprise-wide view. The process of gaining approval for the discharge of accountability from an uncollectible debt begins only after all feasible alternatives for collection have been exhausted.

**Background**

CalPERS applies the statutes of limitation to discharge uncollectible debts under the provisions of the Public Employees' Retirement Law, Article IV, Section 20164. Member accounts receivable are discharged after three years for the adjustment of errors and omissions, and after 10 years in cases where payment is erroneous because of death.

**Analysis**

Calculation adjustment receivables accounted for the discharge of 6 receivables for a total of \$134,905.

Portions of the four receivables exceeded the 3 year statute of limitation and totaled \$134,799, or 99.9 percent of the total dollars in this category. Three receivables were caused by calculation errors. One receivable was caused by a payroll correction. All of these overpayments were discovered when an event caused a recalculation of the retirement benefits. Amounts that were within the statute of limitation are being repaid for all four receivables.

The remaining two receivables accounted for \$106 or 0.07 percent of the total dollars and were discharged pursuant to Government Code 13943.20.

Summary of Uncollectible Debt			
Reason for Overpayment	Reason for Discharge from Accountability	February - June 2016	
		Number	Amount
Calculation Adjustments	Statutes of Limitation Largest: \$131,715 Average: \$33,700	4	\$134,799
	Less than \$500 (GC 13943.20) Largest: \$58 Average: \$53	2	\$106
Total			\$134,905

**Budget and Fiscal Impacts**

Not Applicable.

**Benefits and Risks**

Not Applicable.

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**Kristin Montgomery**  
 Controller  
 Financial Office

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**Cheryl Eason**  
 Chief Financial Officer

