



Board of Administration Agenda Item 8c

August 17, 2016

Item Name: Proposed Decision – In the Matter of the Appeal Regarding Membership Eligibility of NORMAN R. THORN, Respondent, and CITY OF EL SEGUNDO, Respondent.

Program: Employer Account Management Division

Item Type: Action

Parties' Positions

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

Respondent Norman R. Thorn (Respondent Thorn) 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

Respondent Thorn filed a Request for Service Credit Cost Information-Service Prior to Membership, requesting to purchase service credit for his time as a consultant with the City of El Segundo, from 1994 to 2004. CalPERS favorably determined that Respondent Thorn was an employee and not an independent contractor during these years. Even so, he did not qualify for CalPERS membership during this time because he never worked at least 1000 hours within any fiscal year. Respondent Thorn appealed the determination that he was not eligible for CalPERS membership between 1994 and 2004 and the matter was heard by the Office of Administrative Hearings on April 28, 2016. A Proposed Decision was issued on May 13, 2016, partially granting Respondent Thorn'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 May 13, 2016, concerning the appeal of Norman R. Thorn; 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 May 13, 2016, concerning the appeal of Norman R. Thorn, 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 May 13, 2016, concerning the appeal of Norman R. Thorn, 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 Norman R. Thorn, 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 Norman R. Thorn.

Budget and Fiscal Impacts: Not applicable

Attachments

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

DONNA RAMEL LUM
Deputy Executive Officer
Customer Services and Support

