



Board of Administration Agenda Item 8dd

February 15, 2017

Item Name: Proposed Decision – In the Matter of the Appeal Regarding the Calculation of Final Compensation of VIRGILIO E. CHUA, Respondent, and SAN FRANCISCO CITY AND COUNTY HOUSING AUTHORITY, Respondent.

Program: Employer Account Management Division

Item Type: Action

Parties' Positions

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

Respondent Virgilio E. Chua (Respondent Chua) 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 Chua was employed by Respondent San Francisco City and County Housing Authority (Respondent Authority). Respondent Chua signed an application for service retirement on or about October 29, 2013 and retired for service effective December 31, 2013. CalPERS reviewed the compensation reported by Respondent Authority on behalf of Respondent Chua and determined that his monthly payrate of \$8,703.50 from July 2008 through December 2013, is not eligible to be included in the calculation of his final compensation because the reported payrate exceeded the publicly available pay schedule. Respondent Chua appealed this determination and the matter was heard by the Office of Administrative Hearings on November 29, 2016. A Proposed Decision was issued on December 28, 2016, denying the application for 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 28, 2016, concerning the appeal of Virgilio E. Chua; 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 28, 2016, concerning the appeal of Virgilio E. Chua, 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 28, 2016, concerning the appeal of Virgilio E. Chua, 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 Virgilio E. Chua, 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 Virgilio E. Chua.

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