



## Board of Administration Agenda Item 8v

February 15, 2017

**Item Name:** Proposed Decision – In In the Matter of the Appeal Regarding Cancellation of Tier Conversion Election of LISA A. HILDER, Respondent.

**Program:** Member Account Management Division

**Item Type:** Action

### Parties' Positions

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

Respondent Lisa A. Hilder (Respondent Hilder) 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 Hilder converted approximately 4-years of second tier service to first tier service. After completing the conversion, which cost Respondent \$15,575.00, she applied for, and was approved to receive disability retirement. Respondent thereafter realized that her conversion of second tier service to first tier service did not result in an increase in her monthly benefit since disability benefits are capped (maximum) at 33.33 percent of final compensation. Respondent requested that the irrevocable conversion be rescinded and that CalPERS refund to her the \$15,575.00 Respondent paid to accomplish the conversion. CalPERS Staff denied Respondent's request and Respondent appealed. The matter was heard by the Office of Administrative Hearings on October 26, 2016. Respondent and CalPERS submitted Post Hearing Briefs. A Proposed Decision was issued on December 20, 2016, denying the 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 20, 2016, concerning the appeal of Lisa A. Hilder; 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 20, 2016, concerning the appeal of Lisa A. Hilder, 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 20, 2016, concerning the appeal of Lisa A. Hilder, 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 Lisa A. Hilder, 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 Lisa A. Hilder.

**Budget and Fiscal Impacts:** Not applicable

### Attachments

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

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DONNA RAMEL LUM  
Deputy Executive Officer  
Customer Services and Support

