

ATTACHMENT C
RESPONDENT'S ARGUMENT

March 28, 2017

To: CalPERS Board of Administration
Subject: Appeal of the Effective Retirement Date of Hannah M. Clayborn
Agency Reference No. 2016-0496
OAH Case No. 2016090728

[Note: A correction (with documentation) to certain information contained in the Report from the Administrative Law Judge Mary Margaret Anderson, February 22, 2017, on this case follows this brief.]

Introduction

Pursuant to Article XVI, Section 17 of the California Constitution, *CalPERS owes fiduciary duties to Members. Fiduciary duties require CalPERS to provide Members and others with timely, accurate, information.* (*City of Oakland v. Public Employees' Retirement System* (2002) 95 Cal.App.4th 29,40.) Should members be given the information they need, including appropriate graphs and other documents to make a good decision about when to retire? Should members be notified personally when they are eligible to retire, and accurately informed by CalPERS about their retirement options over time?

My appeal requests a retroactive retirement date of February 3, 2013, based upon misleading information and omissions of other important information by CalPERS in its Annual Member Statements, which led to excusable and reasonable errors by me in delaying my application to retire until October 13, 2015.

This retroactive retirement date allows me to recover approximately \$24,569 of my retirement benefits.

There are indications that that the “mistakes” and misconceptions I experienced that are detailed below were not unique and are “reasonable” under California Public Employees’ Retirement Case Law under Article 4, Section 20160 noted specifically below. During my October 2015 encounters with CalPERS customer service representatives, I was told that they *...speak to people like me every week, some of them already 70 years old.* The number of people similarly affected could be discovered by surveying those inactive (unemployed) CalPERS members who applied for retirement after the age of 59, and especially those who waited until age 70, subverting their own best financial interests.

If CalPERS had not discontinued mailing Annual Member Statements to its members in 2013, or had informed me personally how to locate that digital statement on its website, I would have received notice that I was eligible to retire that year and would have been instructed to call CalPERS for any retirement application information or options (a new feature of the 2013 statement). I almost certainly would have done so, and hopefully would have been advised in my best interests to apply for benefits as soon as possible. Further, CalPERS failed to send me or inform me about the existence of a crucial retirement planning tool, *Percentage of Compensation Graph 2 @ 55 [Exhibit A]* which allows members to calculate various potential benefits over time, an overview not available in any other way.

None of the factual information or dates contained in this appeal has been contested by CalPERS, only its conclusion.

Statement of Case

[NOTE: the great majority of my CalPERS service credit is from municipal employment as the director of small history museums from 1979 to 1998. **From 1998 to 2015 I was an inactive member, relying solely on information sent in the mail to me from CalPERS.** Due to a short seasonal job as a history tour guide at a rural state park (.377 of one year service credit) in 2010 and 2011, CalPERS lists me now as a state employee. State Parks

sent me no information on CalPERS retirement details or options. Although I last worked as a tour guide in July 2011, state parks did not remove me from their seasonal roles until February 3, 2013. **Hence that is the date I technically became eligible to apply for retirement from CalPERS, and that is the retroactive retirement date requested.**]

Under the applicable law, *California Public Employees' Retirement Law, Article 4, Correction of Error and Omissions*

§ 20160. Criteria for Correction

(a) Subject to subdivisions (c) and (d), the board may, in its discretion and upon any terms it deems just, correct the errors or omissions of any active or retired member, or any beneficiary of an active or retired member, provided that all of the following facts exist:

(1) The request, claim, or demand to correct the error or omission is made by the party seeking correction within a reasonable time after discovery of the right to make the correction, which in no case shall exceed six months after discovery of this right...

On October 7, 2015, during a phone call to a CalPERS customer service representative, I discovered that the contributory retirement account that I had been tracking on my Annual Member Statements for decades had no bearing in fact on my eventual retirement benefits. **Always featured prominently on these statements, that account, accruing attractive interest annually, had no disclaimer or annotation to indicate that it was unrelated to my eventual benefits. [Exhibit B] Further I discovered that my actual benefits depended largely upon a certain version of a graph entitled *Percentage of Compensation Graph 2 @ 55*. [Exhibit A] I had never received this graph, either from CalPERS or from any of my employers since 1979.**

According to that *Percentage of Compensation Graph*, my retirement benefits had slowed considerably in appreciation from the age of 55 on, to the point in 2015, that I was forfeiting an entire year's worth of retirement, approximately \$15,000, for an annual increase of approximately \$800. The CalPERS representative stated that the graph was not available on the CalPERS website, but that it could be mailed to me. The representative advised me to apply for retirement as soon as possible and further commented that, *I talk to people like you every week, some of them already 70 years old*. I was told that I could ask for retroactive retirement. **I applied for retirement on October 13, 2017, and simultaneously asked for a retroactive retirement date. Therefore I requested that correction within a reasonable time after discovery, 6 days.**

§ 20160...(2) The error or omission was the result of mistake, inadvertence, surprise, or excusable neglect, as each of those terms is used in Section 473 of the Code of Civil Procedure...

I received mailed Annual Member Statements from CalPERS from 1998 (the end of my active CalPERS employment) until 2012. **In 2013 CalPERS discontinued mailing Annual Member Statements, but did not individually notify its members of this change to online statements.** CalPERS states that a general notice appeared on page 7 of a newsletter entitled "Perspectives" dated Spring 2013. I never saw that 2013 news magazine, nor one it claims to have sent in 2014, and these newsletters were probably discarded as junk mail by my family for the following reason.

In July of 2012, I was diagnosed with stage 3b breast cancer and throughout much of 2013 and 2014 was living in another location to undergo surgery, and regular treatments with chemotherapy and radiation. After much research, I was lucky enough to be accepted into a promising clinical vaccine trial in 2013 that ended in May of 2015. While living part-time elsewhere in 2012, 2013, and part of 2014, I received all letters and personal mail addressed to me, but not all of the many magazines, periodicals, journals, and junk mail that I receive. The newsletter "Perspectives" was not tagged as an important communication. The small notices of discontinuation of mailed Annual Member Statements and reliance on online sources were apparently inside on pages 4 and 7 of these publications.

Therefore CalPERS failed to provide ...*Members and others with timely, accurate, information.* (City of Oakland v. Public Employees' Retirement System (2002) 95 Cal.App.4th 29,40.) **Missing a notice buried in a general newsletter during a critical illness and change of residence is an excusable error on my part as stipulated in § 20160 (2).** Since I was not informed personally by CalPERS that my Annual Member Statements had been discontinued, I was also not informed about the CalPERS website or the fact that it posted a digital version of my Annual Member Statement ONLY in that online location.

My Annual Member Statements from 1998 to 2012 led me to believe that my contributory retirement, "account" was accruing in worth annually. It emphasized and featured a dollar amount in an "account" that earned an attractive rate of interest, like any bank account. [Exhibit B] Each year the account grew and therefore gained substantially more interest. **Nothing on the statement countered a reasonable assumption that an increase in the total dollar amount of that contributory retirement account would increase my eventual retirement benefit amount.**

A superior court judge, Christopher J. Warner, who retired with a disability allocation from CalPERS in 2010 had a similar misconception about this contributory retirement account. He believed that the account shown on his Annual Member Statement was owed to him despite his disability retirement allocation, and he took that case to the San Bernadino County Superior Court. (Christopher J. Warner v. CalPERS (2015) Superior Ct. No. CIVDS1300493).

CalPERS Annual Member Statements to 2012 stated that eventual retirement benefit is calculated as *Service Credit x Benefit Factor x Final Compensation = Unmodified Allowance (highest monthly pension)*. That statement proceeds on the next page to define in detail *service credit* and *final compensation*, but offers only a few words to define *benefit factor*: "benefit factor(s) of your retirement formula(s) of your retirement age." **There is no mention of any detailed graph or tool which would further explain or define the meaning of benefit factor and absolutely no reference to a publication called *Percentage of Compensation Graph 2 @ 55*.** [Exhibit B] This short definition led myself and an unknown number of others to erroneously equate *benefit factor* to age at retirement. **This definition would lead to a reasonable conclusion that the eventual retirement benefit would increase appreciably with the age at which you applied for it, just as Social Security does.**

*§ 20160...(3) The correction will not provide the party seeking correction with a status, right, or obligation not otherwise available under this part.
Failure by a member or beneficiary to make the inquiry that would be made by a reasonable person in like or similar circumstances does not constitute an "error or omission" correctable under this section...*

CalPERS management contends that I did not make the inquiry that a "reasonable" person would have made. Their assertion relies solely on the subjective opinion of CalPERS management personnel, presenting no supporting evidence that other CalPERS members have not made the same mistake.

Yet the information CalPERS supplied on its Annual Member Statements through 2012, as described above, was both misleading and incomplete. Ambiguously defining the term *benefit factor* as *your retirement formula(s) at your retirement age*, and failing to reference or promote access to a crucial method of calculating that benefit factor, a graph entitled, *Percentage of Compensation Graph 2 @ 55*, could lead a reasonable person to conclude that their retirement benefit was increasing appreciably with age.

The Annual Member Statements further featured and emphasized a contributory account that was accruing considerable interest annually. No notation or annotation indicates that this contributory account is unrelated to eventual retirement benefits. At least one superior court judge, in fact,

litigated to receive his contributory retirement account along with his benefits. (Christopher J. Warner v. CalPERS (2015) Superior Ct. No. CIVDS1300493)

I am an educated and published anthropologist, historian, writer, and professional editor. Almost all of my career was spent as a successful executive director of small history museums, and I have edited over 100 published histories and authored five in other private employment. **If at any time during my active municipal employment (1979 to 1998) or my inactive CalPERS membership (1998 to 2015) I had received the calculating graph, *Percentage of Compensation Graph 2 @ 55*, or been informed of its existence, there would probably have been no misconception.**

Based on my misconception, and my understanding of the Annual Member Statements, I felt assured during my serious illness from 2012 to 2015 that my retirement “account” and my eventual benefits were accruing appreciably with my advancing age.

§ 20160... (b) Subject to subdivisions (c) and (d), the board shall correct all actions taken as a result of errors or omissions of the university, any contracting agency, any state agency or department, or this system....

Errors and omissions by CalPERS in this case are clear. There is no doubt that CalPERS discontinued its mailed Annual Member Statements in 2013, without individually notifying its members. That point is uncontested. While CalPERS claims that a small notice on page 4 of a new magazine, *Perspectives* is sufficient notice to members, it failed as notification in my case, someone seriously ill and living partially away from home. A personal letter or email would have and should have alerted me to the existence of the CalPERS website and my online Annual Member Statement in 2013 and 2014. And it follows that therefore I never received any communications sent to me in digital form on the website in 2013, 2014, and 2015.

My Annual Member Statements from 1998 to 2012 were misleading as described previously. They emphasized an interest-earning contributory account which had in fact no relation to eventual retirement benefits. Most importantly it makes no hint or reference to an important tool for evaluating options for the timing of retirement, a graph entitled *Percentage of Compensation Graph 2 @ 55* [Exhibit A]

It seems clear that CalPERS itself acknowledged the confusion caused by portions of the Annual Member Statements from 1998 to 2012. CalPERS changed that content abruptly in 2013, replacing the entire explanatory section about retirement benefits with the following terse statement, *To determine your future retirement benefits, visit the Retirement Planning Calculator or submit a Retirement Allowance Estimate Request on our Web site.* [Exhibit C] Unfortunately, that 2013 Annual Member Statement was only posted online, without notifying me personally by letter or email.

It should be noted, that even if I had called CalPERS customer service, representatives generally calculate benefits at only one point in time, and an official request for a written benefit calculation to CalPERS, which takes 45 to 90 days to receive, calculates only one date per request. This does not present a range of options or an overview for a prospective retiree, and only the *Percentage of Compensation Graph 2 @ 55* can do that. On October 7, 2015, I was lucky to contact a very knowledgeable representative who seemed to have past experience with this problem and who commented after recommending immediate application for retirement, *I speak to people like you every week, some of them already 70 years old.*

(c) The duty and power of the board to correct mistakes, as provided in this section, shall terminate upon the expiration of obligations of this system to the party seeking correction of the error or omission, as those obligations are defined by Section 20164.

(d) The party seeking correction of an error or omission pursuant to this section has the burden of presenting documentation or other evidence to the board establishing the right to correction pursuant to subdivisions (a) and (b).

I believe I have presented the documentation and evidence required to fulfill section (d) above, none of the factual information is contested by CalPERS. On its part, CalPERS has only the subjective judgement of its own administrative personnel, hardly an impartial source, to establish that my mistake could be made by no "reasonable" person.

Only CalPERS has the ability to calculate how many others have made a similar mistake. I am powerless to do so. As previously stated, that could be done by surveying the number of unemployed members who opted for retirement past the age of 59.

(e) Corrections of errors or omissions pursuant to this section shall be such that the status, rights, and obligations of all parties described in subdivisions (a) and (b) are adjusted to be the same that they would have been if the act that would have been taken, but for the error or omission, was taken at the proper time...

If CalPERS had continued to mail Annual Member Statements in 2013, or had informed me how to locate that statement on its website, I would have received notice thereby that I was eligible to retire and would have been instructed simply to call CalPERS for all calculation or information about retirement options (a new feature of the 2013 statement). I almost certainly would have done that and hopefully would have been advised, in my best interests, to apply as soon as possible. At that point, any delay in applying for retirement only benefited CalPERS, as the total benefit amount was increasing only a few hundred dollars annually. I would have to live approximately another 30 years to begin to financially benefit from the delay.

This error and omission, therefore can and should be corrected by using the official date of eligibility, February 3, 2013, as the retroactive retirement date.

Conclusion

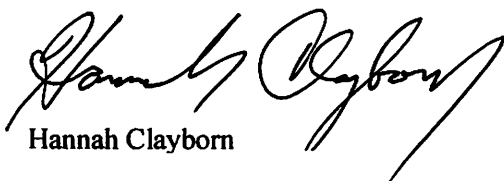
In one of the cases cited above, *City of Oakland v. Public Employees' Retirement System (2002)*, the court drew the conclusion that the constitutional amendment meant that CalPERS has "a fiduciary duty to provide timely and accurate information to its members." and then went on to quote from CalPERS' own precedential decision, *In re the application of Smith* that "[t]he duty to inform and deal fairly with members also requires that the information conveyed be complete and unambiguous." (*City of Oakland, supra at 40.*)

The information CalPERS supplied to me was both incomplete and ambiguous. CalPERS contends that it was my duty to inquire and discover, but these precedents rule otherwise. These precedents indicate that I should have been informed personally when I was eligible to retire and been given the materials to make that decision wisely, including the publication *Percentage of Compensation 2 @ 55*.

CalPERS administrative personnel cannot impartially make the judgement as to whether the mistake I made was *reasonable* or not under the law, unless they can show that no other reasonable members have made a similar mistake. **The deletion of the explanatory section on retirement benefits for the first time in the 2013 Annual Member Statement [Exhibits B & C], a statement which I never received, signals that even CalPERS understood there was a tendency to misinterpret the information that they had disseminated for so long.**

Taken together, the circumstances of my case fall within the framework of the applicable law, and I therefore request a retroactive retirement date of February 13, 2013, the first date that I would have been eligible to apply for retirement, had CalPERS not supplied misleading information and omitted other crucial information, including individual notifications and the *Percentage of Compensation, 2@55* for my employment category.

Thank you for your time and attention.



Hannah Clayborn

[Note: Factual error, Administrative Law Judge Report page 4/5, item 12. “*She was advised that an application was needed to accompany the check...*”

During the hearing before Judge Mary Margaret Anderson on February 7, 2017, extraneous evidence was introduced by the attorney representing CalPERS regarding my attempt to buy \$2,379.81 worth of CalPERS service credit in 2005. It was an unrelated request introduced for the stated purpose of showing that I knew how to call CalPERS on the telephone, an ability I have never disclaimed in any written or spoken testimony. However, in drawing on this subject, Judge Anderson has inadvertently made a factual error. I did, in fact, fill out the appropriate application [**Exhibit D**] to accompany the \$2,379.81 check in question, made out to CalPERS, and furthermore had the personnel Department of the City of Novato also fill out other required forms. CalPERS’s attorney did not include the final communication, dated February 3, 2006, from CalPERS to me on this subject, which made additional requests that neither I, nor anyone in the City of Novato Personnel Department, could decode. CalPERS also asked for \$5,043.57, an amount greater than the original check offered to them. Since I did not have the additional money, that ended the matter for me. I could not proceed.

Although I question the relevance of these documents, and I did not submit them, this evidence does illustrate the opacity and confusion caused by some of CalPERS’s requirements and communications.]

Cases Cited

City of Oakland v. Public Employees’ Retirement System (2002) 95 Cal.App.4th 29,40.
(Christopher J. Warner v. CalPERS, (2015) Superior Ct. No. CIVDS1300493)

In re Application of Smith (March 31, 1999) PERS Prec. Dec. No. 99-01

Exhibits

- A *Percentage of Compensation Graph, 2 @ 55*, Local Miscellaneous Version (1 page)
- B CalPERS *Annual Member Statement*, Hannah M. Clayborn, 2012 (4 pages)
- C CalPERS *Annual Member Statement*, Hannah M. Clayborn, 2013 (from digital version) (2 pages)
- D Record of communications regarding unrelated request to CalPERS to purchase \$2,379.81 worth of service credits, 2005, 2006. (8 pages)

PERCENTAGE OF FINAL COMPENSATION

EXHIBIT A
 Clayborn,
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2^{percent}
 @55

Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.426	1.522	1.628	1.742	1.866	2.000	2.052	2.104	2.156	2.210	2.262	2.314	2.366	2.418
Years of Service	Percentage of Final Compensation													
5	7.13	7.61	8.14	8.71	9.33	10.00	10.26	10.52	10.78	11.05	11.31	11.57	11.83	12.09
6	8.56	9.13	9.77	10.45	11.20	12.00	12.31	12.62	12.94	13.26	13.57	13.88	14.20	14.51
7	9.98	10.65	11.40	12.19	13.06	14.00	14.36	14.73	15.09	15.47	15.83	16.20	16.56	16.93
8	11.41	12.18	13.02	13.94	14.93	16.00	16.42	16.83	17.25	17.68	18.10	18.51	18.93	19.34
9	12.83	13.70	14.65	15.68	16.79	18.00	18.47	18.94	19.40	19.89	20.36	20.83	21.29	21.76
10	14.26	15.22	16.28	17.42	18.66	20.00	20.52	21.04	21.56	22.10	22.62	23.14	23.66	24.18
11	15.69	16.74	17.91	19.16	20.53	22.00	22.57	23.14	23.72	24.31	24.88	25.45	26.03	26.60
12	17.11	18.26	19.54	20.90	22.39	24.00	24.62	25.25	25.87	26.52	27.14	27.77	28.39	29.02
13	18.54	19.79	21.16	22.65	24.26	26.00	26.68	27.35	28.03	28.73	29.41	30.08	30.76	31.43
14	19.96	21.31	22.79	24.39	26.12	28.00	28.73	29.46	30.18	30.94	31.67	32.40	33.12	33.85
15	21.39	22.83	24.42	26.13	27.99	30.00	30.78	31.56	32.34	33.15	33.93	34.71	35.49	36.27
16	22.82	24.35	26.05	27.87	29.86	32.00	32.83	33.66	34.50	35.36	36.19	37.02	37.86	38.69
17	24.24	25.87	27.68	29.61	31.72	34.00	34.88	35.77	36.65	37.57	38.45	39.34	40.22	41.11
18	25.67	27.40	29.30	31.36	33.59	36.00	36.94	37.87	38.81	39.78	40.72	41.65	42.59	43.52
19	27.09	28.92	30.93	33.10	35.45	38.00	38.99	39.98	40.96	41.99	42.98	43.97	44.95	45.94
20	28.52	30.44	32.56	34.84	37.32	40.00	41.04	42.08	43.12	44.20	45.24	46.28	47.32	48.36
21	29.95	31.96	34.19	36.58	39.19	42.00	43.09	44.18	45.28	46.41	47.50	48.59	49.69	50.78
22	31.37	33.48	35.82	38.32	41.05	44.00	45.14	46.29	47.43	48.62	49.76	50.91	52.05	53.20
23	32.80	35.01	37.44	40.07	42.92	46.00	47.20	48.39	49.59	50.83	52.03	53.22	54.42	55.61
24	34.22	36.53	39.07	41.81	44.78	48.00	49.25	50.50	51.74	53.04	54.29	55.54	56.78	58.03
25	35.65	38.05	40.70	43.55	46.65	50.00	51.30	52.60	53.90	55.25	56.55	57.85	59.15	60.45
26	37.08	39.57	42.33	45.29	48.52	52.00	53.35	54.70	56.06	57.46	58.81	60.16	61.52	62.87
27	38.50	41.09	43.96	47.03	50.38	54.00	55.40	56.81	58.21	59.67	61.07	62.48	63.88	65.29
28	39.93	42.62	45.58	48.78	52.25	56.00	57.46	58.91	60.37	61.88	63.34	64.79	66.25	67.70
29	41.35	44.14	47.21	50.52	54.11	58.00	59.51	61.02	62.52	64.09	65.60	67.11	68.61	70.12
30	42.78	45.66	48.84	52.26	55.98	60.00	61.56	63.12	64.68	66.30	67.86	69.42	70.98	72.54
31	44.21	47.18	50.47	54.00	57.85	62.00	63.61	65.22	66.84	68.51	70.12	71.73	73.35	74.96
32	45.63	48.70	52.10	55.74	59.71	64.00	65.66	67.33	68.99	70.72	72.38	74.05	75.71	77.38
33	47.06	50.23	53.72	57.49	61.58	66.00	67.72	69.43	71.15	72.93	74.65	76.36	78.08	79.79
34	—	51.75	55.35	59.23	63.44	68.00	69.77	71.54	73.30	75.14	76.91	78.68	80.44	82.21
35	—	—	56.98	60.97	65.31	70.00	71.82	73.64	75.46	77.35	79.17	80.99	82.81	84.63
36	—	—	—	62.71	67.18	72.00	73.87	75.74	77.62	79.56	81.43	83.30	85.18	87.05
37	—	—	—	—	69.04	74.00	75.92	77.85	79.77	81.77	83.69	85.62	87.54	89.47
38	—	—	—	—	—	76.00	77.98	79.95	81.93	83.98	85.96	87.93	89.91	91.88
39	—	—	—	—	—	—	80.03	82.06	84.08	86.19	88.22	90.25	92.27	94.30
40	—	—	—	—	—	—	—	84.16	86.24	88.40	90.48	92.56	94.64	96.72

California Public Employees' Retirement System

2012

Annual Member Statement

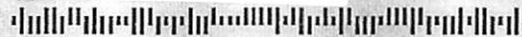
For fiscal year July 1, 2011 through June 30, 2012



7249603483 95450 5402440716

NC270687

HANNAH M CLAYBORN



Your Membership Status

Your June 30, 2012 Annual Member Statement contains important information on your account and the benefits available to you and your family as a member of the California Public Employees' Retirement System (CalPERS).

Your total CalPERS service credit of 15.341 years consists of:

State Misc 2% @ 55	0.377	State of California
Misc. 2% @ 55	13.830	City of Healdsburg
Misc. 2% @ 55	1.134	City of Novato

While every effort has been made to ensure the accuracy of this report, it should be understood that it does not have the force and effect of law, rule, or regulation governing the payment of benefits. Should any difference or error occur, the law will take precedence.

Your CalPERS Account Summary

	After Tax Contributions	Tax Deferred Contributions	Interest	Total	Service Credit
BEGINNING Balance July 1, 2011	\$3,703.08	\$20,838.85	\$80,932.60	\$105,474.53	15.331
CHANGES Fiscal Year 2011/2012	\$0.00	\$0.00	\$6,161.46	\$6,161.46	0.010
ENDING Balance June 30, 2012	\$3,703.08	\$20,838.85	\$87,094.06	\$111,635.99	15.341

These funds cannot be borrowed against and are available to you only upon permanent separation from all CalPERS-covered employment. The interest credited to your account was computed at the annual interest crediting rate of 6%.

Member and employer contributions are maintained in separate accounts in accordance with the California Public Employees' Retirement Law. Employer contributions are paid into the employer's account; they are not shown in member account balances and are not refundable to you.

Your Future Benefits

Your future CalPERS monthly service retirement benefit will be based on your:

- **service credit** with each of your employers,
- **benefit factor(s)** of your retirement formula(s) for your retirement age, and
- **final compensation**, which is your average monthly pay rate for the last, or highest, 12 or 36 months.

Your benefit is calculated as follows:

Service Credit x Benefit Factor x Final Compensation = Unmodified Allowance (highest monthly pension)

You will be eligible for a monthly retirement benefit after you separate from all CalPERS covered employment. Please visit our Web site or call our toll-free number for additional information. Note: Federal law requires you must either begin to receive a monthly retirement benefit or elect to receive a refund no later than the calendar year in which you reach age 70 1/2, unless at that time you are employed at a CalPERS-covered employer or another California publicly funded retirement system.

To determine your future retirement benefits, visit the Retirement Estimate Calculator or submit a Retirement Allowance Estimate Request on our Web site.

Upon your death after retirement, a \$2,000 lump sum death benefit may be paid by CalPERS to your named or statutory beneficiary. This amount is subject to change.

Additional Information

Service Credit

The CalPERS service credit shown reflects your qualifying years of service under all your CalPERS-covered employers. Generally, 1720 hours equals one year of service credit. Part-time employees earn service credit based on the number of hours worked. This service credit may differ from that used by your employer for personnel-related matters, such as sick leave and vacation accrual. You may be eligible to increase your retirement allowance by redepositing withdrawn contributions or purchasing Additional Retirement Service Credit (ARSC), military service, leave of absence, service prior to membership, or other types of service credit. The purchase of some service credit types may also be used to meet minimum service credit requirements for retirement. Please visit our Web site for more information.

Final Compensation

Final compensation for school service is the average monthly pay rate for the last or highest 12 consecutive months of CalPERS membership. For state and public agency service, either 12 or 36 months is applicable, based on your membership date, bargaining unit, or your employer(s) contract provision(s) at the time you retire. Final compensation may be adjusted for service that is coordinated with Social Security.

Saving for the Future

Whether you are planning on retiring just around the corner or many years in the future, you need to think about what you will be able to afford when you retire. If you haven't already, you should seriously consider developing a formal savings plan to ensure your financial goals are met. You might also want to look into supplementing your CalPERS defined benefit plan with a defined contribution plan such as a 401(k) or 457 plan. Please visit our Web site for more information.

Retiring Soon?

If you are considering retirement in the near future, please read our booklet *Planning Your Service Retirement*. If you have made the decision to retire, please review the booklet *Stepping Into Retirement: A Guide to Completing Your CalPERS Service Retirement Election Application*. This booklet includes the application for retirement, and detailed information and processing instructions for completing your application.

Disability Retirement Benefits

If you have a disability that is permanent or of extended and uncertain duration, you may be entitled to a monthly disability allowance payable for life or until recovery.

Pre-Retirement Death Benefits and Beneficiary Designation

If you die before retirement, your beneficiary or eligible survivor may be entitled to a lump sum or monthly death benefit (or both) depending on your unique circumstances. Your member benefit booklet provides a description of these benefits. If you would like to name or change your beneficiary(ies), you must complete a Beneficiary Designation Form. The designation form is available from your personnel office or via download from the CalPERS Web site. Please be aware that certain life events such as marriage, registration of domestic partnership, divorce or termination of domestic partnership, and the birth or adoption of a child may revoke a previous designation. If there is no valid designation on file at your time of death, the benefit will be paid to your survivor(s) in the order provided by law: spouse/registered domestic partner; children; parents; siblings; estate or trust.

Questions about the amount of your contributions, interest, or service credit?

Please write to CalPERS and include your full name, Social Security number, address, daytime telephone number, and your current employer's name. Send your questions to:



Customer Account Services Division
P.O. Box 942709
Sacramento, CA 94229-2709

Member Education

Connect with CalPERS – Online!

CalPERS has many online resources to keep you informed about news and information related to CalPERS and your benefits.

CalPERS On-Line

www.calpers.ca.gov

Your first source for information about CalPERS benefits and services.

my|CalPERS

my.calpers.ca.gov

Your central resource for managing your benefits online – featuring:

- Retirement planning calculators and tools
- Quick access to your statements and account information
- Instructor-led and online courses through the CalPERS Education Center
- Status updates, health plan information, and more!

CalPERS Responds

www.calpersresponds.com

Providing you important information and perspectives from CalPERS leaders on issues related to pensions, investments, and health care.

Connect with us today!

Follow us on **Twitter**: twitter.com/CalPERS

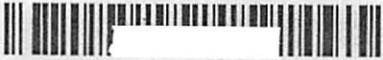
Like us on **Facebook**: facebook.com/myCalPERS

View Videos on **YouTube**: youtube.com/CalPERSNetwork

Need More Information?

- Go to CalPERS On-Line at www.calpers.ca.gov and send us your questions via *Ask CalPERS*.
- Call us toll-free at **888 CalPERS** (or 888-225-7377).
- TTY: (877) 249-7442.
- Visit your nearest Regional Office.

2013 Annual Member Statement



Hannah M. Clayborn

Your CalPERS Contributions:

	After Tax Contributions	Tax Deferred Contributions	Interest	Total	Service Credit (yrs)
Beginning Balance July 1, 2012	\$3,703.08	\$20,838.85	\$87,274.72	\$111,816.65	15.341
Changes Fiscal Year 2012-2013	\$0.00	\$0.00	\$6,704.27	\$6,704.27	0.000
Ending Balance June 30, 2013	\$3,703.08	\$20,838.85	\$93,978.99	\$118,520.92	15.341

These funds cannot be borrowed against and are available to you only upon permanent separation from all CalPERS-covered employment. The interest credited to your account was computed at the annual interest crediting rate of 6%.

Your Service Credit Details:

 Your total CalPERS service credit of **15.341** years consists of:

Benefit Formula	Service Credit (yrs)	Employer
State Misc 2% @ 55	0.377	State of California
Misc. 2% @ 55	13.830	City of Healdsburg
Misc. 2% @ 55	1.134	City of Novato



Your Account Information:

Your CalPERS ID	[REDACTED]
Eligible for service retirement	Yes
Post-retirement lump sum death benefit	\$2,000

Factors That May Affect Your Benefits:

To determine your future retirement benefits, visit the Retirement Planning Calculator or submit a Retirement Allowance Estimate Request on our Web site.

CalPERS has made every effort to ensure the accuracy of this report. This document does not have the force and effect of law, rule, or regulation governing the payment of benefits. Should any difference or error occur, the law will take precedence.

Additional accounts

If you are participating in any of the following plans, more information and account balances are available here:

CalPERS Supplemental Income 457 Plan	
https://calpers.ingplans.com	(800) 260-0659
State Peace Officers' and Firefighters' Supplemental Plan	
https://poffsup.ingplans.com	(888) 600-POFF (7633)
CalPERS Supplemental Contributions Plan	
https://calpers.ingplans.com	(800) 260-0659
State Alternate Retirement Program	
https://www.savingsplusnow.com	(855) 616-4SPN (4776)

Questions about the amount of your contributions, interest, or service credit?

- Log in to your account at my.calpers.ca.gov and send a message via the Message Center
- Visit CalPERS On-line at www.calpers.ca.gov and submit your questions online
- Mail to:
California Public Employees' Retirement System
Customer Account Services Division
P.O. Box 942704
Sacramento, CA 94229-2704

Please include your full name, CalPERS ID, address, daytime telephone number, and your current employer's name on all inquiries.

For general information

- Visit CalPERS On-Line: www.calpers.ca.gov
- Call 888 CalPERS (or 888-225-7377) or TTY: (877) 249-7442
- Visit a CalPERS Regional Office



Member Services Division
P O Box 942704
Sacramento, CA 94229-2704
Telecommunications Device for the Deaf - (916) 795-3240
(888) 225-7377, FAX (916) 795-4019

Reply to Section 830
Reference No

SSN redacted
SSN Redacted

September 27, 2005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Hannah Clayborn

09/22/2005

Dear Ms Clayborn

The enclosed document(s) was received by CalPERS to process a plan-to-plan transfer or rollover on your behalf. However, we are unable to complete such processing for the reason(s) listed on the enclosed sheet.

If you are planning to use a plan-to-plan transfer or rollover to purchase additional service credit, to convert Second Tier to First Tier service credit, or to make a partial or complete payment of the balance due on a previously elected purchase or conversion, CalPERS can accept the plan types as listed on our certification forms. The complete transfer/rollover package needed for our processing must contain the following three basic items:

- 1 The signed credit or conversion election form or a copy of the balance due letter sent you
- 2 Certification by yourself and the plan administrator as requested on our certification form(s). If the plan will not sign our form, certification on their letterhead may be acceptable if it contains the same information as on our form. Note, in Conduit IRA situations where there has been more than one prior transfer or rollover, additional information and forms may be necessary, contact us to discuss the processing needs for your situation.
- 3 The transfer or rollover check made payable to "CalPERS, FBO your name"

CalPERS can not accept a rollover without proper documentation, nor can we request the transfer or rollover from the plan administrator on your behalf. You are responsible for obtaining certification of fund status from your plan administrator. If you are able to obtain the missing information, correct the error, or otherwise resolve the problem(s) indicated on the enclosed sheet, we would be happy to again review your documentation to complete the transfer or rollover request.

If you have any questions concerning the rollover approval process, please contact CalPERS, Monday - Friday between the hours of 8 AM and 5 PM at (888) 225-7377.

Sincerely,

Tran Tang
Service Management Section
Member Services Division

Enclosures

Redacted

**PLAN-TO-PLAN TRANSFERS and ROLLOVERS
REASON(S) CalPERS CAN NOT ACCEPT
THE DOCUMENTATION / CHECKS RECEIVED**

The enclosed documents and/or check(s) are being returned/sent to you for the following reason(s)

- CalPERS must receive a properly completed transfer/rollover Certification Form to confirm we can accept the fund as a transfer/rollover For your convenience, new CalPERS Certification Form(s) are enclosed If your plan administrator will not sign our form, request they provide certification for the items it contains in a letter or other documentation under their letterhead
- The enclosed CalPERS Certification Form must be completed by the plan administrator of the plan you want to transfer or rollover to CalPERS
- CalPERS could not accept this rollover check at this time due to there is no records of calculation for any service credit purchase
- No election option or multiple election options were selected Please select one of the election options provided and initial the change to the form
- A check was not enclosed When selecting the lump-sum or partial payment options, CalPERS must receive payment with your Election Document Please submit the appropriate amount when returning your Election Document
- The rollover/transfer check exceeds the lump-sum cost specified in your election CalPERS can not accept an amount in excess of the cost to purchase/convert service credit or complete the balance due for a prior purchase/conversion
- The rollover/transfer check was not payable to "CalPERS FBO your name"
- It appears you are attempting to use an Indirect Rollover for your payment Please review the enclosed instructions and, if appropriate, complete and return the enclosed Certification Form for Indirect Rollovers Contact us if you are not doing an Indirect Rollover or you have any questions concerning the form or the process
- Your spouse/domestic partner did not sign the Election Document Please have your spouse/domestic partner sign the Election Document If you are not legally married/registered or your spouse/domestic partner is unable to sign, please complete and return the enclosed "Justification for Non-Signature of Spouse/Domestic Partner" form (PERS-MSD-352)
- A CalPERS 'letter of acceptance' or signature on your plan's distribution form was requested We do not routinely take such action without first reviewing certification of the plan type to know that we will be able to accept the transfer/rollover If plan certification is submitted (without the check), we will then review and determine if an acceptance statement can be issued

If you wish to continue the transfer or rollover processing, please resolve the problem indicated above and return the complete rollover package as indicated in our cover letter as soon as possible Note Due to this processing delay an additional payment may be required, do not increase the amount submitted in anticipation of that increase You will be contacted after the check is processed if there is an additional payment due Contact CalPERS if you have any questions about our processing and the documentation needed

RECEIVED
CITY OF NOVATO
2005 NOV 14 PM 2:18
DDC - 2

October 24, 2005

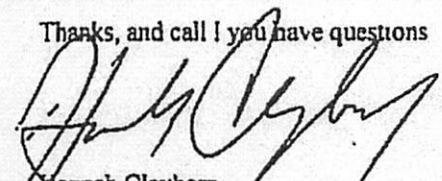
Human Resources
City of Novato
75 Rowland Way #200
Novato, CA 94945

Hello!

I am a former employee. You helped me before with forms to transfer my deferred savings to PERS time. National Deferred Compensations prematurely sent a check to PERS- but PERS did not have the proper forms to process the check. So they sent the check back to me.

Please fill in the appropriate parts of the attached form and please mail it back to me so that I can include it with the check and send it to PERS.

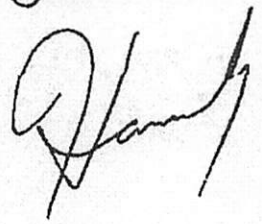
Thanks, and call if you have questions


Hannah Clayborn

I hope this covers it! Let me know if it goes through. Thanks!

← Mail Form to

am
wk
cell

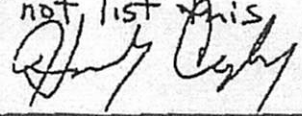


Nov. 9, 2005
To CalPERS:

I did not include the check, which I now have and will stop payment on.

Please be advised that I was also a temporary part-time employee in Novato from 1995-1997,

the time period for which the money was withheld in the deferred account. They did not list this employment on the form.





Request for Service Credit Cost Information Service Prior to Membership, GETA and Fellowship Service

Telecommunications Device for the Deaf (916) 326-3240 • (888) CalPERS (225-7377)

Exhibit D
Clayborn
Agency Ref. # 2016-0496
OAH Case # 2016090728
Page 4 of 8

RECEIVED
2016 NOV 14 PM 2:18
DOC-2

Section 1

Information About You

Have you requested this cost information before? No Yes date requested _____

Have you submitted a retirement application? No Yes retirement date is _____

Were you compensated for this employment? No Yes

Name Hannah M. Clayborn

SSN Redacted

Former Name if applicable: Accadia Publishing
Co. of Employer

Address ICA
City State ZIP Office Phone

Section 2

Prior Employment Information

List the name and address of the employer when the service was earned. If this was a certificated position, contact the State Teachers' Retirement System.

Please list dates and hours of employment for which you are requesting credit. List each position separately and indicate whether service was full-time or part-time. If the service was part-time, indicate service as a fraction or list the hours (i.e. 20 hours/month or 1/2 time).

Employer City of Novato
Address 75 Rowland Way # 200
City Novato, CA State CA ZIP 94945

Was this service rendered under the Comprehensive Employment and Training Act? No Yes

Was this service rendered under a fellowship program? No Yes

Was service rendered as a 10-month employee? No Yes

Employment From 2/24/97 To 11/12/98 Location Novato History Museum
Position Title Recreation Supervisor Hours Worked Per Month 20 hrs

Section 3

Member Certification

I hereby certify that the above information is true and correct

Signature [Handwritten Signature]

Date 10/24/05

If the service was performed for the State of California or a California State University STOP. Sign this form on the line above and mail it to CalPERS at the address listed on page 2 of this form.

If the service was performed for the University of California, a CalPERS-covered public agency or a school, forward this request form to the appropriate employer for completion of Page 2 of 2 before returning to CalPERS.

Member Name _____ Social Security Number _____

Section 4
 If the service was performed for the State of California or California State University employer certification is not required

Statement and Signature of Authorized Employer Representative

Your signature certifies that the member-provided information is true, correct and provides CalPERS with all the necessary information to apply any exclusions. If no hours worked or time base is indicated, full-time service will be assumed. If you do not agree with this assumption or with the information listed, continue to Section 5.

Do you feel this service is not eligible for purchase? Yes No _____
 Reason for the answer _____

Employer Signature _____ Title _____ Date (mm/dd/yyyy) _____
 Printed Name _____ Phone _____ FAX _____

Section 5
 To be completed by employer ONLY if additional information is necessary. Otherwise simply certify in Section 4 above.

Employer Certification

Position Title _____ Employment From (mm/dd/yyyy) _____ To (mm/dd/yyyy) _____
 Position Type Seasonal Limited term Or Call Intern role Post-award
 Time Base Full Time Part Time Hourly Fraction of Full Time _____
 Pay Period Month Semi-monthly Annually Other _____
 Average number of days or hours per month _____
 Average percentage or fraction of time worked per month _____
 Please complete Section 7 and return this request form to the member.

Section 6
 Complete Section 6 ONLY if one of the following conditions occurred: the employee was full-time, worked more than 1000 hours in a fiscal year (July 1 - June 30) or did not work a consistent time base and could not be listed above.

Member Employment History

Employment From (mm/dd/yyyy)	Employment To (mm/dd/yyyy)	Position Title
7/25/95	2/23/97	PT Temporary Community Instructor
Pay Rate (Monthly/Day/Monthly)	Time Worked (Hours per Day)	Time Worked (per month)
15.69	20hrs/wk	

Section 7
 If the service was performed for the State of California or California State University employer certification is not required.

Statement and Signature of Authorized Employer Representative

I hereby certify that the above information is true and correct and provides CalPERS with all the necessary information to apply any exclusions.

Signature _____ Date (mm/dd/yyyy) 11/2/19/05
 DAN WEAKLEY (415) 899-8913 (415) 899-8213
 HR MANAGER Phone FAX

Mail to: CalPERS Member Services Division • P.O. Box 944000 Sacramento, California 95812-4000



Member Services Division
 P O Box 4000
 Sacramento, CA 95812-4000
 Telecommunications Device for the Deaf - (916) 326-3240
 (888) CalPERS (225-7377), FAX (916) 795-4019

Exhibit D
 Clayborn
 Agency Ref.#2016-0496
 OAH Case # 2016090728
 page 6 of 8

2006 JAN 18 PH 2
 CALIFORNIA
 SACRAMENTO - CALIF

Reply to Section 832
 Refer No SSN Redacted

December 2, 2005

Hannah M Clayborn

Dear Hannah M Clayborn

We have received your application to purchase service credit in the California Public Employees' Retirement System (CalPERS). It is necessary for you to take the following steps in order for us to continue processing your request.

CalPERS is unable to provide the service credit cost information you requested as the employer certification portion of the form has not been completed. It is necessary that we receive this information in order to complete the service credit purchase process. If you have not already done so, we recommend you forward the request form to the certifying officer as soon as possible. For your convenience, a new service credit request form is attached. We can take no further action until your completed request is received.

Return your request to us once you have completed the item(s) above. Should you have questions, contact us at the address or telephone number above.

Lydia Theochandes
 Service Credit Section
 Member Services Division

12/14/05
 Dear Personnel Dept.
 As per above request please fill out highlighted sections attached. Also please note that I began employment with the City of Novato in 1995 (not 1997) as a temporary, part-time employee, during which time the money in question was taken out of my paycheck and put in a deferred account. I became a permanent, part-time employee under PERS in 1997.
 Thanks for helping me finally resolve this!
 Hannah Clayborn

1: 09 0922:005

PAYEE NAME CLAYBORN, HANNAH M PLAN NOVATO PST 457 PLAN & TRUST CITY OF
W/H INFORMATION FEDERAL EXEMPT U S STATE EXEMPT STATE CODE CA ACCT NBR
PARTICIPANT SSN WYEE SSN NT TYPE 457-PRE TAX TAX FORM
GROSS YTD TAXABLE \$ 00 CURRENT TAXABLE \$ 00

Return

SSN Redacted

IF YOU HAVE ANY QUESTIONS REGARDING THIS PAYMENT, PLEASE CONTACT (800) 769-4457
NATIONWIDE RETIREMEMNT SOLUTIONS INC
P O BOX 182436
COLUMBUS, OH 43218

DETACH STUB BEFORE CASHING AND KEEP FOR YOUR RECORD

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM

NATIONWIDE RETIREMENT SOLUTIONS, INC.
PO BOX 182797
COLUMBUS, OH 43218-2797

CHECK # 3990024738

DATE OF ISSUE - 09/06/05

PAY EXACTLY TWO THOUSAND THREE HUNDRED SEVENTY NINE AND 51/100 DOLLARS

\$ *****2379 51**

Pay to the order of

CALPERS
FBO/HANNAH M CLAYBORN
400 P STREET
SACRAMENT CA 95814-0000

BY *M.ileen Kennedy*

BANK ONE.
BANK ONE NA
OHIO

(800) 769-4457

⑈3990024738⑈ ⑆044115443⑆ 981089844⑈

THE ORIGINAL DOCUMENT HAS A WHITE REFLECTIVE WATERMARK ON THE BACK HOLD AT AN ANGLE TO SEE THE MARK WHEN CHECKING ENDORSEMENTS

SEP 14 2005

Redacted

MEMBER INFORMATION	
Date:	02/03/2006
SSN:	SSN Redacted
Birthdate:	01/15/1954
Employer:	City of Novato
Highest Payrate:	\$3738.00
Special Compensation Average:	\$.00
Total Monthly Payrate:	\$3738.00
COST INFORMATION	
Service Credit Type:	Service Prior to Membership Public Agency
Lump Sum Cost:	\$5,043.57
ESTIMATED MONTHLY PENSION INCREASE:	
\$76.92 if you retire at Age 52	

Dear Hannah Clayborn:

Thank you for your inquiry regarding the purchase of your Service Prior to Membership Public Agency in the California Public Employees' Retirement System (CalPERS).

Attached are the following forms for your review and/or response:

- Explanation of Payment Options (Attachment 1)
- Installment Payment Guidelines (Attachment 2a & 2b)
- Choose your Installment Payment (Attachment 3)
- Election to Purchase Service Credit (MEM-8) (Attachment 4)
- Rollover Information and Certification Forms (Attachment 5a – 5d)

If elected, this service will be credited to your retirement account as shown below:

Employer Name	Retirement Formula	Category	Year(s) of Service Credit
City of Novato	2% @ Age 55 (PA Misc)	Misc.	1.264
Total Service			1.264