September 26, 2018

**Item Name:** Proposed Decision – In the Matter of Accepting the Application for Industrial Disability Retirement of MARK W. TSE, Respondent, and DEPARTMENT OF CONSUMER AFFAIRS, Respondent.

**Program:** Benefit Services Division

**Item Type:** Action

**Parties’ Positions**
Staff argues that the Board of Administration should adopt the Proposed Decision.

Respondent Mark W. Tse’s (Respondent Tse) position is included in Attachment C, if any.

**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 Tse submitted an application for industrial disability retirement based on orthopedic (low back and neck) conditions. CalPERS determined that Respondent Tse was ineligible for industrial disability retirement because he had been dismissed from his employment, pursuant to the legal precedent set forth in *Haywood v. American River Fire Protection District.*

Respondent Tse appealed this determination and the matter was heard by the Office of Administrative Hearings on August 6, 2018. Due to Respondent Tse and Respondent Department of Consumer Affairs’ failure to appear, the case proceeded as a default under Government Code section 11520. A Proposed Decision was issued on August 21, 2018, affirming CalPERS’ determination and 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 August 21, 2018, concerning the appeal of Mark W. Tse; 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 August 21, 2018, concerning the appeal of Mark W. Tse, 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 August 21, 2018, concerning the appeal of Mark W. Tse, 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.

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 Mark W. Tse, 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 Mark W. Tse.
**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