



## Finance and Administration Committee

# Agenda Item 6b

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**April 16, 2019**

**Item Name:** Annual Review of Board Member Employer Reimbursements

**Program:** Administration

**Item Type:** Action

### **Recommendation**

Approval of the proposed elected Board Member percentages of time to be spent on Board related duties based on Board and committee selections held in February and March 2019.

### **Executive Summary**

The Board of Administration's Policy for the Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members requires the recommended percentage up to 100 percent of the elected Board Member's time that will be required of the Board Member to fulfill his or her duties for approval by the Finance & Administration Committee.

### **Strategic Plan**

Not Applicable.

### **Background**

Government Code 20092, as amended January 1, 2014, allows the reimbursement of elected Board Member's salary and benefits paid based on the Board approved percentage.

The costs associated with employer reimbursements are based on the percentage of time the elected Board Member spends on his or her duties as a member of the CalPERS Board of Administration. The percentage is based on the elected Board Member's time away from their regular work schedule to fulfill his or her responsibilities to the system. Reimbursement to the elected Board Member's employer is processed on a quarterly basis. The Board Member submits the Request for Employer Reimbursement Form (Attachment 1) certifying the actual number of hours spent fulfilling board duties and responsibilities. The total number of board hours is translated into a percentage from the quarterly normal work schedule hours, which is used to calculate the amount of reimbursement to the employer.

To improve transparency and accountability, an annual summary is provided

(Table 1) of employer reimbursed salary and benefits by Board Member, as requested by the employer, for the Fiscal Year 2017–18. The annual summary provides a framework that correlates reimbursed costs based on approved percentages to specific activities, with the streamlined approval and processing of reimbursement requests from employers.

Included in Table 1 is the summary of employer reimbursed salary and benefits by Board Member, as requested by the employer, for the Fiscal Year 2017–18.

Table 1

<b>Board Member</b>	<b>Salary and Benefits Reimbursed FY 2017–2018</b>
Michael Bilbrey	\$15,477.64
Rob Feckner	\$96,905.37
JJ Jelincic	\$93,108.34
Priya Mathur	\$188,346.32
David Miller	\$18,350.79
Theresa Taylor	\$31,801.45

### Analysis

Included in Table 2 are the proposed percentages of time, as requested by the individual Board Members. The percentages are calculated from the Fiscal Year Baseline Hours Required for CalPERS Board Duties as seen in the Attachment 2 example. Baseline hours are set for the various board activities. The baseline hours represent the “routine” activities of Board Members, including offsites, workshops, and interviews; preparing for Board and Committee meetings; meetings with staff, consultants, beneficiaries, stakeholders, or industry experts; responding to individual constituency e-mail, telephone calls, or correspondence; and keeping current on pension fund and health industry issues.

Table 2

<b>Board Member</b>	<b>Additional Role(s) as a CalPERS Board Member</b>	<b>Current Approved Percentage of Time</b>	<b>Proposed Percentage of Time</b>	<b>Effective Date</b>
Rob Feckner	<ul style="list-style-type: none"> <li>- Chair: Pension &amp; Health Benefits</li> <li>- Member Performance, Compensation &amp; Talent Management Committee</li> <li>- Vice Chair: Investment Committee</li> <li>- Member Board Governance</li> </ul>	93%	92%	<b>03/19/2019</b>
David Miller	<ul style="list-style-type: none"> <li>- Vice Chair: Finance &amp; Administration Committee</li> <li>- Vice Chair: Risk &amp; Audit</li> <li>- Member Investment Committee</li> <li>- Member Pension &amp; Health Benefits</li> </ul>	82%	68%	<b>02/21/2019</b>

<b>Board Member</b>	<b>Additional Role(s) as a CalPERS Board Member</b>	<b>Current Approved Percentage of Time</b>	<b>Proposed Percentage of Time</b>	<b>Effective Date</b>
Jason Perez	<ul style="list-style-type: none"> <li>- Member Investment Committee</li> <li>- Member Risk and Audit Committee</li> <li>- Member Finance &amp; Administration</li> <li>- Member Board Governance</li> </ul>	61%	75%	<b>02/19/2019</b>
Theresa Taylor	<ul style="list-style-type: none"> <li>- Vice President: Board of Administration</li> <li>- Chair: Finance &amp; Administration Committee</li> <li>- Chair: Performance, Compensation, &amp; Talent Management Committee</li> <li>- Member Pension &amp; Health Benefits</li> <li>- Member Investment Committee</li> </ul>	72%	74%	<b>02/20/2019</b>

**Budget and Fiscal Impacts**

Not Applicable.

**Benefits and Risks**

If recommendations are not approved, there is a risk that elected Board Member’s employers may not be reimbursed for the amount equal to the salary and benefits paid to the elected Board Member in fulfilling his or her responsibilities to CalPERS in accordance with the Policy for Approval of Reimbursement to State, School and Public Agency Employers of Elected Board Members.

**Attachments**

Attachment 1 – Request for Employer Reimbursement Form

Attachment 2 – Fiscal Year Baseline Hours Required for CalPERS Board Duties

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Michele Nix  
Controller

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Michael Cohen  
Chief Financial Officer