

Delegation No: FA-20-01

**STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

DELEGATION RESOLUTION**

Subject: Finance and Administration Committee Delegation No: FA-20-01

Pursuant to California Government Code section 20099, the Board of Administration of the California Public Employees' Retirement System (Board) hereby authorizes the annual appointment by the Board President of a Finance and Administration Committee to be comprised of not fewer than seven members of the Board.

Except as otherwise provided within this Resolution, the Finance and Administration Committee (Committee) is authorized to:

- (1) Approve enterprise-wide budgets and resource allocations and approve the CalPERS Budget Policy.
- (2) Approve Budget Change Proposal (BCP) submittals to the Department of Finance for the Contingency Reserve Fund (CRF) the Health Care Fund (HCF), and the Old Age Survivor's Insurance (OASI) fund.
- (3) Approve the percentage of time to be used in calculating reimbursement to employers of elected Board members for time spent fulfilling their duties to CalPERS.
- (4) Approve and oversee significant discharge from accountability requests.
- (5) Oversee the financial soundness of the overall CalPERS System, including annual review of unfunded liability, overall pension soundness and sustainability, health programs, the Long-Term Care Fund, and any other programs offered.
- (6) Approve significant financial principles, asset liability management and funding risk methodologies, and actuarial methods.
- (7) Approve significant financial policies (not including investment policies), actuarial policies, and service provider and employer contracting policies, and oversee compliance with these policies.
- (8) Approve financial reports and oversee controls over financial reporting and processes, including the preparation of the Annual Financial Statements.

¹ The System means, collectively, the Public Employees' Retirement System, the Legislators' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, the Public Employees' Long-term Care Program, the Public Employees' Deferred Compensation Program, the Replacement Benefit Plan, the Old Age and Survivors' Insurance Program, the Public Employees' Medical and Hospital Care Act Program, the Annuitants' Health Care Coverage Fund, the Supplemental Contributions Program, and the Employers' Pension Prefunding Program.

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- (9) Oversee treasury management practices of the organization to ensure sufficient cash is available to pay benefits and other CalPERS obligations.
- (10) Oversee liquidity management of all fund operating accounts and monitor organizational liquidity management processes to reduce liquidity risks.
- (11) Oversee organizational operations and cost effectiveness.
- (12) Oversee business continuity and disaster recovery processes.
- (13) Approve and oversee effective management of service provider contracts.
- (14) Set the benchmarks and triggers for information that comes to the Committee for review, as well as approve performance metrics to be reported to the Committee.
- (15) Approve positions on legislation affecting finance and administration.
- (16) Adopt regulations affecting finance and administration.
- (17) Approve and oversee the Board Election process.
- (18) Approve actuarial assumptions (including discount rates, except for the Terminated Agency Pool) for the Pension System.
- (19) Approve Pension System actuarial valuations, and employer rate setting for statutorily mandated participants which represents all plans other than public agencies.
- (20) Oversee Pension System actuarial valuations, reserve levels, and employer rate setting for contracting Public Agencies.
- (21) Oversee the funding risk through an asset liability management framework to guide investment strategy and actuarial policies for the Pension Systems.
- (22) Oversee management of risks related to the duties delegated to this Committee.

Notwithstanding any other provision of this Resolution, all acts of the Finance and Administration Committee shall be reported to the Board, at its next regular meeting, and shall be subject to review and ratification or reversal by the Board.

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This Resolution is effective immediately upon adoption, and supersedes all previous delegations of authority to this, or any predecessor, committee.

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I hereby certify that on the __ day of _____, 2020, the Board of Administration of the California Public Employees' Retirement System made and adopted the foregoing Resolution.

HENRY JONES
President, Board of Administration
California Public Employees' Retirement System