



Board of Administration

Agenda Item 6c

June 17, 2020

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 April 2020.

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 2018–19. 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 2018–19.

Table 1

Board Member	Salary and Benefits Reimbursed FY 2018–2019
Rob Feckner	\$99,322.95
Priya Mathur	\$52,325.35
David Miller	\$46,223.80
Theresa Taylor	\$48,803.17
Jason Perez	\$92,526.36

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

Board Member	Additional Role(s) as a CalPERS Board Member	Current Approved Percentage of Time	Proposed Percentage of Time	Effective Date
Rob Feckner	<ul style="list-style-type: none"> - Chair: Pension & Health Benefits Committee - Chair: Performance, Compensation & Talent Management Committee - Member Investment Committee - Member Board Governance Committee 	95%	90%	04/21/2020
David Miller	<ul style="list-style-type: none"> - Vice Chair: Finance & Administration Committee - Chair: Risk & Audit Committee - Vice Chair: Investment Committee - Member Pension & Health Benefits Committee 	73%	75%	04/20/2020

Board Member	Additional Role(s) as a CalPERS Board Member	Current Approved Percentage of Time	Proposed Percentage of Time	Effective Date
Theresa Taylor	<ul style="list-style-type: none"> - Vice President: Board of Administration - Chair: Finance & Administration Committee - Member Performance, Compensation, & Talent Management Committee - Member Pension & Health Benefits Committee - Chair: Investment Committee 	70%	74%	04/20/2020

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

Michele Nix
Controller

Michael Cohen
Chief Financial Officer

Marcie Frost
Chief Executive Officer