



Finance and Administration Committee

Agenda Item 7b

February 14, 2022

Item Name: Board Member Employer Reimbursement - Amendment

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 effective January 18, 2022.

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. This item adjusts reimbursements for the Board leadership changes that occurred in January 2022. A similar agenda item will appear at the April Finance and Administration Committee to adjust for any committee leadership changes.

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.

Analysis

Included in Table 1 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 team members, consultants, beneficiaries, stakeholders, or industry experts; responding to individual constituency email, telephone calls, or correspondence; and keeping current on pension fund and health industry issues.

Table 1

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 - Vice President: Board of Administration - Member: Investment Committee - Member: Board Governance Committee 	90%	90%	01/18/2022
Theresa Taylor	<ul style="list-style-type: none"> - President: Board of Administration - Chair: Investment Committee - Vice Chair: Finance & Administration Committee - Member: Pension & Health Benefits Committee - Member: Performance, Compensation & Talent Management Committee 	70%	100%	01/18/2022

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