

FINAL STATEMENT OF REASONS

Proposed Adoption of Section 574 in Article 4 of Subchapter 1 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations

Definition of Full-Time Employment

UPDATE OF INITIAL STATEMENT OF REASONS

The Initial Statement of Reasons is still valid and relevant, and no changes have been made to the text of the proposed regulation.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED DURING THE INITIAL PUBLIC NOTICE PERIOD OF APRIL 13, 2018 THROUGH MAY 28, 2018.

The California Public Employees' Retirement System (CalPERS) did not receive any public comments during the public notice period.

SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT PUBLIC HEARING

While CalPERS allowed interested parties to request a public hearing from April 13, 2018 to May 28, 2018, no such requests were made and therefore a hearing was not scheduled.

REASONS FOR REJECTING ANY PROPOSED ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESS

The proposed regulation does not affect small businesses because it would apply only to CalPERS covered contracting agencies and CalPERS members, pursuant to the California Public Employees' Retirement Law. The proposed regulation would have no statewide adverse economic impact directly affecting these businesses including the ability of these small businesses in California to compete with businesses in other states.

ALTERNATIVES DETERMINATION

No public comments were received during the public notice period. Therefore, no other alternatives were considered, identified, or brought to the CalPERS Board of Administration's (Board) attention that would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed actions, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board approved this regulation at its February 2018 Board Meeting and adopted these regulations at its June 2018 Board Meeting. The adoption of CCR section 574(a) is necessary to clarify CalPERS' interpretation of "full-time" employment for purposes of determining CalPERS membership eligibility, reporting overtime positions, and determining compensation earnable and pensionable compensation.

LOCAL MANDATE DETERMINATION

The proposed regulation does not impose any mandate on local agencies or school districts.