



CalPERS EMPLOYER NEWS

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Meet Ted Eliopoulos, Our New Chief Investment Officer

Finding a person to run one of the largest pension investment programs in the world is a task of immeasurable proportions. Such was the task facing CalPERS leaders looking for their next Chief Investment Officer (CIO). Though a worldwide search was conducted and remarkable candidates were pooled, CalPERS' next CIO was ultimately found right within its headquarters' walls. Then-interim CIO and former Senior Investment Officer (SIO), Ted Eliopoulos was chosen to steer an approximately \$300 billion pension investment program. Those who don't know him well might think of Eliopoulos in terms no more specific than the talented and optimistic leader of the CalPERS Investment Program. But who is Ted Eliopoulos?

Decidedly Different

As CalPERS CIO, Eliopoulos undoubtedly casts a long shadow (he would modestly disagree). The strategies and decisions made by CalPERS investment staff are followed, emulated, and critiqued throughout the global financial landscape. So, some may find the somewhat atypical path the San Mateo native took to a

successful investment career surprising. CIOs with degrees in comparative literature from Dartmouth and a passion for Greek, Roman, and Byzantine history aren't crowding the streets.

"As a strategic long-term investor, my passion for history has served me well through both up and down economic cycles," Eliopoulos explains.

Eliopoulos also earned a Juris Doctorate in law from the University of Virginia and gained valuable professional experience working and studying in a remarkable variety of locales including Spain, Greece, and New York City. He expanded his professional skills working as an associate attorney in Los Angeles, as special assistant in the Office of Environmental Management in Washington, D.C., as a private developer, and as deputy treasurer at the California State Treasurer's Office.

By the time Eliopoulos came to CalPERS in 2007 to work as SIO in the real assets unit of the investment office, he had built an impressively varied resume. Such an unusual mix of influences and professional experiences





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We encourage you to “Go Green” by accessing employer forms and publications at www.calpers.ca.gov.

Publications available include CalPERS Circular Letters, actuarial reports, and legislation information.



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CalPERS Dependent Eligibility Verification Nets Big Savings

More than 15,000 ineligible dependents have been removed from health coverage through the CalPERS Dependent Eligibility Verification (DEV) project’s amnesty period (March–June 2013) and five verification cycles. To date, the DEV project has produced more than \$106.3 million in projected savings.

The DEV verification phase began in July 2013. All active and retired employees of state agencies, public agencies, and school districts who have at least one dependent on their health plan are being asked to provide documentation to verify that their dependents are eligible for health coverage through their employers. CalPERS contracted with HMS Employer Solutions (HMS) to conduct the eligibility verifications. The first five of nine cycles of the DEV project included verification for dependents of state employees and ended July 31.

The staff report showed that during those five cycles, 8,940 ineligible dependents covered by state employers were removed from various health plans.

The final cycles of the DEV project are currently under way as HMS verifies the eligibility of dependents of active and retired public agency employees. Dependent verification for active and retired school district employees began on December 1, 2014. The DEV project concludes in the spring of 2015 with a final report to the CalPERS Board of Administration after cumulative results are tallied.

More information about the DEV project can be found under either the Members Health Benefits Program or the Employer Information section of our website at www.calpers.ca.gov.

Continued from cover

surely makes for a different kind of CIO, an assertion Eliopoulos agrees with.

“I believe I bring a unique background and perhaps perspective to this position,” he said. “My liberal arts, legal background, and private sector investment experience, melded with my public service experience, allow me to see CalPERS as a whole, and in particular, our investments, partners, and opportunities through a complex lens.”

A Man With Plans

When speaking about investment strategy regarding the health of the CalPERS pension fund, Eliopoulos makes it clear that preparedness is a virtue he appreciates.

“We have a clearly articulated roadmap that has some major goals to be accomplished in the short term,” he said. “These goals focus on performance, plumbing (systems and controls), and people. In the long term we aim to fully implement our investment beliefs into the fabric of our investment and decision making and organization.”

CalPERS’ investment strategy is a construct of many intersecting investment beliefs, disciplines, and goals. With so many moving parts, it’s hardly surprising that not everybody interprets CalPERS investment strategies the same way.

“I think the most understated aspects (of CalPERS’ investment strategy) are the scale and long-term time horizon of major institutional investors such as CalPERS,” Eliopoulos said. “There are some strategies that we simply cannot execute or are not comfortable executing at the scale of a \$300 billion portfolio. Our long-term horizon often comes into question

or conflict with shorter-term tactical investment opportunities. It is important to communicate and clearly articulate the difference between tactical and strategic goals when discussing or making an investment.”

Balancing Act

As we all know, juggling the responsibilities of work with family duties and personal interests isn’t always easy, but maintaining work/life balance is important to Eliopoulos. When he’s not reflecting on asset allocations or staff policy, he relishes the time he spends with his wife and kids.

“I enjoy spending time with my family and getting away for vacation when we can,” he said. “At times it can be a challenge to detach from the work but I make a concerted effort to try.”

And on those rare occasions when he isn’t busy with work or family responsibilities? You might find the former Dartmouth tennis team captain practicing his serve on the court.

“Growing up, I loved to play sports, primarily tennis,” Eliopoulos said. “I still love to play, but can only play now on a very limited basis due to a back injury. I try to stay committed to my own wellness. I’ve discovered yoga and try to practice at least twice a week. I also love to travel and go to (Sacramento) Kings games.”

Student Turned Teacher

Over the course of his career, Eliopoulos has gained insight into his role as a leader through the appreciation of several inspirational influences.

“I have been lucky to have many personal mentors throughout my life,” he said. Eliopoulos refers to his



CalPERS' New Chief Investment Officer Ted Eliopoulos

experiences working at the law offices of Latham & Watkins and under former California Treasurer, Phil Angelides, as “great educational experiences” prior to joining CalPERS.

Among Eliopoulos’s favorite inspirational public figures are icons like Warren Buffet, John Wooden, and Robert Shiller. But Eliopoulos has particular appreciation for tennis legend Arthur Ashe.

“Ashe was a hero of mine growing up,” Eliopoulos attests. “I was lucky to watch him play as a kid, and admired the example he set as a statesman and gentleman who changed the world for the better.”

Eliopoulos aims to apply the lessons gleaned from his mentors and heroes at CalPERS.

“I hope to motivate all of CalPERS Investment Office personnel to do their best work and take pride in the service they provide. I take very seriously the responsibility that more than 1.7 million individuals rely on our skill set and dedication for their long-term security.”



2014 CalPERS Educational Forum Summary

A record number 725 registered attendees were on hand for the 15th annual CalPERS Educational Forum at the Riverside Convention Center, October 26-29.

Opening Remarks

CalPERS CEO Anne Stausboll got things started Monday morning with her keynote address that examined the shift in our workforce and reviewed important CalPERS accomplishments this past year. She also set the tone for the program by announcing the conference's theme, "We're in this together."

Up next was CalPERS Board President Rob Feckner, who welcomed attendees, introduced Board members in the audience, and

took a moment to recognize Board member George Diehr, who would soon be concluding his third four-year term on the CalPERS Board.

State Treasurer John Chiang took the stage to present the "Spotlight on Excellence" award, which recognizes exemplary public agencies, schools, programs, groups, or individuals for their innovation and excellence in public service. This year's recipient of the "Spotlight on Excellence" was a public employee — Howard L. Chambers, City Manager of the City of Lakewood.

Keynote Addresses

Monday's program featured market research expert John W. Martin, President and CEO of the Southeastern Institute of Research (SIR) and co-founder and CEO of the Boomer Project, a national research-based marketing think tank. A highly sought-after keynote speaker, John's topics ranged from new rules on marketing to Baby Boomers, to harnessing the power of a multigenerational workforce.

Tuesday's program was highlighted by a keynote address by cybersecurity authority Theresa Payton, who was the White House Chief Information Officer from 2006 to 2008, the first woman to hold that position. Ms. Payton is also the founder of Fortalice, LLC, a security, risk, and fraud consulting company. With her years



Business Rules Compliance: Most Common Audit Findings

Employers attending the CalPERS Educational Forum had an opportunity to choose from a slate of more than 30 educational sessions to attend. One session that proved to be very popular was the Business Rules Compliance: Most Common Audit Findings educational session. More than 300 attendees were on hand to hear Andrea Harris, a Retirement Program Specialist from the Customer Service and Outreach Division, present the most common audit findings and how to avoid them by following the business rules as noted in the California Public Employees' Retirement Law, or PERL. The session focused on compensation, payroll, membership, and retired annuitants.

After the session, many employers visited the Employer Education exhibit looking for additional information. Common questions dealt with the reporting of temporary agency employees, collecting their contributions, and reporting them in the my|CalPERS system. Discussions with the employers revealed that there are still audit concerns.

The session also provided a useful overview of audits in advance of the forum's closing session – Navigating an Audit with CalPERS.

To view the Business Rules Compliance: Most Common Audit Findings presentation online, please visit www.goo.gl/mR4AyD.

of experience, she provided proven solutions that can help employers strengthen cybersecurity measures.

Learning Opportunities & Exhibits

The days were filled with plenty of learning opportunities for employers, including educational sessions covering topics such as CalPERS 101, Governmental Accounting Standards Board (GASB) 68: New Pension Accounting Standards, and my|CalPERS System Enhancements for Employers. Other learning opportunities included one-on-one consultations between employers and program area experts, plus some 30 exhibits highlighted by the Healthy Lifestyles Resource Center and the Social Media Café.

Navigating an Audit with CalPERS

The closing session featured a panel of CalPERS executives – Donna Lum, Deputy Executive Officer, Customer Services & Support; Cheryl Eason, Chief Financial Officer; and Margaret Junker, Division Chief, Office of Audit Services – who discussed the primary objective of a CalPERS audit, why audits are a necessary part of doing business, and how an audit could actually save you money. They also tried to dispel myths about audits. The panel discussion was moderated by Chris McKenzie, Executive Director, League of California Cities.



Mark your calendar now for this year's CalPERS Educational Forum in San Jose, October 25-28, 2015.

Stay Informed Through CalPERS Employer Bulletins

If you want the latest CalPERS employer news and information, sign up for the **CalPERS Employer Bulletin** now. Our employer bulletins instantly provide you with regular updates via email, conveniently accessible at your desktop.

After subscribing to our bulletins, we will electronically send you notices with the latest news and changes that impact you and other employer agencies. Also, we will immediately notify you when there is a new CalPERS Circular Letter, legislative change, or other important news that may affect your agency.

Another benefit of subscribing to the CalPERS Employer Bulletin is that you have the ability to easily share useful information you receive with others within your organization.

It's easy to sign up to receive employer bulletins. Just select the **Sign Up for CalPERS Employer Bulletin** link under the Employers section of our website at www.calpers.ca.gov.



New Reports Detail Pension Fund Finances

Comprehensive Annual Financial Report and Public Agency Valuation Reports are now available.

After the close of each fiscal year, CalPERS issues new reports on the financial health of the Pension Fund for the previous fiscal year including figures for public agencies.

While the Comprehensive Annual Financial Report (CAFR) lays out the financial picture of the multifaceted pension fund, specific information relating to each of CalPERS' contracting public agencies is listed in the Public Agency Valuation Reports for the Fiscal Year ending June 30, 2013. These reports detail the financial status of 3,093 contracting public agency employers and establish employer contribution rates for the Fiscal Year 2015-16.

The 2013-14 CAFR contains a wealth of information on our investments, membership statistics, programs, and initiatives. During this past fiscal year, CalPERS saw strong returns of an 18.4 percent return with an asset value that surpassed \$300 billion.

The CAFR also contains details on some of the most frequently asked questions from employers and members, including the average dollar amount of benefit payments for retirees, the number of participants in various health plans, and our largest holdings in stocks and bonds.

Copies of these reports can be found in the Forms & Publications Center of the CalPERS website at www.calpers.ca.gov.

Theresa Taylor, Priya Sara Mathur Win Board Seats in Election

Theresa L. Taylor and Priya Mathur won their respective races for the state and public agency member seats on the CalPERS Board of Administration. More than 40,000 active state and public agency CalPERS members voted during the one-month election period ending on September 29, 2014.

Official election results show Taylor won the state agency seat by receiving 55 percent of the valid votes cast during the voting period that took place from August 29 through September 29, 2014. Mathur was re-elected to the public agency seat by receiving 56 percent of the valid votes cast. More than 47,000 active state and public agency CalPERS members voted in the election.

Both Taylor and Mathur will serve four-year terms that begin on January 16, 2015.

Taylor will be serving her first term on the CalPERS Board. She currently serves as a Principal Compliance Representative for the Franchise Tax Board.

Mathur was first elected to the CalPERS Board in 2003. She sits on multiple Board committees including the Pension & Health Benefits, Performance, Compensation & Talent Management, Board Governance, Investment, and Risk & Audit Committees. Mathur serves as a Principal Financial Analyst for Bay Area Rapid Transit District.

CalPERS 2015 Legislation Update

The following summary includes bills that were chaptered (became law) during the 2014 legislative year that may be of interest to state, public agency, and school employers. The provisions of the bills are effective January 1, 2015, unless indicated otherwise. For complete bill information, including the full text, committee analyses, and vote counts, please visit www.leginfo.legislature.ca.gov.



CalPERS Board of Administration: Education AB 1163 (Levine) **Board Position: Support** **Chaptered: 7/18/2014**

Requires the CalPERS Board of Administration to adopt an education policy to identify appropriate administrative and investment training opportunities for Board members. The bill also requires each Board member to receive at least 24 hours of education in each two-year period, and directs the Board to post its education policy and an annual report on Board member compliance on the CalPERS website.

PEPRA Exceptions: Transit Employees AB 1783 (Jones-Sawyer) **Chaptered: 9/29/2014**

Extends the current exemption for California transit employees of public employers from all the provisions of the Public Employees' Pension Reform Act of 2013 (PEPRA) by one year, until January 1, 2016.

CalPERS 2014 Omnibus Bill AB 2472 (Committee on Public Employees, Retirement and Social Security) **Board Position: Sponsor** **Chaptered: 8/21/2014**

Amends several sections of Public Employees' Retirement Law related to state Second Tier retirement benefits to reflect changes imposed by PEPRA. Changes include a required

minimum retirement age of 52 years for the new 1.5 percent at 67 years formula, and provisional updates for requirements for state Second Tier participant contributions. The bill also requires the use of the employer contribution rate in effect at the time the compensation is earned instead of the time the adjustment is made. Additionally, it allows members to make a change to their election of a survivor benefit option if CalPERS receives their request within 30 days of the issuance of their first retirement payment.

Post-Employment Health Benefits: San Francisco Bay Area Rapid Transit District AB 2582 (Bonta) **Board Position: Neutral** **Chaptered: 8/19/2014**

Provides an employer contribution toward annuitant health benefits for San Francisco Bay Area Rapid Transit District employees who were first hired on or after January 1, 2014. Eligible employees must work at least 10 years and the full contribution amount would be determined in a Memorandum of Understanding agreed to by its employees' exclusive representative. Annuitants would receive 50 percent of the full employer contribution after 10 years of service with the district. The contribution would increase 10 percent annually to 100 percent after 15 years of service with a specified exception for those employees who retire for disability.

Health Care Coverage: Contraceptives SB 1053 (Mitchell) **Chaptered: 9/25/2014**

Requires large group health care service plan contracts and health insurance policies that are issued, amended, or renewed, on and after January 1, 2016, to provide coverage for all prescribed and Food and Drug Administration-approved female contraceptive drugs, devices, and products. This includes products available over the counter as prescribed by the enrollee's provider, voluntary sterilization procedures, patient education and counseling on contraception, and related follow-up services.

PEPRA: Joint Powers Authorities SB 1251 (Huff) **Chaptered: 9/29/2014**

Allows a joint powers authority (JPA) formed by the cities of Brea and Fullerton, on or after January 1, 2013, to provide individuals who were employed by one of the cities before that date the same defined benefit plan those employees received when employed by one of the cities. On or before January 1, 2017, the bill also permits up to three additional cities in Orange County to join this JPA, as long as the city is contiguous to the City of Brea or the City of Fullerton.



CalPERS Benefits Education Events, Coming to a City Near You

At CalPERS, providing the very best in customer service to our employers and their employees is one of our highest priorities. One of the ways we serve our customers is through our CalPERS Benefits Education Events, where we interact with your employees where they live and work.

Our CalPERS Benefits Education Events are designed for employees at all stages of their careers. These events are designed for everyone, from millennials who want to start planning early, to baby boomers, who are already counting the days to retirement.

During the first six months of this year, we will hold seven events around the state, starting with Cathedral City, January 30-31. Other host destinations include San Luis Obispo, Irvine, Olympic Valley, San Diego, Pasadena, and Redwood City. The schedule reflects our effort to reach more of your employees, even in more remote locales.

Information about benefits and services relevant to CalPERS members (whether newly hired, mid-career, or those planning to retire in approximately five years or less) will be presented at our events.

CalPERS program area experts will offer your employees a wealth of information on supplemental savings plans, service credit, long-term care, retirement and health benefits, social media, and more. Representatives from CalPERS Regional Offices will also be on hand to answer questions.

Information available at the CalPERS Benefits Education Events will enable your employees to make thoughtful and informed decisions regarding their life and career.

More details about the CalPERS Benefits Education Events are available at www.calpers.ca.gov/benefitseducationevents.

Dates and Locations

February 6 & 7

Embassy Suites

333 Madonna Road,
San Luis Obispo, CA 93405

March 13 & 14

Hilton Irvine/Orange County Airport

18800 MacArthur Boulevard,
Irvine, CA 92612

April 10 & 11

Squaw Creek

400 Squaw Creek,
Olympic Valley, CA 96146

May 8 & 9

Doubletree San Diego/Mission Valley

7450 Hazard Center Drive,
San Diego, CA 92108

June 5 & 6

Hilton Pasadena

168 South Los Robles Avenue,
Pasadena, CA 91101

June 12 & 13

Sofitel San Francisco Bay

223 Twin Dolphin Drive,
Redwood City, CA 94065

Employer Education: New Online Classes Added

It is now easier than ever for you and your staff to learn about CalPERS health business rules and procedures. We have added 14 new classes on this subject.

These new computer-based classes are in addition to our 12 retirement business rules classes and our 56 my|CalPERS system classes. Our system classes cover such topics as payroll, payments, health transactions, system access administration, retirement enrollment, and much more.

You can enroll through the Education tab in my|CalPERS. Log in as a business partner to register and take advantage of both instructor-led training (ILT) and online classes. ILTs are offered via webinar and in a classroom setting to provide you the information you need in a format that works best for you. Contact your System Access Administrator to obtain

system access if you are interested in taking or attending a training course.

To continue to meet your needs, we are developing classes on an ongoing basis. To learn more, look for the Employer Education & Events link in the Employer section of the CalPERS website at www.calpers.ca.gov. The CalPERS Education Center is always available to provide you with the training you need. We also offer the CalPERS Employer Bulletin to keep you up-to-date about educational opportunities, newly released Circular Letters, and updates from the CalPERS Board of Administration.



New Online Classes:

Public Agency and School Employers:

- Health Benefits Officer
- Health Plan Options
- Health Eligibility Requirements
- Health Enrollment
- Health Benefits into Retirement
- Survivor Health Benefits
- Contracting Agency Billing

State Employers:

- Health Benefits Officer
- Health Plan Options
- Health Eligibility Requirements
- Health Enrollment
- Health Benefits into Retirement
- Survivor Health Benefits
- Retiree Dental & Vision Coverage

Welcome New CalPERS CERBT Fund Agencies

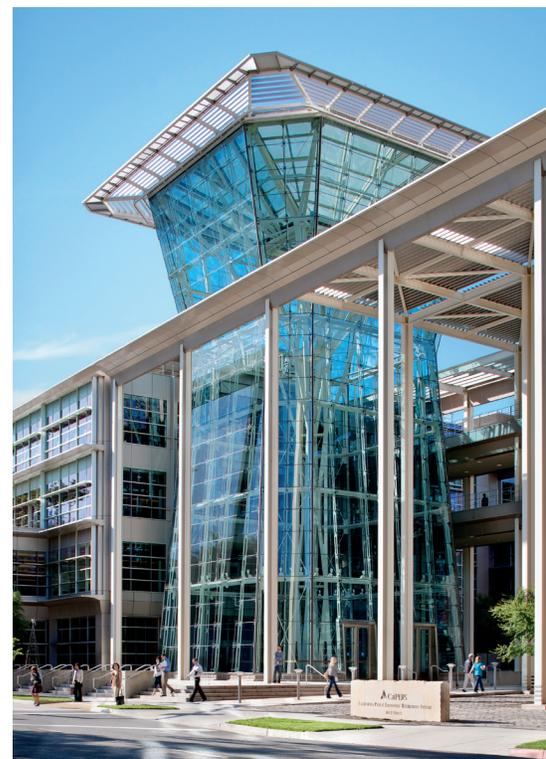
We welcome the following employers who began new contracts for the California Employers' Retiree Benefit Trust (CERBT) Fund during the past quarter:

CERBT Contract Agencies:

- City of Westlake Village
- Sonoma County Library
- Sanitary District No. 1 of Marin County

The California Employers' Retiree Benefit Trust Fund is an investment vehicle that can be used by California public employers, including state agencies, to prefund future retiree health and Other Post Employment Benefit (OPEB) costs.

Visit www.calpers.ca.gov for more information on the CalPERS Retirement Program and CERBT Fund.





February – March 2015

February	3-5	myCalPERS Training	Sacramento Regional Office	400 Q Street, Room 1820, Sacramento
	6-7	CalPERS Benefits Education Event	Embassy Suites	333 Madonna Road, San Luis Obispo
	11	Business Rules Training	San Jose Regional Office	181 Metro Drive, Ste. 520, San Jose
	16	Presidents Day	State Offices Closed	
	17-19	CalPERS Board of Administration Meetings	CalPERS Headquarters	400 Q Street, Lincoln Plaza North, Room 1140, Sacramento
March	4	CERBT Fund Workshop	Orange Regional Office	500 North State College Blvd., Ste. 750, Orange
	5	CERBT Fund Workshop	San Diego Regional Office	7676 Hazard Center Drive, Ste 350, San Diego
	11	Business Rules Training	Sacramento Regional Office	400 Q Street, Room 1820, Sacramento
		CERBT Fund Workshop	San Bernardino Regional Office	650 East Hospitality Lane, Ste. 330, San Bernardino



Employer Education & Events

CalPERS offers educational workshops to assist you in meeting retirement program requirements. Visit our website at www.calpers.ca.gov.

12	CERBT Fund Workshop	Glendale Regional Office	655 North Central Avenue, Ste. 1400, Glendale
13-14	CalPERS Benefits Education Event	Hilton Irvine/Orange County Airport	18800 MacArthur Blvd., Irvine
16-18	CalPERS Board of Administration Meetings	CalPERS Headquarters Auditorium	400 Q Street, Lincoln Plaza North, Sacramento
25	Business Rules Training	San Diego Regional Office	7676 Hazard Center Drive, Suite 350, San Diego
	CERBT Fund Workshop	Walnut Creek Regional Office	1340 Treat Blvd., Ste. 200, Walnut Creek
26	CERBT Fund Workshop	San Jose Regional Office	181 Metro Drive, Ste. 520, San Jose
30	CERBT Fund Workshop	CalPERS Headquarters	400 Q Street, Lincoln Plaza North, Room 1140, Sacramento
31	Cesar Chavez Day	State Offices Closed	

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- my|CaIPERS User Information & Tips
- my|CaIPERS News for Employers
- my|CaIPERS Training
- And more!

Visit www.calpers.ca.gov and go to my|CaIPERS for Employers in the Employer section



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