

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LINCOLN PLAZA NORTH  
400 Q STREET  
SACRAMENTO, CA 95811  
NOTICE OF MODIFICATIONS TO TEXT OF PROPOSED REGULATION**

Pursuant to the requirements of subdivision (c) of Section 11346.8 of the Government Code and Section 44 of Article 2 of Chapter 1 of Division 1 of Title 1 of the California Code of Regulations, the California Public Employees' Retirement System (CalPERS) hereby provides notice of changes it has made to its proposed regulation, titled "State Social Security Administration Fees," adding Article 1.5 to Subchapter 2 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations (CCR) and to adopt Section 592.1 under Article 1.5.

A Notice of Proposed Regulatory Action was published in the California Regulatory Notice Register (File Number Z-2019-1022-06) on November 1, 2019. The 45-day comment period commenced on November 1, 2019 and closed on December 17, 2019. CalPERS received one public comment during this period. After additional analysis of statutory requirements and future program costs, CalPERS has opted to revise the proposed regulations.

CalPERS has made the following changes to the proposed regulation:

- Added language in Section 592.1(a) to specify that the fees collected will be deposited into the Old Age and Survivors' Insurance Revolving Fund (OASI Fund).
- Removed language in Sections 592.1(d)-592.1(d)(2) regarding the methodology for calculating the fee adjustment by using fluctuations in the *Consumer Price Index for All Urban Consumers: U.S. City Average (CPI-U)*.
- Added language in Sections 592.1(d)-592.1(d)(4) to establish a revised method to calculate the fee adjustment that includes annually reviewing the OASI Fund. If the fund balance is less than 50 percent or greater than 100 percent of one year's budgeted SSSA program expenditures, the fees established in Section 592.1(c)(3) will be adjusted to target a fund balance of 50 percent of budgeted SSSA program expenditures.

In addition, CalPERS is providing an Addendum to the Initial Statement of Reasons to explain the purpose and necessity for the changes.

All changes are reflected in the proposed regulation, attached hereto, with double strikethrough and double underlined text to identify additions and deletions.

If you have any comments regarding the proposed regulation, CalPERS will accept written comments between February 27, 2020 and March 13, 2020. All written comments must be submitted to CalPERS no later than March 13, 2020 and addressed to:

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All written comments received by March 13, 2020, which pertain to the indicated changes will be reviewed and responded to by CalPERS staff as part of the compilation of the final rulemaking file. Please limit your comments to the modifications of the text.