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Circular Letter

TO: ALL CALPERS EMPLOYERS

SUBJECT: CalPERS NEW ORGANIZATIONAL STRUCTURE

CalPERS has taken a strategic approach to examine how our organization is structured so we can better respond to the challenges of our external environment and the needs of our members and employers. The change will allow delivery of improved customer service to its members and employers, enhance risk management and fiscal accountability, and expand its capabilities for policy development and research. It will also position the organization for its new self-service technology platform – my|CalPERS – that will streamline business transactions with members and employers.

The new organizational structure went into effect on April 4 and is expected to change CalPERS into a more nimble, innovative and risk-intelligent work culture. Three new areas of the CalPERS organization have been transitioned into hubs for customer service, policy and planning, and fiscal oversight. They include:

Customer Services and Support

This new area combines the operations of CalPERS primary business lines of pensions and health care under one single point of leadership to provide a one-stop shop for members and employers. Responsibilities include retirement and health account management; service and disability retirement and death benefits; oversight of CalPERS eight regional offices and call center; and marketing and education support. Donna Lum, Deputy Executive Officer, will lead this group and was previously Assistant Executive Officer for Member and Benefit Services.

Benefit Programs Policy and Planning

This group will proactively address public policy issues that impact CalPERS mission in health care and retirement security. It will be responsible for health plan design, health plan contracting and administration, and pension research and analysis. CalPERS will develop a new Center for Innovation to identify market trends, evaluate pilot programs and launch new efforts. Ann Boynton, Deputy Executive Officer, will lead the area and was previously Deputy Executive Officer for Benefits Administration.

Finance Office

The new Finance Office will be responsible for managing the financial processes for CalPERS to ensure a high level of transparency and internal controls is maintained. The Chief Financial Officer (CFO) will be responsible for the current functions of budgeting, accounting, cash management, financial planning and analysis, and enterprise risk management. The position will also oversee compliance and the recently established ethics helpline. As recently announced, Russ Fong will serve as the Acting CFO and was previously the Interim Assistant Executive Officer for the Fund's Administrative Services Branch.

The new organizational structure does not change the functions of investments, information technology, operations, legal and external affairs. CalPERS actuary services will continue to provide services to the Fund's contracting employers. Customer service for employers will be housed in the Customer Services and Support area.

CalPERS phone numbers, forms and addresses will not change and should continue to be used by members, employers and business partners, unless otherwise notified.

A copy of the CalPERS new organizational chart can be found on our website at www.calpers.ca.gov.

If you have any questions, please call our Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

DONNA RAMEL LUM
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Customer Services and Support