

ATTACHMENT B

Staff Argument

STAFF'S ARGUMENT TO ADOPT THE PROPOSED DECISION, AS MODIFIED

Angela Logan (Respondent), a resident of Tulsa, Oklahoma, is the adult daughter of Lee Thomas (Decedent), a miscellaneous CalPERS member who passed away in 2020 without a surviving spouse. Shortly after Decedent's death, Respondent applied to CalPERS for retired member survivor benefits, seeking a lifetime Post-Retirement Survivor Allowance (PRSA) as Decedent's disabled adult child.

Entitlement to PRSA is governed by Government Code sections 21629 and 20027. These provisions require that the applicant be unmarried and have a medical condition that qualifies as a disability, specifically defined in Government Code section 20027 as the "inability to engage in any substantial gainful occupation...." The condition must have begun prior to age 18 and continued into adulthood without interruption. The statute further requires that the disability be determined, based on competent medical opinion, to be of a permanent or extended and uncertain duration. Finally, the applicant must demonstrate that they are unable to engage in any substantial gainful occupation as a result of the disability.

In support of her application, Respondent submitted documentation to CalPERS between August and December 2020 concerning her disability, employment, and relevant personal circumstances. The record established that Respondent is unmarried and legally blind, having developed Stargardt's disease around the age of 14. The documentation further showed that Respondent was employed by Tulsa Public Schools beginning in 2012 as a Cafeteria Assistant, working 30 hours per week according to a school-year schedule of nine months per year. Her position paid a wage exceeding the applicable minimum wage in Oklahoma (as much as \$10.36 per hour compared to the hourly minimum wage of \$7.25) and included employment benefits.

Respondent also submitted medical evidence addressing how her visual disability impacted her ability to work. This included clinical records and written responses to CalPERS-issued medical questionnaires from optometrist Philip Cook, OD, and ophthalmologists David Sarraf, M.D.; Jordan Sugarman, M.D.; and, Alan Hromas, M.D.

In the questionnaire signed by Dr. Cook on July 30, 2020, Dr. Cook confirmed that Respondent is legally blind and was at that time employed by Tulsa Public Schools for 30 hours per week but stated that he was "uncertain about her inabilities."

Dr. Sarraf, in a clinical note documenting an office visit on June 23, 2014, stated that Respondent was "able to function day-to-day with magnifiers and reading glasses, able to work – can no longer drive." In a questionnaire signed on October 26, 2020,

Dr. Sarraf confirmed Respondent's legal blindness and checked "Yes" in response to whether the disability was sufficiently incapacitating to render her incapable of self-support. He also confirmed her employment for 30 hours per week in a cafeteria. In a second questionnaire signed on November 18, 2020, Dr. Sarraf answered "Yes" to whether Respondent's disability rendered her incapable of maintaining full-time employment. When asked to explain the objective findings underlying his conclusion, he responded that Respondent "has severe visual impairment in both eyes that limit ability of [Respondent] to accomplish daily tasks." Dr. Sarraf did not define "daily tasks."

Respondent, in a signed form dated December 11, 2020, described her job duties as making breakfast and lunch, folding clothing, and assisting with "light grocery." She later expanded on this description by submitting a work schedule reflecting that she transported meals and carts to and from classrooms and performed cleanup duties.

On February 11, 2021, CalPERS denied Respondent's PRSA application. It concluded that Respondent did not meet the statutory requirement of being unable to engage in any substantial gainful occupation as a result of her disability. CalPERS based its decision on Respondent's employment as a Cafeteria Assistant for 30 hours per week, nine months per year, at wages above the Oklahoma minimum wage. CalPERS further determined that the record did not establish any medical restriction that would have prevented Respondent from working an additional 10 hours per week, or throughout the full calendar year.

Respondent, through legal counsel, filed a timely appeal and indicated that additional medical evidence could be submitted. CalPERS permitted the submission of further documentation, including responses to tailored supplemental medical questionnaires issued to her treating ophthalmologists. The additional evidence, however, did not establish that Respondent was medically precluded from working 40 hours per week, year-round, during the relevant period of her employment.

CalPERS issued its first supplemental questionnaire to Dr. Sarraf to clarify his earlier statement regarding "daily tasks" and to obtain specific information concerning any medical limitations on Respondent's ability to work. On or about March 8, 2022, Dr. Sarraf completed the Supplemental Medical Report Questionnaire, which he signed again on April 19, 2022. Despite being directly asked to specify which daily tasks Respondent was unable to perform, to identify any limits on the number of hours or days she could work due to her disability, and to explain how the disability affected her ability to work, Dr. Sarraf did not provide substantive answers. This included the failure to directly respond to the question of whether Respondent's disability precluded her from working as a Cafeteria Assistant for 12 months per year. Instead, Dr. Sarraf answered these questions by reiterating that Respondent's "legal blindness as described above limits ability to perform detailed tasks," without further elaboration.

On or about January 30, 2023, Jordan Sugarman, M.D., completed the same supplemental questionnaire. Dr. Sugarman did not indicate that he had treated or personally examined Respondent. He opined that at the time of his response,

Respondent could not work 12 months per year as a Cafeteria Assistant and would be unable to work during the day due to her visual impairment. His opinion aligned with Respondent's separation from her employment in early 2022. However, Dr. Sugarman did not offer an opinion concerning her ability to work during the years she was employed with Tulsa Public Schools.

On December 4, 2023, CalPERS wrote to Respondent explaining that Dr. Sarraf's responses remained nonresponsive and insufficient for establishing PRSA eligibility. CalPERS invited Respondent to resubmit the questionnaire with complete responses. Respondent subsequently opted to submit a modified version of the supplemental questionnaire, completed by a different ophthalmologist, Alan Hromas, M.D., on March 12, 2024.

In his responses, Dr. Hromas stated that, for safety reasons, he did not recommend that Respondent continue working as a Cafeteria Assistant, citing her inability to read food handling instructions, warnings, expiration dates, and labels on cleaning supplies. Dr. Hromas did not identify the onset date of this limitation. When asked whether Respondent's disability precluded her from performing the majority of her essential job duties, including transporting lunches, moving carts, and cleaning tables, Dr. Hromas indicated no such restrictions.

On May 22, 2024, CalPERS issued a second denial of Respondent's PRSA claim. CalPERS found that the newly submitted medical evidence failed to establish that Respondent had been unable to engage in any substantial gainful occupation, without interruption, since reaching adulthood. It emphasized her nearly decade-long employment with Tulsa Public Schools and the absence of medical evidence indicating she was restricted from working 40 hours per week, year-round, during that period of employment.

Respondent again filed a timely appeal and exercised her right to a hearing before an Administrative Law Judge (ALJ) with the Office of Administrative Hearings (OAH). A hearing was held on August 16, 2025. Respondent represented herself at the hearing and elected not to present testimony.

Prior to the hearing, CalPERS explained the hearing process to Respondent and the need to support her case with witnesses and documents. CalPERS provided Respondent with a copy of the administrative hearing process pamphlet, answered Respondent's questions and clarified how to obtain further information on the process.

At the hearing, CalPERS submitted documentary evidence and called a Staff Services Manager (Manager) from the Survivor Benefit Exceptional Processing Unit, as a witness. The Manager testified regarding the stringent legal criteria applicable to PRSA benefits. She explained that under Government Code section 20027, a qualifying disability must render the applicant unable to engage in any substantial gainful occupation. In addition, Government Code section 21629 requires that the disability have begun prior to age 18 and continued into adulthood "without interruption." The

Manager explained that any period of substantial gainful employment during adulthood breaks the required continuity. She further testified that the PRSA disability standard is a heightened standard compared to those found in other public benefit programs and that, in her experience, PRSA recipients generally cannot work in any capacity and often require special needs trusts due to the severity of their impairments.

The Manager also noted the absence of medical documentation establishing that Respondent was continuously precluded from engaging in any substantial gainful occupation throughout her adult life due to her visual disability. She emphasized that Respondent had, in fact, engaged in such activity for nearly a decade while employed by Tulsa Public Schools.

On September 25, 2025, following receipt of closing and rebuttal briefs, the ALJ issued a Proposed Decision upholding CalPERS' denial of PRSA benefits. The ALJ determined that although the evidence showed a deterioration in Respondent's vision since at least 2023 that precluded further work as a Cafeteria Assistant, Respondent failed to establish that she was unable to work for medical reasons related to her disability on a full-time, year-round basis during her employment from December 2012 through 2021. The ALJ concluded that Respondent did not meet her evidentiary burden to show an uninterrupted inability to engage in a substantial gainful occupation due to her visual impairment and that the denial of her PRSA application was therefore proper.

Pursuant to Government Code section 11517, subdivision (c)(2)(C), the Board is authorized to "make technical or other minor changes in the proposed decision." To avoid ambiguity, staff recommends replacing "...during 2013 through 2021..." with "...during 2012 through 2021..." on page 3, paragraph 10, and page 6, paragraphs 18 and 19.

For all the above reasons, staff argues that the Proposed Decision should be adopted, as modified, by the Board.

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