



Board of Administration

Agenda Item 8a4

September 16, 2026

Item Name: Proposed Decision – In the Matter of the Cancellation of the Application for Industrial Disability Retirement of NICHOLAS PEELMAN, Respondent, and CITY OF UPLAND, Respondent.

Program: Disability and Survivor Benefits Division

Item Type: Action

Parties' Positions

Staff argues that the Board of Administration should adopt the Proposed Decision, as modified. Respondent Nicholas Peelman's (Respondent) position is included in Attachment C, if any.

Strategic Plan

This item is not a specific product of either the Strategic or Annual Plans. The determination of administrative appeals is a power reserved to the Board of Administration.

Procedural Summary

Respondent submitted an application for Industrial Disability Retirement based on orthopedic conditions (bilateral elbow and right wrist). CalPERS determined that Respondent was ineligible for industrial disability retirement pursuant to the legal precedent set forth in *Haywood v. American River Fire Protection District* because he had resigned from his employment without reinstatement rights and was being investigated for three different acts of alleged malfeasance, which were later sustained. Respondent appealed this determination and the matter was heard by the Office of Administrative Hearings on March 16, 2026. The record was held open until April 7, 2026, so that the parties could file briefs. On May 7, 2026, the ALJ issued an order reopening the record, requesting briefing on several issues. Supplemental briefs were due, and the record closed, on June 12, 2026. However, the ALJ again reopened the record, so that Respondent might respond to a request for official notice contained in CalPERS' supplemental brief. On July 23, 2026, Respondent submitted his written response, and the record was again closed. A Proposed Decision was issued on August 10, 2026, affirming CalPERS' determination and denying the appeal.

Alternatives

- A. For use if the Board decides to modify and adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, pursuant to Government Code section 11517, subdivision (c)(2)(C), which authorizes the Board to "make technical or other minor changes in the proposed decision," hereby modifies the Proposed Decision, by changing "(Ex. 27, p. A284.)" to "(Ex 24, p. A284.)" at page 9, paragraph 28 of the Proposed Decision, and hereby adopts as its own Decision the Proposed Decision dated August 10, 2026, as modified, concerning the appeal of Nicholas Peelman; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- B. For use if the Board decides to adopt the Proposed Decision as its own Decision:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System hereby adopts as its own Decision the Proposed Decision dated August 10, 2026, concerning the appeal of Nicholas Peelman; RESOLVED FURTHER that this Board Decision shall be effective 30 days following mailing of the Decision.

- C. For use if the Board decides not to adopt the Proposed Decision, and to decide the case upon the record:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated August 10, 2026, concerning the appeal of Nicholas Peelman, hereby rejects the Proposed Decision and determines to decide the matter itself, based upon the record produced before the Administrative Law Judge and such additional evidence and arguments that are presented by the parties and accepted by the Board; RESOLVED FURTHER that the Board's Decision shall be made after notice is given to all parties.

- D. For use if the Board decides to remand the matter back to the Office of Administrative Hearings for the taking of further evidence:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, after consideration of the Proposed Decision dated August 10, 2026, concerning the appeal of Nicholas Peelman, hereby rejects the Proposed Decision and refers the matter back to the Administrative Law Judge for the taking of additional evidence as specified by the Board at its meeting.

- E. Precedential Nature of Decision (two alternatives; either may be used):

1. For use if the Board wants further argument on the issue of whether to designate its Decision as precedential:

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System requests the parties in the matter concerning the appeal of Nicholas Peelman, as well as interested parties, to submit written argument regarding whether the Board's Decision in this matter should be designated as

precedential, and that the Board will consider the issue whether to designate its Decision as precedential at a time to be determined.

2. For use if the Board decides to designate its Decision as precedential, without further argument from the parties.

RESOLVED, that the Board of Administration of the California Public Employees' Retirement System, hereby designates as precedential its Decision concerning the appeal of Nicholas Peelman.

Budget and Fiscal Impacts: Not applicable

Attachments

Attachment A: Proposed Decision

Attachment B: Staff's Argument

Attachment C: Respondent(s) Argument(s)

Kimberly A. Malm
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Customer Services and Support