ATTACHMENT B

STAFF'S ARGUMENT

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

Amy M. Edelen (Respondent) was employed by the Department of Consumer Affairs (Respondent DCA) as an Associate Governmental Program Analyst. By virtue of her employment, Respondent was a state miscellaneous member of CalPERS.

On October 3, 2024, Respondent signed an application for disability retirement, which CalPERS received on October 7, 2024. CalPERS informed Respondent that she was not eligible to apply for disability retirement because she was not in state service at that time. On May 9, 2026, Respondent filed another disability retirement application. CalPERS informed Respondent that she was not eligible to apply for the same reason.

Respondent began working for the State of California in 1994. In September of 2010, she applied to retire for disability. CalPERS approved Respondent's retirement application based upon her rheumatological fibromyalgia condition. In July of 2021, CalPERS reevaluated Respondent and notified her that she was no longer incapacitated from the usual job duties of an Associate Governmental Program Analyst for the Veterinary Medical Board.

Respondent appealed the determination, and ultimately the Board ordered her reinstatement from disability retirement. CalPERS informed Respondent that it would terminate her disability retirement effective October 13, 2023, and that she had the right to resume her former position. Respondent did not challenge the order through a petition for writ of mandate, and the order became final in September 2023.

Respondent has never returned to work at the Veterinary Medical Board because she asserts she cannot return to any kind of work. Since leaving her position in 2009, she has not performed any service for any agency that contracts with CalPERS. Because Respondent never returned to work after her reinstatement in October of 2023, CalPERS determined she was not a member of state service and therefore ineligible to apply for disability retirement.

Respondent appealed this determination 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 July 29, 2026. Respondent represented herself at the hearing. Respondent DCA appeared at the hearing and was represented by attorney Laura Freedman.

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.

Respondent testified on her own behalf. She claimed that because she has never been formally terminated from employment, she remains in state service as long as she

retains the right to return to her former position. Respondent further asserted that she can apply for disability retirement because she remains employed and applied for disability retirement while on a leave of absence.

CalPERS presented evidence that Respondent has never returned to work since her reinstatement in 2023 and has not received any compensation from any agency that contracts with CalPERS. Therefore, Respondent was not in state service when she filed the applications for disability retirement in 2024 and 2026.

After considering all the evidence introduced, as well as arguments by the parties, the ALJ denied Respondent's appeal. The ALJ found that disability retirement is not available if the disability arises after a person has already discontinued state service under Government Code section 21154. Because Respondent did not render "state service" while receiving her disability retirement benefits, and because she never returned to her position following her reinstatement, she has not rendered state service since her original disability retirement and was not eligible to apply for disability retirement in either 2024 or 2026 under Government Code section 21154, subdivision (a).

In the Proposed Decision, the ALJ correctly concludes that CalPERS' actions in declining to evaluate the medical merits of either of Respondent's disability retirement applications were 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 that the word "Trustees" be changed to "Administration" on page 2, paragraph 5, and page 4, paragraphs 10 and 12.

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

November 18, 2026

CRISTINA ANDRADE
Senior Attorney