Risk & Audit Committee

Agenda Item 5c

November 17, 2026

Item Name: Public Employees Retirement System Conflict-of-Interest Code Amendment

Program: Enterprise Compliance Risk & Governance (ECRG)

Item Type: Action

Recommendation

Approve staff's recommendation to amend the California Public Employees' Retirement System's (CalPERS) Conflict of Interest Code (Code) and transmittal of the Notice of Proposed Regulatory Action to the Office of Administrative Law (OAL).

Executive Summary

The Political Reform Act requires CalPERS to adopt and periodically update a Conflict of Interest Code - that identifies positions required to file a Statement of Economic Interests (Form 700). The CalPERS Code was last updated in February 2024. Since then, several changes have been implemented that require the Code to be amended, including:

- **Designated positions:** Add newly established classifications, additional existing classifications, and updating classification titles to reflect the California Department of Human Resources (CalHR) classification consolidation.
- **Filing categories:** Revise information technology and healthcare focused filing categories to better reflect the interconnected nature of financial interests across industries.
- **Electronic filing:** Require electronic filing to align with the Fair Political Practices Commission's (FPPC) requirements for Category 87200 filers.
- **Legislative alignment:** Update administrative provisions to comply with Senate Bill 852 (Chapter 331, Statutes of 2025), which requires designated filers in Category 87200 to file their Form 700 directly with the FPPC.
- **Administrative updates:** Alphabetize the list of designated positions to improve flow and usability.

The purpose of this agenda item is to present, for approval, a regulatory proposal for the CalPERS Code. Upon approval by the CalPERS Board of Administration, staff will submit the Notice of Proposed Regulatory Action to the Office of Administrative Law.

Strategic Plan

Staff prepared the proposed amendment to support CalPERS' FY 2022-27 Organizational Excellence strategic goal: *Cultivate a diverse, risk-intelligent, and innovative culture through our team and processes.*

Background

The Political Reform Act requires each state agency to adopt - a Code (Gov. Code sec. 87300). The Code designates the agency officials, employees, and consultants who are required to file a Form 700 along with the extent of their reporting requirements. Each agency must amend its Code when there are changes in circumstances, such as the creation of new positions or other organizational changes.

The Code is embodied in an administrative regulation (Cal. Code Regs., Title 2, § 560). All employees who are required to file a Form 700 are listed in the Code and are referred to as "designated employees." CalPERS has created new positions and amended the duties of existing positions, since the current Code was codified on February 1, 2024.

Analysis

Staff are proposing to amend the Code to incorporate CalHR's classification consolidation, add newly established classifications, and include supervisory roles that participate in governmental decision making to ensure positions are appropriately designated as Form 700 filers.

The proposed amendment streamlines disclosure requirements by combining the healthcare and information technology focused filing categories into a broader Category 3, clarifies disclosure requirements for organizations that can represent multiple industries.

The proposed amendment will align the Code with Senate Bill 852 by removing Category 87200 filers from the Code, as these individuals are required to file their Form 700 directly with the FPPC.

The list of designated classifications will be organized alphabetically to improve accessibility.

CalPERS currently has approximately 1,300 Form 700 filers. This proposed amendment will add approximately 17 additional filers.

The proposed amendment will ensure that the Code is current and will keep CalPERS in compliance with the biennial review and amendment requirement.

Budget and Fiscal Impacts

Not Applicable.

Benefits and Risks

The proposed amendments to the Code enhance transparency and oversight, strengthen financial disclosure requirements, align with regulatory requirements and improve clarity and accessibility.

Additionally, the proposed amendments reduce the risk of noncompliance by ensuring our Code

is updated with the appropriate laws, regulations and classifications.

Attachments

Attachment 1 – CalPERS Conflict of Interest Code – Clean Version

Attachment 2 – CalPERS Conflict of Interest Code – Redline Version

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