

## **FINAL STATEMENT OF REASONS**

### **Proposed Amendment to Sections 588, 588.1, 588.2, 588.3, 588.4, 588.6, 588.7, and 588.8 and Repeal of Sections 588.5, 588.9, and 588.10 of Article 7.6 of Subchapter 1 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations (CCR)**

#### **Participation in Risk Pools**

#### **UPDATE OF INITIAL STATEMENT OF REASONS**

The Initial Statement of Reasons is still valid and relevant. Changes made to the text of the proposed regulatory action are non-substantive in nature.

#### **SUMMARY OF REGULATORY EVENTS**

The California Public Employees' Retirement System (CalPERS) Board of Administration (board) approved the initiation of this proposed regulatory action through the rulemaking process at its September 17, 2025, board meeting.

A Notice of Proposed Regulatory Action was published in the California Regulatory Notice Register, File Number Z2025-1031-01, on November 14, 2025. The written comment period commenced on November 17, 2025, and closed on January 2, 2026.

CalPERS received no public comments within the written comment period.

The following non-substantive changes were made to the text of the proposed regulatory action:

- Section 588(a): Moved "as determined by the CalPERS Board" directly after "rate plan" and added statutory cross references.
- Section 588.6: Updated proposed regulatory language to align with the statutory language found in Government Code section 20840.
- Section 588.7: Made edits to punctuation.
- Section 588.8: Made edits to numeric formatting and added statutory cross references.

#### **SUMMARY AND RESPONSE TO COMMENTS RECEIVED AT PUBLIC HEARING**

CalPERS allowed interested parties to request a public hearing from November 17, 2025, to December 18, 2025. However, no such requests were made, and therefore a hearing was not scheduled.

#### **REASONS FOR REJECTING ANY PROPOSED ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES**

The proposed regulatory action does not affect small businesses because it would apply only to CalPERS and its contracting agencies. The proposed regulatory action would have no significant, statewide adverse economic impact directly affecting these businesses, including the ability for California businesses to compete with businesses in other states.

#### **ALTERNATIVES DETERMINATION**

No public comments were received during the public notice period. Therefore, no other alternatives were considered, identified, or brought to the board's attention that would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of the law.

#### **LOCAL MANDATE DETERMINATION**

The proposed regulatory action does not impose any mandate on local agencies or school districts.