

CalPERS Personal Trading

Frequently Asked Questions

Covered Persons

1. Who is a Covered Person?

A Covered Person is an individual who has access to nonpublic information regarding the purchase or sale of securities, is involved in making securities recommendations, or who has access to recommendations that are nonpublic.

2. I am not part of the Investment Office, why am I a Covered Person?

Covered Persons include staff who have indirect access to nonpublic information. For example, employees in support roles may have access to nonpublic information or securities recommendations while supporting Covered Persons. Specific branches and positions are also called out in the regulation.

3. Why are spouses or registered domestic partners Covered Persons?

A spouse or registered domestic partner is Covered because the opportunity exists for a Covered Person team member to share nonpublic information with their spouse or registered domestic partner.

4. Since my spouse or registered domestic partner is a Covered Person, how do they enter their trading activities into the Personal Trading Platform?

You, the employee, are responsible for entering the pre-clearance requests on their behalf; alternatively, you can provide them with your login information.

5. What should I do if I believe I should not be Covered?

Email the [Personal Trading Mailbox](#) with your reasoning and Enterprise Compliance, Risk and Governance (ECRG) will conduct a review and confirm with your Division Chief.

6. What are my responsibilities as a Covered Person?

Within the Personal Trading Platform, you must disclose all Covered Accounts, obtain pre-clearance approval before transacting in Covered Securities, and adhere to the 30-day holding period. Additionally, due annually on the first business day of April, you must complete the Personal Trading Attestation.



Covered Accounts

7. What is a Covered Account?

A Covered Account is any account that can transact in Covered Securities. Personal brokerage accounts, rollover IRA brokerage accounts, and former employer 401k accounts with a self-directed brokerage account are examples of Covered Accounts that require disclosure.

8. Are the State-sponsored Savings Plus 401(k) and 457(b) accounts Covered?

The State-sponsored Savings Plus 401(k) and 457(b) accounts, which only invest in mutual fund companies, are not considered a Covered Account. The Savings Plus self-directed brokerage account (Charles Schwab PCRA) can transact in Covered Securities therefore is a Covered Account and requires disclosure.

9. My spouse/registered domestic partner participates in an Automatic Investment Plan (Employee Stock Purchase Plan) with their employer. Is this a Covered Account?

Yes, Automatic Investment Plan accounts are considered Covered Accounts and require disclosure. However, some of these types of accounts are exempt from the pre-clearance requirements, holding period requirements, blackout period requirements and reporting requirements.

10. What is a Managed Account?

A Managed Account is an account that must meet the following criteria: (A) it is managed by a third party money manager who is not a Covered Person; (B) no Covered Person has the power to affect or ability to control or influence investment decisions in the account, and; (C) no Covered Person communicates (directly or indirectly) to the person(s) with investment discretion regarding specific trade activity in the account.

11. Do Managed Accounts require disclosure?

Yes, per the regulation, Managed Accounts must be disclosed within the Personal Trading Platform. To exempt the account from the regulation's requirements, the third-party money manager must submit a Managed Account Certification Letter to ECRG. Email the [Personal Trading Mailbox](#) for more information.



Covered Securities

12. What is a Covered Security?

The most common Covered Securities include but are not limited to, stocks, bonds, ETFs, and derivatives on such securities. Please refer to section (a)(6)(A) of the regulation for the complete list of Covered Securities.

13. What securities require pre-clearance?

All Covered Securities require pre-clearance. If you are unsure, it is best practice to pre-clear every transaction.

14. What is a non-public security and how do I obtain pre-clearance for it?

A non-public security is any investment that does not trade publicly. Private Placement Vehicles, such as limited liability corporations and limited partnerships, are examples of non-public securities. Additionally, ventures in real estate, limited to those through a Private Placement Vehicle, are also non-public securities that require pre-clearance.

To obtain pre-clearance, select “Private Investment” from the “Pre-clearance Request” page, fill out the form and hit submit. Please provide proper documentation (e.g., the fund’s fact sheet and/or the private placement memorandum) to expedite the review process.

15. My family is planning to buy a small apartment complex in another state. Is this investment considered a Covered Security?

If you are buying the property outright, then it would not be considered a Covered Security. If you are making the acquisition through a Private Placement Vehicle (e.g., partnership or LLC), then it may be a Covered Security and should be submitted for pre-clearance approval. For additional information, please email to the [Personal Trading Mailbox](#) or call the ECOM main line at (916) 795-2148 for assistance.

16. Most of my stock purchases are made through Limit Orders, and stock sells are made through Stop Orders. Can I pre-clear the trade before I put in the Limit or Stop Order and be done?

A Covered Person is required to obtain pre-clearance approval before purchase, sale or transfer of Covered Securities including limit and stop orders. However, if you are granted approval for the securities with limit and stop orders, you do not need to resubmit pre-clearance on the same securities unless you change the terms of the Limit or Stop Orders (e.g., execution price). Limit and stop order approvals remain valid for 100 business days.

17. I do not trade securities very often; what happens if I forget to obtain pre-clearance approval?

Trading Covered Securities (stocks, bonds, ETFs, etc.) without obtaining pre-clearance approval will be considered noncompliance with the regulation and will result in a violation. For additional information, please email to the [Personal Trading Mailbox](#) or call the ECRG main line at (916) 795-2148 for assistance.



Personal Trading Platform

18. How long will does pre-clearance approval take?

The system will generate approval or denial of pre-clearance requests instantly.

19. My pre-clearance request was denied without providing me a reason. How can I get more information?

Please email the [Personal Trading Mailbox](#) or call the ECRG main line at (916) 795-2148 for assistance.

20. What should I do if I want to buy or sell a stock and the system is 'down' or I can't login?

In the event the system is unavailable, email to the [Personal Trading Mailbox](#) or call the ECRG main line at (916) 795-2148.

21. I clicked "Forgot your password," but I did not receive a reset email. What should I do?

Check your spam, junk and clutter folders to see if the email was received. If you still have not received a temporary password, email the [Personal Trading Mailbox](#) or call the ECRG main line at (916) 795-2148 for assistance.

22. My account information is very confidential. What will be done to ensure my information is kept confidential and secure from other CalPERS employees and the vendor?

ECRG staff assigned to administer and monitor personal trading are required to comply with CalPERS policies and procedures when handling confidential personal information. Information may be shared with the Legal Office, Human Resources, Audit, Investment Controls and Operational Risk, and senior management when deemed necessary. CalPERS has selected MyComplianceOffice to administer the Personal Trading Regulations, one of the leading global providers of compliance and personal trading solutions.

Please refer to the [Personal Trading Regulation](#) for more information. Email the [Personal Trading Mailbox](#) or call the ECRG main line at (916) 795-2148 for questions or assistance.

