

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
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December 4, 2020

UPDATED INFORMATIVE DIGEST

Changes to the Rulemaking

Following the close of the 45-day comment period, CalPERS made the below substantive changes to the regulation text originally proposed in the Notice of Proposed Regulatory Action. The changes were included in a 15-day comment period that commenced on February 27, 2020 and concluded on March 13, 2020.

- Section 592.1(a): Added language to specify that the fees collected will be deposited into the Old Age and Survivors' Insurance Revolving Fund (OASI Fund).
- Sections 592.1(d)-592.1(d)(2): Removed language regarding the methodology for calculating the fee adjustment by using fluctuations in the *Consumer Price Index for All Urban Consumers: U.S. City Average* (CPI-U).
- Sections 592.1(d)-592.1(d)(4): Added language to establish a revised method to calculate the fee adjustment that includes annually reviewing the OASI Fund. If the fund balance is less than 50 percent or greater than 100 percent of one year's budgeted SSSA program expenditures, the fees established in Section 592.1(c)(3) will be adjusted to target a fund balance of 50 percent of budgeted SSSA program expenditures.

CalPERS also added information to the Initial Statement of Reasons originally proposed in the Notice of Proposed Regulatory Action. The additional information was included in a 15-day comment period that commenced on November 10, 2020 and concluded on November 25, 2020.

- The additional information explains the basis for proposing the \$650 fee set forth in sections 592.1(c)(1) and 592.1(c)(2) of the proposed regulation for public agencies to establish initial or modify existing coverage under the state's Section 218 Agreement.

Changes to Underlying Laws

Since these regulations were first proposed on November 1, 2019, there have been no changes in applicable laws relating to these regulations.