



PUBLIC EMPLOYEES' RETIREMENT SYSTEM

MEMO TO: ALL SYSTEM EMPLOYEES

DATE:

FROM: PERSONNEL OFFICE
HUMAN RESOURCES DIVISION

SUBJECT: INCOMPATIBLE ACTIVITIES

Attached is a statement of activities that are inconsistent, incompatible or in conflict with duties as an officer or employee of the California Public Employees' Retirement System. Please read it carefully and acknowledge receipt on the form below. The completed form is to be returned to the Human Resources Division where it will be placed in your official personnel folder.

You are advised to meet with your supervisor regarding any questions you may have about activities that might be considered incompatible. The Personnel Management Analysts in the Personnel Office are also available for consultation.

TO: Personnel Office
Human Resources Division

This will acknowledge receipt of the statement of activities that are inconsistent, incompatible, or in conflict with the duties as an officer or employee of the California Public Employees' Retirement System. I have received and read this statement in its entirety.

Signature

Date

CalPERS Incompatible Activities Statement: Officers/Employees

558. Incompatible Activities Statement.

The following activities are deemed to be inconsistent, incompatible, in conflict with, or inimical to the duties of PERS officers or employees:

- (1) Using the prestige or influence of the state or PERS for the officers or employees private gain or advantage or the private gain of another.
- (2) Using state time, facilities, equipment (including but not limited to Xerox machines, telephones, vehicles, postage meters, data processing or word processing equipment, or personal computers) or supplies for private gain or advantage.
- (3) Using, or having access to, confidential information available by virtue of state employment (including but not limited to confidential data filed by a member or beneficiary with the board, and confidential contract, financial, investment or legal information) for private gain or advantage.
- (4) Providing confidential information (including but not limited to confidential data filed by a member or beneficiary with the board, and confidential contract, financial, investment or legal information) to persons to whom issuance of this information has not been authorized.
- (5) Receiving or accepting money or any other consideration (including but not limited to entertainment, lodging, travel expenses, services or other items) from anyone other than the state for the performance of his or her job duties as a state officer or employee.
- (6) Performance of an act in other than his or her capacity as a state officer or employee knowing that the act may later be subject, directly or indirectly to the control, inspection, review, audit, or enforcement by the officer or employee.
- (7) Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the Public Employees Retirement System or whose activities are regulated or controlled by PERS under circumstances from which it reasonably could be substantiated that the gift was intended to influence the officer or employee in his or her official duties or was intended as a reward for any official actions performed by the officer or employee.

(8) Subject to any other laws, rules, or regulations as pertains thereto, not devoting his or her full time, attention, and efforts to his or her state office or employment during his or her hours of duty as a state officer or employee.

The following activities are specifically deemed to be incompatible, inconsistent, in conflict with, or inimical to the duties of PERS officers and employees due to the nature of the responsibilities of the Public Employees Retirement System:

(9) Accepting commercial transportation or lodging of any type, or accepting direct or indirect payment or reimbursement for lodging or transportation of any type from any person, business entity, or organization doing or seeking to do business of any kind with PERS, except where:

(A) the travel and/or accommodations or payment or reimbursement for such are provided in connection with training, or a meeting, seminar, or conference which the Executive Officer, or the Board President where the proposed attendee is the Executive Officer, has determined to be of educational value to the attendee; and

(B) the acceptance of the transportation, lodging, payment or reimbursement for such is not prohibited by any other section of this regulation or by any other provision of law.

PERS or the State of California shall pay for travel and lodging expenses of PERS officers and employees on PERS-related business whenever possible. Only if the system or the state is unable to pay the officers or employees travel or lodging expenses may a PERS officer or employee accept commercial transportation or lodging of any type, or reimbursement or direct or indirect payment for lodging or transportation of any type, from sources other than PERS or the State of California.

Prior to accepting commercial transportation or lodging or payment or reimbursement for lodging and/or transportation of any type from a source other than PERS or the State of California, the Assistant Executive Officers and employees shall obtain written approval from the Executive Officer, and the Executive Officer shall obtain prior written approval from the Board President.

(10) Claiming travel expenses from PERS for other than state business. No employee shall accept dual payment for travel expenses.

(11) Initiating contact with state administrators or legislative personnel for the purpose of presenting PERS policy or position on legislation or amendments thereto or initiative or referendum petitions, unless such act is a part of the officers or employees official duties. This prohibition does not preclude officers or employees, as private citizens, from contacting legislative or administrative personnel.

(12) Publishing any writing or making any statement to the media which directly or indirectly refers to his or her connection with PERS unless such an act is part of the

officers or employees official duties, or unless such writing or statement contains an appropriate disclaimer indicating that the views expressed are his or her own and do not necessarily reflect the views of PERS or the Board.

(13) PERS employees and officers shall report all gifts, gratuities and other considerations which are not prohibited by this regulation, except those which are from family members or which are clearly given in a personal or social setting. Such report shall be on PERS gratuity reporting form, in the month the gift was received. Even gifts which have no monetary value or are of nominal value are to be reported.

(14) All gifts, gratuities and other consideration which are prohibited by the provisions of this regulation are to be returned to the sender whenever possible. The return of prohibited gifts and other consideration can be at PERS expense, through the mail room, and can include any insurance needed.

(15) For purposes of this regulation, outside employment is defined as any services performed by a PERS employee or officer on his or her own time, during other than normal working hours, for which he or she receives any form of compensation.

Outside employment is deemed inconsistent, incompatible, in conflict with, or inimical to the officers or employees duty to PERS if it violates any of the provisions of this regulation, or any other law.

PERS officers and employees must obtain prior approval, in the manner described below, before engaging in the types of employment described in (A)-(C):

(A) Outside employment with any person, organization or business entity of any type that contracts with PERS to provide goods or services, or contracts with PERS for any other purpose.

(B) Being a partner in, or acting as an officer or board member of, or as a consultant or contractor to, or owning more than a five percent ownership interest in any business, institution, or any agency which he/she knows has financial dealings with PERS.

(C) Any employment, the nature of which is parallel to or closely allied with the services provided to PERS by the officer or employee, including but not limited to, attorneys performing outside legal work, investment officers providing outside investment services, or actuaries providing outside actuarial services.

A PERS officer or employee who wishes to engage in outside employment or an activity which meets the criteria set forth above in subsection (C), must first make a written request for and receive a written determination that such outside employment or activity is not inconsistent, incompatible, or in conflict with the officers or employees duty to PERS. An employee will obtain this determination from his or her Division Chief

or function head. Division Chiefs or function heads, and Assistant Executive Officers, will obtain this determination from the PERS Executive Officer.

The PERS Executive Officer shall not engage in such outside employment which meets the criteria set forth above in subsection (C), unless he or she has obtained prior approval from the Board by way of formal Board action.

An officer or employee who is engaged in outside employment on the effective date of this regulation may continue such employment while the request for determination is being processed.

This regulation does not attempt to specify every possible limitation on officer or employee activities that might be determined incompatible under Government Code section 19990.

Nothing in this regulation shall exempt any person from applicable provisions of any other laws of this state. The standards of conduct set forth in this regulation are in addition to those prescribed in PERS Conflict of Interest Code.

If a PERS officer or employee violates any provision of this regulation, he or she will be liable for disciplinary action to include possible dismissal or removal from office.

If a PERS officer or employee is notified that he or she has violated any provision of this regulation, or that a category of outside employment is prohibited, the officer or employee may appeal through PERS personnel complaint procedure.

NOTE: Authority cited: Section 20120, Government Code. Reference: Section 19990, Government Code.

HISTORY:

1. New section filed 1-17-89; operative 2-16-89 (Register 89, No. 11).