

INITIAL STATEMENT OF REASONS

Proposed Adoption of Section 574.1 of Article 4 of Subchapter 1 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations

Definition of Limited Duration Employment

The proposed regulation is necessary to clarify what is considered “limited duration” employment as stated in Government Code (GC) sections 7522.56, 21224, and 21229 for retired persons serving after retirement, and section 571(a)(3) of Title 2 of the California Code of Regulations (CCR) for employees required by their employer or governing board or body to work in an upgraded position or classification. The California Public Employees’ Retirement Law (PERL) and the California Public Employees’ Pension Reform Act of 2013 (PEPRA) do not explicitly define “limited duration” employment for either situation. By proposing this regulation, the Board of Administration (Board) of the California Public Employees’ Retirement System (CalPERS) seeks to explicitly define “limited duration” employment and provide clarity and uniformity for CalPERS, its members, CalPERS-covered employers, and other stakeholders by ensuring consistent use of the term “limited duration.”

PROBLEM THE PROPOSED REGULATION INTENDS TO ADDRESS

Working After Retirement

The PERL and PEPRA allow retired persons to work for CalPERS-covered employers after retirement without reinstatement or loss or interruption of benefits under certain conditions. GC sections 7522.56, 21224, and 21229 allow retired persons to work after retirement either during an emergency to prevent the stoppage of public business or because the retired person has specific skills needed to perform work of limited duration. All working-after-retirement appointments under these provisions are limited to 960 hours in a fiscal year, but the authorizing statutes do not specify how long appointments of a “limited duration” can be. GC section 21224 applies to appointments with the State of California and public agencies and GC section 21229 applies to appointments with school employers and the California State University. GC section 7522.56 applies to specified appointments with public employers in public retirement systems in California effective January 1, 2013.

By proposing this regulation, the Board seeks to explicitly define “limited duration” employment as stated in GC sections 7522.56, 21224, and 21229 for retired persons serving after retirement and set forth processes to extend an appointment of a retired person serving after retirement if the CalPERS-covered employer determines the appointment requires an extension beyond the period of time defined as a “limited duration” in the proposed regulation. This proposed regulation only defines “limited duration” employment as it pertains to working-after-retirement appointments with CalPERS-covered employers. This proposed regulation does not define “limited duration” employment for purposes of administering working-after-retirement statutes for any public retirement system in California other than CalPERS.

Currently there is variation in the duration of working-after-retirement appointments. This proposed regulation is intended to provide clarity and uniformity for CalPERS, its members, CalPERS-covered employers, and other stakeholders to ensure consistent use of the phrase “limited duration” for working-after-retirement appointments.

Special Compensation

In 1994, CalPERS promulgated CCR section 571 to delineate an all-inclusive list of special compensation to be reported to CalPERS to comply with Senate Bill 53 (Stats. 1993, Ch. 1297, operative 7/1/1994). CCR section 571(a)(3) identifies temporary upgrade pay as reportable special compensation paid to employees “who are required by their employer or governing board or body to work in an upgraded position/classification of limited duration.” CCR section 571(a)(3) does not define “limited duration” employment. This proposed regulation is intended to provide clarity and uniformity for CalPERS, its members, CalPERS-covered employers, and other stakeholders to ensure consistent use of the phrase “limited duration” for temporary upgrade pay reportable to CalPERS as special compensation.

PURPOSE, BENEFITS, OR GOALS OF THE AUTHORIZING STATUTES

Under GC section 7522.02(j), the Board has authority to adopt regulations or resolutions to comply with the requirements of PEPPRA, and under GC section 20121, the Board has authority to make rules as it deems proper.

GC sections 7522.56, 21202, 21220, 21224, and 21229 govern post-retirement employment, among other statutes. Under GC sections 7522.56, 21224, and 21229, limited duration work may be performed by retired persons who have specific skills needed to perform the work.

GC sections 20636 and 20636.1 require the Board to promulgate regulations explaining what constitutes “special compensation” as used in those sections. CCR section 571 defines special compensation, including temporary upgrade pay. Temporary upgrade pay is defined under CCR section 571(a)(3) as compensation to employees who are required by their employer or governing board or body to work in an upgraded position/classification of limited duration.

RATIONALE FOR DETERMINATION THAT ADOPTION IS REASONABLY NECESSARY TO ADDRESS THE PROBLEM

The proposed regulation is necessary to explicitly define “limited duration” employment as stated in GC sections 7522.56, 21224, and 21229 for retired persons serving after retirement, and CCR section 571(a)(3) for employees required by their employer or governing board or body to work in an upgraded position/classification. Adoption of this regulation will benefit CalPERS, its members, CalPERS-covered employers, and other stakeholders by providing clear definitions of “limited duration” employment when referring to retired persons serving after retirement and temporary upgrade pay appointees.

SPECIFIC PURPOSE FOR THE ADOPTION OF THE PROPOSED REGULATION

Purpose of the Proposed Adoption of Section 574.1 - Definition of Limited Duration Employment

Section 574.1(a): The purpose of this paragraph is to define the term “limited duration” as stated in GC sections 7522.56, 21224, and 21229 for retired persons in the employ of a CalPERS-covered employer.

Section 574.1(a)(1): The purpose of this paragraph is to clarify the meaning of an appointment under subdivision (a) of the proposed regulation.

Section 574.1(a)(2): The purpose of this paragraph is to specify when time is counted towards the limit of 24 consecutive months for an appointment under subdivision (a) of the proposed regulation and that time worked prior to the effective date of subdivision (a) does not count towards that limit.

Section 574.1(a)(3): The purpose of this paragraph is to clarify how an end date must be calculated for an appointment under subdivision (a) of the proposed regulation and that CalPERS-covered employers must notify CalPERS of both the end date and any changes to that end date.

Section 574.1(a)(4): The purpose of this paragraph is to specify the number and length of extensions a CalPERS-covered employer is permitted beyond the initial 24 consecutive month limit for the appointment under subdivision (a) of the proposed regulation.

Section 574.1(a)(4)(A): The purpose of this paragraph is to specify the requirements a CalPERS-covered contracting agency or school employer must satisfy to extend appointments under subdivision (a) of the proposed regulation.

Section 574.1(a)(4)(B): The purpose of this paragraph is to specify the requirements the California State University must satisfy to extend appointments under subdivision (a) of the proposed regulation.

Section 574.1(a)(4)(C): The purpose of this paragraph is to specify the requirements the state must satisfy to extend appointments under subdivision (a) of the proposed regulation.

Section 574.1(a)(5): The purpose of this paragraph is to specify when time is counted towards the first or second extension of an appointment under subdivision (a) of the proposed regulation.

Section 574.1(a)(6): The purpose of this paragraph is to specify the CalPERS-covered employer's responsibility for retaining, and providing to CalPERS upon request, specified documents related to the extension of appointments under paragraph (4) of subdivision (a) of the proposed regulation.

Section 574.1(a)(7): The purpose of this paragraph is to provide the option for a CalPERS-covered employer to request an exemption to the limit of two 12 consecutive month extensions of an appointment prescribed in paragraph (4) of subdivision (a) of the proposed regulation and the process to request the exemption.

Section 574.1(a)(7)(A): The purpose of this paragraph is to specify that the Board has sole authority to grant an exemption requested under paragraph (7) of subdivision (a) of the proposed regulation and only if the conditions prescribed in subparagraphs (i) through (iii) of paragraph (7) are met.

Section 574.1(a)(7)(A)(i): The purpose of this paragraph is to specify the first of three conditions that the CalPERS-covered employer must satisfy before its request for an exemption under paragraph (7) of subdivision (a) of the proposed regulation will be granted, specifically that the CalPERS-covered employer must satisfy the applicable requirements in paragraph (4) of subdivision (a) of the proposed regulation.

Section 574.1(a)(7)(A)(ii): The purpose of this paragraph is to specify the second of three conditions that the CalPERS-covered employer must satisfy before its request for an exemption under paragraph (7) of subdivision (a) of the proposed regulation will be granted, specifically the date by which the Board needs to receive the exemption request by for consideration.

Section 574.1(a)(7)(A)(iii): The purpose of this paragraph is to specify the third of three conditions that the CalPERS-covered employer must satisfy before its request for an exemption under paragraph (7) of subdivision (a) of the proposed regulation will be granted, specifically that the CalPERS-covered employer is required to complete a recruitment for the work required under the appointment within the 12 consecutive months prior to the date of the exemption request and certify the recruitment was unsuccessful.

Section 574.1(a)(7)(B): The purpose of this paragraph is to specify the two exemption options from which the CalPERS-covered employer may request, only one exemption type per appointment, through the process prescribed in paragraph (7) of subdivision (a) of the proposed regulation.

Section 574.1(a)(7)(B)(i): The purpose of this paragraph is to specify the first of the two exemption options that a CalPERS-covered employer may choose from when requesting an exemption under paragraph (7) of subdivision (a) of the proposed regulation, specifically an unlimited extension provided the appointment does not exceed 120 hours worked in a fiscal year.

Section 574.1(a)(7)(B)(ii): The purpose of this paragraph is to specify the second of the two exemption options that a CalPERS-covered employer may choose from, in lieu of the first option described in subparagraph (i) of subparagraph (B) of paragraph (7) of subdivision (a) of the proposed regulation, when requesting an exemption under paragraph (7), specifically a subsequent 12 consecutive month extension. The purpose of this paragraph is also to specify that a CalPERS-covered employer can request this second exemption option more than once.

Section 574.1(a)(8): The purpose of this paragraph is to require that CalPERS provide a report of exemptions granted pursuant to paragraph (7) of subdivision (a) of the proposed regulation to the Board annually and to make that report publicly available.

Section 574.1(a)(9): The purpose of this paragraph is to clarify when a retired person can continue to serve in the appointment following the end of the initial 24 consecutive month limit prescribed in subdivision (a) of the proposed regulation.

Section 574.1(a)(10): The purpose of this paragraph is to specify the consequences for a violation of subdivision (a) of the proposed regulation.

Section 574.1(b): The purpose of this paragraph is to define “limited duration” as stated in CCR section 571(a)(3) for an appointment of an employee to an upgraded position/classification.

Section 574.1(b)(1): The purpose of this paragraph is to clarify the meaning of an appointment under subdivision (b) of the proposed regulation.

Section 574.1(b)(2): The purpose of this paragraph is to specify when time is counted towards the limit of 24 consecutive months for an appointment under subdivision (b) of the proposed regulation, for purposes of special compensation that is reportable to CalPERS, and that employment in an upgraded position/classification prior to the effective date of subdivision (b) does not count towards that limit.

BENEFITS ANTICIPATED FROM THE REGULATORY ACTION

Adoption of this regulation will benefit CalPERS, its members, CalPERS-covered employers, and other stakeholders by providing clear definitions of “limited duration” employment when referring to retired persons serving after retirement and temporary upgrade pay appointees, and as a result, will help to provide consistency and standardization for these appointments.

NECESSITY

Section 574.1(a): This paragraph is necessary to establish a uniform meaning for the term “limited duration,” a limit of 24 consecutive months per appointment, for retired persons serving after retirement as stated in GC sections 7522.56, 21224, and 21229. There is currently no definition of the term in those sections. Per GC section 19080.3, the State of California may authorize limited term appointments up to a total duration of two years for temporary staffing needs. Defining the term “limited duration” as a limit of 24 consecutive months per appointment aligns with the duration of other temporary appointments.

Section 574.1(a)(1): This paragraph clarifies that an appointment under subdivision (a) of the proposed regulation is defined as either a position involving work that is substantially different from work that the retired person performs after retirement in another position for the same CalPERS-covered employer, or a position for a different CalPERS-covered employer from any previous CalPERS-covered employer the retired person performed work for after retirement. This paragraph is necessary to ensure that a retired person serves no more than once in an appointment of limited duration under GC sections 7522.56, 21224, or 21229 that involves that particular work with that particular CalPERS-covered employer.

Section 574.1(a)(2): This paragraph is necessary to clarify when time is counted towards the limit of 24 consecutive months for an appointment under subdivision (a) of the proposed regulation, to reduce the risk of an appointment exceeding that limit without an extension. To account for the possibility that retired persons will already be serving in appointments of limited duration under GC sections 7522.56, 21224, and 21229 at the time subdivision (a) takes effect and to avoid any adverse impact to those retired persons and their CalPERS-covered employers, this paragraph also clarifies time worked by retired persons in those appointments after retirement but prior to the effective date of subdivision (a) will not be counted towards the limit of 24 consecutive months per appointment.

Section 574.1(a)(3): This paragraph is necessary to ensure CalPERS-covered employers are aware of the end date of an appointment under subdivision (a) of the proposed regulation, to reduce the risk of an appointment exceeding the limit of 24 consecutive months without an extension. By requiring a CalPERS-covered employer to notify CalPERS of the appointment end date and any changes to that date, CalPERS intends to raise the CalPERS-covered employer’s awareness of when the retired person must stop serving in that appointment.

Section 574.1(a)(4): This paragraph is necessary to provide a CalPERS-covered employer with the authority to extend an appointment under subdivision (a) of the proposed regulation no more than two times for 12 consecutive months each to account for situations where a CalPERS-covered employer deems it necessary, and to require a CalPERS-covered employer to satisfy specified conditions to extend the appointment. This paragraph provides CalPERS-covered employers flexibility in addressing their own

business needs by permitting them two separate 12 consecutive month extensions beyond the initial 24 consecutive month limit for the appointment.

Section 574.1(a)(4)(A): This paragraph is necessary to ensure that the governing bodies of CalPERS-covered contracting agencies and school employers are on notice of the appointment under subdivision (a) of the proposed regulation and agree with the employer that the appointment needs to be extended. Additionally, this paragraph is necessary to ensure that CalPERS-covered contracting agencies and school employers have assessed whether a non-retired employee can perform the work required under the appointment satisfactorily before requesting an extension of the appointment of the retired person from their governing bodies, to ensure there is a need for the extension. Requiring governing body approval at a public meeting increases transparency.

Section 574.1(a)(4)(B): This paragraph is necessary to ensure that the Trustees of the California State University (Trustees) are on notice of the appointment under subdivision (a) of the proposed regulation and agree with the California State University that the appointment needs to be extended. Additionally, this paragraph is necessary to ensure that the California State University has assessed whether a non-retired employee can perform the work required under the appointment satisfactorily before requesting an extension of the appointment of the retired person from the Trustees, to ensure there is a need for the extension. Requiring the Trustees' approval at a public meeting increases transparency.

Section 574.1(a)(4)(C): This paragraph is necessary to ensure that the Department of Human Resources (CalHR) is on notice of the appointment under subdivision (a) of the proposed regulation and agrees with the state that the appointment needs to be extended. Additionally, this paragraph is necessary to ensure that the state has assessed whether a non-retired employee can perform the work required under the appointment satisfactorily before requesting an extension of the appointment of the retired person from CalHR, to ensure there is a need for the extension. Requiring CalHR's approval increases transparency.

Section 574.1(a)(5): This paragraph is necessary to clarify when time is counted towards the limit of 12 consecutive months for the first or second extension of an appointment under subdivision (a) of the proposed regulation, to reduce the risk of an appointment exceeding the limit of 12 consecutive months for each extension.

Section 574.1(a)(6): This paragraph is necessary to ensure the CalPERS-covered employer documents its compliance with the conditions for approving extensions as prescribed in paragraph (4) of subdivision (a) of the proposed regulation. This paragraph is also necessary to ensure the CalPERS-covered employer is responsible for providing the required documentation upon CalPERS' request during the exemption request process described in paragraph (7) of subdivision (a) of the proposed regulation or during any future investigations or audits.

Section 574.1(a)(7): This paragraph is necessary to provide a CalPERS-covered employer with the option to request an exemption to the limit of two 12 consecutive month extensions prescribed in paragraph (4) of subdivision (a) of the proposed regulation, for exigent situations where a CalPERS-covered employer deems it necessary to extend the appointment beyond the two extensions. This paragraph provides the CalPERS-covered employer the flexibility to retain retired persons for those exigent situations without having an adverse impact to business needs.

Section 574.1(a)(7)(A): This paragraph is necessary to require that CalPERS-covered employers demonstrate to the Board that specified conditions exist to have an exemption request to the limit of two 12 consecutive month extensions prescribed in paragraph (4) of subdivision (a) of the proposed regulation granted. Requiring CalPERS-covered employers to demonstrate the existence of these conditions provides transparency to the exigent situation necessitating the extension of the retired person's appointment beyond the limit of two 12 consecutive month extensions.

Section 574.1(a)(7)(A)(i): This paragraph is necessary to ensure the applicable governing body or authority is on notice of the appointment under subdivision (a) of the proposed regulation and agrees with the CalPERS-covered employer that the appointment needs to be extended beyond the limit of two 12 consecutive month extensions prescribed in paragraph (4) of subdivision (a) of the proposed regulation. Additionally, this paragraph is necessary to ensure that the CalPERS-covered employer has assessed whether a non-retired employee can perform the work required under the appointment satisfactorily before requesting an exemption to the limit of two 12 consecutive month extensions of the appointment of the retired person from the applicable governing body or authority and subsequently, the Board, to ensure there is still a need for the retired person to perform the work of the appointment. Requiring initial approval from the applicable governing body or authority, and in a public meeting in the case of contracting agencies, school employers, and the California State University, increases transparency.

Section 574.1(a)(7)(A)(ii): This paragraph is necessary to ensure the CalPERS-covered employer is aware of the timeframe for submitting the exemption request under paragraph (7) of subdivision (a) of the proposed regulation to CalPERS for consideration. Specifying a timeframe for submission reduces the risk of an appointment exceeding the limit of 12 consecutive months for the previous extension.

Section 574.1(a)(7)(A)(iii): This paragraph is necessary to ensure the CalPERS-covered employer demonstrates an effort to limit the appointment to no more than the two 12 consecutive month extensions offered under paragraph (4) of subdivision (a) of the proposed regulation, by conducting a recruitment to hire a non-retired employee to perform the work required under the appointment within the 12 consecutive months prior to the date of the exemption request under paragraph (7) of subdivision (a) of the proposed regulation. This paragraph is also necessary to ensure the CalPERS-covered employer demonstrates an effort to limit subsequent 12 consecutive month extensions of an appointment, if the CalPERS-covered employer requests the exemption available

under subparagraph (ii) of subparagraph (B) of paragraph (7), for an extension of 12 consecutive months, more than once.

Section 574.1(a)(7)(B): This paragraph is necessary to specify the two exemption options from which the CalPERS-covered employer may choose to meet the business needs of the CalPERS-covered employer in those exigent situations necessitating the extension of the retired person's appointment beyond the limit of two 12 consecutive month extensions prescribed in paragraph (4) of subdivision (a) of the proposed regulation. This paragraph is also necessary to clarify the CalPERS-covered employer may only choose one type of exemption per appointment.

Section 574.1(a)(7)(B)(i): This paragraph is necessary to provide an unlimited extension option to the CalPERS-covered employer to retain a retired person to work in an appointment under subdivision (a) of the proposed regulation beyond the limit of two extensions of 12 consecutive months each prescribed under paragraph (4) of subdivision (a), that requires no more than 120 hours per fiscal year, to the extent there are exigent situations that necessitate a CalPERS-covered employer to retain the retired person for minimal hours per fiscal year for an indefinite period.

Section 574.1(a)(7)(B)(ii): This paragraph is necessary to provide CalPERS-covered employers an option to extend an appointment under subdivision (a) of the proposed regulation for a subsequent 12 consecutive months beyond the limit of two extensions of 12 consecutive months each prescribed under paragraph (4) of subdivision (a) of the proposed regulation, to the extent there are exigent situations that necessitate that extension. This paragraph also clarifies when time is counted towards the limit of 12 consecutive months for the extension authorized through an exemption granted by the Board, to reduce the risk of an appointment exceeding the limit of 12 consecutive months for the extension. Additionally, this paragraph specifies that a CalPERS-covered employer can request this exemption more than once.

Section 574.1(a)(8): This paragraph is necessary to ensure that CalPERS-covered employers, their governing bodies or authorities, and CalPERS members are on notice that a report of all exemptions granted pursuant to paragraph (7) of subdivision (a) of the proposed regulation will be provided to the Board annually and that the report will be publicly available. Providing this report to the Board and making it publicly available provides transparency to the appointments under subdivision (a) that necessitate an exemption to the limit of two 12 consecutive month extensions prescribed in paragraph (4) of subdivision (a) of the proposed regulation.

Section 574.1(a)(9): This paragraph is necessary to ensure retired persons do not work in an appointment under subdivision (a) of the proposed regulation beyond the initial limit of 24 consecutive months without an extension approved in accordance with subdivision (a). As a result, this requirement is intended to reduce the risk of a retired person and their CalPERS-covered employer of violating subdivision (a).

Section 574.1(a)(10): This paragraph is necessary to place retired persons and CalPERS-covered employers on notice of the consequences of a retired person serving in an appointment under subdivision (a) of the proposed regulation that violates the requirements of subdivision (a), as stated in GC sections 7522.56, 21202, and 21220, as applicable.

Section 574.1(b): This paragraph is necessary to establish a uniform meaning for the term “limited duration,” as a limit of 24 consecutive months per appointment, for appointments to upgraded positions/classifications for which the employees receive temporary upgrade pay that is reportable to CalPERS as special compensation under CCR section 571(a)(3). There is currently no definition of the term in that section. Per GC section 19080.3, the State of California may authorize limited term appointments up to a total duration of two years for temporary staffing needs. Defining the term “limited duration” as a limit of 24 consecutive months per appointment aligns with the duration of other temporary appointments.

Section 574.1(b)(1): This paragraph clarifies that for purposes of subdivision (b) of the proposed regulation, an appointment to an upgraded position/classification must be immediately subsequent to a permanent appointment held by an individual for the same upgraded position/classification. This paragraph is necessary to clarify that a temporary upgrade pay appointment only pertains to an employee who is temporarily appointed to an upgraded position or classification that was vacated by the previous permanent incumbent.

Section 574.1(b)(2): This paragraph is necessary to clarify when time is counted towards the limit of 24 consecutive months for an appointment under subdivision (b) of the proposed regulation, to reduce the risk of a CalPERS-covered employer reporting compensation to CalPERS for time exceeding that limit. To account for the possibility that employees will already be serving in appointments under CCR section 571(a)(3) at the time subdivision (b) takes effect and to avoid any adverse impact to those employees and their CalPERS-covered employers, this paragraph also clarifies time worked by employees in those appointments prior to the effective date of subdivision (b) will not be counted towards the limit of 24 consecutive months per appointment.

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDIES, REPORTS OR DOCUMENTS RELIED UPON BY THE AGENCY

The following documents were relied upon in developing this proposed regulation:

- GC section 7522.56
- GC section 19080.3
- GC section 21224
- GC section 21229
- 2 CCR section 571
- Economic and Fiscal Impact Statement (STD. 399)

BUSINESS IMPACT

The proposed regulation will not have any impact on private businesses. The proposed regulation will only directly impact CalPERS, CalPERS-covered employers, and CalPERS members.

ECONOMIC IMPACT ASSESSMENT

In accordance with GC section 11346.3(b), CalPERS has made the following assessments regarding the proposed regulation:

Creation or Elimination of Jobs within the State of California

The proposed regulation is not intended to create or eliminate any jobs within the State of California. The proposed regulation serves only to clarify the meaning of “limited duration” employment for CalPERS’ purposes.

Creation of New Businesses or Elimination of Existing Businesses within the State of California

The proposed regulation will not create new businesses or eliminate any existing businesses. The proposed regulation serves only to clarify the meaning of “limited duration” employment for CalPERS’ purposes and will only directly impact CalPERS, CalPERS-covered employers, and CalPERS members.

Expansion of Businesses within the State of California

The proposed regulation will not expand or prevent the expansion of any existing businesses within the State of California. The proposed regulation serves only to clarify the meaning of “limited duration” employment for CalPERS’ purposes and will only directly impact CalPERS, CalPERS-covered employers, and CalPERS members.

Benefits of the Regulation to the Health and Welfare of California Residents, Worker Safety, and the State’s Environment

This proposed regulation will not affect the health and welfare of California residents, worker safety, or the State's environment, because the proposed regulation serves only to clarify the meaning of “limited duration” employment for CalPERS’ purposes.

EVIDENCE SUPPORTING FINDING OF NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

The proposed regulation will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of businesses in California to compete with businesses in other states. The proposed regulation serves only to clarify the meaning of “limited duration” employment for CalPERS’ purposes and will only directly impact CalPERS, CalPERS-covered employers, and CalPERS members.

ALTERNATIVES TO THE REGULATORY ACTION AND CALPERS' REASON FOR REJECTING THOSE ALTERNATIVES

CalPERS has not identified any reasonable alternatives that would be as effective and less burdensome than the proposed regulation. Regulatory action was determined to be the most transparent and consistent means of providing clarity to CalPERS-covered employers and CalPERS members regarding the meaning of "limited duration" employment for retired persons serving after retirement under GC sections 7522.56, 21224, and 21229, and for CalPERS members working in a temporary upgrade pay appointment under CCR section 571(a)(3). CalPERS will consider any reasonable alternatives proposed through the public comment period associated with this regulatory action.

ALTERNATIVES TO THE REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON SMALL BUSINESS

The proposed regulation will only apply to CalPERS, CalPERS members, and CalPERS-covered employers. CalPERS has not identified any adverse impacts on small private businesses. Therefore, CalPERS has not identified any reasonable alternatives that would lessen the impact on small businesses.

DUPLICATION OR CONFLICT WITH OTHER STATE OR FEDERAL REGULATIONS

The proposed regulation does not duplicate and is not in conflict with other state and federal regulations.