



# Approve Employee Salary Schedules Pursuant to CalPERS Regulations

Organization, Personnel and Technology Committee  
Item 7-6  
April 10, 2018

# Background and Purpose

- In 2011, CalPERS Board of Administration adopts regulation defining requirements for a “publicly available pay schedule” (CCR 570.5).
- The goal? *“... enhancing disclosure and transparency of public employee compensation.”*
- Consequence? Schedules must be revised for any changes (e.g., negotiated COLAs) and approved each time by the Board.

# Key Regulatory Requirements

- CalPERS requires a salary schedule to:
  - Be approved and adopted by the Board
  - Identify the position title for every employee
  - Show the *pay rate* for each identified position
  - Indicate the *Effective Date*
  - Meet public posting requirements

# Why Are These Salary Schedules Important?

- Retirees' monthly pension payments are calculated based on Pay Rates listed in *compliant* Salary Schedules.
- Recent CalPERS audit identified seven prior Board-approved *Salary Schedules* without “*Effective Dates*” placed onto the schedules.

# What Action is Needed Today?

- Board approved salary schedules on:
  - 5/08/2012, 7/09/2013, 7/08/2014, 10/13/2015, 11/08/2016, 6/13/2017, and 11/14/2017.
- *As effective dates* have been added, these *Salary Schedules* must be re-approved.
- **Board approval is needed to fix prior oversight.** Approval will not change effective dates, nor revise or increase any salaries either retroactively or prospectively.

# Board Options

- Option 1

- Adopt the CEQA determination and re-approve seven (7) Metropolitan Water District of Southern California salary schedules from 2011 thru 2017, with the effective dates added to comply with CCR 570.5, and resolve the audit finding.

- Option 2

- Do not approve the revised seven salary schedules. Doing so will result in CalPERS reducing pension benefits of some current retirees.

# Staff Recommendation

- Staff Recommends Option 1



