

California State Personnel Board Meeting
Notice and Agenda
November 3, 2016

Submitted Items

Attachment 4

These items were taken under submission by the Board at a prior meeting.

A. Items Scheduled for Action

1. **CHIEF ACTUARY, PUBLIC EMPLOYEES' RETIREMENT SYSTEM CLASSIFICATION SPECIFICATION**
Proposal to revise the class specification to allow for broader recruitment.
Taken under submission on October 6, 2016, and scheduled for hearing at the November 3, 2016, Board meeting.

B. Items to be Scheduled for Action at a Later Date

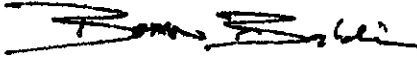
NONE



MEMORANDUM

DATE: November 3, 2016

TO: Five-Member State Personnel Board

FROM: Bryan Baldwin, Chief 
Personnel Management Division

SUBJECT: REVISION OF CHIEF ACTUARY, PUBLIC EMPLOYEES' RETIREMENT SYSTEM CLASSIFICATION SPECIFICATION

SUMMARY:

The California Department of Human Resources (CalHR), on behalf of the California Public Employees' Retirement System (CalPERS), proposed a minor revision to the Chief Actuary classification specification at the October 6, 2016, State Personnel Board meeting. The item was rescheduled for the November 3, 2016 meeting. Following the October 6 meeting, CalHR worked with CalPERS to clarify the proposed minimum qualification language.

The CalPERS Actuarial Office (ACTO) provides actuarial services to state, school, and public agency employers regarding pension plans for over 1.8 million members. These actuarial services include the costing of proposed legislation, contracting agency benefit changes and mergers, the annual recalculation of employer contribution rates for pensions, and audits of contracting public agencies. The ACTO also prepares separate actuarial valuations for the state, school employers, and each contracting public agency every year. The valuations are based on adopted benefits, actuarial methods and assumptions set by the CalPERS Board of Administration; and membership and financial data for each plan.

The Chief Actuary is appointed to this single-incumbent, statutory position and serves as a key member of the CalPERS Executive Management team, the incumbent provides guidance on all actuarial issues facing CalPERS, including actuarial investigations and valuations, rate structure, health benefits and reserve funds. The Chief Actuary promotes the sound and secure operation of CalPERS enterprises through the oversight of all functions within the ACTO, and is responsible for the evaluation, development, and implementation of actuarial policies and procedures.

With the recent retirement of the previous Chief Actuary, a comprehensive recruitment effort is underway to source a broad and diverse pool of well-qualified candidates. To maximize search capabilities and allow for international recruitment, CalPERS requests to broaden the minimum qualification language in the Chief Actuary classification specification by recognizing Membership in the American Academy of Actuaries as an acceptable equivalent to the existing requirement.

CONSULTED WITH:

Sarah Gessler, Section Manager, Executive Recruitment & Examination Services
Tina Campbell, Human Resources Chief, CalPERS
Brittania Saenz, Personnel Program Consultant

The appropriate organizations were provided notice of this item.

CLASSIFICATION CONSIDERATIONS:

Consideration was also given to the CalHR Strategic Plan (Objective 1.1, Initiative 1.1.4) to update the State Civil Service Classification Plan as well as the State's classification consolidation efforts; however, there are no other appropriate classifications as it is a statutory position held by a single incumbent as specified in Government Code 20098.

RECOMMENDATION

That the proposed revision to the classification specification language be adopted.

Chief Actuary, ~~Public Employees'~~ ~~Retirement System~~

California State Personnel Board Specification

- **Schematic Code:** LP11
- **Class Code:** 5407
- **Established:** 01/13/2004
- **Revised:** --
- **Title Changed:** --

Definition

Under the policy direction and administrative direction of the organization's executive and/or director level Board of Administration and the ~~administrative direction of the Chief Executive Officer~~, to manage the actuarial and employer services functions of the organization ~~Public Employees' Retirement System (CalPERS)~~; to provide expert actuarial advice and consultation to the organization's executive and/or director level CalPERS Board of Administration and its committees; and to do other related work. This is a single-incumbent classification established by statute.

Typical Tasks

Plans, organizes, directs, and evaluates the work of CalPERS actuarial staff; provides regular and special reports and analyses to the organization's executive and/or director level Board of Administration and its committees on actuarial investigations, valuations, rate structure, health benefits, and reserve funds; proposes benefit computation and interest rate changes; establishes the liability and contribution requirements of the state, school, and contracting public agencies, and recommends the adjustment of reserves; establishes the plan of contribution for funding of liabilities; directs the compilation of revised rate schedules and actuarial tables; reviews and recommends changes in the detail of actuarial and statistical data; participates in the selection of actuarial consultants and coordinates their work; recommends changes in law and directs actuarial studies to determine the cost of proposed legislation; confers with public agencies and state officials on actuarial matters and appears before elected boards and legislative committees.

Provides direction to the staff engaged in employer service functions, including administering contracts for retirement programs for school and public agency employers throughout the state; administering the automated communication exchange system;

providing contractual information and personal assistance, primarily on retirement and Social Security programs; administering the State and federal master agreement to provide Social Security coverage for State university and for school and public agency employers; developing and conducting various education programs covering membership and payroll processing requirements, new legislation and programs, and other retirement matters of interest to employers; and balancing and updating payroll information received from state, school, and public agency employers.

Minimum Qualifications

Either I

Experience: Two years in the California state Service performing the duties of a Supervising Pension Actuary, and

Possession of an Associateship in the Society of Actuaries, or Membership in the American Academy of Actuaries.

Or II

Experience: Four years in the California state service performing the duties of a Senior Pension Actuary, and

Possession of an Associateship in the Society of Actuaries, or Membership in the American Academy of Actuaries.

Or III

Experience: Seven years of broad and extensive pension actuarial experience setting actuarial assumptions, processing or overseeing actuarial evaluations of defined benefit plans, and producing actuarial valuation reports, at least five years of which must have been supervising a team of actuaries in either (1) a private pension program, or (2) a consulting actuarial firm working with employee pension programs, or (3) a comparable pension actuarial position in another governmental agency. (Qualifying experience in the

California state service must be at a level of responsibility comparable to a Senior Pension Actuary.) and;

Education: Equivalent to graduation from college with a specialization in actuarial science, mathematics, statistics, computer science, or a closely related field, and

Possession of an Associateship in the Society of Actuaries, or Membership in the American Academy of Actuaries.

Knowledge and Abilities

Knowledge of: Principles of actuarial science, with emphasis on retirement systems; fundamentals of a sound retirement system; actuarial assumptions and methods used to determine the costs, rate structures and reserve funds for defined benefit retirement programs; actuarial, funding, and related factors affecting health benefit programs; the statistical techniques and computer applications used in actuarial analysis for retirement and related benefit programs; budgeting principles and practices; and principles and practices of supervision and management, including the manager's/supervisor's responsibility for promoting equal opportunity in hiring and employee development and promotion, and for maintaining a work environment that is free of discrimination and harassment.

Ability to: Make complex and extensive actuarial and statistical computations; make complex and extensive actuarial investigations and valuations, often requiring the development of complex scientific computer programs and to draw and apply correct conclusions from the results; work with and gain the confidence of the organization's executive and/or director level CalPERS Board of Administration, and present the conclusions and implications of actuarial analyses in terms that can be readily understood by non-actuaries; prepare difficult and technical actuarial and statistical reports; direct and evaluate the work of external actuarial consultants; work effectively with a broad variety of external contacts, including the legislature and public agency boards and officials; and plan and direct the work of subordinate staff, while effectively promoting equal opportunity in employment and maintaining a work environment that is free of discrimination and harassment.

Special Personal Characteristics

Acts in a professional manner and demonstrates a high degree of integrity, honesty and ethical behavior; demonstrates openness and trust; establishes and builds rapport by modeling values-based behaviors; exhibits strong interpersonal and mentoring skills; promotes teamwork and cross-functional collaboration and communication in support of

CalPERS the organization's strategic goals; and promotes a high-performance culture where employees are encouraged and enabled to perform to their greatest potential.



MEMORANDUM

DATE: September 19, 2016

TO: Five-Member State Personnel Board

FROM: Bryan Baldwin, Chief
Personnel Management Division

SUBJECT: REVISION OF CHIEF ACTUARY, PUBLIC EMPLOYEES' RETIREMENT SYSTEM CLASSIFICATION SPECIFICATION

SUMMARY:

The California Department of Human Resources (CalHR), on behalf of the California (CalPERS), proposes a minor revision to the Chief Actuary, Public Employees' Retirement System classification specification to allow for broader recruitment.

The CalPERS Actuarial Office (ACTO) provides actuarial services to state, school, and public agency employers regarding pension plans for over 1.8 million members. These actuarial services include the costing of proposed legislation, contracting agency benefit changes and mergers, the annual recalculation of employer contribution rates for pensions, and audits of contracting public agencies. The ACTO also prepares separate actuarial valuations for the state, school employers, and each contracting public agency every year. The valuations are based on adopted benefits, actuarial methods and assumptions set by the CalPERS Board of Administration; and membership and financial data for each plan.

The Chief Actuary is appointed to this statutory position and serves as a key member of the CalPERS Executive Management team and provides guidance to all actuarial issues facing CalPERS, including actuarial investigations and valuations, rate structure, health benefits and reserve funds. The Chief Actuary promotes the sound and secure operation of CalPERS enterprises through the oversight of all the functions within the ACTO and is also responsible for the evaluation, development, and implementation of actuarial policies and procedures.

With the recent retirement of the previous Chief Actuary, a comprehensive search effort will be launched to source a broad and diverse pool of well-qualified candidates. CalPERS requests to broaden the minimum qualification language in the Chief Actuary, Public Employees' Retirement System classification specification to allow them to recruit nationwide as well as internationally.

CONSULTED WITH:

Tina Campbell, Human Resources Chief, CalPERS
Brittania Saenz, Personnel Program Consultant

The appropriate organizations were provided notice of this item.

CLASSIFICATION CONSIDERATIONS:

Consideration was also given to the CalHR Strategic Plan (Objective 1.1, Initiative 1.1.4) to update the State Civil Service Classification Plan as well as the State's classification consolidation efforts; however, there are no other appropriate classifications as it is a statutory position held by only one incumbent as specified in Government Code 20098.

RECOMMENDATION

That the proposed revision to the classification specification language be adopted.

B. CLASSIFICATION CONSIDERATIONS

BACKGROUND

1. **Provide some historical perspective about the organizational setting of the subject class(es) and the needs that this request addresses.**

The California Public Employees' Retirement System (CalPERS) was established in 1932, to administer benefit programs for active and retired California public employees. Today, CalPERS administers benefits for over 3,000 employers, including the State of California, approximately 1,400 school districts, and over 1,500 local public agencies, for a total of more than 1.8 million members. CalPERS current benefit programs include retirement, disability, death, long term care, and health benefits.

The CalPERS Actuarial Office (ACTO) provides actuarial services, information, consultation, and policy recommendations to the CalPERS Board of Administration and Chief Executive Officer relating to funding methods and assumptions for the retirement programs, proposed legislation, contracting agency benefit changes or mergers, and the establishment of the employer contribution rates for the State of California and contracting public agencies. The ACTO staff is more specifically responsible for the compilation of statistical and actuarial data, analysis and interpretation of the results of investigations and valuation, the development of recommendations regarding actuarial assumptions and policy, and making recommendations relating to employer contribution rates.

In 1995, the establishment of an executive level, in-house Chief Actuary position, and an increased emphasis on the actuarial function to address CalPERS fiduciary responsibilities, resulted in the creation of a comprehensive, multi-layered series of technical and professional actuarial classifications. In 2004, the Chief Actuary classification specification was established and the incumbent was transferred into it from the exempt position it was designed to replace.

Under the direction of the Chief Executive Officer, the Chief Actuary promotes the sound and secure operation of all CalPERS enterprises through the oversight of all the various units and functions within ACTO and the planning, organization, direction, and evaluation of work of the actuarial staff; the evaluation, development and implementation of actuarial policies and procedures; and ensuring that all actuarial functions are performed with independence and in conformance with professional standards.

The Chief Actuary provides briefings and independent, expert consultation and advice in these areas to executive management, the Finance and Administration Committee of the CalPERS Board of Administration as well as the full Board, and, as a member of the executive staff, participates in development, implementation, and review of the CalPERS strategic plans.

The magnitude of these responsibilities is enhanced by the fact that, for more than eight decades, CalPERS has built retirement and health security for state, school, and public agency members who invest their lifework in public service. CalPERS is the largest defined-benefit public pension in the U.S. and CalPERS' total fund market value currently stands at approximately \$307 billion.

This request represents the evolution of the classification specification to broaden the ways by which an incumbent can demonstrate his/her technical actuarial skills through professional certification and/or membership. This change is necessary to allow CalPERS to successfully attract a diverse pool of the most well-qualified candidates.

B. CLASSIFICATION CONSIDERATIONS

CLASSIFICATION CONSIDERATIONS

2. What classification(s) does the subject class(es) report to?

The Chief Actuary is a direct report to the CalPERS Chief Executive Officer.

3. Will the subject class(es) supervise? If so, what class(es)?

Yes, one of the Chief Actuary's primary responsibilities is the leadership of ACTO. In that capacity, the incumbent provides direct and indirect management and supervision to 55 employees in the following classifications: Career Executive Assignment; Supervising Actuarial Assistant, CalPERS; Senior Actuarial Assistant, CalPERS; Actuarial Assistant, CalPERS; Actuarial Assistant Trainee, CalPERS; Supervising Pension Actuary; Senior Pension Actuary; Associate Pension Actuary; Senior Life Actuary; Staff Services Manager III; Associate Governmental Program Analyst; and Administrative Assistant II.

4. What are the specific duties of the subject class(es)?

The Chief Actuary role includes duties across three separate areas: executive level actuarial responsibilities, development and maintenance of external relationships, and the executive management of ACTO.

Regarding the realm of executive level actuarial responsibilities, the Chief Actuary:

- Provides independent advice and counsel to executive management, the CalPERS Board of Administration and its committees on actuarial issues.
- Provides reports to executive management, the CalPERS Board of Administration and its committees on actuarial investigations and valuations, rate structure, health benefits, and reserve funds.
- Proposes, for CalPERS Board of Administration adoption, actuarial assumptions, methods and policies.
- Recommends, for CalPERS Board of Administration adoption, contribution rates for various plans including those for State and school employees as well as judges and legislators.
- Establishes the liability and contribution requirement of the state, schools, and contracting public agencies and recommends the adjustment of reserves.
- Works in collaboration with the CalPERS Investment Office and the CalPERS Chief Financial Officer to provide a comprehensive asset liability management approach to ensure that risks to the funding of the System are appropriately managed. This approach will significantly impact the asset allocation process.
- Recommends changes in laws and regulations that impact the funding of the System.
- Directs actuarial studies for determination of the cost of proposed legislation, and confers with public agency and State officials on actuarial matters and appears before elected boards and legislative committees.
- Supports the CalPERS Chief Financial Officer with respect to the actuarial aspects of financial reporting.
- Serves as the executive sponsor of the project to replace the existing actuarial valuation computer system.
- Determines, with the exception of the external actuarial review, when it is necessary to contract with external actuarial consultants, and oversees the selection and work of said consultants.

In the arena of developing and maintaining external relationships, the Chief Actuary:

B. CLASSIFICATION CONSIDERATIONS

- Represents CalPERS to a wide variety of external parties, including the legislature, external auditors and compliance agencies, and CalPERS stakeholders.
- Advocates for sensible policies affecting public pension plans by professional organizations and other bodies in the actuarial field, and develops, promotes and advances positions that support the System and its mission.
- Maintains relationships with professional actuarial associations, and industry organizations to actively advocate CalPERS interests.
- Acts as a CalPERS spokesperson and expert on actuarial issues and testifies on behalf of CalPERS before State and federal legislative committees and other bodies on these issues.
- Represents the System and communicates the CalPERS Board of Administration's policies and positions before outside parties and organizations (including without limitation, the media, other governmental entities and officials, employer and employee organizations, and contractors).

With regards to the executive management of ACTO, the Chief Actuary:

- Manages the fiscal and personnel resources of assigned units, ensuring that succession planning, diversity and inclusion, performance management, core values, and other related best leadership practices occur. Sets the organizational structure of ACTO and, where appropriate, delegates authority to act to actuarial staff.
- Plans, organizes, directs and evaluates the work of actuarial staff including, but not limited to, preparation of the annual actuarial valuations, calculation of actuarial factors used in administration and determination of actuarial results used in financial reporting.
- As a member of the CalPERS executive staff, participates in agency-wide planning and policy making to ensure assigned programs are well coordinated with other CalPERS functions.

5. What is the decision-making responsibility of the subject class(es)?

The Chief Actuary's decision making responsibilities and authority include, but are not limited to the following as designated by the CalPERS Board of Administration:

- Oversee that all actuarial functions are performed with independence and in conformance with professional standards.
- Approve actuarial valuations and employer rates for public agencies.
- Set the liabilities of and recommend to the CalPERS Board of Administration the contribution requirements for State and school employers.
- Provide independent advice and counsel to the CalPERS Board of Administration and its various committees on actuarial issues.
- Act as a CalPERS spokesperson and expert on actuarial issues and testify on behalf of CalPERS before State and federal legislative committees on these issues.
- Represent the System and communicate the CalPERS Board of Administration's policies and positions before outside parties and organizations (including without limitation the media, other governmental entities and officials, employer and employee organizations, and contractors).

6. What would be the consequence of error if incumbents in the subject class(es) did not perform their jobs? (Program problems, lost funding, public safety compromised, etc.)

At the most basic level, the very health of the CalPERS systems are reliant on solid, reliable and accurate actuarial science. The incorrect or incomplete assessment of the risks associated with the CalPERS plans and systems could very well create irreparable harm.

B. CLASSIFICATION CONSIDERATIONS

Inadequate leadership and actuarial work at the executive level would compromise CalPERS' ability to meet its retirement and other benefit obligations from its existing funding sources. Depending on the level of resulting damage, tactics such as increasing contributions from employers and/or employees may not be enough to mitigate the consequences of grave actuarial error. Even on a small scale, these actions most certainly would create significant and lasting fiscal, political, and/or labor relations problems.

7. What are the analytical requirements expected of incumbents in the subject class(es)?

The Chief Actuary must successfully and effectively analyze:

- Actuarial assumptions, methods and polices for purposes of presentation to and adoption by the CalPERS Board of Administration.
- Actuarial investigations and valuations, rate structure, health benefits and reserve funds for the purposes of reporting to CalPERS executive management, and the CalPERS Board of Administration and its committees.
- For CalPERS Board of Administration adoption, the contribution rates for various plans including those for state and school employees as well as judges and legislators.
- The liability and contribution requirement of the state, schools, and contracting public agencies for purposes of establishment and adjustment of reserves.
- The actuarial component of the comprehensive asset liability approach to ensure that risk to the funding of the CalPERS systems are appropriately managed.
- Laws and regulations that impact the funding of the CalPERS system for the purposes of making recommendations for changes to them.
- The costs of proposed legislation through the direction of actuarial studies.
- With the exception of the prescribed external actuarial review, when it is necessary to contract with external actuarial consultants.

8. What is the purpose, type, and level of contacts incumbents in the subject class(es) make?

The role of the Chief Actuary is that of the highest level technical expert as well as public entity. The Chief Actuary routinely works with the CalPERS Chief Executive Officer, CalPERS Board of Administration and executive management team. The Chief Actuary represents CalPERS to the legislature, external auditors, compliance agencies, and other CalPERS stakeholders as well as serving as the CalPERS spokesperson and expert to offer testimony to state and federal legislative committees. The Chief Actuary also represents CalPERS to the media, other governmental entities and officials, employer and employee organizations, and contractors.

NEED FOR NEW CLASS (if necessary)

9. For new classes only: what existing classes were considered and why were they not appropriate?

Not applicable.

MINIMUM QUALIFICATIONS

10. What are the proposed or current minimum qualifications of the subject class(es), and why are they appropriate? (Include inside and outside experience patterns.)

B. CLASSIFICATION CONSIDERATIONS

The proposed new language to be added to the Chief Actuary classification specification is underlined:

Either I

Experience: Two years in the California state service performing the duties of a Supervising Pension Actuary, and

Possession of an Associateship in the Society of Actuaries, or an approved equivalent.

Or II

Experience: Four years in the California state service performing the duties of a Senior Pension Actuary, and

Possession of an Associateship in the Society of Actuaries, or an approved equivalent.

Or III

Experience: Seven years of broad and extensive pension actuarial experience setting actuarial assumptions, processing or overseeing actuarial evaluations of defined benefit plans, and producing valuation reports, at least five years of which must have been supervising a team of actuaries in either (1) a private pension program, or (2) a consulting actuarial firm working with employee pension programs, or (3) a comparable pension actuarial position in another government agency. (Qualifying experience in the California state service must be at a level of responsibility comparable to Senior Pension Actuary.), and

Education: Equivalent to graduation from college with a specialization in actuarial science, mathematics, statistics, computer science, or a closely related field, and

Possession of an Associateship in the Society of Actuaries, or an approved equivalent.

There are multiple reasons as to why the additions are needed to the Minimum Qualifications for the Chief Actuary classification specification. As discussed in Part A as well as already mentioned in this portion of the package, the actuarial field is an exceedingly small one and, in order to attract a pool of well-qualified candidates, alternate professional organizations to the Society of Actuaries must be recognized as legitimate ways to demonstrate mastery of technical actuarial skills.

Additionally, far from only needing an expert level actuary to fill the Chief Actuary position, CalPERS needs a true leader in this role. As evidenced by Goal B of the CalPERS 2012-17 Strategic Plan, of utmost importance to CalPERS is the cultivation of a high-performing, risk-intelligent and innovative organization. A subsequent objective is to recruit, retain, develop and empower a broad range of talents against organizational priorities. While maintaining stringent and careful actuarial policies is the overarching organizational priority in this case, the most productive and effective way to achieve that goal is to hire the right leader into the role of Chief Actuary.

The evolving field of Talent Management has provided ample evidence that true leadership is one of the most important commodities in an executive level leader in today's workforce. Beyond the very important duties ascribed to the Chief Actuary as noted in question four, what is also essential for success in the Chief Actuary role is the ability to:

- Successfully function as a change agent with the ability to inspire and motivate teams,

B. CLASSIFICATION CONSIDERATIONS

- Communicate effectively and be accountable, transparent, patient, and possess the highest levels of integrity.
- Be forward thinking and motivate, mentor, and develop the ACTO team while also advocating for CalPERS' actuarial employees and becoming a champion for this team's talent development as its members build both technical and leadership capabilities.
- Take initiative, solve complex problems and develop innovative solutions for new business challenges.
- Instill trust, command respect, and foster strong business relationships both internally and externally.

As argued both by the 2014 CalPERS Workforce Strategic Plan and the Civil Service Improvement Future State White Paper "The House We Are Building," what is essential to the future success of civil service in California is the cultivation of a leadership culture. In order to do just that, CalPERS must have the flexibility to source candidates who not only have unimpeachable actuarial skills, but also the abilities and traits noted above. To accomplish this vitally important goal, CalPERS respectfully requests to move beyond the restriction of an Associateship with the Society of Actuaries as the only path to meeting the Minimum Qualifications for the Chief Actuary classification.

PROBATIONARY PERIOD

Six Months

11. If a probationary period other than six months is proposed, what is the rationale?

CalPERS is not recommending any changes to the current 12 month probationary period for the Chief Actuary classification. As this is an executive level position responsible for many activities that occur on an annual basis, a six month probationary period would not be adequate or appropriate. The current 12 month probationary period is in line with other similarly situated executive level managerial positions.

STATUS CONSIDERATIONS

12. What is the impact on current incumbents?

There are no impacts to current incumbents. Future candidates and incumbents will benefit with by the broadened Minimum Qualifications which will allow for a larger pool from more diverse professional backgrounds.

13. Will current employees move by examination, transfer, reallocation, split-off, etc.? Explain rationale.

Incumbents will continue to compete through a rigorous selection process culminating in appointment from certification list generated by an examination.

CONSULTED WITH

14. The following individuals were consulted during the development of this proposal.

Douglas Hoffner
Tina Campbell
Mary MacDonald

Interim Chief Executive Officer, CalPERS
Human Resources Division Chief, CalPERS
Principal, Heidrick & Struggles

C. SALARY ANALYSIS

IMPACTS TO SALARY STRUCTURE

According to the Classification and Pay Guide, Section 105, a salary analysis is only required if the proposal is to establish a new class, develop a deep class, or is any classification action which impacts salary. CalPERS' request to revise the Chief Actuary, Public Employees' Retirement System Classification Specification is considered a Staff Item as it involves only minor revisions to the Minimum Qualifications section and does not change either the class concept or current salary structure.

Chief Actuary, Public Employees' Retirement System (5407)

Chief Actuary, Public Employees' Retirement System

California State Personnel Board Specification

- **Schematic Code:** LP11
- **Class Code:** 5407
- **Established:** 01/13/2004
- **Revised:** --
- **Title Changed:** --

Definition

Under the policy direction of the Board of Administration and the administrative direction of the Chief Executive Officer, to manage the actuarial and employer services functions of the Public Employees' Retirement System (CalPERS); to provide expert actuarial advice and consultation to the CalPERS Board of Administration and its committees; and to do other related work.

Typical Tasks

Plans, organizes, directs, and evaluates the work of CalPERS actuarial staff; provides regular and special reports and analyses to the Board of Administration and its committees on actuarial investigations, valuations, rate structure, health benefits, and reserve funds; proposes benefit computation and interest rate changes; establishes the liability and contribution requirements of the state, school, and contracting public agencies, and recommends the adjustment of reserves; establishes the plan of contribution for funding of liabilities; directs the compilation of revised rate schedules and actuarial tables; reviews and recommends changes in the detail of actuarial and statistical data; participates in the selection of actuarial consultants and coordinates their work; recommends changes in law and directs actuarial studies to determine the cost of proposed legislation; confers with public agencies and state officials on actuarial matters and appears before elected boards and legislative committees.

Provides direction to the staff engaged in employer service functions, including administering contracts for retirement programs for school and public agency employers throughout the state; administering the automated communication exchange system; providing contractual information and personal assistance, primarily on retirement and Social Security programs; administering the State and federal master agreement to provide Social Security coverage for State university and for school and public agency employers; developing and conducting various education programs covering membership and payroll processing requirements, new legislation and programs, and other retirement matters of interest to employers; and balancing and updating payroll information received from state, school, and public agency employers.

Minimum Qualifications

Either I

Experience: Two years in the California state Service performing the duties of a Supervising Pension Actuary. and

Possession of an Associateship in the Society of Actuaries, or an approved equivalent.

Or II

Experience: Four years in the California state service performing the duties of a Senior Pension Actuary. and

Possession of an Associateship in the Society of Actuaries, or an approved equivalent.

Or III

Experience: Seven years of broad and extensive pension actuarial experience setting actuarial assumptions, processing or overseeing actuarial evaluations of defined benefit

plans, and producing actuarial valuation reports, at least five years of which must have been supervising a team of actuaries in either (1) a private pension program, or (2) a consulting actuarial firm working with employee pension programs, or (3) a comparable pension actuarial position in another governmental agency. (Qualifying experience in the California state service must be at a level of responsibility comparable to a Senior Pension Actuary.) and

Education: Equivalent to graduation from college with a specialization in actuarial science, mathematics, statistics, computer science, or a closely related field. and

Possession of an Associateship in the Society of Actuaries, or an approved equivalent.

Knowledge and Abilities

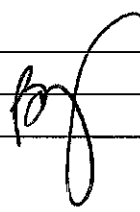

Knowledge of: Principles of actuarial science, with emphasis on retirement systems; fundamentals of a sound retirement system; actuarial assumptions and methods used to determine the costs, rate structures and reserve funds for defined benefit retirement programs; actuarial, funding, and related factors affecting health benefit programs; the statistical techniques and computer applications used in actuarial analysis for retirement and related benefit programs; budgeting principles and practices; and principles and practices of supervision and management, including the manager's/supervisor's responsibility for promoting equal opportunity in hiring and employee development and promotion, and for maintaining a work environment that is free of discrimination and harassment.

Ability to: Make complex and extensive actuarial and statistical computations; make complex and extensive actuarial investigations and valuations, often requiring the development of complex scientific computer programs and to draw and apply correct conclusions from the results; work with and gain the confidence of the CalPERS Board of Administration, and present the conclusions and implications of actuarial analyses in terms that can be readily understood by non- actuaries; prepare difficult and technical actuarial and statistical reports; direct and evaluate the work of external actuarial consultants; work effectively with a broad variety of external contacts, including the legislature and public agency boards and officials; and plan and direct the work of subordinate staff, while effectively promoting equal opportunity in employment and maintaining a work environment that is free of discrimination and harassment.

Special Personal Characteristics

Acts in a professional manner and demonstrates a high degree of integrity, honesty and ethical behavior; demonstrates openness and trust; establishes and builds rapport by modeling values-based behaviors; exhibits strong interpersonal and mentoring skills; promotes teamwork and cross-functional collaboration and communication in support of CalPERS strategic goals; and promotes a high-performance culture where employees are encouraged and enabled to perform to their greatest potential.

**CALIFORNIA DEPARTMENT OF HUMAN RESOURCES
CLASSIFICATION ITEM TRANSMITTAL**

Board Meeting Date: October 6, 2016	Location: Sacramento	ROUTING: ANALYST Brittania Saenz 
Calendar:	Hearing items will be scheduled for 30 minutes unless otherwise specified:	
<input checked="" type="checkbox"/> Non-Hearing <input type="checkbox"/> Staff <input type="checkbox"/> Hearing		Bryan Baldwin  Chief, PMD
SUBJECT		SECRETARIAT
Revise the specification for the CalPERS' Chief Actuary position		

DPA OR DEPT REVIEW		
1. Certificate of Conformance (Form 137):	<input type="checkbox"/> Attached	<input checked="" type="checkbox"/> Not Required
2. Specifications:	<input checked="" type="checkbox"/> Attached	
3. Allocation Standards:	<input type="checkbox"/> Submitted	<input checked="" type="checkbox"/> Spec Only
4. Class Data Sheet:	<input checked="" type="checkbox"/> Submitted	
5. Salary Analysis:	<input type="checkbox"/> Submitted	<input checked="" type="checkbox"/> Not Required
6. Salary Comp Resolution (Deep Class Only):	<input type="checkbox"/> Included	<input checked="" type="checkbox"/> Not Applicable
7. Draft Item Sent to Employee Union:	Date:	
NOTIFIED AND SENT COPIES TO:		
Rocco Paternoster Association of California State Supervisors 1108 O Street, Suite 317 Sacramento, CA 95814		
Larry Svetich California Association of Managers and Supervisors 1401 21 st Street, Suite 320 Sacramento, CA 95811		
SPB REVIEW		
1. Nontesting Class:	<input type="checkbox"/> Examination Processing Unit Notified	
2. Entry-Level Class:	<input type="checkbox"/> Health Questionnaire	<input type="checkbox"/> Medical Exam
3. Type of Certification:	<input type="checkbox"/> 3 Ranks	<input type="checkbox"/> 3 Names
4. Status/Exam Resolution Approved:	<input type="checkbox"/> Date	<input type="checkbox"/> Policy Analyst
5. Prob Periods (other than 6 mos):	<input type="checkbox"/> Reviewed	<input type="checkbox"/> Not applicable
6. Job Category/Categories:	<input type="checkbox"/> Submitted	<input type="checkbox"/> Reviewed
SECRETARIAT REVIEW		
<input type="checkbox"/> Before Letters Mailed on ___(Date)		
<input type="checkbox"/> After Letters Mailed on ___(Date)		