



# BOARD AND STAFF PERSONAL INFORMATION POLICY

## PURPOSE

The purpose of this policy is to prohibit SCERS from entering into investment contracts that would require it to disclose personal information or personal identification documents about Board of Retirement members (“trustees”) or staff.

## POLICY

In entering into any investment contract (including, but not limited to, side letters with private fund general partners and managers), SCERS shall not agree to provide sensitive personal information or personal identification documents about SCERS trustees or staff – including, but not limited to, passports, driver’s licenses, or social security cards/numbers. However, SCERS may agree to provide business identification information about the Chief Executive Officer and investment staff, including their names, title/position at SCERS, business contact information, and signature samples. To this end, SCERS’ investment contracts shall include language substantially similar to the following:

*To the extent that the [Counter-parties] require any Investor staff- or trustee-specific information to be delivered to it in the course of the Investor’s investment in the [Investment] (and to the extent that Investor delivers such information), they agree to (a) hold such information in the strictest confidence and prevent the release of any such information by employing all commercially reasonable efforts, and (b) jointly and severally indemnify the provider of such information for any harm that arises related to the release or unauthorized use of such information.*

*Notwithstanding the foregoing or anything to the contrary in the Agreement, in no event shall the Investor be required to provide any sensitive personal information or personal identification documents regarding of its staff, trustees, or consultants, including (without limitation) passports, driver’s licenses, or social security cards/numbers. However, members of the Investor’s staff directly involved in the oversight of its investment activities may be required to provide their names, positions with the Investor, signature samples, and business (but not personal) identification documents and business contact information.*

Notwithstanding the above, in exceptional circumstances, and at the sole discretion of the Chief Executive Officer, SCERS may agree to provide a copy of the Chief Executive Officer’s California-issued identification card (including but not limited to a driver’s license) to satisfy a specific and final regulator demand. The foregoing sentence does not extend to any other personal identification document or any other staff member or trustee. Any agreement to

provide the Chief Executive Officer's identification card in response to a regulator demand must be accompanied by contractual protections substantially similar to the following:

*Necessity/Exhaustion of Alternatives: The [Counter-parties] shall use best efforts to satisfy all applicable obligations by the submission of business contact information from individuals associated with the Investor, and without any requirement that the Investor provide the CEO's California-issued identification card ("CEO ID Card"). In addition, Investor shall not be required to provide a CEO ID Card unless (a) the [Counter-parties] have provided the Investor with an opinion of the [Counter-parties'] counsel, which is, in form and substance, acceptable to the Investor in the Investor's sole discretion, to the effect that such documentation must be provided as a result of a legal mandate and no alternative means of satisfying such mandate is available; (b) the [Counter-parties] provide the Investor with a promise, in form and substance acceptable to the Investor in its sole discretion, to make whole the persons providing such information for any losses arising directly or indirectly from any unauthorized release of or access to the CEO ID Card, which promise shall specify that the CEO is the intended third-party beneficiary thereof; and (c) if the requirement to provide the CEO ID Card arises in connection with a specific investment or investments, the Investor is given the option, to be exercised in its sole discretion, to be excluded from such investments or investments in lieu of providing the identification card.*

*Limits on Usage and Disclosure: The Investor agrees that the [Counter-parties] (a) may use the CEO ID Card only for the purpose of establishing and maintaining compliance with applicable laws, including but not limited to anti-money laundering and anti-terrorism and similar legislation or regulatory provisions or policies designed to comply therewith, and any other regulation, legislation or law enacted pursuant thereto, (b) may disclose the CEO ID Card on a "need to know" basis to the [Counter-parties'] officers, members, managers, partners, employees, affiliates, and professional advisors that are subject to a general duty of confidentiality or contractual confidentiality obligations in connection with the operation and affairs of the [Counter-parties], and (c) may disclose the CEO ID Card with the prior written consent of the Investor.*

## **BACKGROUND**

In the course of negotiating side letters with private fund managers and general partners, SCERS is often asked to agree to provide personal information or personal identification documents about SCERS' trustees and staff in the event of a request by a regulator. Historically, SCERS' practice has been to refuse. SCERS has taken this position due to concerns about trustee and staff privacy, their right to withhold consent, and the dangers of identity theft. In addition, SCERS' experience has been that, given its status as a public pension fund, regulators can be satisfied by with other identity-establishing documents that are less invasive. This policy formalizes SCERS' historical practice.

**RESPONSIBILITIES**

Executive Owner: General Counsel

**POLICY HISTORY**

Date	Description
01/19/2021	Board approved.