

POLICY MEMORANDUM

Branch Administrative Services Number 14-091
Division Human Resources Effective Date 11/4/14

Title EMPLOYEE RELATIONSHIP POLICY

Policy It is the policy of the California State Teachers' Retirement System (CalSTRS) to seek the most qualified candidates through appropriate recruitment procedures for appointment and promotion. Notwithstanding this policy, CalSTRS retains the right to refuse to hire or promote a person to a branch, division or facility when it determines, in its sole discretion, that the individual's Personal Relationship with another CalSTRS employee has the potential to adversely impact supervision, safety, security or morale, or may create an actual, perceived, or potential conflict of interest. This policy applies to all regular positions at CalSTRS (including full time, part-time, permanent, intermittent, retired annuitant, temporary, and limited-term positions), as well as contractors (i.e. students and consultant positions).

Definitions **Personal Relationships:** Includes, but is not limited to, associations with individuals by:

- **Blood or Adoptions and Guardianships** (i.e., mother, father, daughter, son, sister, brother, half-sister, half-brother, grandparents, grandchild, aunt, uncle, niece, nephew or first cousin);
- **Marriage or previous marriage** (i.e., current or former spouse, in-laws, stepmother, stepfather, stepson, stepdaughter, stepsister, stepbrother);
- **Domestic partnership and/or cohabitation** (i.e., current or former domestic partner or co-habitants, relatives); and
- **Any other type of romantic relationship** (i.e., girlfriend or boyfriend).

Supervisor: Any employee, regardless of job description or title, having the authority to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline employees and the responsibility to direct employees.

Identifying conflicts of interest CalSTRS employees and contractors who have Personal Relationships may not work in a situation that creates an actual, perceived, or potential conflict of interest. Such situations may include, but are not limited to:

- 1) Working in a small unit in close association with each other;
- 2) Reporting to the same Supervisor;

- 3) Having direct or indirect Supervisor/subordinate relations;
- 4) Being in a position to grant special privileges to the other or to influence the appointment, promotion, or work of the other.

If any employee or contractor has a question or concern about whether a relationship creates or could create a conflict of interest, or the appearance of a conflict of interest, the employee should notify Human Resources via the “Employee Relationship Policy” employeerelationshippolicy@calstrs.com for clarification.

Disclosing personal relationships

All employees and contractors are required to disclose the existence of any Personal Relationship(s) at CalSTRS, so that CalSTRS can determine if any actual, perceived, or potential conflict of interest exists. Employees must disclose this information within 10 business days to the Supervisor for the position at issue.

Failure to disclose changes in Personal Relationships covered by this policy and/or failure to adhere to this policy may lead to disciplinary action, up to and including termination.

Prospective employees

Prospective employees and contractors are required to disclose Personal Relationships with current CalSTRS employees, contractors, and through the Background Investigation process. Human Resources shall review for any actual, perceived, or potential conflicts of interest.

Supervisors responsibility

Where a Supervisor is notified of or otherwise becomes aware of a Personal Relationship, the Supervisor must report it to Human Resources via the “Employee Relationship Policy” employeerelationshippolicy@calstrs.com immediately. The Supervisor must utilize best efforts to protect the confidentiality of information he or she receives. The Supervisor and appropriate management are responsible to complete a disclosure and conflict of interest assessment form. Human Resources – in consultation with management will determine whether an actual, perceived, or potential conflict of interest may exist. If a determination is made that an actual, perceived, or potential conflict of interest may exist, Human Resources will notify the Supervisor so appropriate steps may be taken.

A Supervisor is further responsible to notify Human Resources if their employee – who has a disclosure record on file, transfers to another Supervisor at CalSTRS or leaves CalSTRS.

A Supervisor who becomes related to or involved in a Personal Relationship as defined in this policy, with an employee in the Supervisor’s direct line of authority must immediately notify the “Employee Relationship Policy” employeerelationshippolicy@calstrs.com of the relationship, and in no case later than 10 business days, so CalSTRS can determine whether an actual, perceived, or potential conflict of interest exists.

**Employee
responsibility**

Employees who believe their work environment is adversely affected or impacted by a Personal Relationship, or that a Personal Relationship is creating or may create an actual, perceived, or potential conflict of interest, should contact the Equal Employment Opportunity Officer to discuss the situation.

**If an actual,
perceived, or
potential conflict
of interest
exists:**

If CalSTRS determines in its sole discretion that there is an actual, perceived, or potential conflict of interest, CalSTRS will take appropriate steps to address the actual, perceived, or potential conflict. This may result in the reassignment of duties, relocation, or transfer of one or both employees, or other steps.

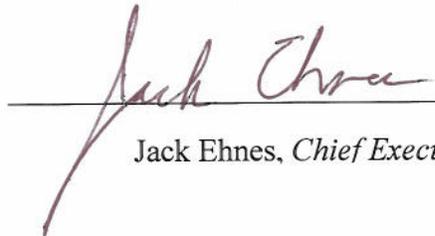
Exceptions

CalSTRS recognizes that there may be situations where two individuals who have a Personal Relationship may appropriately be allowed to work in the same program, activity, location, branch, or division without adverse impact.

Confidentiality

CalSTRS' Policies regarding handling confidential information apply to this policy. Information regarding Personal Relationships should be treated as confidential. Any employee acting or reporting under this policy should use his or her best effort to maintain confidentiality of this information and only disclose the Personal Relationship information to those persons authorized to receive it under this policy.

Approved



Jack Ehnes, *Chief Executive Officer*