



333 Bush Street
 San Francisco, CA 94104
 (415) 263-5400
 www.statefundca.com

Date: May 18, 2017

TO: MEMBERS, GOVERNANCE COMMITTEE

I. AGENDA ITEM # AND TITLE :	Open Agenda Item 4 – Governance, Compliance and Privacy Update
II. NAME AND PROGRAM:	Governance, Compliance & Privacy
III. ACTIVITY:	<input type="checkbox"/> Informational <input type="checkbox"/> Request for Direction <input checked="" type="checkbox"/> Action Proposed <input type="checkbox"/> Exploratory
IV. JUSTIFICATION:	<input checked="" type="checkbox"/> Standard/Required Item <input type="checkbox"/> Board Request – New Item <input type="checkbox"/> New Topic from Staff

V. EXECUTIVE SUMMARY:

GCP requests approval for revisions to the following:

- 2017 Code of Conduct
- Corporate Policies:
 - Equal Employment Opportunity
 - Reasonable Accommodation for Disability and Medical Condition
 - Sexual Harassment Prevention

Compliance reporting includes the following:

- Statement of Economic Interest compliance
- 2017 compliance training
- National Data Privacy Day
- Ethics hotline benchmark

VI. ANALYSIS: The following summarizes compliance related activity for the period and is in alignment with the Compliance Model¹:

Clear Written Standards of Conduct, Policies & Procedures

A. Request for Approval - 2017 Code of Conduct

The 2017 edition of the Code of Conduct (Code - Appendices III and IV) has been re-designed to reflect our continuing commitment to purpose and culture by aligning State Fund values² with the Code's topics.

¹ All Governance reports are grounded in State Fund's Compliance Framework – resource USSG Ch. 8 Part B2.1(b)

² State Fund values: Honesty; Integrity; Accountability; Collaboration; and Adaptability

The Code of Conduct promotes State Fund's values, standards, and behavior expectations to support a culture encouraging ethical conduct and a commitment to compliance with the law.

B. Requests for Approval - Revisions to Policies Supporting the Code of Conduct

1. Equal Employment Opportunity – HR 4.1 (Appendices V, VI)
2. Reasonable Accommodation for Disability and Medical Condition– HR 4.2 (Appendices VII, VIII)
3. Sexual Harassment Prevention – HR 4.3 (Appendices IX, X)

Material³ policy changes include: (1) Clarification of the persons, workplace settings, and criteria for policy violations; (2) Managerial and employee reporting responsibilities; (3) State Fund prompt, fair, and objective investigation responsibilities and (4) Maintenance of confidentiality to the extent possible.

Effective Training, Communication, and Awareness

A. Statement of Economic Interest (Form 700) Annual Filing Compliance

Statutory⁴ annual filing with the Fair Political Practices Commission (FPPC) was completed for Board members, and the CEO, CIO, and CFO positions.

The compliance rate for the annual filing was 100 percent for active employees and 99 percent for consultants who are designated filers in State Fund's Conflict of Interest Code. Physical and logical access for the consultants who failed to file was disabled.

Table 1: 2017 Form 700 Filing Compliance

Form 700 Designated Filers	# Submissions	# Form 700s Outstanding Active Members	Active Workforce Compliance Rate	# Form 700s Outstanding Inactive/Separated Members
Board of Directors - 12	12	-	100.0%	-
Employees - 3528	3,527	-	100.0%	87
Consultants - 298	295	3	99.0%	10
Total - 3838	3,834	3	99.9%	97

B. 2017 Compliance Training

State Fund's training program covers compliance topics and values-based ethical decision making. Regular training promotes understanding by our workforce of the laws and standards by which State Fund operates.

In 2017, training is comprised of the Ethics, Code of Conduct and Acknowledgement, Security and Privacy Awareness and Proprietary System Acknowledgement, Workplace Harassment Prevention, and Anti-Fraud. All training is to be completed by December 31.

³ A material policy change is one affecting either or both of (i) an aspect of the policy impacting State Fund's authority, or (ii) the duties, rights, or responsibilities of Workforce members.

⁴ Cal. Gov't Code § 87200

Table 2: Training Modules

Training Module	Audience	Statute or Standard
Security & Privacy Awareness & Proprietary System Acknowledgement	All State Fund Workforce Members	NIST SP 800-50 ^a & NIST SP 800-53 ^b & PCI v3.1 ^c
Ethics, Code of Conduct & Acknowledgement	All State Fund Workforce Members	USSG Ch. 8, Part B § 8B2.1 and Cal. Gov't Code §11146 et seq.
Workplace Harassment Prevention	Supervisors & Managers	Cal. Gov't Code § 12950.1(b)
Workplace Harassment Prevention	Employees and contingent workers	Corporate Policy HR 4.3
Anti-Fraud	Integral anti-fraud personnel with duties including processing, investigating, or litigating payment or denial of a claim, application for adjudication or application for insurance.	10CCR § 2698.39 (c)(2)

^aNIST SP 800-50: National Institute of Standards and Technology. Building an IT Security Awareness and Training Program

^bNIST SP 800-53. National Institute of Standards and Technology. Security and Privacy Controls

^cPCI v 3.1. Payment Card Industry Data Security Standards

National Data Privacy Day

2017 was State Fund's fifth anniversary participating in National Privacy Day. The event this year focused on the theme: **"Stop. Think. Connect"**. The day's activities raised awareness about what each person can do before sharing information to assure it goes to the right person, in the right place, and contains only the information needed for business, to protect privacy.

Consistent monitoring, evaluation & reporting

Ethics Hotline Reporting Benchmarked

Navex Global's "2017 Ethics and Compliance Hotline and Incident Management Benchmark Report" was leveraged to benchmark key areas of State Fund's reporting activity.

The Navex report uses anonymized data collected through their hotline and incident management systems as its base line. The analysis includes organizations that received 10 or more hotline reports in 2016 and includes 927,338 individual reports from 2,382 organizations. The reports reflect all intake methods including web, hotline, open door, and email from data collected from over 26 industries.

Figure 1: Reporting Sources

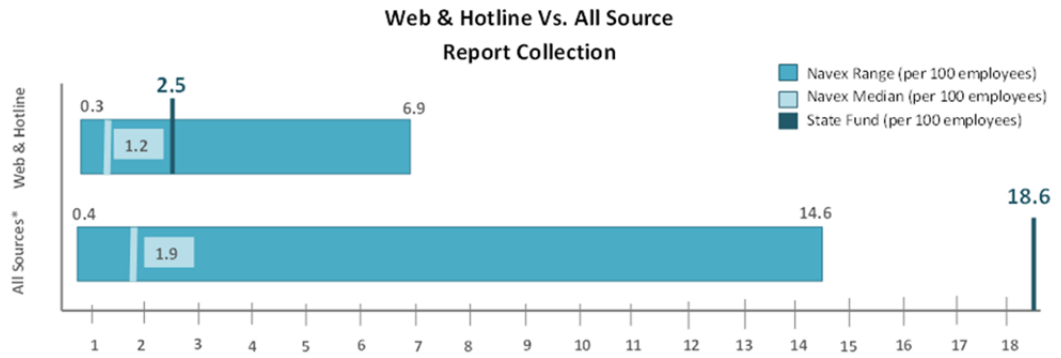
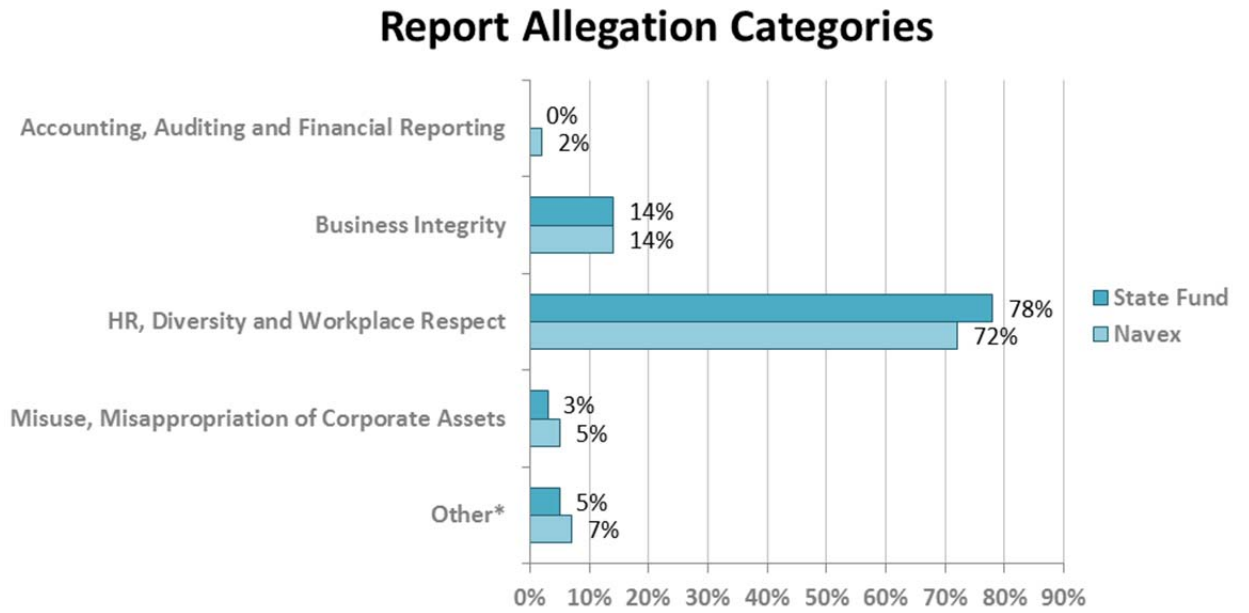


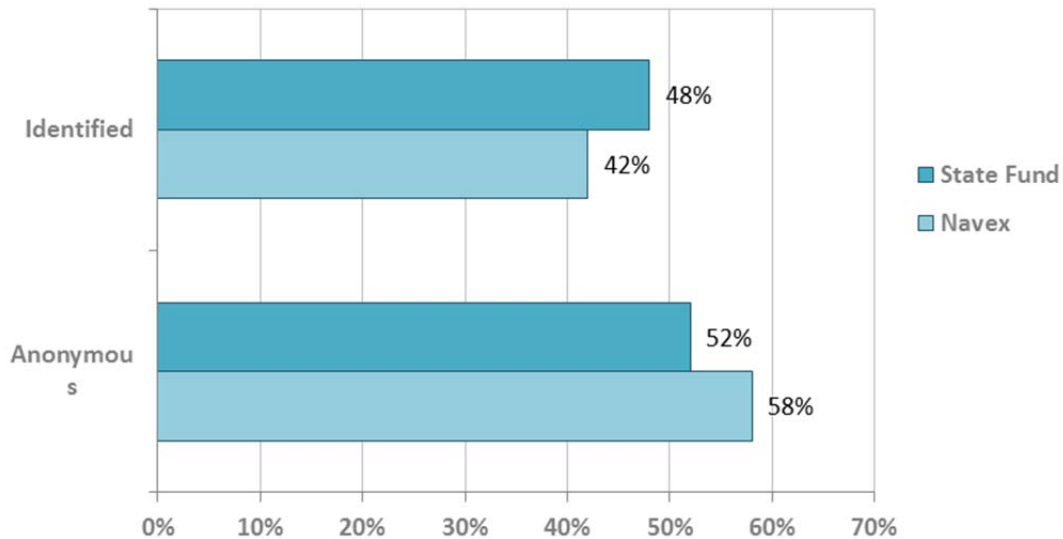
Figure 2: Allegations⁵ by Category



⁵ See Appendix I for allegation definitions.

Figure 3: Anonymous Reporting

Anonymous Vs. Identified Reporting Rates



Key findings:

- State Fund's reporting rate of 18.6 reports per 100 employees exceeded the benchmark.
- The frequency can be accounted for by the spike to 570 management referrals in 2016.
 - A possible explanation for rise in direct reports this year may be due to Human Resource Department's increased availability, training, and client outreach during 2016.
- There are no significant deviations in the reporting allegation distribution between the benchmark and State Fund reporting. The top reporting category is Human Resources.
- The State Fund anonymous reporting rate of 52 percent is lower than the benchmark report of 58 percent. This finding aligns with the previous year's benchmark.

Appendix:

- I: Report Allegation Category Definitions
- II: Discussion Document – Summary of Proposed Changes – Code of Conduct
- III. 2017 Code of Conduct
- IV. 2017 Code Design Mock-up
- V. Discussion Document – Summary of Proposed Material Changes – Equal Employment Opportunity
- VI. Equal Employment Opportunity Corporate Policy
- VII. Discussion Document – Summary of Proposed Material Changes – Reasonable Accommodations
- VIII. Reasonable Accommodations Corporate Policy
- IX. Discussion Document – Summary of Proposed Material Changes – Sexual Harassment Prevention
- X. Sexual Harassment Prevention Corporate Policy

I. Report Allegation Categories and Definitions

Accounting, Auditing, and Financial Reporting: Forgery, Accounting and Financial Control

Business Integrity: Falsifying Records, Privacy and Data Security Incidents, Theft, Compliance and Regulatory Matters, Information Security, Vendor Relations, Claims, Policy, Legal, and Other Business Practices

HR, Diversity and Work Place Respect: Attendance, Code of Conduct Violation, Conflict of Interest, Equal Employment Opportunity-Discrimination, Retaliation and Sexual Harassment, Favoritism, Inappropriate/ Offensive Behavior, Hiring Practices, Performance

Misuse, Misappropriation of Corporate Assets: Fraud, Misuse/ Abuse of Time or Resources

Other: Types of misconduct that fail to fall into the above categories such as Safety, Assault or Environmental Protection Compliance.



DISCUSSION DOCUMENT FOR GOVERNANCE COMMITTEE
To be approved during Governance Open session under agenda item #4d

Summary of Proposed Changes to
 State Compensation Insurance Fund
 2017 Code of Conduct

Approved:
 Board of Directors
 Governance Committee
 [Proposed] Revisions To Be Approved:
 Board of Directors
 Governance Committee

The following summarizes the proposed revisions to the 2017 Code of Conduct, to be adopted by State Fund’s Board of Directors.

Section	Major Revisions
State Fund Values	<ul style="list-style-type: none"> • Moved the definitions of each value to the beginning of each section to align the State Fund values with the Code of Conduct topics • Added the statement to the State Fund Values section: <i>“State Fund is aligning its values with the topics in the Code of Conduct to demonstrate our commitment to fulfilling our purpose and reflecting the culture fostered at State Fund.”</i>
Governing State Fund	<i>Moved from Section I to its own page</i>
Honesty	<i>Added subsections</i> Maintaining Trust and Credibility <ul style="list-style-type: none"> • Being Ethical & Doing the Right Thing • Ethics & Doing the Right Thing Decision Tree
Integrity	<i>Added subsections</i> <ul style="list-style-type: none"> • Being Ethical & Doing the Right Thing • Ethics & Doing the Right Thing Decision Tree • Being a Responsible Member of the Workforce • Voicing Your Legal, Ethical, or Privacy Concerns
Accountability	<i>Added subsections</i> <ul style="list-style-type: none"> • Upholding the Law • Protecting and Respecting Information • Complying with Our Corporate Policies • Providing Equal Employment Opportunity • Prohibiting Harassment or Discriminatory Conduct • Acknowledging and Supporting the Code and Related Policies

<p><i>Collaboration</i></p> <p><i>Subsection: Substance Abuse-Free Workplace</i></p>	<p><i>Added subsections</i></p> <ul style="list-style-type: none"> • Sharing Your Ideas • Working in a Safe and Healthy Environment <ul style="list-style-type: none"> • Removed statement about Bright Ideas as that sunset in August 2016. “<i>State Fund provides a place for everyone to share ideas to improve our business through the Bright Ideas section of our RAVE site.</i>” <ul style="list-style-type: none"> • Added statement about Marijuana to align with California law: “State Fund Workforce members are prohibited from using, being under the influence of, dispensing, or possessing marijuana of any kind on State premises”.
<p><i>Adaptability</i></p>	<p><i>Added subsection</i></p> <ul style="list-style-type: none"> • Reviewing Important Points of the Code

Code of Conduct

For All

State Compensation Insurance Fund

Workforce Members

DRAFT 2017



Table of Contents

WHAT'S NEW IN THE 2017 CODE	3
OUR CODE OF CONDUCT	4
STATE FUND'S VISION, PURPOSE, AND VALUES	4
GOVERNING STATE FUND	5
I. MAINTAINING TRUST AND CREDIBILITY	6
II. DISCLOSING CONFLICTS OF INTEREST	6
III. AVOIDING INCOMPATIBLE ACTIVITIES	9
IV. BEING ETHICAL & DOING THE RIGHT THING	12
ETHICS & DOING THE RIGHT THING DECISION TREE	13
V. BEING A RESPONSIBLE MEMBER OF THE WORKFORCE	14
VI. VOICING YOUR LEGAL, ETHICAL, OR PRIVACY CONCERNS	14
VII. UPHOLDING THE LAW	16
VIII. PROTECTING AND RESPECTING INFORMATION	17
IX. COMPLYING WITH OUR CORPORATE POLICIES	18
X. PROVIDING EQUAL EMPLOYMENT OPPORTUNITY	19
XI. PROHIBITING HARASSMENT OR DISCRIMINATORY CONDUCT	19
XII. ACKNOWLEDGING AND SUPPORTING THE CODE AND RELATED POLICIES	19
XIII. SHARING YOUR IDEAS	20
XIV. WORKING IN A SAFE AND HEALTHY ENVIRONMENT	20
XV. REVIEWING IMPORTANT POINTS OF THE CODE	22
XVI. APPENDIX - RESOURCES	23

What's New in the 2017 Code

Section	Major Revisions
State Fund Values	<ul style="list-style-type: none"> • Moved the definitions of each value to the beginning of each section to align the State Fund values with the Code of Conduct topics • Added: <i>“State Fund is aligning its values with the topics in the Code of Conduct to demonstrate our commitment to fulfilling our purpose and reflecting the culture fostered at State Fund.”</i>
Governing State Fund	<i>Moved from Section I to its own page</i>
Honesty	<i>Added subsections</i> Maintaining Trust and Credibility <ul style="list-style-type: none"> • Being Ethical & Doing the Right Thing • Ethics & Doing the Right Thing Decision Tree
Integrity	<i>Added subsections</i> <ul style="list-style-type: none"> • Being Ethical & Doing the Right Thing • Ethics & Doing the Right Thing Decision Tree • Being a Responsible Member of the Workforce • Voicing Your Legal, Ethical, or Privacy Concerns
Accountability	<i>Added subsections</i> <ul style="list-style-type: none"> • Upholding the Law • Protecting and Respecting Information • Complying with Our Corporate Policies • Providing Equal Employment Opportunity • Prohibiting Harassment or Discriminatory Conduct • Acknowledging and Supporting the Code and Related Policies
Collaboration	<i>Added subsections</i> <ul style="list-style-type: none"> • Sharing Your Ideas • Working in a Safe and Healthy Environment <ul style="list-style-type: none"> • Removed Bright Ideas as this sunset in August 2016: <i>“State Fund provides a place for everyone to share ideas to improve our business through the Bright Ideas section of our RAVE site.”</i> <ul style="list-style-type: none"> • Added the statement about Marijuana to align with California law: <i>“State Fund Workforce members are prohibited from using, being under the influence of, dispensing, or possessing marijuana of any kind on State premises”.</i>
Subsection: Substance Abuse-Free Workplace	
Adaptability	<i>Added subsection</i> <ul style="list-style-type: none"> • Reviewing Important Points of the Code

OUR CODE OF CONDUCT

Our Code of Conduct (Code):

- Defines State Fund values.
- Guides you to make honest, ethical, and right decisions at work.
- Shows everyone State Fund's commitment to be an honest, legally compliant, and responsible company.
- Is a living document to use in your everyday work; to share ideas and to ask questions about so we can all make State Fund a better place to work.

State Fund's Vision, Purpose, and Values

Vision

To become California's workers' compensation carrier of choice.

Purpose

State Fund's purpose is to provide fairly-priced workers' compensation insurance, make workplaces safe, and restore injured workers.

State Fund's Values

Our values are the guiding force for our culture and the quality of service we provide to our internal and external customers. State Fund is aligning its values with the topics in the Code of Conduct to demonstrate our commitment to fulfilling our purpose and reflecting the culture fostered at State Fund.

- **Honesty**
 - **Integrity**
 - **Accountability**
 - **Collaboration**
 - **Adaptability**
-

Governing State Fund

State Fund rests on a solid business foundation when our leaders value our policies and procedures and are accountable for what they do. State Fund Governance provides the set of laws, policies, and processes used to run our business.

The Board of Directors provides leadership to ensure that State Fund operates in a legal, ethical, socially, and financially responsible manner consistent with our purpose and values, management philosophy, investment policy, and regulatory requirements. The Board of Directors (Board) has full power, authority, and jurisdiction over State Fund to perform the actions necessary to meet these goals.

Oversight is achieved through Board of Director meetings, the Board's committees, State Fund's officers, and other members of the Executive Committee. Consistent with good corporate governance, the Board has delegated authority to the President to allow him to administer, manage, and conduct the day-to-day business and affairs of State Fund.

For the Code of Conduct, the Board:

- Authorizes having a Code of Conduct.
- Reviews and approves Code revisions.
- Approves and supports the Code's final content.
- Approves material changes to Corporate Policies supporting the Code.

Honesty

Acting and communicating clearly, carefully, and with accuracy in a constructive and respectful way.

I. Maintaining Trust and Credibility

State Fund's success depends on people trusting and having confidence in us. When we do what we say we will do with honesty, integrity, and honor, we gain the trust of the public, our customers, and our employees. How successful we are as a company depends on keeping our commitments and acting honestly to reach our goals.

It is easy to set out rules at State Fund, but the proof lies in how you act every day at work. People will evaluate us on how we conduct our day-to-day business.

You must treat your job at State Fund as a public trust. To do that, you must avoid conflicts of interest and provide a good example of public service. When you make it a practice to think about and bring up (1) your ideas to improve State Fund or (2) your concerns about ethical conduct, you carry out your duty as a public servant and help State Fund reflect its values.

II. Disclosing Conflicts of Interest

When does a conflict of interest occur?

You have a conflict of interest when you:

- Engage in an activity or enterprise clearly inconsistent or harmful to State Fund's interests or your duties at State Fund.
- Receive or appear to receive private gain from outside relationships, activities, or jobs, arising out of your relationship with State Fund.

Gifts -- State Fund follows:

- The Fair Political Practices Commission (FPPC) regulations and
- Article 10 of California Government Code and
- Our Incompatible Activities policy related to gifts

Individual departments at State Fund may adopt more restrictive rules for acceptance of gifts based on their role. Check with your supervisor or manager when you have questions about gifts.

FPPC regulations define gifts as: any payment or other benefit provided to you that confers a personal benefit for which you do not provide payment or services of equal or greater value. Gifts include a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public.

The FPPC requires that you must report gifts over \$50 from one source. For 2017, you may not accept more than \$470 in gifts during one calendar year from one source. You may take no more than \$10 a month from lobbyists or legislative employees. Contact [Employee Relations](#)

with your questions. You may also report internally to the Employee Relations Department through the [AskHR Portal](#).

You can also find more information at the [Fair Political Practices Commission's website](#).

Claims adjusters must follow special rules contained in [Labor Code Section 3219](#). The Labor Code prohibits you from taking a benefit that may look like a reward for referring or settling a claim. Therefore, you could not take any gift from doctors, applicant attorneys, or other vendors of services for injured workers.

Example:

A. Can I accept a gift basket from one of State Fund's computer services vendors I work with as a token of thanks for using their services?

You should not take a gift from a vendor doing business with State Fund if it reasonably may influence your decision to use the vendor.

[Government Code Section 19990 \(f\)](#) prohibits you from taking gifts from someone who does or seeks to do business with State Fund if circumstances reasonably show the person wanted to influence your official decisions or to reward you for any official acts.

B. Can I accept lunch when someone from a brokerage invites and pays for one lunch?

Typically, the answer is yes, as this should not reasonably influence your State Fund decisions related to that brokerage. However, you may have to report this gift on your Statement of Economic Interests since you received a personal benefit.

Real or apparent conflicts can reduce the trust our customers and the public have in State Fund. Conflicts can also increase our legal risks and hurt our reputation. You must follow Federal and California laws that affect your work-related activities.

You must avoid situations that create, or appear to create, a conflict between your personal interests and State Fund interests. When a potential conflict arises, you must disclose it to management and to [Employee Relations](#) right away.

When to Disqualify Yourself from Decision-Making or Contracting

State Fund Workforce members must disqualify themselves from making decisions or contracts when taking part in that process would violate the law, our Corporate Policies, or Code of Conduct.

Potentially disqualifying situations include:

- Decisions in which you know or should know you have a personal financial interest **or**
- Decisions related to a State Fund contract in which you have any type of personal direct or indirect financial interest **or**
- Decisions related to a State Fund contract where you or an immediate family member also has an outside business relationship with a party to that contract which:
 - Gives you better terms than members of the public get.
 - Is worth \$1,000 or more **and**
 - Your decision is made within the 12 months prior to State Fund's decision **or**

- Decisions made for State Fund where the decision relates to or affects a person or entity with whom you:
 - Are negotiating for a job **or**
 - Will be employed with in the future.

California Law defines the above situations. If a conflict exists between our Code of Conduct and California law, California law controls.

Personal Interest Disqualification

At times, to avoid a conflict of interest or the appearance of it, you must remove yourself from making a decision or a contract process based on personal interest.

You must disqualify yourself from making, taking part in, or trying to use your position to influence a State Fund decision when you know or should know you have a personal interest in the outcome that differs from State Fund's interest.

State Fund strives to be fair, efficient, and neutral when making contracts. You must never give friends or family members an unfair or seemingly unfair advantage in the contracting process. This means you should:

- Remove yourself from considering or evaluating a business proposal made to State Fund by friends or family members.
- Never try to divert State Fund business opportunities to friends or family.
- Never provide friends or family members insider information that the public does not have to obtain work from State Fund.
- Avoid even the appearance of impropriety or favoritism in contracting matters.
- Seek guidance of management or Employee Relations if you have any questions about business related conduct.

Financial Disclosures and the Statement of Economic Interests – Form 700 (SEI)

The California Political Reform Act and State Fund's Conflict of Interest Code require certain members of State Fund's Workforce to file yearly financial disclosures. Statements of Economic Interests, Schedules, and ethics course certificates can be disclosed to the public.

For more information about annual disclosure requirements, contact the Fair Political Practices Commission (FPPC) Information line at (866) 275-3772; visit the FPPC [website](#); or visit the California Department of Justice, Office of the Attorney General [website](#).

A. I am a State Fund claims adjuster. My spouse just began working as an underwriter at another insurance company. Do I need to disclose this in my Form 700, Statement of Economic Interests?

You should show your spouse's income on the Form 700 Statement of Economic Interests. At times, you may need to disqualify yourself from decision-making. This may come up if your spouse's company is involved in a business matter with State Fund and you can, or it looks like you can, influence the matter's outcome. Contact Ethics@scif.com if this type of situation arises.

B. If I am a designated filer, how often do I need to file the Statement of Economic Interests, Form 700?

You need to file:

- Once a year if you stay in the same position.
- Within 30 days of being appointed to a new position.
- Within 30 days from the last day you performed the duties of your job if you retire or separate.

Reporting Failures to Disqualify

If you believe a Workforce member failed to disqualify himself or herself when needed, you can report anonymously to the Ethics Hotline at 866-294-1742 or [online](#).

You also can report confidentially and anonymously to the [California State Auditor](#).

You may also report internally to the Employee Relations Department through the [AskHR Portal](#).

III. Avoiding Incompatible Activities

State Fund's Incompatible Activities Statement Policy prohibits Workforce members from taking part in actions contrary to their California civil service and State Fund employment. Our Policy aligns with the [California Government Code and Labor Code](#).

Monetary Loans -- It is an inappropriate use of your State Fund position as a supervisor, manager, or senior leader to request or accept loans from subordinates or other members of the Workforce under your influence or control.

Monetary loans between co-workers are personal, private matters and not the responsibility of State Fund. Employees are under no obligation to lend money to co-workers. If you do enter into this type of transaction, you do so at your own risk.

State Fund's Incompatible Activities Statement Policy requires you notify Employee Relations before doing certain acts, including but not limited to

- Doing any type of work contrary to the business interests of State Fund, such as taking a job with a competitor, supplier, or contractor that may influence the decisions you make in your State Fund job **or**
- Receiving any gift or service from anyone except the State related to performing your State Fund job **or**
- Serving as a board member for a company or organization that competes with State Fund **or**
- Hiring or supervising a close family member at State Fund.

A. I have a brother and sister who work in the same department as I do. We each work for different supervisors. Is this a problem for me?

There is no conflict if you do not review, approve, or appraise each other's work. If your situation changes, contact Employee Relations to discuss what has changed.

Other Outside (non-State Fund) Work by Workforce Members

You may wish to take on outside work with companies that are not our competitors, customers, or suppliers. You may wish to accept a voluntary, elected, or appointed position with a political entity. Outside work in itself is not an incompatible activity. However, you must keep your second job strictly separate from your State Fund job.

- You may not do outside work on State Fund time, on State Fund premises, or with State Fund resources.
- You must not market or sell products or services to State Compensation Insurance Fund, from the business entity, related to your outside job.
- Your outside work must not interfere with or keep you from giving the time and effort needed to fulfill your duties as a State Fund Workforce member.

If you are unsure whether your outside work may be an incompatible activity, tell Employee Relations in writing and get approval before you start the outside work.

Always contact [Employee Relations](#) when you are considering work at another company.

The Incompatible Activities Statement does not apply to the Board of Directors as they are not “state employees.” Instead, special provisions of the California Insurance Code ([Cal. Ins. Code §11770\(f\)](#)) apply to the Board of Directors that may supersede the provisions of the Government Code.

A. I am thinking of working as a part time sales representative for a life insurance company. Can I accept the job and still work for State Fund?

You cannot take the outside work if:

- You cannot devote your full time and attention to your job with State Fund or
- The life insurance company also sells workers’ compensation insurance.

Using State Fund Resources

State Fund resources, including time, material, equipment, and information, are for State Fund business use. You are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for their department’s resources and should resolve issues about their proper use. If you have questions about the proper use of State Fund resources, go to management or [Employee Relations](#).

A. Can I sell items such as cookies for a charitable organization, products from my personal business, or other items from my work area?

You cannot use your work area to sell items that benefit you either directly or indirectly.

You may use the Community Bulletin Board to post notices, sign-up sheets, or catalogs about your activity. Use only your personal contact information in your posting.

You cannot set up or use tables in work areas to sell or pick up products. You must use your non-work hours (before or after work, lunch or breaks) to deliver or pick up a product. You may use the main lunchroom or parking lots to deliver items sold during non-work hours.

Gambling

You may not gamble on State Fund premises. Gambling is any game of chance, contest, sweepstakes, or other form of gaming prohibited by the California Penal Code and California Business and Professions Code. Gambling activities include, but are not limited to gaming, lotteries, raffles, office pools, online betting, or where money is exchanged for a chance to win a prize.

Using State Fund Information Systems

State Fund's Annual Proprietary System Notice and Acknowledgement provides you guidance on how to use State Fund electronic information systems. Each year, you must acknowledge this notice.

Our information systems include computer equipment, internet, email, computer software, data, databases, electronic files, telephones, voice mail, fax machines, wireless devices, and any other similar information technologies that State Fund currently uses or may use in the future. Apart from minimal and incidental use permitted by law, contract, or specific management exception, you must use State Fund systems exclusively to conduct State Fund business.

State Fund may monitor its systems. You should not expect privacy regarding use, including personal use of State Fund Information Systems.

You also have a duty to protect personal and confidential information about our Workforce, policyholders, claimants, and third parties. You must not access or use confidential information available to you due to your work at State Fund for personal gain.

A. I would like to respond to a lunch invitation from a friend at a different company. Can I use the State Fund email system in this instance?

Yes, if the invitation does not contain personal information. Your response would be considered minimal and incidental use.

Integrity

Doing what is right regardless of who is watching; putting State Fund's purpose ahead of all conflicting interests and adhering to the organization's Code of Ethics.

IV. Being Ethical & Doing the Right Thing

State Fund trusts you to show the highest standards of ethical and professional conduct and personal integrity when doing your job. When you make good choices that uphold our values, you make a difference.

State Fund is dedicated to ethical, fair, and responsible competition. We sell workers' compensation insurance based on merit, superior quality, usefulness, and fair pricing. We make independent pricing and marketing decisions. We do not improperly cooperate or coordinate activities with our competitors. We do not violate our ethical standards to get a certain business result. We also do not engage or help in unlawful boycotts of customers.

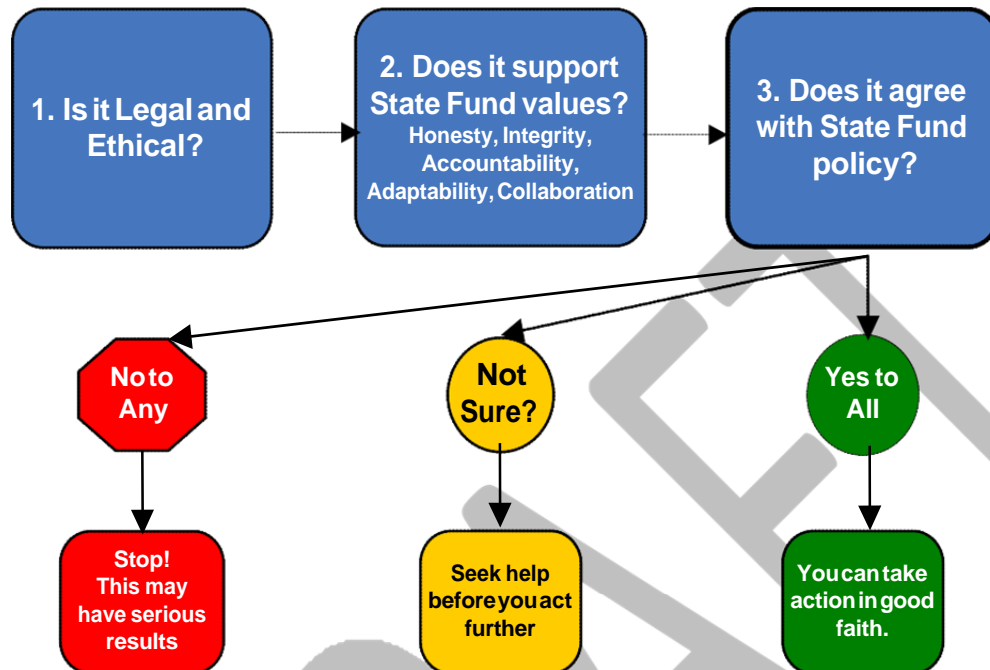
It is vital for the public and our stakeholders to trust the work we do at State Fund. Your drive to problem solve, make wise decisions, and a desire to do the right thing when doing your job creates this trust.

At work, you must have the courage to tackle tough decisions and make difficult choices. You can feel assured that State Fund supports your decisions when you act in good faith. Be fair in what you do, considering how others may perceive it. At times you may have to do more than simply what the law requires. Acting a certain way just because you *can* does not mean ethically you *should* do so.

Use our [Decision Tree](#) to help you make wise and ethical decisions.

Ethics & Doing the Right Thing Decision Tree

When you need to choose how to act at State Fund, ask yourself these three questions:



If you think an action may violate the law, State Fund's standards for ethics and values or policies, you have a responsibility to tell someone. You can reach out to a variety of resources for assistance.

Resources available to you include:

- Supervisors, Managers, **Senior Leaders**; **or**
- Human Resources at by email at ethics@scif.com, online at [AskHR](#), or calling (800) 499-8668.
- If you feel uncomfortable using these channels, you can report anonymously to our independent Ethics Hotline by calling (866) 294-1742 or submitting your question or concern [online](#).

Remember asking questions, and raising concerns to improve State Fund helps uphold our integrity. It is important that you do not view such actions as acting against your co-workers, managers, or department.

Professional Codes of Ethics or Rules

If you have a job such as an attorney, accountant, internal auditor, medical professional, compliance professional, or project management professional, you must follow codes of

behavior for your profession. You must follow State Fund's Code of Conduct in addition to other professional codes, if they apply to you.

V. Being a Responsible Member of the Workforce

You are a vital part of State Fund. You make State Fund a better place to work by treating others with respect and dignity. We trust you will avoid exaggeration, insulting remarks, or improper descriptions of people and other companies. When you act fairly, ethically, and responsibly at work, you reflect State Fund's values.

If you are a manager:

- Create a workplace that values doing the right thing. In any business, ethical behavior does not simply happen. It starts with the tone at the top. Leaders model by example and communicate clear and direct expectations for action.
- Promptly and correctly address ethical concerns raised by Workforce members. Avoid viewing ethical concerns as threats or challenges to authority.
- Encourage ethical dialogue as a natural part of your daily work.

VI. Voicing Your Legal, Ethical, or Privacy Concerns

We provide you with a "safe landing spot" if you wish to raise concerns.

Retaliation Is Prohibited and Not Tolerated

State Fund prohibits retaliating or harassing a Workforce member or employment applicant who reports ethics or business conduct concerns. The [California Whistleblower Protection Act](#) prohibits retaliation for reporting improper activities. In California, whistleblower protection is extended to everyone regardless of how you report an improper activity or complaint.

You may report retaliation to Employee Relations. Report retaliation related to an equal employment issue to the [Equal Employment Opportunity Program](#). If you feel uncomfortable reporting through internal channels, you may report to the [State Personnel Board](#).

Reporting Ethical and Privacy Concerns or Seeking Advice

State Fund encourages you to seek advice or raise your ethical or privacy concerns with supervisors or managers. You can also email your concerns to:

- Ethics@scif.com for ethics matters, including non-compliance with Corporate Policies and the Code of Conduct by State Fund Workforce members.
- PrivacyOffice@scif.com for privacy matters, including reporting suspected privacy incidents.

If you are not comfortable going through these channels, you may instead go to State Fund's [Ethics and Privacy Hotline](#).

The [Ethics and Privacy Hotline](#) is available to you 24 hours a day, 7 days a week. It is operated by an independent company and staffed by specially trained interviewers.

The Hotline provides you phone and online choices to report your questions, concerns, or suspicions about ethical or privacy issues. You may raise your concerns without fear of retaliation. We investigate every reported concern. Your Ethics Hotline report automatically routes directly to a member of State Fund's Board of Directors.

Workers' Compensation Fraud

You can report suspected workers' compensation fraud by policyholders, injured workers, vendors, or State Fund Workforce members by calling toll free (888) 786-7372 or filing a TIP report through State Fund Special Investigation Unit's internal [website](#).

Improper Activities — The California Whistleblower Protection Act

You may report improper activities such as theft, fraud, incompatible activities, misuse or abuse of state property, gross misconduct, and incompetence or inefficiencies by State of California employees. You can find Whistleblower Notices where other workforce notices are posted.

To file a complaint, you can contact the California State Auditor by calling the toll-free [Whistleblower Hotline](#) at (800) 952-5665, submitting your report [online](#), or sending your complaint by mail. The Act protects a reporting person's identity unless a law enforcement agency needs it to conduct a criminal investigation.

DRAFT

Accountability

Taking responsibility for the quality of one's own work, admitting mistakes, taking ownership of consequences without excuses, and following through on commitments.

VII. Upholding the Law

When you know and follow laws and rules that apply to your job at State Fund, you support our commitment to integrity. Laws and rules affect all State Fund business activities.

If you feel unsure about your legal duties, seek advice from an [appropriate resource](#). When you raise a concern, State Fund will address it. You have a duty to speak up if you notice possible legal violations and to cooperate during investigations.

State Fund has many laws to follow. For example, the information in our financial records, statements, and reports must accurately reflect our financial condition, be prepared in accord with laws and statutory accounting practices, and be filed timely. State Fund Officers must attest that our financial reports are accurate and complete when issuing them.

State Fund also complies with the collective bargaining agreements and laws. State Fund cooperates with CalHR and union representatives to negotiate labor contracts for State Fund employees.

Transparency — California Public Records Act

State Fund is committed to comply fully with the California Public Records Act (CPRA) and other laws governing the disclosure of records. We must follow the law by responding when anyone submits a public records request to us. State Fund authorizes only the [Public Records Office](#) (PRO) to evaluate, respond to, and manage State Fund's public record requests. Since public records requests have important time limits, make sure to send requests you may get to our PRO right away.

You as an employee can also request public records from State Fund under CPRA. State Fund cannot retaliate if you exercise these rights.

Transparency — Bagley- Keene Open Meeting Act

State Fund is subject to the Bagley-Keene Open Meeting Act. This act makes certain meetings open to the public, such as meetings of the Board and the Board Committees of Audit, Governance, and Investment. Having open meetings helps keep government accountable and transparent and protects citizens' rights to take part in state government.

You have the same rights as the public under the Act. State Fund cannot retaliate if you exercise these rights.

VIII. Protecting and Respecting Information

Protecting Personal Information

The [California Constitution](#) says every person has an inalienable right to privacy. Because we process and use private information in our work every day, you have the daily responsibility to think about privacy and information security.

You are entrusted to protect personal information we own, maintain, or send to others in our daily work. Protecting information also means collecting or sending out only the personal information needed for doing business. Our obligation extends to personal information we send to vendors and other third parties who help us conduct business.

What is Personal Information?

Personal information in California is any information that identifies, relates to, describes, or is capable of being associated with a particular person.

Personal information means

a person's first name or first initial and last name in combination with any one or more of the following:

- Social security number
- Address
- Telephone number
- Passport number, driver's license number, or state identification card number
- Financial account numbers or any other financial information
- Medical information
- Health insurance information
- Unique human physical characteristics
- Insurance policy or claim number
- Education, employment, or employment history

Personal information does not include:

- Publicly available information lawfully made available to the general public from federal, state, or local government records.

Remember to only access, give out, or discuss personal information if you have an authorized business reason to do so. Preventing unauthorized release of personal information helps protect State Fund and our stakeholders.

A former State Fund co-worker called and asked me to look up his friend's claim and provide him status on it. The former co-worker now works for another insurance company and is not part of the friend's claim. Should I provide the information?

No. Releasing claim information to a third-party without permission from the individual is against the law.

Before you release any personal information, you must:

- Verify who the person is **and**
- Confirm the person is authorized to get that information **and**
- Follow State Fund's procedures for releasing information.

You are accountable to restrict release of personal information to authorized individuals under California and Federal laws and State Fund's Policies.

To report a suspected privacy incident, contact the Privacy Office directly by calling (888) 724-3237 or by email at PrivacyOffice@scif.com. You may also raise your concerns anonymously by calling the Privacy Hotline toll-free anytime at (866) 294-1742 or [online](#). We will provide you with a "safe landing spot" if you wish to report incidents or raise questions or concerns.

The [Privacy Office](#) provides you with resources for privacy protection.

Respecting the Works of State Fund and Others

State Fund protects and keeps private its trade secrets and proprietary information up to the maximum extent allowed by law. State Fund does not infringe on the copyright interests, trademarks, or patented works (processes, machinery, or designs) of third parties.

Copyright is:

- An exclusive right of ownership to an original creative work by its author, including the right to display, perform, distribute, and make copies of the work.
- The right of the owner to protect their work from unauthorized or unlicensed use.
- Protected by the U.S. Constitution and U.S. Copyright Law.

Works are automatically copyrighted whether or not the author registers the copyright or whether the work bears the word "copyright" or the "©" symbol.

Before you use or send to other's material or images that may be copyrighted, trademarked, or patented, contact the Governance department at Copyright@scif.com to make sure you have the permission to do so.

The [Copyright Office](#) provides resources about copyrights and how to obtain permission to use creative works of others.

IX. Complying with Our Corporate Policies

Corporate Policies set State Fund's standards for doing the right thing and for our success. They assure that our business practices line up with our vision, values, and purpose.

Your Corporate Policy Compliance Obligations

To make State Fund a successful work environment, you must consistently follow State Fund Corporate Policies and Corporate Procedures. Following them furthers the best interests of State Fund, our Workforce, and our stakeholders.

In your role, you should read, understand, and follow our Corporate Policies and Corporate Procedures that deal with your work role. If you have any questions, ask for help and advice.

If you fail to follow our Corporate Policies and Procedures, you may be subject to disciplinary action up to and including termination, as allowed under the California Government Code.

X. Providing Equal Employment Opportunity

State Fund values its diverse Workforce. You and each member of our Workforce provide a unique viewpoint and input to State Fund. A diverse workforce makes a more productive and fulfilling work environment for all. You and all persons who apply for work at State Fund are given equal employment opportunity and a workplace free from discrimination, including harassment.

Discrimination or harassment against a person due to membership in or association with a protected group is unlawful, prohibited, and not tolerated at State Fund.

You and job applicants will not be discriminated against or harassed based on protected group status. Such status includes, but is not limited to race, color, religious creed, national origin, citizenship, ancestry, physical disability, mental disability, medical condition, pregnancy, genetic characteristics or information, marital status, sex, gender identity and expression, age, political affiliation, sexual orientation, and military or veteran status.

XI. Prohibiting Harassment or Discriminatory Conduct

Workforce members who believe they have been subject to harassment or discrimination based on protected group status and that harassment or discrimination was within the State Fund's jurisdiction may [file an informal or formal complaint](#). You must file a complaint not more than one year after the conduct or by such deadlines as set by law. State Fund's harassment-free workplace policy extends to outside vendors, customers, professionals, job applicants, and other providers of goods or services to any State Fund location.

State Fund prohibits retaliation and will not tolerate persons who retaliate against anyone who raises an ethics, privacy, harassment, or discrimination issue. Persons who harass or discriminate at State Fund or at State Fund-organized activities outside the workplace will be subject to disciplinary action up to and including termination. State Fund commits to take all steps necessary to prevent and correct harassment or discrimination.

XII. Acknowledging and Supporting the Code and Related Policies

State Fund requires you to certify electronically that you have read, understand, and will follow State Fund's Code of Conduct and its supporting Policies.

Failing to support the Code of Conduct including its related policies and completing the acknowledgement, may result in referral for disciplinary action up to and including termination.

You are responsible for reporting and cooperating with investigations of any Code or Policy violations. State Fund promptly investigates all reports of violations.

See the Governance site for the [Corporate Policy Library](#).

Collaboration

Working beyond silos with stakeholders to bring about a quality result; actively listening to other contributors, speaking in one voice with team, and supporting final outcomes.

XIII. Sharing Your Ideas

When you raise ideas to make State Fund a better place or bring up questions that prevent making mistakes or wrong choices, it benefits State Fund.

If you are a manager:

- Set the tone and create an open environment so others feel at ease raising their concerns.
- Consider if it is appropriate to move employee ideas forward and do so whenever possible.

Many departments also have ways to share ideas, such as physical or electronic suggestion boxes.

You can also share ideas or raise concerns anonymously, without fear of retaliation, through available [hotlines](#) or [online](#).

XIV. Working in a Safe and Healthy Environment

State Fund is committed to making the workplace safe. You must follow Health and Safety Corporate Policies and Procedures. You must report potential safety hazards or threats of violence.

Threats and Domestic and Workplace Violence

State Fund will not tolerate violence or threatening behavior.

You must report all threats or acts of violence, including domestic violence, directed at State Fund's Workforce and/or property that may impact the workplace to the [Threat Evaluation Team](#). The Threat Evaluation Team evaluates and responds to all reported threats or acts of violence.

State Fund follows the California Labor Code, Family Code, collective bargaining agreements, and other applicable law affecting State Fund Workforce members who are victims of domestic violence. State Fund also takes part in [Workplace Violence Prevention](#) programs.

Imminent Danger Threats in the Workplace

Imminent danger means that you must believe that *death or serious physical harm could occur* at the time of a threat.

If you believe there is an imminent danger to you or other people, call 9-1-1, or contact local law enforcement.

Then report the threat immediately to local management and to State Fund's [Threat Evaluation Team](#).

Substance Abuse-Free Workplace

Substance abuse seriously threatens the safety, health, and productivity of our business, Workforce members, and customers.

The State of California's policy in [California Code of Regulations Title 2, Rule 599.960](#) states that workplaces should be free from the effects of substance abuse. This avoids dangers that come from substance abuse in the workplace. Dangers can include death and injury to you, co-workers, or the public from accidents, poor judgment, and carelessness.

State Fund Workforce members are prohibited from using, being under the influence of, dispensing, or possessing marijuana of any kind on State premises.

Functions Involving Alcohol

There may be events you attend as a State Fund Workforce member where alcoholic beverages are available. In these instances, you are responsible for your conduct, must make your own decisions about alcohol consumption, and follow all appropriate laws.

Consumption of alcohol in excess or to the level of intoxication defined by California law is never acceptable or condoned and is prohibited at these events.

Employee Assistance Program

At times, a personal issue or problem may get in the way of you doing your work well. The State Fund [Employee Assistance Program](#) (EAP) gives you a confidential and free service to help you or your family members. They provide professional review and referrals to services needed and help solve problems. EAP also supports State Fund managers by providing them with an expert resource.

The Employee Assistance Program toll-free telephone number is: (800) 339-2099.

Adaptability

Ability to accept and embrace changes in one's environment and make personal changes in response.

XV. Reviewing Important Points of the Code

You and State Fund earn the trust of our customers and the public by making good choices and acting ethically and honestly.

Learning and following State Fund's values and standards is part of your job.

Sharing your ideas about how to make State Fund better and reach its goals should be part of your everyday work.

When in doubt, ask for help. If you have ideas, questions, wish to discuss an issue, or want to report a possible violation, talk to your manager, or contact [Employee Relations](#). See the [appendix](#) for more resources.

If you wish to raise concerns or questions anonymously, contact the [Ethics or Privacy Hotlines](#).

You play a vital role at State Fund. Your choices and ideas can make State Fund a better place to work.

XVI. Appendix - Resources

1. HOTLINES

State Fund Ethics and Privacy Hotline	(866) 294-1742 https://secure.ethicspoint.com/domain/media/en/gui/34876/index.html
Workers' Compensation Fraud	(888) 786-7372
California State Auditor Whistleblower Hotline	(800) 952-5665

2. KEY STATE FUND POLICIES SUPPORTING THE CODE

Corporate Policy	Policy Type	Policy Number
Privacy & Confidentiality	Ethics Compliance & Fraud	EC&F 2.0
Complaint Reporting & Anti-Retaliation	Ethics Compliance & Fraud	EC&F 2.1
Incompatible Activities	Ethics Compliance & Fraud	EC&F 2.2
Business Ethics	Ethics Compliance & Fraud	EC&F 2.3
Statement of Economic Interests & Financial Disclosure	Ethics Compliance & Fraud	EC&F 2.4
Use of State Fund Facilities for Non-Business Use	Ethics Compliance & Fraud	EC&F 2.7
Equal Employment Opportunity	Human Resources	HR 4.1
Sexual Harassment Prevention	Human Resources	HR 4.3

3. STATE FUND DEPARTMENTS

Department	Contact for:	Phone/email	Internal Worksite Page
Employee Assistance Program	Confidential access, assessment, & referral to professional assistance for problem resolution	(800) 339-2099	http://humanresources.scif.com/BenefitsTransactions/EAP.html
Equal Employment Opportunity	Diversity, Discrimination and Reasonable Accommodation Issues	eeo@scif.com	http://humanresources.scif.com/EEOProgram.html
Employee Relations	Code of Conduct & FAQs, approval of outside activities, conflicts of interest disclosure, and Statement of Economic Interests filing	(855) 729-8890 Ethics@scif.com	http://humanresources.scif.com/EERelations.html
Governance	<i>State Fund Corporate Policies & Procedures; Copyright; State Fund Charter; Governance Guide</i>	(888) 724-3237 corporatepolicies@scif.com copyright@scif.com	http://governance.scif.com

2017 CODE OF CONDUCT

Department	Contact for:	Phone/email	Internal Worksite Page
Internal Audit	Proper use of State Fund resources	(707) 624-4583	http://internalaudit.scif.com/
IT – Enterprise Security	Proper use of information systems	(877)-782-7338	http://sim.scif.com/
Privacy Office	Privacy & Confidentiality questions	(888) 724-3237 (office) (866) 294-1742 (Privacy incident hotline) privacyoffice@scif.com	http://privacyoffice.scif.com
Public Records Office	Records requests made under the Ca. Public Records Act	(888) 724-3237 publicrecords@scif.com	http://pro.scif.com/
Real Estate Management Services	Threat reporting	(925) 523-5219 Imminent danger: 9-1-1 threatmanagement@scif.com	http://rpm.scif.com/ThreatManagement.html
Special Investigation Unit	Workers' Compensation Fraud	(888) 786-7372 (323) 266-5138	http://siu.scif.com/

4. STATE AGENCIES

Department	Contact for	Contact Information	Website
Attorney General's Office/California Department of Justice	Statements of Economic Interests, ethics	PO Box 944255 Sacramento, CA 94244 (800) 952-5225	www.oag.ca.gov
California State Auditor Bureau of State Audits	Whistleblower complaints	555 Capitol Mall, Suite 300 Sacramento, CA 95814 (916) 445-0255	www.bsa.ca.gov
Department of Insurance	Insurance complaints	Consumer Communications Bureau 300 South Springs St., South Tower Los Angeles, CA 90013 (800) 927-4357	www.insurance.ca.gov
Fair Political Practices Commission	Statements of Economic Interests questions	428 J Street, Suite 620 Sacramento, CA 95814 (866) 275-3772	www.fppc.ca.gov
State Personnel Board	Whistleblower Retaliation complaints	801 Capitol Mall Sacramento, CA 95814 (916) 653-0799	www.spb.ca.gov

REVISED 02/28/2017 Most current version is located at: <http://governance.scif.com>

4. CALIFORNIA LAWS

Legal Resource	Link
California Constitution and Laws	Website Link
Incompatible Activities – all employees	California Government Code (Section 19990)
Incompatible Adjuster Activities	Labor Code (Section 3219)
California Regulations	Website Link

DRAFT

CODE CONTENTS

- President's Message >>
- Our Code of conduct >>
- State Fund's Vision & Purpose >>
- State Fund's Values >>
- Governing State Fund >>

HONESTY

- Maintaining Trust & Credibility >>
- Disclosing Conflicts of Interest >>
- Avoiding Incompatible Activities >>

INTEGRITY

- Being Ethical & Doing the Right Thing >>
- Ethics & Doing the Right Thing Decision Tree >>
- Being a Responsible Member of the Workforce >>
- Voicing Your Legal, Ethical, or Private Concerns >>

ACCOUNTABILITY

- Upholding the Law >>
- Protecting & Respecting Information >>
- Complying with Our Corporate Policies >>
- Providing Equal Employment Opportunity >>
- Prohibiting Harassment or Discriminatory Conduct >>

COLLABORATION

- Sharing Your Ideas >>
- Working in a Safe & Healthy Environment >>

ACCOUNTABILITY

- Acknowledging & Supporting the Code & Related Policies >>>
- Reviewing Important Point of the Code >>

Disclosing Conflicts of Interest

When does a Conflict of Interest Occur?

You have a conflict of interest when you:

- o Engage in an activity or enterprise clearly inconsistent or harmful to State Fund's interests or your duties at State Fund.
- o Receive or appear to receive private gain from outside relationships, activities, or jobs, arising out of your relationship with State Fund.

Gifts. State Fund follows the Fair Political Practices Commission (FPPC) regulations and Article 10 of California Government Code (Activities) and our Incompatible Activities policy related to gifts. Individual departments at State Fund may adopt more restrictive rules for acceptance of gifts based on their role. Check with your supervisor or manager when you have gift questions.

FPPC regulations define gifts as: any payment or other benefit provided to you that confers a personal benefit for which you do not provide payment or services of equal or greater value. Gifts include a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public.

The FPPC requires that you must report gifts over \$50.00 from one source. For 2015-2016, you may not accept more than \$460 in gifts during one calendar year from one source. You may take no more than \$10.00 a month from lobbyists or legislative employees. Contact Employee Relations with your questions. You can also find more information at the [Fair Political Practices Commission's website](#).

Claims adjusters must follow special rules in **Labor Code Section 3219**. The Labor Code prohibits you from taking a benefit that may look like a reward for referring or settling a claim. Therefore, you could not take any gift from doctors, applicant attorneys, or other vendors of services for injured workers.

Government Code Section 19990 (f) prohibits you from taking gifts from someone who does or seeks to do business with State Fund if circumstances reasonably show the person wanted to influence your official decisions or to reward you for any official acts.

Can I accept lunch when Someone from a brokerage invites and pays for one lunch?

Typically, the answer is yes, as this should not reasonably influence your State Fund decisions related to that brokerage. However, you may have to report this gift on your Statement of Economic interests since you received a personal benefit.



DISCUSSION DOCUMENT FOR GOVERNANCE COMMITTEE
To be approved during Governance Open session under agenda item #4d

Summary of Proposed Material Changes to
State Compensation Insurance Fund
Revised HR 4.1 EEO Corporate Policy

Approved:
Board of Directors
Governance Committee
[Proposed] Revisions To Be Approved:
Board of Directors
Governance Committee

The following summarizes the proposed material¹ revisions to the HR 4.1 EEO Corporate Policy to be adopted by State Fund’s Board of Directors.

Section and paragraph references are to the numbered sections in the HR 4.1 EEO Corporate Policy.

Paragraph Number

Summary of Proposed Material Changes

Section #2.1 (Policy Statements – Discrimination & Harassment Prohibited and Not Tolerated)

Added content to clarify parties involved, workplace setting, and policy provision:
“...including incidents involving coworkers, supervisors, vendors, and/or the general public whom our Workforce members may interact with in the workplace and any other workplace setting. Such conduct may violate this policy even if it is not unlawful.”

Section #2.2 (Policy Statements – Retaliation Prohibited and Not Tolerated)

Removed old section 2.2 “Employment Decisions” and replaced with Anti-retaliation policy statement (formerly #2.1).

Section #2.3 (Policy Statements – Policy Dissemination and Training)

Added: “State Fund shall circulate this policy and the complaint procedure throughout the organization. State Fund provides training to all Workforce Members on recognizing and preventing workplace harassment, discrimination, and retaliation on an ongoing basis.”

Section #2.4 (Reporting Complaints)

Changed name to Reporting Complaints
Added content: “State Fund Workforce Members may report complaints under State Fund’s internal complaint process or file

¹ A material policy change is one affecting either or both of (i) an aspect of the policy impacting State Fund’s authority, or (ii) the responsibilities or the duties, rights, or responsibilities of Workforce members.

an external complaint as provided by law.”

“Employees may report complaints to their supervisor, another supervisor or manager of their choosing or directly to State Fund’s Internal Investigations Unit. An employee may report a complaint of discrimination or harassment even if the discrimination or harassment was not directed toward them.”

“Supervisors are required to report all discrimination, harassment and retaliation complaints brought to their attention, and any inappropriate conduct of a potentially discriminatory, harassing or retaliatory nature to the Internal Investigations Unit.”

**Section #2.5
(Investigation of
Complaints)**

Added content: “Confidentiality will be maintained to the extent possible.”

**Section #2.6. (Appeals
and External
Complaints)**

Added content: “State Fund allows respondents to appeal under the internal process.”

**Section #5
(Related Corporate
Policies)**

Added new policy for Religious Accommodation (HR 4.4)

		CORPORATE POLICY	Number: HR 4.1 Owner: Talent Retention Type: Human Resources Effective Date: 05-2017 Last Revision Date: 05-2015
Title EQUAL EMPLOYMENT OPPORTUNITY			

SECTION 1 – PURPOSE

To ensure [equal employment opportunity](#) in job decisions and work practices involving [State Fund Workforce](#) members and job applicants.

SECTION 2 – POLICY STATEMENTS

State Fund is committed to providing a workplace free of discrimination, harassment and retaliation based on any protected category membership and to promote a culture that values equality, diversity and inclusion.

2.1 Discrimination and Harassment Prohibited and Not Tolerated

State Fund prohibits discrimination and harassment based on a person's membership in, a [protected category](#), or perceived to be in a protected category, including incidents involving:

- Coworkers,
- Supervisors,
- Vendors, and/or
- General public

with whom our Workforce members may interact with in the workplace and any other workplace setting. Such conduct may violate this policy even if it is not unlawful.

2.2 Retaliation Prohibited and Not Tolerated

State Fund also prohibits retaliation against persons who take part in protected activities, including:

- Reporting a discrimination or harassment complaint,
- Assisting in filing a complaint,
- Taking part in complaint investigations, or
- Asking for reasonable accommodation for medical or religious reasons.

2.3 Policy Dissemination and Training

State Fund shall circulate this policy and the complaint procedure throughout the organization. State Fund provides training to all Workforce Members on recognizing and preventing workplace harassment, discrimination, and retaliation on an ongoing basis.

2.4 Reporting Complaints

State Fund employees may report complaints under State Fund's internal complaint process or file an external complaint as provided by law.

Policy HR 4.1	Title Equal Employment Opportunity	Effective 05-2017
----------------------	---	--------------------------

Employees may report complaints to:

- Their supervisor,
- Another supervisor or manager of their choosing, or
- Directly to State Fund's Internal Investigations Unit.

An employee may report a complaint of discrimination or harassment even if the discrimination or harassment was not directed toward them.

Supervisors are required to report all discrimination, harassment and retaliation complaints brought to their attention, and any inappropriate conduct of a potentially discriminatory, harassing or retaliatory nature to the Internal Investigations Unit.

2.5 Investigation of Complaints

State Fund investigates discrimination, harassment and retaliation complaints promptly, fairly, and objectively. Confidentiality will be maintained to the extent possible.

2.6 Appeals and External Complaints

Complainants not satisfied with State Fund's EEO determination may appeal under State Fund's internal complaint process and/or file an external complaint as provided by law. State Fund allows respondents to appeal under the internal process.

2.7 Disciplinary Action

State Fund employees found to have engaged in discrimination, harassment and/or retaliation based on protected category status, or found to have engaged in related inappropriate conduct of a retaliatory nature will be subject to discipline, up to and including termination.

SECTION 3 – APPLICABILITY, SCOPE, & BASIS

This policy applies to the [State Fund Workforce](#) and job applicants.

3.1 Related Laws and Regulations

- 42 U.S.C. § 2000e et seq. (Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991) and related statutes
- 42 U.S.C. §§ 12101-12213 (Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Amendment Act of 2008) and related statutes
- Cal Government Code §12900 et seq. (Fair Employment and Housing Act) and related statutes

SECTION 4 – AUTHORITY

The Executive Vice President & Chief Administrative Officer has the duty of policy assurance and oversight. Vice President of Talent Retention, as policy owner, has the duty for policy compliance, updates, and monitoring.

SECTION 5 – RELATED CORPORATE POLICIES

[HR 4.2](#) Reasonable Accommodation for Disability and Medical Condition

[HR 4.3](#) Sexual Harassment Prevention

HR 4.4 Reasonable Accommodation of Religious Beliefs

Policy HR 4.1	Title Equal Employment Opportunity	Effective 05-2017
----------------------	---	--------------------------

[EC&F 2.1](#) Complaint Reporting and Anti-Retaliation

SECTION 6 – DEFINITIONS

Discrimination - Act with an adverse effect on job opportunities against one or more persons due to his/her membership in a [protected category](#). The adverse act materially affects the terms or conditions of employment and may include such actions as termination, constructive discharge, demotion, transfer or unfavorable assignments, reduction in pay, failure to interview or hire, or denial of advancement or promotion.

Harassment – Unwelcome or unwanted comments, intimidation, ridicule, insult or physical conduct based on a perceived characteristic of a member of a protected category, where the action is severe or pervasive so as to materially alter the employee’s employment or creates an abusive or hostile work environment.

Equal Employment Opportunity – A workplace free of discrimination or harassment based on protected category status in recruiting, hiring, compensation, promotion, training, disciplinary action and/or other terms and conditions of employment.

Protected Category - A group or class of persons named in state or federal civil rights laws, including but not limited to, race, color, religion or religious creed (including religious dress and grooming practices), national origin (including language use restrictions), ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (including cancer and genetic characteristics), denial of Family and Medical Care leave, genetic characteristics or information, marital status, sex, Gender (including pregnancy, childbirth, breastfeeding and related medical conditions), gender identity and expression, age, political affiliation, sexual orientation, or military or veteran status.

Retaliation - An adverse employment action taken against an employee or applicant because he/she engaged in a protected activity, including filing or taking part in an EEO investigation.

State Fund Workforce - A collective group of people who work for State Fund, including officers, employees, supervisors, and non-employees. State Fund intends and creates no employer-employee or agency relationship by this term. This term has no impact on State Fund’s relationship with consultants or independent contractors.

SECTION 7 – HELP & ADVICE

For questions on Corporate Policy, contact the EEO Officer at eeo@scif.com.

SECTION 8 – REVIEW HISTORY

Review Date	Action Date	Action	Section(s) Revised	Effective Date
03/08/2011	03/08/2011	Final QA	Comprehensive	03/2011
04/30/2012	04/30/2012	Annual Review and QA: Updated definition of protected group to align with current law	Sections 2.1 and 6	07/2012
01/24/2013	01/24/2013	Annual Review;	2.4, 2.5, 3; 5 &	03/2013

Policy HR 4.1	Title Equal Employment Opportunity	Effective 05-2017
----------------------	---	--------------------------

		Appeals/Complaints & compliance notice added	6	
12/23/2014	12/23/2014	Final Review and Approval	Comprehensive	05/2015
04/17/2017	04/17/2017	Biennial Review & Update to align with current law and best practices	Comprehensive	05/2017
04/18/2017	04/18/2017	PM Review and Approval	Comprehensive	05/2017



DISCUSSION DOCUMENT FOR GOVERNANCE COMMITTEE
To be approved during Governance Open session under agenda item #4d

Summary of Proposed Material Changes to
State Compensation Insurance Fund
Revised HR 4.2 Reasonable Accommodation for Disability and Medical Condition Corporate
Policy

Approved:
Board of Directors
Governance Committee
[Proposed] Revisions To Be Approved:
Board of Directors
Governance Committee

The following summarizes the proposed material¹ revisions to the HR 4.2 Reasonable Accommodation for Disability and Medical Condition Corporate Policy, to be adopted by State Fund’s Board of Directors.

Section and paragraph references are to the numbered sections in the HR 4.2 Reasonable Accommodation for Disability and Medical Condition Corporate Policy.

Paragraph Number **Summary of Proposed Material Changes**

Title	Revised to “Reasonable Accommodation for Disability and Medical Condition”.
Section #2.1 (Policy Statements – Discrimination & Harassment Prohibited and Not Tolerated)	Added content to clarify parties involved, workplace setting, and policy provisions: “including incidents involving coworkers, supervisors, vendors, and/or the general public whom our Workforce members may interact with in the workplace and any other workplace setting. Such conduct may violate this policy even if it is not unlawful.”
Section #2.2 (Policy Statements – Retaliation Prohibited and Not Tolerated)	Anti-retaliation policy statement moved from #2.1 to its own subsection #2.2.
Section #2.4 (Policy Statements – Policy Dissemination and Training)	Added subsection & content on policy dissemination and training. “State Fund provides training to all supervisors on recognizing and facilitating the Reasonable Accommodation process on an ongoing basis.”

¹ A material policy change is one affecting either or both of (i) an aspect of the policy impacting State Fund’s authority, or (ii) the responsibilities or the duties, rights, or responsibilities of Workforce members.

Section #2.6 (Reporting Complaints)

Added subsection & content: “State Fund Workforce Members may report complaints under State Fund’s internal complaint process or file an external complaint as provided by law.”

“Employees may report complaints to their supervisor, another supervisor or manager of their choosing or directly to State Fund’s Internal Investigations Unit. An employee may report a complaint of discrimination or harassment even if the discrimination or harassment was not directed toward them.”

“Supervisors are required to report all discrimination, harassment and retaliation complaints brought to their attention, and any inappropriate conduct of a potentially discriminatory, harassing or retaliatory nature to the Internal Investigations Unit.”

Section #2.7 (Investigation of Complaints)

Added subsection & content: “State Fund investigates discrimination, harassment and retaliation complaints promptly, fairly, and objectively. Confidentiality will be maintained to the extent possible.”

Section #5 (Related Corporate Policies)

Added EC&F 2.1 – Complaint Reporting & Anti-Retaliation.

		CORPORATE POLICY	Number: HR 4.2 Owner: Talent Retention Type: Human Resources Effective Date: 05-2017 Last Revision Date: 05-2015
Title REASONABLE ACCOMMODATION FOR DISABILITY AND MEDICAL CONDITION			

SECTION 1 – PURPOSE

This policy sets the framework for State Fund to provide [Reasonable Accommodation](#) to ensure equal employment opportunity for State Fund employees and job applicants.

SECTION 2 – POLICY STATEMENTS

2.1 Discrimination and Harassment Prohibited and Not Tolerated

State Fund prohibits discrimination and harassment against its Workforce Members or job applicants based on protected category status, including:

- Physical disability,
- Mental disability,
- Medical condition
 - Including medical conditions related to:
 - Pregnancy, childbirth, and breastfeeding

The prohibition includes incidents involving:

- Coworkers,
- Supervisors,
- Vendors, and/or
- General public

with whom our Workforce Members may interact with in the workplace or any other workplace setting. This type of conduct may violate this policy even if not unlawful.

2.2 Retaliation Prohibited and Not Tolerated

State Fund prohibits [retaliation](#) against persons who take part in protected activities, including:

- Asking for Reasonable Accommodation based on disability and/or medical condition
- Reporting a discrimination complaint,
- Assisting in filing a complaint, or
- Taking part in a complaint investigation.

2.3 Equal Access

State Fund shall hold all work-related events in accessible locations. Event announcements shall advise on how to request Reasonable Accommodation.



Policy HR 4.2	Title Reasonable Accommodation	Effective 05-2017
----------------------	---------------------------------------	--------------------------

2.4 Policy Dissemination and Training

State Fund circulates this policy and the Reasonable Accommodation request procedure throughout the organization. State Fund provides training to all supervisors on recognizing and facilitating the Reasonable Accommodation process on an ongoing basis.

2.5 Reasonable Accommodation Requests

State Fund shall evaluate Reasonable Accommodation requests on a case-by-case basis on the individual's ability to perform the essential job functions at issue. State Fund shall follow a timely, good faith [interactive process, where required](#), with persons making requests

2.6 Reporting Complaints

State Fund employees and job applicants dissatisfied with a Reasonable Accommodation determination may file a discrimination complaint under State Fund's internal complaint process or file an external complaint as provided by law.

Employees may report complaints to:

- Their supervisor,
- Another supervisor or manager of their choosing, or
- Directly to State Fund's Internal Investigations Unit.

An employee may report a complaint of discrimination or harassment even if the discrimination or harassment was not directed toward them.

Supervisors are required to report all discrimination, harassment or retaliation complaints brought to their attention, and/or any inappropriate conduct of a potentially discriminatory, harassing or retaliatory nature to the Internal Investigations Unit.

2.7 Investigation of Complaints

State Fund investigates discrimination, harassment and retaliation complaints promptly, fairly, and objectively. Confidentiality will be maintained to the extent possible.

2.8 Appeals and External Complaints

Complainants not satisfied with State Fund's EEO determination may appeal under State Fund's complaint process and/or file an external complaint as provided by law.

SECTION 3 – APPLICABILITY, SCOPE, & BASIS

This policy applies to [State Fund Workforce](#) and job applicants.

3.1 Related Laws and Regulations

- 42 U.S.C. § 2000e et seq. (Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991) and related statutes
- 42 U.S.C. §§ 12101-12213 (Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Amendment Act of 2008) and related statutes
- Cal Government Code §12900 et seq. (Fair Employment and Housing Act) and related statutes

Policy HR 4.2	Title Reasonable Accommodation	Effective 05-2017
----------------------	---------------------------------------	--------------------------

SECTION 4 – AUTHORITY

The Executive Vice President & Chief Administrative Officer has the duty of policy assurance and oversight. The Vice President of Talent Retention, as policy owner, has the duty for compliance, updates, and monitoring.

SECTION 5 – RELATED CORPORATE POLICIES

- [HR 4.1](#) Equal Employment Opportunity
- [EC&F 2.1](#) Complaint Reporting and Anti-Retaliation

SECTION 6 – DEFINITIONS

Disability:

- physical, mental or medical condition that limits his/her ability to take part in major life activities; or
- having a record or history of a physical, mental or medical condition; or
- being regarded or treated as having a physical, mental or medical condition.

Reasonable Accommodation – Changes to work environment or the way things are done that permit a person with a disability to equally take part in the exam process or perform the essential job functions. The person must possess the needed skills, experience, education and other job requirements that he/ she holds or desires, and must be able to perform the essential job functions with or without reasonable accommodation.

Essential Job Functions - Vital duties of a certain job.

Interactive Process – Communication and good-faith exploration of possible accommodations between employers and individual employees to identify an accommodation that allows the employee to perform essential job functions. Both sides communicate directly, exchange essential information and select and implement the accommodation that is most appropriate for both the employee and employer.

Discrimination - Act with an adverse effect on job opportunities against one or more persons due to [protected category](#) status. The adverse act materially affects the terms or conditions of employment and may include such actions as termination, constructive discharge, demotion, transfer or unfavorable assignments, reduction in pay, failure to interview or hire, or denial of advancement or promotion.

Harassment – Unwelcome or unwanted comments, intimidation, ridicule, insult or physical conduct based on a perceived characteristic of a protected group, where the action is severe or pervasive so as to materially alter the employee’s employment or creates an abusive or hostile work environment.

Protected Category- A group or class of persons named in state or federal civil rights laws, including but not limited to, race, color, religious creed, national origin, ancestry, physical disability, mental disability, medical condition, genetic characteristics or information, marital status, sex, gender (including pregnancy, childbirth, breastfeeding and related medical conditions), gender identity and expression, age, political affiliation, sexual orientation, or military or veteran status.

Policy HR 4.2	Title Reasonable Accommodation	Effective 05-2017
----------------------	---------------------------------------	--------------------------

Retaliation - An adverse employment action against an employee or applicant because he/she engaged in a protected activity, including filing or taking part in an EEO investigation.

State Fund Workforce - A collective group of people who work for State Fund, including officers, employees, supervisors, and non-employees. State Fund intends and creates no employer-employee or agency relationship by this term. This term has no impact on State Fund’s relationship with consultants or independent contractors.

SECTION 7 – HELP & ADVICE

For policy questions, contact the EEO Officer at eeo@scif.com.

SECTION 8 – REVIEW HISTORY

Review Date	Action Date	Action	Section(s) Revised	Effective Date
09/2012	09/2012	Final QAP	Comprehensive review	09/2012
09/2014	09/2014	Biennial Review	Comprehensive Review	09/2014
12/23/2014	12/23/2014	Final Review and Approval	Comprehensive	05/2015
04/17/2017	04/17/2017	Biennial Review & Update to align with current law	Comprehensive	05/2017
04/18/2017	04/18/2017	PM Review and Approval	Comprehensive	05/2017



DISCUSSION DOCUMENT FOR GOVERNANCE COMMITTEE
To be approved during Governance Open session under agenda item #4d

Summary of Proposed Material Changes to
State Compensation Insurance Fund
Revised HR 4.3 Sexual Harassment Prevention Corporate Policy

Approved:
Board of Directors
Governance Committee
[Proposed] Revisions To Be Approved:
Board of Directors
Governance Committee

The following summarizes the proposed material¹ revisions to the HR 4.3 Sexual Harassment Prevention Corporate Policy.

Section and paragraph references are to the numbered sections in the HR 4.3 Sexual Harassment Prevention Corporate Policy.

Paragraph Number

Summary of Proposed Material Changes

Section #2 (Policy Statements)

Added content to include anti-retaliation statement: "...and retaliation against persons reporting a sexual harassment complaint, assisting in filing a complaint, or taking part in complaint investigations."

Section #2.1 (Policy Statements – Discrimination & Harassment Prohibited and Not Tolerated)

Added content to clarify parties involved, workplace setting, and policy provisions: "including incidents involving coworkers, supervisors, vendors, and/or the general public whom our Workforce members may interact with in the workplace and any other workplace setting. Such conduct may violate this policy even if it is not unlawful."

Section #2.3 (Policy Statements – Policy Dissemination and Training)

Revised content: Changed "Supervisors shall complete the training every two years" to "State Fund provides training to all Workforce Members on recognizing and preventing workplace harassment, discrimination, and retaliation on an ongoing basis."

Section #2.4 (Reporting Complaints)

Added subsection & content: "State Fund Workforce Members may report complaints under State Fund's internal complaint process or file an external complaint as provided by law."

¹ A material policy change is one affecting either or both of (i) an aspect of the policy impacting State Fund's authority, or (ii) the responsibilities or the duties, rights, or responsibilities of Workforce members.

“Employees may report complaints to their supervisor, another supervisor or manager of their choosing or directly to State Fund’s Internal Investigations Unit. An employee may report a complaint of discrimination or harassment even if the discrimination or harassment was not directed toward them.

“Supervisors are required to report all discrimination, harassment and retaliation complaints brought to their attention, and any inappropriate conduct of a potentially discriminatory, harassing or retaliatory nature to the Internal Investigations Unit.”

**Section #2, #2.5
(Investigation of
Complaints)**

Added content: “Confidentiality will be maintained to the extent possible.”

**Section #2, #2.6.
(Appeals and External
Complaints)**

Added content: “State Fund allows respondents to appeal under the internal process.”

**Section #5
(Related Corporate
Policies)**

Added EC&F 2.1 – Complaint Reporting & Anti-Retaliation.

	
	<h2 style="color: #0056b3; margin: 0;">CORPORATE POLICY</h2>
Number: HR 4.3 Owner: Talent Retention Type: Human Resources Effective Date: 05-2017 Last Revision Date: 05-2015	Title SEXUAL HARASSMENT PREVENTION

SECTION 1 – PURPOSE

To ensure that State Fund provides a workplace free of [sexual harassment](#) in compliance with State and Federal law.

SECTION 2 – POLICY STATEMENTS

State Fund is committed to providing a workplace free of sexual harassment and retaliation against persons:

- Reporting a sexual harassment complaint,
- Assisting in filing a complaint, or
- Taking part in complaint investigations.

2.1 Sexual Harassment Prohibited and Not Tolerated

State Fund prohibits and does not tolerate sexual harassment including incidents involving:

- Coworkers,
- Supervisors,
- Vendors, and/or
- general public

with whom our workforce may interact with in the workplace and any other workplace setting.

Such conduct may violate this policy *even* if not unlawful. Such conduct can decrease work productivity, undermine the integrity of employment relationships, and decrease morale.

2.2 [Retaliation](#) Prohibited and Not Tolerated

State Fund prohibits retaliation against persons:

- Reporting a sexual harassment complaint,
- Assisting in filing a complaint, or
- Taking part in complaint investigations.

2.3 Policy Dissemination and Training

State Fund shall circulate this policy and the complaint procedure throughout the organization. State Fund provides training to all Workforce Members on recognizing and preventing workplace harassment, discrimination, and retaliation on an ongoing basis.

2.4 Reporting Complaints

Workforce members may report complaints under State Fund’s internal complaint process or file an external complaint as provided by law.

Employees may report complaints to:

- their supervisor,
- another supervisor or manager of their choosing or
- directly to State Fund's Internal Investigations Unit.

An employee may report a complaint of discrimination or harassment even if the discrimination or harassment was not directed toward them.

Supervisors and managers are required to report:

- All sexual harassment complaints brought to their attention,
- Any inappropriate conduct which may constitute sexual harassment and
- Retaliation against persons
 - Reporting a sexual harassment complaint,
 - Assisting in filing a complaint, or
 - Taking part in complaint investigations

to the Internal Investigations Unit.

2.5 Investigation of Complaints

State Fund investigates sexual harassment and/or related retaliation complaints promptly, fairly, and objectively. Confidentiality will be maintained to the extent possible.

2.6 Appeals and External Complaints

Complainants not satisfied with State Fund's EEO determination may appeal under State Fund's internal complaint process and/or file an external complaint as provided by law. State Fund allows respondents to appeal under the internal process.

2.7 Disciplinary Action

State Fund employees found to have engaged in inappropriate conduct of a sexual nature or found to have engaged in related inappropriate conduct of a retaliatory nature will be subject to discipline, up to and including termination.

SECTION 3 – APPLICABILITY, SCOPE, & BASIS

This policy applies to the [State Fund Workforce](#).

3.1 Related Laws and Regulations

- 42 U.S.C. § 2000e et seq. (Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991) and related statutes
- Cal Government Code §12900 et seq. (Fair Employment and Housing Act) and related statutes
- Cal Code of Regulations, Title 2, 11000 et seq.

SECTION 4 – AUTHORITY

The Executive Vice President & Chief Administrative Officer has the duty of policy assurance and oversight. Vice President of Talent Retention, as policy owner, has the duty for policy compliance, updates, and monitoring.

SECTION 5 – RELATED CORPORATE POLICIES

[HR 4.1](#) Equal Employment Opportunity

[EC&F 2.1](#) Complaint Reporting and Anti-Retaliation

Policy HR 4.3	Title Sexual Harassment Prevention	Effective 05-2017
----------------------	---	--------------------------

SECTION 6 – DEFINITIONS

Explicit – Precisely and clearly expressed or readily observable; leaving nothing to be implied.

Implicit – Implied or understood though not directly expressed; contained in the nature of something though not readily apparent.

Retaliation – An adverse employment action against a protected employee or applicant because he/she engaged in a protected activity, including filing or taking part in an EEO investigation.

Sexual Harassment – Is generally defined as unsolicited and/or unwanted sexual advances, requests for sexual favors, or visual, verbal, written, or physical conduct of a sexual nature directed to a person of the same or of the opposite sex when:

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment,
- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individuals, or
- such conduct is severe or pervasive enough that it has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment

Federal and State laws recognize two forms of Sexual harassment: Quid Pro Quo sexual harassment or Hostile Work Environment harassment.

Quid Pro Quo Sexual Harassment – making of a request or demand for sexual conduct in exchange for a benefit such as a raise, a promotion, hiring or contracting. Or, making a threat or requiring sexual favors to avoid a work related punishment such as termination, demotion, or reduction in pay.

Hostile Work Environment Harassment – unwelcome or unwanted sexual advances or other gender based conduct that is severe or pervasive enough to interfere with the individual’s work performance or creates an intimidating, offensive or hostile work environment.

Examples of conduct that may violate this policy include:

- Unwelcome sexual advances, flirtations, leering, whistling, touching, pinching, assault, blocking normal movement;
- Requests for sexual favors or demands for sexual favors in exchange for favorable treatment;
- Obscene or vulgar gestures or comments based on any protected characteristic;
- Written conduct such as sexually oriented emails, letters, or literature;
- Sexually oriented cartoons, posters, or drawings based on any protected characteristic;
- Uninvited touching of a sexual nature;
- Conduct or comments consistently targeted at only one gender, even if the content is not sexual; and
- Teasing or other similar conduct directed toward a person because of any protected characteristic.

Policy HR 4.3	Title Sexual Harassment Prevention	Effective 05-2017
----------------------	---	--------------------------

State Fund Workforce – A collective group of people who work for State Fund, including officers, employees, and non-employees. State Fund intends and creates no employer-employee or agency relationship by this term. This term has no impact on State Fund’s relationship with consultants or independent contractors.

SECTION 6 – HELP & ADVICE

For help on this Policy, contact the EEO Officer at eeo@scif.com.

SECTION 7 – HELP & ADVICE

For help on this Policy, contact the EEO Officer at eeo@scif.com.

SECTION 8 – REVIEW HISTORY

Review Date	Action Date	Action	Section(s) Revised	Effective Date
03/07/2011	03/08/2011	QA Final	Comprehensive	03/2011
06/2012	06/2012	Annual Review. Updated definition of Sexual Harassment to align with current law	6	07/2012
02/28/2013	02/28/2013	Annual review; appeals/complaint & compliant notice added	2.4, 2.5, 3 & 6	03/2013
12/23/2014	12/23/2014	Review and Approval	Comprehensive	05/2015
04/17/2017	04/17/2017	Biennial Review & Update to align with current law and best practices	Comprehensive	05/2017
04/18/2017	04/18/2017	PM Review and Approval	Comprehensive	05/2017