Foresthill Fire Protection District

P.O. Box 1099 Foresthill, CA 95631
Office: (530) 367-2465
www.foresthillfire.org

NOTICE OF REGULAR BOARD OF DIRECTORS MEETING AND AGENDA

September 09, 2026 – 6:00pm

Foresthill Fire Protection District Office
24320 Main Street, Foresthill, CA 95631

Written material introduced into the record: Citizens wishing to introduce written material on any item into the record at the public meeting are requested to provide a copy of the written material to the Secretary of the Board prior to the meeting date so that the material may be distributed to the Board of Directors prior to the meeting.

1. **CALL MEETING TO ORDER:**
2. **FLAG SALUTE:**
3. **ROLL CALL:**
   Richard Hercules John Michelini Chris Reams Keith Drone Derrick Perry

MEETING PROCEDURES: All items on the agenda will be open for public comment before final action is taken. Speakers are requested to restrict comments to the item as it appears on the agenda and stay within a five-minute time limit. The President has the discretion of limiting the total discussion time for an item. As a courtesy to others, please wait to be recognized by the President before comment. Turn off cell phones and any other distracting devices.

4. **AGENDA APPROVAL:** Board Action may be taken on any item on this agenda.
5. **PUBLIC COMMENT:** This is the time for any member of the public to address the Board of Directors on any matter NOT on the agenda that is within the subject matter jurisdiction of the district. Directors and staff are limited by law to brief responses and clarifying questions. There will be no votes on non-agenda items. Concerns may be referred to staff or placed on the next available agenda. Each person commenting must state their name for the record. Comments shall be limited to three minutes per person, or such other time limit as may be imposed by the President.
6. **CONSENT ITEMS:**
   a) Approval of minutes
      I. August 12, 2026 - Regular Board of Directors meeting
   b) Financial Documents
      I. FM 02-TBD
7. **FIRE CHIEF OPERATIONS REPORT:**
8. **ACTION ITEMS:**

a) Approve the purchase of a Utility Task Vehicle (UTV) and trailer
b) Placer County Board of Supervisors Appointment of Director
c) Approve 2nd reading of Resolution of Intention contract for retirement through CalPERS for employees of the district and the 2nd reading of Cost/Change for CalPERS

9. **DISCUSSION/INFORMATIONAL ITEMS:**
   a) Defensible space inspections and enforcements (Michelini)
   b) Presentation to receive and file the Measure M audit (Michelini)
10. **REPORTS:**
    a) Finance Committee (Michelini/Perry)
    b) Strategic and Long Range Plan Committee (Hercules/Michelini)
    c) Assets and Facilities Committee (Drone/Reams)
    d) Director's Reports
11. **NON-AFFILIATED ORGANIZATION REPORTS:**
    a) Foresthill Volunteer Firefighters Association
    b) Foresthill & Iowa Hill Fire Safe Council Report
12. **CORRESPONDENCE:**
    a) Letter from Placer County Elections office advising insufficient candidates for the upcoming election.
13. **OLD BUSINESS:**
14. **CLOSED SESSION:**
15. **ADJOURNMENT:**

****Next Regular Meeting: WEDNESDAY, OCTOBER 14, 2026****

Foresthill Fire Protection District is committed to accommodate individuals with disabilities to participate in the public meeting process. If you have a special need to attend or participate in our public meetings, please contact our office at (530) 367-2465, in advance of the meeting so that we may make every reasonable effort to accommodate you

Foresthill Fire Protection District

P.O. Box 1099 Foresthill, CA 95631
Office: (530) 367-2465
www.foresthillfire.org

Foresthill Fire Protection District
Minutes of the Board of Directors Public Hearing
Wednesday, August 12, 2026
District Administration Office
24320 Main St., Foresthill, CA 95631

1. **CALL MEETING TO ORDER:**
    a. Meeting called to order by President Hercules at 6:00 PM.
2. **FLAG SALUTE**: led by Vice President Michelini.
3. **ROLL CALL OF DIRECTORS:**
    a. All Directors of the Board were present.
    b. Chief Martin was present.
4. **PUBLIC COMMENT:** None
5. **ACTION ITEMS:**
    a. Vice President Michelini gave details of the Budget for Fiscal Year 2026/2027.
        i. Covered the highlights of differences in last year to this year. Detailed explanation of income and expenses. Mentioned we are now covering Strike team income and expenses as a new process, talked about the reserve account, new firefighter equipment to be purchased. Vice president Michelini made motion to approve the budget, seconded by Director Reams, passes (5/0).
6. **ADJOURNMENT**
    a. Meeting continued to regular Board of Directors meeting at 6:13PM.

Respectfully Submitted:
Shonne Elgin (per recording)
Business Manager/Clerk

Foresthill Fire Protection District

P.O. Box 1099 Foresthill, CA 95631
Office: (530) 367-2465
www.foresthillfire.org

Foresthill Fire Protection District
Minutes of the Board of Directors Meeting
Wednesday, August 12, 2026
District Administration Office
24320 Main St., Foresthill, CA 95631

1. **CALL MEETING TO ORDER:**
   a. Meeting continued from Public Hearing at 6:13PM.
2. **AGENDA APPROVAL:**
   a. Vice president Michelini moved to approve the agenda with deleting the closed session and adding an emergency action item to approve the MOU with Labor, seconded by Director Drone, passes (5/0).
3. **PUBLIC COMMENT:** A resident commented about concerns of numerous piles of hazardous vegetation from locations of fire hazard from work by PGE and others doing mastication and leaving debris piles. Chief Martin explained that Cal Fire handles vegetation issues in the SRA. They would need to be contacted and suggested she attend the Fire Safe Council meeting.
4. **CONSENT ITEMS:**
   a. Director Perry made motion to approve consent items: minutes from July 08, 2026-Regular Board of Directors meeting, July 16 and August 04, 2026-Special Board meetings and August 06, 2026-Long range Planning meeting, Financial Document FM1, second by Director Reams, motion passes (5/0).
5. **FIRE CHIEF REPORT:**

Staffing

- We currently have no vacancies
- Firefighter/Paramedic application process is continually open.

Incident Responses

- Total calls for service for July of 2026 were 69.
- Last year at this time there were 77 calls for service.
- Total EMS calls for July of 2026 were 45 and 59 for July of 2025.
- Ambulance Transports for July of 2026 were 37 and 43 last year.

Training

- New hire on board academy held in July for one fire fighter paramedic.
- 236 Training hours logged for the month of July.
- Monthly Training with the JOA is on-going.
- CalJac has raised our training funds reimbursement to $5.00 per hour.
- Driver Operator 1A class to be held at the end of the month so all of our full-time staff will be qualified to drive, 1B to be the following month

Community Risk Reduction

- July had 16 Inspections (3 LPG Rough, 1 LPG Final, 2 Sprinkler Rough, 4 Def. Space, 3 vendor permits and 3 vendor inspections)

Community Interactions

- We participated in the 4^{th} of July parade

Fleet

- Medic 88 out of service for a rear differential problem.
- Engine 90 getting brakes done
- **Strike Team involvement**- E390 arrived in Humboldt today for the MP18 fire and Water Tender 89 and B388 are assisting with the Talbot fire

6. **ACTION ITEMS:**
   a. Budget for FY 26/27 was approved during the Public Hearing.
   b. CalPERS to approve Schedule of Agency Action. Goal is to enter into CalPERS as the pension plan for the employees of the district. Motion made by Vice-President Michelini to approve Schedule of Agency action, 1^{st} reading of the Resolution of Intention contract for CalPERS and the 1^{st} reading of the Cost/Change for CalPERS, seconded by Director Reams, roll call vote, passes (5/0).
   c. To approve MOU with local 3800. Completed negotiations with Local 3800 and rewrote the MOU. Labor receives 3.5% pay raise this year, 3.5% next year in July, increases in paramedic pay, longevity, growth in health care benefits, graduated vacation time. Motion made by President Hercules, second by Director Perry, roll call vote, passes 5/0.
7. **DISCUSSION ITEMS:**
   a. Vice President Michelini discussed our questioning the County Auditor and Assessors on Measure M direct charges and mobile homes. Waiting for a meeting with the County. Suggestion of driving through each park to make sure of the correct number of parcels in each to charge.
   b. Captain Sett gave a presentation on the purchase/financing of a road legal UTV, trailer and miscellaneous supplies. Advised of the updated numbers, it will be available with tracks that can be interchanged, gets us closer to the patient without hiking in and/or hauling patient out. Good for the events in the area like the Western states and Tevis. 4WD, lights, a/c, fits crew with space for patients (sitting or back board). For the trailer, looking at cost for trailer either open or enclosed. Approx cost- $65,734.26. With enclosed trailer is approx. $80,000.00 to be safe. There will be policies set for the operation of the equipment. Vice President's recommendation to the board is get financing on this in the next couple weeks.
8. **REPORTS**
   a. Finance Committee- (Michelini/Perry) Not met
   b. Strategic and Long-Range Planning- (Hercules/Michelini) Did meet this month, Reviewed improvements and efforts in the district. Discussions of current fire service in Placer County and those that affect us.
   c. Assets and Facilities- (Drone/Reams) Director Drone received a letter from someone about the Porter garage issue with no details.
   d. Directors Report- No reports
9. **NON-AFFILIATED ORGANIZATION REPORTS:**
   a. Foresthill Volunteer Firefighters Association- Captain Palmer is handing everything back to Patrice Metz until someone new will take over.

b. Foresthill & Iowa Hill Fire Safe Council Report- None

10. CORRESPONDENCE:

11. OLD BUSINESS: None

12. CLOSED SESSION: None

13. ADJOURNMENT

a. Meeting adjourned at 7:20 PM.

Respectfully Submitted:
Shonne Elgin (via recording)
Business Manager/Clerk

FIRE CHIEF REPORT

District Information

Staffing

- We currently have a Captains vacancy, to be filled from within.
- We have an FF/P in backgrounds which will complete our hiring process.
- Firefighter/Paramedic application process is continually open.

Incident Responses

- Total calls for service for August of 2026 were 55.
- Last year at this time there were 66 calls for service.
- Total EMS calls for August of 2026 were 36 and 48 for August of 2025.
- Ambulance Transports for August of 2026 were 29 and 27 last year.

Training

- 183 Training hours were documented for the month of August.
- Monthly Training with the JOA is on-going.

Community Risk Reduction

- August – 5 Inspections (1 LPG Rough, 1 LPG Final, 3 Defensible Space Inspections).

Community Interactions

- Tevis Cup Ride.
- Talbot Fire, (Use Agreement established with CalFire)
- MP-18 Fire

Fleet

- Medic 88 is OOS (Rear Differential).
- Medic 90 repaired, Air Bag Compressor replaced.
- Medic 89 needs the A/C Compressor replaced.
- E388 is OOS – Oil leak and performance issue, currently at G&T
- E88 is back in service – Fan Clutch and Fan replaced

DIRECTOR REPORT

DATE: September 9, 2026

TO: Board of Directors

FROM: John Michelini, Director

BY: John Michelini, Director

SUBJECT: **UTILITY TASK VEHICLE AND TRAILER PURCHASE**

RECOMMENDATION

The Board of Directors approves the purchase of an off-road response vehicle, trailer, and related equipment not to exceed a total cost of $80,000.00 and authorizes the Fire Chief to sign and approve all related documents including financing documents (if needed) for the purchase.

BACKGROUND / ANALYSIS

A significant portion of the Foresthill Fire District has limited access to full-sized response vehicles including the many trails and recreational facilities located within the district and ambulance response zone. To improve response times and ease access and egress to many of these areas staff are proposing the purchase of an off-road capable Utility Task Vehicle (UTV). The proposed UTV will also have the capability to operate during inclement weather, including snowstorms, utilizing the accessory rubber track system. In addition to the UTV, this purchase will include an enclosed trailer for the storage and response of the vehicle and associated support equipment.

Equipment list:

a.	UTV – Polaris 1000XP with track kit and patient transport unit	$60,200.31
b.	Trailer – Cargo King 8.5 x 20	$11,899.39
c.	Helmets – six Axel DOT approved off road safety helmets	$ 1,216.22
d.	Scene Lighting – LED light kit	$ 521.19
e.	Door lettering – estimated price	$ 500.00
f.	Accessories – Tie down kit, tool kit, spare drive belts (2)	$ 777.42

Total project cost estimated at $75,114.53

Project funding request is $80,000.00 to cover unanticipated needs.

FISCAL IMPACT

Funding of $80,000.00 for proposed project would come from the unrestricted General Reserve fund.

This project could be financed for a period of 4-5 years; however, current high interest rates would add between $11,000.00 and $12,500.00 to the project cost.

DIRECTOR REPORT

DATE: September 9, 2026

TO: Board of Directors

FROM: John Michelini, Director

BY: John Michelini, Director

SUBJECT: **PLACER COUNTY BOARD OF SUPERVISORS APPOINTMENT OF DIRECTOR**

RECOMMENDATION

The Board of Directors provide a recommendation that the Placer County Board of Supervisors appoint Troy Simonick to the position of Director for the Foresthill Fire Protection District

BACKGROUND / ANALYSIS

The Foresthill Fire Protection District is governed by a five-member board of directors. Each director serves a four-year term with elections for directors every two-years. During one cycle three director positions are up for election and in the following election cycle two positions are up for election. In 2026, two board positions are up for election. The time for prospective candidates to submit documents to run for office in the November 2026 General Election has closed. There is only one candidate for the two open positions. Not having candidates for each position triggers several actions by Placer County.

1. There will be no election for Director of the Foresthill Fire Protection District in November.

2. The single “qualified” candidate will be appointed by the Placer County Board of Supervisors and will not appear on the Ballot in November.

3. The board seat with no “qualified” candidate will be filled by the Placer County Board of Supervisors.

4. The current Board of Directors may recommend a candidate for selection by the Placer County Board of Supervisors.

The current Board of Directors should make a candidate recommendation to the Board of Supervisors.

I recommend that the Board support Troy Simonick to fill the vacant board seat. Simonick served as a director for the Foresthill Fire Protection District from 2022 until end of his term in 2024 and is interested in returning to the Board. Simonick was an active positive contributor to the district serving as a director with distinction and actively participating in committee assignments including functioning as the District’s representative during labor negotiations. Simonick is fully qualified to return to the board and is up to date on most current district activities.

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or 888-225-7377)
TTY: (877) 249-7447

CalPERS

Jeffery Palmer
Captain Paramedic
Foresthill Fire Protection District
24320 Main Street
Foresthill, CA 95631

CalPERS ID: 7933275200

September 9, 2026

Dear Jeffery Palmer,

Thank you for returning the Resolution of Intention adopted by the governing body for participation in the Public Employees' Retirement System to provide Section 7522.20 (2% @ 62 Full formula) with 0% prior service for local miscellaneous members; and

Section 7522.25(d) (2.7% @ 57 Full formula) with 0% prior service for local safety members.

Also provided are the following documents necessary to complete the proposed contract:

1. Contract.

2. Resolution, Form CON-21. This Resolution must be adopted by affirmative vote of a majority of the members of the governing body no earlier than twenty days after the adoption of the Resolution of Intention. Failure to comply may result in the delay of the anticipated effective date of the contract.

3. Certification of Final Action of Governing Body, Form CON-5.

4. Employee Census Data, Form CON-1020. Update the employee data on the Excel file (emailed separately).

Your agency adopted the Resolution of Intention on August 12, 2026, therefore, the earliest date the final resolution could have been adopted was September 1, 2026, pursuant to Government Code Section 20471. There are no exceptions to this law.

Please note the important information below:

- The effective date of the contract cannot be earlier than the first day of a payroll period following the effective date of the resolution. Please insert the contract effective date in paragraph 2 of the Contract.

- All full-time and qualifying part-time employees (except those excluded by the contract) must become members of CalPERS on the effective date of the contract.

The original documents must be returned to this office by mail.

1. Contract, two original executed sets.

2. Resolution, Form CON-21.

3. Certification of Final Action of Governing Body, Form CON-5.

4. Employee Census Data, Form CON-1020. Update the employee data on the Excel file (emailed separately).

5. Fourth Level of 1959 Survivor Benefits Ballot, Form CON-24c.

6. 1959 Survivor Benefits Certification of Employee Election, Form CON-18.

7. Summary listing of employees for 1959 Survivor Benefits.

8. The name and title to who the payroll reporting and membership material should be directed.

It has been noted that your agency uses a Bi-Weekly pay period. If this information is not accurate, please notify this office. Accuracy and promptness in reporting payroll is necessary to avoid potential penalties.

Please notify your personnel/payroll staff, as of the effective date of the contract:

- The local miscellaneous member contribution rate will be 7.75% of reportable earnings.
- The local Safety member contribution rate will be 13.75% of reportable earnings.
- The employer contribution rates will be 7.93% of reportable earnings for local miscellaneous members.
- The employer contribution rates will be 13.91% of reportable earnings for local Safety members.

Please do not retype the Contract and/or agreement documents. Only documents provided by this office will be accepted. If you have any questions with any of the documents, please contact this office prior to presenting to your governing body for adoption.

After the final documents have been received, assistance in membership and payroll reporting will be provided by our Employer Education Unit.

A copy of the contract will be returned for your records after it has been executed by CalPERS.

We are here to assist you. If you have any questions or would like additional information, please visit our website www.calpers.ca.gov, or you may contact us toll free at **888 CalPERS** or (888-225-7377).

Sincerely,

Roselee Camacho

Roselee Camacho
Pension Contracts Analyst
Financial Office | Pension Contracts & Prefunding Programs Division

RC:tp

CalPERS

California
Public Employees' Retirement System

CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Foresthill Fire Protection District

In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 62 for local miscellaneous members, and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after ____________________ making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the Public Employees' Retirement System and its trustees, agents and employees, the Public Employees' Retirement System Board of Administration, and the Public Employees' Retirement System Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:

   (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-Public Employees' Retirement System retirement program.

   (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.

   (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Local Fire Fighters (herein referred to as local safety members);

   b. Employees other than local safety members (herein referred to as local miscellaneous members).

5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

   In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

   a. **POLICE EMPLOYEES.**

6. Public Agency's participation in the Public Employees' Retirement System is based on the Board's reasonable, good faith interpretation of current Internal Revenue Service Guidance that Public Agency as constituted at the time of this Agreement is eligible to participate in a governmental plan within the meaning of Internal Revenue Code Section 414(d). Public Agency's continued participation shall be subject to the Board's determination of Public Agency's status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d), upon publication of final Treasury Regulations pursuant to such Section (the "Final Regulations"). If upon publication of the Final Regulations, the Board determines that Public Agency would not qualify as an agency or instrumentality of the state or political subdivision of a State, Public Agency shall take all necessary and applicable steps to comply with the Final Regulations, including making any necessary amendments to Public Agency's governing documents. If Public Agency fails to timely comply with the Final Regulations, the Board shall take any remedial corrections required under the Final Regulations, which may include the termination of Public Agency's participation in the Public Employees' Retirement System, and the cancellation of all benefits and any service credit accrued for Public Agency employees and retirees.

7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).

8. The percentage of final compensation to be provided for local safety members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).

9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

10. Public Agency shall also contribute to said Retirement System as follows:

    a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.

b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY______________________________
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING
PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
FORESTHILL FIRE PROTECTION
DISTRICT

BY______________________________
PRESIDING OFFICER

____
Witness Date

Attest:

____
Clerk

FORESTHILL FIRE PROTECTION DISTRICT

RESOLUTION AUTHORIZING A CONTRACT

No. **2026-08**

WHEREAS, the Public Employees' Retirement Law provides for the participation of a Public Agency in the California Public Employees' Retirement System, making its employees members of said System; and

WHEREAS, the Board of Directors of the Foresthill Fire Protection District on **September 09. 2026** adopted a Resolution giving notice of intention to approve a contract providing for such participation; and

WHEREAS, the employees of said public agency, whose memberships in said Retirement System are contemplated, have approved said participation, by majority vote;

NOW, THEREFORE, BE IT RESOLVED, that a contract between the Board of Directors of the Foresthill Fire Protection District and the Board of Administration, California Public Employees' Retirement System is hereby authorized, a copy of said contract being attached hereto and by such reference made a part hereof as though herein set out in full; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said governing body is hereby authorized, empowered and directed to execute said contract for and on behalf of said public agency.

Adopted this 9th day of September, 2026.

Presiding Officer

Attest:

Clerk or Secretary

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or 888-225-7377)
TTY: (877) 249-744

CalPERS

CERTIFICATION
OF
FINAL ACTION OF GOVERNING BODY

I hereby certify that the ____ of the
(governing body)

____
(public agency)

considered and adopted on ____________________, ________, by an affirmative vote of a
(date)

majority of the members of said Governing Body, **Ordinance / Resolution** No. __________ approving the attached contractual agreement between the Governing Body of said Agency and the Board of Administration of the California Public Employees' Retirement System, a certified copy of said **Ordinance / Resolution** in the form furnished by said Board of Administration being attached hereto.

Adoption of the retirement benefit increase/change was not placed on the consent calendar.

____
Clerk/Secretary

____
Title

Date ________________

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

CalPERS ID 7933275200

1959 Survivor Benefits Certification of Employee Election

I hereby certify the following local miscellaneous employees of the Foresthill Fire Protection District were given an opportunity to elect to be subject to Government Code Section 21574, Fourth Level of 1959 Survivor Benefits, as described in the Resolution of Intention adopted by said Agency's governing body on ______________________________, ______:

Number of employees eligible to elect coverage	Number employees electing to be covered	Number of employees electing not to be covered
______________	______________	______________

The attached list identifies the names and Social Security numbers of the CalPERS members eligible to elect such coverage and indicates the choices made.

_______________________________________ Clerk or Secretary

_______________________ Date

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or 888-225-7377)
TTY: (877) 249-7442

CalPERS

CalPERS ID 7933275200

1959 Survivor Benefits Certification of Employee Election

I hereby certify the following local fire employees of the Foresthill Fire Protection District were given an opportunity to elect to be subject to Government Code Section 21574, Fourth Level of 1959 Survivor Benefits, as described in the Resolution of Intention adopted by said Agency's governing body on ____________________, ______:

Number of employees eligible to elect coverage	Number employees electing to be covered	Number of employees electing not to be covered
________	________	________

The attached list identifies the names and Social Security numbers of the CalPERS members eligible to elect such coverage and indicates the choices made.

______________________________ ______________________

Clerk or Secretary Date

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

1959 Survivor Benefit Program—Fourth Level

Employee Name: ______________________________

Social Security Number: __________/__________/__________

For use by members employed by ______________________________ who are not covered by Social Security on the effective date of the enacting contract to elect to be covered by CalPERS 1959 Survivor Benefits or not to be covered by CalPERS 1959 Survivor Benefits.

Please be advised that your election to be covered by the 1959 Survivor Benefits is irrevocable and will remain in effect until you retire, change employers, terminate your membership in CalPERS, or come under Social Security coverage.

As an employee eligible to participate in this election, should you choose not to be covered by the 1959 Survivor Benefits at this time, you will be provided a second opportunity to elect the coverage within a three month period beginning nine months following the effective date of the agency's contract for such coverage. This second election will provide an opportunity to elect the 1959 Survivor Benefits, however, it will not provide an opportunity to cancel a previous election for 1959 Survivor Benefits coverage.

BEFORE MAKING ELECTION PLEASE READ IMPORTANT INFORMATION ON PAGE 2

FAILURE TO EXECUTE AND RETURN THIS FORM TO YOUR AGENCY ON OR BEFORE ______________________ SHALL BE DEEMED AN ELECTION NOT TO BE COVERED BY CalPERS 1959 SURVIVOR BENEFITS.

Vote by marking only one of the spaces provided below which indicates your choice:

- ☐ I elect to be covered by CalPERS 1959 Survivor Benefits, as set forth in Section 21574.
- ☐ I elect not to be covered by CalPERS 1959 Survivor Benefits, as set forth in Section 21574.

______________________________ ______________

Signature Date

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

Jeffery Palmer
Captain Paramedic
Foresthill Fire Protection District
24320 Main St
Foresthill, CA 95631

CalPERS ID 7933275200

November 20, 2025

Dear Jeffery Palmer,

Thank you for contacting CalPERS regarding a contract for retirement benefits. Enclosed you will find the actuarial valuations conducted to determine the contributions necessary for participation of Foresthill Fire Protection District.

The employer contribution rates are based on a contract to provide Section 7522.20 (2% @ 62 Full formula) with 0% prior service for local miscellaneous members; and

Section 7522.25(d) (2.7% @57 Full formula) with 0% prior service for local safety members.

Your agency is required to join a risk pool. Certain benefits are mandated for all rate plans that enter risk pools. For that reason, we have prepared a valuation, which includes the benefits mandated by risk pooling, describing your plan's status in a risk pool. If your agency contracts, the rate provided will be the employer contribution rate as of the contract effective date until June 30, 2026. A new valuation will be conducted to determine your agency's employer contribution rate effective July 1, 2026. Thereafter, a valuation will be conducted annually to determine your agency's employer contribution rate for each year.

New contracting public agencies shall include in the contract Section 21574.5 (Indexed Level of 1959 Survivor Benefits) or Section 21574 (Fourth Level of 1959 Survivor Benefits), if the agency has not entered into a voluntary agreement to provide Social Security coverage to its employees. Individuals employed on the contract effective date will be eligible to elect not to be covered, but participation will be required of all future hires. For information on the provisions of Sections 21574.5 and 21574, please refer to the enclosed fact sheets.

The contract will not provide any provisions commonly referred to as "optional benefits" which apply only upon election by the contracting agency.

The local miscellaneous member contribution rate will be 7.75% as of the effective date of the contract.

The local safety member contribution rate will be 13.75% as of the effective date of the contract.

Should the agency dissolve, become inactive or terminate its contract, any liability still outstanding for prior and current service is immediately due and payable.

The provided Form CON-8B, Anticipated Schedule of Agency Actions, must be completed and returned to initiate further steps necessary for participation in CalPERS.

In the event your public agency contracts for CalPERS membership, your employees will be entitled to retirement benefits as provided by CalPERS per the Public Employees' Retirement Law and the terms of your contract. The contract for CalPERS membership will specify that, to the extent, if any, your employees may claim entitlement to different or additional benefits resulting from prior membership in a different retirement plan, such claims for benefit or any other liability arising from the transfer to CalPERS will be the responsibility of your agency alone, and not of CalPERS. Therefore the contract will contain language that your agency will agree to hold harmless, defend and indemnify CalPERS from such claims, if any.

We are here to assist you. If you have any questions or would like additional information, please visit our website www.calpers.ca.gov, or you may contact us toll free at **888 CalPERS** or (**888**-225-7377).

Sincerely,

Christopher Keil

Chris Keil
Pension Contracts Analyst
Financial Office | Pension Contracts & Prefunding Programs Division
CK:ra

Enclosures

Plans New to 1959 Survivor Benefit Program

Fourth Level

The Fourth Level 1959 Survivor Benefit provides a monthly allowance of $950, $1,900, and $2,280 for one, two, and three eligible survivors of members respectively, who were covered for this benefit program and who die before retirement. This benefit coverage is available by contract amendment for those members who are not covered by Federal Social Security with their employer. The 1959 Survivor Benefit allowance is payable in addition to any other pre-retirement death benefit paid by CalPERS, with the exception of the Special Death Benefit. If the 1959 Survivor Benefit is greater than the Special Death Benefit, then the difference is paid as the 1959 Survivor Benefit. The Fourth Level assets are pooled.

The CalPERS Board of Administration has approved the Fourth Level 1959 Survivor per member, per month normal costs for the fiscal year beginning July 1, 2025 as follows:

Employer: $5.70
Employee: $2.00

The **employer** cost to initially join the 1959 Survivor program is the payment of the pool's annual employer normal cost for a period of five years. For example, if your plan has 65 members who elect the 1959 Survivor Fourth Level Benefit at the time of contract and work every month of the first year, the employer cost would be $4,446.00 (member count x normal cost x 12) for the first year. The annual employer normal cost and member counts will be recalculated each year, thus the total employer cost will vary in subsequent years, even though the formula is the same. After the first five years, agencies will be required to pay the net premium for the Fourth Level pool (the pool's normal cost after amortization of the pool's surplus or unfunded liability). The annual payments are due in full at the end of each fiscal year; in general, your first payment will be due at the end of the first full year after the contract date. As a result, payment cycles may not necessarily correspond with contract anniversary dates.

The **employee** cost to fund the 1959 Survivor program is $2.00 per covered member, per month.

CalPERS customarily approves new annual costs for the upcoming fiscal year at the April Finance and Administration Committee Meeting. Therefore, if your agency contracts with CalPERS and includes this provision after June 30, 2026, you must contact our office for updated cost information.

Additional information regarding the 1959 Survivor Benefit Program may be found at www.calpers.ca.gov.

Plans New to 1959 Survivor Benefit Program

Indexed Level

The Indexed Level 1959 Survivor Benefit provides a monthly allowance for survivors of members who were covered for this benefit and who die before retirement. The benefit amounts for calendar year 2026 are $837, $1,673 and $2,510 for one, two and three eligible survivors, respectively. These amounts will increase by 2% on January 1 of each following year. The increased benefit amounts compounded by 2% annually are applicable to both current and future beneficiaries. This benefit coverage is available by contract amendment for those members who are not covered by Federal Social Security with their employer. The 1959 Survivor Benefit allowance is payable in addition to any other pre-retirement death benefit paid by CalPERS, with the exception of the Special Death Benefit. If the 1959 Survivor Benefit is greater than the Special Death Benefit, then the difference is paid as the 1959 Survivor Benefit. The Indexed Level assets are pooled.

The CalPERS Board of Administration has approved the Indexed Level 1959 Survivor per member, per month normal costs for the fiscal year beginning July 1, 2025 as follows:

Employer: $7.00
Employee: $3.00

The **employer** cost to initially join the 1959 Survivor program is the payment of the pool's annual employer normal cost for a period of five years. For example, if your plan has 65 members who elect the 1959 Survivor Indexed Level benefit at the time of contract and work every month of the first year, the employer cost would be $5,460.00 (member count x normal cost x 12) for the first year. The annual employer normal cost and member counts will be recalculated each year, thus the total employer cost will vary in subsequent years, even though the formula is the same. After the first five years, agencies will be required to pay the net premium for the Indexed Level pool (the pool's normal cost after amortization of the pool's surplus of unfunded liability). The annual payments are due in full at the end of each fiscal year; in general, your first payment will be due at the end of the first full year after the contract date. As a result, payment cycles may not necessarily correspond with contract anniversary dates.

The **employee** cost to fund the 1959 Survivor program is presently $3.00 per covered member, per month. In accordance with Section 21581 of the Public Employees' Retirement Law, if the total monthly premium is equal to, or less than, $4.00, the member contribution portion shall be $2.00 per month. If the total monthly premium required exceeds $4.00, the member and the employer shall evenly share the total required monthly premium. This cost will be recalculated each year.

CalPERS customarily approves new annual costs for the upcoming fiscal year at the April Finance and Administration Committee Meeting. Therefore, if your agency contracts with CalPERS and includes this provision after June 30, 2026, you must contact our office for updated cost information.

Additional information regarding the 1959 Survivor Benefit Program may be found at www.calpers.ca.gov.

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

Anticipated Schedule of Agency Actions

The Foresthill Fire Protection District hereby requests the documents necessary to provide the benefits as described below for participation in the California Public Employees' Retirement System.

Provide dates for each of the actions below, sign and return this form to the CalPERS Pension Contracts Unit.

1 02/10/2026 (date)

Resolution of Intention Delivery Deadline
The date your agency requires delivery of the completed Resolution of Intention to include in its board agenda. This date must be at least four weeks from the date this form is received in the Pension Contract Services office.

2 08/12/2026 (date)

Adopt Resolution of Intention
The date your agency will adopt a resolution of intention declaring intent to enter into a contract with CalPERS.

3 08/17/2026 (date)

Employee Election
The date your agency will conduct the employee election by secret ballot after your agency adopts the Resolution of Intention (date #2).

4 09/09/2026 (date)

Adoption of Final Resolution
The date your agency will adopt its Final Resolution to participate in CalPERS. This date cannot be earlier than 20 days after your agency adopts the Resolution of Intention (date #2).

6 01/01/2027 (date)

Effective Date of CalPERS Contract
The date your CalPERS Retirement contract takes effect. This date cannot be earlier than the first day of a payroll period following the effective date of the Ordinance.

NOTE:

- Per pension reform regulations, the safety benefit formula(s) selected at the time of contract execution **cannot be increased** after the contract's effective date.
- This office will prepare all documents necessary to complete your contract. If your agency attempts to expedite the contract process by proceeding without the documents provided by this office, legal review may be required, which could delay the anticipated effective date of the contract.

Attachment

I. To provide:

- Section 7522.20 (2% @ 62 Full formula) with 0% prior service for local miscellaneous members; and

  Section 7522.25(d) (2.7% @57 Full formula) with 0% prior service for local safety members.

II. Choose one of the following 1959 Survivor Benefit levels: s

☐ Section 21574.5 (Indexed Level of 1959 Survivor Benefits)

<u>**or**</u>

☐ Section 21574 (Fourth Level of 1959 Survivor Benefits)

Printed Name/Title	Date
Signature	Phone Number

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942703, Sacramento, CA 94229-2703

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

CalPERS ID: 7933275200

Subject:
Miscellaneous Member Benefits (CON 19M)

Enclosed is a summary of the benefits and exclusions that are included in all CalPERS contracts and an exhibit of the benefits and benefit formulas that will be utilized in your agency's actuarial calculation.

Retirement law provides for the following benefits in each contract:

- Three highest years' final compensation average.
- Pre-Retirement Death Benefit—Basic Death Benefit or 1959 Survivor Benefit.
- Post-Retirement Death Benefit—$2,000 lump sum payment.

You are permitted to contract with PERS by category. This means that you are not required to include Police and Fire and Miscellaneous. However, all employees in a covered category must be members of the Retirement System unless they are expressly excluded by the Government Code as follows:

- Employees with appointment or employment contracts that do not fix a term of full-time, continuous employment in excess of six months.
- Employees serving on a part-time basis where his/her position requires service for less than an average of 20 hours a week.
- Seasonal, limited-term, on-call, emergency, intermittent, substitute, or other irregular-basis employees that work less than 125 days or 1,000 hours in a fiscal year.
- CETA employees hired after July 1, 1979, if they are in positions that would otherwise qualify them as PERS miscellaneous members (non-safety). CETA employees hired into safety positions, such as policemen or firemen, are not excluded from CalPERS membership.

Exhibit

Date: 8/3/2025 **Sacramento Regional Office**

Miscellaneous Members

Social Security Coverage	No
Effective Date	
Exclusions	
1959 Survivor Benefit	Indexed Level
Retirement Coverage	
Formula	Section 7522.20 (2% @ 62) W/O SS Full
Final Compensation	Section 20037 (Three Years Final Compensation) new local safety members
Employee Contribution Rate	7.75%
Prior Service %	0%

Mandated Pooled Benefits

- Section 20965 (Unused Sick Leave—Local Member)
- Section 21548 (Pre-Retirement Option 2W Death Benefit)
- Section 21022 (Public Service Credit for Periods of Layoff)
- Section 21023.5 (Public Service Credit for Peace Corps or AmeriCorps VISTA, or AmeriCorps Service)
- Section 21024 (Military Service Credit as Public Service)
- Section 21026 (Public Service Credit for Service Rendered to a Nonprofit Corporation)
- Section 21027 (Military Service Credit for Retired Persons)

Optional Benefits

Exclusions from CalPERS Membership Yes

- POLICE EMPLOYEES.

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942703, Sacramento, CA 94229-2703

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

CalPERS ID: 7933275200

Subject:
Local Safety Members

Enclosed is a summary of the benefits and exclusions that are included in all CalPERS contracts and an exhibit of the benefits and benefit formulas that will be utilized in your agency's actuarial calculation.

Retirement law provides for the following benefits in each contract:

- Three highest years' final compensation average.*
- Pre-Retirement Death Benefit—Basic Death Benefit or 1957 Survivor Benefit.*
- Post-Retirement Death Benefit—$2,000 lump sum payment.*
- Industrial disability for local safety members.
- Minimum retirement age for safety is 50 years.

You are permitted to contract with PERS by category. This means that you are not required to include Police and Fire and Miscellaneous. However, all employees in a covered category must be members of the Retirement System unless they are specifically excluded by the Government Code as follows:

- Employees with appointment or employment contracts that do not fix a term of full-time, continuous employment in excess of six months.
- Employees serving on a part-time basis where his/her position requires service for less than an average of 20 hours a week.
- Seasonal, limited-term, on-call, emergency, intermittent, substitute, or other irregular-basis employees that work less than 125 days or 1,000 hours in a fiscal year.

Note: Comprehensive Employment and Training Act (CETA) employees hired into safety positions, e.g., police officers, firefighters, etc., are not excluded from CalPERS membership.

Exhibit

Date: 8/3/2025 **Sacramento Regional Office**

Safety Members (Fire)

Social Security Coverage	No
Effective Date	
Exclusions	
1959 Survivor Benefit	Indexed Level
Retirement Coverage	
Formula	Section 7522.25(d) (2.7% @ 57) w/o SS Full formula
Final Compensation	Section 20037 (Three Years Final Compensation) new local safety members
Employee Contribution Rate	13.75 %
Prior Service %	%

Pooled Mandated Benefits for Pooled Plans

Section 20965 (Credit for Unused Sick Leave)
Section 21548 (Pre-Retirement Option 2W Death Benefit)
Section 21022 (Public Service Credit for Periods of Layoff)
Section 21023.5 (Public Service Credit for Peace Corps or AmeriCorps VISTA, or AmeriCorps Service)
Section 21024 (Military Service Credit as Public Service)
Section 21027 (Military Service Credit for Retired Persons)

Optional Benefits

Exclusions from CalPERS Membership Yes

POLICE EMPLOYEES.

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

October 2025

Proposed PEPRA Miscellaneous Plan for Foresthill Fire Protection District
(CalPERS ID: 7933275200)
Miscellaneous Actuarial Valuation Report as of November 30, 2025
0% Prior Service

Dear Employer,

Enclosed is the actuarial valuation conducted to determine the required contributions if the Foresthill Fire Protection District elects to participate in the California Public Employees' Retirement System (CalPERS). This valuation is based on a valuation date and a contract start date of November 30, 2025. CalPERS staff actuaries are available to discuss the contents of this report with you.

The required contributions for the following benefit provisions are included in this report.

- **2% @ 62 PEPRA Miscellaneous with 3-year Final Average Compensation**

Since your public agency has 100 or fewer active miscellaneous employees, your proposed plan would be required to participate in the Miscellaneous Risk Pool. This report provides specific information for your proposed plan, including the development of your pooled employer contribution rate, a discussion of the potential volatility of future required contributions and other risks associated with the proposed plan.

In the event your public agency elects to contract for CalPERS membership, your employees will be entitled to retirement benefits as provided by CalPERS under the Public Employees' Retirement Law. The contract for CalPERS membership will specify that, to the extent, if any, your employees may claim entitlement to additional benefits resulting from prior membership in a different retirement plan, such benefits will be the responsibility of your agency alone, and not of CalPERS.

Required Contributions

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2025-26	7.96%	$0	7.75%
2026-27	7.93%	$0	7.75%
Projected Results			
2027-28	*7.9%*	*$0*	*TBD*

The rates shown above will be in effect unless there are further benefit or funding changes. If the membership or asset information is significantly different at the actual contract date, or if the actual contract effective date is delayed beyond the proposed effective date of November 30, 2025 by more than 90 days, the employer contribution rates shown above may have to be recalculated. The contribution rates shown above were based on the results of the June 30, 2023 and June 30, 2024 valuations.

The FY 2026-27 payment of $0 assumes a contract date during FY 2025-26. The total dollar amount of Employer Normal Cost contributions for FY 2025-26 will depend on the number of applicable payroll reporting periods during the Fiscal Year.

In accordance with PEPRA, the member contribution rates shown above are set at 50% of the expected normal cost rate for the benefits that will apply to your PEPRA Miscellaneous Plan during the fiscal years provided. Note that the member contribution rate may change over time if the total normal cost for PEPRA members fluctuates by more than 1% of payroll in future valuations.

Risk Analysis

The actuarial calculations supplied in this communication are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from year to year. So, contribution rates will fluctuate, especially due to fluctuations in investment return.

The actuarial methods and assumptions used in determining your rate can be found in Section 2, Appendix A. A list of class 1 benefit provisions used in determining your rate is included in Section 1 of the report. A description of these provisions can be found in Section 2, Appendix B.

Please see the Risk Analysis section of this report for a discussion of factors that can lead to volatility in actuarial valuation results, including required contributions, in the future.

If your agency would like to consider other benefit formulas or other combinations of benefit provisions, please contact us.

Sincerely,

Kelly Sturm

Kelly Sturm, ASA, MAAA
Supervising Actuary, CalPERS

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

New Agency
Actuarial Valuation
as of November 30, 2025

For the
Proposed Miscellaneous of the
Foresthill Fire Protection District,
2% @ 62 PEPRA Miscellaneous Formula
with
3-year Final Average Compensation and
0% Prior Service

Table of Contents

Section 1

Plan Specific Information
for the
Proposed Miscellaneous of the
Foresthill Fire Protection District

Table of Contents

Actuarial Certification

This report was prepared in order to provide the employer with information about the cost of benefits and the contributions required in order to assist in the decision as to whether or not to contract for the benefits. Use of this report for other purposes is inappropriate.

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the proposed Miscellaneous of the Foresthill Fire Protection District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Foresthill Fire Protection District, while Section 2 is based on the corresponding information for all agencies participating in the Miscellaneous Risk Pool to which the plan would belong.

Kelly Sturm, ASA, MAAA
Supervising Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the November 30, 2025 new agency actuarial valuation of the PEPRA Miscellaneous Plan of the Foresthill Fire Protection District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal years (FY) 2025-26 and 2026-27 if the Foresthill Fire Protection District elects to contract with CalPERS for the proposed pension benefits with a contract start date of November 30, 2025.

Purpose of Section 1

This Section 1 report for the proposed PEPRA Miscellaneous Plan of the Foresthill Fire Protection District of CalPERS was prepared by the Actuarial Office. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this plan as of November 30, 2025;
- Determine the minimum required employer contributions for this plan for FY July 1, 2025 through June 30, 2026 and July 1, 2026 through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2025 through June 30, 2026 and July 1, 2026 through June 30, 2027 for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of November 30, 2025 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is required.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

	Fiscal Year
Required Employer Contributions	**2026-27**
Employer Normal Cost Rate	**7.93%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	
1) Monthly Payment	**$0**
Or	
2) Annual Prepayment Option*	**$0**
Required PEPRA Member Contribution Rates	**7.75%**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

** Only the UAL portion of the employer contribution can be prepaid **(which must be received in full no later than July 31)**.*

	Fiscal Year 2025-26	Fiscal Year 2026-27
Development of Normal Cost as a Percentage of Payroll[1]		
Base Total Normal Cost for Formula	15.71%	15.68%
Surcharge for Class 1 Benefits[2]		
None	0.00%	0.00%
Plan's Total Normal Cost	15.71%	15.68%
Offset Due to Employee Contributions	7.75%	7.75%
Employer Normal Cost Rate	7.96%	7.93%
Projected Payroll for the Contribution Fiscal Year[3]	$63,507	$65,285
Estimated Employer Contributions Based on Projected Payroll		
Plan's Estimated Employer Normal Cost[4]	TBD	$5,177
Plan's Payment on Amortization Bases	0	0
Estimated Total Employer Contribution	TBD	$5,177

[1] The Monthly UAL Payment will be charged beginning the July following the contract date. As such, the FY 2026-27 monthly UAL payment of $0 assumes a contract date during FY 2025-26. This payment is only to pay for prior service, if any.

[2] Appendix C of Section 2 contains the list of class 1 benefits with their corresponding surcharges.

[3] Payroll from the prior year is assumed to increase by the 2.8% payroll growth assumption.

[4] The Plan's Estimated Employer Normal Cost for FY 2025-26 will depend on the number of applicable payroll reporting periods during the Fiscal Year. The FY 2026-27 amount assumes payments made for the entire Fiscal Year.

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **funded ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	November 30, 2025
1. Present Value of Projected Benefits (PVB)	$67,440
2. Entry Age Normal Accrued Liability (AL)	0
3. Plan's Market Value of Assets (MVA)	0
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	0
5. Funded Ratio [(3) / (2)]	N/A

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	**Current Assumption**	**1% Higher Average Return**
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$0	$0	$0
2. Market Value of Assets (MVA)	0	0	0
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$0	$0	$0
4. Funded Ratio [(2) / (1)]	N/A	N/A	N/A

The "Risk Analysis" section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25)**				
Fiscal Year	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**
Normal Cost %	7.93%	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Payment	$0	$0	$0	$0	$0	$0

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see “Amortization of the Unfunded Actuarial Accrued Liability” under “Actuarial Methods” in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the “Future Investment Return Scenarios” in the “Risk Analysis” section.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of November 30, 2025. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through September 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Development of the Plan's UAL

		November 30, 2025
1.	Plan's Accrued Liability	$0
2.	Plan's Market Value Assets	$0
3.	Plan's Unfunded Accrued Liability (UAL) [(1) - (2)]	$0

Schedule of Plan’s Amortization Bases

The schedule of the plan’s amortization bases is below. Amortization bases represent sources of Unfunded Accrued Liability (UAL).

- The assets, liabilities, and funded status of the plan are measured as of the date the agency joins CalPERS: November 30, 2025.
- The required employer contributions determined by the valuation are for Fiscal Year 2026-27.

Reason for Base	Date Established	Ramp Up/Down 2026-27	Escalat-ion Rate	Amorti-zation Period	Balance 11/30/25	Payment 2025-26	Balance 6/30/26	Scheduled Payment 2026-27
PRIOR SERVICE	11/30/25	No Ramp	0.000%	N/A	$0	$0	$0	$0
TOTAL					**$0**	**$0**	**$0**	**$0**

If the total UAL is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

			Alternate Schedules			
	Current Amortization Schedule		N/A Year Amortization		N/A Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2026	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
6/30/2031						
6/30/2032						
6/30/2033						
6/30/2034						
6/30/2035						
6/30/2036						
6/30/2037						
6/30/2038						
6/30/2039						
6/30/2040						
6/30/2041						
6/30/2042						
6/30/2043						
6/30/2044						
6/30/2045						
Totals		**N/A**		**N/A**		**N/A**
Interest Paid		**N/A**		**N/A**		**N/A**
Estimated Savings				**N/A**		**N/A**

PEPRA Member Contribution Rates

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate as of the June 30, 2023 valuation.

		Basis for Current Rate		Rates Effective July 1, 2025			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
TBD	Miscellaneous PEPRA Level	15.43%	7.75%	15.71%	0.28%	No	7.75%

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024 valuation.

		Basis for Current Rate		Rates Effective July 1, 2026			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
TBD	Miscellaneous PEPRA Level	15.43%	7.75%	15.68%	0.25%	No	7.75%

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through 2043-44	**Projected Employer Contributions**				
	2027-28	**2028-29**	**2029-30**	**2030-31**	**2031-32**
3.0% (5th percentile)					
Normal Cost Rate	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Contribution	$0	$5	$24	$65	$140
10.8% (95th percentile)					
Normal Cost Rate	7.9%	7.9%	7.9%	7.9%	7.9%
UAL Contribution	$0	$0	$0	$0	$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	**Required Employer Contributions**	**Projected Employer Contributions**
	2026-27	**2027-28**
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	7.93%	7.9%
UAL Contribution	$0	$0
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	7.93%	7.9%
UAL Contribution	$0	$0

- Without investment gains (returns higher than 6.8%) in year FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of November 30, 2025 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of November 30, 2025	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	19.63%	15.68%	12.68%
b) Accrued Liability	$0	$0	$0
c) Market Value of Assets	$0	$0	$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	$0	$0	$0
e) Funded Ratio	N/A	N/A	N/A

Sensitivity to the Price Inflation Assumption

As of November 30, 2025	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.54%	15.68%	14.26%
b) Accrued Liability	$0	$0	$0
c) Market Value of Assets	$0	$0	$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	$0	$0	$0
e) Funded Ratio	N/A	N/A	N/A

Mortality Rate Sensitivity

The following table looks at the change in the plan costs and funded ratio as of November 30, 2025 under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of November 30, 2025	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.95%	15.68%	15.43%
b) Accrued Liability	$0	$0	$0
c) Market Value of Assets	$0	$0	$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	$0	$0	$0
e) Funded Ratio	N/A	N/A	N/A

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables, and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of all CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	**November 30, 2025**
1. Retired Accrued Liability	0
2. Total Accrued Liability	0
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	N/A

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	**November 30, 2025**
1. Number of Actives	1
2. Number of Retirees	0
3. Support Ratio [(1) ÷ (2)]	N/A

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	November 30, 2025
1. Market Value of Assets	$0
2. Payroll	$63,507
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.0
4. Accrued Liability	$0
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.0

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of November 30, 2025. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability[1]	$0	$0
2. Market Value of Assets (MVA)	0	0
3. Unfunded Termination Liability [(1) – (2)]	$0	$0
4. Funded Ratio [(2) ÷ (1)]	N/A	N/A

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	**November 30, 2025**
Discount Rate	5.35%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$0
b) Transferred Members	0
c) Separated Members	0
d) Members and Beneficiaries Receiving Payments	0
e) Total	$0
2. Market Value of Assets (MVA)	0
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$0
4. Unfunded Accrued Liability – Funding Policy Basis	0
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$0

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

1 This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Participant Data

The table below shows a summary of your plan’s member data upon which this valuation is based:

	November 30, 2025
Reported Payroll	$63,507
Projected Payroll for Contribution Purposes	$65,285
Number of Members	
Active	1
Transferred	0
Separated	0
Retired	0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of your agency's proposed major optional benefits. A description of principal standard and optional plan provisions can be found in Appendix B of Section 2.

	Benefit Group	
Benefit Provision	Misc	
Benefit Formula	2% @ 62	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	7.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	No	
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	
1959 Survivor Benefit Level	Indexed	
Special	No	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2000	
Survivor Allowance (PRSA)	No	
COLA	2%	

* 1959 Survivor Benefit is provided by a separate program and will be billed separately.

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

Section 2

California Public Employees' Retirement System

Actuarial Valuation as of June 30, 2024

for CalPERS

Miscellaneous Risk Pool

Required Contributions for Fiscal Year July 1, 2026 – June 30, 2027

Table of Contents — Section 2

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this risk pool.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Risk Pool Results

To the best of our knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable, this Section 2 report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Miscellaneous Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced.

Ian Osugi, ASA, MAAA
Senior Actuary, CalPERS
Pool Actuary

Thomas Purdy, ASA, MAAA
Actuary, CalPERS
Pool Actuary

Highlights and Executive Summary

Introduction

This Section 2 report presents the results of the June 30, 2024 actuarial valuation of the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS). This report shows the required employer normal cost contribution rates and the risk pool's payment on amortization bases for fiscal year (FY) 2026-27 for plans participating in the risk pool.

The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The assumptions and methods used for the Miscellaneous Risk Pool are provided in Appendix A.

Purpose of Section 2

This actuarial valuation for the Miscellaneous Risk Pool of the California Public Employees' Retirement System (CalPERS) was prepared by CalPERS Actuarial Office using data as of June 30, 2024. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this risk pool as of June 30, 2024
- Determine the minimum required contributions of the pool for the FY July 1, 2026 through June 30, 2027
- Provide actuarial information as of June 30, 2024 to the CalPERS Board of Administration (board) and other interested parties

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for risk pooled plans is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. Agencies should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- The funded status on a termination basis.
- A low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date.

Summary of Key Valuation Results

Risk Pool's Required Employer Contribution

		Fiscal Year 2025-26	Fiscal Year 2026-27
Contribution in Projected Dollars			
a)	Risk Pool's Normal Cost	$609,509,510	$661,619,988
b)	Employee Contribution	262,801,606	289,333,253
c)	Risk Pool's Gross Employer Normal Cost [(a) - (b)]	$346,707,904	$372,286,735
d)	Payment on Risk Pool's Amortization Bases	471,872,879	535,949,664
e)	Total Required Employer Contribution* [(c) + (d)]	$818,580,783	$908,236,399

* Total may not add up due to rounding

Risk Pool's Normal Cost by Benefit Formula

	Benefit Formula					
Normal Cost Rate as Percentage of Projected Payroll for Fiscal Year 2026-27	**2% at Age 62**	**2% at Age 60**	**2% at Age 55**	**2.5% at Age 55**	**2.7% at Age 55**	**3% at Age 60**
1) Total Normal Cost Rate	15.68%	17.12%	18.85%	21.41%	23.25%	24.37%
2) Offset due to Employee Contribution	7.75%	6.94%	6.93%	7.97%	7.97%	7.85%
3) Total Employer Normal Cost Base Benefit [(1)-(2)]	7.93%	10.18%	11.92%	13.44%	15.28%	16.52%

Class 1 benefits as provided in Appendix C are in addition to these costs.

Funded Status of the Risk Pool

		June 30, 2023	June 30, 2024
1.	Present Value of Projected Benefits	$28,463,557,830	$30,278,489,567
2.	Entry Age Accrued Liability	23,349,910,053	24,701,567,178
3.	Market Value of Assets (MVA)	17,688,140,376	19,232,431,730
4.	Unfunded Accrued Liability (UAL) [(2) - (3)]	$5,661,769,677	$5,469,135,448
5.	Funded Ratio [(3) ÷ (2)]	75.8%	77.9%

The UAL and funded ratio are assessments of the need for future employer contributions based on the selected actuarial cost method used to fund the plans. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of the funded status that allows for comparison between plans of different sizes. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Funded Status - Termination Basis" in the "Risk Analysis" section within the Section 1 report.

Changes since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to Appendix B for a summary of the plan provisions used in this valuation. The effect of any mandated benefit changes or plan amendments on the unfunded liability is shown in the (Gain)/Loss Analysis 6/30/23 – 6/30/24. It should be noted that no change in liability or contribution is shown for any plan changes which were already included in the prior year's valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2024, actuarial valuation.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2024 and statutory/regulatory changes and board actions through January 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRS) section 415(b) and annual compensation limits under IRS section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Assets

Reconciliation of Risk Pool’s Market Value of Assets

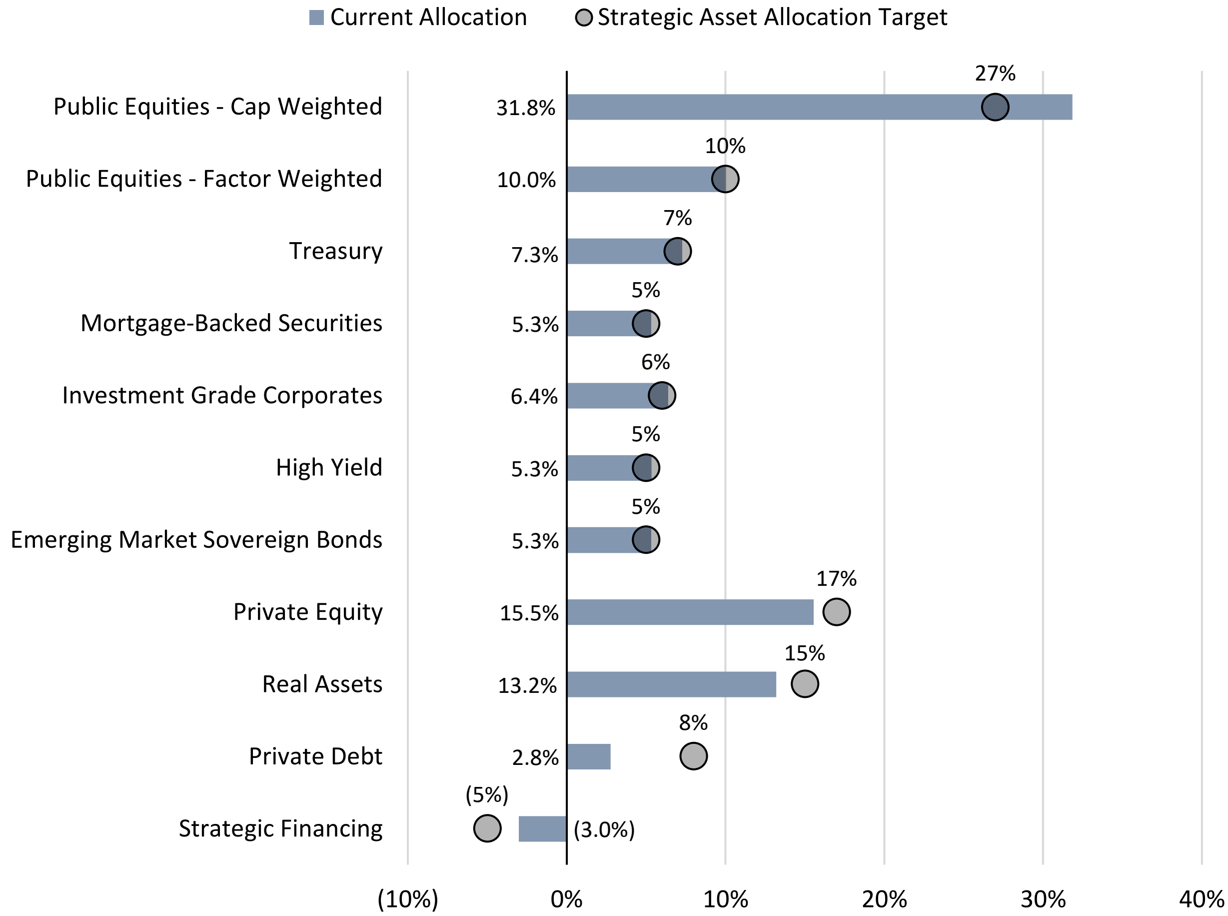
1.	Market Value of Assets as of June 30, 2023 including Receivables	$17,688,140,376
2.	Change in Receivables for Service Buybacks	(1,863,365)
3.	Employer Contributions	758,651,370
4.	Employee Contributions	244,939,158
5.	Benefit Payments to Retirees and Beneficiaries	(1,116,254,729)
6.	Refunds	(19,486,537)
7.	Service Credit Purchase (SCP) Payments and Interest	5,332,652
8.	Administrative Expenses	(12,831,056)
9.	Transfers and Miscellaneous Adjustments	(739,517)
10.	Investment Return (Net of Investment Expenses)	1,686,543,378
11.	Market Value of Assets as of June 30, 2024 including Receivables	$19,232,431,730

Asset Allocation

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges and manages those asset class allocations within their policy ranges. CalPERS Investment Belief No. 6 recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return.

The asset allocation shown below reflects the allocation of the Public Employees' Retirement Fund (PERF) in its entirety. The assets for the Miscellaneous Risk Pool are a subset of the PERF and are invested accordingly.

On March 20, 2024, the board adopted changes to the strategic asset allocation. The new allocation was effective July 1, 2024. The asset allocation as of June 30, 2024, is shown below, along with the strategic asset allocation targets.

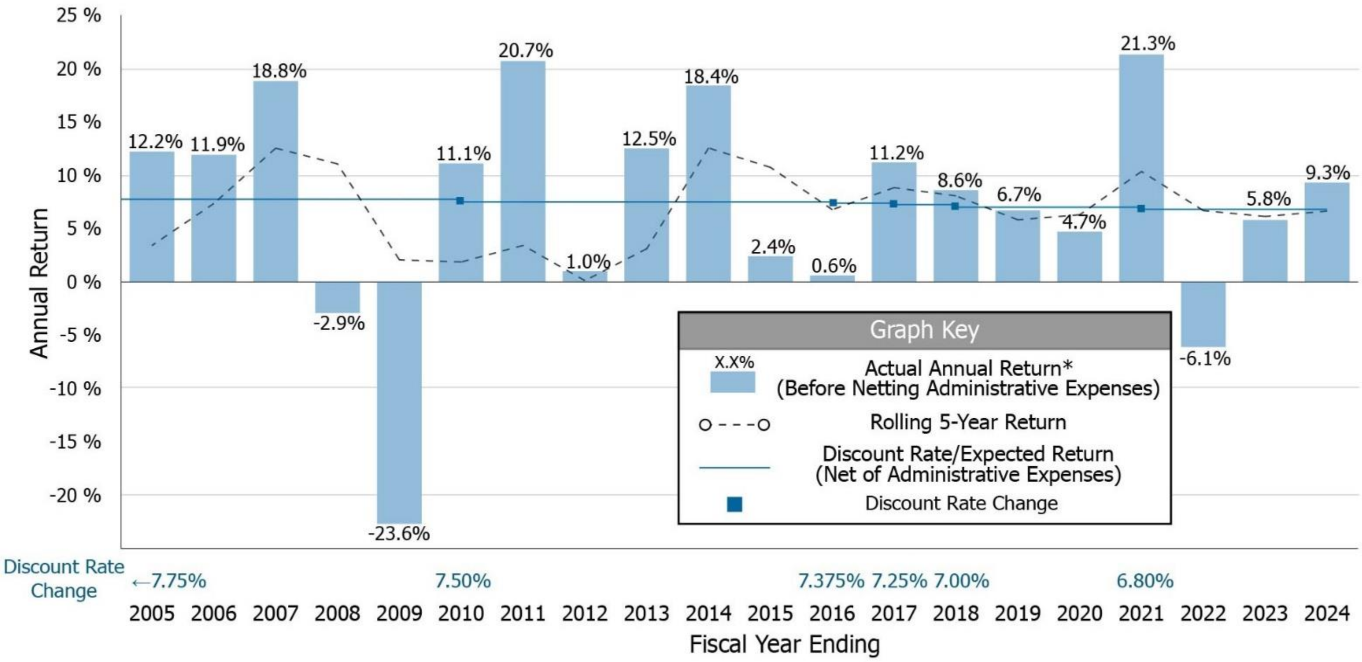


For more information see the [Trust Level Review as of June 30, 2024](), which is available on the CalPERS website.

CalPERS History of Investment Returns

The following is a chart with 20 years of historical annual returns of the PERF for each fiscal year ending on June 30 as reported by the Investment Office. Investment returns reported are net of investment expenses but without reduction for administrative expenses. The assumed rate of return, however, is net of both investment and administrative expenses. Also, the Investment Office uses lagged private asset valuations for investment performance reporting purposes. This can lead to a timing difference in private asset influence on performance in the returns below and those used for financial reporting purposes. The investment gain or loss calculation in this report relies on final assets that have been audited and are appropriate for financial reporting. Because of these differences, the effective investment return for funding purposes in a single year can be higher or lower than the return reported by the Investment Office shown here.

History of Investment Returns (2005 through 2024)



* As reported by the Investment Office with lagged private valuations and without any reduction for administrative expenses.

The table below shows annualized investment returns of the PERF for various time periods ending on June 30, 2024. These returns are the annual rates that if compounded over the indicated number of years would equate to the actual time-weighted investment performance of the PERF. It should be recognized that the annual rate of return is volatile, as the chart above illustrates, so when looking at investment returns, it is informative to look at average returns over longer time horizons.

PERF Realized Rates of Return as of June 30, 2024

1 year	3 year	5 year	10 year	20 year	30 year
9.3%	2.8%	6.6%	6.2%	6.7%	7.7%

Liabilities and Contributions

Risk Pool's Accrued and Unfunded Liabilities

		June 30, 2023	June 30, 2024
1.	Present Value of Projected Benefits		
	a) Active Members	$12,500,441,208	$13,445,086,697
	b) Transferred Members	1,631,384,560	1,767,520,694
	c) Separated Members	824,437,919	863,328,785
	d) Members and Beneficiaries Receiving Payments	13,507,294,143	14,202,553,391
	e) Total	$28,463,557,830	$30,278,489,567
2.	Present Value of Future Employer Normal Costs	$2,819,372,240	$3,031,213,173
3.	Present Value of Future Employee Contributions	$2,294,275,537	$2,545,709,216
4.	Entry Age Accrued Liability		
	a) Active Members [(1a) - (2) - (3)]	$7,386,793,431	$7,868,164,308
	b) Transferred Members (1b)	1,631,384,560	1,767,520,694
	c) Separated Members (1c)	824,437,919	863,328,785
	d) Members and Beneficiaries Receiving Payments (1d)	13,507,294,143	14,202,553,391
	e) Total	$23,349,910,053	$24,701,567,178
5.	Market Value of Assets (MVA) Including Receivables	$17,688,140,376	$19,232,431,730
6.	Unfunded Accrued Liability [(4e) - (5)]	$5,661,769,677	$5,469,135,448
7.	Funded Ratio [(5) ÷ (4e)]	75.8%	77.9%

(Gain)/Loss Analysis 6/30/23 – 6/30/24

To calculate the cost requirements of the pool, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year, actual experience is compared to the expected experience based on the actuarial assumptions. This results in actuarial gains or losses, as shown below.

1.	**Total (Gain)/Loss for the Year**	
a)	Unfunded Accrued Liability (UAL) as of 6/30/23	$5,661,769,677
b)	Expected Payment on the UAL during FY 2023-24	394,339,760
c)	Interest through 6/30/24 [0.068 x (a) - ((1.068)^{½} - 1) x (b)]	371,813,279
d)	Expected UAL before all other changes [(a) - (b) + (c)]	5,639,243,196
e)	Change due to plan Amendments	0
f)	Change due to plan Golden Handshakes and Service Purchases	636,468
g)	Transfers out of Risk Pool	(490,430)
h)	Transfers into Risk Pool	0
i)	Change due to assumption change	0
j)	Change due to method change	0
k)	Change due to Funding Risk Mitigation	0
l)	Change due to excessive liability	645,961
m)	Expected UAL after all other changes [sum of (d) through (l)]	5,640,035,195
n)	Actual UAL as of 6/30/24	5,469,135,448
o)	Total (Gain)/Loss for 2023-24 [(n) - (m)]	($170,899,747)
2.	**Investment (Gain)/Loss for the Year**	
a)	Market Value of Assets as of 6/30/23, including Receivables	$17,688,140,376
b)	Transfers out of Pool	0
c)	Transfers into Pool	0
d)	Adjusted MVA at beginning of year [(a) + (b) + (c)]	17,688,140,376
e)	Prior Fiscal Year Receivables	(13,293,736)
f)	Current Fiscal Year Receivables	11,430,371
g)	Contributions Received	1,003,590,528
h)	Benefits and Refunds Paid	(1,135,741,266)
i)	Transfers and Miscellaneous Adjustments	4,593,135
j)	Expected Return at 6.8% per year	1,197,623,936
k)	Expected Assets as of 6/30/24 [sum of (d) through (j)]	$18,756,343,344
l)	Market Value of Assets as of 06/30/24, including Receivables	19,232,431,730
m)	Investment (Gain)/Loss [(k) - (l)]	$(476,088,386)
3.	**Non-Investment (Gain)/Loss for the Year**	
a)	Total (Gain)/Loss (1o)	($170,899,747)
b)	Investment (Gain)/Loss (2m)	(476,088,386)
c)	Non-Investment (Gain)/Loss [(3a) - (3b)]	$305,188,638

Items 1i, 1j, 1k, 2m, and 3c above were allocated on a proportional basis to each individual risk pooled plan. The allocation of each plan's share of the UAL is developed in Section 1 of the report.

Differences between the (gains)/losses shown on this page and the ones used for allocating a plan's (gains)/losses in Section 1 is attributed to non-pooled plans that transferred into the risk pool. (Gains)/losses on this page include (gains)/losses incurred by the transferred plans during the year, whereas the numbers used for plan allocation in Section 1 do not.

Risk Pool's Annual Required Contributions

	Fiscal Year 2025-26	Fiscal Year 2026-27
1. **Contribution in Projected Dollars**		
a) Total Normal Cost	$609,509,510	$661,619,988
b) Employee Contribution	262,801,606	289,333,253
c) Risk Pool's Employer Normal Cost [(1a) - (1b)]	$346,707,904	$372,286,735
d) Payment on Pool's Amortization Bases	471,872,879	535,949,664
e) Total Required Employer Contributions [(1c) + (1d)]	$818,580,783	$908,236,399
2. **Annual Covered Payroll as of Valuation Date**	$3,154,017,129	$3,465,257,378
3. **Projected Payroll for Contribution Fiscal Year**	$3,426,442,054	$3,764,565,352

Risk Pool's Contribution History

The table below provides a 10-year history of the required and discretionary employer contributions for the pool. The required amounts are based on the actuarial valuation from two years prior without subsequent adjustments, if any. Additional discretionary payments after June 30, 2024 are not included.

Valuation Date	Contribution Year	Total Employer Normal Cost	Payments on Risk Pool's Amortization Bases	Additional Discretionary Payment	Total Required Employer Contribution
06/30/2015	2017-18	$194,813,943	$201,429,027	$100,574,381	$396,242,970
06/30/2016	2018-19	209,211,669	239,409,456	119,628,369	448,621,125
06/30/2017	2019-20	250,677,723	282,330,885	141,820,652	533,008,608
06/30/2018	2020-21	274,379,000	310,060,000	147,842,662	584,439,000
06/30/2019	2021-22	278,286,901	349,138,593	267,409,917	627,425,494
06/30/2020	2022-23	285,364,494	385,689,552	88,590,107	671,054,046
06/30/2021	2023-24	314,391,742	319,167,469	84,384,611	633,559,211
06/30/2022	2024-25	318,234,906	396,879,977		715,114,883
06/30/2023	2025-26	346,707,904	471,872,879		818,580,783
06/30/2024	2026-27	372,286,735	535,949,664		908,236,399

Funding History

The table below shows a 10-year history of actuarial accrued liability, market value of assets, unfunded accrued liability, funded ratio, annual covered payroll and UAL as a percent of payroll.

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio (MVA ÷ AL)	Annual Covered Payroll	UAL as a % of Payroll
06/30/2015	$13,889,938,645	$10,919,134,771	$2,970,803,874	78.6%	$2,055,683,261	144.5%
06/30/2016	14,775,287,594	10,897,707,800	3,877,579,794	73.8%	2,153,642,973	180.0%
06/30/2017	15,944,026,687	12,162,131,074	3,781,895,613	76.3%	2,277,295,097	166.1%
06/30/2018	17,461,594,826	13,162,719,111	4,298,875,715	75.4%	2,359,859,508	182.2%
06/30/2019	18,394,114,919	13,985,117,157	4,408,997,762	76.0%	2,482,824,265	177.6%
06/30/2020	19,437,975,961	14,709,505,985	4,728,469,976	75.7%	2,606,753,697	181.4%
06/30/2021	20,794,529,023	18,063,262,515	2,731,266,508	86.9%	2,641,544,193	103.4%
06/30/2022	22,021,735,002	16,768,718,642	5,253,016,360	76.1%	2,845,309,050	184.6%
06/30/2023	23,349,910,053	17,688,140,376	5,661,769,677	75.8%	3,154,017,129	179.5%
06/30/2024	24,701,567,178	19,232,431,730	5,469,135,448	77.9%	3,465,257,378	157.8%

Risk Analysis

The risk analysis information in this section is on a pool level. The risk associated with the defined benefits paid from this pool are primarily borne by the employer. Agencies should refer to Section 1 for risk measures applicable to individual agencies.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2024, assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2024	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	22.48%	17.90%	14.43%
b) Accrued Liability	$28,060,779,617	$24,701,567,178	$21,939,507,935
c) Market Value of Assets	$19,232,431,730	$19,232,431,730	$19,232,431,730
d) Unfunded Liability/(Surplus) [(b) - (c)]	$8,828,347,887	$5,469,135,448	$2,707,076,205
e) Funded Ratio [(c) ÷ (b)]	68.5%	77.9%	87.7%

Sensitivity to the Price Inflation Assumption

As of June 30, 2024	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	18.83%	17.90%	16.31%
b) Accrued Liability	$25,505,029,115	$24,701,567,178	$23,052,572,502
c) Market Value of Assets	$19,232,431,730	$19,232,431,730	$19,232,431,730
d) Unfunded Liability/(Surplus) [(b) - (c)]	$6,272,597,385	$5,469,135,448	$3,820,140,772
e) Funded Ratio [(c) ÷ (b)]	75.4%	77.9%	83.4%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2024, plan costs and funded status for the risk pool under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2024	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Risk Pool's Total Normal Cost	18.21%	17.90%	17.62%
b) Risk Pool's Accrued Liability	$25,225,656,888	$24,701,567,178	$24,220,272,936
c) Risk Pool's Market Value of Assets	19,232,431,730	19,232,431,730	19,232,431,730
d) Risk Pool's Unfunded Liability/(Surplus) [(b) - (c)]	$5,993,225,158	$5,469,135,448	$4,987,841,206
e) Risk Pool's Funded Ratio [(c) ÷ (b)]	76.2%	77.9%	79.4%

Maturity Measures

As pension plans mature, they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2023	June 30, 2024
1. Risk Pool's Retiree Accrued Liability	$13,507,294,143	$14,202,553,391
2. Risk Pool's Total Accrued Liability	$23,349,910,053	$24,701,567,178
3. Risk Pool's Ratio of Retiree AL to Total AL [(1) ÷ (2)]	58%	57%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2023	June 30, 2024
1. Number of Actives in the Risk Pool	36,877	38,620
2. Number of Retirees in the Risk Pool	42,860	44,125
3. Risk Pool's Support Ratio [(1) ÷ (2)]	0.86	0.88

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with an LVR of 8 is expected to have twice the contribution volatility of a plan with an LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2023	June 30, 2024
1. Risk Pool's Market Value of Assets without Receivables	$17,674,846,640	$19,221,001,359
2. Risk Pool's Payroll	3,154,017,129	3,465,257,378
3. Risk Pool's Asset Volatility Ratio (AVR) [(1) ÷ (2)]	5.6	5.5
4. Risk Pool's Accrued Liability	$23,349,910,053	$24,701,567,178
5. Risk Pool's Liability Volatility Ratio (LVR) [(4) ÷ (2)]	7.4	7.1

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/17	53%	0.98	5.3	7.0
06/30/18	54%	0.95	5.6	7.4
06/30/19	55%	0.93	5.6	7.4
06/30/20	56%	0.88	5.6	7.5
06/30/21	57%	0.84	6.8	7.9
06/30/22	58%	0.84	5.9	7.7
06/30/23	58%	0.86	5.6	7.4
06/30/24	57%	0.88	5.5	7.1

Funded Status – Termination Basis

Contracting agencies with an individual plan(s) in the Miscellaneous Risk Pool have the ability to terminate their contract with CalPERS. Terminating the contract results in a termination of the plan(s). Such terminations occur on an agency-by-agency basis – the Miscellaneous Risk Pool in total is not subject to termination.

The funded status measured on a termination basis is an estimated range for the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2024. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability[1]	$36,201,761,605	$27,359,757,216
2. Market Value of Assets (MVA)	19,232,431,730	19,232,431,730
3. Unfunded Termination Liability [(1) – (2)]	$16,969,329,875	$8,127,325,486
4. Funded Ratio [(2) ÷ (1)]	53.1%	70.3%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	June 30, 2024
Discount Rate	5.35%
1. Accrued Liability– Low-Default-Risk Basis (LDROM)	
a) Active Members	$10,067,775,323
b) Transferred Members	2,352,341,364
c) Separated Members	1,062,916,875
d) Members and Beneficiaries Receiving Payments	16,327,368,965
e) Total	$29,810,402,527
2. Market Value of Assets (MVA)	19,232,431,730
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$10,577,970,797
4. Unfunded Accrued Liability – Funding Policy Basis	5,469,135,448
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$5,108,835,349

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the pension plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsors to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Risk Pool's Accrued and Unfunded Liabilities).

[1] This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Appendix A - Actuarial Methods and Assumptions

Actuarial Data

As stated in the Actuarial Certification, the data which serves as the basis of this valuation has been obtained from the various CalPERS databases. We have reviewed the valuation data and believe that it is reasonable and appropriate in aggregate. We are unaware of any potential data issues that would have a material effect on the results of this valuation, except that data does not always contain the latest salary information for former members now in reciprocal systems and does not recognize the potential for unusually large salary deviation in certain cases such as elected officials. Therefore, salary information in these cases may not be accurate. These situations are relatively infrequent, however, and generally do not have a material impact on the required employer contributions.

Actuarial Methods

Actuarial Cost Method

With one exception, the actuarial cost method used in this valuation is the Entry Age Actuarial Cost Method. This method is used to calculate the required employer contributions and the PEPRA member contribution rate. Under this method, the cost of the projected benefits is allocated on an individual basis as a level percent of earnings for the individual between entry age and retirement age. The portion allocated to the year following the valuation date is the normal cost. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member's career.

The actuarial accrued liability for active members is then calculated as the present value of benefits minus the present value of future normal cost, or the portion of the total present value of benefits allocated to prior years. The actuarial accrued liability for members currently receiving benefits and for members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

To calculate the accrued liability on termination basis, this valuation used the Traditional Unit Credit Actuarial Cost Method. This method differs from the entry age method only for active members where the accrued liability is the present value of benefits assuming no future pay increases or service accruals.

Amortization of Unfunded Actuarial Accrued Liability

The excess of the total actuarial accrued liability over the market value of plan assets is called the unfunded actuarial accrued liability (UAL). Funding requirements are determined by adding the normal cost and a payment toward the UAL. The UAL payment is equal to the sum of individual amortization payments, each representing a different source of UAL for a given measurement period.

Amortization payments are determined according to the CalPERS Actuarial Amortization Policy. The board adopted a new policy effective for the June 30, 2019, actuarial valuation. The new policy applies prospectively only; amortization bases (sources of UAL) established prior to the June 30, 2019, valuation will continue to be amortized according to the prior policy.

Amortization of Unfunded Actuarial Accrued Liability (continued)

Prior Policy (Bases Established on or after June 30, 2013, and prior to June 30, 2019)

Amortization payments are determined as a level percentage of payroll whereby the payment increases each year at an escalation rate. Gains or losses are amortized over a fixed 30-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramp. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake are amortized over a period of five years (20 years prior to June 30, 2014). A summary is provided in the following table:

	Source				
	(Gain)/Loss				
Driver	**Investment**	**Non-investment**	**Assumption/Method Change**	**Benefit Change**	**Golden Handshake**
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate - Active Plans - Inactive Plans	 2.80% 0%	 2.80% 0%	 2.80% 0%	 2.80% 0%	 2.80% 0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

The 5-year ramp up means that the payments in the first four years of the amortization period are 20%, 40%, 60% and 80% of the “full” payment which begins in year five. The 5-year ramp down means that the reverse is true in the final four years of the amortization period.

Current Policy (Bases Established on or after June 30, 2019)

Amortization payments are determined as a level dollar amount. Investment gains or losses are amortized over a fixed 20-year period with a 5-year ramp up at the beginning of the amortization period. Non-investment gains or losses are amortized over a fixed 20-year period with no ramps. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramps. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with no ramps. Changes in unfunded accrued liability due to a Golden Handshake are amortized over a period of five years. A summary is provided in the table below:

	Source				
	(Gain)/Loss				
	Investment	**Non-investment**	**Assumption/ Method Change**	**Benefit Change**	**Golden Handshake**
Amortization Period	20 Years	20 Years	20 Years	20 Years	5 Years
Escalation Rate	0%	0%	0%	0%	0%
Ramp Up	5	0	0	0	0
Ramp Down	0	0	0	0	0

The 5-year ramp up means that the payments in the first four years of the amortization period are 20%, 40%, 60% and 80% of the “full” payment which begins in year five.

Amortization of Unfunded Actuarial Accrued Liability (continued)

Exceptions for Inconsistencies

An exception to the amortization rules above is used whenever their application results in inconsistencies. In these cases, a "fresh start" approach is used. This means that the current unfunded actuarial liability is projected and amortized over a set number of years. For example, a fresh start is needed in the following situations:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

It should be noted that the actuary may determine that a fresh start is necessary under other circumstances. In all cases of a fresh start, the period is set by the actuary at what is deemed appropriate; however, the period will not be greater than 20 years.

Exceptions for Plans in Surplus

If a surplus exists (i.e., the Market Value of Assets exceeds the plan's accrued liability) any prior amortization layers shall be considered fully amortized, and the surplus shall not be amortized.

In the event of any subsequent unfunded liability, a Fresh Start shall be used with an amortization period of 20 years or less.

Exceptions for Small Amounts

Where small unfunded liabilities are identified in annual valuations which result in small payment amounts, the actuary may shorten the remaining period for these bases.

- When the balance of a single amortization base has an absolute value less than $250, the amortization period is reduced to one year.
- When the entire unfunded liability is a small amount, the actuary may perform a Fresh Start and use an appropriate amortization period.

Exceptions for Inactive Plans

The following exceptions apply to plans classified as Inactive. These plans have no active members and no expectation to have active members in the future.

- Amortization of the unfunded liability is on a "level dollar" basis rather than a "level percent of pay" basis. For amortization layers which utilize a ramp up and ramp down, the "ultimate" payment is constant.
- Actuarial judgment will be used to shorten amortization periods for Inactive plans with existing periods that are deemed too long given the duration of the liability. The specific demographics of the plan will be used to determine if shorter periods may be more appropriate.

Exceptions for Inactive Agencies

For a public agency with no active members in any CalPERS rate plan, the unfunded liability shall be amortized over a closed amortization period of no more than 15 years.

Asset Valuation Method

The Actuarial Value of Assets is set equal to the Market Value of Assets. Asset values include accounts receivable.

PEPRA Normal Cost Rate Methodology

Per Government Code section 7522.30(b), the "normal cost rate" shall mean the annual actuarially determined normal cost for the plan of retirement benefits provided to the new member and shall be established based on actuarial assumptions used to determine the liabilities and costs as part of the annual actuarial valuation. The plan of retirement benefits shall include any elements that would impact the actuarial determination of the normal cost, including, but not limited to, the retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and any automatic cost-of-living adjustments as determined by the public retirement system.

PEPRA Normal Cost Rate Methodology (continued)

For purposes of setting member rates, it is preferable to determine total normal cost using a large active population so that the rate remains relatively stable. While each CalPERS non-pooled plan has a sufficiently large active population for this purpose, the PEPRA active population by itself may not be sufficiently large enough yet. The total PEPRA normal cost for each PEPRA benefit tier will be determined based on the entire active plan population (both PEPRA and Classic) only until the number of members covered under the PEPRA formula meets either:

1. 50% of the active population, or
2. 25% of the active population and 100 or more PEPRA members

Once one of these conditions is met, the total PEPRA normal cost for each PEPRA benefit tier will be determined using the entire active PEPRA population.

Actuarial Assumptions

In 2021, CalPERS completed its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation. In November 2021, the board adopted changes to the asset allocation that increased the expected volatility of returns. The adopted asset allocation was expected to have a long-term blended return that continued to support a discount rate assumption of 6.80%. The board also approved several changes to the demographic assumptions that more closely aligned with actual experience.

For more details and additional rationale for the selection of the actuarial assumptions, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions that can be found on the CalPERS website under: Forms and Publications. Click on "View All" and search for Experience Study.

All actuarial assumptions (except the discount rates and price inflation assumption used for the accrued liability on a termination basis and the interest rate used for the low-default-risk obligation measure) represent an estimate of future experience rather than observations of the estimates inherent in market data.

Economic Assumptions

Discount Rate

The prescribed discount rate assumption, adopted by the board on November 17, 2021, is 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2024. The discount rate is based on the long-term expected rate of return on assets using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The current assumption, originally based on capital market assumptions developed by the Investment Office in 2021, has been reviewed for this valuation based on capital market assumptions developed by the Investment Office in 2023.

Termination Liability Discount Rate

The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The accrued liabilities on a termination basis in this report use discount rates that are based on the 20-year Treasury rate on the valuation date.

To illustrate the impact of the variability of interest rates, the accrued liabilities on a termination basis in this report use discount rates 1% below and 1% above the 20-year Treasury rate on the valuation date. The 20-year Treasury rate was 4.61% on June 30, 2024.

Salary Increases

Annual increases vary by category, entry age, and duration of service. A sample of assumed increases due to seniority, merit and promotion are shown below. Assumed wage inflation is combined with these factors to develop the total expected salary increases.

Public Agency Miscellaneous

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.0764	0.0621	0.0521
1	0.0663	0.0528	0.0424
2	0.0576	0.0449	0.0346
3	0.0501	0.0381	0.0282
4	0.0435	0.0324	0.0229
5	0.0378	0.0276	0.0187
10	0.0201	0.0126	0.0108
15	0.0155	0.0102	0.0071
20	0.0119	0.0083	0.0047
25	0.0091	0.0067	0.0031
30	0.0070	0.0054	0.0020

Public Agency Fire

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1517	0.1549	0.0631
1	0.1191	0.1138	0.0517
2	0.0936	0.0835	0.0423
3	0.0735	0.0613	0.0346
4	0.0577	0.0451	0.0284
5	0.0453	0.0331	0.0232
10	0.0188	0.0143	0.0077
15	0.0165	0.0124	0.0088
20	0.0145	0.0108	0.0101
25	0.0127	0.0094	0.0115
30	0.0112	0.0082	0.0132

Public Agency Police

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1181	0.1051	0.0653
1	0.0934	0.0812	0.0532
2	0.0738	0.0628	0.0434
3	0.0584	0.0485	0.0353
4	0.0462	0.0375	0.0288
5	0.0365	0.0290	0.0235
10	0.0185	0.0155	0.0118
15	0.0183	0.0150	0.0131
20	0.0181	0.0145	0.0145
25	0.0179	0.0141	0.0161
30	0.0178	0.0136	0.0179

Salary Increases (continued)

Public Agency County Peace Officers

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1238	0.1053	0.0890
1	0.0941	0.0805	0.0674
2	0.0715	0.0616	0.0510
3	0.0544	0.0471	0.0387
4	0.0413	0.0360	0.0293
5	0.0314	0.0276	0.0222
10	0.0184	0.0142	0.0072
15	0.0174	0.0124	0.0073
20	0.0164	0.0108	0.0074
25	0.0155	0.0094	0.0075
30	0.0147	0.0083	0.0077

Schools

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.0275	0.0275	0.0200
1	0.0422	0.0373	0.0298
2	0.0422	0.0373	0.0298
3	0.0422	0.0373	0.0298
4	0.0388	0.0314	0.0245
5	0.0308	0.0239	0.0179
10	0.0236	0.0160	0.0121
15	0.0182	0.0135	0.0103
20	0.0145	0.0109	0.0085
25	0.0124	0.0102	0.0058
30	0.0075	0.0053	0.0019

- The Miscellaneous salary scale is used for Local Prosecutors.
- The Police salary scale is used for Other Safety, Local Sheriff, and School Police.

Price Inflation
2.30% compounded annually.

Termination Liability Price Inflation
The breakeven inflation rate for 20-year Treasuries on the valuation date, 2.45%.

Wage Inflation
2.80% compounded annually. This is used in projecting individual salary increases.

Payroll Growth
2.80% compounded annually. This is used as the escalation rate of the amortization payments on level percent of payroll amortization bases, that is, on any amortization bases established prior to 2019 for plans that currently have active members.

Miscellaneous Loading Factors

Credit for Unused Sick Leave
Total years of service is increased by 1% for those plans that have adopted the provision of providing Credit for Unused Sick Leave.

Conversion of Employer Paid Member Contributions (EPMC)
Total years of service is increased by the Employee Contribution Rate for those plans with the provision providing for the Conversion of Employer Paid Member Contributions (EPMC) during the final compensation period.

Norris Decision (Best Factors)
Employees hired prior to July 1, 1982, have projected benefit amounts increased in order to reflect the use of "Best Factors" in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. No loading is necessary for employees hired after July 1, 1982.

Termination Liability
The termination liabilities include a 5% contingency load. This load is for unforeseen improvements in mortality.

Demographic Assumptions

Pre-Retirement Mortality
The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. For purposes of the mortality rates, the rates incorporate generational mortality to capture ongoing mortality improvement. Generational mortality explicitly assumes that members born more recently will live longer than the members born before them thereby capturing the mortality improvement seen in the past and expected continued improvement. For more details, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions report that can be found on the CalPERS website.

Rates vary by age and gender. This table only contains a sample of the 2017 base table rates for illustrative purposes. The non-industrial death rates are used for all plans. The industrial death rates are used for Safety plans, except for local Safety members described in Government Code section 20423.6 where the agency has not specifically contracted for industrial death benefits.

	Miscellaneous		**Safety**			
	Non-Industrial Death (Not Job-Related)		**Non-Industrial Death (Not Job-Related)**		**Industrial Death (Job-Related)**	
Age	Male	Female	Male	Female	Male	Female
20	0.00039	0.00014	0.00038	0.00014	0.00004	0.00002
25	0.00033	0.00013	0.00034	0.00018	0.00004	0.00002
30	0.00044	0.00019	0.00042	0.00025	0.00005	0.00003
35	0.00058	0.00029	0.00048	0.00034	0.00005	0.00004
40	0.00075	0.00039	0.00055	0.00042	0.00006	0.00005
45	0.00093	0.00054	0.00066	0.00053	0.00007	0.00006
50	0.00134	0.00081	0.00092	0.00073	0.00010	0.00008
55	0.00198	0.00123	0.00138	0.00106	0.00015	0.00012
60	0.00287	0.00179	0.00221	0.00151	0.00025	0.00017
65	0.00403	0.00250	0.00346	0.00194	0.00038	0.00022
70	0.00594	0.00404	0.00606	0.00358	0.00067	0.00040
75	0.00933	0.00688	0.01099	0.00699	0.00122	0.00078
80	0.01515	0.01149	0.02027	0.01410	0.00225	0.00157

- The pre-retirement mortality rates above are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.
- Miscellaneous plans usually have industrial death rates set to zero unless the agency has specifically contracted for industrial death benefits. If so, each non-industrial death rate shown above will be split into two components: 99% will become the non-industrial death rate and 1% will become the industrial death rate.

Post-Retirement Mortality
Rates vary by age, type of retirement, and gender. See sample rates in table below. These rates are used for all plans.

	Service Retirement		Non-Industrial Disability (Not Job-Related)		Industrial Disability (Job-Related)	
Age	Male	Female	Male	Female	Male	Female
50	0.00267	0.00199	0.01701	0.01439	0.00430	0.00311
55	0.00390	0.00325	0.02210	0.01734	0.00621	0.00550
60	0.00578	0.00455	0.02708	0.01962	0.00944	0.00868
65	0.00857	0.00612	0.03334	0.02276	0.01394	0.01190
70	0.01333	0.00996	0.04001	0.02910	0.02163	0.01858
75	0.02391	0.01783	0.05376	0.04160	0.03446	0.03134
80	0.04371	0.03403	0.07936	0.06112	0.05853	0.05183
85	0.08274	0.06166	0.11561	0.09385	0.10137	0.08045
90	0.14539	0.11086	0.16608	0.14396	0.16584	0.12434
95	0.24665	0.20364	0.24665	0.20364	0.24665	0.20364
100	0.36198	0.31582	0.36198	0.31582	0.36198	0.31582
105	0.52229	0.44679	0.52229	0.44679	0.52229	0.44679
110	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

The post-retirement mortality rates above are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

Marital Status
For active members, a percentage who are married upon retirement is assumed according to the member category as shown in the following table.

Member Category	Percent Married
Miscellaneous Member	70%
Local Police	85%
Local Fire	85%
Other Local Safety	70%
School Police	85%
Local County Peace Officers	75%

Age of Spouse
It is assumed that female spouses are 3 years younger than male spouses. This assumption is used for all plans.

Separated Members
It is assumed that separated members refund immediately if non-vested. Separated members who are vested are assumed to retire at age 59 for Miscellaneous members and age 54 for Safety members.

Termination with Refund

Rates vary by entry age and service for Miscellaneous plans. Rates vary by service for Safety plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40		Entry Age 45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.1851	0.1944	0.1769	0.1899	0.1631	0.1824	0.1493	0.1749	0.1490	0.1731	0.1487	0.1713
1	0.1531	0.1673	0.1432	0.1602	0.1266	0.1484	0.1101	0.1366	0.1069	0.1323	0.1037	0.1280
2	0.1218	0.1381	0.1125	0.1307	0.0970	0.1183	0.0815	0.1058	0.0771	0.0998	0.0726	0.0938
3	0.0927	0.1085	0.0852	0.1020	0.0727	0.0912	0.0601	0.0804	0.0556	0.0737	0.0511	0.0669
4	0.0672	0.0801	0.0616	0.0752	0.0524	0.0670	0.0431	0.0587	0.0392	0.0523	0.0352	0.0459
5	0.0463	0.0551	0.0423	0.0517	0.0358	0.0461	0.0292	0.0404	0.0261	0.0350	0.0230	0.0296
10	0.0112	0.0140	0.0101	0.0129	0.0083	0.0112	0.0064	0.0094	0.0048	0.0071	0.0033	0.0049
15	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire		Police		County Peace Officer	
	Male	Female	Male	Female	Male	Female
0	0.1022	0.1317	0.1298	0.1389	0.1086	0.1284
1	0.0686	0.1007	0.0789	0.0904	0.0777	0.0998
2	0.0441	0.0743	0.0464	0.0566	0.0549	0.0759
3	0.0272	0.0524	0.0274	0.0343	0.0385	0.0562
4	0.0161	0.0349	0.0170	0.0206	0.0268	0.0402
5	0.0092	0.0214	0.0113	0.0128	0.0186	0.0276
10	0.0015	0.0000	0.0032	0.0047	0.0046	0.0038
15	0.0000	0.0000	0.0000	0.0000	0.0023	0.0036
20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

- The police termination and refund rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff, and School Police.

Termination with Refund (continued)

Schools

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40		Entry Age 45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.2054	0.2120	0.1933	0.1952	0.1730	0.1672	0.1527	0.1392	0.1423	0.1212	0.1318	0.1032
1	0.1922	0.2069	0.1778	0.1883	0.1539	0.1573	0.1300	0.1264	0.1191	0.1087	0.1083	0.0910
2	0.1678	0.1859	0.1536	0.1681	0.1298	0.1383	0.1060	0.1086	0.0957	0.0934	0.0853	0.0782
3	0.1384	0.1575	0.1256	0.1417	0.1042	0.1155	0.0829	0.0893	0.0736	0.0774	0.0643	0.0656
4	0.1085	0.1274	0.0978	0.1143	0.0800	0.0925	0.0622	0.0707	0.0542	0.0620	0.0462	0.0533
5	0.0816	0.0991	0.0732	0.0887	0.0590	0.0713	0.0449	0.0539	0.0383	0.0476	0.0317	0.0413
10	0.0222	0.0248	0.0200	0.0221	0.0163	0.0174	0.0125	0.0128	0.0094	0.0100	0.0063	0.0072
15	0.0106	0.0132	0.0095	0.0113	0.0077	0.0083	0.0058	0.0052	0.0040	0.0039	0.0021	0.0026
20	0.0059	0.0065	0.0050	0.0054	0.0035	0.0036	0.0021	0.0019	0.0010	0.0009	0.0000	0.0000
25	0.0029	0.0034	0.0025	0.0029	0.0018	0.0020	0.0010	0.0012	0.0005	0.0006	0.0000	0.0000
30	0.0012	0.0015	0.0011	0.0013	0.0011	0.0011	0.0010	0.0009	0.0005	0.0005	0.0000	0.0000
35	0.0006	0.0007	0.0006	0.0007	0.0005	0.0006	0.0005	0.0005	0.0003	0.0002	0.0000	0.0000

Termination with Vested Benefits
Rates vary by entry age and service for Miscellaneous plans. Rates vary by service for Safety plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.0381	0.0524	0.0381	0.0524	0.0358	0.0464	0.0334	0.0405	0.0301	0.0380
10	0.0265	0.0362	0.0265	0.0362	0.0254	0.0334	0.0244	0.0307	0.0197	0.0236
15	0.0180	0.0252	0.0180	0.0252	0.0166	0.0213	0.0152	0.0174	0.0119	0.0132
20	0.0141	0.0175	0.0141	0.0175	0.0110	0.0131	0.0079	0.0087	0.0000	0.0000
25	0.0084	0.0108	0.0084	0.0108	0.0064	0.0076	0.0000	0.0000	0.0000	0.0000
30	0.0047	0.0056	0.0047	0.0056	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0038	0.0041	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire		Police		County Peace Officer	
	Male	Female	Male	Female	Male	Female
5	0.0089	0.0224	0.0156	0.0272	0.0177	0.0266
10	0.0066	0.0164	0.0113	0.0198	0.0126	0.0189
15	0.0048	0.0120	0.0083	0.0144	0.0089	0.0134
20	0.0035	0.0088	0.0060	0.0105	0.0063	0.0095
25	0.0024	0.0061	0.0042	0.0073	0.0042	0.0063
30	0.0012	0.0031	0.0021	0.0037	0.0021	0.0031
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

- After termination with vested benefits, a Miscellaneous member is assumed to retire at age 59 and a Safety member at age 54.
- The Police termination with vested benefits rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff, and School Police.

Schools

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.0359	0.0501	0.0359	0.0501	0.0332	0.0402	0.0305	0.0304	0.0266	0.0272
10	0.0311	0.0417	0.0311	0.0417	0.0269	0.0341	0.0228	0.0265	0.0193	0.0233
15	0.0193	0.0264	0.0193	0.0264	0.0172	0.0220	0.0151	0.0175	0.0123	0.0142
20	0.0145	0.0185	0.0145	0.0185	0.0113	0.0141	0.0080	0.0097	0.0000	0.0000
25	0.0089	0.0123	0.0089	0.0123	0.0074	0.0093	0.0000	0.0000	0.0000	0.0000
30	0.0057	0.0064	0.0057	0.0064	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0040	0.0049	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Non-Industrial (Not Job-Related) Disability

Rates vary by age and gender for Miscellaneous plans. Rates vary by age and category for Safety plans.

	Miscellaneous		Fire	Police	County Peace Officer	Schools	
Age	Male	Female	All	All	All	Male	Female
20	0.0001	0.0000	0.0001	0.0001	0.0001	0.0000	0.0002
25	0.0001	0.0001	0.0001	0.0001	0.0001	0.0000	0.0002
30	0.0002	0.0003	0.0001	0.0001	0.0001	0.0002	0.0002
35	0.0004	0.0007	0.0001	0.0002	0.0003	0.0005	0.0004
40	0.0009	0.0012	0.0001	0.0002	0.0006	0.0010	0.0008
45	0.0015	0.0019	0.0002	0.0003	0.0011	0.0019	0.0015
50	0.0015	0.0019	0.0004	0.0005	0.0016	0.0027	0.0021
55	0.0014	0.0013	0.0006	0.0007	0.0009	0.0024	0.0017
60	0.0012	0.0009	0.0006	0.0011	0.0005	0.0020	0.0010

- The Miscellaneous non-industrial disability rates are used for Local Prosecutors.
- The police non-industrial disability rates are also used for Other Safety, Local Sheriff, and School Police.

Industrial (Job-Related) Disability

Rates vary by age and category.

Age	Fire	Police	County Peace Officer
20	0.0001	0.0000	0.0004
25	0.0002	0.0017	0.0013
30	0.0006	0.0048	0.0025
35	0.0012	0.0079	0.0037
40	0.0023	0.0110	0.0051
45	0.0040	0.0141	0.0067
50	0.0208	0.0185	0.0092
55	0.0307	0.0479	0.0151
60	0.0438	0.0602	0.0174

- The police industrial disability rates are also used for Local Sheriff and Other Safety.
- 50% of the police industrial disability rates are used for School Police.
- 1% of the police industrial disability rates are used for Local Prosecutors.
- Normally, rates are zero for Miscellaneous plans unless the agency has specifically contracted for industrial disability benefits. If so, each Miscellaneous non-industrial disability rate will be split into two components: 50% will become the non-industrial disability rate and 50% will become the industrial disability rate.

Service Retirement

Retirement rates vary by age, service, and formula, except for the Safety half pay at age 55 and 2% at 55 formulas, where retirement rates vary by age only.

Public Agency Miscellaneous 1.5% at Age 65

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.008	0.011	0.013	0.015	0.017	0.019
51	0.007	0.010	0.012	0.013	0.015	0.017
52	0.010	0.014	0.017	0.019	0.021	0.024
53	0.008	0.012	0.015	0.017	0.019	0.022
54	0.012	0.016	0.019	0.022	0.025	0.028
55	0.018	0.025	0.031	0.035	0.038	0.043
56	0.015	0.021	0.025	0.029	0.032	0.036
57	0.020	0.028	0.033	0.038	0.043	0.048
58	0.024	0.033	0.040	0.046	0.052	0.058
59	0.028	0.039	0.048	0.054	0.060	0.067
60	0.049	0.069	0.083	0.094	0.105	0.118
61	0.062	0.087	0.106	0.120	0.133	0.150
62	0.104	0.146	0.177	0.200	0.223	0.251
63	0.099	0.139	0.169	0.191	0.213	0.239
64	0.097	0.136	0.165	0.186	0.209	0.233
65	0.140	0.197	0.240	0.271	0.302	0.339
66	0.092	0.130	0.157	0.177	0.198	0.222
67	0.129	0.181	0.220	0.249	0.277	0.311
68	0.092	0.129	0.156	0.177	0.197	0.221
69	0.092	0.130	0.158	0.178	0.199	0.224
70	0.103	0.144	0.175	0.198	0.221	0.248

Public Agency Miscellaneous 2% at Age 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.010	0.011	0.014	0.014	0.017	0.017
51	0.017	0.013	0.014	0.010	0.010	0.010
52	0.014	0.014	0.018	0.015	0.016	0.016
53	0.015	0.012	0.013	0.010	0.011	0.011
54	0.006	0.010	0.017	0.016	0.018	0.018
55	0.012	0.016	0.024	0.032	0.036	0.036
56	0.010	0.014	0.023	0.030	0.034	0.034
57	0.006	0.018	0.030	0.040	0.044	0.044
58	0.022	0.023	0.033	0.042	0.046	0.046
59	0.039	0.033	0.040	0.047	0.050	0.050
60	0.063	0.069	0.074	0.090	0.137	0.116
61	0.044	0.058	0.066	0.083	0.131	0.113
62	0.084	0.107	0.121	0.153	0.238	0.205
63	0.173	0.166	0.165	0.191	0.283	0.235
64	0.120	0.145	0.164	0.147	0.160	0.172
65	0.138	0.160	0.214	0.216	0.237	0.283
66	0.198	0.228	0.249	0.216	0.228	0.239
67	0.207	0.242	0.230	0.233	0.233	0.233
68	0.201	0.234	0.225	0.231	0.231	0.231
69	0.152	0.173	0.164	0.166	0.166	0.166
70	0.200	0.200	0.200	0.200	0.200	0.200

Service Retirement (continued)

Public Agency Miscellaneous 2% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.014	0.017	0.021	0.023	0.024
51	0.013	0.017	0.017	0.018	0.018	0.019
52	0.013	0.018	0.018	0.020	0.020	0.021
53	0.013	0.019	0.021	0.024	0.025	0.026
54	0.017	0.025	0.028	0.032	0.033	0.035
55	0.045	0.042	0.053	0.086	0.098	0.123
56	0.018	0.036	0.056	0.086	0.102	0.119
57	0.041	0.046	0.056	0.076	0.094	0.120
58	0.052	0.044	0.048	0.074	0.106	0.123
59	0.043	0.058	0.073	0.092	0.105	0.126
60	0.059	0.064	0.083	0.115	0.154	0.170
61	0.087	0.074	0.087	0.107	0.147	0.168
62	0.115	0.123	0.151	0.180	0.227	0.237
63	0.116	0.127	0.164	0.202	0.252	0.261
64	0.084	0.138	0.153	0.190	0.227	0.228
65	0.167	0.187	0.210	0.262	0.288	0.291
66	0.187	0.258	0.280	0.308	0.318	0.319
67	0.195	0.235	0.244	0.277	0.269	0.280
68	0.228	0.248	0.250	0.241	0.245	0.245
69	0.188	0.201	0.209	0.219	0.231	0.231
70	0.229	0.229	0.229	0.229	0.229	0.229

Public Agency Miscellaneous 2.5% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.017	0.027	0.035	0.046	0.050
51	0.019	0.021	0.025	0.030	0.038	0.040
52	0.018	0.020	0.026	0.034	0.038	0.037
53	0.013	0.021	0.031	0.045	0.052	0.053
54	0.025	0.025	0.030	0.046	0.057	0.068
55	0.029	0.042	0.064	0.109	0.150	0.225
56	0.036	0.047	0.068	0.106	0.134	0.194
57	0.051	0.047	0.060	0.092	0.116	0.166
58	0.035	0.046	0.062	0.093	0.119	0.170
59	0.029	0.053	0.072	0.112	0.139	0.165
60	0.039	0.069	0.094	0.157	0.177	0.221
61	0.080	0.077	0.086	0.140	0.167	0.205
62	0.086	0.131	0.149	0.220	0.244	0.284
63	0.135	0.135	0.147	0.214	0.222	0.262
64	0.114	0.128	0.158	0.177	0.233	0.229
65	0.112	0.174	0.222	0.209	0.268	0.273
66	0.235	0.254	0.297	0.289	0.321	0.337
67	0.237	0.240	0.267	0.249	0.267	0.277
68	0.258	0.271	0.275	0.207	0.210	0.212
69	0.117	0.208	0.266	0.219	0.250	0.270
70	0.229	0.229	0.229	0.229	0.229	0.229

Service Retirement (continued)

Public Agency Miscellaneous 2.7% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.011	0.016	0.022	0.033	0.034	0.038
51	0.018	0.019	0.023	0.032	0.031	0.031
52	0.019	0.020	0.026	0.035	0.034	0.037
53	0.020	0.020	0.025	0.043	0.048	0.053
54	0.018	0.030	0.040	0.052	0.053	0.070
55	0.045	0.058	0.082	0.138	0.208	0.278
56	0.057	0.062	0.080	0.121	0.178	0.222
57	0.045	0.052	0.071	0.106	0.147	0.182
58	0.074	0.060	0.074	0.118	0.163	0.182
59	0.058	0.067	0.086	0.123	0.158	0.187
60	0.087	0.084	0.096	0.142	0.165	0.198
61	0.073	0.084	0.101	0.138	0.173	0.218
62	0.130	0.133	0.146	0.187	0.214	0.249
63	0.122	0.140	0.160	0.204	0.209	0.243
64	0.104	0.124	0.154	0.202	0.214	0.230
65	0.182	0.201	0.242	0.264	0.293	0.293
66	0.272	0.249	0.273	0.285	0.312	0.312
67	0.182	0.217	0.254	0.249	0.264	0.264
68	0.223	0.197	0.218	0.242	0.273	0.273
69	0.217	0.217	0.217	0.217	0.217	0.217
70	0.227	0.227	0.227	0.227	0.227	0.227

Public Agency Miscellaneous 3% at Age 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.015	0.020	0.025	0.039	0.040	0.044
51	0.041	0.034	0.032	0.041	0.036	0.037
52	0.024	0.020	0.022	0.039	0.040	0.041
53	0.018	0.024	0.032	0.047	0.048	0.057
54	0.033	0.033	0.035	0.051	0.049	0.052
55	0.137	0.043	0.051	0.065	0.076	0.108
56	0.173	0.038	0.054	0.075	0.085	0.117
57	0.019	0.035	0.059	0.088	0.111	0.134
58	0.011	0.040	0.070	0.105	0.133	0.162
59	0.194	0.056	0.064	0.081	0.113	0.163
60	0.081	0.085	0.133	0.215	0.280	0.333
61	0.080	0.090	0.134	0.170	0.223	0.292
62	0.137	0.153	0.201	0.250	0.278	0.288
63	0.128	0.140	0.183	0.227	0.251	0.260
64	0.174	0.147	0.173	0.224	0.239	0.264
65	0.152	0.201	0.262	0.299	0.323	0.323
66	0.272	0.273	0.317	0.355	0.380	0.380
67	0.218	0.237	0.268	0.274	0.284	0.284
68	0.200	0.228	0.269	0.285	0.299	0.299
69	0.250	0.250	0.250	0.250	0.250	0.250
70	0.245	0.245	0.245	0.245	0.245	0.245

Service Retirement (continued)

Public Agency Miscellaneous 2% at Age 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.000	0.000	0.000	0.000	0.000	0.000
51	0.000	0.000	0.000	0.000	0.000	0.000
52	0.005	0.008	0.012	0.015	0.019	0.031
53	0.007	0.011	0.014	0.018	0.021	0.032
54	0.007	0.011	0.015	0.019	0.023	0.034
55	0.010	0.019	0.028	0.036	0.061	0.096
56	0.014	0.026	0.038	0.050	0.075	0.108
57	0.018	0.029	0.039	0.050	0.074	0.107
58	0.023	0.035	0.048	0.060	0.073	0.099
59	0.025	0.038	0.051	0.065	0.092	0.128
60	0.031	0.051	0.071	0.091	0.111	0.138
61	0.038	0.058	0.079	0.100	0.121	0.167
62	0.044	0.074	0.104	0.134	0.164	0.214
63	0.077	0.105	0.134	0.163	0.192	0.237
64	0.072	0.101	0.129	0.158	0.187	0.242
65	0.108	0.141	0.173	0.206	0.239	0.300
66	0.132	0.172	0.212	0.252	0.292	0.366
67	0.132	0.172	0.212	0.252	0.292	0.366
68	0.120	0.156	0.193	0.229	0.265	0.333
69	0.120	0.156	0.193	0.229	0.265	0.333
70	0.120	0.156	0.193	0.229	0.265	0.333

Public Agency Fire Half Pay at Age 55 and 2% at Age 55

Age	Rate	Age	Rate
50	0.016	56	0.111
51	0.000	57	0.000
52	0.034	58	0.095
53	0.020	59	0.044
54	0.041	60	1.000
55	0.075		

Public Agency Police Half Pay at Age 55 and 2% at Age 55

Age	Rate	Age	Rate
50	0.026	56	0.069
51	0.000	57	0.051
52	0.016	58	0.072
53	0.027	59	0.070
54	0.010	60	0.300
55	0.167		

Service Retirement (continued)

Public Agency Police 2% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.018	0.077	0.056	0.046	0.043	0.046
51	0.022	0.087	0.060	0.048	0.044	0.047
52	0.020	0.102	0.081	0.071	0.069	0.075
53	0.016	0.072	0.053	0.045	0.042	0.046
54	0.006	0.071	0.071	0.069	0.072	0.080
55	0.009	0.040	0.099	0.157	0.186	0.186
56	0.020	0.051	0.108	0.165	0.194	0.194
57	0.036	0.072	0.106	0.139	0.156	0.156
58	0.001	0.046	0.089	0.130	0.152	0.152
59	0.066	0.094	0.119	0.143	0.155	0.155
60	0.177	0.177	0.177	0.177	0.177	0.177
61	0.134	0.134	0.134	0.134	0.134	0.134
62	0.184	0.184	0.184	0.184	0.184	0.184
63	0.250	0.250	0.250	0.250	0.250	0.250
64	0.177	0.177	0.177	0.177	0.177	0.177
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.054	0.054	0.056	0.080	0.064	0.066
51	0.020	0.020	0.021	0.030	0.024	0.024
52	0.037	0.037	0.038	0.054	0.043	0.045
53	0.051	0.051	0.053	0.076	0.061	0.063
54	0.082	0.082	0.085	0.121	0.097	0.100
55	0.139	0.139	0.139	0.139	0.139	0.139
56	0.129	0.129	0.129	0.129	0.129	0.129
57	0.085	0.085	0.085	0.085	0.085	0.085
58	0.119	0.119	0.119	0.119	0.119	0.119
59	0.167	0.167	0.167	0.167	0.167	0.167
60	0.152	0.152	0.152	0.152	0.152	0.152
61	0.179	0.179	0.179	0.179	0.179	0.179
62	0.179	0.179	0.179	0.179	0.179	0.179
63	0.179	0.179	0.179	0.179	0.179	0.179
64	0.179	0.179	0.179	0.179	0.179	0.179
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 3% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.019	0.053	0.045	0.054	0.057	0.061
51	0.002	0.017	0.028	0.044	0.053	0.060
52	0.002	0.031	0.037	0.051	0.059	0.066
53	0.026	0.049	0.049	0.080	0.099	0.114
54	0.019	0.034	0.047	0.091	0.121	0.142
55	0.006	0.115	0.141	0.199	0.231	0.259
56	0.017	0.188	0.121	0.173	0.199	0.199
57	0.008	0.137	0.093	0.136	0.157	0.157
58	0.017	0.126	0.105	0.164	0.194	0.194
59	0.026	0.146	0.110	0.167	0.195	0.195
60	0.155	0.155	0.155	0.155	0.155	0.155
61	0.210	0.210	0.210	0.210	0.210	0.210
62	0.262	0.262	0.262	0.262	0.262	0.262
63	0.172	0.172	0.172	0.172	0.172	0.172
64	0.227	0.227	0.227	0.227	0.227	0.227
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 3% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.003	0.006	0.013	0.019	0.025	0.028
51	0.004	0.008	0.017	0.026	0.034	0.038
52	0.005	0.011	0.022	0.033	0.044	0.049
53	0.005	0.034	0.024	0.038	0.069	0.138
54	0.007	0.047	0.032	0.051	0.094	0.187
55	0.010	0.067	0.046	0.073	0.134	0.266
56	0.010	0.063	0.044	0.069	0.127	0.253
57	0.135	0.100	0.148	0.196	0.220	0.220
58	0.083	0.062	0.091	0.120	0.135	0.135
59	0.137	0.053	0.084	0.146	0.177	0.177
60	0.162	0.063	0.099	0.172	0.208	0.208
61	0.598	0.231	0.231	0.231	0.231	0.231
62	0.621	0.240	0.240	0.240	0.240	0.240
63	0.236	0.236	0.236	0.236	0.236	0.236
64	0.236	0.236	0.236	0.236	0.236	0.236
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 3% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.124	0.103	0.113	0.143	0.244	0.376
51	0.060	0.081	0.087	0.125	0.207	0.294
52	0.016	0.055	0.111	0.148	0.192	0.235
53	0.072	0.074	0.098	0.142	0.189	0.237
54	0.018	0.049	0.105	0.123	0.187	0.271
55	0.069	0.074	0.081	0.113	0.209	0.305
56	0.064	0.108	0.113	0.125	0.190	0.288
57	0.056	0.109	0.160	0.182	0.210	0.210
58	0.108	0.129	0.173	0.189	0.214	0.214
59	0.093	0.144	0.204	0.229	0.262	0.262
60	0.343	0.180	0.159	0.188	0.247	0.247
61	0.221	0.221	0.221	0.221	0.221	0.221
62	0.213	0.213	0.213	0.213	0.213	0.213
63	0.233	0.233	0.233	0.233	0.233	0.233
64	0.234	0.234	0.234	0.234	0.234	0.234
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 3% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.095	0.048	0.053	0.093	0.134	0.175
51	0.016	0.032	0.053	0.085	0.117	0.149
52	0.013	0.032	0.054	0.087	0.120	0.154
53	0.085	0.044	0.049	0.089	0.129	0.170
54	0.038	0.065	0.074	0.105	0.136	0.167
55	0.042	0.043	0.049	0.085	0.132	0.215
56	0.133	0.103	0.075	0.113	0.151	0.209
57	0.062	0.048	0.060	0.124	0.172	0.213
58	0.124	0.097	0.092	0.153	0.194	0.227
59	0.092	0.071	0.078	0.144	0.192	0.233
60	0.056	0.044	0.061	0.131	0.186	0.233
61	0.282	0.219	0.158	0.198	0.233	0.260
62	0.292	0.227	0.164	0.205	0.241	0.269
63	0.196	0.196	0.196	0.196	0.196	0.196
64	0.197	0.197	0.197	0.197	0.197	0.197
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.040	0.040	0.040	0.040	0.040	0.080
51	0.028	0.028	0.028	0.028	0.040	0.066
52	0.028	0.028	0.028	0.028	0.043	0.061
53	0.028	0.028	0.028	0.028	0.057	0.086
54	0.028	0.028	0.028	0.032	0.069	0.110
55	0.050	0.050	0.050	0.067	0.099	0.179
56	0.046	0.046	0.046	0.062	0.090	0.160
57	0.054	0.054	0.054	0.072	0.106	0.191
58	0.060	0.060	0.060	0.066	0.103	0.171
59	0.060	0.060	0.060	0.069	0.105	0.171
60	0.113	0.113	0.113	0.113	0.113	0.171
61	0.108	0.108	0.108	0.108	0.108	0.128
62	0.113	0.113	0.113	0.113	0.113	0.159
63	0.113	0.113	0.113	0.113	0.113	0.159
64	0.113	0.113	0.113	0.113	0.113	0.239
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.005	0.005	0.005	0.005	0.008	0.012
51	0.006	0.006	0.006	0.006	0.009	0.013
52	0.012	0.012	0.012	0.012	0.019	0.028
53	0.033	0.033	0.033	0.033	0.050	0.075
54	0.045	0.045	0.045	0.045	0.069	0.103
55	0.061	0.061	0.061	0.061	0.094	0.140
56	0.055	0.055	0.055	0.055	0.084	0.126
57	0.081	0.081	0.081	0.081	0.125	0.187
58	0.059	0.059	0.059	0.059	0.091	0.137
59	0.055	0.055	0.055	0.055	0.084	0.126
60	0.085	0.085	0.085	0.085	0.131	0.196
61	0.085	0.085	0.085	0.085	0.131	0.196
62	0.085	0.085	0.085	0.085	0.131	0.196
63	0.085	0.085	0.085	0.085	0.131	0.196
64	0.085	0.085	0.085	0.085	0.131	0.196
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2.5% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.050	0.050	0.050	0.050	0.050	0.100
51	0.038	0.038	0.038	0.038	0.055	0.089
52	0.038	0.038	0.038	0.038	0.058	0.082
53	0.036	0.036	0.036	0.036	0.073	0.111
54	0.036	0.036	0.036	0.041	0.088	0.142
55	0.061	0.061	0.061	0.082	0.120	0.217
56	0.056	0.056	0.056	0.075	0.110	0.194
57	0.060	0.060	0.060	0.080	0.118	0.213
58	0.072	0.072	0.072	0.079	0.124	0.205
59	0.072	0.072	0.072	0.083	0.126	0.205
60	0.135	0.135	0.135	0.135	0.135	0.205
61	0.130	0.130	0.130	0.130	0.130	0.153
62	0.135	0.135	0.135	0.135	0.135	0.191
63	0.135	0.135	0.135	0.135	0.135	0.191
64	0.135	0.135	0.135	0.135	0.135	0.287
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2.5% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.012	0.018
52	0.016	0.016	0.016	0.016	0.025	0.038
53	0.042	0.042	0.042	0.042	0.064	0.096
54	0.057	0.057	0.057	0.057	0.088	0.132
55	0.074	0.074	0.074	0.074	0.114	0.170
56	0.066	0.066	0.066	0.066	0.102	0.153
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.071	0.071	0.071	0.071	0.110	0.164
59	0.066	0.066	0.066	0.066	0.101	0.151
60	0.102	0.102	0.102	0.102	0.157	0.235
61	0.102	0.102	0.102	0.102	0.157	0.236
62	0.102	0.102	0.102	0.102	0.157	0.236
63	0.102	0.102	0.102	0.102	0.157	0.236
64	0.102	0.102	0.102	0.102	0.157	0.236
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2.7% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.050	0.050	0.050	0.050	0.050	0.100
51	0.040	0.040	0.040	0.040	0.058	0.094
52	0.038	0.038	0.038	0.038	0.058	0.083
53	0.038	0.038	0.038	0.038	0.077	0.117
54	0.038	0.038	0.038	0.044	0.093	0.150
55	0.068	0.068	0.068	0.091	0.134	0.242
56	0.063	0.063	0.063	0.084	0.123	0.217
57	0.060	0.060	0.060	0.080	0.118	0.213
58	0.080	0.080	0.080	0.088	0.138	0.228
59	0.080	0.080	0.080	0.092	0.140	0.228
60	0.150	0.150	0.150	0.150	0.150	0.228
61	0.144	0.144	0.144	0.144	0.144	0.170
62	0.150	0.150	0.150	0.150	0.150	0.213
63	0.150	0.150	0.150	0.150	0.150	0.213
64	0.150	0.150	0.150	0.150	0.150	0.319
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2.7% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.013	0.019
52	0.016	0.016	0.016	0.016	0.025	0.038
53	0.044	0.044	0.044	0.044	0.068	0.102
54	0.061	0.061	0.061	0.061	0.093	0.140
55	0.083	0.083	0.083	0.083	0.127	0.190
56	0.074	0.074	0.074	0.074	0.114	0.171
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.079	0.079	0.079	0.079	0.122	0.182
59	0.073	0.073	0.073	0.073	0.112	0.168
60	0.114	0.114	0.114	0.114	0.175	0.262
61	0.114	0.114	0.114	0.114	0.175	0.262
62	0.114	0.114	0.114	0.114	0.175	0.262
63	0.114	0.114	0.114	0.114	0.175	0.262
64	0.114	0.114	0.114	0.114	0.175	0.262
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Schools 2% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.003	0.004	0.006	0.007	0.010	0.010
51	0.004	0.005	0.007	0.008	0.011	0.011
52	0.005	0.007	0.008	0.009	0.012	0.012
53	0.007	0.008	0.010	0.012	0.015	0.015
54	0.006	0.009	0.012	0.015	0.020	0.021
55	0.011	0.023	0.034	0.057	0.070	0.090
56	0.012	0.027	0.036	0.056	0.073	0.095
57	0.016	0.027	0.036	0.055	0.068	0.087
58	0.019	0.030	0.040	0.062	0.078	0.103
59	0.023	0.034	0.046	0.070	0.085	0.109
60	0.022	0.043	0.062	0.095	0.113	0.141
61	0.030	0.051	0.071	0.103	0.124	0.154
62	0.065	0.098	0.128	0.188	0.216	0.248
63	0.075	0.112	0.144	0.197	0.222	0.268
64	0.091	0.116	0.138	0.180	0.196	0.231
65	0.163	0.164	0.197	0.232	0.250	0.271
66	0.208	0.204	0.243	0.282	0.301	0.315
67	0.189	0.185	0.221	0.257	0.274	0.287
68	0.127	0.158	0.200	0.227	0.241	0.244
69	0.168	0.162	0.189	0.217	0.229	0.238
70	0.191	0.190	0.237	0.250	0.246	0.254

Schools 2% at Age 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.000	0.000	0.000	0.000	0.000	0.000
51	0.000	0.000	0.000	0.000	0.000	0.000
52	0.004	0.007	0.010	0.011	0.013	0.015
53	0.004	0.008	0.010	0.013	0.014	0.016
54	0.005	0.011	0.015	0.018	0.020	0.022
55	0.014	0.027	0.038	0.045	0.050	0.056
56	0.013	0.026	0.037	0.043	0.048	0.055
57	0.013	0.027	0.038	0.045	0.050	0.055
58	0.017	0.034	0.047	0.056	0.062	0.069
59	0.019	0.037	0.052	0.062	0.068	0.076
60	0.026	0.053	0.074	0.087	0.097	0.108
61	0.030	0.058	0.081	0.095	0.106	0.119
62	0.053	0.105	0.147	0.174	0.194	0.217
63	0.054	0.107	0.151	0.178	0.198	0.222
64	0.053	0.105	0.147	0.174	0.194	0.216
65	0.072	0.142	0.199	0.235	0.262	0.293
66	0.077	0.152	0.213	0.252	0.281	0.314
67	0.070	0.139	0.194	0.229	0.255	0.286
68	0.063	0.124	0.173	0.205	0.228	0.255
69	0.066	0.130	0.183	0.216	0.241	0.270
70	0.071	0.140	0.196	0.231	0.258	0.289

Miscellaneous

Models

The valuation results are based on proprietary actuarial valuation models. The models are centralized and maintained by a specialized team to achieve a high degree of accuracy and consistency. The Actuarial Office is responsible for confirming the appropriateness of the inputs (such as participant data, actuarial methods and assumptions, and plan provisions) as well as performing tests and validating the reasonableness of the output. The results of our models are independently confirmed by parallel valuations performed by outside actuaries on a periodic basis using their models. In our professional judgment, our actuarial valuation models produce comprehensive pension funding information consistent with the purposes of the valuation and have no material limitations or known weaknesses.

Internal Revenue Code Section 415(b)

The limitations on benefits imposed by Internal Revenue Code section 415(b) are taken into account in this valuation. Each year, the impact of any changes in this limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. This results in lower contributions for those employers contributing to the Replacement Benefit Fund and protects CalPERS from prefunding expected benefits in excess of limits imposed by federal tax law. The Section 415(b) dollar limit for the 2024 calendar year is $275,000.

Internal Revenue Code Section 401(a)(17)

The limitations on compensation imposed by Internal Revenue Code section 401(a)(17) are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The compensation limit for classic members for the 2024 calendar year is $345,000.

PEPRA Compensation Limits

The limitations on compensation for PEPRA members imposed by Government Code section 7522.10 are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The PEPRA compensation limit for 2024 is $151,446 for members who participate in Social Security and $181,734 for those who do not. The limits are adjusted annually based on changes to the CPI for all urban consumers.

Appendix B - Principal Plan Provisions

The following is a description of the principal plan provisions used in calculating costs and liabilities. We have indicated whether a plan provision is standard or optional. Standard benefits are applicable to all members while optional benefits vary among employers. Optional benefits that apply to a single period of time, such as Golden Handshakes, have not been included. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the Public Employees' Retirement Law and the California Public Employees' Pension Reform Act of 2013. The law itself governs in all situations.

Service Retirement

Eligibility

A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). For employees hired into a plan with the 1.5% at age 65 formula, eligibility for service retirement is age 55 with at least 5 years of service. PEPRA Miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service.

Benefit

The service retirement benefit is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation.* The *benefit factor* depends on the benefit formula specified in the agency's contract. The table below shows the factors for each of the available formulas. Factors vary by the member's age at retirement. Listed are the factors for retirement at whole year ages:

Miscellaneous Plan Formulas

Retirement Age	1.5% at age 65	2% at age 60	2% at age 55	2.5% at age 55	2.7% at age 55	3% at age 60	PEPRA 2% at age 62
50	0.5000%	1.092%	1.426%	2.000%	2.000%	2.000%	N/A
51	0.5667%	1.156%	1.522%	2.100%	2.140%	2.100%	N/A
52	0.6334%	1.224%	1.628%	2.200%	2.280%	2.200%	1.000%
53	0.7000%	1.296%	1.742%	2.300%	2.420%	2.300%	1.100%
54	0.7667%	1.376%	1.866%	2.400%	2.560%	2.400%	1.200%
55	0.8334%	1.460%	2.000%	2.500%	2.700%	2.500%	1.300%
56	0.9000%	1.552%	2.052%	2.500%	2.700%	2.600%	1.400%
57	0.9667%	1.650%	2.104%	2.500%	2.700%	2.700%	1.500%
58	1.0334%	1.758%	2.156%	2.500%	2.700%	2.800%	1.600%
59	1.1000%	1.874%	2.210%	2.500%	2.700%	2.900%	1.700%
60	1.1667%	2.000%	2.262%	2.500%	2.700%	3.000%	1.800%
61	1.2334%	2.134%	2.314%	2.500%	2.700%	3.000%	1.900%
62	1.3000%	2.272%	2.366%	2.500%	2.700%	3.000%	2.000%
63	1.3667%	2.418%	2.418%	2.500%	2.700%	3.000%	2.100%
64	1.4334%	2.418%	2.418%	2.500%	2.700%	3.000%	2.200%
65	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.300%
66	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.400%
67 & up	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.500%

Classic Safety Plan Formulas

Retirement Age	Half Pay at age 55*	2% at age 55	2% at age 50	3% at age 55	3% at age 50
50	1.783%	1.426%	2.000%	2.400%	3.000%
51	1.903%	1.522%	2.140%	2.520%	3.000%
52	2.035%	1.628%	2.280%	2.640%	3.000%
53	2.178%	1.742%	2.420%	2.760%	3.000%
54	2.333%	1.866%	2.560%	2.880%	3.000%
55 & Up	2.500%	2.000%	2.700%	3.000%	3.000%

* For this formula, the benefit factor also varies by entry age. The factors shown are for members with an entry age of 35 or greater. If entry age is less than 35, then the age 55 benefit factor is 50% divided by the difference between age 55 and entry age. The benefit factor for ages prior to age 55 is the same proportion of the age 55 benefit factor as in the above table.

PEPRA Safety Plan Formulas

Retirement Age	2% at age 57	2.5% at age 57	2.7% at age 57
50	1.426%	2.000%	2.000%
51	1.508%	2.071%	2.100%
52	1.590%	2.143%	2.200%
53	1.672%	2.214%	2.300%
54	1.754%	2.286%	2.400%
55	1.836%	2.357%	2.500%
56	1.918%	2.429%	2.600%
57 & Up	2.000%	2.500%	2.700%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. An agency may contract for an optional benefit where any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The standard benefit is 36 months. Employers had the option of providing a final compensation equal to the highest 12 consecutive months for classic plans only. Final compensation must be defined by the highest 36 consecutive months' pay under the 1.5% at age 65 formula. PEPRA members have a limit on the annual compensation that can be used to calculate final compensation. The limits are adjusted annually based on changes to the CPI for all urban consumers.

- PEPRA benefit formulas have no Social Security offsets and Social Security coverage is optional. For Classic benefit formulas, employees must be covered by Social Security with the 1.5% at age 65 formula. Social Security is optional for all other Classic benefit formulas. For employees covered by Social Security, the modified formula is the standard benefit. Under this type of formula, the final compensation is offset by $133.33 (or by one third if the final compensation is less than $400). Employers may contract for the full benefit with Social Security that will eliminate the offset applicable to the final compensation. For employees not covered by Social Security, the full benefit is paid with no offsets. Auxiliary organizations of the CSUC system may elect reduced contribution rates, in which case the offset is $317 if members are not covered by Social Security or $513 if members are covered by Social Security.

- The Miscellaneous and PEPRA Safety service retirement benefit is not capped. The Classic Safety service retirement benefit is capped at 90% of final compensation.

Vested Deferred Retirement

Eligibility for Deferred Status

CalPERS members become eligible for a deferred vested retirement benefit when they leave employment, keep their contribution account balance on deposit with CalPERS, **and** have earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

Eligibility to Start Receiving Benefits

The CalPERS classic members and PEPRA Safety members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 50 (55 for employees hired into a 1.5% at age 65 plan). PEPRA Miscellaneous members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 52.

Benefit

The vested deferred retirement benefit is the same as the service retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

Non-Industrial Disability Retirement

Eligibility

A CalPERS member is eligible for Non-Industrial (non-job related) Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform their job because of an illness or injury, which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively employed by any CalPERS employer at the time of disability in order to be eligible for this benefit.

Standard Benefit

The standard Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *Service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or
- *Service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33⅓% of final compensation.

Improved Benefit

Employers have the option of providing the improved Non-Industrial Disability Retirement benefit. This benefit provides a monthly allowance equal to 30% of final compensation for the first 5 years of service, plus 1% for each additional year of service to a maximum of 50% of final compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

Industrial Disability Retirement

This is a standard benefit for Safety members except those described in Section 20423.6. For excluded Safety members and all Miscellaneous members, employers have the option of providing this benefit. An employer may choose to provide the increased benefit option or the improved benefit option.

Eligibility

An employee is eligible for Industrial (job related) Disability Retirement if he or she becomes disabled while working, where disabled means the member is unable to perform the duties of the job because of a work-related illness or injury, which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described below.

Standard Benefit

The standard Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation.

Increased Benefit (75% of Final Compensation)

The increased Industrial Disability Retirement benefit is a monthly allowance equal to 75% of final compensation for total disability.

Improved Benefit (50% to 90% of Final Compensation)

The improved Industrial Disability Retirement benefit is a monthly allowance equal to the Workman's Compensation Appeals Board permanent disability rate percentage (if 50% or greater, with a maximum of 90%) times the final compensation.

For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return of accumulated member contributions with respect to employment in this group. With the standard or increased benefit, a member may also choose to receive the annuitization of the accumulated member contributions.

If a member is eligible for service retirement and if the service retirement benefit is more than the industrial disability retirement benefit, the member may choose to receive the larger benefit.

Post-Retirement Death Benefit

Standard Lump Sum Payment

Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate. The lump sum payment amount increases to $2,000 for any death occurring on or after July 1, 2023, due to SB 1168.

Optional Lump Sum Payment

In lieu of the standard lump sum death benefit, employers have the option of providing a lump sum death benefit of $600, $3,000, $4,000 or $5,000.

Form of Payment for Retirement Allowance

Standard Form of Payment

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of their allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in their retirement allowance. Such reduction takes into account the amount to be provided to the beneficiary and the probable duration of payments (based on the ages of the member and beneficiary) made subsequent to the member's death.

Improved Form of Payment (Post-Retirement Survivor Allowance)

Employers have the option to contract for the post-retirement survivor allowance.

For retirement allowances with respect to service subject to a modified Classic formula, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. For retirement allowances with respect to service subject to a PEPRA formula or a full or supplemental Classic formula, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is referred to as post-retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25% or 50% of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried child(ren) until they attain age 18; or, if no eligible child(ren), to a qualifying dependent parent) for the rest of their lifetime. This benefit will not be discontinued in the event the spouse remarries.

The remaining 75% or 50% of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's death. Benefit options applicable to the option portion are the same as those offered with the standard form. The reduction is calculated in the same manner but is applied only to the option portion.

Pre-Retirement Death Benefits

Basic Death Benefit

This is a standard benefit.

Eligibility

An employee's beneficiary (or estate) may receive the basic death benefit if the member dies while actively employed. A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

Benefit

The basic death benefit is a lump sum in the amount of the member's accumulated contributions, where interest is credited annually at the greater of 6% or the prevailing discount rate through the date of death, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

1957 Survivor Benefit

This is a standard benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50 for classic and PEPRA Safety members and age 52 for PEPRA Miscellaneous members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other retirement systems with which CalPERS has reciprocity agreements). A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried child(ren) under age 18. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this 1957 Survivor benefit.

Benefit

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified service retirement benefit that the member would have been entitled to receive if the member had retired on the date of their death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to dependent child(ren), the benefit will be discontinued upon death or attainment of age 18, unless the child(ren) is disabled. The total amount paid will be at least equal to the basic death benefit.

Optional Settlement 2 Death Benefit

This is an optional benefit.

Eligibility

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50 for classic and PEPRA Safety members and age 52 for PEPRA Miscellaneous members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other retirement systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this Optional Settlement 2 Death benefit.

Benefit

The Optional Settlement 2 Death benefit is a monthly allowance equal to the service retirement benefit that the member would have received had the member retired on the date of their death and elected 100% to continue to the eligible survivor after the member's death. The allowance is payable to the surviving spouse until death, at which time it is continued to any unmarried child(ren), if applicable. The total amount paid will be at least equal to the basic death benefit.

Special Death Benefit

This is a standard benefit for Safety members except those described in Section 20423.6. For excluded Safety members and all Miscellaneous members, employers have the option of providing this benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the special death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried child(ren) under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

Benefit

The special death benefit is a monthly allowance equal to 50% of final compensation and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried child(ren) under age 22. There is a guarantee that the total amount paid will at least equal the basic death benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving child(ren) (*eligible* means unmarried child(ren) under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

Alternate Death Benefit for Local Fire Members

This is an optional benefit available only to local fire members.

Eligibility

An employee's *eligible survivor(s)* may receive the alternate death benefit in lieu of the basic death benefit or the 1957 Survivor benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried child(ren) under age 18.

Benefit

The Alternate Death benefit is a monthly allowance equal to the service retirement benefit that the member would have received had the member retired on the date of their death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after their death to a surviving beneficiary.) If the member has not yet attained age 50, the benefit is equal to that which would be payable if the member had retired at age 50, based on service credited at the time of death. The allowance is payable to the surviving spouse until death, at which time it is continued to any unmarried child(ren), if applicable. The total amount paid will be at least equal to the basic death benefit.

Cost-of-Living Adjustments (COLA)

Standard Benefit

Retirement and survivor allowances are adjusted each year in May for cost of living, beginning the second calendar year after the year of retirement. The standard cost-of-living adjustment (COLA) is 2%. Annual adjustments are calculated by first determining the lesser of 1) 2% compounded from the end of the year of retirement or 2) actual rate of price inflation. The resulting increase is divided by the total increase provided in prior years. For any given year, the COLA adjustment may be less than 2% (when the rate of price inflation is low), may be greater than the rate of price inflation (when the rate of price inflation is low after several years of high price inflation) or may even be greater than 2% (when price inflation is high after several years of low price inflation).

Improved Benefit

Employers have the option of providing a COLA of 3%, 4%, or 5%, determined in the same manner as described above for the standard 2% COLA. An improved COLA is not available with the 1.5% at age 65 formula.

Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against price inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 80% of the initial allowance at retirement adjusted for price inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan.

Employee Contributions

Each employee contributes toward their retirement based upon the retirement formula. The standard employee contribution is as described below.

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is $0 for all PEPRA members and Classic members covered by a full or supplemental formula and $133.33 for Classic members covered by a modified formula.
- The percent contributed above the monthly compensation breakpoint depends upon the benefit formula, as shown in the table below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%
Miscellaneous, 2% at age 62	50% of the Total Normal Cost
Miscellaneous, 1.5% at age 65	50% of the Total Normal Cost
Safety, Half Pay at age 55	Varies by entry age
Safety, 2% at age 55	7%
Safety, 2% at age 50	9%
Safety, 3% at age 55	9%
Safety, 3% at age 50	9%
Safety, 2% at age 57	50% of the Total Normal Cost
Safety, 2.5% at age 57	50% of the Total Normal Cost
Safety, 2.7% at age 57	50% of the Total Normal Cost

The employer may choose to “pick-up” these contributions for classic members (Employer Paid Member Contributions or EPMC). EPMC is prohibited for new PEPRA members.

An employer may also include Employee Cost Sharing in the contract, where employees agree to share the cost of the employer contribution. These contributions are paid in addition to the member contribution.

Auxiliary organizations of the CSU system may elect reduced contribution rates, in which case the offset is $317 and the contribution rate is 6% if members are not covered by Social Security. If members are covered by Social Security, the offset is $513 and the contribution rate is 5%.

Refund of Employee Contributions

If the member’s service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of their employee contributions, which are credited with 6% interest compounded annually.

1959 Survivor Benefit

This is a pre-retirement death benefit available only to members not covered by Social Security. Any agency joining CalPERS subsequent to 1993 is required to provide this benefit if the members are not covered by Social Security. The benefit is optional for agencies joining CalPERS prior to 1994. Levels 1, 2, and 3 are now closed. Any new agency or any agency wishing to add this benefit or increase the current level may only choose the 4th or Indexed Level.

This benefit is not included in the results presented in this valuation. More information on this benefit is available on the CalPERS website.

Appendix C - Classification of Optional Benefits

Classification of Optional Benefits

Below is the list of the available optional benefit provisions and their initial classification upon establishment of risk pools. When new benefits become available as a result of legislation, the Chief Actuary will determine their classification in accordance with the criteria established in the Board policy.

Class 0

Class 0 benefit surcharge is the increase in normal cost for a given benefit formula above the baseline PEPRA 2% at age 62 benefit formula.

Class 1

Class 1 benefits have been identified as additional benefits which have a significant, ongoing effect on the total plan cost. In some cases, a Class 1 benefit may be an alternate benefit formula. These benefits vary by employer across the risk pool. Agencies contracting for a Class 1 benefit will be responsible for the past service liability associated with such benefit and will be required to pay a surcharge established by the actuary to cover the ongoing cost (normal cost) of the Class 1 benefit.

The table below shows the list of Class 0 and Class 1 benefits and their applicable surcharge for each benefit formula in the Miscellaneous Risk Pool.

Optional Benefit	**2% at Age 62**	**1.5% at Age 65**	**2% at Age 60**	**2% at Age 55**	**2.5% at Age 55**	**2.7% at Age 55**	**3% at Age 60**
Class 0 Benefit	0.00%	0.11%	2.25%	3.99%	5.51%	7.35%	8.59%
One Year Final Compensation	N/A	0.34%	0.57%	0.64%	0.72%	0.79%	0.82%
EPMC by contract, 7%	N/A	N/A	1.04%	1.15%	1.30%	1.40%	1.47%
EPMC by contract, 8%	N/A	N/A	0.00%	0.00%	1.48%	1.60%	1.68%
25% PRSA	0.81%	0.47%	0.78%	0.80%	0.87%	0.94%	1.00%
50% PRSA	0.81%	0.47%	0.78%	0.80%	0.87%	0.94%	1.00%
3% Annual COLA	0.45%	0.28%	0.45%	0.53%	0.62%	0.68%	0.71%
4% Annual COLA	0.45%	0.28%	0.45%	0.53%	0.62%	0.68%	0.71%
5% Annual COLA	0.45%	0.28%	0.45%	0.53%	0.62%	0.68%	0.71%
IDR For Local Miscellaneous Members	0.32%	0.30%	0.28%	0.29%	0.28%	0.29%	0.28%
Increased IDR Allowance to 75% of Compensation	0.53%	0.52%	0.49%	0.50%	0.49%	0.49%	0.49%
Employee Cost Sharing*	varies	varies	varies	varies	varies	varies	varies
Employee Contribution Rate for CSUC Auxiliary Organizations Reduced to State Member Level - Covered by Social Security	N/A	N/A	2.00%	2.00%	3.00%	3.00%	3.00%
Employee Contribution Rate for CSUC Auxiliary Organizations Reduced to State Member Level - Not Covered by Social Security	N/A	N/A	1.00%	1.00%	2.00%	2.00%	2.00%

For employers contracting for more than one Class 1 benefit, the surcharges listed in this table will be added together.

Class 2

Class 2 benefits have been identified to be the ancillary benefits providing one-time increases in benefits. These benefits vary by employer across the risk pool. Agencies contracting for a Class 2 benefit will be responsible for the past service liability associated with such benefit.

The following benefits shall be classified as Class 2:

- One-time 1% to 6% Ad Hoc COLA Increases for members who retired or died prior to January 1, 1998 (Section 21328)
- "Golden Handshakes" – Section 20903 Two Years Additional Service Credit
- Credit for Prior Service Paid for by the Employer
- Military Service Credit (Section 20996)
- Credit for Local Retirement System Service for Employees of Agencies Contracted on a Prospective basis (Section 20530.1)
- Prior Service Credit for Employees of an Assumed Agency Function (Section 20936)
- Limit Prior Service to Members Employed on Contract Date (Section 20938)
- Public Service Credit for Limited Prior Service (Section 21031)
- Public Service Credit for Employees of an Assumed Agency or Function (Section 21025)

Class 3

Class 3 benefits have been identified to be additional benefits which have a minimal effect on the total plan cost. Class 3 benefits may vary by rate plan within each risk pool. However, the employer contribution rate will not vary within the risk pool due to the Class 3 benefits.

The following benefits shall be classified as Class 3:

- Full formula plus social security
- Post Retirement Lump Sum Death Benefit
- $600 lump sum retired death benefit (Section 21622)
- $2,000 lump sum retired death benefit (Section 21623.5)
- $3,000 lump sum retired death benefit (Section 21623.5)
- $4,000 lump sum retired death benefit (Section 21623.5)
- $5,000 lump sum retired death benefit (Section 21623.5)
- Improved non-industrial disability allowance (Section 21427)
- Special death benefit for local safety members (Section 21540.5)
- Service Credit Purchased by Member
- Partial Service Retirement (Section 21118)
- Optional Membership for Part Time Employees (Section 20325)
- Extension of Reciprocity Rights for Elective Officers (Section 20356)
- Removal of Contract Exclusions Prospectively Only (Section 20503)
- Alternate Death Benefit for Local Fire Members credited with 20 or more years of service (Section 21547.7)

Appendix D - Participant Data

Source of the Participant Data

The data was extracted from various databases within CalPERS and placed in the valuation system database by a series of extract programs. Included in this data are:

- Individual member and beneficiary information,
- Employment and payroll information,
- Accumulated contributions with interest,
- Service information,
- Benefit payment information,
- Information about the various organizations which contract with CalPERS, and
- Detailed information about the plan provisions applicable to each group of members.

Data Validation Tests and Adjustments

Once the information is extracted from the various computer systems into the database, update queries are then run against this data to correct for flaws found in the data. This part of the process is intended to validate the participant data for all CalPERS plans. The data is then checked for reasonableness and consistency with data from the prior valuation.

Checks on the data include:

- A reconciliation of the membership of the plans,
- Comparisons of various member statistics (average attained age, average entry age, average salary, etc.) for each plan with those from the prior year valuation,
- Comparisons of pension amounts for each retiree and beneficiary receiving payments with those from the prior year valuation,
- Checks for invalid ages and dates, and
- Reasonableness checks on various key data elements such as years of service and salary

As a result of the tests on the data, a number of adjustments were determined to be necessary. These included:

Dates of hire and dates of entry were adjusted where necessary to be consistent with the service fields, the date of birth and each other.

Summary of Pool Participants

The table below shows the number of public agencies participating in the Miscellaneous risk pool, by agency type.

	June 30, 2023	June 30, 2024
City or Town	268	268
County	3	3
Joint Powers Authority	144	143
Non-profit	49	49
Special District	686	685
Total	1,150	1,148

Summary of Valuation Data

		June 30, 2023	June 30, 2024
1.	**Number of Plans in the Risk Pool**	2,423	2,480
2.	**Active Members**		
	a) Counts	36,877	38,620
	b) Average Attained Age	44.02	43.75
	c) Average Entry Age on Rate Plan	36.26	36.16
	d) Average Years of Credited Service	7.62	7.44
	e) Average Annual Covered Pay	$85,528	$89,727
	f) Annual Covered Payroll	$3,154,017,129	$3,465,257,378
	g) Projected Annual Payroll for Contribution Year	$3,426,442,054	$3,764,565,352
	h) Present Value of Future Payroll	$29,926,101,563	$33,116,201,066
3.	**Transferred Members**	17,349	18,435
4.	**Separated Members**	28,483	30,163
5.	**Retired Members and Beneficiaries**		
	a) Counts*	44,537	45,837
	b) Average Annual Benefits*	$24,303	$25,065
6.	**Active to Retired Ratio** [(2a) / (5a)]	0.83	0.84

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Individuals in more than one coverage group counted more than once. Values do not match the Retired Members and Beneficiaries tables where each retiree is counted only once.

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2024, for the Miscellaneous risk pool as a whole.

	Classic	PEPRA	PEPRA as a Percent of Total
Active Members			
Count	12,205	26,415	68.4%
Average Attained Age	51.50	40.17	
Average Entry Age	35.51	36.47	
Average Years of Credited Service	15.67	3.64	
Average Annual Covered Payroll	$115,486	$77,825	
Annual Covered Payroll	$1,409,510,837	$2,055,746,541	59.3%
Present Value of Future Payroll	$10,712,557,156	$22,403,643,910	67.7%
Transferred Members			
Count	10,849	7,586	41.1%
Separated Members			
Count	15,662	14,501	48.1%
Retired Members and Beneficiaries Receiving Payments			
Count	43,171	954	2.2%
Average Annual Benefit	$26,424	$8,533	
Total Annual Benefits	$1,140,759,157	$8,140,324	0.7%
Accrued Liabilities			
Active Members	$6,274,031,975	$1,594,132,333	20.3%
Transferred Members	1,571,193,742	196,326,952	11.1%
Separated Members	714,513,412	148,815,373	17.2%
Retired Members and Beneficiaries	14,093,315,142	109,238,249	0.8%
Total	$22,653,054,271	$2,048,512,907	8.3%

Active Members

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Distribution of Active Members by Age and Service

	Years of Service at Valuation Date						
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**
15-24	1,588	12	0	0	0	0	1,600
25-29	3,267	370	3	0	0	0	3,640
30-34	3,698	1,256	149	3	0	0	5,106
35-39	3,158	1,589	547	259	9	0	5,562
40-44	2,603	1,423	664	664	182	16	5,552
45-49	1,960	1,138	593	709	479	141	5,020
50-54	1,460	952	492	698	500	350	4,452
55-59	1,083	803	433	589	403	429	3,740
60-64	711	580	333	431	278	329	2,662
65 and Over	315	304	189	189	148	141	1,286
All Ages	**19,843**	**8,427**	**3,403**	**3,542**	**1,999**	**1,406**	**38,620**

Distribution of Average Annual Salaries by Age and Service

	Years of Service at Valuation Date						
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Average Salary**
15-24	$48,697	$66,096	$0	$0	$0	$0	$48,828
25-29	62,151	76,102	61,904	0	0	0	63,569
30-34	70,496	84,093	83,663	75,522	0	0	74,228
35-39	78,192	91,747	96,217	100,476	119,381	0	84,942
40-44	87,558	99,359	108,524	109,446	105,239	116,050	96,369
45-49	92,582	105,194	110,001	110,635	110,745	120,538	102,567
50-54	95,490	108,111	112,886	111,011	116,889	116,459	106,596
55-59	94,752	108,308	114,236	106,586	113,709	122,068	106,958
60-64	86,318	100,301	107,539	103,712	109,380	110,628	100,248
65 and Over	72,950	86,391	93,516	91,020	104,068	94,954	87,799
Average	**$76,791**	**$96,806**	**$106,101**	**$107,151**	**$111,733**	**$115,054**	**$89,727**

Transferred and Separated Members

Distribution of Participants Transferred to Other CalPERS Plans by Age and Service

	Years of Service at Valuation Date							
Attained Age	0-4	5-9	10-14	15-19	20-24	25+	Total	Average Salary
15-24	222	1	0	0	0	0	223	$59,120
25-29	1,060	18	0	0	0	0	1,078	71,939
30-34	1,889	191	8	0	0	0	2,088	81,014
35-39	2,072	378	71	8	0	0	2,529	92,092
40-44	2,182	559	212	57	9	1	3,020	105,201
45-49	2,047	543	231	100	29	0	2,950	113,794
50-54	1,836	494	229	98	39	13	2,709	123,838
55-59	1,309	452	174	77	29	2	2,043	121,676
60-64	862	269	91	45	18	7	1,292	109,904
65 and Over	353	96	33	15	5	1	503	102,978
All Ages	**13,832**	**3,001**	**1,049**	**400**	**129**	**24**	**18,435**	**$104,369**

Distribution of Separated Participants with Funds on Deposit by Age and Service

	Years of Service at Valuation Date							
Attained Age	0-4	5-9	10-14	15-19	20-24	25+	Total	Average Salary
15-24	557	0	0	0	0	0	557	$41,823
25-29	1,971	39	1	0	0	0	2,011	45,621
30-34	3,107	229	13	1	0	0	3,350	49,817
35-39	3,524	485	58	13	0	0	4,080	51,644
40-44	3,637	595	198	76	4	0	4,510	54,345
45-49	3,233	594	177	86	29	1	4,120	57,146
50-54	2,901	586	200	95	35	10	3,827	58,099
55-59	2,350	473	146	44	17	3	3,033	54,890
60-64	2,030	373	84	21	11	8	2,527	50,572
65 and Over	1,863	207	52	18	5	3	2,148	44,926
All Ages	**25,173**	**3,581**	**929**	**354**	**101**	**25**	**30,163**	**$52,591**

Retired Members and Beneficiaries

Distribution of Retirees and Beneficiaries by Age and Retirement Type

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	0	0	0	0	2	44	46
30-34	0	3	3	0	0	26	32
35-39	0	5	11	0	2	48	66
40-44	0	27	31	1	2	29	90
45-49	0	60	42	2	1	38	143
50-54	646	71	61	16	2	65	861
55-59	3,099	128	102	34	0	140	3,503
60-64	6,469	216	88	51	1	263	7,088
65-69	8,822	212	98	57	1	447	9,637
70-74	8,168	240	64	51	1	624	9,148
75-79	6,063	157	50	31	1	739	7,041
80-84	2,878	85	26	22	1	683	3,695
85 and Over	1,866	66	5	15	0	823	2,775
All Ages	**38,011**	**1,270**	**581**	**280**	**14**	**3,969**	**44,125**

Distribution of Average Annual Disbursements to Retirees and Beneficiaries by Age and Retirement Type

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 30	$0	$0	$0	$0	$246	$5,316	$5,095
30-34	0	5,623	109	0	0	9,222	8,030
35-39	0	9,153	308	0	193	5,919	5,055
40-44	0	13,056	847	18,335	78	7,705	6,897
45-49	0	14,887	4,571	4,057	101	12,471	10,960
50-54	18,728	13,671	2,843	30,900	366	18,158	17,326
55-59	26,462	15,103	4,772	22,885	0	14,607	24,907
60-64	29,042	15,738	5,626	21,904	1,513	20,065	27,958
65-69	28,842	16,516	6,200	25,979	2,506	22,100	28,008
70-74	28,522	14,625	6,431	13,781	240	23,782	27,595
75-79	27,098	14,337	7,798	21,757	18	21,631	26,075
80-84	23,663	13,868	9,592	17,634	90	20,400	22,694
85 and Over	20,931	13,953	3,142	9,513	0	18,985	20,094
All Ages	**$27,383**	**$14,940**	**$5,252**	**$20,731**	**$445**	**$20,211**	**$26,037**

Retired Members and Beneficiaries (continued)

Distribution of Retirees and Beneficiaries by Years Retired and Retirement Type

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	10,282	122	112	67	5	1,470	12,058
5-9	9,491	178	105	65	2	994	10,835
10-14	8,189	205	77	60	0	603	9,134
15-19	5,439	150	102	49	3	417	6,160
20-24	2,703	242	63	25	0	255	3,288
25-29	1,220	204	61	8	2	123	1,618
30 and Over	687	169	61	6	2	107	1,032
All Years	**38,011**	**1,270**	**581**	**280**	**14**	**3,969**	**44,125**

Distribution of Average Annual Disbursement to Retirees and Beneficiaries by Years Retired and Retirement Type

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 5 Yrs	$29,307	$14,747	$4,762	$27,363	$220	$21,960	$28,014
5-9	27,996	16,573	6,244	23,647	216	21,191	26,942
10-14	29,051	16,616	4,590	18,604	0	20,024	27,901
15-19	26,861	17,323	3,526	16,642	118	18,228	25,564
20-24	21,430	15,092	7,280	16,649	0	15,275	20,178
25-29	18,411	12,949	6,999	4,841	2,009	17,824	17,160
30 and Over	13,700	11,397	4,324	7,958	165	10,380	12,365
All Years	**$27,383**	**$14,940**	**$5,252**	**$20,731**	**$445**	**$20,211**	**$26,037**

Retired Members and Beneficiaries (continued)

Distribution of Total Annual Aggregate Disbursements to Retirees and Beneficiaries by Attained Age and Retirement Type (Includes PPPA Payments)

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	$0	$0	$0	$0	$492	$233,900	$234,392
30-34	0	16,869	327	0	0	239,776	256,972
35-39	0	45,765	3,383	0	386	284,127	333,660
40-44	0	352,521	26,257	18,335	156	223,456	620,725
45-49	0	893,209	191,987	8,114	101	473,907	1,567,318
50-54	12,098,242	970,617	173,435	494,395	733	1,180,278	14,917,700
55-59	82,005,986	1,933,223	486,763	778,102	0	2,044,937	87,249,011
60-64	187,875,662	3,399,449	495,050	1,117,088	1,513	5,277,068	198,165,829
65-69	254,440,068	3,501,479	607,590	1,480,827	2,506	9,878,612	269,911,082
70-74	232,971,040	3,510,113	411,600	702,818	240	14,839,915	252,435,727
75-79	164,293,171	2,250,928	389,903	674,467	18	15,985,220	183,593,705
80-84	68,103,495	1,178,789	249,381	387,958	90	13,933,195	83,852,907
85 and Over	39,056,568	920,907	15,712	142,690	0	15,624,575	55,760,452
Total	**$1,040,844,234**	**$18,973,868**	**$3,051,388**	**$5,804,795**	**$6,233**	**$80,218,964**	**$1,148,899,481**

Distribution of Total Annual Aggregate Disbursements to Retirees and Beneficiaries by Years Retired and Retirement Type (Includes PPPA Payments)

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	$301,339,136	$1,799,101	$533,394	$1,833,325	$1,101	$32,281,513	$337,787,570
5-9	265,709,428	2,949,944	655,608	1,537,084	431	21,063,942	291,916,438
10-14	237,899,276	3,406,220	353,405	1,116,225	0	12,074,409	254,849,535
15-19	146,098,242	2,598,515	359,624	815,446	353	7,600,930	157,473,110
20-24	57,924,230	3,652,374	458,623	416,237	0	3,895,180	66,346,643
25-29	22,461,860	2,641,590	426,942	38,727	4,018	2,192,305	27,765,442
30 and Over	9,412,061	1,926,124	263,791	47,750	330	1,110,686	12,760,743
Total	**$1,040,844,234**	**$18,973,868**	**$3,051,388**	**$5,804,795**	**$6,233**	**$80,218,964**	**$1,148,899,481**

Distribution of Plan Costs by Benefit Formula

Benefit Formula	Accrued Liability	% of Pool	6/30/2024 Payroll	% of Pool
2.0% at age 62	$2,044,475,065	8.3%	$2,055,746,541	59.3%
2.0% at age 60	1,872,062,526	7.6%	247,119,734	7.1%
2.0% at age 55	8,458,124,535	34.2%	565,337,060	16.3%
2.5% at age 55	4,332,376,034	17.5%	215,755,423	6.2%
2.7% at age 55	5,414,790,020	21.9%	275,130,951	7.9%
3.0% at age 60	2,233,872,476	9.0%	106,167,669	3.1%
Inactive	345,866,522	1.4%	0	0.0%
Total	**$24,701,567,178**		**$3,465,257,378**	

Appendix E - Glossary

Glossary

Accrued Liability (Actuarial Accrued Liability)
The portion of the Present Value of Benefits allocated to prior years. It can also be expressed as the Present Value of Benefits minus the present value of future Normal Cost. Different actuarial cost methods and different assumptions will lead to different measures of Accrued Liability.

Actuarial Assumptions
Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include such things as mortality, disability, and retirement rates. Economic assumptions include discount rate, wage inflation, and price inflation.

Actuarial Methods
Procedures employed by actuaries to achieve certain funding goals of a pension plan. Actuarial methods include an actuarial cost method, an amortization policy, and an asset valuation method.

Actuarial Valuation
The determination as of a valuation date of the Normal Cost, Accrued Liability, and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change in plan provisions.

Actuary
A business professional proficient in mathematics and statistics who measures and manages risk. A public retirement system actuary in California performs actuarial valuations necessary to properly fund a pension plan and disclose its liabilities and must satisfy the qualification standards for actuaries issuing statements of actuarial opinion in the United States with regard to pensions.

Amortization Bases
Separate payment schedules for different portions of the Unfunded Accrued Liability (UAL). The total UAL of a rate plan can be segregated by cause. The impact of such individual causes on the UAL are quantified at the time of their occurrence, resulting in new amortization bases. Each base is separately amortized and paid for over a specific period of time. Generally, in an actuarial valuation, the separate bases consist of changes in UAL due to contract amendments, actuarial assumption changes, method changes, and/or experience gains and losses.

Amortization Period
The number of years required to pay off an Amortization Base.

Class 0 Benefit Surcharge
Class 0 benefit surcharge is the increase in normal cost for a given benefit formula above the baseline PEPRA 2% at age 62 benefit formula.

Class 1 Benefits
Class 1 benefits have been identified as additional benefits which have a significant, ongoing effect on the total plan cost. In some cases, a Class 1 benefit may be an alternate benefit formula. These benefits vary by employer across the risk pool. Agencies contracting for a Class 1 benefit will be responsible for the past service liability associated with such benefit and will be required to pay a surcharge established by the actuary to cover the ongoing cost (normal cost) of the Class 1 benefit.

Class 2 Benefits
Class 2 benefits have been identified to be the ancillary benefits providing one-time increases in benefits. These benefits vary by employer across the risk pool. Agencies contracting for a Class 2 benefit will be responsible for the past service liability associated with such benefit.

Class 3 Benefits
Class 3 benefits have been identified to be additional benefits which have a minimal effect on the total plan cost. Class 3 benefits may vary by rate plan within each risk pool. However, the employer contribution rate will not vary with in the risk pool due to the Class 3 benefits.

Glossary (continued)

Classic Member (under PEPRA)
A member who joined a public retirement system prior to January 1, 2013, and who is not defined as a new member under PEPRA. (See definition of New Member below.)

Discount Rate
The rate used to discount the expected future benefit payments to the valuation date to determine the Projected Value of Benefits. Different discount rates will produce different measures of the Projected Value of Benefits. The discount rate for funding purposes is based on the assumed long-term rate of return on plan assets, net of investment and administrative expenses. This rate is called the “actuarial interest rate” in Section 20014 of the California Public Employees’ Retirement Law.

Entry Age
The earliest age at which a plan member begins to accrue benefits under a defined benefit pension plan. In most cases, this is the age of the member on their date of hire.

Entry Age Actuarial Cost Method
An actuarial cost method that allocates the cost of the projected benefits on an individual basis as a level percent of earnings for the individual between entry age and retirement age. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member’s career.

Fresh Start
A Fresh Start is when multiple amortization bases are combined into a single base and amortized over a new Amortization Period.

Funded Ratio
Defined as the Market Value of Assets divided by the Accrued Liability. Different actuarial cost methods and different assumptions will lead to different measures of Funded Ratio. The Funded Ratio with the Accrued Liability equal to the funding target is a measure of how well funded a rate plan is. A ratio greater than 100% means the rate plan has more assets than the funding target and the employer need only contribute the Normal Cost. A ratio less than 100% means assets are less than the funding target and contributions in addition to Normal Cost are required.

Funded Status
Any comparison of a particular measure of plan assets to a particular measure of pension obligations. The methods and assumptions used to calculate a funded status should be consistent with the purpose of the measurement.

Funding Target
The Accrued Liability measure upon which the funding requirements are based. The funding target is the Accrued Liability under the Entry Age Actuarial Cost Method using the assumptions adopted by the board.

GASB 68
Statement No. 68 of the Governmental Accounting Standards Board; the accounting standard governing a state or local governmental employer’s accounting and financial reporting for pensions.

New Member (under PEPRA)
A new member includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is not subject to reciprocity with another public retirement system.

Normal Cost
The portion of the Present Value of Benefits allocated to the upcoming fiscal year for active employees. Different actuarial cost methods and different assumptions will lead to different measures of Normal Cost. The Normal Cost under the Entry Age Actuarial Cost Method, using the assumptions adopted by the board, plus the required amortization of the UAL, if any, make up the required contributions.

PEPRA
The California Public Employees’ Pension Reform Act of 2013.

Glossary (continued)

Present Value of Benefits (PVB)
The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for *current* members.

Risk Pool
A risk pool combines assets and liabilities across employers for the purpose of sharing risk and reducing large fluctuations in an employer's retirement contribution requirements caused by unexpected demographic events. CalPERS currently maintains two risk pools for contracting agencies, one for Miscellaneous rate plans and one for Safety rate plans.

Traditional Unit Credit Actuarial Cost Method
An actuarial cost method that sets the Accrued Liability equal to the Present Value of Benefits assuming no future pay increases or service accruals. The Traditional Unit Credit Cost Method is used to measure the accrued liability on a termination basis.

Unfunded Accrued Liability (UAL)
The Accrued Liability minus the Market Value of Assets. If the UAL for a rate plan is positive, the employer is required to make contributions in excess of the Normal Cost.

California Public Employees' Retirement System
Actuarial Office
400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744
888 CalPERS (or **888**-225-7377) | TTY: (877) 249-7442 | **www.calpers.ca.gov**

October 2025

Proposed PEPRA Safety Fire Plan for Foresthill Fire Protection District
(CalPERS ID: 7933275200)
Safety Fire Plan Actuarial Valuation Report as of November 30, 2025
0% Prior Service

Dear Employer,

Enclosed is the actuarial valuation conducted to determine the required contributions if the Foresthill Fire Protection District elects to participate in the California Public Employees' Retirement System (CalPERS). This valuation is based on a valuation date and a contract start date of November 30, 2025. CalPERS staff actuaries are available to discuss the contents of this report with you.

The required contributions for the following benefit provisions are included in this report.

- **2.7% @ 57 PEPRA Safety with 3-year Final Average Compensation**

Since your public agency has 100 or fewer active Safety Fire Plan employees, your proposed plan would be required to participate in the Safety Risk Pool. This report provides specific information for your proposed plan, including the development of your pooled employer contribution rate, a discussion of the potential volatility of future required contributions and other risks associated with the proposed plan.

In the event your public agency elects to contract for CalPERS membership, your employees will be entitled to retirement benefits as provided by CalPERS under the Public Employees' Retirement Law. The contract for CalPERS membership will specify that, to the extent, if any, your employees may claim entitlement to additional benefits resulting from prior membership in a different retirement plan, such benefits will be the responsibility of your agency alone, and not of CalPERS.

Required Contributions

Fiscal Year	Employer Normal Cost Rate	Employer Amortization of Unfunded Accrued Liability	PEPRA Member Contribution Rate
2025-26	13.99%	$0	13.75%
2026-27	13.91%	$0	13.75%
Projected Results			
2027-28	*13.9%*	*$0*	*TBD*

The rates shown above will be in effect unless there are further benefit or funding changes. If the membership or asset information is significantly different at the actual contract date, or if the actual contract effective date is delayed beyond the proposed effective date of November 30, 2025 by more than 90 days, the employer contribution rates shown above may have to be recalculated. The contribution rates shown above were based on the results of the June 30, 2023 and June 30, 2024 valuations.

The FY 2026-27 payment of $0 assumes a contract date during FY 2025-26. The total dollar amount of Employer Normal Cost contributions for FY 2025-26 will depend on the number of applicable payroll reporting periods during the Fiscal Year.

In accordance with PEPRA, the member contribution rates shown above are set at 50% of the expected normal cost rate for the benefits that will apply to your PEPRA Safety Fire Plan during the fiscal years provided. Note that the member contribution rate may change over time if the total normal cost for PEPRA members fluctuates by more than 1% of payroll in future valuations.

Risk Analysis

The actuarial calculations supplied in this communication are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from year to year. So, contribution rates will fluctuate, especially due to fluctuations in investment return.

The actuarial methods and assumptions used in determining your rate can be found in Section 2, Appendix A. A list of class 1 benefit provisions used in determining your rate is included in Section 1 of the report. A description of these provisions can be found in Section 2, Appendix B.

Please see the Risk Analysis section of this report for a discussion of factors that can lead to volatility in actuarial valuation results, including required contributions, in the future.

If your agency would like to consider other benefit formulas or other combinations of benefit provisions, please contact us.

Sincerely,

Kelly Sturm

Kelly Sturm, ASA, MAAA
Supervising Actuary, CalPERS

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

New Agency Actuarial Valuation as of November 30, 2025

For the Proposed Safety Fire Plan of the Foresthill Fire Protection District, 2.7% @ 57 PEPRA Safety Formula with 3-year Final Average Compensation and 0% Prior Service

Table of Contents

Section 1

Plan Specific Information
for the
Proposed Safety Fire Plan of the
Foresthill Fire Protection District

Table of Contents

Actuarial Certification

This report was prepared in order to provide the employer with information about the cost of benefits and the contributions required in order to assist in the decision as to whether or not to contract for the benefits. Use of this report for other purposes is inappropriate.

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Rate Plan Results

To the best of my knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable as well as the information in Section 2 of this report, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the proposed Safety Fire Plan of the Foresthill Fire Protection District and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2024, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. Section 1 of this report is based on the member and financial data for Foresthill Fire Protection District, while Section 2 is based on the corresponding information for all agencies participating in the Safety Risk Pool to which the plan would belong.

Kelly Sturm, ASA, MAAA
Supervising Actuary, CalPERS

Highlights and Executive Summary

Introduction

This report presents the results of the November 30, 2025 new agency actuarial valuation of the PEPRA Safety Fire Plan of the Foresthill Fire Protection District of the California Public Employees' Retirement System (CalPERS). This actuarial valuation sets the required employer contributions for fiscal years (FY) 2025-26 and 2026-27 if the Foresthill Fire Protection District elects to contract with CalPERS for the proposed pension benefits with a contract start date of November 30, 2025.

Purpose of Section 1

This Section 1 report for the proposed PEPRA Safety Fire Plan of the Foresthill Fire Protection District of CalPERS was prepared by the Actuarial Office. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this plan as of November 30, 2025;
- Determine the minimum required employer contributions for this plan for FY July 1, 2025 through June 30, 2026 and July 1, 2026 through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2025 through June 30, 2026 and July 1, 2026 through June 30, 2027 for employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of November 30, 2025 to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for such purposes is required.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Required Contributions

Required Employer Contributions	Fiscal Year 2026-27
Employer Normal Cost Rate	**13.91%**
Plus	
Unfunded Accrued Liability (UAL) Contribution Amount[1]	
1) Monthly Payment	**$0**
Or	
2) Annual Prepayment Option*	**$0**
Required PEPRA Member Contribution Rates	**13.75%**

The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).

** Only the UAL portion of the employer contribution can be prepaid* ***(which must be received in full no later than July 31)****.*

	Fiscal Year 2025-26	Fiscal Year 2026-27
Development of Normal Cost as a Percentage of Payroll[1]		
Base Total Normal Cost for Formula	27.74%	27.66%
Surcharge for Class 1 Benefits[2]		
None	0.00%	0.00%
Plan's Total Normal Cost	27.74%	27.66%
Offset Due to Employee Contributions	13.75%	13.75%
Employer Normal Cost Rate	13.99%	13.91%
Projected Payroll for the Contribution Fiscal Year[3]	$820,551	$843,526
Estimated Employer Contributions Based on Projected Payroll		
Plan's Estimated Employer Normal Cost[4]	TBD	$117,334
Plan's Payment on Amortization Bases	0	0
Estimated Total Employer Contribution	TBD	$117,334

1 The Monthly UAL Payment will be charged beginning the July following the contract date. As such, the FY 2026-27 monthly UAL payment of $0 assumes a contract date during FY 2025-26. This payment is only to pay for prior service, if any.

2 Appendix C of Section 2 contains the list of class 1 benefits with their corresponding surcharges.

3 Payroll from the prior year is assumed to increase by the 2.8% payroll growth assumption.

4 The Plan's Estimated Employer Normal Cost for FY 2025-26 will depend on the number of applicable payroll reporting periods during the Fiscal Year. The FY 2026-27 amount assumes payments made for the entire Fiscal Year.

Funded Status – Funding Policy Basis

The table below provides information on the current funded status of the plan under the funding policy. The funded status for this purpose is based on the market value of assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **funded ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

	November 30, 2025
1. Present Value of Projected Benefits (PVB)	$3,693,359
2. Entry Age Normal Accrued Liability (AL)	0
3. Plan's Market Value of Assets (MVA)	0
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	0
5. Funded Ratio [(3) / (2)]	N/A

A funded ratio of 100% (UAL of $0) implies that the funding of the plan is on target and that future contributions equal to the normal cost of the active plan members will be sufficient to fully fund all retirement benefits if future experience matches the actuarial assumptions. A funded ratio of less than 100% (positive UAL) implies that in addition to normal costs, payments toward the UAL will be required. Plans with a funded ratio greater than 100% have a negative UAL (or surplus) but are required under current law to continue contributing the normal cost in most cases, preserving the surplus for future contingencies.

Calculations for the funding target reflect the expected long-term investment return of 6.8%. If it were known on the valuation date that future investment returns will average something greater/less than the expected return, calculated normal costs and accrued liabilities provided in this report would be less/greater than the results shown. Therefore, for example, if actual average future returns are less than the expected return, calculated normal costs and UAL contributions will not be sufficient to fully fund all retirement benefits. Under this scenario, required future normal cost contributions will need to increase from those provided in this report, and the plan will develop unfunded liabilities that will also add to required future contributions. For illustrative purposes, funded statuses based on a 1% lower and higher average future investment return (discount rate) are as follows:

	1% Lower Average Return	**Current Assumption**	**1% Higher Average Return**
Discount Rate	5.8%	6.8%	7.8%
1. Entry Age Accrued Liability	$0	$0	$0
2. Market Value of Assets (MVA)	0	0	0
3. Unfunded Accrued Liability (UAL) [(1) – (2)]	$0	$0	$0
4. Funded Ratio [(2) / (1)]	N/A	N/A	N/A

The "Risk Analysis" section of the report provides additional information regarding the sensitivity of valuation results to the expected investment return and other factors. Also provided in that section are measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities.

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2024-25 is assumed to be 6.80% per year, net of investment and administrative expenses. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

	Required Contribution	**Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25)**				
Fiscal Year	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32**
Normal Cost %	13.91%	13.9%	13.9%	13.9%	13.9%	13.9%
UAL Payment	$0	$0	$0	$0	$0	$0

For ongoing plans, investment gains and losses are amortized using a 5-year ramp up. For more information, please see “Amortization of the Unfunded Actuarial Accrued Liability” under “Actuarial Methods” in Appendix A of the Section 2 Report. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years where there is a large increase in UAL the relatively small amortization payments during the ramp up period could result in a funded ratio that is projected to decrease initially while the contribution impact of the increase in the UAL is phased in.

For projected contributions under alternate investment return scenarios, please see the “Future Investment Return Scenarios” in the “Risk Analysis” section.

Subsequent Events

The contribution requirements determined in this actuarial valuation report are based on demographic and financial information as of November 30, 2025. Changes in the value of assets subsequent to that date are not reflected. Investment returns below the assumed rate of return will increase the required contribution, while investment returns above the assumed rate of return will decrease the required contribution.

This actuarial valuation report reflects statutory changes, regulatory changes and board actions through September 2025.

CalPERS will be completing an Asset Liability Management (ALM) review process in November 2025 that will review the capital market assumptions and the CalPERS Total Fund Investment Policy and ascertain whether a change in the discount is warranted. In addition, the Actuarial Office will be presenting the findings of its Experience Study which reviews economic assumptions other than the discount rate as well as all demographic assumptions and makes recommendations to modify actuarial assumptions where appropriate. Any changes in actuarial assumptions will be reflected in the June 30, 2025, actuarial valuations.

The 2024 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2025 limits, determined in October 2024, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Liabilities and Contributions

Development of the Plan's UAL

		November 30, 2025
1.	Plan's Accrued Liability	$0
2.	Plan's Market Value Assets	$0
3.	Plan's Unfunded Accrued Liability (UAL) [(1) - (2)]	$0

Schedule of Plan's Amortization Bases

The schedule of the plan's amortization bases is below. Amortization bases represent sources of Unfunded Accrued Liability (UAL).

- The assets, liabilities, and funded status of the plan are measured as of the date the agency joins CalPERS: November 30, 2025.
- The required employer contributions determined by the valuation are for Fiscal Year 2026-27.

Reason for Base	Date Established	Ramp Up/Down 2026-27	Escalat-ion Rate	Amorti-zation Period	Balance 11/30/25	Payment 2025-26	Balance 6/30/26	Scheduled Payment 2026-27
PRIOR SERVICE	11/30/25	No Ramp	0.000%	N/A	$0	$0	$0	$0
TOTAL					**$0**	**$0**	**$0**	**$0**

If the total UAL is negative (i.e., plan has a surplus), the scheduled payment is $0, because the minimum required contribution under PEPRA must be at least equal to the normal cost.

Amortization Schedule and Alternatives

The amortization schedule on the previous page shows the minimum contributions required according to the CalPERS amortization policy. Many agencies have expressed interest in paying off the unfunded accrued liabilities more quickly than required. As such, we have provided alternative amortization schedules to help analyze the current amortization schedule and illustrate the potential savings of accelerating unfunded liability payments.

Shown on the following page are future year amortization payments based on 1) the current amortization schedule reflecting the individual bases and remaining periods shown on the previous page, and 2) alternative "fresh start" amortization schedules using two sample periods that would both result in interest savings relative to the current amortization schedule.

The current amortization schedule typically contains both positive and negative bases. Positive bases result from plan changes, assumption changes, method changes or plan experience that increase unfunded liability. Negative bases result from plan changes, assumption changes, method changes, or plan experience that decrease unfunded liability. The combination of positive and negative bases within an amortization schedule can result in unusual or problematic circumstances in future years, such as:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

In any year when one of the above scenarios occurs, the actuary will consider corrective action such as replacing the existing unfunded liability bases with a single "fresh start" base and amortizing it over a reasonable period.

The current amortization schedule on the following page may appear to show that, based on the current amortization bases, one of the above scenarios will occur at some point in the future. It is impossible to know today whether such a scenario will in fact arise since there will be additional bases added to the amortization schedule in each future year. Should such a scenario arise in any future year, the actuary will take appropriate action based on guidelines in the CalPERS Actuarial Amortization Policy.

Amortization Schedule and Alternatives (continued)

			Alternate Schedules			
	Current Amortization Schedule		N/A Year Amortization		N/A Year Amortization	
Date	**Balance**	**Payment**	**Balance**	**Payment**	**Balance**	**Payment**
6/30/2026	N/A	N/A	N/A	N/A	N/A	N/A
6/30/2027						
6/30/2028						
6/30/2029						
6/30/2030						
6/30/2031						
6/30/2032						
6/30/2033						
6/30/2034						
6/30/2035						
6/30/2036						
6/30/2037						
6/30/2038						
6/30/2039						
6/30/2040						
6/30/2041						
6/30/2042						
6/30/2043						
6/30/2044						
6/30/2045						
Totals		**N/A**		**N/A**		**N/A**
Interest Paid		**N/A**		**N/A**		**N/A**
Estimated Savings				**N/A**		**N/A**

PEPRA Member Contribution Rates

The California Public Employees' Pension Reform Act of 2013 (PEPRA) established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code Section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate is dependent on the plan of retirement benefits, actuarial assumptions and demographics of the risk pool, particularly members' entry age. Should the total normal cost rate change by more than 1% from the base total normal cost rate, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2025, based on 50% of the total normal cost rate as of the June 30, 2023 valuation.

		Basis for Current Rate		Rates Effective July 1, 2025			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
TBD	Safety Fire PEPRA Level	27.29%	13.75%	27.74%	0.45%	No	13.75%

The table below shows the determination of the PEPRA member contribution rates effective July 1, 2026, based on 50% of the total normal cost rate as of the June 30, 2024 valuation.

		Basis for Current Rate		Rates Effective July 1, 2026			
Rate Plan Identifier	**Benefit Group Name**	**Total Normal Cost**	**Member Rate**	**Total Normal Cost**	**Change**	**Change Needed**	**Member Rate**
TBD	Safety Fire PEPRA Level	27.29%	13.75%	27.66%	0.37%	No	13.75%

Risk Analysis

Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation Policy. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2044.

Assumed Annual Return FY 2024-25 through 2043-44	Projected Employer Contributions				
	2027-28	2028-29	2029-30	2030-31	2031-32
3.0% (5th percentile)					
Normal Cost Rate	13.9%	13.9%	13.9%	13.9%	13.9%
UAL Contribution	$0	$110	$540	$1,500	$3,200
10.8% (95th percentile)					
Normal Cost Rate	13.9%	13.9%	13.9%	13.9%	13.9%
UAL Contribution	$0	$0	$0	$0	$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2024-25 on the FY 2027-28 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2027-28.

Assumed Annual Return for Fiscal Year 2024-25	Required Employer Contributions	Projected Employer Contributions
	2026-27	2027-28
(17.2)% (2 standard deviation loss)		
Normal Cost Rate	13.91%	13.9%
UAL Contribution	$0	$0
(5.2)% (1 standard deviation loss)		
Normal Cost Rate	13.91%	13.9%
UAL Contribution	$0	$0

- Without investment gains (returns higher than 6.8%) in year FY 2025-26 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2024-25.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of November 30, 2025 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of November 30, 2025	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	34.83%	27.66%	22.24%
b) Accrued Liability	$0	$0	$0
c) Market Value of Assets	$0	$0	$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	$0	$0	$0
e) Funded Ratio	N/A	N/A	N/A

Sensitivity to the Price Inflation Assumption

As of November 30, 2025	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	29.22%	27.66%	24.99%
b) Accrued Liability	$0	$0	$0
c) Market Value of Assets	$0	$0	$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	$0	$0	$0
e) Funded Ratio	N/A	N/A	N/A

Mortality Rate Sensitivity

The following table looks at the change in the plan costs and funded ratio as of November 30, 2025 under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of November 30, 2025	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	28.02%	27.66%	27.32%
b) Accrued Liability	$0	$0	$0
c) Market Value of Assets	$0	$0	$0
d) Unfunded Liability/(Surplus) [(b) - (c)]	$0	$0	$0
e) Funded Ratio	N/A	N/A	N/A

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables, and changes in longevity or other demographic assumptions.

Since it is the employer that bears the risk, it is appropriate to perform this analysis on a pension plan level considering all rate plans. The following measures are for one rate plan only. One way to look at the maturity level of all CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio starts increasing. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	November 30, 2025
1. Retired Accrued Liability	0
2. Total Accrued Liability	0
3. Ratio of Retiree AL to Total AL [(1) ÷ (2)]	N/A

Another measure of maturity level of CalPERS and its plans is to look at the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

For comparison, the support ratio for all CalPERS public agency plans as of June 30, 2023, was 0.77 and was calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	November 30, 2025
1. Number of Actives	11
2. Number of Retirees	0
3. Support Ratio [(1) ÷ (2)]	N/A

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR of 8 is expected to have twice the contribution volatility of a plan with LVR of 4. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	November 30, 2025
1. Market Value of Assets	$0
2. Payroll	$820,551
3. Asset Volatility Ratio (AVR) [(1) / (2)]	0.0
4. Accrued Liability	$0
5. Liability Volatility Ratio (LVR) [(4) / (2)]	0.0

Funded Status – Termination Basis

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of November 30, 2025. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as demonstrated below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%
06/30/2019	2.31%	06/30/2024	4.61%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.61% Price Inflation: 2.45%	Discount Rate: 5.61% Price Inflation: 2.45%
1. Termination Liability[1]	$0	$0
2. Market Value of Assets (MVA)	0	0
3. Unfunded Termination Liability [(1) – (2)]	$0	$0
4. Funded Ratio [(2) ÷ (1)]	N/A	N/A

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A of the Section 2 report.

In order to terminate, first contact our Pension Contract Services unit to initiate a Resolution of Intent to Terminate. The completed Resolution will allow a CalPERS actuary to provide a preliminary termination valuation with a more up-to-date estimate of the plan's assets and liabilities. Before beginning this process, please consult with a CalPERS actuary.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.35%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2024.

Selected Measures on a Low-Default-Risk Basis	**November 30, 2025**
Discount Rate	5.35%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$0
b) Transferred Members	0
c) Separated Members	0
d) Members and Beneficiaries Receiving Payments	0
e) Total	$0
2. Market Value of Assets (MVA)	0
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$0
4. Unfunded Accrued Liability – Funding Policy Basis	0
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$0

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

[1] This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Participant Data

The table below shows a summary of your plan's member data upon which this valuation is based:

	November 30, 2025
Reported Payroll	$820,551
Projected Payroll for Contribution Purposes	$843,526
Number of Members	
Active	11
Transferred	0
Separated	0
Retired	0

List of Class 1 Benefit Provisions

This plan has the additional Class 1 Benefit Provisions:

- None

Plan's Major Benefit Options

Shown below is a summary of your agency's proposed major optional benefits. A description of principal standard and optional plan provisions can be found in Appendix B of Section 2.

	Benefit Group	
Benefit Provision	Fire	
Benefit Formula	2.7% @ 57	
Social Security Coverage	No	
Full/Modified	Full	
Employee Contribution Rate	13.75%	
Final Average Compensation Period	Three Year	
Sick Leave Credit	Yes	
Non-Industrial Disability	Standard	
Industrial Disability	Standard	
Pre-Retirement Death Benefits		
Optional Settlement 2W	Yes	
1959 Survivor Benefit Level	Indexed	
Special	Yes	
Alternate (firefighters)	No	
Post-Retirement Death Benefits		
Lump Sum	$2000	
Survivor Allowance (PRSA)	No	
COLA	2%	

* 1959 Survivor Benefit is provided by a separate program and will be billed separately.

Section 2

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Section 2 may be found on the CalPERS website (www.calpers.ca.gov) in the Forms and Publications section

Section 2

California Public Employees' Retirement System

Actuarial Valuation as of June 30, 2023

for CalPERS

Safety Risk Pool

Required Contributions for Fiscal Year July 1, 2025 – June 30, 2026

Table of Contents — Section 2

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report, consisting of Section 1 and Section 2, is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this risk pool.

Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS

Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Risk Pool Results

To the best of our knowledge and having relied upon the attestation above that the actuarial methods and assumptions are reasonable, this Section 2 report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Safety Risk Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2023, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced.

Cheuk Kiu (Jet) Au, ASA, MAAA
Senior Pension Actuary, CalPERS
Pool Actuary

Ian Osugi, ASA, MAAA
Senior Pension Actuary, CalPERS
Pool Actuary

Highlights and Executive Summary

Introduction

This Section 2 report presents the results of the June 30, 2023 actuarial valuation of the Safety Risk Pool of the California Public Employees' Retirement System (CalPERS). This report shows the required employer normal cost contribution rates and the risk pool's payment on amortization bases for fiscal year (FY) 2025-26 for plans participating in the risk pool.

The actuarial assumptions and methods used in CalPERS public agency valuations are approved by the Board of Administration upon the recommendation of the Chief Actuary. The assumptions and methods used for the Safety Risk Pool are provided in Appendix A.

Purpose of Section 2

This actuarial valuation for the Safety Risk Pool of the California Public Employees' Retirement System (CalPERS) was prepared by CalPERS Actuarial Office using data as of June 30, 2023. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of this risk pool as of June 30, 2023
- Determine the minimum required contributions of the pool for the FY July 1, 2025 through June 30, 2026
- Provide actuarial information as of June 30, 2023 to the CalPERS Board of Administration (board) and other interested parties

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost Sharing Employer Defined Benefit Pension Plan. A separate accounting valuation report for risk pooled plans is available on the CalPERS website (www.calpers.ca.gov).

The measurements shown in this actuarial valuation may not be applicable for other purposes. Agencies should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with guidance of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.

Summary of Key Valuation Results

Risk Pool's Required Employer Contribution

	Fiscal Year 2024-25	Fiscal Year 2025-26
Contribution in Projected Dollars		
a) Risk Pool's Normal Cost	$606,050,701	$642,892,289
b) Employee Contribution	217,187,003	236,288,491
c) Risk Pool's Gross Employer Normal Cost [(a) - (b)]	$388,863,698	$406,603,798
d) Payment on Risk Pool's Amortization Bases	601,113,916	697,386,509
e) Total Required Employer Contribution* [(c) + (d)]	$989,977,614	$1,103,990,307

* Total may not add up due to rounding

Risk Pool's Normal Cost by Benefit Formula

	Benefit Formula						
Normal Cost Rate as Percentage of Projected Payroll for Fiscal Year 2025-26	**2% at Age 57**	**2.5% at Age 57**	**2.7% at Age 57**	**2% at Age 55**	**2% at Age 50**	**3% at Age 55**	**3% at Age 50**
1) Total Normal Cost Rate	22.23%	26.45%	27.74%	23.59%	29.11%	32.05%	34.90%
2) Offset due to Employee Contribution	11.00%	13.00%	13.75%	7.00%	8.96%	8.99%	8.99%
3) Total Employer Normal Cost Base Benefit [1 - 2]	11.23%	13.45%	13.99%	16.59%	20.15%	23.06%	25.91%

Class 1 benefits as provided in Appendix C are in addition to these costs.

Funded Status of the Risk Pool

		June 30, 2022	June 30, 2023
1.	Present Value of Projected Benefits	$34,519,517,621	$36,357,619,469
2.	Entry Age Accrued Liability	29,064,316,701	30,525,472,379
3.	Market Value of Assets (MVA)	21,343,565,874	22,268,487,278
4.	Unfunded Accrued Liability (UAL) [(2) - (3)]	$7,720,750,827	$8,256,985,101
5.	Funded Ratio [(3) ÷ (2)]	73.4%	73.0%

The UAL and funded ratio are assessments of the need for future employer contributions based on the selected actuarial cost method used to fund the plans. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of the funded status that allows for comparison between plans of different sizes. For a measure of funded status that is appropriate for assessing the sufficiency of plan assets to cover estimated termination liabilities, please see "Funded Status - Termination Basis" in the "Risk Analysis" section within the Section 1 report.

Changes since the Prior Year's Valuation

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. For pooled rate plans, voluntary benefit changes by plan amendment are generally included in the first valuation with a valuation date on or after the effective date of the amendment.

Please refer to Appendix B for a summary of the plan provisions used in this valuation. The effect of any mandated benefit changes or plan amendments on the unfunded liability is shown in the (Gain)/Loss Analysis 6/30/22 – 6/30/23. It should be noted that no change in liability or contribution is shown for any plan changes which were already included in the prior year's valuation.

Actuarial Methods and Assumptions

There are no significant changes to the actuarial methods or assumptions for the June 30, 2023, actuarial valuation.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2023 and statutory/regulatory changes and board actions through January 2024.

During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.

The 2023 annual benefit limit under Internal Revenue Code (IRS) section 415(b) and annual compensation limits under IRS section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.

To the best of our knowledge, there have been no other subsequent events that could materially affect current or future certifications rendered in this report.

Assets

Reconciliation of Risk Pool's Market Value of Assets

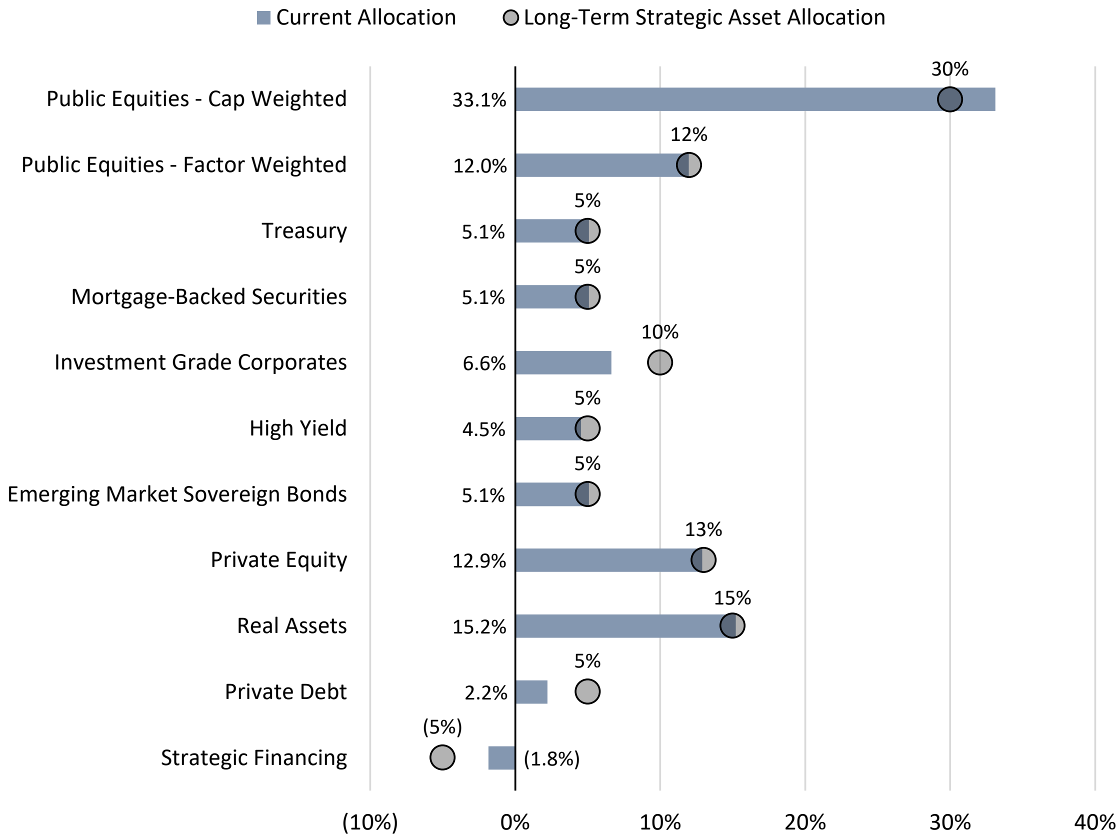
1.	Market Value of Assets as of June 30, 2022 including Receivables	$21,343,565,874
2.	Change in Receivables for Service Buybacks	(1,371,633)
3.	Employer Contributions	901,682,997
4.	Employee Contributions	209,431,284
5.	Benefit Payments to Retirees and Beneficiaries	(1,470,064,799)
6.	Refunds	(8,280,399)
7.	Service Credit Purchase (SCP) Payments and Interest	5,254,201
8.	Administrative Expenses	(12,511,499)
9.	Transfers and Miscellaneous Adjustments	(3,776,144)
10.	Investment Return (Net of Investment Expenses)	1,304,557,396
11.	Market Value of Assets as of June 30, 2023 including Receivables	$22,268,487,278

Asset Allocation

CalPERS adheres to an Asset Allocation Strategy which establishes asset class allocation policy targets and ranges and manages those asset class allocations within their policy ranges. CalPERS Investment Belief No. 6 recognizes that strategic asset allocation is the dominant determinant of portfolio risk and return.

The asset allocation shown below reflects the allocation of the Public Employees' Retirement Fund (PERF) in its entirety. The assets for the Safety Risk Pool are a subset of the PERF and are invested accordingly.

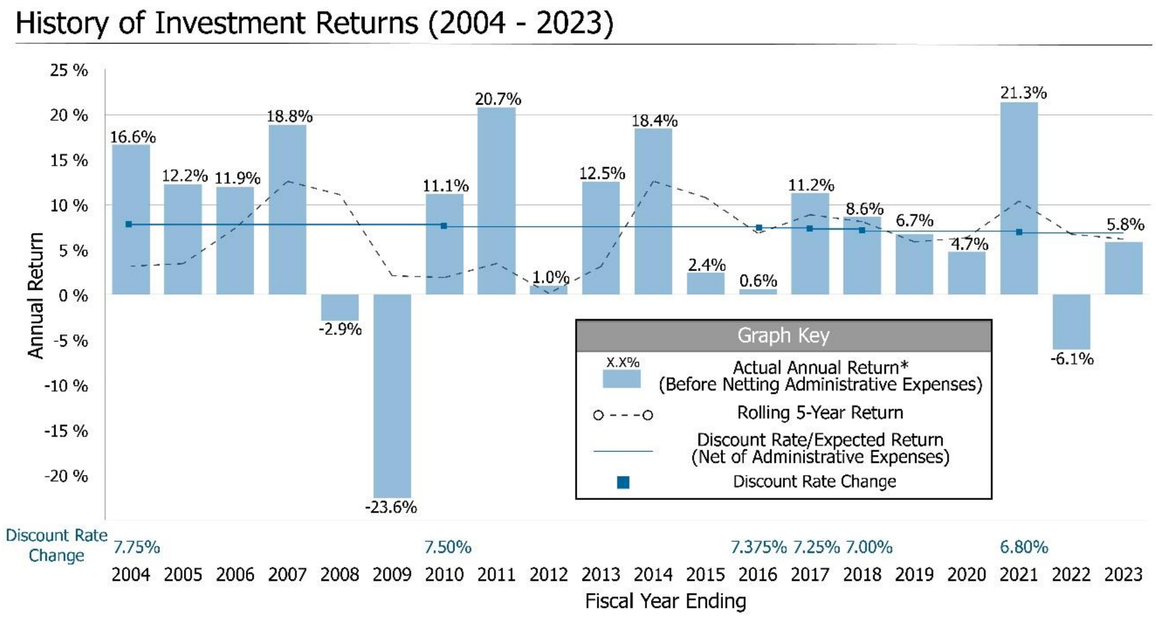
On November 17, 2021, the board adopted changes to the strategic asset allocation. The new allocation was effective July 1, 2022, and is shown below, expressed as a percentage of total assets.



For more information see the Trust Level Review as of June 30, 2023, which is available on the CalPERS website.

CalPERS History of Investment Returns

The following is a chart with the 20-year historical annual returns of the PERF for each fiscal year ending on June 30 as reported by the Investment Office. Investment returns reported are net of investment expenses but without reduction for administrative expenses. The assumed rate of return, however, is net of both investment and administrative expenses. Also, the Investment Office uses a three-month lag on private equity and real assets for investment performance reporting purposes. This can lead to a timing difference in the returns below and those used for financial reporting purposes. The investment gain or loss calculation in this report relies on final assets that have been audited and are appropriate for financial reporting. Because of these differences, the effective investment return for funding purposes in a single year can be higher or lower than the return reported by the Investment Office shown here.



* As reported by the Investment Office with a 3-month lag on private equity and real assets and without any reduction for administrative expenses.

The table below shows annualized investment returns of the PERF for various time periods ending on June 30, 2023. Figures reported are net of investment expenses but without reduction for administrative expenses. These returns are the annual rates that if compounded over the indicated number of years would equate to the actual time-weighted investment performance of the PERF. It should be recognized that in any given year the rate of return is volatile. The portfolio has an expected volatility of 12.0% per year based on the most recent Asset Liability Management study. The realized volatility is a measure of the risk of the portfolio expressed as the standard deviation of the fund's total monthly return distribution, expressed as an annual percentage. Due to their volatile nature, when looking at investment returns, it is more instructive to look at returns over longer time horizons.

History of CalPERS Compound Annual Rates of Return and Volatilities					
	1 year	**5 year**	**10 year**	**20 year**	**30 year**
Compound Annual Return	5.8%	6.1%	7.1%	7.0%	7.5%
Realized Volatility	–	9.5%	7.8%	8.4%	8.8%

Liabilities and Contributions

Risk Pool's Accrued and Unfunded Liabilities

		June 30, 2022	June 30, 2023
1.	Present Value of Projected Benefits		
	a) Active Members	$12,687,137,567	$13,446,818,603
	b) Transferred Members	1,742,529,758	1,811,879,309
	c) Separated Members	345,257,154	371,598,917
	d) Members and Beneficiaries Receiving Payments	19,744,593,142	20,727,322,640
	e) Total	$34,519,517,621	$36,357,619,469
2.	Present Value of Future Employer Normal Costs	$3,321,411,748	$3,483,339,700
3.	Present Value of Future Employee Contributions	$2,133,789,172	$2,348,807,390
4.	Entry Age Accrued Liability		
	a) Active Members [(1a) - (2) - (3)]	$7,231,936,647	$7,614,671,513
	b) Transferred Members (1b)	1,742,529,758	1,811,879,309
	c) Separated Members (1c)	345,257,154	371,598,917
	d) Members and Beneficiaries Receiving Payments (1d)	19,744,593,142	20,727,322,640
	e) Total	$29,064,316,701	$30,525,472,379
5.	Market Value of Assets (MVA) Including Receivables	$21,343,565,874	$22,268,487,278
6.	Unfunded Accrued Liability [(4e) - (5)]	$7,720,750,827	$8,256,985,101
7.	Funded Ratio [(5) ÷ (4e)]	73.4%	73.0%

(Gain)/Loss Analysis 6/30/22 – 6/30/23

To calculate the cost requirements of the pool, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year, actual experience is compared to the expected experience based on the actuarial assumptions. This results in actuarial gains or losses, as shown below.

1.	**Total (Gain)/Loss for the Year**	
a)	Unfunded Accrued Liability (UAL) as of 6/30/22	$7,720,750,827
b)	Expected Payment on the UAL during FY 2022-23	518,431,837
c)	Interest through 6/30/23 [0.068 x (a) - ((1.068)^{½} - 1) x (b)]	507,674,253
d)	Expected UAL before all other changes [(a) - (b) + (c)]	7,709,993,242
e)	Change due to plan Amendments	0
f)	Change due to plan Golden Handshakes and Service Purchases	34,004
g)	Transfers out of Risk Pool	(1,755,329)
h)	Transfers into Risk Pool	0
i)	Change due to assumption change	0
j)	Change due to method change	0
k)	Change due to Funding Risk Mitigation	0
l)	Change due to excessive liability	2,461,739
m)	Expected UAL after all other changes [sum of (d) through (l)]	7,710,733,656
n)	Actual UAL as of 6/30/23	8,256,985,101
o)	Total (Gain)/Loss for 2022-23 [(n) - (m)]	$546,251,445
2.	**Investment (Gain)/Loss for the Year**	
a)	Market Value of Assets as of 6/30/22, including Receivables	$21,343,565,874
b)	Transfers out of Pool	0
c)	Transfers into Pool	0
d)	Adjusted MVA at beginning of year [(a) + (b) + (c)]	21,343,565,874
e)	Prior Fiscal Year Receivables	(14,001,858)
f)	Current Fiscal Year Receivables	12,630,224
g)	Contributions Received	1,111,114,281
h)	Benefits and Refunds Paid	(1,478,345,198)
i)	Transfers and Miscellaneous Adjustments	1,478,057
j)	Expected Return at 6.8% per year	1,438,179,265
k)	Expected Assets as of 6/30/23 [sum of (d) through (j)]	$22,414,620,646
l)	Market Value of Assets as of 06/30/23, including Receivables	22,268,487,278
m)	Investment (Gain)/Loss [(k) - (l)]	$146,133,368
3.	**Non-Investment (Gain)/Loss for the Year**	
a)	Total (Gain)/Loss (1o)	$546,251,445
b)	Investment (Gain)/Loss (2m)	146,133,368
c)	Non-Investment (Gain)/Loss [(3a) - (3b)]	$400,118,077

Items 1i, 1j, 1k, 2m, and 3c above were allocated on a proportional basis to each individual risk pooled plan. The allocation of each plan's share of the UAL is developed in Section 1 of the report.

Differences between the (gains)/losses shown on this page and the ones used for allocating a plan's (gains)/losses on Section 1 Page 11 is attributed to non-pooled plans that transferred into the risk pool. (Gains)/losses on this page include (gains)/losses incurred by the transferred plans during the year, whereas the numbers used for plan allocation on Section 1 Page 11 do not.

Risk Pool's Annual Required Contributions

	Fiscal Year 2024-25	Fiscal Year 2025-26
1. **Contribution in Projected Dollars**		
a) Total Normal Cost	$606,050,701	$642,892,289
b) Employee Contribution	217,187,003	236,288,491
c) Risk Pool's Employer Normal Cost [(1a) - (1b)]	$388,863,698	$406,603,798
d) Payment on Pool's Amortization Bases	601,113,916	697,386,509
e) Total Required Employer Contributions [(1c) + (1d)]	$989,977,614	$1,103,990,307
2. **Annual Covered Payroll as of Valuation Date**	$1,749,718,501	$1,867,172,731
3. **Projected Payroll for Contribution Fiscal Year**	$1,900,848,603	$2,028,447,819

Risk Pool's Contribution History

The table below provides a 10-year history of the required and discretionary employer contributions for the pool. The required amounts are based on the actuarial valuation from two years prior without subsequent adjustments, if any. Additional discretionary payments after June 30, 2023 are not included.

Valuation Date	Contribution Year	Total Employer Normal Cost	Payments on Risk Pool's Amortization Bases	Additional Discretionary Payment	Total Required Employer Contribution
06/30/2014	2016-17	$249,713,885	$253,280,600	$20,936,295	$502,994,485
06/30/2015	2017-18	255,344,937	295,446,118	135,055,334	550,791,055
06/30/2016	2018-19	273,427,815	359,815,296	132,819,586	633,243,111
06/30/2017	2019-20	313,257,122	420,506,951	232,779,217	733,764,073
06/30/2018	2020-21	343,112,951	467,014,669	435,237,715	810,127,620
06/30/2019	2021-22	353,672,191	526,702,419	602,860,012	880,374,610
06/30/2020	2022-23	362,707,402	584,619,045	43,574,316	947,326,447
06/30/2021	2023-24	398,912,469	481,790,724		880,703,193
06/30/2022	2024-25	388,863,698	601,113,916		989,977,614
06/30/2023	2025-26	406,603,798	697,386,509		1,103,990,307

Funding History

The table below shows a 10-year history of actuarial accrued liability, market value of assets, unfunded accrued liability, funded ratio, annual covered payroll and UAL as a percent of payroll.

Valuation Date	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio (MVA ÷ AL)	Annual Covered Payroll	UAL as a % of Payroll
06/30/2014	$17,648,059,055	$13,948,831,909	$3,699,227,146	79.0%	$1,276,291,094	289.8%
06/30/2015	18,467,886,519	13,992,019,532	4,475,866,987	75.8%	1,316,113,170	340.1%
06/30/2016	19,698,755,513	13,911,091,881	5,787,663,632	70.6%	1,372,492,169	421.7%
06/30/2017	20,966,498,823	15,135,860,105	5,830,638,718	72.2%	1,414,781,663	412.1%
06/30/2018	22,931,327,835	16,337,351,256	6,593,976,579	71.2%	1,483,669,589	444.4%
06/30/2019	24,262,790,251	17,397,553,569	6,865,236,682	71.7%	1,561,722,483	439.6%
06/30/2020	25,696,424,194	18,365,305,590	7,331,118,604	71.5%	1,647,808,488	444.9%
06/30/2021	27,398,042,131	22,698,429,636	4,699,612,495	82.8%	1,666,489,883	282.0%
06/30/2022	29,064,316,701	21,343,565,874	7,720,750,827	73.4%	1,749,718,501	441.3%
06/30/2023	30,525,472,379	22,268,487,278	8,256,985,101	73.0%	1,867,172,731	442.2%

Risk Analysis

The risk analysis information in this section is on a pool level. The risk associated with the defined benefits paid from this pool are primarily borne by the employer. Agencies should refer to Section 1 for risk measures applicable to individual agencies.

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2023 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

Sensitivity to the Real Rate of Return Assumption

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	**3.5%**	**4.5%**	**5.5%**
a) Total Normal Cost	40.68%	32.28%	25.91%
b) Accrued Liability	$34,730,187,382	$30,525,472,379	$27,090,502,908
c) Market Value of Assets	$22,268,487,278	$22,268,487,278	$22,268,487,278
d) Unfunded Liability/(Surplus) [(b) - (c)]	$12,461,700,104	$8,256,985,101	$4,822,015,630
e) Funded Ratio [(c) ÷ (b)]	64.1%	73.0%	82.2%

Sensitivity to the Price Inflation Assumption

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.3%**	**2.3%**	**3.3%**
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	33.92%	32.28%	29.29%
b) Accrued Liability	$31,552,470,603	$30,525,472,379	$28,422,256,377
c) Market Value of Assets	$22,268,487,278	$22,268,487,278	$22,268,487,278
d) Unfunded Liability/(Surplus) [(b) - (c)]	$9,283,983,325	$8,256,985,101	$6,153,769,099
e) Funded Ratio [(c) ÷ (b)]	70.6%	73.0%	78.3%

Mortality Rate Sensitivity

The following table looks at the change in the June 30, 2023 plan costs and funded status for the risk pool under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Risk Pool's Total Normal Cost	32.70%	32.28%	31.88%
b) Risk Pool's Accrued Liability	$31,066,567,804	$30,525,472,379	$30,026,051,404
c) Risk Pool's Market Value of Assets	22,268,487,278	22,268,487,278	22,268,487,278
d) Risk Pool's Unfunded Liability/(Surplus) [(b) - (c)]	$8,798,080,526	$8,256,985,101	$7,757,564,126
e) Risk Pool's Funded Ratio [(c) ÷ (b)]	71.7%	73.0%	74.2%

Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions. One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability	June 30, 2022	June 30, 2023
1. Risk Pool's Retiree Accrued Liability	$19,744,593,142	$20,727,322,640
2. Risk Pool's Total Accrued Liability	$29,064,316,701	$30,525,472,379
3. Risk Pool's Ratio of Retiree AL to Total AL [(1) ÷ (2)]	68%	68%

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the Support Ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures, and members retire, the ratio starts declining. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Support Ratio	June 30, 2022	June 30, 2023
1. Number of Actives in the Risk Pool	15,587	15,806
2. Number of Retirees in the Risk Pool	30,782	31,545
3. Risk Pool's Support Ratio [(1) ÷ (2)]	0.51	0.50

Maturity Measures (continued)

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Shown in the table below is the asset volatility ratio (AVR), which is the ratio of market value of assets to payroll. Plans that have higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with AVR of 8 may experience twice the contribution volatility due to investment return volatility than a plan with AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.

Liability Volatility Ratio

Also shown in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR of 8 is expected to have twice the contribution volatility of a plan with LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility	June 30, 2022	June 30, 2023
1. Risk Pool's Market Value of Assets without Receivables	$21,329,564,017	$22,255,857,053
2. Risk Pool's Payroll	1,749,718,501	1,867,172,731
3. Risk Pool's Asset Volatility Ratio (AVR) [(1) ÷ (2)]	12.2	11.9
4. Risk Pool's Accrued Liability	$29,064,316,701	$30,525,472,379
5. Risk Pool's Liability Volatility Ratio (LVR) [(4) ÷ (2)]	16.6	16.3

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/17	0.65	0.57	10.7	14.8
06/30/18	0.65	0.56	11.0	15.5
06/30/19	0.66	0.55	11.1	15.5
06/30/20	0.67	0.54	11.1	15.6
06/30/21	0.67	0.52	13.6	16.4
06/30/22	0.68	0.51	12.2	16.6
06/30/23	0.68	0.50	11.9	16.3

Funded Status – Termination Basis

Contracting agencies with an individual plan(s) in the Safety Risk Pool have the ability to terminate their contract with CalPERS. Terminating the contract results in a termination of the plan(s). Such terminations occur on an agency-by-agency basis – the Safety Risk Pool in total is not subject to termination.

The funded status measured on a termination basis is an estimate of the financial position of the plan had the contract with CalPERS been terminated as of June 30, 2023. The accrued liability on a termination basis (termination liability) is calculated differently from the plan's ongoing funding liability. For the termination liability calculation, both compensation and service are frozen as of the valuation date and no future pay increases or service accruals are assumed. This measure of funded status is not appropriate for assessing the need for future employer contributions in the case of an ongoing plan, that is, for an employer that continues to provide CalPERS retirement benefits to active employees. Unlike the actuarial cost method used for ongoing plans, the termination liability is the present value of the benefits earned through the valuation date.

A more conservative investment policy and asset allocation strategy was adopted by the board for the Terminated Agency Pool. The Terminated Agency Pool has limited funding sources since no future employer contributions will be made. Therefore, expected benefit payments are secured by risk-free assets and benefit security for members is increased while limiting the funding risk. However, this asset allocation has a lower expected rate of return than the remainder of the PERF and consequently, a lower discount rate assumption. The lower discount rate for the Terminated Agency Pool results in higher liabilities for terminated plans.

The discount rate used for actual termination valuations is a weighted average of the 10-year and 30-year Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The discount rates used in the following analysis is based on 20-year Treasury bonds, which is a good proxy for most plans. The discount rate upon contract termination will depend on actual Treasury rates on the date of termination, which varies over time, as shown below.

Valuation Date	20-Year Treasury Rate	Valuation Date	20-Year Treasury Rate
06/30/2014	3.08%	06/30/2019	2.31%
06/30/2015	2.83%	06/30/2020	1.18%
06/30/2016	1.86%	06/30/2021	2.00%
06/30/2017	2.61%	06/30/2022	3.38%
06/30/2018	2.91%	06/30/2023	4.06%

As Treasury rates are variable, the table below shows a range for the termination liability using discount rates 1% below and above the 20-year Treasury rate on the valuation date. The price inflation assumption is the 20-year Treasury breakeven inflation rate, that is, the difference between the 20-year inflation indexed bond and the 20-year fixed-rate bond.

The Market Value of Assets (MVA) also varies with interest rates and will fluctuate depending on other market conditions on the date of termination. Since it is not possible to approximate how the MVA will change in different interest rate environments, the results below use the MVA as of the valuation date.

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability[1]	$51,091,817,025	$37,423,157,563
2. Market Value of Assets (MVA)	22,268,487,278	22,268,487,278
3. Unfunded Termination Liability [(1) – (2)]	$28,823,329,747	$15,154,670,285
4. Funded Ratio [(2) ÷ (1)]	43.6%	59.5%

[1] The termination liabilities calculated above include a 5% contingency load. The contingency load and other actuarial assumptions can be found in Appendix A.

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs, and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 4.82%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2023, net of assumed administrative expenses.

Selected Measures on a Low-Default-Risk Basis	June 30, 2023
Discount Rate	4.82%
1. Accrued Liability[2] – Low-Default-Risk Basis (LDROM)	
a) Active Members	$10,712,086,938
b) Transferred Members	2,719,365,357
c) Separated Members	530,542,125
d) Members and Beneficiaries Receiving Payments	25,860,281,735
e) Total	$39,822,276,155
2. Market Value of Assets (MVA)	22,268,487,278
3. Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$17,553,788,877
4. Unfunded Accrued Liability – Funding Policy Basis	8,256,985,101
5. Present Value of Unearned Investment Risk Premium [(3) – (4)]	$9,296,803,776

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the pension plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsors to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the sufficiency of plan assets to cover the cost of settling the plan's benefit obligations (see Funded Status – Termination Basis), nor is it appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

1 This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

2 If plan assets were invested entirely in the AA fixed income securities used to determine the discount rate of 4.82%, the CalPERS discount rate could, at various times, be below 4.5% or 5.25%, and some automatic annual retiree COLAs could be suspended (Gov. Code sections 21329 and 21335). Since there is currently no proposal to adopt an asset allocation entirely comprised of fixed income securities, the automatic COLAs have been fully valued in the measures above based on the assumptions used for plan funding. Removing future COLAs from the measurement would understate the statutory obligation.

Appendix A - Actuarial Methods and Assumptions

Actuarial Data

As stated in the Actuarial Certification, the data which serves as the basis of this valuation has been obtained from the various CalPERS databases. We have reviewed the valuation data and believe that it is reasonable and appropriate in aggregate. We are unaware of any potential data issues that would have a material effect on the results of this valuation, except that data does not always contain the latest salary information for former members now in reciprocal systems and does not recognize the potential for unusually large salary deviation in certain cases such as elected officials. Therefore, salary information in these cases may not be accurate. These situations are relatively infrequent, however, and generally do not have a material impact on the required employer contributions.

Actuarial Methods

Actuarial Cost Method

With one exception, the actuarial cost method used in this valuation is the Entry Age Actuarial Cost Method. This method is used to calculate the required employer contributions and the PEPRA member contribution rate. Under this method, the cost of the projected benefits is allocated on an individual basis as a level percent of earnings for the individual between entry age and retirement age. The portion allocated to the year following the valuation date is the normal cost. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member's career.

The actuarial accrued liability for active members is then calculated as the present value of benefits minus the present value of future normal cost, or the portion of the total present value of benefits allocated to prior years. The actuarial accrued liability for members currently receiving benefits and for members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

To calculate the accrued liability on termination basis, this valuation used the Traditional Unit Credit Actuarial Cost Method. This method differs from the entry age method only for active members where the accrued liability is the present value of benefits assuming no future pay increases or service accruals.

Amortization of Unfunded Actuarial Accrued Liability

The excess of the total actuarial accrued liability over the market value of plan assets is called the unfunded actuarial accrued liability (UAL). Funding requirements are determined by adding the normal cost and a payment toward the UAL. The UAL payment is equal to the sum of individual amortization payments, each representing a different source of UAL for a given measurement period.

Amortization payments are determined according to the CalPERS Actuarial Amortization Policy. The board adopted a new policy effective for the June 30, 2019, actuarial valuation. The new policy applies prospectively only; amortization bases (sources of UAL) established prior to the June 30, 2019, valuation will continue to be amortized according to the prior policy.

Prior Policy (Bases Established prior to June 30, 2019)

Amortization payments are determined as a level percentage of payroll whereby the payment increases each year at an escalation rate. Gains or losses are amortized over a fixed 30-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramp. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake will be amortized over a period of five years. Bases established prior to June 30, 2013 may be amortized differently. A summary is provided in the following table:

	Source				
	(Gain)/Loss				
Driver	**Investment**	**Non-investment**	**Assumption/Method Change**	**Benefit Change**	**Golden Handshake**
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate - Active Plans - Inactive Plans	 2.80% 0%	 2.80% 0%	 2.80% 0%	 2.80% 0%	 2.80% 0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

The 5-year ramp up means that the payments in the first four years of the amortization period are 20%, 40%, 60% and 80% of the "full" payment which begins in year five. The 5-year ramp down means that the reverse is true in the final four years of the amortization period.

Current Policy (Bases Established on or after June 30, 2019)

Amortization payments are determined as a level dollar amount. Investment gains or losses are amortized over a fixed 20-year period with a 5-year ramp up at the beginning of the amortization period. Non-investment gains or losses are amortized over a fixed 20-year period with no ramps. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramps. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with no ramps. Changes in unfunded accrued liability due to a Golden Handshake are amortized over a period of five years. A summary is provided in the table below:

	Source				
	(Gain)/Loss				
	Investment	**Non-investment**	**Assumption/ Method Change**	**Benefit Change**	**Golden Handshake**
Amortization Period	20 Years	20 Years	20 Years	20 Years	5 Years
Escalation Rate	0%	0%	0%	0%	0%
Ramp Up	5	0	0	0	0
Ramp Down	0	0	0	0	0

Exceptions for Inconsistencies

An exception to the amortization rules above is used whenever their application results in inconsistencies. In these cases, a "fresh start" approach is used. This means that the current unfunded actuarial liability is projected and amortized over a set number of years. For example, a fresh start is needed in the following situations:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

It should be noted that the actuary may determine that a fresh start is necessary under other circumstances. In all cases of a fresh start, the period is set by the actuary at what is deemed appropriate; however, the period will not be greater than 20 years.

Exceptions for Plans in Surplus

If a surplus exists (i.e., the Market Value of Assets exceeds the plan's accrued liability) any prior amortization layers shall be considered fully amortized, and the surplus shall not be amortized.

In the event of any subsequent unfunded liability, a Fresh Start shall be used with an amortization period of 20 years or less.

Exceptions for Small Amounts

Where small unfunded liabilities are identified in annual valuations which result in small payment amounts, the actuary may shorten the remaining period for these bases.

- When the balance of a single amortization base has an absolute value less than $250, the amortization period is reduced to one year.
- When the entire unfunded liability is a small amount, the actuary may perform a Fresh Start and use an appropriate amortization period.

Exceptions for Inactive Plans

The following exceptions apply to plans classified as Inactive. These plans have no active members and no expectation to have active members in the future.

- Amortization of the unfunded liability is on a "level dollar" basis rather than a "level percent of pay" basis. For amortization layers which utilize a ramp up and ramp down, the "ultimate" payment is constant.
- Actuarial judgment will be used to shorten amortization periods for Inactive plans with existing periods that are deemed too long given the duration of the liability. The specific demographics of the plan will be used to determine if shorter periods may be more appropriate.

Exceptions for Inactive Agencies

For a public agency with no active members in any CalPERS rate plan, the unfunded liability shall be amortized over a closed amortization period of no more than 15 years.

Asset Valuation Method

The Actuarial Value of Assets is set equal to the Market Value of Assets. Asset values include accounts receivable.

PEPRA Normal Cost Rate Methodology

Per Government Code section 7522.30(b), the "normal cost rate" shall mean the annual actuarially determined normal cost for the plan of retirement benefits provided to the new member and shall be established based on actuarial assumptions used to determine the liabilities and costs as part of the annual actuarial valuation. The plan of retirement benefits shall include any elements that would impact the actuarial determination of the normal cost, including, but not limited to, the retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and any automatic cost-of-living adjustments as determined by the public retirement system.

For purposes of setting member rates, it is preferable to determine total normal cost using a large active population so that the rate remains relatively stable. While each CalPERS non-pooled plan has a sufficiently large active population for this purpose, the PEPRA active population by itself may not be sufficiently large enough yet. The total PEPRA normal cost for each PEPRA benefit tier will be determined based on the entire active plan population (both PEPRA and Classic) only until the number of members covered under the PEPRA formula meets either:

1. 50% of the active population, or
2. 25% of the active population and 100 or more PEPRA members

Once one of these conditions is met, the total PEPRA normal cost for each PEPRA benefit tier will be determined using the entire active PEPRA population.

Actuarial Assumptions

In 2021, CalPERS completed its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation. In November 2021, the board adopted changes to the asset allocation that increased the expected volatility of returns. The adopted asset allocation was expected to have a long-term blended return that continued to support a discount rate assumption of 6.80%. The board also approved several changes to the demographic assumptions that more closely aligned with actual experience.

For more details and additional rationale for the selection of the actuarial assumptions, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions that can be found on the CalPERS website under: Forms and Publications. Click on "View All" and search for Experience Study.

All actuarial assumptions (except the discount rates and price inflation assumption used for the accrued liability on a termination basis) represent an estimate of future experience rather than observations of the estimates inherent in market data.

Economic Assumptions

Discount Rate
The prescribed discount rate assumption, adopted by the board on November 17, 2021, is 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2023. The discount rate is based on the long-term expected rate of return on assets using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The current assumption, originally based on capital market assumptions developed by the Investment Office in 2021, has been reviewed for this valuation based on capital market assumptions developed by the Investment Office in 2023.

Termination Liability Discount Rate
The current discount rate assumption used for termination valuations is a weighted average of the 10-year and 30-year U.S. Treasury yields where the weights are based on matching asset and liability durations as of the termination date. The accrued liabilities on a termination basis in this report use discount rates that are based on the 20-year Treasury rate on the valuation date.

To illustrate the impact of the variability of interest rates, the accrued liabilities on a termination basis in this report use discount rates 1% below and 1% above the 20-year Treasury rate on the valuation date. The 20-year Treasury rate was 4.06% on June 30, 2023.

Salary Growth
Annual increases vary by category, entry age, and duration of service. A sample of assumed increases due to seniority, merit and promotion are shown below. Assumed wage inflation is combined with these factors to develop the total expected salary increases.

Public Agency Miscellaneous

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.0764	0.0621	0.0521
1	0.0663	0.0528	0.0424
2	0.0576	0.0449	0.0346
3	0.0501	0.0381	0.0282
4	0.0435	0.0324	0.0229
5	0.0378	0.0276	0.0187
10	0.0201	0.0126	0.0108
15	0.0155	0.0102	0.0071
20	0.0119	0.0083	0.0047
25	0.0091	0.0067	0.0031
30	0.0070	0.0054	0.0020

Public Agency Fire

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1517	0.1549	0.0631
1	0.1191	0.1138	0.0517
2	0.0936	0.0835	0.0423
3	0.0735	0.0613	0.0346
4	0.0577	0.0451	0.0284
5	0.0453	0.0331	0.0232
10	0.0188	0.0143	0.0077
15	0.0165	0.0124	0.0088
20	0.0145	0.0108	0.0101
25	0.0127	0.0094	0.0115
30	0.0112	0.0082	0.0132

Public Agency Police

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1181	0.1051	0.0653
1	0.0934	0.0812	0.0532
2	0.0738	0.0628	0.0434
3	0.0584	0.0485	0.0353
4	0.0462	0.0375	0.0288
5	0.0365	0.0290	0.0235
10	0.0185	0.0155	0.0118
15	0.0183	0.0150	0.0131
20	0.0181	0.0145	0.0145
25	0.0179	0.0141	0.0161
30	0.0178	0.0136	0.0179

Salary Growth (continued)

Public Agency County Peace Officers

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.1238	0.1053	0.0890
1	0.0941	0.0805	0.0674
2	0.0715	0.0616	0.0510
3	0.0544	0.0471	0.0387
4	0.0413	0.0360	0.0293
5	0.0314	0.0276	0.0222
10	0.0184	0.0142	0.0072
15	0.0174	0.0124	0.0073
20	0.0164	0.0108	0.0074
25	0.0155	0.0094	0.0075
30	0.0147	0.0083	0.0077

Schools

Duration of Service	(Entry Age 20)	(Entry Age 30)	(Entry Age 40)
0	0.0275	0.0275	0.0200
1	0.0422	0.0373	0.0298
2	0.0422	0.0373	0.0298
3	0.0422	0.0373	0.0298
4	0.0388	0.0314	0.0245
5	0.0308	0.0239	0.0179
10	0.0236	0.0160	0.0121
15	0.0182	0.0135	0.0103
20	0.0145	0.0109	0.0085
25	0.0124	0.0102	0.0058
30	0.0075	0.0053	0.0019

- The Miscellaneous salary scale is used for Local Prosecutors.
- The Police salary scale is used for Other Safety, Local Sheriff, and School Police.

Price Inflation
2.30% compounded annually.

Termination Liability Price Inflation
The breakeven inflation rate for 20-year Treasuries on the valuation date, 2.50%.

Wage Inflation
2.80% compounded annually. This is used in projecting individual salary increases.

Payroll Growth
2.80% compounded annually. This is used as the escalation rate of the amortization payments on level percent of payroll amortization bases, that is, on any amortization bases established prior to 2019 for plans that currently have active members.

Non-valued Potential Additional Liabilities
The potential liability loss for a cost-of-living increase exceeding the 2.30% price inflation assumption and any potential liability loss from future member service purchases that are not reflected in the valuation.

Miscellaneous Loading Factors

Credit for Unused Sick Leave
Total years of service is increased by 1% for those plans that have adopted the provision of providing Credit for Unused Sick Leave.

Conversion of Employer Paid Member Contributions (EPMC)
Total years of service is increased by the Employee Contribution Rate for those plans with the provision providing for the Conversion of Employer Paid Member Contributions (EPMC) during the final compensation period.

Norris Decision (Best Factors)
Employees hired prior to July 1, 1982 have projected benefit amounts increased in order to reflect the use of "Best Factors" in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. No loading is necessary for employees hired after July 1, 1982.

Termination Liability
The termination liabilities include a 5% contingency load. This load is for unforeseen improvements in mortality.

Demographic Assumptions

Pre-Retirement Mortality
The mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board in November 2021. For purposes of the mortality rates, the rates incorporate generational mortality to capture on-going mortality improvement. Generational mortality explicitly assumes that members born more recently will live longer than the members born before them thereby capturing the mortality improvement seen in the past and expected continued improvement. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Rates vary by age and gender. This table only contains a sample of the 2017 base table rates for illustrative purposes. The non-industrial death rates are used for all plans. The industrial death rates are used for Safety plans (except for local Safety members described in Section 20423.6 where the agency has not specifically contracted for industrial death benefits.)

	Miscellaneous		**Safety**			
	Non-Industrial Death (Not Job-Related)		**Non-Industrial Death (Not Job-Related)**		**Industrial Death (Job-Related)**	
Age	Male	Female	Male	Female	Male	Female
20	0.00039	0.00014	0.00038	0.00014	0.00004	0.00002
25	0.00033	0.00013	0.00034	0.00018	0.00004	0.00002
30	0.00044	0.00019	0.00042	0.00025	0.00005	0.00003
35	0.00058	0.00029	0.00048	0.00034	0.00005	0.00004
40	0.00075	0.00039	0.00055	0.00042	0.00006	0.00005
45	0.00093	0.00054	0.00066	0.00053	0.00007	0.00006
50	0.00134	0.00081	0.00092	0.00073	0.00010	0.00008
55	0.00198	0.00123	0.00138	0.00106	0.00015	0.00012
60	0.00287	0.00179	0.00221	0.00151	0.00025	0.00017
65	0.00403	0.00250	0.00346	0.00194	0.00038	0.00022
70	0.00594	0.00404	0.00606	0.00358	0.00067	0.00040
75	0.00933	0.00688	0.01099	0.00699	0.00122	0.00078
80	0.01515	0.01149	0.02027	0.01410	0.00225	0.00157

- The pre-retirement mortality rates above are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.
- Miscellaneous plans usually have industrial death rates set to zero unless the agency has specifically contracted for industrial death benefits. If so, each non-industrial death rate shown above will be split into two components: 99% will become the non-industrial death rate and 1% will become the industrial death rate.

Post-Retirement Mortality
Rates vary by age, type of retirement, and gender. See sample rates in table below. These rates are used for all plans.

	Service Retirement		Non-Industrial Disability (Not Job-Related)		Industrial Disability (Job-Related)	
Age	Male	Female	Male	Female	Male	Female
50	0.00267	0.00199	0.01701	0.01439	0.00430	0.00311
55	0.00390	0.00325	0.02210	0.01734	0.00621	0.00550
60	0.00578	0.00455	0.02708	0.01962	0.00944	0.00868
65	0.00857	0.00612	0.03334	0.02276	0.01394	0.01190
70	0.01333	0.00996	0.04001	0.02910	0.02163	0.01858
75	0.02391	0.01783	0.05376	0.04160	0.03446	0.03134
80	0.04371	0.03403	0.07936	0.06112	0.05853	0.05183
85	0.08274	0.06166	0.11561	0.09385	0.10137	0.08045
90	0.14539	0.11086	0.16608	0.14396	0.16584	0.12434
95	0.24665	0.20364	0.24665	0.20364	0.24665	0.20364
100	0.36198	0.31582	0.36198	0.31582	0.36198	0.31582
105	0.52229	0.44679	0.52229	0.44679	0.52229	0.44679
110	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

The post-retirement mortality rates above are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.

Marital Status
For active members, a percentage who are married upon retirement is assumed according to the member category as shown in the following table.

Member Category	Percent Married
Miscellaneous Member	70%
Local Police	85%
Local Fire	85%
Other Local Safety	70%
School Police	85%
Local County Peace Officers	75%

Age of Spouse
It is assumed that female spouses are 3 years younger than male spouses. This assumption is used for all plans.

Separated Members
It is assumed that separated members refund immediately if non-vested. Separated members who are vested are assumed to retire at age 59 for Miscellaneous members and age 54 for Safety members.

Termination with Refund

Rates vary by entry age and service for Miscellaneous plans. Rates vary by service for Safety plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40		Entry Age 45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.1851	0.1944	0.1769	0.1899	0.1631	0.1824	0.1493	0.1749	0.1490	0.1731	0.1487	0.1713
1	0.1531	0.1673	0.1432	0.1602	0.1266	0.1484	0.1101	0.1366	0.1069	0.1323	0.1037	0.1280
2	0.1218	0.1381	0.1125	0.1307	0.0970	0.1183	0.0815	0.1058	0.0771	0.0998	0.0726	0.0938
3	0.0927	0.1085	0.0852	0.1020	0.0727	0.0912	0.0601	0.0804	0.0556	0.0737	0.0511	0.0669
4	0.0672	0.0801	0.0616	0.0752	0.0524	0.0670	0.0431	0.0587	0.0392	0.0523	0.0352	0.0459
5	0.0463	0.0551	0.0423	0.0517	0.0358	0.0461	0.0292	0.0404	0.0261	0.0350	0.0230	0.0296
10	0.0112	0.0140	0.0101	0.0129	0.0083	0.0112	0.0064	0.0094	0.0048	0.0071	0.0033	0.0049
15	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire		Police		County Peace Officer	
	Male	Female	Male	Female	Male	Female
0	0.1022	0.1317	0.1298	0.1389	0.1086	0.1284
1	0.0686	0.1007	0.0789	0.0904	0.0777	0.0998
2	0.0441	0.0743	0.0464	0.0566	0.0549	0.0759
3	0.0272	0.0524	0.0274	0.0343	0.0385	0.0562
4	0.0161	0.0349	0.0170	0.0206	0.0268	0.0402
5	0.0092	0.0214	0.0113	0.0128	0.0186	0.0276
10	0.0015	0.0000	0.0032	0.0047	0.0046	0.0038
15	0.0000	0.0000	0.0000	0.0000	0.0023	0.0036
20	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
25	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
30	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

- The police termination and refund rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff, and School Police.

Termination with Refund (continued)

Schools

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40		Entry Age 45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.2054	0.2120	0.1933	0.1952	0.1730	0.1672	0.1527	0.1392	0.1423	0.1212	0.1318	0.1032
1	0.1922	0.2069	0.1778	0.1883	0.1539	0.1573	0.1300	0.1264	0.1191	0.1087	0.1083	0.0910
2	0.1678	0.1859	0.1536	0.1681	0.1298	0.1383	0.1060	0.1086	0.0957	0.0934	0.0853	0.0782
3	0.1384	0.1575	0.1256	0.1417	0.1042	0.1155	0.0829	0.0893	0.0736	0.0774	0.0643	0.0656
4	0.1085	0.1274	0.0978	0.1143	0.0800	0.0925	0.0622	0.0707	0.0542	0.0620	0.0462	0.0533
5	0.0816	0.0991	0.0732	0.0887	0.0590	0.0713	0.0449	0.0539	0.0383	0.0476	0.0317	0.0413
10	0.0222	0.0248	0.0200	0.0221	0.0163	0.0174	0.0125	0.0128	0.0094	0.0100	0.0063	0.0072
15	0.0106	0.0132	0.0095	0.0113	0.0077	0.0083	0.0058	0.0052	0.0040	0.0039	0.0021	0.0026
20	0.0059	0.0065	0.0050	0.0054	0.0035	0.0036	0.0021	0.0019	0.0010	0.0009	0.0000	0.0000
25	0.0029	0.0034	0.0025	0.0029	0.0018	0.0020	0.0010	0.0012	0.0005	0.0006	0.0000	0.0000
30	0.0012	0.0015	0.0011	0.0013	0.0011	0.0011	0.0010	0.0009	0.0005	0.0005	0.0000	0.0000
35	0.0006	0.0007	0.0006	0.0007	0.0005	0.0006	0.0005	0.0005	0.0003	0.0002	0.0000	0.0000

Termination with Vested Benefits
Rates vary by entry age and service for Miscellaneous plans. Rates vary by service for Safety plans. See sample rates in tables below.

Public Agency Miscellaneous

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.0381	0.0524	0.0381	0.0524	0.0358	0.0464	0.0334	0.0405	0.0301	0.0380
10	0.0265	0.0362	0.0265	0.0362	0.0254	0.0334	0.0244	0.0307	0.0197	0.0236
15	0.0180	0.0252	0.0180	0.0252	0.0166	0.0213	0.0152	0.0174	0.0119	0.0132
20	0.0141	0.0175	0.0141	0.0175	0.0110	0.0131	0.0079	0.0087	0.0000	0.0000
25	0.0084	0.0108	0.0084	0.0108	0.0064	0.0076	0.0000	0.0000	0.0000	0.0000
30	0.0047	0.0056	0.0047	0.0056	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0038	0.0041	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Public Agency Safety

Duration of Service	Fire		Police		County Peace Officer	
	Male	Female	Male	Female	Male	Female
5	0.0089	0.0224	0.0156	0.0272	0.0177	0.0266
10	0.0066	0.0164	0.0113	0.0198	0.0126	0.0189
15	0.0048	0.0120	0.0083	0.0144	0.0089	0.0134
20	0.0035	0.0088	0.0060	0.0105	0.0063	0.0095
25	0.0024	0.0061	0.0042	0.0073	0.0042	0.0063
30	0.0012	0.0031	0.0021	0.0037	0.0021	0.0031
35	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

- After termination with vested benefits, a Miscellaneous member is assumed to retire at age 59 and a Safety member at age 54.
- The Police termination with vested benefits rates are also used for Public Agency Local Prosecutors, Other Safety, Local Sheriff, and School Police.

Schools

Duration of Service	Entry Age 20		Entry Age 25		Entry Age 30		Entry Age 35		Entry Age 40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.0359	0.0501	0.0359	0.0501	0.0332	0.0402	0.0305	0.0304	0.0266	0.0272
10	0.0311	0.0417	0.0311	0.0417	0.0269	0.0341	0.0228	0.0265	0.0193	0.0233
15	0.0193	0.0264	0.0193	0.0264	0.0172	0.0220	0.0151	0.0175	0.0123	0.0142
20	0.0145	0.0185	0.0145	0.0185	0.0113	0.0141	0.0080	0.0097	0.0000	0.0000
25	0.0089	0.0123	0.0089	0.0123	0.0074	0.0093	0.0000	0.0000	0.0000	0.0000
30	0.0057	0.0064	0.0057	0.0064	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35	0.0040	0.0049	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Non-Industrial (Not Job-Related) Disability

Rates vary by age and gender for Miscellaneous plans. Rates vary by age and category for Safety plans.

	Miscellaneous		Fire	Police	County Peace Officer	Schools	
Age	Male	Female	All	All	All	Male	Female
20	0.0001	0.0000	0.0001	0.0001	0.0001	0.0000	0.0002
25	0.0001	0.0001	0.0001	0.0001	0.0001	0.0000	0.0002
30	0.0002	0.0003	0.0001	0.0001	0.0001	0.0002	0.0002
35	0.0004	0.0007	0.0001	0.0002	0.0003	0.0005	0.0004
40	0.0009	0.0012	0.0001	0.0002	0.0006	0.0010	0.0008
45	0.0015	0.0019	0.0002	0.0003	0.0011	0.0019	0.0015
50	0.0015	0.0019	0.0004	0.0005	0.0016	0.0027	0.0021
55	0.0014	0.0013	0.0006	0.0007	0.0009	0.0024	0.0017
60	0.0012	0.0009	0.0006	0.0011	0.0005	0.0020	0.0010

- The Miscellaneous non-industrial disability rates are used for Local Prosecutors.
- The police non-industrial disability rates are also used for Other Safety, Local Sheriff, and School Police.

Industrial (Job-Related) Disability

Rates vary by age and category.

Age	Fire	Police	County Peace Officer
20	0.0001	0.0000	0.0004
25	0.0002	0.0017	0.0013
30	0.0006	0.0048	0.0025
35	0.0012	0.0079	0.0037
40	0.0023	0.0110	0.0051
45	0.0040	0.0141	0.0067
50	0.0208	0.0185	0.0092
55	0.0307	0.0479	0.0151
60	0.0438	0.0602	0.0174

- The police industrial disability rates are also used for Local Sheriff and Other Safety.
- 50% of the police industrial disability rates are used for School Police.
- 1% of the police industrial disability rates are used for Local Prosecutors.
- Normally, rates are zero for Miscellaneous plans unless the agency has specifically contracted for industrial disability benefits. If so, each Miscellaneous non-industrial disability rate will be split into two components: 50% will become the non-industrial disability rate and 50% will become the industrial disability rate.

Service Retirement
Retirement rates vary by age, service, and formula, except for the Safety half pay at age 55 and 2% at 55 formulas, where retirement rates vary by age only.

Public Agency Miscellaneous 1.5% at Age 65

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.008	0.011	0.013	0.015	0.017	0.019
51	0.007	0.010	0.012	0.013	0.015	0.017
52	0.010	0.014	0.017	0.019	0.021	0.024
53	0.008	0.012	0.015	0.017	0.019	0.022
54	0.012	0.016	0.019	0.022	0.025	0.028
55	0.018	0.025	0.031	0.035	0.038	0.043
56	0.015	0.021	0.025	0.029	0.032	0.036
57	0.020	0.028	0.033	0.038	0.043	0.048
58	0.024	0.033	0.040	0.046	0.052	0.058
59	0.028	0.039	0.048	0.054	0.060	0.067
60	0.049	0.069	0.083	0.094	0.105	0.118
61	0.062	0.087	0.106	0.120	0.133	0.150
62	0.104	0.146	0.177	0.200	0.223	0.251
63	0.099	0.139	0.169	0.191	0.213	0.239
64	0.097	0.136	0.165	0.186	0.209	0.233
65	0.140	0.197	0.240	0.271	0.302	0.339
66	0.092	0.130	0.157	0.177	0.198	0.222
67	0.129	0.181	0.220	0.249	0.277	0.311
68	0.092	0.129	0.156	0.177	0.197	0.221
69	0.092	0.130	0.158	0.178	0.199	0.224
70	0.103	0.144	0.175	0.198	0.221	0.248

Public Agency Miscellaneous 2% at Age 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.010	0.011	0.014	0.014	0.017	0.017
51	0.017	0.013	0.014	0.010	0.010	0.010
52	0.014	0.014	0.018	0.015	0.016	0.016
53	0.015	0.012	0.013	0.010	0.011	0.011
54	0.006	0.010	0.017	0.016	0.018	0.018
55	0.012	0.016	0.024	0.032	0.036	0.036
56	0.010	0.014	0.023	0.030	0.034	0.034
57	0.006	0.018	0.030	0.040	0.044	0.044
58	0.022	0.023	0.033	0.042	0.046	0.046
59	0.039	0.033	0.040	0.047	0.050	0.050
60	0.063	0.069	0.074	0.090	0.137	0.116
61	0.044	0.058	0.066	0.083	0.131	0.113
62	0.084	0.107	0.121	0.153	0.238	0.205
63	0.173	0.166	0.165	0.191	0.283	0.235
64	0.120	0.145	0.164	0.147	0.160	0.172
65	0.138	0.160	0.214	0.216	0.237	0.283
66	0.198	0.228	0.249	0.216	0.228	0.239
67	0.207	0.242	0.230	0.233	0.233	0.233
68	0.201	0.234	0.225	0.231	0.231	0.231
69	0.152	0.173	0.164	0.166	0.166	0.166
70	0.200	0.200	0.200	0.200	0.200	0.200

Service Retirement (continued)

Public Agency Miscellaneous 2% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.014	0.017	0.021	0.023	0.024
51	0.013	0.017	0.017	0.018	0.018	0.019
52	0.013	0.018	0.018	0.020	0.020	0.021
53	0.013	0.019	0.021	0.024	0.025	0.026
54	0.017	0.025	0.028	0.032	0.033	0.035
55	0.045	0.042	0.053	0.086	0.098	0.123
56	0.018	0.036	0.056	0.086	0.102	0.119
57	0.041	0.046	0.056	0.076	0.094	0.120
58	0.052	0.044	0.048	0.074	0.106	0.123
59	0.043	0.058	0.073	0.092	0.105	0.126
60	0.059	0.064	0.083	0.115	0.154	0.170
61	0.087	0.074	0.087	0.107	0.147	0.168
62	0.115	0.123	0.151	0.180	0.227	0.237
63	0.116	0.127	0.164	0.202	0.252	0.261
64	0.084	0.138	0.153	0.190	0.227	0.228
65	0.167	0.187	0.210	0.262	0.288	0.291
66	0.187	0.258	0.280	0.308	0.318	0.319
67	0.195	0.235	0.244	0.277	0.269	0.280
68	0.228	0.248	0.250	0.241	0.245	0.245
69	0.188	0.201	0.209	0.219	0.231	0.231
70	0.229	0.229	0.229	0.229	0.229	0.229

Public Agency Miscellaneous 2.5% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.014	0.017	0.027	0.035	0.046	0.050
51	0.019	0.021	0.025	0.030	0.038	0.040
52	0.018	0.020	0.026	0.034	0.038	0.037
53	0.013	0.021	0.031	0.045	0.052	0.053
54	0.025	0.025	0.030	0.046	0.057	0.068
55	0.029	0.042	0.064	0.109	0.150	0.225
56	0.036	0.047	0.068	0.106	0.134	0.194
57	0.051	0.047	0.060	0.092	0.116	0.166
58	0.035	0.046	0.062	0.093	0.119	0.170
59	0.029	0.053	0.072	0.112	0.139	0.165
60	0.039	0.069	0.094	0.157	0.177	0.221
61	0.080	0.077	0.086	0.140	0.167	0.205
62	0.086	0.131	0.149	0.220	0.244	0.284
63	0.135	0.135	0.147	0.214	0.222	0.262
64	0.114	0.128	0.158	0.177	0.233	0.229
65	0.112	0.174	0.222	0.209	0.268	0.273
66	0.235	0.254	0.297	0.289	0.321	0.337
67	0.237	0.240	0.267	0.249	0.267	0.277
68	0.258	0.271	0.275	0.207	0.210	0.212
69	0.117	0.208	0.266	0.219	0.250	0.270
70	0.229	0.229	0.229	0.229	0.229	0.229

Service Retirement (continued)

Public Agency Miscellaneous 2.7% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.011	0.016	0.022	0.033	0.034	0.038
51	0.018	0.019	0.023	0.032	0.031	0.031
52	0.019	0.020	0.026	0.035	0.034	0.037
53	0.020	0.020	0.025	0.043	0.048	0.053
54	0.018	0.030	0.040	0.052	0.053	0.070
55	0.045	0.058	0.082	0.138	0.208	0.278
56	0.057	0.062	0.080	0.121	0.178	0.222
57	0.045	0.052	0.071	0.106	0.147	0.182
58	0.074	0.060	0.074	0.118	0.163	0.182
59	0.058	0.067	0.086	0.123	0.158	0.187
60	0.087	0.084	0.096	0.142	0.165	0.198
61	0.073	0.084	0.101	0.138	0.173	0.218
62	0.130	0.133	0.146	0.187	0.214	0.249
63	0.122	0.140	0.160	0.204	0.209	0.243
64	0.104	0.124	0.154	0.202	0.214	0.230
65	0.182	0.201	0.242	0.264	0.293	0.293
66	0.272	0.249	0.273	0.285	0.312	0.312
67	0.182	0.217	0.254	0.249	0.264	0.264
68	0.223	0.197	0.218	0.242	0.273	0.273
69	0.217	0.217	0.217	0.217	0.217	0.217
70	0.227	0.227	0.227	0.227	0.227	0.227

Public Agency Miscellaneous 3% at Age 60

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.015	0.020	0.025	0.039	0.040	0.044
51	0.041	0.034	0.032	0.041	0.036	0.037
52	0.024	0.020	0.022	0.039	0.040	0.041
53	0.018	0.024	0.032	0.047	0.048	0.057
54	0.033	0.033	0.035	0.051	0.049	0.052
55	0.137	0.043	0.051	0.065	0.076	0.108
56	0.173	0.038	0.054	0.075	0.085	0.117
57	0.019	0.035	0.059	0.088	0.111	0.134
58	0.011	0.040	0.070	0.105	0.133	0.162
59	0.194	0.056	0.064	0.081	0.113	0.163
60	0.081	0.085	0.133	0.215	0.280	0.333
61	0.080	0.090	0.134	0.170	0.223	0.292
62	0.137	0.153	0.201	0.250	0.278	0.288
63	0.128	0.140	0.183	0.227	0.251	0.260
64	0.174	0.147	0.173	0.224	0.239	0.264
65	0.152	0.201	0.262	0.299	0.323	0.323
66	0.272	0.273	0.317	0.355	0.380	0.380
67	0.218	0.237	0.268	0.274	0.284	0.284
68	0.200	0.228	0.269	0.285	0.299	0.299
69	0.250	0.250	0.250	0.250	0.250	0.250
70	0.245	0.245	0.245	0.245	0.245	0.245

Service Retirement (continued)

Public Agency Miscellaneous 2% at Age 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.000	0.000	0.000	0.000	0.000	0.000
51	0.000	0.000	0.000	0.000	0.000	0.000
52	0.005	0.008	0.012	0.015	0.019	0.031
53	0.007	0.011	0.014	0.018	0.021	0.032
54	0.007	0.011	0.015	0.019	0.023	0.034
55	0.010	0.019	0.028	0.036	0.061	0.096
56	0.014	0.026	0.038	0.050	0.075	0.108
57	0.018	0.029	0.039	0.050	0.074	0.107
58	0.023	0.035	0.048	0.060	0.073	0.099
59	0.025	0.038	0.051	0.065	0.092	0.128
60	0.031	0.051	0.071	0.091	0.111	0.138
61	0.038	0.058	0.079	0.100	0.121	0.167
62	0.044	0.074	0.104	0.134	0.164	0.214
63	0.077	0.105	0.134	0.163	0.192	0.237
64	0.072	0.101	0.129	0.158	0.187	0.242
65	0.108	0.141	0.173	0.206	0.239	0.300
66	0.132	0.172	0.212	0.252	0.292	0.366
67	0.132	0.172	0.212	0.252	0.292	0.366
68	0.120	0.156	0.193	0.229	0.265	0.333
69	0.120	0.156	0.193	0.229	0.265	0.333
70	0.120	0.156	0.193	0.229	0.265	0.333

Public Agency Fire Half Pay at Age 55 and 2% at Age 55

Age	Rate	Age	Rate
50	0.016	56	0.111
51	0.000	57	0.000
52	0.034	58	0.095
53	0.020	59	0.044
54	0.041	60	1.000
55	0.075		

Public Agency Police Half Pay at Age 55 and 2% at Age 55

Age	Rate	Age	Rate
50	0.026	56	0.069
51	0.000	57	0.051
52	0.016	58	0.072
53	0.027	59	0.070
54	0.010	60	0.300
55	0.167		

Service Retirement (continued)

Public Agency Police 2% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.018	0.077	0.056	0.046	0.043	0.046
51	0.022	0.087	0.060	0.048	0.044	0.047
52	0.020	0.102	0.081	0.071	0.069	0.075
53	0.016	0.072	0.053	0.045	0.042	0.046
54	0.006	0.071	0.071	0.069	0.072	0.080
55	0.009	0.040	0.099	0.157	0.186	0.186
56	0.020	0.051	0.108	0.165	0.194	0.194
57	0.036	0.072	0.106	0.139	0.156	0.156
58	0.001	0.046	0.089	0.130	0.152	0.152
59	0.066	0.094	0.119	0.143	0.155	0.155
60	0.177	0.177	0.177	0.177	0.177	0.177
61	0.134	0.134	0.134	0.134	0.134	0.134
62	0.184	0.184	0.184	0.184	0.184	0.184
63	0.250	0.250	0.250	0.250	0.250	0.250
64	0.177	0.177	0.177	0.177	0.177	0.177
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.054	0.054	0.056	0.080	0.064	0.066
51	0.020	0.020	0.021	0.030	0.024	0.024
52	0.037	0.037	0.038	0.054	0.043	0.045
53	0.051	0.051	0.053	0.076	0.061	0.063
54	0.082	0.082	0.085	0.121	0.097	0.100
55	0.139	0.139	0.139	0.139	0.139	0.139
56	0.129	0.129	0.129	0.129	0.129	0.129
57	0.085	0.085	0.085	0.085	0.085	0.085
58	0.119	0.119	0.119	0.119	0.119	0.119
59	0.167	0.167	0.167	0.167	0.167	0.167
60	0.152	0.152	0.152	0.152	0.152	0.152
61	0.179	0.179	0.179	0.179	0.179	0.179
62	0.179	0.179	0.179	0.179	0.179	0.179
63	0.179	0.179	0.179	0.179	0.179	0.179
64	0.179	0.179	0.179	0.179	0.179	0.179
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 3% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.019	0.053	0.045	0.054	0.057	0.061
51	0.002	0.017	0.028	0.044	0.053	0.060
52	0.002	0.031	0.037	0.051	0.059	0.066
53	0.026	0.049	0.049	0.080	0.099	0.114
54	0.019	0.034	0.047	0.091	0.121	0.142
55	0.006	0.115	0.141	0.199	0.231	0.259
56	0.017	0.188	0.121	0.173	0.199	0.199
57	0.008	0.137	0.093	0.136	0.157	0.157
58	0.017	0.126	0.105	0.164	0.194	0.194
59	0.026	0.146	0.110	0.167	0.195	0.195
60	0.155	0.155	0.155	0.155	0.155	0.155
61	0.210	0.210	0.210	0.210	0.210	0.210
62	0.262	0.262	0.262	0.262	0.262	0.262
63	0.172	0.172	0.172	0.172	0.172	0.172
64	0.227	0.227	0.227	0.227	0.227	0.227
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 3% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.003	0.006	0.013	0.019	0.025	0.028
51	0.004	0.008	0.017	0.026	0.034	0.038
52	0.005	0.011	0.022	0.033	0.044	0.049
53	0.005	0.034	0.024	0.038	0.069	0.138
54	0.007	0.047	0.032	0.051	0.094	0.187
55	0.010	0.067	0.046	0.073	0.134	0.266
56	0.010	0.063	0.044	0.069	0.127	0.253
57	0.135	0.100	0.148	0.196	0.220	0.220
58	0.083	0.062	0.091	0.120	0.135	0.135
59	0.137	0.053	0.084	0.146	0.177	0.177
60	0.162	0.063	0.099	0.172	0.208	0.208
61	0.598	0.231	0.231	0.231	0.231	0.231
62	0.621	0.240	0.240	0.240	0.240	0.240
63	0.236	0.236	0.236	0.236	0.236	0.236
64	0.236	0.236	0.236	0.236	0.236	0.236
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 3% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.124	0.103	0.113	0.143	0.244	0.376
51	0.060	0.081	0.087	0.125	0.207	0.294
52	0.016	0.055	0.111	0.148	0.192	0.235
53	0.072	0.074	0.098	0.142	0.189	0.237
54	0.018	0.049	0.105	0.123	0.187	0.271
55	0.069	0.074	0.081	0.113	0.209	0.305
56	0.064	0.108	0.113	0.125	0.190	0.288
57	0.056	0.109	0.160	0.182	0.210	0.210
58	0.108	0.129	0.173	0.189	0.214	0.214
59	0.093	0.144	0.204	0.229	0.262	0.262
60	0.343	0.180	0.159	0.188	0.247	0.247
61	0.221	0.221	0.221	0.221	0.221	0.221
62	0.213	0.213	0.213	0.213	0.213	0.213
63	0.233	0.233	0.233	0.233	0.233	0.233
64	0.234	0.234	0.234	0.234	0.234	0.234
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 3% at Age 50

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.095	0.048	0.053	0.093	0.134	0.175
51	0.016	0.032	0.053	0.085	0.117	0.149
52	0.013	0.032	0.054	0.087	0.120	0.154
53	0.085	0.044	0.049	0.089	0.129	0.170
54	0.038	0.065	0.074	0.105	0.136	0.167
55	0.042	0.043	0.049	0.085	0.132	0.215
56	0.133	0.103	0.075	0.113	0.151	0.209
57	0.062	0.048	0.060	0.124	0.172	0.213
58	0.124	0.097	0.092	0.153	0.194	0.227
59	0.092	0.071	0.078	0.144	0.192	0.233
60	0.056	0.044	0.061	0.131	0.186	0.233
61	0.282	0.219	0.158	0.198	0.233	0.260
62	0.292	0.227	0.164	0.205	0.241	0.269
63	0.196	0.196	0.196	0.196	0.196	0.196
64	0.197	0.197	0.197	0.197	0.197	0.197
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.040	0.040	0.040	0.040	0.040	0.080
51	0.028	0.028	0.028	0.028	0.040	0.066
52	0.028	0.028	0.028	0.028	0.043	0.061
53	0.028	0.028	0.028	0.028	0.057	0.086
54	0.028	0.028	0.028	0.032	0.069	0.110
55	0.050	0.050	0.050	0.067	0.099	0.179
56	0.046	0.046	0.046	0.062	0.090	0.160
57	0.054	0.054	0.054	0.072	0.106	0.191
58	0.060	0.060	0.060	0.066	0.103	0.171
59	0.060	0.060	0.060	0.069	0.105	0.171
60	0.113	0.113	0.113	0.113	0.113	0.171
61	0.108	0.108	0.108	0.108	0.108	0.128
62	0.113	0.113	0.113	0.113	0.113	0.159
63	0.113	0.113	0.113	0.113	0.113	0.159
64	0.113	0.113	0.113	0.113	0.113	0.239
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.005	0.005	0.005	0.005	0.008	0.012
51	0.006	0.006	0.006	0.006	0.009	0.013
52	0.012	0.012	0.012	0.012	0.019	0.028
53	0.033	0.033	0.033	0.033	0.050	0.075
54	0.045	0.045	0.045	0.045	0.069	0.103
55	0.061	0.061	0.061	0.061	0.094	0.140
56	0.055	0.055	0.055	0.055	0.084	0.126
57	0.081	0.081	0.081	0.081	0.125	0.187
58	0.059	0.059	0.059	0.059	0.091	0.137
59	0.055	0.055	0.055	0.055	0.084	0.126
60	0.085	0.085	0.085	0.085	0.131	0.196
61	0.085	0.085	0.085	0.085	0.131	0.196
62	0.085	0.085	0.085	0.085	0.131	0.196
63	0.085	0.085	0.085	0.085	0.131	0.196
64	0.085	0.085	0.085	0.085	0.131	0.196
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2.5% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.050	0.050	0.050	0.050	0.050	0.100
51	0.038	0.038	0.038	0.038	0.055	0.089
52	0.038	0.038	0.038	0.038	0.058	0.082
53	0.036	0.036	0.036	0.036	0.073	0.111
54	0.036	0.036	0.036	0.041	0.088	0.142
55	0.061	0.061	0.061	0.082	0.120	0.217
56	0.056	0.056	0.056	0.075	0.110	0.194
57	0.060	0.060	0.060	0.080	0.118	0.213
58	0.072	0.072	0.072	0.079	0.124	0.205
59	0.072	0.072	0.072	0.083	0.126	0.205
60	0.135	0.135	0.135	0.135	0.135	0.205
61	0.130	0.130	0.130	0.130	0.130	0.153
62	0.135	0.135	0.135	0.135	0.135	0.191
63	0.135	0.135	0.135	0.135	0.135	0.191
64	0.135	0.135	0.135	0.135	0.135	0.287
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2.5% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.012	0.018
52	0.016	0.016	0.016	0.016	0.025	0.038
53	0.042	0.042	0.042	0.042	0.064	0.096
54	0.057	0.057	0.057	0.057	0.088	0.132
55	0.074	0.074	0.074	0.074	0.114	0.170
56	0.066	0.066	0.066	0.066	0.102	0.153
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.071	0.071	0.071	0.071	0.110	0.164
59	0.066	0.066	0.066	0.066	0.101	0.151
60	0.102	0.102	0.102	0.102	0.157	0.235
61	0.102	0.102	0.102	0.102	0.157	0.236
62	0.102	0.102	0.102	0.102	0.157	0.236
63	0.102	0.102	0.102	0.102	0.157	0.236
64	0.102	0.102	0.102	0.102	0.157	0.236
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Public Agency Police 2.7% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.050	0.050	0.050	0.050	0.050	0.100
51	0.040	0.040	0.040	0.040	0.058	0.094
52	0.038	0.038	0.038	0.038	0.058	0.083
53	0.038	0.038	0.038	0.038	0.077	0.117
54	0.038	0.038	0.038	0.044	0.093	0.150
55	0.068	0.068	0.068	0.091	0.134	0.242
56	0.063	0.063	0.063	0.084	0.123	0.217
57	0.060	0.060	0.060	0.080	0.118	0.213
58	0.080	0.080	0.080	0.088	0.138	0.228
59	0.080	0.080	0.080	0.092	0.140	0.228
60	0.150	0.150	0.150	0.150	0.150	0.228
61	0.144	0.144	0.144	0.144	0.144	0.170
62	0.150	0.150	0.150	0.150	0.150	0.213
63	0.150	0.150	0.150	0.150	0.150	0.213
64	0.150	0.150	0.150	0.150	0.150	0.319
65	1.000	1.000	1.000	1.000	1.000	1.000

- These rates also apply to County Peace officers, Local Prosecutors, Local Sheriff, School Police, and Other Safety.

Public Agency Fire 2.7% at Age 57

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.007	0.007	0.007	0.007	0.010	0.015
51	0.008	0.008	0.008	0.008	0.013	0.019
52	0.016	0.016	0.016	0.016	0.025	0.038
53	0.044	0.044	0.044	0.044	0.068	0.102
54	0.061	0.061	0.061	0.061	0.093	0.140
55	0.083	0.083	0.083	0.083	0.127	0.190
56	0.074	0.074	0.074	0.074	0.114	0.171
57	0.090	0.090	0.090	0.090	0.139	0.208
58	0.079	0.079	0.079	0.079	0.122	0.182
59	0.073	0.073	0.073	0.073	0.112	0.168
60	0.114	0.114	0.114	0.114	0.175	0.262
61	0.114	0.114	0.114	0.114	0.175	0.262
62	0.114	0.114	0.114	0.114	0.175	0.262
63	0.114	0.114	0.114	0.114	0.175	0.262
64	0.114	0.114	0.114	0.114	0.175	0.262
65	1.000	1.000	1.000	1.000	1.000	1.000

Service Retirement (continued)

Schools 2% at Age 55

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.003	0.004	0.006	0.007	0.010	0.010
51	0.004	0.005	0.007	0.008	0.011	0.011
52	0.005	0.007	0.008	0.009	0.012	0.012
53	0.007	0.008	0.010	0.012	0.015	0.015
54	0.006	0.009	0.012	0.015	0.020	0.021
55	0.011	0.023	0.034	0.057	0.070	0.090
56	0.012	0.027	0.036	0.056	0.073	0.095
57	0.016	0.027	0.036	0.055	0.068	0.087
58	0.019	0.030	0.040	0.062	0.078	0.103
59	0.023	0.034	0.046	0.070	0.085	0.109
60	0.022	0.043	0.062	0.095	0.113	0.141
61	0.030	0.051	0.071	0.103	0.124	0.154
62	0.065	0.098	0.128	0.188	0.216	0.248
63	0.075	0.112	0.144	0.197	0.222	0.268
64	0.091	0.116	0.138	0.180	0.196	0.231
65	0.163	0.164	0.197	0.232	0.250	0.271
66	0.208	0.204	0.243	0.282	0.301	0.315
67	0.189	0.185	0.221	0.257	0.274	0.287
68	0.127	0.158	0.200	0.227	0.241	0.244
69	0.168	0.162	0.189	0.217	0.229	0.238
70	0.191	0.190	0.237	0.250	0.246	0.254

Schools 2% at Age 62

	Duration of Service					
Age	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
50	0.000	0.000	0.000	0.000	0.000	0.000
51	0.000	0.000	0.000	0.000	0.000	0.000
52	0.004	0.007	0.010	0.011	0.013	0.015
53	0.004	0.008	0.010	0.013	0.014	0.016
54	0.005	0.011	0.015	0.018	0.020	0.022
55	0.014	0.027	0.038	0.045	0.050	0.056
56	0.013	0.026	0.037	0.043	0.048	0.055
57	0.013	0.027	0.038	0.045	0.050	0.055
58	0.017	0.034	0.047	0.056	0.062	0.069
59	0.019	0.037	0.052	0.062	0.068	0.076
60	0.026	0.053	0.074	0.087	0.097	0.108
61	0.030	0.058	0.081	0.095	0.106	0.119
62	0.053	0.105	0.147	0.174	0.194	0.217
63	0.054	0.107	0.151	0.178	0.198	0.222
64	0.053	0.105	0.147	0.174	0.194	0.216
65	0.072	0.142	0.199	0.235	0.262	0.293
66	0.077	0.152	0.213	0.252	0.281	0.314
67	0.070	0.139	0.194	0.229	0.255	0.286
68	0.063	0.124	0.173	0.205	0.228	0.255
69	0.066	0.130	0.183	0.216	0.241	0.270
70	0.071	0.140	0.196	0.231	0.258	0.289

Miscellaneous

Models

The valuation results are based on proprietary actuarial valuation models. The models are centralized and maintained by a specialized team to achieve a high degree of accuracy and consistency. The Actuarial Office is responsible for confirming the appropriateness of the inputs (such as participant data, actuarial methods and assumptions, and plan provisions) as well as performing tests and validating the reasonableness of the output. The results of our models are independently confirmed by parallel valuations performed by outside actuaries on a periodic basis using their models. In our professional judgment, our actuarial valuation models produce comprehensive pension funding information consistent with the purposes of the valuation and have no material limitations or known weaknesses.

Internal Revenue Code Section 415(b)

The limitations on benefits imposed by Internal Revenue Code section 415(b) are taken into account in this valuation. Each year the impact of any changes in this limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. This results in lower contributions for those employers contributing to the Replacement Benefit Fund and protects CalPERS from prefunding expected benefits in excess of limits imposed by federal tax law. The Section 415(b) dollar limit for the 2023 calendar year is $265,000.

Internal Revenue Code Section 401(a)(17)

The limitations on compensation imposed by Internal Revenue Code section 401(a)(17) are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The compensation limit for classic members for the 2023 calendar year is $330,000.

PEPRA Compensation Limits

The limitations on compensation for PEPRA members imposed by Government Code section 7522.10 are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The PEPRA compensation limit for 2023 is $146,042 for members who participate in Social Security and $175,250 for those who do not. The limits are adjusted annually based on changes to the CPI for all urban consumers.

Appendix B - Principal Plan Provisions

The following is a description of the principal plan provisions used in calculating costs and liabilities. We have indicated whether a plan provision is standard or optional. Standard benefits are applicable to all members while optional benefits vary among employers. Optional benefits that apply to a single period of time, such as Golden Handshakes, have not been included. Many of the statements in this summary are general in nature, and are intended to provide an easily understood summary of the Public Employees' Retirement Law and the California Public Employees' Pension Reform Act of 2013. The law itself governs in all situations.

Service Retirement

Eligibility

A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). For employees hired into a plan with the 1.5% at age 65 formula, eligibility for service retirement is age 55 with at least 5 years of service. PEPRA Miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service.

Benefit

The service retirement benefit is a monthly allowance equal to the product of the *benefit factor*, *years of service*, and *final compensation.* The *benefit factor* depends on the benefit formula specified in the agency's contract. The table below shows the factors for each of the available formulas. Factors vary by the member's age at retirement. Listed are the factors for retirement at whole year ages:

<u>Miscellaneous Plan Formulas</u>

Retirement Age	1.5% at age 65	2% at age 60	2% at age 55	2.5% at age 55	2.7% at age 55	3% at age 60	PEPRA 2% at age 62
50	0.5000%	1.092%	1.426%	2.000%	2.000%	2.000%	N/A
51	0.5667%	1.156%	1.522%	2.100%	2.140%	2.100%	N/A
52	0.6334%	1.224%	1.628%	2.200%	2.280%	2.200%	1.000%
53	0.7000%	1.296%	1.742%	2.300%	2.420%	2.300%	1.100%
54	0.7667%	1.376%	1.866%	2.400%	2.560%	2.400%	1.200%
55	0.8334%	1.460%	2.000%	2.500%	2.700%	2.500%	1.300%
56	0.9000%	1.552%	2.052%	2.500%	2.700%	2.600%	1.400%
57	0.9667%	1.650%	2.104%	2.500%	2.700%	2.700%	1.500%
58	1.0334%	1.758%	2.156%	2.500%	2.700%	2.800%	1.600%
59	1.1000%	1.874%	2.210%	2.500%	2.700%	2.900%	1.700%
60	1.1667%	2.000%	2.262%	2.500%	2.700%	3.000%	1.800%
61	1.2334%	2.134%	2.314%	2.500%	2.700%	3.000%	1.900%
62	1.3000%	2.272%	2.366%	2.500%	2.700%	3.000%	2.000%
63	1.3667%	2.418%	2.418%	2.500%	2.700%	3.000%	2.100%
64	1.4334%	2.418%	2.418%	2.500%	2.700%	3.000%	2.200%
65	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.300%
66	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.400%
67 & up	1.5000%	2.418%	2.418%	2.500%	2.700%	3.000%	2.500%

Classic Safety Plan Formulas

Retirement Age	Half Pay at age 55*	2% at age 55	2% at age 50	3% at age 55	3% at age 50
50	1.783%	1.426%	2.000%	2.400%	3.000%
51	1.903%	1.522%	2.140%	2.520%	3.000%
52	2.035%	1.628%	2.280%	2.640%	3.000%
53	2.178%	1.742%	2.420%	2.760%	3.000%
54	2.333%	1.866%	2.560%	2.880%	3.000%
55 & Up	2.500%	2.000%	2.700%	3.000%	3.000%

* For this formula, the benefit factor also varies by entry age. The factors shown are for members with an entry age of 35 or greater. If entry age is less than 35, then the age 55 benefit factor is 50% divided by the difference between age 55 and entry age. The benefit factor for ages prior to age 55 is the same proportion of the age 55 benefit factor as in the above table.

PEPRA Safety Plan Formulas

Retirement Age	2% at age 57	2.5% at age 57	2.7% at age 57
50	1.426%	2.000%	2.000%
51	1.508%	2.071%	2.100%
52	1.590%	2.143%	2.200%
53	1.672%	2.214%	2.300%
54	1.754%	2.286%	2.400%
55	1.836%	2.357%	2.500%
56	1.918%	2.429%	2.600%
57 & Up	2.000%	2.500%	2.700%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance. An agency may contract for an optional benefit where any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave.

- The *final compensation* is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). The standard benefit is 36 months. Employers had the option of providing a final compensation equal to the highest 12 consecutive months for classic plans only. Final compensation must be defined by the highest 36 consecutive months' pay under the 1.5% at age 65 formula. PEPRA members have a limit on the annual compensation that can be used to calculate final compensation. The limits are adjusted annually based on changes to the CPI for all urban consumers.

- PEPRA benefit formulas have no Social Security offsets and Social Security coverage is optional. For Classic benefit formulas, employees must be covered by Social Security with the 1.5% at age 65 formula. Social Security is optional for all other Classic benefit formulas. For employees covered by Social Security, the modified formula is the standard benefit. Under this type of formula, the final compensation is offset by $133.33 (or by one third if the final compensation is less than $400). Employers may contract for the full benefit with Social Security that will eliminate the offset applicable to the final compensation. For employees not covered by Social Security, the full benefit is paid with no offsets. Auxiliary organizations of the CSUC system may elect reduced contribution rates, in which case the offset is $317 if members are not covered by Social Security or $513 if members are covered by Social Security.

- The Miscellaneous and PEPRA Safety service retirement benefit is not capped. The Classic Safety service retirement benefit is capped at 90% of final compensation.

Vested Deferred Retirement

Eligibility for Deferred Status

CalPERS members become eligible for a deferred vested retirement benefit when they leave employment, keep their contribution account balance on deposit with CalPERS, **and** have earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

Eligibility to Start Receiving Benefits

The CalPERS classic members and PEPRA Safety members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 50 (55 for employees hired into a 1.5% at age 65 plan). PEPRA Miscellaneous members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 52.

Benefit

The vested deferred retirement benefit is the same as the service retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

Non-Industrial Disability Retirement

Eligibility

A CalPERS member is eligible for Non-Industrial (non-job related) Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform their job because of an illness or injury, which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively employed by any CalPERS employer at the time of disability in order to be eligible for this benefit.

Standard Benefit

The standard Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by *service*, which is determined as follows:

- *Service* is CalPERS credited service, for members with less than 10 years of service or greater than 18.518 years of service; or

- *Service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60, for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33⅓% of final compensation.

Improved Benefit

Employers have the option of providing the improved Non-Industrial Disability Retirement benefit. This benefit provides a monthly allowance equal to 30% of final compensation for the first 5 years of service, plus 1% for each additional year of service to a maximum of 50% of final compensation.

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members eligible to retire, and who have attained the normal retirement age determined by their service retirement benefit formula, will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

Industrial Disability Retirement

This is a standard benefit for Safety members except those described in Section 20423.6. For excluded Safety members and all Miscellaneous members, employers have the option of providing this benefit. An employer may choose to provide the increased benefit option or the improved benefit option.

Eligibility

An employee is eligible for Industrial (job related) Disability Retirement if he or she becomes disabled while working, where disabled means the member is unable to perform the duties of the job because of a work-related illness or injury, which is expected to be permanent or to last indefinitely. A CalPERS member who has left active employment within this group is not eligible for this benefit, except to the extent described below.

Standard Benefit

The standard Industrial Disability Retirement benefit is a monthly allowance equal to 50% of final compensation.

Increased Benefit (75% of Final Compensation)

The increased Industrial Disability Retirement benefit is a monthly allowance equal to 75% of final compensation for total disability.

Improved Benefit (50% to 90% of Final Compensation)

The improved Industrial Disability Retirement benefit is a monthly allowance equal to the Workman's Compensation Appeals Board permanent disability rate percentage (if 50% or greater, with a maximum of 90%) times the final compensation.

For a CalPERS member not actively employed in this group who became disabled while employed by some other CalPERS employer, the benefit is a return of accumulated member contributions with respect to employment in this group. With the standard or increased benefit, a member may also choose to receive the annuitization of the accumulated member contributions.

If a member is eligible for service retirement and if the service retirement benefit is more than the industrial disability retirement benefit, the member may choose to receive the larger benefit.

Post-Retirement Death Benefit

Standard Lump Sum Payment

Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree's designated survivor(s), or to the retiree's estate. The lump sum payment amount increases to $2,000 for any death occurring on or after July 1, 2023 due to SB 1168.

Optional Lump Sum Payment

In lieu of the standard lump sum death benefit, employers have the option of providing a lump sum death benefit of $600, $3,000, $4,000 or $5,000.

Form of Payment for Retirement Allowance

Standard Form of Payment

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as he or she is alive. The retiree may choose to provide for a portion of their allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in their retirement allowance. Such reduction takes into account the amount to be provided to the beneficiary and the probable duration of payments (based on the ages of the member and beneficiary) made subsequent to the member's death.

Improved Form of Payment (Post-Retirement Survivor Allowance)

Employers have the option to contract for the post-retirement survivor allowance.

For retirement allowances with respect to service subject to a modified Classic formula, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. For retirement allowances with respect to service subject to a PEPRA formula or a full or supplemental Classic formula, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is referred to as post-retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25% or 50% of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried child(ren) until they attain age 18; or, if no eligible child(ren), to a qualifying dependent parent) for the rest of their lifetime. This benefit will not be discontinued in the event the spouse remarries.

The remaining 75% or 50% of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. Or, the retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's death. Benefit options applicable to the option portion are the same as those offered with the standard form. The reduction is calculated in the same manner but is applied only to the option portion.

Pre-Retirement Death Benefits

Basic Death Benefit

This is a standard benefit.

Eligibility

An employee's beneficiary (or estate) may receive the basic death benefit if the member dies while actively employed. A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

Benefit

The basic death benefit is a lump sum in the amount of the member's accumulated contributions, where interest is credited annually at the greater of 6% or the prevailing discount rate through the date of death, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

1957 Survivor Benefit

This is a standard benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50 for classic and PEPRA Safety members and age 52 for PEPRA Miscellaneous members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other retirement systems with which CalPERS has reciprocity agreements). A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried child(ren) under age 18. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this 1957 Survivor benefit.

Benefit

The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified service retirement benefit that the member would have been entitled to receive if the member had retired on the date of their death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to dependent child(ren), the benefit will be discontinued upon death or attainment of age 18, unless the child(ren) is disabled. The total amount paid will be at least equal to the basic death benefit.

Optional Settlement 2 Death Benefit

This is an optional benefit.

Eligibility

An employee's *eligible survivor* may receive the Optional Settlement 2 Death benefit if the member dies while actively employed, has attained at least age 50 for classic and PEPRA Safety members and age 52 for PEPRA Miscellaneous members, and has at least 5 years of credited service (total service across all CalPERS employers and with certain other retirement systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married at least one year before death. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this Optional Settlement 2 Death benefit.

Benefit

The Optional Settlement 2 Death benefit is a monthly allowance equal to the service retirement benefit that the member would have received had the member retired on the date of their death and elected 100% to continue to the eligible survivor after the member's death. The allowance is payable to the surviving spouse until death, at which time it is continued to any unmarried child(ren), if applicable. The total amount paid will be at least equal to the basic death benefit.

Special Death Benefit

This is a standard benefit for Safety members except those described in Section 20423.6. For excluded Safety members and all Miscellaneous members, employers have the option of providing this benefit.

Eligibility

An employee's *eligible survivor(s)* may receive the special death benefit if the member dies while actively employed and the death is job-related. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried child(ren) under age 22. An eligible survivor who chooses to receive this benefit will not receive any other death benefit.

Benefit

The special death benefit is a monthly allowance equal to 50% of final compensation and will be increased whenever the compensation paid to active employees is increased but ceasing to increase when the member would have attained age 50. The allowance is payable to the surviving spouse until death, at which time the allowance is continued to any unmarried child(ren) under age 22. There is a guarantee that the total amount paid will at least equal the basic death benefit.

If the member's death is the result of an accident or injury caused by external violence or physical force incurred in the performance of the member's duty, and there are *eligible* surviving child(ren) (*eligible* means unmarried child(ren) under age 22) in addition to an eligible spouse, then an **additional monthly allowance** is paid equal to the following:

- if 1 eligible child: 12.5% of final compensation
- if 2 eligible children: 20.0% of final compensation
- if 3 or more eligible children: 25.0% of final compensation

Alternate Death Benefit for Local Fire Members

This is an optional benefit available only to local fire members.

Eligibility

An employee's *eligible survivor(s)* may receive the alternate death benefit in lieu of the basic death benefit or the 1957 Survivor benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. A CalPERS member who is no longer actively employed with **any** CalPERS employer is not eligible for this benefit. An *eligible survivor* means the surviving spouse to whom the member was married prior to the onset of the injury or illness that resulted in death. If there is no eligible spouse, an eligible survivor means the member's unmarried child(ren) under age 18.

Benefit

The Alternate Death benefit is a monthly allowance equal to the service retirement benefit that the member would have received had the member retired on the date of their death and elected Optional Settlement 2. (A retiree who elects Optional Settlement 2 receives an allowance that has been reduced so that it will continue to be paid after their death to a surviving beneficiary.) If the member has not yet attained age 50, the benefit is equal to that which would be payable if the member had retired at age 50, based on service credited at the time of death. The allowance is payable to the surviving spouse until death, at which time it is continued to any unmarried child(ren), if applicable. The total amount paid will be at least equal to the basic death benefit.

Cost-of-Living Adjustments (COLA)

Standard Benefit

Retirement and survivor allowances are adjusted each year in May for cost of living, beginning the second calendar year after the year of retirement. The standard cost-of-living adjustment (COLA) is 2%. Annual adjustments are calculated by first determining the lesser of 1) 2% compounded from the end of the year of retirement or 2) actual rate of price inflation. The resulting increase is divided by the total increase provided in prior years. For any given year, the COLA adjustment may be less than 2% (when the rate of price inflation is low), may be greater than the rate of price inflation (when the rate of price inflation is low after several years of high price inflation) or may even be greater than 2% (when price inflation is high after several years of low price inflation).

Improved Benefit

Employers have the option of providing a COLA of 3%, 4%, or 5%, determined in the same manner as described above for the standard 2% COLA. An improved COLA is not available with the 1.5% at age 65 formula.

Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against price inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 80% of the initial allowance at retirement adjusted for price inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan.

Employee Contributions

Each employee contributes toward their retirement based upon the retirement formula. The standard employee contribution is as described below.

- The percent contributed below the monthly compensation breakpoint is 0%.
- The monthly compensation breakpoint is $0 for all PEPRA members and Classic members covered by a full or supplemental formula and $133.33 for Classic members covered by a modified formula.
- The percent contributed above the monthly compensation breakpoint depends upon the benefit formula, as shown in the table below.

Benefit Formula	Percent Contributed above the Breakpoint
Miscellaneous, 1.5% at age 65	2%
Miscellaneous, 2% at age 60	7%
Miscellaneous, 2% at age 55	7%
Miscellaneous, 2.5% at age 55	8%
Miscellaneous, 2.7% at age 55	8%
Miscellaneous, 3% at age 60	8%
Miscellaneous, 2% at age 62	50% of the Total Normal Cost
Miscellaneous, 1.5% at age 65	50% of the Total Normal Cost
Safety, Half Pay at age 55	Varies by entry age
Safety, 2% at age 55	7%
Safety, 2% at age 50	9%
Safety, 3% at age 55	9%
Safety, 3% at age 50	9%
Safety, 2% at age 57	50% of the Total Normal Cost
Safety, 2.5% at age 57	50% of the Total Normal Cost
Safety, 2.7% at age 57	50% of the Total Normal Cost

The employer may choose to “pick-up” these contributions for classic members (Employer Paid Member Contributions or EPMC). EPMC is prohibited for new PEPRA members.

An employer may also include Employee Cost Sharing in the contract, where employees agree to share the cost of the employer contribution. These contributions are paid in addition to the member contribution.

Auxiliary organizations of the CSU system may elect reduced contribution rates, in which case the offset is $317 and the contribution rate is 6% if members are not covered by Social Security. If members are covered by Social Security, the offset is $513 and the contribution rate is 5%.

Refund of Employee Contributions

If the member’s service with the employer ends, and if the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of their employee contributions, which are credited with 6% interest compounded annually.

1959 Survivor Benefit

This is a pre-retirement death benefit available only to members not covered by Social Security. Any agency joining CalPERS subsequent to 1993 is required to provide this benefit if the members are not covered by Social Security. The benefit is optional for agencies joining CalPERS prior to 1994. Levels 1, 2, and 3 are now closed. Any new agency or any agency wishing to add this benefit or increase the current level may only choose the 4th or Indexed Level.

This benefit is not included in the results presented in this valuation. More information on this benefit is available on the CalPERS website.

Appendix C - Classification of Optional Benefits

Classification of Optional Benefits

Below is the list of the available optional benefit provisions and their initial classification upon establishment of risk pools. When new benefits become available as a result of legislation, the Chief Actuary will determine their classification in accordance with the criteria established in the Board policy.

Class 0

Class 0 benefit surcharge is the increase in normal cost for a given benefit formula above the baseline PEPRA 2% at age 57 benefit formula.

Class 1

Class 1 benefits have been identified as additional benefits which have a significant, ongoing effect on the total plan cost. In some cases, a Class 1 benefit may be an alternate benefit formula. These benefits vary by employer across the risk pool. Agencies contracting for a Class 1 benefit will be responsible for the past service liability associated with such benefit and will be required to pay a surcharge established by the actuary to cover the ongoing cost (normal cost) of the Class 1 benefit.

The table below shows the list of Class 0 and Class 1 benefits and their applicable surcharge for each benefit formula in the Safety Risk Pool.

Optional Benefit	**2% at Age 57**	**2.5% at Age 57**	**2.7% at Age 57**	**2% at Age 55**	**2% at Age 50**	**3% at Age 55**	**3% at Age 50**
Class 0 Benefit	0.00%	2.22%	2.76%	5.36%	8.92%	11.83%	14.68%
One Year Final Compensation	N/A	N/A	1.23%	0.99%	1.21%	1.34%	1.47%
EPMC by contract, 7%	N/A	N/A	N/A	1.58%	1.92%	2.12%	2.32%
EPMC by contract, 8%	N/A	N/A	N/A	0.00%	2.19%	2.42%	2.65%
EPMC by contract, 9%	N/A	N/A	N/A	0.00%	2.47%	2.72%	2.98%
25% PRSA	1.43%	1.65%	1.72%	1.53%	1.83%	1.96%	1.97%
50% PRSA	1.43%	1.65%	1.72%	1.53%	1.83%	1.96%	1.97%
3% Annual COLA	0.74%	0.90%	0.91%	0.77%	0.96%	1.07%	1.20%
4% Annual COLA	0.74%	0.90%	0.91%	0.77%	0.96%	1.07%	1.20%
5% Annual COLA	0.74%	0.90%	0.91%	0.77%	0.96%	1.07%	1.20%
Increased IDR Allowance to 75% of Compensation	4.71%	4.20%	4.09%	4.62%	3.92%	3.65%	3.39%
Improved IDR Allowance for Local Safety Members	4.71%	4.20%	4.09%	4.62%	3.92%	3.65%	3.39%
Employee Cost Sharing*	varies	varies	varies	varies	varies	varies	varies

For employers contracting for more than one Class 1 benefit, the surcharges listed in this table will be added together.

Class 2

Class 2 benefits have been identified to be the ancillary benefits providing one-time increases in benefits. These benefits vary by employer across the risk pool. Agencies contracting for a Class 2 benefit will be responsible for the past service liability associated with such benefit.

The following benefits shall be classified as Class 2:

- One-time 1% to 6% Ad Hoc COLA Increases for members who retired or died prior to January 1, 1998 (Section 21328)
- "Golden Handshakes" – Section 20903 Two Years Additional Service Credit
- Credit for Prior Service Paid for by the Employer
- Military Service Credit (Section 20996)
- Credit for Local Retirement System Service for Employees of Agencies Contracted on a Prospective basis (Section 20530.1)
- Prior Service Credit for Employees of an Assumed Agency Function (Section 20936)
- Limit Prior Service to Members Employed on Contract Date (Section 20938)
- Public Service Credit for Limited Prior Service (Section 21031)
- Public Service Credit for Employees of an Assumed Agency or Function (Section 21025)

Class 3

Class 3 benefits have been identified to be additional benefits which have a minimal effect on the total plan cost. Class 3 benefits may vary by rate plan within each risk pool. However, the employer contribution rate will not vary within the risk p ool due to the Class 3 benefits.

The following benefits shall be classified as Class 3:

- Full formula plus social security
- Post Retirement Lump Sum Death Benefit
- $600 lump sum retired death benefit (Section 21622)
- $2,000 lump sum retired death benefit (Section 21623.5)
- $3,000 lump sum retired death benefit (Section 21623.5)
- $4,000 lump sum retired death benefit (Section 21623.5)
- $5,000 lump sum retired death benefit (Section 21623.5)
- Improved non-industrial disability allowance (Section 21427)
- Special death benefit for local safety members (Section 21540.5)
- Service Credit Purchased by Member
- Partial Service Retirement (Section 21118)
- Optional Membership for Part Time Employees (Section 20325)
- Extension of Reciprocity Rights for Elective Officers (Section 20356)
- Removal of Contract Exclusions Prospectively Only (Section 20503)
- Alternate Death Benefit for Local Fire Members credited with 20 or more years of service (Section 21547.7)

Appendix D - Participant Data

Source of the Participant Data

The data was extracted from various databases within CalPERS and placed in the valuation system database by a series of extract programs. Included in this data are:

- Individual member and beneficiary information,
- Employment and payroll information,
- Accumulated contributions with interest,
- Service information,
- Benefit payment information,
- Information about the various organizations which contract with CalPERS, and
- Detailed information about the plan provisions applicable to each group of members.

Data Validation Tests and Adjustments

Once the information is extracted from the various computer systems into the database, update queries are then run against this data to correct for flaws found in the data. This part of the process is intended to validate the participant data for all CalPERS plans. The data is then checked for reasonableness and consistency with data from the prior valuation.

Checks on the data include:

- A reconciliation of the membership of the plans,
- Comparisons of various member statistics (average attained age, average entry age, average salary, etc.) for each plan with those from the prior year valuation,
- Comparisons of pension amounts for each retiree and beneficiary receiving payments with those from the prior year valuation,
- Checks for invalid ages and dates, and
- Reasonableness checks on various key data elements such as years of service and salary

As a result of the tests on the data, a number of adjustments were determined to be necessary. These included:

Dates of hire and dates of entry were adjusted where necessary to be consistent with the service fields, the date of birth and each other.

Summary of Pool Participants

	June 30, 2022		June 30, 2023	
	Agencies	**Rate Plans**	**Agencies**	**Rate Plans**
City or Town	284	878	285	882
County	19	59	19	59
Joint Powers Authority	10	20	10	20
Non-profit	0	0	0	0
Special District	166	335	165	333
Total	479	1,292	479	1,294

Summary of Valuation Data

		June 30, 2022	June 30, 2023
1.	**Number of Plans in the Risk Pool**	1,292	1,294
2.	**Active Members**		
	a) Counts	15,587	15,806
	b) Average Attained Age	39.68	39.56
	c) Average Entry Age on Rate Plan	30.24	30.25
	d) Average Years of Credited Service	9.32	9.20
	e) Average Annual Covered Pay	$112,255	$118,131
	f) Annual Covered Payroll	$1,749,718,501	$1,867,172,731
	g) Projected Annual Payroll for Contribution Year	$1,900,848,603	$2,028,447,819
	h) Present Value of Future Payroll	$18,080,217,203	$19,464,433,108
3.	**Transferred Members**	9,925	10,112
4.	**Separated Members**	5,633	5,916
5.	**Retired Members and Beneficiaries**		
	a) Counts*	31,271	32,074
	b) Average Annual Benefits*	$45,698	$47,129
6.	**Active to Retired Ratio** [(2a) / (5a)]	0.50	0.49

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

* Individuals in more than one coverage group counted more than once. Values do not match the Retired Members and Beneficiaries tables where each retiree is counted only once.

Active Members

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Distribution of Active Members by Age and Service

	Years of Service at Valuation Date						
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**
15-24	555	2	0	0	0	0	557
25-29	2,021	260	0	0	0	0	2,281
30-34	1,795	1,027	97	1	0	0	2,920
35-39	1,070	945	482	265	4	0	2,766
40-44	544	558	427	828	206	1	2,564
45-49	330	260	247	653	639	133	2,262
50-54	221	128	137	344	482	314	1,626
55-59	116	69	32	96	114	141	568
60-64	40	28	10	30	40	54	202
65 and Over	17	14	4	4	7	14	60
All Ages	**6,709**	**3,291**	**1,436**	**2,221**	**1,492**	**657**	**15,806**

Distribution of Average Annual Salaries by Age and Service

	Years of Service at Valuation Date						
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Average Salary**
15-24	$68,973	$107,866	$0	$0	$0	$0	$69,112
25-29	86,606	107,636	0	0	0	0	89,003
30-34	93,131	115,515	120,234	104,578	0	0	101,908
35-39	99,981	117,330	132,363	136,575	148,539	0	115,127
40-44	108,724	122,564	133,506	139,488	147,828	191,949	128,972
45-49	122,497	125,851	134,810	141,617	156,351	171,756	142,207
50-54	133,985	123,499	134,359	140,463	155,067	171,573	148,070
55-59	128,206	133,906	121,886	140,254	148,746	163,328	143,420
60-64	139,220	141,671	175,061	120,223	136,531	146,179	139,840
65 and Over	100,028	118,688	118,531	96,648	118,055	126,509	113,672
Average	**$95,213**	**$118,353**	**$132,520**	**$139,598**	**$153,447**	**$166,824**	**$118,131**

Transferred and Separated Members

Distribution of Participants Transferred to Other CalPERS Plans by Age and Service

	Years of Service at Valuation Date							
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**	**Average Salary**
15-24	76	0	0	0	0	0	76	$60,236
25-29	617	31	0	0	0	0	648	82,948
30-34	1,257	192	3	0	0	0	1,452	95,013
35-39	1,383	402	90	4	0	0	1,879	109,147
40-44	1,359	460	221	59	3	0	2,102	122,595
45-49	1,207	358	166	90	25	0	1,846	132,379
50-54	860	301	133	55	29	11	1,389	139,063
55-59	335	91	38	23	9	10	506	129,458
60-64	97	35	24	5	3	6	170	126,204
65 and Over	34	6	2	1	0	1	44	120,305
All Ages	**7,225**	**1,876**	**677**	**237**	**69**	**28**	**10,112**	**$117,568**

Distribution of Separated Participants with Funds on Deposit by Age and Service

	Years of Service at Valuation Date							
Attained Age	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25+**	**Total**	**Average Salary**
15-24	104	0	0	0	0	0	104	$51,348
25-29	468	18	0	0	0	0	486	61,356
30-34	762	76	2	0	0	0	840	65,965
35-39	829	174	28	9	0	0	1,040	70,099
40-44	784	172	75	46	2	0	1,079	71,617
45-49	714	150	69	57	21	1	1,012	74,523
50-54	499	90	24	10	4	2	629	61,354
55-59	342	35	8	2	3	1	391	54,606
60-64	182	24	5	0	0	2	213	56,000
65 and Over	106	12	1	2	1	0	122	51,448
All Ages	**4,790**	**751**	**212**	**126**	**31**	**6**	**5,916**	**$66,652**

Retired Members and Beneficiaries

Distribution of Retirees and Beneficiaries by Age and Retirement Type

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	0	0	1	0	12	24	37
30-34	0	0	38	0	1	6	45
35-39	0	9	155	0	21	14	199
40-44	0	5	396	3	5	12	421
45-49	0	13	604	3	10	25	655
50-54	1,887	28	1,017	7	21	63	3,023
55-59	3,190	24	1,274	6	31	125	4,650
60-64	3,658	26	1,316	11	25	274	5,310
65-69	3,432	38	1,273	12	42	432	5,229
70-74	2,529	24	1,193	7	30	503	4,286
75-79	1,933	32	1,126	7	14	664	3,776
80-84	1,064	10	569	2	17	607	2,269
85 and Over	629	16	274	2	20	704	1,645
All Ages	**18,322**	**225**	**9,236**	**60**	**249**	**3,453**	**31,545**

Distribution of Average Annual Disbursements to Retirees and Beneficiaries by Age and Retirement Type

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 30	$0	$0	$87	$0	$38,591	$11,856	$20,209
30-34	0	0	34,166	0	33,780	13,944	31,461
35-39	0	9,427	38,085	0	40,531	21,338	35,868
40-44	0	23,006	39,984	26,561	36,860	23,150	39,170
45-49	0	12,271	38,663	22,955	34,537	30,342	37,687
50-54	50,178	19,815	40,902	45,728	42,351	32,694	46,347
55-59	55,725	18,609	48,854	23,960	35,890	32,107	52,843
60-64	57,273	13,638	49,468	46,109	40,347	35,238	53,885
65-69	57,718	15,875	47,805	39,857	35,212	35,763	52,965
70-74	54,620	14,727	44,981	57,144	29,638	37,635	49,550
75-79	48,752	18,881	41,932	40,333	35,558	32,067	43,466
80-84	41,202	17,527	37,095	26,810	32,897	31,581	37,419
85 and Over	35,916	12,810	30,974	930	25,906	27,021	30,897
All Ages	**$53,425**	**$16,251**	**$44,029**	**$38,928**	**$35,468**	**$32,232**	**$47,919**

Retired Members and Beneficiaries (continued)

Distribution of Retirees and Beneficiaries by Years Retired and Retirement Type

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	4,684	24	1,510	11	38	1,161	7,428
5-9	3,739	30	1,510	16	29	830	6,154
10-14	3,901	27	1,283	18	24	589	5,842
15-19	2,757	22	1,213	8	33	359	4,392
20-24	1,696	30	1,152	0	25	254	3,157
25-29	909	36	970	5	27	128	2,075
30 and Over	636	56	1,598	2	73	132	2,497
All Years	**18,322**	**225**	**9,236**	**60**	**249**	**3,453**	**31,545**

Distribution of Average Annual Disbursement to Retirees and Beneficiaries by Years Retired and Retirement Type

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 5 Yrs	$53,021	$19,052	$50,329	$46,022	$37,454	$35,398	$49,520
5-9	54,517	16,626	50,385	24,531	42,776	35,333	50,598
10-14	59,262	18,474	53,685	44,608	50,428	30,477	54,865
15-19	55,737	22,927	49,161	65,720	37,028	29,220	51,467
20-24	47,990	13,902	43,791	0	40,245	25,782	44,286
25-29	41,505	13,376	33,781	21,280	29,741	26,582	36,284
30 and Over	35,671	14,263	26,814	930	26,390	18,792	28,331
All Years	**$53,425**	**$16,251**	**$44,029**	**$38,928**	**$35,468**	**$32,232**	**$47,919**

Retired Members and Beneficiaries (continued)

Distribution of Total Annual Aggregate Disbursements to Retirees and Beneficiaries by Attained Age and Retirement Type (Includes PPPA Payments)

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	$0	$0	$87	$0	$463,095	$284,556	$747,737
30-34	0	0	1,298,304	0	33,780	83,663	1,415,747
35-39	0	84,840	5,903,112	0	851,145	298,729	7,137,825
40-44	0	115,028	15,833,686	79,684	184,298	277,797	16,490,493
45-49	0	159,527	23,352,608	68,864	345,374	758,542	24,684,915
50-54	94,685,774	554,818	41,597,200	320,098	889,364	2,059,741	140,106,995
55-59	177,764,112	446,618	62,240,381	143,759	1,112,605	4,013,386	245,720,860
60-64	209,504,113	354,583	65,100,180	507,200	1,008,663	9,655,254	286,129,993
65-69	198,089,043	603,268	60,855,770	478,283	1,478,887	15,449,421	276,954,671
70-74	138,134,356	353,436	53,661,930	400,006	889,128	18,930,458	212,369,314
75-79	94,237,398	604,193	47,214,972	282,330	497,818	21,292,319	164,129,030
80-84	43,839,048	175,267	21,107,021	53,619	559,251	19,169,463	84,903,669
85 and Over	22,590,896	204,964	8,486,757	1,860	518,120	19,022,859	50,825,456
Total	**$978,844,740**	**$3,656,542**	**$406,652,007**	**$2,335,703**	**$8,831,526**	**$111,296,187**	**$1,511,616,705**

Distribution of Total Annual Aggregate Disbursements to Retirees and Beneficiaries by Years Retired and Retirement Type (Includes PPPA Payments)

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	$248,351,412	$457,248	$75,997,465	$506,246	$1,423,235	$41,096,698	$367,832,304
5-9	203,840,169	498,788	76,080,803	392,490	1,240,509	29,326,587	311,379,347
10-14	231,180,294	498,803	68,877,625	802,948	1,210,282	17,951,133	320,521,084
15-19	153,667,645	504,393	59,632,297	525,759	1,221,912	10,489,913	226,041,918
20-24	81,391,057	417,052	50,447,618	0	1,006,116	6,548,735	139,810,578
25-29	37,727,628	481,522	32,768,041	106,401	803,004	3,402,550	75,289,146
30 and Over	22,686,534	798,737	42,848,157	1,860	1,926,468	2,480,571	70,742,328
Total	**$978,844,740**	**$3,656,542**	**$406,652,007**	**$2,335,703**	**$8,831,526**	**$111,296,187**	**$1,511,616,705**

Distribution of Plan Costs by Benefit Formula

Benefit Formula	Accrued Liability	% of Pool	6/30/2023 Payroll	% of Pool
2.0% at age 57	$37,249,155	0.1%	$33,271,615	1.8%
2.5% at age 57	8,018,104	0.0%	6,452,605	0.3%
2.7% at age 57	1,138,160,927	3.7%	798,665,772	42.8%
2.0% at age 55	163,079,872	0.5%	13,611,545	0.7%
2.0% at age 50	985,480,761	3.2%	56,139,861	3.0%
3.0% at age 55	4,812,765,382	15.8%	291,615,868	15.6%
3.0% at age 50	21,780,855,763	71.4%	667,415,465	35.7%
Inactive	1,599,862,415	5.2%	0	0.0%
Total	**$30,525,472,379**		**$1,867,172,731**	

Appendix E - Glossary

Glossary

Accrued Liability (Actuarial Accrued Liability)
The portion of the Present Value of Benefits allocated to prior years. It can also be expressed as the Present Value of Benefits minus the present value of future Normal Cost. Different actuarial cost methods and different assumptions will lead to different measures of Accrued Liability.

Actuarial Assumptions
Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include such things as mortality, disability, and retirement rates. Economic assumptions include discount rate, wage inflation, and price inflation.

Actuarial Methods
Procedures employed by actuaries to achieve certain funding goals of a pension plan. Actuarial methods include an actuarial cost method, an amortization policy, and an asset valuation method.

Actuarial Valuation
The determination as of a valuation date of the Normal Cost, Accrued Liability, and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change in plan provisions.

Actuary
A business professional proficient in mathematics and statistics who measures and manages risk. A public retirement system actuary in California performs actuarial valuations necessary to properly fund a pension plan and disclose its liabilities and must satisfy the qualification standards for actuaries issuing statements of actuarial opinion in the United States with regard to pensions.

Amortization Bases
Separate payment schedules for different portions of the Unfunded Accrued Liability (UAL). The total UAL of a rate plan can be segregated by cause. The impact of such individual causes on the UAL are quantified at the time of their occurrence, resulting in new amortization bases. Each base is separately amortized and paid for over a specific period of time. Generally, in an actuarial valuation, the separate bases consist of changes in UAL due to contract amendments, actuarial assumption changes, method changes, and/or experience gains and losses.

Amortization Period
The number of years required to pay off an Amortization Base.

Class 0 Benefit Surcharge
Class 0 benefit surcharge is the increase in normal cost for a given benefit formula above the baseline PEPRA 2% at age 57 benefit formula.

Class 1 Benefits
Class 1 benefits have been identified as additional benefits which have a significant, ongoing effect on the total plan cost. In some cases, a Class 1 benefit may be an alternate benefit formula. These benefits vary by employer across the risk pool. Agencies contracting for a Class 1 benefit will be responsible for the past service liability associated with such benefit and will be required to pay a surcharge established by the actuary to cover the ongoing cost (normal cost) of the Class 1 benefit.

Class 2 Benefits
Class 2 benefits have been identified to be the ancillary benefits providing one-time increases in benefits. These benefits vary by employer across the risk pool. Agencies contracting for a Class 2 benefit will be responsible for the past service liability associated with such benefit.

Class 3 Benefits
Class 3 benefits have been identified to be additional benefits which have a minimal effect on the total plan cost. Class 3 benefits may vary by rate plan within each risk pool. However, the employer contribution rate will not vary within the risk pool due to the Class 3 benefits.

Glossary (continued)

Classic Member (under PEPRA)
A member who joined a public retirement system prior to January 1, 2013, and who is not defined as a new member under PEPRA. (See definition of New Member below.)

Discount Rate
The rate used to discount the expected future benefit payments to the valuation date to determine the Projected Value of Benefits. Different discount rates will produce different measures of the Projected Value of Benefits. The discount rate for funding purposes is based on the assumed long-term rate of return on plan assets, net of investment and administrative expenses. This rate is called the "actuarial interest rate" in Section 20014 of the California Public Employees' Retirement Law.

Entry Age
The earliest age at which a plan member begins to accrue benefits under a defined benefit pension plan. In most cases, this is the age of the member on their date of hire.

Entry Age Actuarial Cost Method
An actuarial cost method that allocates the cost of the projected benefits on an individual basis as a level percent of earnings for the individual between entry age and retirement age. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member's career.

Fresh Start
A Fresh Start is when multiple amortization bases are combined into a single base and amortized over a new Amortization Period.

Funded Ratio
Defined as the Market Value of Assets divided by the Accrued Liability. Different actuarial cost methods and different assumptions will lead to different measures of Funded Ratio. The Funded Ratio with the Accrued Liability equal to the funding target is a measure of how well funded a rate plan is. A ratio greater than 100% means the rate plan has more assets than the funding target and the employer need only contribute the Normal Cost. A ratio less than 100% means assets are less than the funding target and contributions in addition to Normal Cost are required.

Funded Status
Any comparison of a particular measure of plan assets to a particular measure of pension obligations. The methods and assumptions used to calculate a funded status should be consistent with the purpose of the measurement.

Funding Target
The Accrued Liability measure upon which the funding requirements are based. The funding target is the Accrued Liability under the Entry Age Actuarial Cost Method using the assumptions adopted by the board.

GASB 68
Statement No. 68 of the Governmental Accounting Standards Board. The accounting standard governing a state or local governmental employer's accounting and financial reporting for pensions.

New Member (under PEPRA)
A new member includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is not subject to reciprocity with another public retirement system.

Normal Cost
The portion of the Present Value of Benefits allocated to the upcoming fiscal year for active employees. Different actuarial cost methods and different assumptions will lead to different measures of Normal Cost. The Normal Cost under the Entry Age Actuarial Cost Method, using the assumptions adopted by the board, plus the required amortization of the UAL, if any, make up the required contributions.

PEPRA
The California Public Employees' Pension Reform Act of 2013.

Glossary (continued)

Present Value of Benefits (PVB)

The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for *current* members.

Risk Pool

A risk pool combines assets and liabilities across employers for the purpose of sharing risk and reducing large fluctuations in an employer's retirement contribution requirements caused by unexpected demographic events. CalPERS currently maintains two risk pools for contracting agencies, one for Miscellaneous rate plans and one for Safety rate plans.

Traditional Unit Credit Actuarial Cost Method

An actuarial cost method that sets the Accrued Liability equal to the Present Value of Benefits assuming no future pay increases or service accruals. The Traditional Unit Credit Cost Method is used to measure the accrued liability on a termination basis.

Unfunded Accrued Liability (UAL)

The Accrued Liability minus the Market Value of Assets. If the UAL for a rate plan is positive, the employer is required to make contributions in excess of the Normal Cost.

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

Jeffery Palmer
Captain Paramedic
Foresthill Fire Protection District
PO Box 1099
24320 Main Street
Foresthill, CA 95631

CalPERS ID 7933275200

February 10, 2026

Dear Jeffery Palmer,

Thank you for contacting CalPERS regarding a contract for retirement benefits. Enclosed you will find the Resolution of Intention and Exhibit Contract to provide Section 7522.20 (2% @ 62 Full formula) with 0% prior service for local miscellaneous members; and Section 7522.25(d) (2.7% @ 57 Full formula) with 0% prior service for local safety members.

Also provided are the following documents:

- Resolution of Intention, Form CON-301.
- Certification of Governing Body's Action, Form CON-12.
- Certification of Compliance with Government Code Section 7507, Form CON-12A.
- Summary of Major Provisions.
- Employee Ballots.
- Certification of Employee Election, Form CON-15N.
- Indexed Level of 1959 Survivor Benefits Ballot, Form CON-24d.
- 1959 Survivor Benefits Certification of Employee Election, Form CON-18.
- Pre-tax Resolution Circular Letters.

After the governing body has adopted the enclosed Resolution of Intention declaring its intention to enter into a contract, an election is required to permit the employees proposed to be included in this system to express by secret ballot their approval or disapproval of the retirement proposal, pursuant to Government Code Section 20469. A ballot for the employees' election is enclosed. The results of the election are to be certified on the enclosed Form CON-15N, Certification of Employee Election. The contract shall not be approved if a majority of the affected members vote to disapprove the proposed plan.

The employer's normal cost rate for new local miscellaneous members is estimated to be 7.93%.

Estimate the new miscellaneous payroll for the next twelve months and multiply by 7.93% to calculate the estimated total cost. As your contract reads, the employer rate is subject to change with future amendments and/or experience and other factors.

The employer's normal cost rate for new local safety members is estimated to be 13.91%.

Estimate the new safety payroll for the next twelve months and multiply by 13.91% to calculate the estimated total cost. As your contract reads, the employer rate is subject to change with future amendments and/or experience and other factors.

For the Indexed Level of 1959 Survivor Benefits, the initial employer cost to join the 1959 Survivor program is the payment of the pool's annual employer normal cost, $7.00 per covered member per month (subject to annual change), for a period of five years. Agencies will be billed annually and the normal cost will be recalculated each year. After the first five years, the employer is required to pay the net premium for the Indexed Level pool, which will vary from year to year due to investment returns and experiences by the pool. In addition, members covered by the 1959 Survivor Benefits contribute $3.00 per month (subject to annual change).

Effective January 1, 2009 Government Code Section 7507 requires the following:

- **Future annual costs** of the proposed contract be made public at a public meeting at least two weeks prior to the adoption of the final Resolution.
- Expansion of the definition of the term "future annual costs" to include "normal cost and any change in accrued liability".
- Adoption of any retirement benefit not be placed on the consent calendar.

The agency is to certify compliance on the enclosed Certification of Compliance with Government Code Section 7507 (form CON-12A).

The local miscellaneous member contribution rate will be 7.75% of reportable earnings as of the effective date of the contract.

The local safety member contribution rate will be 13.75% of reportable earnings as of the effective date of the contract.

After your governing body has adopted the Resolution of Intention, the next procedure with respect to the 1959 Survivor Benefits is to allow each current employee, proposed to be included in this system, to make an individual election. Members in employment on the effective date of the contract may elect whether to be covered. Participation is required of all future entrants into membership. The supervision of this election and the details of its conduct are under the control and direction of your agency.

A ballot, Form CON-24d, including the summary of benefits, is to be distributed to all eligible employees to complete and sign. The original ballots must be returned to this office along with a listing, in duplicate, of the employees, their Social Security numbers, and category (miscellaneous, fire, police, etc.) wherein the employees are grouped according to those: 1) who elected coverage; 2) who did not elect coverage; and 3) who did not return the ballot. Employees who do not return the ballot within the prescribed time limitation thereby elect not to be covered. The list should confirm the results of the election, which are certified on the enclosed Form CON-18, 1959 Survivor Benefits Certification of Employee Election. Any employees hired after the election or employed prior to or on the effective date of the contract must also be given the opportunity to elect coverage.

In summary, the following documents must be provided back to us before we can forward the actual contract and final documents necessary to complete the process. **Do not hold these documents pending adoption of the final RESOLUTION.**

1. Resolution of Intention, certified copy.
2. Certification of Governing Body's Action, Form CON-12.
3. Certification of Compliance with Government Code Section 7507, Form CON-12A.
4. Certification of Employee Election, Form CON-15N.
5. Indexed Level of 1959 Survivor Benefits Ballot, Form CON-24d.
6. 1959 Survivor Benefits Certification of Employee Election, Form CON-18.
7. Summary listing of employees for 1959 Survivor Benefits.

If your agency adopts the Resolution of Intention on February 11, 2026, the earliest date the final Resolution may be adopted is March 3, 2026. There must be a 20 day period between the adoption of the Resolution of Intention and the adoption of the final Resolution pursuant to Government Code Section 20471. There are no exceptions to this law.

The effective date of this contract cannot be earlier than the first day of a payroll period following the effective date of the final resolution.

Please do not retype the Contract and/or agreement documents. Only documents provided by this office will be accepted. If you have any questions regarding any documents, please contact this office prior to presenting to your governing body for adoption.

If you plan to submit tax-deferred contributions on behalf of your members, please have your governing board adopt an appropriate resolution authorizing such employer pick-up of employee contributions. Your governing board may want to adopt the resolution at the same time it adopts the resolution of intention to contract. We have enclosed two circular letters which explain the employer “pick-up” federal tax reporting requirements, where to obtain sample resolutions and the mailing address for submitting the “pick-up” resolutions.

We are here to assist you. If you have any questions or would like additional information, please visit our website www.calpers.ca.gov, or you may contact us toll free at **888 CalPERS** or (**888**-225-7377).

Sincerely,

Christopher Keil

Christopher Keil
Employer Representative
Public Agency Contract Service
CK:ra

Enclosures

EXHIBIT

California
Public Employees' Retirement System

CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Foresthill Fire Protection District

In consideration of the covenants and agreement hereafter contained and on the part of both parties to be kept and performed, the governing body of above public agency, hereafter referred to as "Public Agency", and the Board of Administration, Public Employees' Retirement System, hereafter referred to as "Board", hereby agree as follows:

1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age for classic local miscellaneous members, age 62 for new local miscellaneous members, age for classic local safety members and age 57 for new local safety members.

2. Public Agency shall participate in the Public Employees' Retirement System from and after ___________________ making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.

3. Public Agency agrees to indemnify, defend and hold harmless the Public Employees' Retirement System and its trustees, agents and employees, the Public Employees' Retirement System Board of Administration, and the Public Employees' Retirement System Fund from any claims, demands, actions, losses, liabilities, damages, judgments, expenses and costs, including but not limited to interest, penalties and attorney fees that may arise as a result of any of the following:

   (a) Public Agency's election to provide retirement benefits, provisions or formulas under this Contract that are different than the retirement benefits, provisions or formulas provided under the Public Agency's prior non-Public Employees' Retirement System retirement program.

   (b) Any dispute, disagreement, claim, or proceeding (including without limitation arbitration, administrative hearing, or litigation) between Public Agency and its employees (or their representatives) which relates to Public Agency's election to amend this Contract to provide retirement benefits, provisions or formulas that are different than such employees' existing retirement benefits, provisions or formulas.

   (c) Public Agency's agreement with a third party other than CalPERS to provide retirement benefits, provisions, or formulas that are different than the retirement benefits, provisions or formulas provided under this Contract and provided for under the Public Employees' Retirement Law.

4. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

   a. Local Fire Fighters (herein referred to as local safety members);

   b. Employees other than local safety members (herein referred to as local miscellaneous members)

5. Any exclusion(s) shall remain in effect until such time as the Public Employees' Retirement System determines that continuing said exclusion(s) would risk a finding of non-compliance with any federal tax laws or regulations. If such a determination is contemplated, the Public Employees' Retirement System will meet with the Public Agency to discuss the matter and coordinate any required changes or amendments to the contract.

   In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:

   a. POLICE EMPLOYEES.

6. Public Agency's participation in the Public Employees' Retirement System is based on the Board's reasonable, good faith interpretation of current Internal Revenue Service Guidance that Public Agency as constituted at the time of this Agreement is eligible to participate in a governmental plan within the meaning of Internal Revenue Code Section 414(d). Public Agency's continued participation shall be subject to the Board's determination of Public Agency's status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d), upon publication of final Treasury Regulations pursuant to such Section (the "Final Regulations"). If upon publication of the Final Regulations, the Board determines that Public Agency would not qualify as an agency or instrumentality of the state or political subdivision of a State, Public Agency shall take all necessary and applicable steps to comply with the Final Regulations, including making any necessary amendments to Public Agency's governing documents. If Public Agency fails to timely comply with the Final Regulations, the Board shall take any remedial corrections required under the Final Regulations, which may include the termination of Public Agency's participation in the Public Employees' Retirement System, and the cancellation of all benefits and any service credit accrued for Public Agency employees and retirees.

7. The percentage of final compensation to be provided for local miscellaneous members for each year of credited prior service is 0% and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.20 of said Retirement Law (2% at age 62 Full).

8. The percentage of final compensation to be provided for new local members for each year of credited prior service is % and the percentage of final compensation to be provided for each year of credited current service is 100% and determined in accordance with Section 7522.25(d) of said Retirement Law (2.7% at age 57 Full).

9. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members and local safety members of said Retirement System.

10. Public Agency shall also contribute to said Retirement System as follows:

    a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574.5 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members and local safety members.

b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.

11. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.

12. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY________________________________
MELODY BENAVIDES, CHIEF
PENSION CONTRACTS AND PREFUNDING PROGRAMS DIVISION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
FORESTHILL FIRE PROTECTION DISTRICT

BY________________________________
PRESIDING OFFICER

____
Witness Date

Attest:

____
Clerk

RESOLUTION OF INTENTION

TO APPROVE A CONTRACT

BETWEEN THE

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AND THE

BOARD OF DIRECTORS
FORESTHILL FIRE PROTECTION DISTRICT

WHEREAS, the Public Employees' Retirement Law permits the participation of public agencies in the Public Employees' Retirement System, making their employees members of said System, and sets forth the procedure by which participation may be accomplished; and

WHEREAS, one of the steps required in the procedure is the adoption by the governing body of the public agency of a resolution giving notice of intention to approve a contract for such participation of said agency in the Public Employees' Retirement System, which resolution shall contain a summary of the major provisions of the proposed retirement plan;

NOW, THEREFORE, BE IT RESOLVED, that the governing body of the above agency gives, and it does hereby give notice of intention to approve a contract between said governing body and the Board of Administration of the Public Employees' Retirement System, providing for participation of said agency in said retirement system, a copy of said contract and a copy of the summary of the major provisions of the proposed plan being attached hereto, as an "Exhibit", and by this reference made a part hereof.

By:________________________________
Presiding Officer

____
Title

____
Date adopted and approved

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

Certification of Governing Body's Action

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the

____ of the
(governing body)

____
(public agency)

on ______________________.
(date)

____
Clerk/Secretary

____
Title

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

Certification of Compliance with Government Code Section 7507

I hereby certify that in accordance with Government Code section 7507, the future annual costs as determined by the California Public Employees' Retirement System for the increase or change in retirement benefit(s) have been made public at a public meeting of the ______________________________ of the ____

(governing body) (public agency)

on ________________ which is at least two weeks prior to the adoption of the Resolution /

(date)

Ordinance. Adoption of the retirement benefit increase or change will not be placed on the consent calendar.

____
Clerk/Secretary

____
Title

Date ___________________

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

Summary of Major Provisions

2% @ 62 Formula (Section 7522.20) for Local Miscellaneous Members

Service Retirement

To be eligible for service retirement, a member must be 52 or older and have accrued a minimum of five years of CalPERS credited service. There is no compulsory retirement age.

The monthly retirement allowance is determined by age at retirement, years of service credit, and final compensation. The basic benefit is 2% of final compensation for each year of credited service upon retirement at age 62. If retirement is earlier than age 62, the percentage of final compensation decreases for each quarter year of attained age until it reaches 1% at age 52. If retirement is deferred beyond age 62, the percentage of final compensation increases for each quarter year of attained age to 2.5% at age 67.

Final compensation is the average monthly pay rate during the last 36 consecutive months of employment unless the member designates a different period of 36 consecutive months during which the average pay rate was higher.

Disability Retirement

Members who are substantially incapacitated for the performance of their duties under the current employer **and** from performing the usual duties of the position for other CalPERS-covered employers (including State agencies, schools, and local public agencies) and where similar positions with these other employers with reasonably comparable in pay, benefits, and promotional opportunities are not available, would be eligible for disability retirement provided they have at least five years of service credit. The monthly retirement allowance is 1.8% of the final compensation for each year of service. The maximum percentage for members with 10.000 and 18.518 years of service credit is one-third of their final compensation. If the member is eligible for service retirement, the member will receive the highest allowance payable, service, or disability. If provided by the employer's contract, the benefit would be a minimum of 30% of final compensation for the first five years of service credit, plus 1% for each additional year of service to a maximum benefit of 50% of final compensation.

Industrial Disability Retirement

If provided by the employer's contract, members permanently incapacitated from performing their duties, as defined above under Disability Retirement, and the disability is a result of a job-related injury or illness may receive an Industrial Disability Retirement benefit equal to 50% of their final compensation. If provided in the employer's contract, the disability retirement allowance for disabled members will equal 75% of the member's final compensation instead of the disability retirement allowance otherwise provided. If the member is eligible for service retirement, the service retirement allowance is payable. The total allowance cannot exceed 90% of the final compensation.

Pre-Retirement Death Benefits

Basic Death Benefit

This benefit refunds the member's contributions plus interest and up to six months' pay (one month's salary rate for each year of current service up to a maximum of six months).

1957 Survivor Benefit
Eligible beneficiaries may elect to receive either the Basic Death Benefit or the 1957 Survivor Benefit. The 1957 Survivor Benefit provides a monthly allowance equal to one-half of the highest service retirement allowance members would have received had they retired on the date of death. It is payable to the surviving spouse or registered domestic partner until death or to eligible unmarried children until age 18.

1959 Survivor Benefit[1]
A surviving spouse or registered domestic partner and eligible children may receive a monthly allowance as determined by the level of coverage. This benefit is payable in addition to the Basic Death Benefit or 1957 Survivor Benefit. Children under age 22 and unmarried are eligible.

Pre-Retirement Optional Settlement 2 Death Benefit[2]
The spouse or registered domestic partner of deceased members eligible to retire from service at the time of death may elect to receive the Pre-Retirement Optional Settlement 2 Death Benefit instead of the lump sum Basic Death Benefit. This monthly benefit allowance equals the amount members would have received if they had retired from service on the date of death and elected Optional Settlement 2 (the highest monthly payable allowance for a spouse or registered domestic partner).

Cost-Of-Living Adjustments

The cost-of-living allowance increases are limited to a maximum of 2% compounded annually unless the employer's contract provides a 3, 4, or 5% increase.

Death After Retirement

The lump sum death benefit is $2000 (or $3,000, $4,000, or $5,000 if provided by the employer's contract) regardless of the retirement plan chosen by the member at retirement.

Termination of Employment

Members who have separated from employment may elect to leave their contributions on deposit or request a refund of contributions and interest. Those who leave their contributions on deposit may apply later for a monthly retirement allowance if the minimum service and age requirements are met. Members who request a refund of their contributions terminate their membership and are not eligible for any future benefits unless they return to CalPERS membership.

Employee Contributions

Miscellaneous members covered by the 2% @ 62 formula shall share the cost of this benefit with their employer. Each will be responsible for 50% of the normal cost of participating in this system.

The employer bears the entire cost of prior service benefits (the period before the employer-provided retirement coverage under CalPERS). The CalPERS Board of Administration may adjust all employer contribution rates.

---

[1] If provided by the employer's contract and the member is not covered under social security.
[2] If provided by the employer's contract.

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

Subject:

Summary of Major Provisions

LOCAL SAFETY MEMBERS: 2.7% @ 57 Formula (Section 7522.25(d))

Service Retirement

To be eligible for service retirement, a member must be at least age 50 and have five years of CalPERS credited service.

The monthly retirement allowance is determined by age at retirement, years of service credit and final compensation. The basic benefit is 2.7% of final compensation for each year of credited service upon retirement at age 57. If retirement is earlier than age 57, the percentage of final compensation decreases for each quarter year of attained age to 2.0% at age 50.

Final compensation is the average monthly pay rate during the last consecutive 36 months of employment, or 12 months if provided by the employer's contract, unless the member designates a different period of 36 or 12 consecutive months when the average pay rate was higher. Certain items of special compensation earned during your final compensation period will be included in your final compensation, in accordance with Board regulations.

Disability Retirement

Members substantially incapacitated from performing the usual duties for the position for his/her current employer would be eligible for disability retirement provided they have at least five years of service credit. The monthly retirement allowance is 1.8% of final compensation for each year of service. The maximum percentage for members who have between 10.000 and 18.518 years of service credit is one-third of their final compensation. If the member is eligible for service retirement the member will receive the highest allowance payable, service or disability. If provided by the employer's contract, the benefit would be a minimum of 30% of final compensation for the first five years of service credit, plus 1% for each additional year of service to a maximum benefit of 50% of final compensation.

Industrial Disability Retirement

Members permanently incapacitated from performing their duties, as defined above under Disability Retirement, and the disability is a result of a job-related injury or illness may receive an Industrial Disability Retirement benefit equal to 50% of their final compensation. If provided in the employer's contract and the member is totally disabled, the disability retirement allowance would equal 75% of final compensation in lieu of the disability retirement allowance otherwise provided. If the member is eligible for service retirement, the service retirement allowance is payable. The total allowance cannot exceed 90% of final compensation.

Pre-Retirement Death Benefits

Basic Death Benefit

This benefit is a refund of the member's contributions plus interest and up to six months' pay (one-month's salary rate for each year of current service to a maximum of six months).

1957 Survivor Benefit

An eligible beneficiary may elect to receive either the Basic Death Benefit or the 1957 Survivor Benefit. The 1957 Survivor Benefit provides a monthly allowance equal to one-half of the highest service retirement allowance the member would have received had he/she retired on the date of death. The 1957 Survivor Benefit is payable to the surviving spouse or registered domestic partner until death or to eligible unmarried children until age 18.

1959 Survivor Benefit

This benefit applies if it is provided by the employer's contract and the employer has not entered into a voluntary 218 Agreement with the Internal Revenue Service. If provided by the employer's contract and the member is not covered under social security.) A surviving spouse or registered domestic partner and eligible children may receive a monthly allowance as determine by the level of coverage. This benefit is payable in addition to the Basic Death Benefit or 1957 Survivor Benefit. Children are eligible if under age 22 and unmarried.

Pre-Retirement Optional 2W Death Benefit

This benefit is applicable when provided by the employer's contract. The spouse or registered domestic partner of a deceased member, who was eligible to retire for service at the time of death, may to elect to receive the Pre-Retirement Option 2W Death Benefit in lieu of the lump sum Basic Death Benefit. The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Option 2W, the highest monthly allowance a member can leave a spouse or registered domestic partner.

Special Death Benefit

A surviving spouse registered domestic partner, or eligible children or stepchildren may receive a monthly allowance equal to one-half of the final compensation. If the cause of death is due to external violence or physical force while on the job, and there are eligible surviving children in addition to a spouse or registered domestic partner, the allowance may be increased to a maximum of 75%.

Cost-Of-Living Adjustments

The cost of living allowance increases are limited to a maximum of 2% compounded annually unless the employer's contract provides a 3, 4, or 5% increase.

Death After Retirement

The lump sum death benefit is $2000 (or $3,000, $4,000 or $5,000 if provided by the employer's contract) regardless of the retirement plan chosen by the member at the time of retirement.

Termination of Employment

Members who have separated from employment may elect to leave their contributions on deposit or request a refund of contributions and interest. Those who leave their contributions on deposit may apply later for a monthly retirement allowance if the minimum service and age requirements are met. Members who request a refund of their contributions terminate their membership and are not eligible for any future benefits unless they return to CalPERS membership.

Employee Contributions

Local safety members covered by the 2.7% @ 57 formula, shall have a contribution rate of 50 percent of the present value of projected benefits under the defined benefit that is attributable to the current year of service, or “normal cost,” as determined by CalPERS’ Actuarial Office.

NOTE: Should prior service be included in the contract, the employer bears the entire cost associated with the benefit for service earned prior to the effective contract date for the designated period stated in the contract.

All employer contribution rates are subject to adjustment by the CalPERS Board of Administration.

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS ID 7933275200

Employee Ballot

Miscellaneous Member Group

The Board of Directors of the Foresthill Fire Protection District shall not include in the contract with the Board of Administration of the California Public Employees' Retirement System any group if a majority of its members vote to disapprove the proposed plan. (Government Code Section 20470)

The proposed plan is described in Exhibit A of the Foresthill Fire Protection District's Resolution of Intention to Contract with CalPERS and is outlined in the attached Summary of Major Provisions.

Do you approve the proposed plan?	YES ☐ NO ☐

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS ID 7933275200

Employee Ballot

Safety Member Group

The Board of Directors of the Foresthill Fire Protection District shall not include in the contract with the Board of Administration of the California Public Employees' Retirement System any group if a majority of its members vote to disapprove the proposed plan. (Government Code Section 20470)

The proposed plan is described in Exhibit A of the Foresthill Fire Protection District's Resolution of Intention to Contract with CalPERS and is outlined in the attached Summary of Major Provisions.

Do you approve the proposed plan?	YES ☐ NO ☐

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

CalPERS ID: 7933275200

Certification of Employee Election

I hereby certify that the following employees of the Foresthill Fire Protection District have expressed their approval or disapproval of said agency's participation in the California Public Employees' Retirement System on the basis described in the Resolution of Intention adopted by said agency's governing body on ________________________, _______, in such manner as to permit each employee to separately and secretly express his choice and that the outcome of such election was as follows:

	Number of employees eligible to vote	Number of votes approving said participation	Number of votes disapproving said participation
Local Miscellaneous Members as defined in Govt. Code Section 20383	____________	____________	____________
Local Fire Fighters as defined in Govt. Code Section 20433	____________	____________	____________

____
Clerk or Secretary

____
Date

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

1959 Survivor Benefit Program—Indexed Level

Employee Name: ____

Social Security Number: ____________/____________/____________

For use by members employed by ____ who are not covered by Social Security on the effective date of the enacting contract to elect to be covered by CalPERS 1959 Survivor Benefits or not to be covered by CalPERS 1959 Survivor Benefits.

Please be advised that your election to be covered by the 1959 Survivor Benefits is irrevocable and will remain in effect until you retire, change employers, terminate your membership in CalPERS, or come under Social Security coverage.

As an employee eligible to participate in this election, should you choose not to be covered by the 1959 Survivor Benefits at this time, you will be provided a second opportunity to elect the coverage within a three-month period beginning nine months following the effective date of the agency's contract for such coverage. This second election will provide an opportunity to elect the 1959 Survivor Benefits; however, it will not provide an opportunity to cancel a previous election for 1959 Survivor Benefits coverage.

BEFORE MAKING ELECTION PLEASE READ IMPORTANT INFORMATION ON PAGE 2

FAILURE TO EXECUTE AND RETURN THIS FORM TO YOUR AGENCY ON OR BEFORE ________________________________ SHALL BE DEEMED AN ELECTION NOT TO BE COVERED BY CalPERS 1959 SURVIVOR BENEFITS.

Vote by marking only one of the spaces provided below which indicates your choice:

☐ I elect to be covered by CalPERS 1959 Survivor Benefits, as set forth in Section 21574.5.

☐ I elect not to be covered by CalPERS 1959 Survivor Benefits, as set forth in Section 21574.5.

____ ____________________

Signature Date

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS

CalPERS ID 7933275200

1959 Survivor Benefits Certification of Employee Election

I hereby certify the following local miscellaneous employees of the Foresthill Fire Protection District were given an opportunity to elect to be subject to Government Code Section 21575.5, Indexed Level of 1959 Survivor Benefits, as described in the Resolution of Intention adopted by said Agency's governing body on ___________________________, ______:

Number of employees eligible to elect coverage	Number employees electing to be covered	Number of employees electing not to be covered
______________	______________	______________

The attached list identifies the names and Social Security numbers of the CalPERS members eligible to elect such coverage and indicates the choices made.

____ Clerk or Secretary

_________________________ Date

California Public Employees' Retirement System
Financial Office | Pension Contracts & Prefunding Programs Division
P.O. Box 942715, Sacramento, CA 94229-2715

www.calpers.ca.gov
888 CalPERS (or **888**-225-7377)
TTY: (877) 249-7442

CalPERS ID 7933275200

1959 Survivor Benefits Certification of Employee Election

I hereby certify the following local fire employees of the Foresthill Fire Protection District were given an opportunity to elect to be subject to Government Code Section 21575.5, Indexed Level of 1959 Survivor Benefits, as described in the Resolution of Intention adopted by said Agency's governing body on ____________________________, ______:

Number of employees eligible to elect coverage	Number employees electing to be covered	Number of employees electing not to be covered
______________	______________	______________

The attached list identifies the names and Social Security numbers of the CalPERS members eligible to elect such coverage and indicates the choices made.

____   ________________________
Clerk or Secretary   Date

P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888**-225-7377)
Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

Date: April 14, 2010
Reference No.:
Circular Letter No.: 200-019-10
Distribution: VI, XII, XVI
Special:

Circular Letter

TO: **PUBLIC AGENCIES, COUNTY SUPERINTENDENT OF SCHOOLS, SCHOOL DISTRICTS**

SUBJECT: **EMPLOYER "PICK-UP" RESOLUTION UPDATE**

Circular Letter 200-049-08 was sent to advise employers of Revenue Ruling 2006-43 concerning the “pick-up” of employee contributions to CalPERS and to ensure the requirements of the “pick-up” were being met. Revenue Ruling 2006-43 provides in general that an employee contribution will not be treated as “picked-up” unless: (1) the employer specifies that the contributions, although designated as employee contributions, are being paid by the employer and (2) the employer does not permit participating employees to opt out of the pick-up or to receive the contributed amounts directly instead of having them paid by the employer to the plan. The information that was provided in the previous Circular Letter on requirements for an employer "pick-up" has not changed**.**

Some employers "pick-up" employee contributions for employees in specified groups or classes, but not necessarily for all employees in the organization. This Circular Letter clarifies that your “pick-up” resolution should identify whether all employees of the organization or all of the employees in specific groups or classes are subject to the “pick-up”. Employers who only “pick up” employee contributions for all of the employees in certain groups or classes, should specify so in their resolution.

If you need to revise your resolution, you must submit a new one to CalPERS at the address below:

CalPERS
Employer Services Division
Compensation Review Unit
P.O. Box 942709
Sacramento CA 94229-2709

You may also fax your resolution to (916) 795-3005, attention Compensation Review Unit.

The Public Agency Procedures Manual, which is located on CalPERS On-Line contains a Resolution to Tax Defer Member Paid Contributions, Sample E, for your use. If you have any questions, or if you require assistance in preparing your resolution, please call our Employer Contact Center at **888 CalPERS** (or **888**-225-7377).

Lori McGartland, Chief
Employer Services Division

Attachment

RESOLUTION FOR EMPLOYER PICK-UP

WHEREAS, the ____________________________________ (Name of Agency) has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and

WHEREAS, the Board of Administration of the Public Employees' Retirement System adopted its resolution re section 414(h)(2) IRC on September 18, 1985; and

WHEREAS, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h)(2) IRC pursuant to the Resolution of the Board of Administration would satisfy the legal requirements of section 414(h)(2) IRC; and

WHEREAS, the ____________________________________ (Name of Agency) as determined that even though the implementation of the provisions of section 414(h)(2) IRC is not required by law, the tax benefit offered by section 414(h)(2) IRC should be provided to its employees who are members of the Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

I. That the ____________________________________ (Name of Agency) will implement the provisions of section 414(h)(2) Internal Revenue Code by making employee contributions pursuant to California Government Code section 20691 to the Public Employees' Retirement System on behalf of its employees who are members of the Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.

II. That the contributions made by the ____________________________________ (Name of Agency) to the Public Employees' Retirement System, although designated as employee contributions, are being paid by the ____________________________________ (Name of Agency) in lieu of contributions by the employees who are members of the Public Employees' Retirement System.

III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the ____________________________________ (Name of Agency) to the Public Employees' Retirement System.

IV. That the ____________________________________ (Name of Agency) shall pay to the Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.

V. That the amount of the contributions designated as employee contributions and paid by the ____________________________________ (Name of Agency) to the Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the Public Employees' Retirement Law (California Government Code sections 20000, et seq.).

VI. That the contributions designated as employee contributions made by __________________________ __________ (Name of Agency) to the Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the Public Employees' Retirement System.

PASSED and ADOPTED by the governing body of the ____________________________________ this day of

____________________, _____

By:__________________________________
Presiding Officer

____
Title

____
Date adopted and approved

P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888**-225-7377)
Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

CalPERS

Date: October 3, 2008
Reference No.:
Circular Letter No.: 200-049-08
Distribution: VI, XII, XVI
Special:

Circular Letter

TO: **PUBLIC AGENCIES, COUNTY SUPERINTENDENT OF SCHOOLS, SCHOOL DISTRICTS**

SUBJECT: **EMPLOYER "PICK-UP" - REVENUE RULING 2006-43 DECEMBER 31, 2008 DEADLINE FOR ACTION**

ATTENTION: **FINANCE DIRECTORS, HUMAN RESOURCE DIRECTORS**

This Circular Letter is being sent to advise employers of Revenue Ruling 2006-43 concerning the pick-up of employee contributions to California Public Employees Retirement System (CalPERS), and of actions that an employer may be required to take before December 31, 2008 to ensure compliance with pick-up requirements.

BACKGROUND AND PURPOSE

Internal Revenue Code (IRC) Section 414(h)(2) allows public agencies and school employers to designate required employee contributions as being “picked-up” by the employer and treated as employer contributions for tax purposes. The effect of a pick-up is to defer tax on employee contribution amounts until the member retires and receives retirement benefits, or separates from employment and takes a refund of contributions. Absent the 414(h)(2) provision applicable to governmental plans, employee contributions to a defined benefit pension plan qualified under Section 401(a) would automatically be after-tax contributions (e.g. taxable income to the employee at the time the contribution was made).

Since the early 1980s, CalPERS has taken steps to ensure that contracting agency and school employers have adopted and submitted to CalPERS appropriate written evidence of pick-ups prior to reporting tax-deferred member contributions to CalPERS. This Circular Letter is being sent as a reminder of the federal tax reporting requirements, to encourage each contracting agency and school employer who reports tax-deferred member contributions to review their documents and, if necessary, adopt conforming documentation prior to the deadline set by Revenue Ruling 2006-43. To view the ruling, visit CalPERS online.

REVENUE RULING 2006-43

Revenue Ruling 2006-43 provides, in general, that an employee contribution will not be treated as "picked-up" under IRC 414(h)(2) unless:

> (1) The employer specifies that the contributions, although designated as employee contributions, are being paid by the employer (this action must be memorialized in writing), and
>
> (2) The employer does not permit participating employees to opt out of the pick-up or to receive the contributed amounts directly instead of having them paid by the employer to the plan.

Revenue Ruling 2006-43 allows employers who do not have written evidence of a pick-up, but their actions show that they intended to establish and carry out a pick-up, to be treated as meeting the requirements of 414(h)(2) for past pre-tax contributions if the employer takes formal action in writing prior to December 31, 2008 with respect to future picked-up contributions. If formal action is not taken prior to December 31, 2008, only contributions taken after the written documentation is in place may be treated as picked-up.

WRITTEN DOCUMENTATION

Many of you offer a pick-up of employee contributions under a resolution approved by the IRS in a private letter ruling issued to CalPERS on December 6, 1985, (PLR 8609084). If your agency has adopted the approved resolution to implement 414(h)(2) pick-ups, you may continue to rely on that ruling and need not adopt a new resolution. This approved form, which is Sample E---Resolution for Employer Pick-up can be viewed at CalPERS online. If you have not previously sent a copy of the resolution to us, or if you did not complete Sample E, but have other written documentation, please send a copy of your document or resolution to us immediately.

After 1985, CalPERS provided additional pick-up resolutions for adoption by contracting agencies that distinguishes whether the pick-up was to be actually paid by the employer or by the employee. When an employer pays the employee contributions, it is referred to as Employer Paid Member Contributions (EPMC). The employer may also report the value of EPMC as special compensation. Contracting agencies that adopted any of these resolutions were requested to submit the resolutions to CalPERS. Samples of Resolutions A through D can be viewed at CalPERS online. You may continue to rely on these resolutions but you should review them and validate that the resolution covers all of the employees whose contributions are reported as tax-deferred. If you have not previously sent a copy of the resolution to us, please do so immediately.

CALPERS NEW BUSINESS ENVIRONMENT

CalPERS is in the process of building and installing a new business reporting system. One of the design features will enhance CalPERS ability to maintain accurate and up to date information about contracting agency and school employer pick-ups. As a way of ensuring that our system will accurately record your agency's pick-up provision, CalPERS requires all affected agencies to provide a copy of their existing or future pick-up resolutions or other written documentation. This will ensure ongoing compliance with federal tax reporting requirements. The new system will validate that you have documentation on file with CalPERS before accepting tax-deferred member contributions. If documentation is not on file, your records will be rejected and will be held until the appropriate documentation is received.

CONCLUSION

If you are submitting tax-deferred contributions on behalf of your members, we request that you review your files for documentary evidence authorizing such employer pick-up of employee contributions. If you do not have evidence, please take steps to have your governing board adopt an appropriate resolution prior to December 31, 2008.

Please send a copy of your pick-up documentation to:

CalPERS
Employer Services Division
Compensation Review Unit
P.O. Box 942709
Sacramento CA 94229-2709

If you have any questions, please call the Employer Contact Center at **888 CalPERS** or (**888** 225-7377).

Lori McGartland, Chief
Employer Services Division

Visit the CalPERS website at www.calpers.ca.gov (2008 Circular Letters) for more information on the following:

1 - Revenue Ruling 2006-43
2 - Sample Resolution E
3 - Sample Resolutions A - D

Revenue Ruling 2006-43

Table of Contents

Government pick-up plans; employer contributions; income tax; prospective application. This ruling describes the actions required for a state or its political subdivisions, etc., to “pick-up” or treat certain contributions as employer contributions to a plan qualified under section 401(a) of the Code. If certain criteria are met, this ruling will be applied prospectively. Rev. Ruls. 81-35, 81-36, and 87-10 amplified and modified.

ISSUES

What actions are required in order for a State or political subdivision thereof, or an agency or instrumentality of any of the foregoing, to “pick up” employee contributions to a plan qualified under § 401(a) of the Internal Revenue Code so that the contributions are treated as employer contributions pursuant to § 414(h)(2)?

FACTS

Employer M is a political subdivision of State N. Employer M participates in Plan A, a defined benefit pension plan qualified under § 401(a) and established by State N to provide retirement benefits to eligible employees of State N and any political subdivision of State N. Plan A requires each participating employee to make employee contributions to Plan A equal to a specified percentage of the participant’s salary. These amounts, designated as employee contributions under § 414(h)(1), are deducted from the participant’s salary. State N statutes governing Plan A permit any political subdivision to provide that the employee contributions will be paid by the employer in order to be picked up and treated as employer contributions under § 414(h)(2). On March 1, 2006, Employer M amends its governing laws to provide that the amounts designated as employee contributions under Plan A will be paid by Employer M for all of Employer M’s employees in order to be treated as employer contributions under § 414(h)(2), as permitted under the statutes governing Plan A. The amendment is in writing, was adopted by persons authorized to amend Employer M’s governing laws, and is effective for periods on or after April 1, 2006. Employer M, thereafter, treats the amounts as employer contributions, instead of as being employee contributions, for federal income tax purposes and does not include these amounts in the participating employees’ gross income.

LAW AND ANALYSIS

Section 414(h)(1) provides that any amount contributed to a qualified plan is not treated as having been made by the employer if it is designated as an employee contribution.

Section 414(h)(2) provides a special rule for qualified plans established by a State government or political subdivision thereof, or by any agency or instrumentality of the foregoing. Under this rule, contributions, although designated as employee contributions, are nevertheless treated as employer contributions if the contributions are picked up by the employing unit.

Section 401(k) provides the rules relating to cash or deferred elections. Section 1.401(k)-1(a)(1) of the Income Tax Regulations provides that a plan, other than a profit-sharing, stock bonus, pre-ERISA money purchase pension or rural cooperative plan, does not satisfy the requirements of § 401(a) if the plan includes a cash or deferred arrangement. Thus, a qualified defined benefit plan is not permitted to include a cash or deferred arrangement.

Section 1.401(k)-1(a)(3) generally defines a cash or deferred election as any direct or indirect election (or modification of an earlier election) by an employee to have the employer (i) provide an amount that is not currently available to the employee in the form of cash or some other taxable benefit, or (ii) contribute an amount to a trust or provide an accrual for a plan deferring the receipt of compensation.

Rev. Rul. 77-462, 1977-2 C.B. 358, addresses the income tax treatment of contributions picked up by the employer within the meaning of § 414(h)(2). In Rev. Rul. 77-462, the employer school district agreed to “pick up” and pay the required contributions of the eligible employees under the plan. The revenue ruling holds that the contributions picked up by the school district are excluded from the gross income of employees until such time as they are distributed to the employees.

Rev. Rul. 81-35, 1981-1 C.B. 255, and Rev. Rul. 81-36, 1981-1 C.B. 255, address certain requirements for contributions to be picked up by an employer within the meaning of § 414(h)(2). These revenue rulings establish that the following criteria must be satisfied: (i) the employer must specify that the contributions, although designated as employee contributions, are being paid by the employer in lieu of contributions by the employee; and (ii) the employee must not be given the option of choosing to receive the contributed amounts directly instead of having them paid by the employer to the plan.Rev. Rul. 81-35 and Rev. Rul. 81-36 apply even if the employer picks up the contributions through either a reduction in salary or an offset against future salary increases.

Rev. Rul. 87-10, 1987-1 C.B. 136, addresses when contributions designated as employee contributions (designated employee contributions) under § 414(h)(1) to a qualified plan established by a State government (including a political subdivision thereof, or any agency or instrumentality of the foregoing) are excludable from the gross income of the employee. The ruling concludes that, to satisfy the criteria set forth in Rev. Rul. 81-35 and Rev. Rul. 81-36, the governmental action necessary to effectuate the “pick-up” must be completed before the period to which such contributions relate. Thus, designated employee contributions to a qualified plan established by a State government are excluded from gross income as “pick-up” contributions that are treated as employer contributions only to the extent the contributions relate to compensation for services rendered after the date of the last governmental action necessary to effectuate the “pick-up.”

Based on the foregoing, a contribution to a qualified plan established by a State government will not be treated as picked up by the employing unit under § 414(h)(2) unless the employing unit:

(1) Specifies that the contributions, although designated as employee contributions, are being paid by the employer. For this purpose, the employing unit must take formal action to provide that the contributions on behalf of a specific class of employees of the employing unit, although designated as employee contributions, will be paid by the employing unit in lieu of employee contributions. A person duly authorized to take such action with respect to the employing unit must take such action. The action must apply only prospectively and be evidenced by a contemporaneous written document (*e.g.*, minutes of a meeting, a resolution, or an ordinance).

(2) Does not permit a participating employee from and after the date of the "pick-up" to have a cash or deferred election right (within the meaning of § 1.401(k)-1(a)(3)) with respect to designated employee contributions. Thus, for example, participating employees must not be permitted to opt out of the "pick-up", or to receive the contributed amounts directly instead of having them paid by the employing unit to the plan.

Employer M has taken formal action which was memorialized in a contemporaneous writing that provides that it will "pick up" all prospective contributions for the Employer M employees who are required to contribute to Plan A. Further, employees are required to participate in Plan A, do not have the option of choosing to receive the contributed amounts directly, and may not make a cash or deferred election with respect to such amounts. Employer M has met the requirements to have the designated employee contributions under Plan A picked up and treated as employer contributions pursuant to § 414(h)(2). Thus, contributions made to Plan A are not includible in a participant's gross income until distributed under § 402.

This revenue ruling applies only for federal income tax purposes. See §§ 3121(a)(5)(A) and 3121(v)(1)(B) of the Federal Insurance Contributions Act (FICA) for the treatment of amounts treated as an employer contributions under § 414(h)(2).

HOLDING

Because an authorized person has taken formal action in writing prospectively to have the employing unit pay previously designated employee contributions to a § 401(a) qualified plan, appropriate actions have been taken for the contributions to be picked up by the employing unit and treated as employer contributions pursuant to § 414(h)(2).

TRANSITION RELIEF FOR PRE-EXISTING "PICK-UPS"

Under the authority of § 7805(b)(8), the Service will not treat any plan that on or before August 28, 2006, includes designated employee contributions that were intended to be picked up as employer contributions pursuant to § 414(h)(2) as failing to meet the requirements of such section prior to January 1, 2009, solely on account of the failure to satisfy the requirement that the "pick-up" be pursuant to a formal action, by a person duly authorized to take such action with respect to the employing unit, that is evidenced by contemporaneous writing, but only if the following conditions are satisfied: (1) the employing unit has taken contemporaneous action evidencing an intent to establish a "pick-up" (*e.g.*, provided information to employees relating to the establishment of the "pick-up") and has operated the plan accordingly; and (2) the employing unit takes formal action in writing prior to January 1, 2009, with respect to future contributions to meet the requirements set forth above in paragraph (1) of *Law and Analysis* in this revenue ruling.

The relief provided above for “pick-ups” implemented prior to August 28, 2006, applies only if the actions taken otherwise complied with Rev. Rul. 81-35, Rev. Rul. 81-36, and Rev. Rul. 87-10, and only if the employing unit has not reported the contributions as wages subject to federal income tax withholding from and after the date of implementation of the intended “pick-up”.

In addition, under the authority of § 7805(b)(8), this revenue ruling does not modify or revoke any private letter ruling issued to any taxpayer prior to August 28, 2006. See § 601.201(l)(4).

EFFECT ON OTHER GUIDANCE

Rev. Rul. 81-35, Rev. Rul. 81-36, and Rev. Rul. 87-10 are amplified and modified.

DRAFTING INFORMATION

The principal drafter of this revenue ruling is Kathleen Herrmann of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this revenue ruling, please contact the Employee Plans’ taxpayer assistance telephone service at 1-877-829-5500 (a toll-free number) between the hours of 8:30 a.m. and 4:30 p.m. Eastern Time, Monday through Friday. Ms. Herrmann may be reached at (202) 283-9888 (not a toll-free number).

FORESTHILL FIRE PROTECTION DISTRICT

Measure M Audit

John Michelini

August 30, 2026

EXECUTIVE SUMMARY

During the Fiscal Year 2026-2027 budget preparation it was discovered that approximately 30% of the known mobile homes located in mobile home parks were not listed on the Placer County tax rolls. The absence of taxable properties from the county tax roll led to an investigation summarized in this report.

After discussion with the Placer County Auditor's Office and the Placer County Assessor's Office it was determined that mobile homes manufactured prior to 1981 are taxed as vehicles and not as secured property. Therefore, those units do not appear on the tax rolls, and we would not see them during our annual direct charge (special tax) transmittal to the county which identifies which properties are to be taxed for Measures M and B. The absence of these 102 mobile homes has resulted in an undercharge of Measure M taxes to the host mobile home parks.

Further review also uncovered anomalies in the collection of Measure M funds related to mobile home parks. Research on tax records back to the 2012-2013 Fiscal Year, indicated that some mobile home parks have never been taxed for Measure M and that starting in 2017-2018 Fiscal Year, the district has not taxed any mobile home located in a mobile home park. The result is a 14-year loss of Measure M funds of approximately $445,884.82.

BACKGROUND

The Foresthill Fire Protection District receives revenue from three primary sources, ad valorem property tax, voter approved special tax measures, and ambulance transport revenue. Two special taxes have been approved by voters of the Foresthill Fire Protection District: Measure M was passed in 2004 and applies to developed parcels only, and Measure B, passed in 2019 that applies to all developable parcels. Together, the two special parcel taxes approved by voters make up nearly 50% of the district's operating budget. Measure M is the smaller of the two parcel taxes generating in Fiscal Year 2025-2026 $446,354.92. Under Measure M, mobile homes located in a mobile home parks are charged to the mobile home park's master parcel number. In other words, the mobile home park is taxed under Measure M for each space occupied within the park.

Following the retirement of the previous Business Manager, a new manager was hired and during her first budget preparation cycle, was selecting parcels for inclusion on the list of properties to be charged the two special taxes. After compiling the list of mobile homes located in mobile home parks it was observed that the number fell far short of what public records indicated. Crews were assigned to contact each mobile home park manager to get a current accurate count of occupied spaces within each of the district's four mobile home parks. The count total exceeded the tax roll count by 102 mobile homes. Not appearing on the tax roll meant that the district had no data to include the 102 missing mobile homes on our direct charge transmittal which is the method of requesting that the county apply taxes to a given property.

To determine the cause of the discrepancy, contact was made with the Placer County Assessor's Office who indicated that any mobile home built before 1981 and any property with a value less than $10,000.00 are not included in the tax rolls. Measure M does not have exemptions for age of build for any parcel or unit. A review of tax records back to 2012-2013 tax year indicates that these 102 units have gone untaxed for Measure M for at least fourteen (14) years. Further discussions included the Placer County Auditor's Office who provided historic tax data. The Auditor's Office records dating back to the 2012-2013 Fiscal Year showed discrepancies in the application of Measure M taxes on mobile homes located in mobile home parks. In some years two of the district's four mobile home parks were charged Measure M and in some years three of the parks were charged, but never all four.

Starting in Fiscal Year 2017-2018 and continuing until the development of the 2026-2027 operating budget, no mobile homes located in mobile home parks have been taxed under Measure M resulting in a considerable loss of revenue to the fire district.

MEASURE M TAX DESCRIPTION

Measure M was placed before voters in 2004 to provide funding for the hiring of the district's first regularly paid fire personnel. The tax was necessary due to a loss of volunteers for both the fire district and the local Foresthill Safety Club who provided emergency ambulance service to the area. Following passage of Measure M, the Safety Club was merged into the fire district and paid personnel funded by Measure M staffed both district ambulances and fire apparatus.

Measure M began charging affected parcels during the 2005-2006 Fiscal Year using the following base year charges:

a. No charge for unimproved parcels. The charge will be levied on all improved parcels with an assessed valuation of $10,000.00 or more.
b. Single family or mobile home per parcel: $ 96.00
c. 2 homes per parcel: $192.00
d. Duplexes, Triplexes, and apartments per dwelling unit: $ 96.00
e. Mobile home or trailer park per space/parcel: $ 96.00
f. Commercial/Industrial per parcel: $384.00
g. Auxiliary structures to residential parcels shall be exempt.
h. Mobile home or trailer park will be assessed on occupied spaces as of March 1st of each year.

DISTRICT MOBILE HOME PARKS

There are four mobile home parks located within the boundary of the Foresthill Fire Protection District.

1. Skyview Mobile Home Park located at 21200 Todd Valley Road
   a. 135 spaces
   b. 133 occupied
   c. 88 unit on tax rolls
   d. 45 units missing
2. Baker Ranch Mobile Home Park located at 6100 Michigan Bluff Road
   a. 30 spaces
   b. 29 occupied
   c. 23 on tax rolls
   d. 6 units missing
3. Hillcrest Mobile Home Park located at 22235 Foresthill Road
   a. 81 spaces
   b. 75 occupied
   c. 50 on tax rolls
   d. 25 units missing
4. Cedar View Mobile Home Park located at 24055 Racetrack Road
   a. 40 spaces
   b. 39 occupied
   c. 13 on tax rolls
   d. 26 units missing

2026-2027 Fiscal Year Mobile Homes in Mobile Home Parks – Unit Count			
Total Spaces in MHPs	Occupied spaces in MHPs	Tax roll count	Missing units
286	276	174	102

METHODOLOGY

The Measure M Audit examined the tax records for all parcels but focused primarily on mobile homes and in particular, mobile homes located in mobile home parks. Based on historic tax records and data provided by the Placer County Auditor's Office an audit of past tax years was completed going back to Fiscal Year 2012-2013. Each Fiscal Year was checked for total number of parcels, total number of mobile homes not in parks, total number of mobile homes in parks, mobile home park actual taxes, and estimated number of units not included on the tax rolls.

ASSESSMENT

Summary:

For each year examined there are one or more anomalies in the application of Measure M charges to mobile home parks. The anomalies include mobile home parks not charged for Measure M and mobile home parks being undercharged for Measure M. The most startling finding is that Measure M has not been applied to any mobile home located in a park or to the parent parcel (mobile home parks) since Fiscal Year 2017-2018.

Historic Tax Records:

2012-2013 Fiscal Year		**Measure M Assessment - $114.60**	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$16,158.60	141	+6
Baker Ranch	$3,094.20	27	3
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2013-2014 Fiscal Year		**Measure M Assessment - $117.34**	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$13,846.12	118	17
Baker Ranch	$3,168.18	27	3
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2014-2015 Fiscal Year		**Measure M Assessment - $119.10**	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$13,458.30	113	21
Baker Ranch	$3,215.70	27	3
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2015-2016 Fiscal Year		**Measure M Assessment - $121.36**	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$13,714.00	113	21
Baker Ranch	$3,276,.80	27	3
Hillcrest #1	$00.00	0	18
Hillcrest #2	$7,645.86	63	0
Cedar View	$00.00	0	40

2016-2017 Fiscal Year		Measure M Assessment - $124.64	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$14,084.28	113	21
Baker Ranch	$3,365.26	27	3
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$4,487.02	36	4

2017-2018 Fiscal Year		Measure M Assessment - $129.38	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2018-2019 Fiscal Year		Measure M Assessment - $134.04	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2019-2020 Fiscal Year		Measure M Assessment - $138.74	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2020-2021 Fiscal Year		Measure M Assessment - $142.76	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2021-2022 Fiscal Year		Measure M Assessment - $148.18	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2012-2023 Fiscal Year		Measure M Assessment - $155.58	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2023-2024 Fiscal Year		Measure M Assessment - $162.12	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2024-2025 Fiscal Year		Measure M Assessment - $169.24	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2025-2026 Fiscal Year		Measure M Assessment - $173.14	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	135
Baker Ranch	$00.00	0	30
Hillcrest #1	$00.00	0	41
Hillcrest #2	$00.00	0	40
Cedar View	$00.00	0	40

2026-2027 Fiscal Year		Measure M Assessment - $178.60	
Park Name	Measure M Tax	Sapces Taxed	Spaces Missing
Skyview	$00.00	0	X
Baker Ranch	$00.00	0	X
Hillcrest #1	$00.00	0	X
Hillcrest #2	$00.00	0	X
Cedar View	$00.00	0	X

Value of Missing Measure M Charges by Fiscal Year

Fiscal Year 2012-2013

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	0	$ 00.00	Overcharge by 6 units
Baker Ranch	3	$ 343.80	
Hillcrest #1	41	$4,698.60	No charges
Hillcrest #2	40	$4,584.00	No charges
Cedar View	40	$4,584.00	No charges
Total Fiscal Year under charge of Measure M			**$14,210.40**

Fiscal Year 2013-2014

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	17	$1,995.78	
Baker Ranch	3	$ 352.02	
Hillcrest #1	41	$4,810.94	No charges
Hillcrest #2	40	$4,693.60	No charges
Cedar View	40	$4,693.60	No charges
Total Fiscal Year under charge of Measure M			**$16,545.94**

Fiscal Year 2014-2015

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	22	$2,620.20	
Baker Ranch	3	$ 357.30	
Hillcrest #1	41	$4,883,10	No charges
Hillcrest #2	40	$4,764.00	No charges
Cedar View	40	$4,764.00	No charges
Total Fiscal Year under charge of Measure M			**$17,388.60**

Fiscal Year 2015-2016

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	22	$2,669.92	
Baker Ranch	3	$ 364.08	
Hillcrest #1	41	$4,975.76	No charges
Hillcrest #2	22	$2,184.48	
Cedar View	40	$4,854.40	No charges
Total Fiscal Year under charge of Measure M			**$15,048.64**

Fiscal Year 2016-2017

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	22	$2,742.08	
Baker Ranch	3	$ 373.92	
Hillcrest #1	41	$5,110.24	No charges
Hillcrest #2	40	$4,985.60	No charges
Cedar View	4	$ 498.56	
Total Fiscal Year under charge of Measure M			**$13,710.40**

Fiscal Year 2017-2018

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$17,466.30	No charges
Baker Ranch	30	$ 3,881.40	No charges
Hillcrest #1	41	$ 5,304.58	No charges
Hillcrest #2	40	$ 5,175.20	No charges
Cedar View	40	$ 5,175.20	No charges
Total Fiscal Year under charge of Measure M			**$37,002.68**

Fiscal Year 2018-2019

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$18,095.40	No charges
Baker Ranch	30	$ 4,021.20	No charges
Hillcrest #1	41	$ 5,495.64	No charges
Hillcrest #2	40	$ 5,361.60	No charges
Cedar View	40	$ 5,361.60	No charges
Total Fiscal Year under charge of Measure M			**$38,335.44**

Fiscal Year 2019-2020

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$18,729.90	No charges
Baker Ranch	30	$ 4,162.20	No charges
Hillcrest #1	41	$ 5,688.34	No charges
Hillcrest #2	40	$ 5,549.60	No charges
Cedar View	40	$ 5,549.60	No charges
Total Fiscal Year under charge of Measure M			**$39,679.64**

Fiscal Year 2020-2021

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$19,242.60	No charges
Baker Ranch	30	$ 4,282.80	No charges
Hillcrest #1	41	$ 5,853.16	No charges
Hillcrest #2	40	$ 5,710.40	No charges
Cedar View	40	$ 5,710.40	No charges
Total Fiscal Year under charge of Measure M			**$40,829.36**

Fiscal Year 2021-2022

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$20,004.30	No charges
Baker Ranch	30	$ 4,445.40	No charges
Hillcrest #1	41	$ 6,075.38	No charges
Hillcrest #2	40	$ 5,927.20	No charges
Cedar View	40	$ 5,927.20	No charges
Total Fiscal Year under charge of Measure M			**$42,379.48**

Fiscal Year 2022-2023

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$21,003.30	No charges
Baker Ranch	30	$ 4,667.40	No charges
Hillcrest #1	41	$ 6,378.78	No charges
Hillcrest #2	40	$ 6,223.20	No charges
Cedar View	40	$ 6,223.20	No charges
Total Fiscal Year under charge of Measure M			**$44,495.88**

Fiscal Year 2023-2024

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$21,886.20	No charges
Baker Ranch	30	$ 4,863.60	No charges
Hillcrest #1	41	$ 6,646.92	No charges
Hillcrest #2	40	$ 6,484.80	No charges
Cedar View	40	$ 6,484.80	No charges
Total Fiscal Year under charge of Measure M			**$46,366.32**

Fiscal Year 2024-2025

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$22,847.40	No charges
Baker Ranch	30	$ 5,077.20	No charges
Hillcrest #1	41	$ 6,938.84	No charges
Hillcrest #2	40	$ 6,769.60	No charges
Cedar View	40	$ 6,769.60	No charges
Total Fiscal Year under charge of Measure M			**$48,402.64**

Fiscal Year 2025-2026

Park Name	Units Missing Tax	Undercharge	Comments
Skyview	135	$23,373.90	No charges
Baker Ranch	30	$ 5,194.20	No charges
Hillcrest #1	41	$ 7,098.74	No charges
Hillcrest #2	40	$ 6,925.60	No charges
Cedar View	40	$ 6,925.60	No charges
Total Fiscal Year under charge of Measure M			**$49,518.04**

Application of Measure M taxes on mobile homes in mobile home parks has been inconsitent in each of the years examined until Fiscal Year 2017-2018. Starting in 2017-2018, no mobile homes in mobile home parks were charged Measure M tax. For the last nine (9) Fiscal Years, no Measure M tax has been levied on mobile homes in mobile home parks. The cause of this lapse in processing taxes seems to be centered on a procedural failure within the Foresthill Fire District and not Placer County.

Total Value of Missing Measure M Charges

Fiscal Year	Tax Rate	Units Missing	FY Total Missing Charges
2012-2013	114.60	124	$ 14,210.40
2013-2014	117.34	141	$ 16,545.94
2014-2015	119.10	146	$ 17,388.60
2015-2016	121.36	128	$ 15.048.64
2016-2017	124.64	110	$ 13,710.40
2017-2018	129.38	286	$ 37,002.68
2018-2019	134.04	286	$ 38,355.44
2019-2020	138.74	286	$ 36,679.64
2020-2021	142.76	286	$ 40,829.36
2021-2022	148.18	286	$ 42,379.48
2022-2023	155.58	286	$ 44,495.88
2023-2024	162.12	286	$ 46,366.32
2024-2025	169.24	286	$ 48,402.64
2025-2026	173.14	286	$ 49,518.04
Total Value of Missing Measure M Charges since 2012-2013			**$445,884.82**

ACTIONS REQUIRED/RECOMMENDED

1. Review all Special Taxes to determine the correct number of parcels that should be included and improve the procedures for correctly identifying those parcels for inclusion on the annual Direct Charge Transmittal to Placer County
2. Provide for a second level review of Direct Charge Transmittals prior to submission to Placer County.
3. Consider having two employees complete independent assessments of the tax rolls to confirm that the correct information is included on the annual Direct Charge Transmittal to Placer County
4. Calendar the Measure M required March 1st inventory of mobile homes in mobile home parks and confirm the inventory is completed annually in coordination with each mobile home park site manager.
5. Complete a parcel by parcel inventory of the District using field personnel.
6. Develop a letter explaining the issue and informing mobile home park operators that while no back taxes will be sought by the District, Measure M will now be assessed correctly and consistently upon each of the four (4) mobile home parks located in the fire district.

CONCLUSION

The audit of Measure M using data provided by Placer County shows that the Foresthill Fire Protection District has had a severe lapse in the processing of Measure M tax on mobile homes located in mobile home parks. The lapse has resulted in a significant loss of revenue over the fourteen (14) years examined in this report. The audit has idenitifed a total $445,884.82 in missing Measure M charges on mobile homes located in mobile home parks. The audit did not look beyond the four mobile home parks and additional review of parcels taxed under Measure M should be completed to confirm that there are no other anomomolies in the processing of Measure M taxes.

The Fiscal Year 2026-2027 Measure M tax has been correctlly applied for all mobile homes in mobile home parks that appear on the tax rolls however, there are still aproximately 102 units that are registered as vehicles and not taxed as secured property by the county. The 102 units that do not apprear on the tax roll will need to be added, in future Fiscal Years, by memorandum to the direct charge transmittal to Placer County. Unfortunetly, the deadline for Direct Charge Transmittals had passed prior to the District discovering that 102 units were not listed on the tax rolls. As a result the 2026-2027 Measure M tax collection will not be complete. The loss of 102 taxable units will result in an undercharge of $18,217.20 in the current Fiscal Year. Procedures for capturing the missing 102 units are in place for future Fiscal Years but the county is unable to include them in the current tax cycle.

It is expected that starting with the Fiscal Year 2027-2028, that all corrections will be in place to provide for an accurate application of both Measure M and Measure B special taxes.

Total Undercharge of Measure M Taxes
on
Mobile Homes Located in Mobile Home Parks
(2012-2013 to 2026-2027)

$464,102.02

RYAN RONCO
COUNTY CLERK-RECORDER-REGISTRAR OF VOTERS

LISA CRAMER
ASSISTANT CLERK

STEPHEN AYE
ASSISTANT RECORDER-REGISTRAR OF VOTERS

3715 ATHERTON ROAD
ROCKLIN, CA 95765

MAILING ADDRESS:
3715 ATHERTON ROAD
SUITE 2
ROCKLIN, CA 95765

ELECTIONS OFFICE

530-886-5650 • Toll Free 800-824-8683 • Fax 530-886-5688
www.placercountyelections.gov • election@placer.ca.gov

Candidate Services

Dear Board Secretary,

During the candidate filing period for the November 3, 2026 General Election, the number of candidates that filed for the board of directors for your district did not exceed the number of offices to be filled at this election. Please review the paragraphs below and choose the one that applies to your district. If your district has more than one division/ward up for election this year, multiple paragraphs may apply.

The number of candidates equals the number of seats. Pursuant to Elections Code 10515(a), the qualified candidates for your district will be appointed in lieu of election by the Board of Supervisors. The Board of Supervisors will appoint those candidates in lieu of election at a meeting no later than the date of the election. The candidates will be seated at the organizational meeting of the Board of Directors of the District.

There is an insufficient number of qualified candidates to fill the positions. The Board of Supervisors has authority to appoint person(s) to fill the remaining positions at the aforementioned board meeting. Historically, the Board of Supervisors has delegated that responsibility to the District's Board of Directors. In order for us to present the names of the individual(s) to be appointed by the Board of Supervisors in time to meet the deadline set by Elections Code 10515(a), we request that the District submit the names to the Elections Division no later than **Friday, September 25th, 2026.**

There are no qualified candidates. In the event that there are no qualified candidates for the district office(s), the procedure for appointing an individual(s) to serve in that office is the same as that described in the previous paragraph (Elections Code 10515(b)). Any individual so appointed will take office and serve as if elected at a general district election.

If you have any questions, please call Candidate Services at 530-886-5650 or email us at candidates@placer.ca.gov.

Sincerely,

Ryan Ronco
County Clerk-Recorder-Registrar

Traci Hatling, Adrienne Rose and Wyatt Ciciarelli
Candidate Services
Enc. Elections Code 10515

10515.

(a) If, by 5 p.m. on the 83rd day prior to the day fixed for the general district election: (1) only one person has filed a declaration of candidacy for any elective office to be filled at that election, (2) no one has filed a declaration of candidacy for such an office, (3) in the case of directors to be elected from the district at large, the number of persons who have filed a declaration of candidacy for director at large does not exceed the number of offices of director at large to be filled at that election, or (4) in the case of directors who must reside in a division but be elected at large, the number of candidates for director at large from a division does not exceed the number required to be elected director at large while residing in that division; and if a petition signed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district or division if elected by division, requesting that the general district election be held has not been presented to the officer conducting the election, he or she shall submit a certificate of these facts to the supervising authority and request that the supervising authority, at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any, who have filed declarations of candidacy. The supervising authority shall make these appointments.

(b) If no person has filed a declaration of candidacy for any office, the supervising authority shall appoint any person to the office who is qualified on the date when the election would have been held. The person appointed shall qualify and take office and serve exactly as if elected at a general district election for the office.

(c) Where a director must be appointed to represent a division, all or most of which is not within the county governed by the supervising authority, then the board of supervisors of the county within which all or most of that division is located shall be the body to which request for appointment is made and which shall make the appointment.

(Enacted by Stats. 1994, Ch. 920, Sec. 2.)

RYAN RONCO
COUNTY CLERK-RECORDER-REGISTRAR OF VOTERS

LISA CRAMER
ASSISTANT COUNTY CLERK

STEPHEN AYE
ASSISTANT RECORDER-REGISTRAR

3715 ATHERTON ROAD
ROCKLIN, CA 95765

MAILING ADDRESS:
3715 ATHERTON ROAD
SUITE 2
ROCKLIN, CA 95765

ELECTIONS OFFICE

530-886-5650 • Toll Free 800-824-8683 • Fax 530-886-5688
www.placercountyelections.gov • election@placer.ca.gov

Candidate Services

Qualified Candidates for the November 3, 2026 Election
Foresthill Fire Protection District

Name: John Michelini

Address: 6149 Green Ridge Dr., Foresthill, CA 95631

Telephone: 916-425-0658

Name:

Address:

Telephone: