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Circular Letter

TO: SCHOOL EMPLOYERS AND INTERESTED PARTIES

SUBJECT: GASB NO. 27 ACCOUNTING AND DISCLOSURE INFORMATION FOR 2004

This Circular Letter is designed to assist you in preparation of the accounting information and footnote disclosure which may be required of school employers that participate in cost-sharing multiple-employer plans (cost-sharing employers) under Governmental Accounting Standards Board Statement Number 27 (GASB 27) for the fiscal year ending in 2004. During September 1998, the California Public Employees' Retirement System's (CalPERS) Actuarial and Employer Services Division issued a detailed package for compliance under GASB 27 for School pool employers, which started with fiscal years beginning after June 15, 1997. It is expected that the reader has read and understands the information presented in the 1998 GASB 27 package. The 1998 GASB 27 package may be downloaded from the CalPERS Internet site. Go to www.CalPERS.ca.gov; click on For Employers; then click on Actuarial & GASB 27 Information. The material in this Circular Letter **supplements** the 1998 GASB 27 package information for school pool employers. It will be needed for preparing the accounting and disclosure information for fiscal years ending on June 30, 2004.

Please note that the employer is already in receipt of all plan-specific information needed to produce the required GASB 27 information for June 30, 2004, financial statements. The annual required contribution rate for fiscal year 2003-2004 was the CalPERS employer pool contribution rate for fiscal 2003-2004, 10.420 percent. Note: Section 17651 of the Revenue and Taxation Code provides for reimbursement of certain costs of legislatively mandated programs. These mandated benefits include (i) Unused Sick Leave Credit and (ii) Increased Death Benefits which are included in the current school employer contribution pool rate of 10.420 percent. It is recommended that employers provide a copy of this Circular Letter to their auditors.

If you have any questions or require additional clarification, please contact CalPERS Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

Ron Seeling, Chief Actuary