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# Circular Letter

TO: SCHOOL EMPLOYERS AND INTERESTED PARTIES

SUBJECT: GASB NO. 27 ACCOUNTING AND DISCLOSURE INFORMATION FOR 2003

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 2003. During September 1998, the 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 the Employers section at [www.calpers.ca.gov](http://www.calpers.ca.gov) and click on Actuarial 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 in 2003.

**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, 2003 financial statements. The annual required contribution rate for fiscal year 2002-2003 was the CalPERS Employer pool contribution rate for fiscal 2002-2003, 2.894%.** 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 2.894%. The General Fund appropriated directly to the Public Employees' Retirement Fund a total of \$4,049,000 to reimburse School Employers for the two mandated costs. This resulted in a reduction of .123% in the school employer contribution pool rate to 2.771% effective with the February 2003 payroll period. The footnote disclosure information for the 2002-2003 financial statements should reflect the 2002-2003 rate and follow the same format provided in Attachment I (Sample Footnote) of the 1998 GASB 27 package.

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 CalPERS at **888 CalPERS** (or **888-225-7377**).

Ron Seeling, CalPERS Chief Actuary