



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: June 3, 2005
Reference No.:
Circular Letter No.: 200-234-05
Distribution: **I, IIA, III, IV, X**

Special:

Circular Letter

TO: ALL STATE AGENCIES

SUBJECT: STATE 1959 SURVIVOR EMPLOYER CONTRIBUTION FOR FISCAL YEAR 2005-2006

On May 17, 2005, the CalPERS Board of Administration approved the State 5th Level Pool Employer rates for the 1959 Survivor Pre-retirement death benefit. This benefit pays a monthly amount to the survivor(s) of a member who dies while actively working for a State agency that does not participate in the Federal Social Security program. **The employer contribution rate will increase from \$5.20 for the current fiscal year to \$5.65 per member, per month for fiscal year 2005-2006.**

In addition, for fiscal year 2005-2006, there will be an increase to the employee contribution rate, to \$5.65 per member per month. The change in the Employee contribution rate is in accordance with Section 21581 of the California Public Employees' Retirement Law which states that when the total required premium goes above \$4.00 per member, per month, the Employer and Employee shall split the total cost evenly.

Currently the funded ratio of the State 5th Level Pool is 79.7%. The actual cost of the 1959 Survivor benefit to the employer and employee will vary from year to year due to investment returns and mortality gains and losses experienced by the pool.

The purpose of this transmittal is informational only; the State Controller's Office will be collecting the required premiums from State agencies at a later date.

Ron Seeling, Chief Actuary
Actuarial and Employer Services Branch