



Finance and Administration Committee

Meeting Summary

April 19, 2022

This is intended as a guide for the Committee Chair. Other than the motions, this need not be read verbatim. The Chair may add context/comment as appropriate.

The Finance and Administration Committee (FAC) met on April 18, 2022.

THE COMMITTEE RECOMMENDS, AND I MOVE, the Board approve the following:

- **AGENDA ITEM 4b**
Approve the April 2022 Prospective Report of Solicitations, Contracts, Purchase Orders and Letters of Engagement.
- **AGENDA ITEM 4c**
Approve the 1959 Survivor Benefit Program Actuarial Valuation Report as of June 30, 2021 and the transmittal letter to the Governor and Legislature.

Adopt the employer and employee monthly premiums for fiscal year 2022-23.

- **AGENDA ITEM 4d**
Approve the June 30, 2021 Judges' Retirement System Actuarial Valuation report and the corresponding transmittal letter to the governor and Legislature including lowering the inflation assumption from 2.50% to 2.30% and changes to the assumed mortality and retirement rates as outlined below and in the valuation report.

Adopt the use of the new demographic and economic assumptions including inflation and salary growth in all affected member calculations. The discount rate for benefit calculations and service credit purchases is the same as that used for the Judges Retirement II System, namely, 6.00%.

- **AGENDA ITEM 4e**
Approve the June 30, 2021 Judges' Retirement System II Actuarial Valuation Report and the corresponding transmittal letter to the governor and Legislature, including lowering the discount rate assumption from 6.50% to 6.00%, lowering the inflation assumption from 2.50% to 2.30% and changes to the assumed mortality and retirement rates as outlined below and in the valuation report.

Adopt the employer contribution rate of 23.23% and a member contribution rate of 16% of salary for members subject to the Public Employees' Pension Reform Act of 2013 (PEPRA) for the period of July 1, 2022 through June 30, 2023 for the Judges' Retirement System II (JRS II).

Adopt the use of the new demographic and economic assumptions.

- AGENDA ITEM 4f
Approve the June 30, 2021 Legislators' Retirement System Actuarial Valuation Report and the corresponding transmittal letter to the governor and Legislature, including lowering the discount rate assumption from 5.00% to 4.50%, lowering the inflation assumption from 2.50% to 2.30% and changes to the assumed mortality rates as outlined below and in the valuation report.

Adopt the employer contribution rate of 31.80% for the period of July 1, 2022 through June 30, 2023 for the Legislators' Retirement System.

Adopt the use of the new demographic and economic assumptions.

- AGENDA ITEM 4g
Approve an additional one-year contract term extension for the Office of Public Affairs video hardware maintenance contract, to fulfill the board's duty to educate and inform CalPERS members and stakeholders.
- AGENDA ITEM 6a
Approve the 2022-23 Annual Budget in the amount of \$2.073 billion and 2,843 positions.
- AGENDA ITEM 6b
Approve the proposed elected board member percentages of time to be spent on board related duties based on board and committee selections held in February and March 2022.
- AGENDA ITEM 6c
Adopt the actuarially determined employer contribution rates and approve the member contribution rates for the period July 1, 2022 to June 30, 2023.
- AGENDA ITEM 6d
Approve an employer contribution rate of 25.37% for the Schools Pool and a member contribution rate of 8.00% for schools' employees subject to the Public Employees' Pension Reform Act of 2013 (PEPRA). Rates are applicable for the period of July 1, 2022 to June 30, 2023.

The Committee received reports on the following topics:

- Long-Term Care Valuation Report
- Semi-Annual Health Plan Financial Report

The Chair directed staff to:

- Provide an update on the percentage of all PEPRA members by plan.

At this time, I would like to share a highlight of what to expect at the September Finance and Administration Committee meeting:

- Annual Actuarial Valuation Terminated Agency Pool

The next meeting of the Finance and Administration Committee is scheduled for September 20, 2022.