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Circular Letter

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TO: **ALL PUBLIC AGENCY EMPLOYERS AND INTERESTED PARTIES**

SUBJECT: **UPCOMING FISCAL YEAR 2013-14 ACTUARIAL EVENTS**

The purpose of this Circular Letter is to inform you of upcoming events in Fiscal Year 2013-14 that may have an impact on your future contribution rates and to remind you that you have an opportunity to ask questions of CalPERS and voice your opinion.

For a more complete timeline of CalPERS path to a Sound and Sustainable Fund, visit the web address below:

<http://www.calpers.ca.gov/eip-docs/about/press/news/invest-corp/timeline.pdf>

Employer Forum – October 21-23, 2013

At this year's forum, you can speak with your Actuary, participate in the Dialogue with the Chief Actuary and hear the Deputy Chief Actuary present on where contribution rates are headed. The 2013 Employer Forum is taking place in San Jose from October 21-23.

Board Workshop on Projecting Mortality Improvement- October 2013

This is an opportunity for you to learn more about recent trends in life expectancy i.e how long members live and the impact future improvements in life expectancy may have on retirement costs.

This workshop will take place at CalPERS Headquarters in Sacramento in the third week of October. The specific date and location of the event will be shared in the Board Meeting Notice Circular Letter 10 days prior to the meeting.

Board Asset Liability Management Workshop – November 2013

Every three years, CalPERS goes through a rigorous review of its asset allocation to determine the best way to invest the assets of the California Public Employees' Retirement System. A two day workshop will take place this November on the 12th and 13th. This is an opportunity for you to learn more about the Strategic Asset Allocation process at CalPERS and how the Investment Office and the Actuarial Office manage the funding risks of CalPERS through the use of the new Asset Liability Management (ALM) model. The information discussed in this workshop will serve as a basis for important asset allocation decisions by the CalPERS Board in December 2013.

Approval of Policy Portfolio – December 2013

Subsequent to the November ALM workshop, the CalPERS Investment Office will present asset allocation recommendations for the Public Employees' Retirement Fund (PERF) to the Investment Committee for Board approval. The adoption of the asset allocation for the PERF is a key factor in the selection of the discount rate assumption used to value actuarial liabilities and set employer contribution rates.

Experience Study Results and Recommendations for New Actuarial Assumptions (1st Reading) – December 2013

Every four years, the actuarial office performs a review of demographic and economic actuarial assumptions used in actuarial valuations. The CalPERS Actuarial Office is in the process of finalizing its review of current actuarial assumptions. In December, the CalPERS Actuarial Office will present the first reading of recommendations for updated economic and demographic assumptions based on the results of its review. The assumptions reviewed include the discount rate assumption that will be impacted by the Board's decision on the asset allocation. Future mortality improvements will also be considered as part of the experience study.

Changes to actuarial assumptions will impact employer rates. The agenda item will include the expected impact on employer contribution rates. At this meeting, employers will have an opportunity to comment on the proposed assumptions before they are considered for adoption by the Board in February.

Experience Study Results and Recommendations for New Actuarial Assumptions (2nd Reading) – February 2014

CalPERS Actuarial Office will present the second reading of recommendations to the Finance and Administration Committee for updated economic and demographic assumptions that reflect the most current pension plan experience. The CalPERS Board of Administration will vote on adopting the recommended changes to economic and demographic assumptions. The new assumptions are expected to take effect in the June 30, 2014 actuarial valuations setting the 2016-2017 contribution rates for local agencies and the 2015-2016 contribution rates for the State plans and the schools pool.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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