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Circular Letter

August 18, 2014

TO: **ALL PUBLIC AGENCY EMPLOYERS**

SUBJECT: **UPCOMING 2014-15 ANNUAL ACTUARIAL VALUATION**

The purpose of this Circular Letter is to inform you of a delay in the release of the annual actuarial valuations.

Anticipated Release of the 2013 Annual Actuarial Valuation Reports

The Actuarial Office had hoped to accelerate the schedule for completion of the annual actuarial valuations. However, due to issues with the data and additional complexities this year, the valuations will be delayed from the initially planned, end of August timeframe, to the traditional, end of October timeframe.

The delay is due to the many changes that have taken place this past year that affect the valuations and difficulties encountered in the actuarial valuation process. These include corrections to underlying data used for the valuations, the increased number of new plans because of pension reform and staff vacancies.

The actuarial valuations this year are more complex than in previous years due to the following changes:

- Implementation of the new amortization policy reflecting the market value of assets
- Implementation of the new smoothing policy on employer contribution rates
- Complexity of combining all risk pools into two large pools, a Miscellaneous pool and a Safety pool
- Implementation of the new Board adopted actuarial assumptions included in the projected employer contribution rates
- The inclusion of additional financing options

CalPERS actuarial staff are working hard to complete the valuation reports and expects to complete them in time for the CalPERS Educational Forum on October 26-29.

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

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