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Date: **August 27, 2001**

Reference No:

Circular Letter No: **200-082-01**

Distribution: I, IIB, VI

Special:

TO: ALL CONTRACTING PUBLIC AGENCIES

SUBJECT: 2001 OPTIONAL CONTRACT PROVISIONS

The 2001 Optional Contract Provisions and Amendment Procedures (PERS-CON-40) is attached.

The rough estimates of employer costs provided in this document do not incorporate the impacts of the change in the asset valuation method authorized by the CalPERS Board of Administration's resolution adopted on June 20, 2001. The change in method is voluntary. It will reduce the total employer contribution rate in the short term but will not affect the long-term cost (normal cost).

The details of the change in the asset valuation method were outlined in a Circular Letter #200-071-01, dated July 6, 2001. For your convenience, a copy of that Circular Letter has been included in the attached document as Special Item D.

This document is provided as an informational resource. It includes a list of the optional provisions available to contracting agencies, an explanation of the processes for requesting actuarial valuations and contract amendments and any fees involved. Questions regarding this document should be directed to the Actuarial and Employer Services Division at the above address or telephone number.

Kenneth W. Marzion, Chief
Actuarial and Employer Services Division

Attachment