



California Public Employees'
Retirement System
Office of Public Affairs
400 Q Street, Sacramento, CA 95811
(916) 795-3991 phone
(916) 795-3507 fax
www.calpers.ca.gov

FACTS AT A GLANCE: GENERAL

JULY 2009

Facts at a Glance is a monthly compilation of information of interest to Board Members, staff, and the general public. Information is current as of May 31, 2009, unless otherwise noted. Every effort has been made to verify the accuracy of the information, which is intended for general use only. Please direct any questions and comments to the Public Affairs Office at (916) 795-3991.

VISION STATEMENT

Pride in our service; providing confidence for your future.

MISSION

Our mission is to advance the financial and health security for all who participate in the System. We will fulfill this mission by creating and maintaining an environment that produces responsiveness to all those we serve.

BACKGROUND

The California Public Employees' Retirement System manages retirement benefits for more than 1.6 million California public employees, retirees, and their families. As of June 30, 2008, we provided pension benefits to 1,126,133 active and inactive members and 476,252 retirees. CalPERS membership is divided approximately in thirds among current and retired employees of the state, schools, and participating public agencies.

CalPERS is a defined benefit retirement plan. It provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death, with payments in some cases going to survivors or beneficiaries of eligible members.

CalPERS manages health benefits for nearly 1.3 million members. It offers members and contracting employers three health maintenance organization (HMO) plans, three preferred provider organization (PPO) plans, and three special PPOs for members who belong to specific employee associations.

CalPERS was established by state law in 1932 to provide retirement benefits for state employees. In 1939, public agency and classified school employees were allowed to participate. In 1962, state law authorized CalPERS to provide health benefits to state employees. The health benefits program was expanded in 1967 to include public agency and school employees. In 1995, CalPERS began offering a supplemental deferred compensation retirement savings plan to members of public agencies that contract for it, and long-term care insurance on a not-for-profit basis.

INCOME TOTALS OVER THE PAST 10 FISCAL YEARS

| YEAR | MEMBER CONTRIBUTIONS | EMPLOYER CONTRIBUTIONS | INVESTMENT AND OTHER INCOME |
|---------|----------------------|------------------------|-----------------------------|
| 2007-08 | \$3,512,075,000 | \$7,242,802,000 | -\$12,499,110,000 |
| 2006-07 | 3,262,699,076 | 6,442,383,868 | 40,748,261,709 |
| 2005-06 | 3,080,878,521 | 6,095,029,424 | 20,842,816,432 |
| 2004-05 | 3,176,781,000 | 5,774,120,000 | 21,894,201,000 |
| 2003-04 | 2,266,445,429 | 4,261,347,422 | 24,272,572,596 |
| 2002-03 | 1,887,925,497 | 1,925,043,858 | 5,482,731,568 |
| 2001-02 | 2,154,742,532 | 800,964,553 | -9,699,792,798 |
| 2000-01 | 1,766,256,113 | 321,618,826 | -12,248,341,399 |
| 1999-00 | 1,751,290,172 | 362,614,344 | 16,582,657,910 |
| 1998-99 | 1,522,507,527 | 1,598,316,666 | 17,622,526,922 |

NUMBER OF EMPLOYEES

2,300 (budgeted positions as of July 1, 2008)

TOTAL CalPERS ADMINISTRATIVE EXPENDITURES

| | |
|--------------------|---------------|
| 2003-04 (actual) | \$230,038,192 |
| 2004-05 (actual) | \$245,315,739 |
| 2005-06 (actual) | \$247,347,429 |
| 2006-07 (actual) | \$277,859,581 |
| 2007-08 (actual) | \$315,113,262 |
| 2008-09 (budgeted) | \$332,323,000 |

BOARD OF ADMINISTRATION

13 members: 6 elected / 3 appointed / 4 statutory-designated members

***6 Members Elected by:**

| | |
|------------------------------|-------------------------------------|
| All members | Charles P. Valdes (2010) |
| | Kurato Shimada (2010) |
| Active state members | George Diehr, Vice President (2011) |
| Active school members | Rob Feckner, President (2011) |
| Active public agency members | Priya Sara Mathur (2011) |
| Retired members | Henry Jones (2012) |

***3 Appointed Members:**

| | |
|---|-----------------------|
| Governor appointees | Tony Oliveira (2011) |
| | Dan Dunmoyer (2013) |
| Speaker & Senate Rules Committee appointee | Louis F. Moret (2012) |

4 Statutory Designated Members:

| | |
|---|--------------|
| State Treasurer | Bill Lockyer |
| State Controller | John Chiang |
| Director of Dept. of Personnel Administration | David Gilb |
| Member designated by the State Personnel Board | Pat Clarey |

**All board member terms expire in January of specified years.*

CALIFORNIA EMPLOYERS’ RETIREE BENEFIT TRUST FUND

The California Employers’ Retiree Benefit Trust Fund was established by CalPERS in March 2007 to provide California public agencies with a cost-efficient, professionally managed investment vehicle for prefunding other post-employment benefits (OPEB) such as retiree health benefits. Prefunding reduces an agency’s long-term OPEB liability. Participating agencies can use investment earnings to pay future OPEB liabilities, similar to the CalPERS pension fund in which three out of four dollars paid in retirement benefits come from investment earnings.

ASSETS UNDER MANAGEMENT IN TRUST FUND (AS OF MAY 31, 2009): \$738.05 MILLION

PARTICIPATING PUBLIC AGENCIES: 154

PUBLIC AGENCIES THAT JOINED THE TRUST FUND IN MAY 2009

California Fair Services Authority, Castaic Lake Water Agency, City of Barstow, City of Woodlake, Cucamonga Valley Water District, Mt. San Jacinto Community College District, Regional Water Authority, Santa Fe Irrigation District, Sweetwater Authority, Truckee Fire Protection District, Ventura County Transportation Commission, Yreka Union High School District, Yuba County Water Agency.

ACTUARIAL INFORMATION (AS OF JUNE 30, 2007)

Each year CalPERS actuaries calculate a funded ratio—the ratio of market value of assets in the fund to the liabilities for each retirement plan. The funded ratios vary from year to year but are expected to approach 100 percent in the long run.

Funded Status of Retirement Plans by Member Category

| Member Category | 6/30/02 | 6/30/03 | 6/30/04 | 6/30/05 | 6/30/06 | 6/30/07 |
|-----------------|---------|---------|---------|---------|---------|---------|
| State | 82.1% | 76.4% | 82.9% | 85.5% | 88.6% | 96.6% |
| School | 88.5% | 83.4% | 91.4% | 96.2% | 98.7% | 107.8% |
| Public Agency | 89.2% | 80.7% | 87.6% | 90.2% | 92.7% | 102.0% |

Notes

1. The funded ratios are based on the Market Value of Assets.
2. There were five plans in the state category with funded ratios between 89 percent and 104 percent as of June 30, 2007. The funded ratio for the state is an aggregate of all five plans.
3. As of June 30, 2007, there were 2,012 plans with active members in the public agency category. There were 1,564 plans in one of nine risk pools and 448 public agencies in

non-pooled plans. For non-pooled plans: about 1 percent of the plans were below 75 percent funded; about 44 percent of the plans were between 75 and 100 percent funded; and approximately 55 percent of the plans were 100 percent funded or better. All risk pools were between 95 percent and 110 percent funded.

CalPERS eSUBSCRIPTIONS

CalPERS eNews is a free twice monthly newsletter of significant CalPERS activities that is e-mailed to subscribers in the first and third weeks of each month. Subscribers also receive eAlerts about major developments or upcoming events.

CalPERS ePress delivers CalPERS news releases instantaneously via e-mail directly to subscribers.

CalPERS eAgenda notifies subscribers via e-mail of CalPERS Board agendas as soon as they are posted on our Web site.

CalPERS Employer eBulletin provides subscribers with the latest developments and information of interest to contracting employers.

CalPERS News Feeds distributes information to subscribers as soon as it is posted on the CalPERS On-Line Web site. Really Simple Syndication (RSS) delivers news headlines instantaneously to your favorite news reader.

You can sign up for these online services at the eSubscriptions page of the CalPERS On-Line Web site at www.calpers.ca.gov.

CalPERS CHRONOLOGY

- 1932 — CalPERS established by State legislation
- 1932 — Became operational for retirement benefits for State employees
- 1939 — Public agencies and classified school employees allowed to contract for retirement benefits
- 1962 — Public Employees' Medical & Hospital Care Act allows CalPERS to provide health insurance benefits for State employees
- 1967 — Health Program expanded to include local public employees on a contract basis
- 1984 — CalPERS initiates corporate governance reform program
- 1984 — Proposition 21 approved by voters allows CalPERS to invest more than 25 percent of fund portfolio in stocks
- 1990 — Long-Term Care Act allows CalPERS to offer LTC insurance to CalPERS, STRS, and County Employees' Retirement Law of 1937 members
- 1992 — Proposition 162 approved by voters; CalPERS Board given absolute and exclusive authority over the administration and investment of pension funds

- 1995 — Long-Term Care Program created and offered to all California public employees and retirees
- 1996 — CalPERS pension fund reaches \$100 billion on May 14, 1996
- 1996 — CalPERS launches International Corporate Governance Program
- 1997 — CalPERS launches CalPERS On-Line Web site
- 1997 — CalPERS adopts corporate governance principles for United Kingdom
- 1997 — CalPERS increases public disclosure of decision making
- 1998 — CalPERS adopts U.S. corporate governance standards
- 1998 — CalPERS adopts strategy for private equity investments
- 1998 — CalPERS Board sponsors “retirement equity” legislation
- 1999 — CalPERS launches corporate governance Web site; draws worldwide interest
- 2000 — CalPERS designates May “Retirement Planning Month”
- 2001 — CalPERS earmarks \$457 million to 11 California private equity firms; investments to target California’s under-served markets
- 2001 — CalPERS breaks ground on Headquarters Expansion Project
- 2002 — CalPERS launches financial market reform initiative with principles and action plan to prevent future Enron-type accounting abuses.
- 2003 — CalPERS calls on “expatriate” firms to return to U.S.
- 2003 — CalPERS adopts plan to crack down on executive compensation abuses
- 2003 — CalPERS launches eNews service; also adds “Press Room” to Web site
- 2003 — CalPERS sues NYSE for trading specialist abuses that hurt investors
- 2004 — CalPERS launches new improved CalPERS On-Line Web site on March 27
- 2004 — CalPERS initiates Environmental Technology Investment Program
- 2004 — CalPERS adopts reduced hospital network, regional health plan pricing
- 2004 — CalPERS gets AAA rating from Fitch Ratings
- 2005 — CalPERS adopts employer rate “smoothing” policy to reduce rate volatility
- 2005 — CalPERS headquarters expansion completed in October
- 2005 — CalPERS pension fund reaches \$200 billion milestone on November 21
- 2007 — CalPERS launches retiree health benefit (OPEB) prefunding plan on March 1
- 2007 — CalPERS celebrates 75th anniversary
- 2007 — CalPERS launches my|CalPERS Web site for members
- 2008 — CalPERS creates new inflation-linked asset class to invest in commodities, forestland, inflation-linked bonds, and infrastructure
- 2008 — CalPERS launches online member education classes
- 2009 — CalPERS adopts policy on placement agents
- 2009 — CalPERS alters asset allocation given extraordinary market conditions, raises private equity, cash allocation targets