



Consent

Agenda Item 3b

June 12, 2012

ITEM NAME: 2011 State Industrial Disability Cost Report

PROGRAM: Actuarial Office

ITEM TYPE: Consent Action

RECOMMENDATION

Approval of the 2011 State Industrial Disability Cost.

EXECUTIVE SUMMARY

This report is produced annually and is presented in accordance with Section 20238 of the Public Employees' Retirement Law (PERL). The report provides information regarding the number of Service, Ordinary Disability and Industrial Disability retirements placed on the roll, and the "incurred cost" by each employer, commencing with the 2007-2008 fiscal year and ending with the 2010-2011 fiscal year.

This report provides employers with a continued awareness of the costs associated with industrial disability retirements.

BACKGROUND

The PERL Section 20238 requires this report to be filed on an annual basis. In this report, staff presents the incurred industrial disability cost by department, for state industrial disabilities processed in the period commencing with the 2007-2008 fiscal year and ending with the 2010-2011 fiscal year.

ANALYSIS

There are three types of retirements offered at CalPERS:

- Service Retirement or "normal" retirement;
- Ordinary Disability Retirement for members who can no longer perform their duties due to illness or injury. The illness or injury does not have to be job related; and,
- Industrial Disability Retirement. An employee is eligible for Industrial Disability Retirement if he or she becomes disabled while working, where disabled means the member is unable to perform the duties of the job because of a work-related illness or injury which is expected to be permanent or to last indefinitely.

The number of new state retirees for all three retirement types, increased in the 2010-2011 fiscal year over the 2009-2010 fiscal year. The statistics regarding the number of new retirees placed on the roll in the last four fiscal years for each type of retirement, by state plan and by individual state employer are presented in this report and summarized in tables one through five.

BENEFITS/RISKS

This report is required to be filed with the Governor and the Legislature. CalPERS will not be in compliance with the PERL Section 20238.

ATTACHMENTS

Transmittal letter to the Governor and Legislature
State Industrial Disability Cost Report

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