



California Public Employees' Retirement System  
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June 18, 2013

The Honorable Jerry Brown  
Governor's Office  
State Capitol  
Sacramento, CA 95814

Mr. Gregory Schmidt  
Secretary of the Senate  
State Capitol, Room 3044  
Sacramento, CA 95814

Ms. Diane F. Boyer-Vine  
Legislative Counsel  
State Capitol, Room 3021  
Sacramento, CA 95814

Ms. E. Dotson Wilson  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, CA 95814

The Board of Administration (Board) of the California Public Employees' Retirement System (CalPERS), has accepted the June 30, 2012 Actuarial Valuation of the Legislators' Retirement System (LRS).

Assembly Bill 340 was signed by the Governor on September 12, 2012. Effective January 1, 2013, the Legislative Retirement System was closed to new Constitutional and new Statutory Officers. The system was previously closed to members of the Senate and Assembly. In addition, Government Code Section 7522.52 requires a public employer's contribution to a defined benefit plan, in combination with employee contributions to that defined benefit plan, shall not be less than the normal cost rate.

In the report, the actuarially determined employer contribution rate is 1.554 percent for the fiscal year from July 1, 2013 to June 30, 2014. **Due to G.C. Section 7522.52, the minimum employer contribution rate is the normal cost rate which is 38.381 percent. The CalPERS Board has elected to set the required contribution rate at 38.381 percent.**

The plan is well funded at this time. The funded status on a Market Value of Assets basis remained virtually unchanged. It dropped from 113.4 percent as of June 30, 2011 to 113.3 percent as of June 30, 2012.

The Board is pleased to file the 2012 Legislators Retirement System actuarial valuation with the Governor and the Legislature.

Respectfully,

ROB FECKNER, President  
Board of Administration