

### Development of Employer Contribution Rates Fiscal Year 2013-2014

The following table shows the development of the unfunded liabilities based on the smoothed actuarial value of assets. The unfunded liability on an actuarial value of assets basis is used only for purposes of setting the employer contribution and keeping the contribution rates as smooth as possible from year to year.

	State Miscellaneous	State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
Accrued Liability	\$ 83,523,526,246	\$ 2,968,403,342	\$ 7,827,253,833	\$ 31,335,588,660	\$ 8,659,143,106	\$ 59,439,130,743
Actuarial Value of Assets (AVA)	<u>\$ 66,326,302,699</u>	<u>\$ 2,580,172,252</u>	<u>\$ 6,443,460,833</u>	<u>\$ 24,536,730,087</u>	<u>\$ 6,258,398,798</u>	<u>\$ 53,791,228,732</u>
Unfunded Liability/(Surplus) AVA Basis	\$ 17,197,223,547	\$ 388,231,090	\$ 1,383,793,000	\$ 6,798,858,573	\$ 2,400,744,308	\$ 5,647,902,011

The following table shows the development of the employer contribution rates which includes the amortization of the unfunded liability calculated on an actuarial value of assets basis.

	State Miscellaneous		State Industrial	State Safety	State Peace Officers and Firefighters	California Highway Patrol	Schools
	Tier 1	Tier 2					
Employer Contribution Amount							
Normal Cost	801,621,956	27,360,066	59,710,475	227,988,072	485,053,570	99,656,559	749,015,784
Payment on the Unfunded Liability	1,284,389,822	44,547,790	30,979,810	98,690,845	469,940,726	167,573,074	422,929,774
Payment for Term Life Benefits (Sec. 21600-21605)	7,036,118	244,041	-	-	-	293,676	N/A
Total Employer Contribution Amount	\$ 2,093,047,896	\$ 72,151,897	\$ 90,690,285	\$ 326,678,917	\$ 954,994,296	\$ 267,523,309	\$ 1,171,945,558
Projected Payroll	\$ 9,910,025,419	\$ 343,719,424	\$ 578,309,682	\$ 1,898,792,970	\$ 3,131,600,298	\$ 772,831,008	\$ 10,242,250,566
Employer Contribution (as a percent of payroll)							
Normal Cost	8.089%	7.960%	10.325%	12.007%	15.489%	12.895%	7.313%
Payment on the Unfunded Liability	12.961%	12.961%	5.357%	5.198%	15.006%	21.683%	4.129%
Payment for Term Life Benefits (Sec. 21600-21605)	<u>0.071%</u>	<u>0.071%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0.038%</u>	<u>N/A</u>
Total Employer Contribution Rate	21.121%	20.992%	15.682%	17.205%	30.495%	34.616%	11.442%