



**California Public Employees' Retirement System**  
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March 18, 2014

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

Mr. 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, 2013 Actuarial Valuation of the Legislators' Retirement System (LRS).

The mortality assumption was changed to include 20 years of projected on-going mortality improvement using the Scale BB published by the Society of Actuaries. The Unfunded Accrued Liability increased by \$7.7 million due to this change.

In the report, the actuarially determined employer contribution rate is 17.166% for the fiscal year from July 1, 2014 to June 30, 2015. **In accordance with G.C. Section 7522.52, the minimum employer contribution rate is the normal cost rate, 42.257%. The CalPERS Board has elected to set the required contribution rate at 42.257%.**

The plan is considered well funded at this time. The funded status on a Market Value of Assets basis dropped from 113.3% as of June 30, 2012 to 105.5% as of June 30, 2013, due to the mortality assumption change.

The Board is pleased to file the 2013 Legislators Retirement System actuarial valuation with the Governor and the Legislature.

Respectfully,

ROB FECKNER, President  
Board of Administration