

ATTACHMENT 1

Development of Employer Contribution Rates Fiscal Year 2014-15

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	\$ 90,277,023,739	\$ 3,236,221,429	\$ 8,833,760,689	\$ 35,270,981,461	\$ 9,774,594,369	\$ 61,487,179,133
Actuarial Value of Assets (AVA)	<u>\$ 68,605,357,501</u>	<u>\$ 2,739,376,081</u>	<u>\$ 7,053,145,412</u>	<u>\$ 26,013,704,078</u>	<u>\$ 6,577,464,339</u>	<u>\$ 56,250,246,398</u>
Unfunded Liability/(Surplus) AVA Basis	\$ 21,671,666,238	\$ 496,845,348	\$ 1,780,615,277	\$ 9,257,277,383	\$ 3,197,130,030	\$ 5,236,932,735

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	890,851,890	25,468,954	57,542,094	229,435,981	520,170,053	125,095,199	814,517,100
Payment on the Unfunded Liability	1,458,358,866	45,075,156	34,482,210	110,944,965	564,481,103	197,998,860	412,464,594
Payment for Term Life Benefits (Sec. 21600-21605)	1,359,931	42,033	-	1,128,559	1,451,006	299,051	N/A
Total Employer Contribution Amount	\$ 2,350,570,687	\$ 70,586,143	\$ 92,024,304	\$ 341,509,505	\$ 1,086,102,162	\$ 323,393,110	\$ 1,226,981,694
Projected Payroll	\$ 9,713,792,285	\$ 300,235,226	\$ 532,353,535	\$ 1,880,931,144	\$ 3,087,245,849	\$ 766,796,610	\$ 10,423,817,503
Employer Contribution (as a percent of payroll)							
Normal Cost	9.171%	8.483%	10.809%	12.198%	16.849%	16.314%	7.814%
Payment on the Unfunded Liability	15.013%	15.013%	6.477%	5.898%	18.284%	25.822%	3.957%
Payment for Term Life Benefits (Sec. 21600-21605)	<u>0.014%</u>	<u>0.014%</u>	<u>0.000%</u>	<u>0.060%</u>	<u>0.047%</u>	<u>0.039%</u>	<u>N/A</u>
Total Employer Contribution Rate	24.198%	23.510%	17.286%	18.156%	35.180%	42.175%	11.771%