

STATE OF CALIFORNIA
BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

RESOLUTION

No. 03-03-AESD (Rev.)

Subject: **Actuarial Policies - List of Available Risk Pools**

WHEREAS, 1. In accordance with Government Code section 20120, the Board of Administration of the California Public Employees' Retirement System (the "Board") is vested with the management and control of the Public Employees' Retirement System (the "System").

WHEREAS, 2. Under Article XVI, section 17 of the California Constitution, the Board has plenary authority and fiduciary responsibility for the investment of monies and administration of the System. The Constitution also vests the Board with the sole and exclusive power to provide for the actuarial services in order to assure the competency of the System.

WHEREAS, 3. In furtherance of its sole and exclusive duty to make actuarial determinations under Section 17, the Board has hired a Chief Actuary to advise the Board and to direct the activities of the Board's professional actuarial staff.

WHEREAS, 4. Also in furtherance of this sole and exclusive duty to make actuarial determinations, the Board has retained the services of an outside consulting actuarial firm, to review the work of the Board's actuarial staff and to certify that such work satisfies ~~professional~~ actuarial standards of practice.

WHEREAS, 5. ~~Both the~~ The Board's Chief Actuary ~~and its consulting actuary~~ has advised the Board to adopt specific written policies regarding the actuarial practices that are most prudent for the System.

NOW, THEREFORE, BE IT RESOLVED:

Pursuant to section 20840 of the California Government Code, the Board has the authority to create, combine or eliminate risk pools for miscellaneous members and safety members. Pursuant to this authority, the Board hereby combines all existing

~~pools into two pools, one for all miscellaneous groups and one for all safety groups. creates 2 new risk pools identified as Pool #11 and Pool #12 below. Upon adoption of this Resolution, the following shall be the 11 active membership (existing and newly created) risk pools with the following participation criteria:~~

MISCELLANEOUS RISK POOLS

~~Pool #1 — Miscellaneous 2% @ 60~~

- ~~• Miscellaneous employees subject to the 2% @ 60 formula (Section 21353) or 1.25% at 65% (Section 21076) formula shall participate in this pool.~~

~~Pool #2 — Miscellaneous 2% @ 55~~

- ~~• Miscellaneous employees subject to the 2% @ 55 formula (Section 21354 or Section 21354.1) shall participate in this pool.~~

~~Pool #3 — Miscellaneous 2.5% @ 55~~

- ~~• Miscellaneous employees subject to the 2.5% @ 55 formula (Section 21354.4) shall participate in this pool.~~

~~Pool #4 — Miscellaneous 2.7% @ 55~~

- ~~• Miscellaneous employees subject to the 2.7% @ 55 formula (Section 21354.5) shall participate in this pool.~~

~~Pool #5 — Miscellaneous 3% @ 60~~

- ~~• Miscellaneous employees subject to the 3% @ 60 formula (Section 21354.3) shall participate in this pool.~~

~~Pool #11 — Miscellaneous 2% @ 62~~

- ~~• Miscellaneous employees subject to the 2% @ 62 formula (Section 7522.20) shall participate in this pool.~~

SAFETY RISK POOLS

~~Pool #6 — Safety 2% @ 55~~

- ~~• Safety employees subject to the 2% @ 55 safety formula (Section 21369) or ½ @ 55 formula (Section 21366) shall participate in this pool.~~

~~Pool #7 — Safety 2% @ 50~~

- ~~• Safety employees subject to the 2% @ 50 safety formula (Section 21362) or 2.5% @ 55 safety formula (Section 21363) shall participate in this pool.~~

~~Pool #8 — Safety 3% @ 55~~

- ~~Safety employees subject to the 3% @ 55 safety formula (Section 21363.1) shall participate in this pool.~~

~~Pool #9 — Safety 3% @ 50~~

- ~~Safety employees subject to the 3% @ 50 safety formula (Section 21362.2) shall participate in this pool.~~

~~Pool #12 — Safety 2.7% @ 57~~

- ~~Safety employees subject to the 2.7% @ 57 formula (Section 7522.25(d)), or 2% @ 57 formula (Section 7522.25 (b)), or 2.5% @ 57 safety formula (Section 7522.25(c)) shall participate in this pool.~~

~~Safety members that are still subject to a miscellaneous service retirement formula following a reclassification to the safety category will participate in the risk pool applicable to the other members of the same employee category.~~

~~Inactive members that are subject to a different service retirement formula than the one applicable to the active members of the same employee category will participate in the risk pool applicable to the active members of the same employee category.~~

INACTIVE PLAN POOL

~~Pool #10 — Inactive Plan Pool~~

- ~~All rate plans determined to be inactive in the June 30, 2003 actuarial valuation (i.e. no active members in the rate plan) shall participate in the inactive plan pool, regardless of the benefit formula applicable to the inactive members of the plan.~~
- ~~Rate plans moving from an active status to an inactive status will be transferred from their then current pool to the inactive plan pool following a period of at least one year in which they had no active members.~~

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I hereby certify that on the 18th day of June, 2003 the Board of Administration of the California Public Employees' Retirement System, made and adopted the foregoing Resolution; and that this Resolution was amended on the 16th day of June 2004; and further amended on the 15th day of November 2012 and further amended on the 16th day of April 2014.

ROB FECKNER, PRESIDENT
BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM