



California Public Employees' Retirement System
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March 18, 2015

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

Mr. Daniel Alvarez
Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

Ms. Diane F. Boyer-Vine
Legislative Counsel
State Capitol, Room 3021
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Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, CA 95814

The Board of Administration of the California Public Employees' Retirement System (CalPERS) has accepted the June 30, 2014 Actuarial Valuation of the Judges' Retirement System (System).

As shown in the report, the actuarial value of assets, at market value, as of June 30, 2014 is \$57.2 million. Expected required contributions under the current pay-as-you-go funding approach being followed by the State for fiscal year 2015-16 is \$225 million. The System's present value of benefits as of June 30, 2014 is \$3.467 billion.

The Board has considered the System's funding deficiency to be a serious matter for many years. The CalPERS Board of Administration urges the Governor and the Legislature to consider implementing some form of advance funding of the Judges Retirement System.

As in prior years, CalPERS staff will be happy to work with the Administration in establishing an advance-funding program that is both financially sound and meets the needs of the State.

The Board is pleased to file the 2014 report for the Judges' Retirement System with the Governor and the Legislature.

Sincerely,

ROB FECKNER, President
Board of Administration