



**CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**PARALLEL VALUATION AND CERTIFICATION SERVICES**

**Request for Proposal No. 2015-7649**

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**FINALIST PROFILE SUMMARY**

Segal Consulting  
Buck Consultants, LLC  
Cheiron, Inc.  
Gabriel Roeder Smith & Company

## **SEGAL CONSULTING**

### **A. OVERVIEW**

The Segal Group was founded in 1939 and began to provide services to public sector plans in 1950. It consists of four affiliated companies: Segal Consulting, Sibson Consulting, Segal Rogerscasey and Segal Select. Segal Consulting (Segal) is an independent, employee-owned privately held consulting firm, founded in 1978. Segal has 245 employee owners, and an 11-member Board of Directors. Segal's headquarters is in New York City, with 23 offices throughout the United States and Canada, including offices in Los Angeles, and San Francisco. The services for CalPERS, if selected, will be provided by its Chicago office. Segal's entire business is centered on benefits consulting.

### **B. PROFESSIONAL STAFF**

The proposed key personnel assigned to the CalPERS account are:

- Kim Nicholl, FSA, FCA, EA, MAAA, Principal Actuary
- Matthew Strom, FSA, EA, MAAA, Support Actuary

Further support to the team would be offered by

- Paul Angelo, FSA, FCA, EA, MAAA, Peer Review
- Cathie Eitelberg, National Public Sector Market Director
- James Nolan, FSA, EA, MAAA, Associate Actuary
- Clint Funk, FSA, EA, MAAA, Assistant Actuary
- Tanya Dybal, FSA, EA, MAAA, Senior Actuarial Analyst
- Jake Libauskas, ASA, EA, MAAA, Assistant Actuary

### **C. METHODOLOGY**

The evaluation team noted that Segal's proposed parallel valuation and certification methodology provided a detailed approach for reviewing all key aspects of a valuation report and the methods used to generate a valuation report. These aspects include: demographic and financial information used to generate valuations, actuarial calculations, actuarial assumptions, actuarial methods, key actuarial valuation results (such as contribution rates), design of actuarial reports and conclusions drawn from valuation results. Segal also offered to opine on the reasonableness of assumptions and methods used in CalPERS actuarial valuations. Like the other firms, Segal will summarize their findings in written actuarial review report.

## **D. TECHNOLOGY**

Segal has designed and programmed their proprietary software, Forecast Live, to perform actuarial valuations and various retirement plan projections. Forecast Live allows for projections and modeling to be performed live in front of the client, modeling such inputs as investment return, pay increases, population growth/decline, plan design and other factors.

## **E. EXPERIENCE**

### **ACTUARIAL AUDITS**

Segal has performed actuarial audits for many retirement systems in the past five years, including: Alaska Retirement Management Board, California State Teachers' Retirement System, Los Angeles County Employees Retirement Association, Teacher Retirement System of Texas, and the Wisconsin Retirement System.

### **CONSULTING**

Segal has performed actuarial consulting services for several retirement systems in the past five years, including: Michigan Public School Employees' Retirement System, Public Employees' Retirement System of Nevada, State Teachers Retirement System of Ohio, and the University of California Retirement System.

## **BUCK CONSULTANTS, LLC**

### **A. OVERVIEW**

Buck Consultants (Buck) is the largest actuarial consulting firm in the country serving public-sector retirement systems. Buck was founded in 1916 and is now owned by the Xerox Corporation. Buck Consultants are the actuaries to 41 statewide retirement systems and over 200 public sector clients. Buck's headquarters is located in New York, and has four offices located in California. The services for CalPERS, if selected, will be provided by its Los Angeles office.

### **B. PROFESSIONAL STAFF**

The proposed key personnel assigned to the CalPERS account are:

- David Driscoll, FSA, FCA, EA, MAAA, Principal Actuary
- Aaron Shapiro, FSA, EA, MAAA, Support Actuary

Further support to the team would be offered by the actuarial team which includes:

- Tonya Manning, FSA, FCA, EA, MAAA, Executive Sponsor
- Marek Tyszkiewicz, ASA, MAAA, Account Executive
- Michael Hunter, ASA, EA, MAAA, Technical Support
- Stephen Robb, FSA, EA, MAAA, Peer Review

### **C. METHODOLOGY**

The evaluation team noted that Buck's proposed parallel valuation and certification methodology focused mainly on reviewing the calculations used to generate accrued liabilities and contribution rates. They provided a detailed approach for reviewing CalPERS actuarial calculations and key actuarial valuation results. They proposed a methodology that would reconcile discrepancies in calculations at for every individual in a plan and at an aggregate basis. Buck did not offer to opine on actuarial methods and assumptions in their proposal. Like the other firms, Buck will summarize their findings in written actuarial review report.

### **D. TECHNOLOGY**

Buck Consultants Global Valuation Center, located in Fort Wayne, Indiana is a fully dedicated resource focused entirely on actuarial valuation production, implementation of necessary regulatory changes, quality and process efficiency.

Buck Consultants utilize ProVal, an off-the-shelf commercial valuation system used worldwide by actuaries and investment professionals.

## **E. EXPERIENCE**

### **PENSION VALUATIONS**

Buck presently provides pension valuations to over 40 statewide public retirement systems. Five of the largest systems include: Arizona State Retirement Plan, North Carolina Teachers' and State Employees' Retirement System, The Public School Employees' Retirement System of Pennsylvania, The Public Employees' Retirement System of New Jersey, and Illinois Teachers' Retirement System.

### **CONSULTING**

A representative sample of clients where the Principal Actuary provided actuarial consulting services within the last five years include: Pension Benefit Guaranty Corporation, School Employees' Retirement System of Pennsylvania, West Virginia Consolidated Public Retirement Board, Vermont State Retirement Systems, and Massachusetts Bay Transportation Authority Retirement Fund.

## **CHEIRON**

### **A. OVERVIEW**

Cheiron is an employee-owned actuarial consulting firm specializing in public and Taft-Hartley pension and health plans. EFI Actuaries, which merged into Cheiron in 2012, has been providing parallel valuation and certification services to CalPERS for the past five years. Their proposal is to combine the knowledge of the current team with the fresh perspective and additional expertise provided by new team members. They have nine offices around the country, including three in California. The services for CalPERS, if selected, will be provided by its San Diego, San Francisco, Portland, Los Angeles, and Chicago offices.

### **B. PROFESSIONAL STAFF**

The proposed key personnel assigned to the CalPERS account are:

- William Hallmark, ASA, FCA, EA, MAAA, Principal Actuary
- Anne Harper, ASA, EA, MAAA, Support Actuary

Further support to the team would be offered by:

- Anne Glaser, EA, MAAA, Actuary
- Michael Moehle,, FSA, FCA, EA, MAAA, Actuary
- David Holland, FSA, FCA, EA, MAAA, Project Manger
- Robert McCrory, FSA, FCA, CERA, EA, MAAA, Consultant and prior Principal Actuary to CalPERS
- Timothy Doyle, ASA, MAAA, Consultant and prior Support Actuary to CalPERS

### **C. METHODOLOGY**

The evaluation team noted that Cheiron's proposed parallel valuation and certification methodology covered many of the key aspects of a valuation report and the methods used to generate a valuation report. These aspects include: demographic and financial information used to generate valuations, actuarial calculations, actuarial assumptions, actuarial methods, and key actuarial valuation results (such as contribution rates). Like the other firms, Cheiron will summarize their findings in written actuarial review report.

## **D. TECHNOLOGY**

Cheiron uses specialized valuation software leased from Winklevoss Technologies called ProVal, which is supported nationally and widely used by actuarial firms. Cheiron uses their proprietary P-Scan model to perform a series of “what-if” projection scenarios to illustrate the long-term implications of the current and proposed sets of methods and assumptions.

## **E. EXPERIENCE**

### **ACTUARIAL AUDITS**

Cheiron has performed actuarial audits for several state-wide retirement systems in the past five years, including: California Public Retirement System, California State Teachers Retirement System, State of Washington Pension Funding Council, Utah Retirement Systems, and Maryland State Retirement System.

### **CONSULTING**

Cheiron has over 60 current public sector pension clients for whom they perform actuarial consulting services, including: City and County of San Francisco Employees Retirement System, City of Philadelphia Municipal Retirement System, Delaware Public Employees Retirement System, Maine Public Employees Retirement System, and Montana Public Employee Retirement Administration.

## **GABRIEL, ROEDER, SMITH & COMPANY**

### **A. OVERVIEW**

Gabriel, Roeder, Smith & Company (GRS) is nearly 100 percent employee owned. It has been providing actuarial valuations, experience investigations, and pension consulting services for over 75 years. GRS has over 120 employees, including over 50 credentialed actuaries serving over 800 clients, including over 35 statewide retirement systems. Almost 100 percent of their revenue is attributable to actuarial and related consulting services to public sector clients. GRS is headquartered in Southfield, Michigan and has additional offices in Michigan, Colorado, Florida, Illinois, Minnesota, and Texas. The services to the CalPERS, if selected, will be provided from its headquarters office in Southfield, Michigan.

### **B. PROFESSIONAL STAFF**

The proposed key personnel assigned to the CalPERS account are:

- David Kausch, FSA, FCA, EA, MAA, Principal Actuary
- Alex Rivera, FSA, FCA, EA, MAA, Support Actuary

Further support to the team would be offered by:

- Brad Armstrong, ASA, FCA, EA, MAAA, Resource Actuary
- Mita Drazilov, ASA, MAAA, Resource Actuary
- Heidi Barry, ASA, MAAA, Actuarial Support
- Abra Hill, ASA, MAAA, Actuarial Support
- Paul Wood, ASA, FCA, MAAA, Actuarial Support

### **C. METHODOLOGY**

The evaluation team noted that Gabriel Roeder Smith & Company's proposed parallel valuation and certification methodology provided a detailed approach for reviewing all the key aspects of a valuation report and the methods used to generate a valuation report. These aspects include: demographic and financial information used to generate valuations, actuarial calculations, actuarial assumptions, actuarial methods, key actuarial valuation results (such as contribution rates), design of actuarial reports and conclusions drawn from valuation results. Like the other firms, Gabriel Roeder Smith & Company will summarize their findings in written actuarial review report.



## **D. TECHNOLOGY**

GRS uses an in-house valuation software, ValPlex, that was designed for public sector retirement systems. GRS owns and maintains all of its computer, server, and network equipment, and has full-time IT staff dedicated to supporting the hardware and software environment in all GRS locations. CalPERS selected the GRS software to produce annual actuarial valuations and plan amendment cost impact analysis.

## **E. EXPERIENCE**

### **PENSION VALUATIONS**

GRS provides pension valuations to over 30 statewide public retirement systems. Five of the largest include: Michigan Public School Employees, Ohio Public Employees Retirement System, South Carolina Retirement System, Texas Teacher Retirement System, and Wisconsin Retirement System.

### **CONSULTING**

A representative sample of current clients where the Principal Actuary provides actuarial and consulting services include: Iowa Public Employees' Retirement System, State Employees' Retirement System of Illinois, New Hampshire Retirement System, Missouri State Employees' Retirement System, and Municipal Fire and Police Retirement System of Iowa.