



California Public Employees' Retirement System
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Secretary of the Senate
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The Board of Administration of the California Public Employees' Retirement System (CalPERS) has accepted the June 30, 2015 Actuarial Valuation of the Judges' Retirement System II (JRS II).

As of June 30, 2015, the plan is in surplus. The June 30, 2015 funding surplus is \$2.3 million with a funded status of 100.2 percent. This compares with a funding surplus of \$63.2 million and a funded status of 106.6 percent for the previous fiscal year. Under the rules of PEPRA an employer cannot contribute less than the employer normal cost. Therefore, the contribution rate for the 2016-17 Fiscal Year has been set to equal the employer normal cost of 23.185 percent.

As indicated in the report, the case of Robert M. Mallano, et al. v. John Chiang, Controller of the State of California (SCO), the Judges' Retirement System (JRS), and the Judges' Retirement System II (JRS II) will have an impact on the Judges Retirement System II. Once implemented, the changes will result in a higher Unfunded Liability and lower Funded Status for the plan. We anticipate the impact of this lawsuit to be reflected in the June 30, 2016 valuation.

The Board is pleased to file the 2015 report for the Judges' Retirement System II with the Governor and the Legislature.

Respectfully,

ROB FECKNER, President
Board of Administration