

STATE OF CALIFORNIA  
BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

RESOLUTION

No. ACT-99-03 (Rev.)

Subject: **Actuarial Policies - Employer Contributions in Excess of Actuarially Determined Rate**

- 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 actuarial standards of practice.
- WHEREAS, 5. The Board's Chief Actuary has advised the Board to adopt specific written policies regarding the actuarial practices that are most prudent for the System.
- WHEREAS, 6. The Board has exclusive authority to set employer contribution rates for public agencies that have elected to contract with CalPERS for retirement system coverage. From time to time, such public agencies wish to make employer contributions in excess of the normal rate determined by the Board. Acceptance of employer contributions in amounts exceeding the normal rate of contribution generally enhances the security of benefits that will be paid to participants and their beneficiaries.

NOW, THEREFORE, BE IT RESOLVED:

1. It is the policy of the CalPERS Board that employers participating in the CalPERS system may make employer contributions in excess of the employer contribution rate approved by the CalPERS Board, provided that: (a) acceptance of these contributions does not, under professionally accepted actuarial methods, increase the total amount of employer contributions that would otherwise be paid to CalPERS; and (b) the employer gives reasonable notice to its employees of its intention to make such contributions.
2. For employers participating in one of the risk pools, lump sum contributions in excess of the employer contribution rate and/or amount approved by the CalPERS Board shall be included in the assets of the pool but accounted for separately for purposes of setting individual employer contribution rates and/or amounts. Contributions in excess of the employer contribution rate and/or amount approved by the CalPERS Board shall first be used to eliminate the side fund, if applicable, and then the plan's share of the pool's unfunded accrued liability. Subsequent contributions that would create a surplus will be amortized over time in accordance with Board resolution ACT-96-05E and other applicable resolutions of the Board and will be credited with the actual investment earnings of the Public Employees' Retirement Fund.
3. The Chief Actuary of CalPERS shall have the authority to make the actuarial determinations necessary to implement this resolution.

This Resolution shall be effective immediately upon adoption.

I hereby certify that on the 17th day of November 1999 the Board of Administration of the California Public Employees' Retirement System, made and adopted the foregoing Resolution; that this Resolution was amended on December 14, 2011, and further amended on May 21st, 2014.

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