

## Chief Information Officer Report

January - March 2017

## Pension and Health (P&amp;H) – Actuarial Valuation System Redesign &amp; Enhance (AVSRE)

## Project Description

The redesign and enhancement of the Actuarial Valuation System (AVS) is intended to deliver a solution that supports the business operation of the Actuarial Office (ACTO) in ensuring the ability for CalPERS to meet its pension obligations. The existing system presents challenges in terms of support, functionality, and flexibility. Supportability is challenged by enterprise risk posed by having system knowledge being limited to a few key resources and consultants. Demand has increased for more retirement valuations with greater details and complexity. In addition, actuarial standards are constantly evolving along with the regulatory environment in which CalPERS operates. Hundreds of spreadsheets and other tools are required to deliver valuations, which combined with the time-intensive, complicated data extract and fix operations places strain upon available resources. A modern system that can replace the current aging AVS solution is necessary to meet the strategic objectives of CalPERS and sustain the business goals of CalPERS for years to come.

## Business Benefits

- Reduces valuation processing times
- Adds functionality to the current AVS system and provides scalability to support future responsibilities of Actuarial Staff
- Improves identification and application of the correct assumptions, provisions, and decrements to valuations

Start Date: 03/09/15

End Date: 10/31/2018

Budget: \$13,709,125

Total Expended: \$2,351,557

Overall Health Status: ● On Target

Percent Complete: 22%

Status Explanation: N/A

Critical Risks/Mitigation: None

Critical Issues/Strategy: None

## Major Accomplishments:

- Completed an evaluation of the existing AVS annuity calculator tool to identify modifications and enhancements which will streamline and shorten future valuation processing times for ACTO team members.
- Created an additional set of valuation test cases, for each possible valuation scenario, to ensure accuracy of the annuity calculator tool.