

budgetary pressures facing our local governments. You observed that from my inquiries at the Joint Informational Hearing last Wednesday morning. I would like to request your assistance.

Considering that the purpose of the Public Employees' Pension Reform Act of 2013 (PEPRA) was to modify new retirement formulas (capping benefits for public employees first hired on or after January 1, 2013 by public employers offering a defined benefit pension plan), perhaps it is time to see how these changes would impact plan sponsors if current employees in "Classic" active categories (e.g. public safety and miscellaneous) were moved from their current tiers to a PEPRA tier on a going-forward basis. Therefore, I respectfully ask that the CalPERS Finance and Administrative Committee and staff analyze the impacts of such a move. Such an action would not affect current retirees nor would it affect public employees for the time they have worked under their classic tier. An analysis should reflect the potential 'normal' cost savings, 'unfunded accrued liability' cost-savings, the impacts to the overall funded status of the system and any other relevant data sets the committee and staff feel appropriate to ensure fiscal health and long-term sustainability of the fund.

We are here to serve all Californians. It is our responsibility to explore any and all options within reason to assist our counties, cities, and school and special districts through these financially uncertain times. What's most important is that we work *together* to ensure the long term health and sustainability of CalPERS. I am hopeful that the committee and staff will provide the potential cost savings projections to my office in a timely manner.

Very truly yours,



John M. W. Moonlach

CC: Members, CalPERS Finance & Administration Committee
Members, CalPERS Board of Directors
Marcie Frost, Chief Executive Officer, CalPERS
Scott Terando, Chief Actuary, CalPERS