

Alternate Amortization Policies

Impact on Sample Plan

Projected Contributions Under Alternate Amortization Policies

- All projections correspond to a sample CalPERS Miscellaneous Plan
 - 70% funded as of June 30, 2016
- Projections based on results from the June 30, 2016 actuarial valuation
- Projected contributions are the sum of the normal cost and required UAL payment shown as a percentage of pay
- Actual investment return for 2016-2017 fiscal year of 11.2% used in all projections
- Alternate policies were assumed to be effective for new bases beginning with either the 6/30/2018 or 6/30/2019 actuarial valuations as specified in the graphs

Projected Contributions Under Alternate Amortization Policies

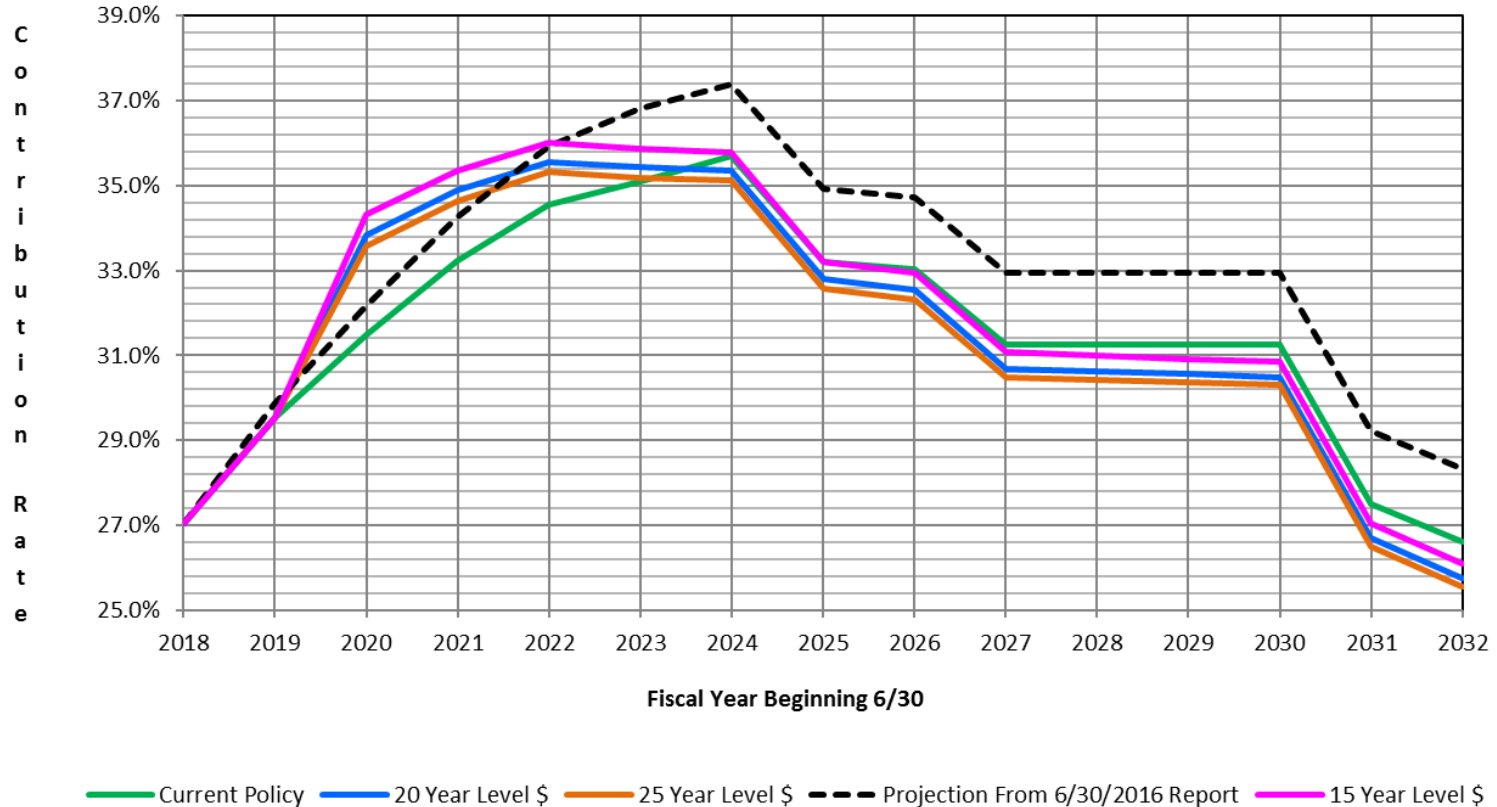
- For 6/30/2018 effective date - the impact of the discount rate change from 7.25% to 7.00% will be amortized under the revised policy.
- For 6/30/2019 effective date - the impact of the discount rate change from 7.25% to 7.00% will be amortized under the current policy.
- Projected contribution rates determined for the June 30, 2016 valuations and shown in those reports, are provided in the charts as the dashed black line.
 - These projections do not reflect the actual investment return of 11.2% as it was not known at the time.

Current and Alternate Policies of:

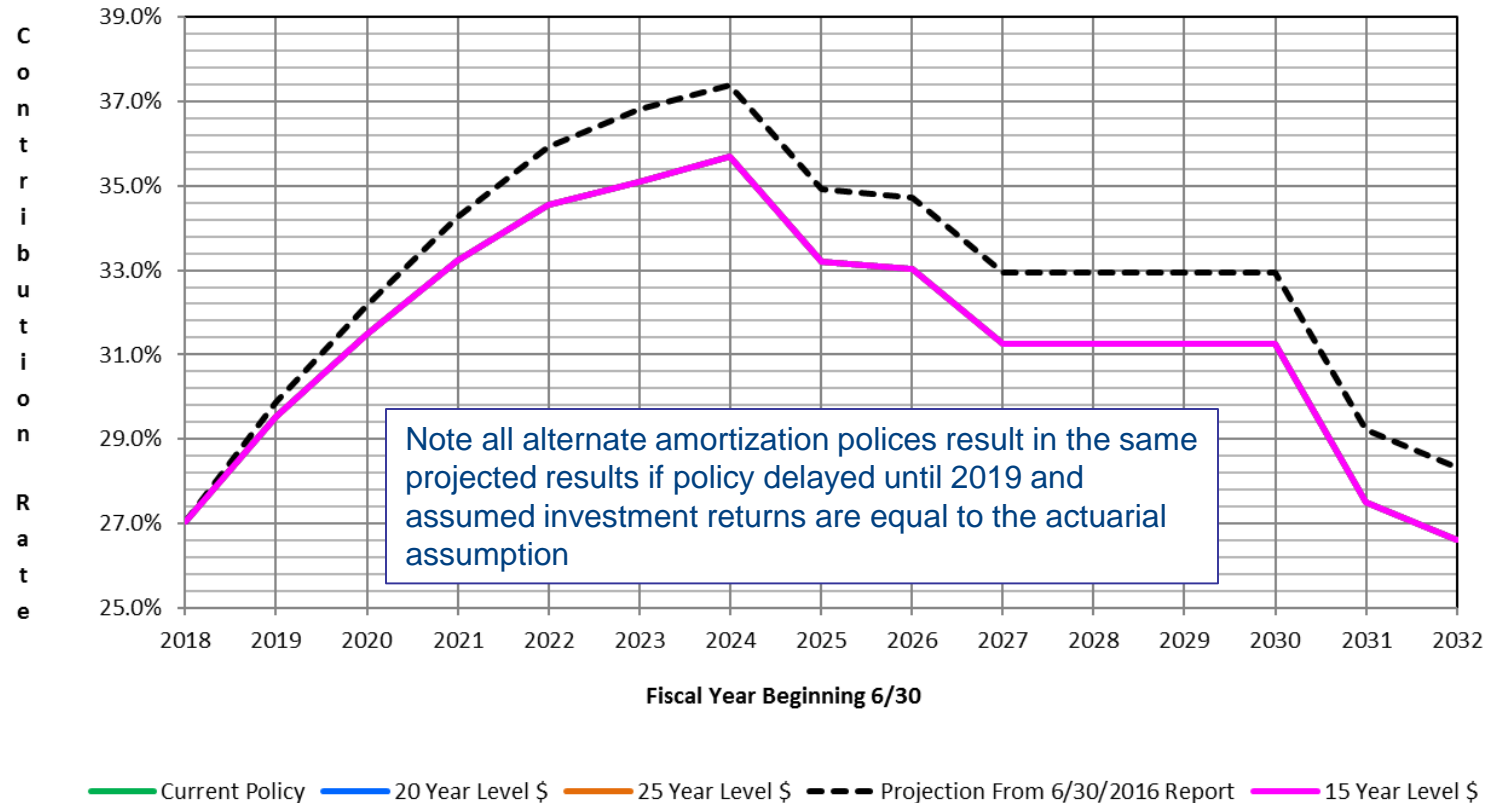
- 30 or 20-year level % (current)
- 15-year level \$
- 20 year level \$
- 25 year level \$

Assumed Investment Return Equal to
Actuarial Assumption

**Projected Employer Contribution Rates for Sample Plan
Assumed Investment Returns
2017-2018: 7.25%, 2018-2019: 7%, 2019-2020: 7%
Proposed Policy Applies to New Bases Beginning 2018**



**Projected Employer Contribution Rates for Sample Plan
Assumed Investment Returns
2017-2018: 7.25%, 2018-2019: 7%, 2019-2020: 7%
Proposed Policy Applies to New Bases Beginning 2019**

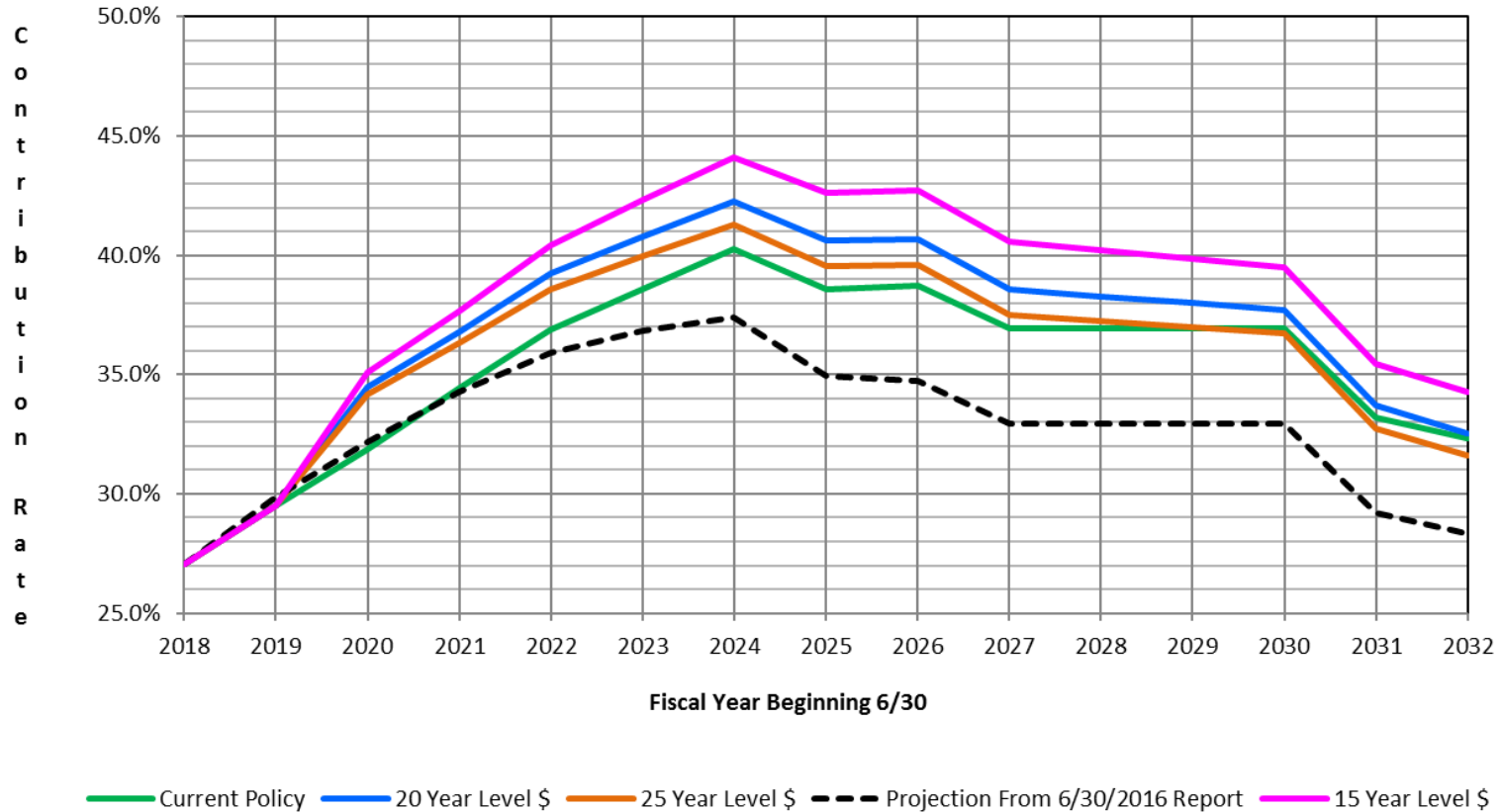


Current and Alternate Policies of:

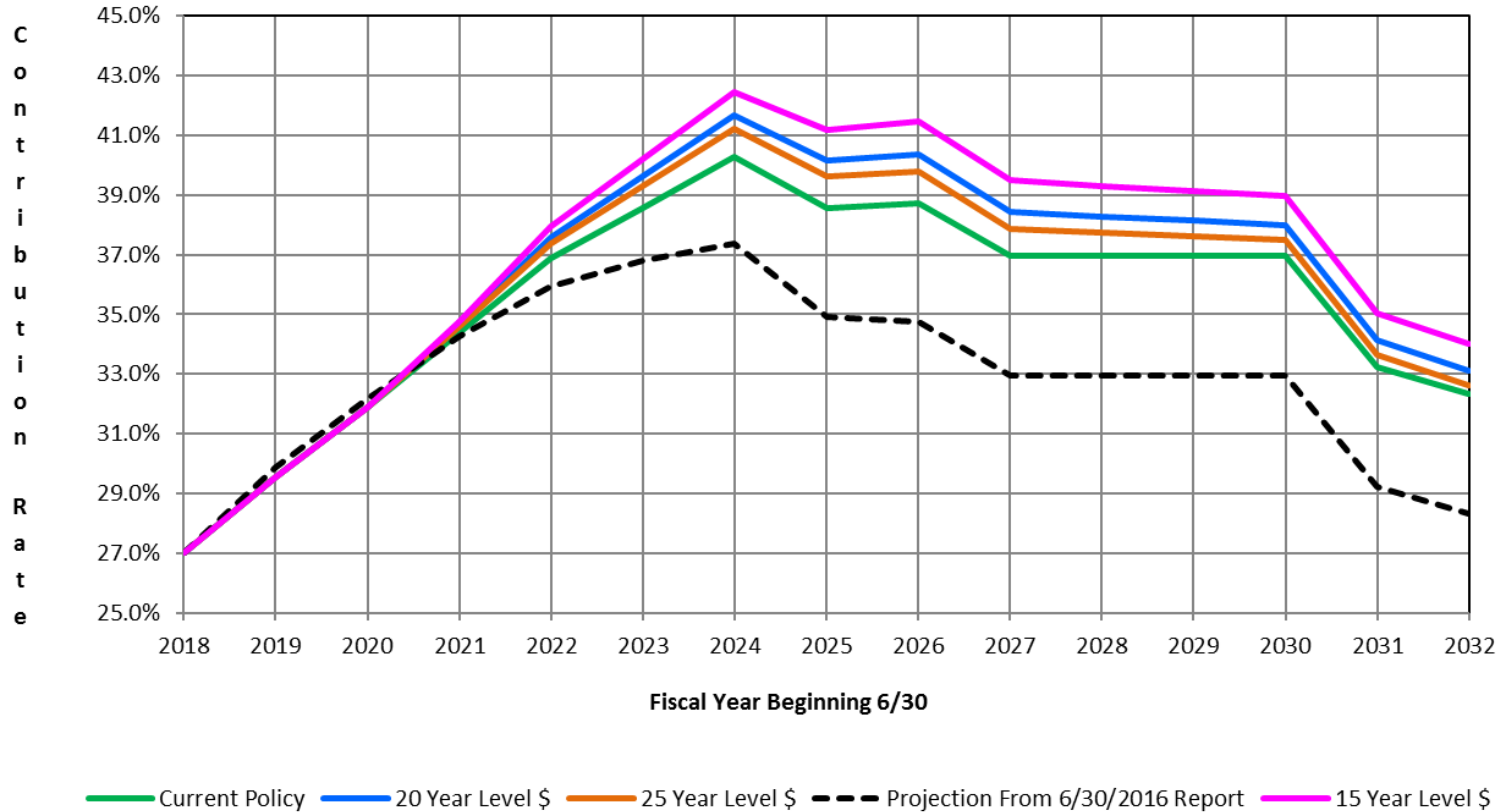
- 30 or 20-year level % (current)
- 15-year level \$
- 20 year level \$
- 25 year level \$

Assumed Investment Return Lower Than
Expected for Next Three Years

**Projected Employer Contribution Rates for Sample Plan
Assumed Investment Returns
2017-2018: 3%, 2018-2019: 3%, 2019-2020: 3%
Proposed Policy Applies to New Bases Beginning 2018**



**Projected Employer Contribution Rates for Sample Plan
Assumed Investment Returns
2017-2018: 3%, 2018-2019: 3%, 2019-2020: 3%
Proposed Policy Applies to New Bases Beginning 2019**

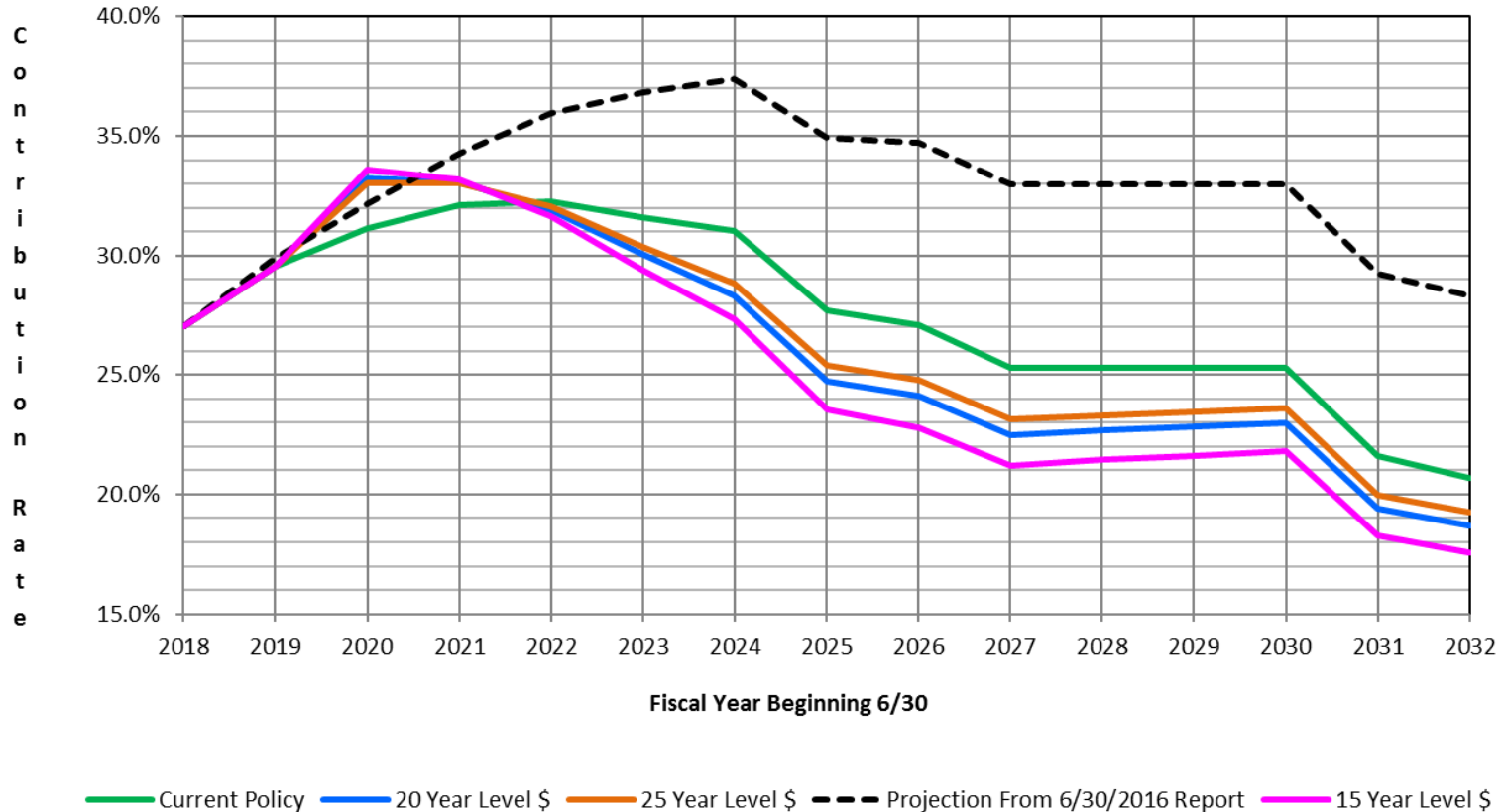


Current and Alternate Policies of:

- 30 or 20-year level % (current)
- 15-year level \$
- 20 year level \$
- 25 year level \$

Assumed Investment Return Higher Than
Expected for Next Three Years

**Projected Employer Contribution Rates for Sample Plan
Assumed Investment Returns
2017-2018: 11%, 2018-2019: 11%, 2019-2020: 11%
Proposed Policy Applies to New Bases Beginning 2018**



**Projected Employer Contribution Rates for Sample Plan
Assumed Investment Returns
2017-2018: 11%, 2018-2019: 11%, 2019-2020: 11%
Proposed Policy Applies to New Bases Beginning 2019**

