



California Public Employees' Retirement System

Executive Office

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The Honorable Gavin Newsom
Governor's Office
State Capitol
Sacramento, CA 95814

February 21, 2019

Subject: Judges' Retirement System Actuarial Valuation as of June 30, 2018

Dear Governor Newsom,

The Board of Administration (Board) of the California Public Employees' Retirement System (CalPERS), has accepted the June 30, 2018 Actuarial Valuation of the Judges' Retirement System (JRS).

As shown in the report, the market value of assets as of June 30, 2018 is \$44.5 million. Expected required contributions under the current pay-as-you-go funding approach being followed by the State for Fiscal Year 2019-20 is \$210.0 million. The System's present value of benefits as of June 30, 2018 is \$3.4 billion.

The Board has considered the System's funding deficiency to be a serious matter for many years. The CalPERS Board of Administration urges the Governor and the Legislature to consider implementing some form of advance funding of the Judges' Retirement System.

As in prior years, CalPERS staff will be happy to work with the Administration in establishing an advance-funding program that is both financially sound and meets the needs of the State.

Per Government Code 75109.5, we are pleased to file the 2018 Judges' Retirement System Actuarial Valuation as of June 30, 2018 with the Governor and the Legislature.

Sincerely,

Marcie Frost
Chief Executive Officer

Enclosure

cc: Ms. Erika Contreras
Secretary of the Senate

Ms. Diane F. Boyer-Vine
Legislative Counsel

Mr. E. Dotson Wilson
Chief Clerk of the Assembly