



**California Public Employees' Retirement System  
Executive Office**

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The Honorable Gavin Newsom  
Governor of the State of California  
State Capitol  
Sacramento, CA 95814

February 19, 2020

**Subject: Judges' Retirement System II Actuarial Valuation as of June 30, 2019**

Dear Governor Newsom,

The CalPERS Board of Administration has accepted the Judges' Retirement System II (JRSII) Actuarial Valuation report as of June 30, 2019.

The JRS II required employer contribution rate for fiscal Year 2020-21 is 24.40%. This compares with a rate of 24.964% for the previous fiscal year. The employee contribution rate for members subject to PEPPRA remains unchanged at 16% for fiscal year 2020-21. The June 30, 2019 funding deficit is \$10.8 million with a funded status of 99.4%. This compares with a funding deficit of \$22.8 million and a funded status of 98.5% for the previous fiscal year.

In the case of Robert M. Mallano, et al. v. John Chiang, Controller of the State of California (SCO), the Judges' Retirement System (JRS), and the Judges' Retirement System II (JRS II), the judge issued a Statement of Decision which orders judicial salary increases to be given to the judges for the FY 2008-09, FY 2009-10, FY 2010-11, FY 2013-14, FY 2014-15 and FY 2015-16 plus 10 percent interest per year for each year that the judicial salaries were not increased. Based on the increased judicial salaries, adjustments to the defined benefit and lump sum payments are currently being calculated and paid. Some of these adjustments have been made and are reflected in this valuation. It is anticipated that the remaining adjustments pursuant to this lawsuit will be reflected in the June 30, 2020 valuation.

We are pleased to file the Judges' Retirement System II Actuarial Valuation as of June 30, 2019.

Sincerely,

Marcie Frost  
Chief Executive Officer

Enclosure

cc:

Ms. Erika Contreras  
Secretary of the Senate

Ms. Diane F. Boyer-Vine  
Legislative Counsel

Ms. Sue Parker  
Chief Clerk of the Assembly