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Circular Letter

TO: SCHOOL EMPLOYERS AND INTERESTED PARTIES

SUBJECT: GASB NO. 27 ACCOUNTING AND DISCLOSURE INFORMATION FOR 2005

This Circular Letter is designed to assist you in preparation of the accounting information and footnote disclosure which may be required of School employers that participate in cost-sharing multiple-employer plans (cost-sharing employers) under Governmental Accounting Standards Board Statement Number 27 (GASB 27) for the fiscal year ending in 2005. During September 1998, the CalPERS Actuarial and Employer Services Division issued a detailed package for compliance under GASB 27 for School pool employers, which started with fiscal years beginning after June 15, 1997. It is expected that the reader has read and understands the information presented in the 1998 GASB 27 package. The 1998 GASB 27 package may be downloaded from the CalPERS Internet site. Go to www.CalPERS.ca.gov; click on For Employers; then click on Actuarial, Risk Pooling & GASB 27 Information; then click on Governmental Accounting Standards Board 27 Resources.

The material in this Circular Letter supplements the 1998 GASB 27 package information for School pool employers. It will be needed for preparing the accounting and disclosure information for the fiscal year ending on June 30, 2005.

Please note that the employer is already in receipt of all plan-specific information needed to produce the required GASB 27 information for June 30, 2005 financial statements. The Annual Required Contribution (ARC) rate for fiscal year 2004-2005 was 9.952%. Note: Section 17651 of the Revenue and Taxation Code provides for reimbursement of certain costs of legislatively mandated programs. These mandated benefits include (i) Unused Sick Leave Credit and (ii) Increased Death Benefits which are included in the current school employer contribution pool rate of 9.952%.

It is recommended that employers provide a copy of this Circular Letter to their auditors.

If you have any questions or require additional clarification, please contact CalPERS Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

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