



California Public Employees' Retirement System  
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## Actuarial

# Circular Letter

June 17, 2021

Circular Letter: 200-036-21

Distribution: VI

**To:** All Public Agency Employers  
**Subject:** Public Agency 1959 Survivor Monthly Premiums for Fiscal Year 2021-22

### Purpose

The purpose of this Circular Letter is to inform you of required premiums to be collected for fiscal year (FY) 2021-22. The CalPERS Board approved normal costs and required premiums for the 1959 Survivor Benefit Program on April 20, 2021. The 1959 Survivor Benefit Program is an employer contract provision that provides monthly benefits for eligible survivors of participating members who die while actively employed. This Circular Letter pertains only to those public agencies that contract for the 1959 Survivor Benefit Program.

### Billing for Employer Premiums

Employer invoices for FY 2021-22 will be posted to myCalPERS in June 2022 and will be based on the actual number of active member months.

Public agencies that contract for the 4th or Indexed Level are required to pay the employer normal cost for the first five years in the pool. Agencies that have remained at that level for more than five years are required to pay the employer premium. The difference between the employer normal cost and the employer premium is that the employer premium includes an amortization of the pool's unfunded liability/surplus.

### Payroll Reporting for Employee Premiums

Beginning with the payroll period that includes July 1, 2021, the required employee premium for the Indexed Level of benefits is \$2.35 per member, per month (or \$1.09 per bi-weekly pay period). The required employee premium for all other benefit levels continues to be \$2 per

member, per month (or \$0.93 per bi-weekly pay period). Share this information with those responsible for payroll reporting.

## Required Premiums

### FY 2021-22

The required employee and employer costs for FY 2021-22 are detailed in the chart below by the various benefit levels. The invoices for the annual employer cost for FY 2021-22 will be posted to myCalPERS in June 2022.

Level/Pool	Employee Premiums	Employer Cost Per Member Per Month	
		Employer Premium (if contracted on or before 7/1/16)	Employer Normal Cost (if contracted after 7/1/16)
1st	\$2.00	None	N/A
2nd	\$2.00	None	N/A
3rd	\$2.00	None	N/A
4th	\$2.00	\$4.70	\$5.40
Indexed	\$2.35	\$2.35	\$6.45

### FY 2020-21

The required employee and employer costs for FY 2020-21 are detailed in the chart below, by the various benefit levels. The invoices for the annual employer cost for FY 2020-21 will be posted to myCalPERS in June 2021.

Level/Pool	Employee Premiums	Employer Cost Per Member Per Month	
		Employer Premium (if contracted on or before 7/1/15)	Employer Normal Cost (if contracted after 7/1/15)
1st	\$2.00	None	N/A
2nd	\$2.00	None	N/A
3rd	\$2.00	None	N/A
4th	\$2.00	\$5.20	\$5.60
Indexed	\$2.40	\$2.40	\$6.20

## Funded Status

Required premiums vary annually due to investment returns and mortality gains and losses experienced by the pools. A good indicator of the potential for changes in the required premiums is the funding status of the pools. Currently all pools are funded at more than 100%. As the funded ratio declines it is more likely the pool will require employer premiums.

The funded ratio of the pools based on market value of assets as of the valuation date are detailed below:

Level/Pool	2020	2019	2018
1st	1,965.1%	1,827.6%	1,793.8%
2nd	556.6%	506.2%	506.7%
3rd	414.3%	396.9%	395.7%
4th	107.0%	105.3%	107.0%
Indexed	138.4%	134.7%	128.0%

## Payable Monthly Benefit

The monthly benefit payable to survivors in the Indexed Level increases by 2% each calendar year. Shown below are the benefits payable for 2021 and 2022.

Indexed Level	1 Survivor	2 Survivors	3 or More Survivors
Monthly Benefit Payable 2021	\$758	\$1,516	\$2,274
Monthly Benefit Payable 2022	\$773	\$1,546	\$2,319

For information about other benefit levels visit the [1959 Survivor Benefit Program](#) page on the CalPERS website.

## Accessing the Valuation Report

View the [1959 Survivor Benefit Program 2020 Actuarial Valuation \(PDF\)](#) on the CalPERS website.

## Questions

If you have any questions, call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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