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## Actuarial Circular Letter

January 14, 2022

Circular Letter: 200-014-22

Distribution: IV, V, VI, X, XII, XVI

**To: All CalPERS Employers**  
**Subject: Pension Outlook - New Asset Liability Management Assumptions Features Now Available**

### Purpose

The purpose of this Circular Letter is to inform you that actuarial assumptions for the June 30, 2021 actuarial valuations adopted by the CalPERS Board of Administration on November 17, 2021 are now reflected in Pension Outlook.

### Background

Pension Outlook is an informational tool for you to plan and budget pension costs into the future. The tool provides an opportunity to see pension plan cost drivers by using various financial and investment scenarios. In September 2021, Pension Outlook was updated with the current June 30, 2020 valuation reports which set the public agency employer contribution rates for fiscal year (FY) 2022-23 and the rates for state and school employers for FY 2021-22. At the conclusion of the 2021 Asset Liability Management (ALM) process, the board voted to keep the discount rate at 6.8% and selected a new asset allocation for the fund's investment portfolio for the next four years. Additionally, new economic and demographic actuarial assumptions were adopted by the board. These new assumptions will impact employer contribution rates for public agency employers in FY 2023-24 and state and school employers in FY 2022-23.

## New Features

New features added to the Pension Outlook tool in this release include:

- A check box labeled, **Use ALM Assumptions**: This feature allows you the option to estimate the impacts to your plan's rates due to the new actuarial assumptions.
- Updated random investment scenarios: The Random Scenario Feature has also been updated to reflect the newly adopted investment asset allocation.

You will find instructions for how to use the new features on page 22 of the user manual.

## Access Pension Outlook

Access [Pension Outlook Overview](#) from the CalPERS website and follow the instructions to register and [log in](#). You can also view the [Pension Outlook User Manual \(PDF, 2.9 MB\)](#) to learn more.

Pension Outlook will give you pension projection capabilities, but it does not take the place of a qualified actuary. Before relying on the output of this tool for any significant decisions, consult with your CalPERS actuary.

## Questions

Call your CalPERS actuary to learn more or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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