12/13

# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

California Public Employees' Retirement System
A Component Unit of the State of California

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# Comprehensive Annual Financial Report

## Fiscal Year Ended June 30, 2013

Prepared by the Financial Office, the Investment Office, the Actuarial Office, the Office of Enterprise Risk Management, the Office of Public Affairs, and several additional divisions and branches of the California Public Employees' Retirement System.

Available online at **www.calpers.ca.gov**

California Public Employees' Retirement System
A Component Unit of the State of California

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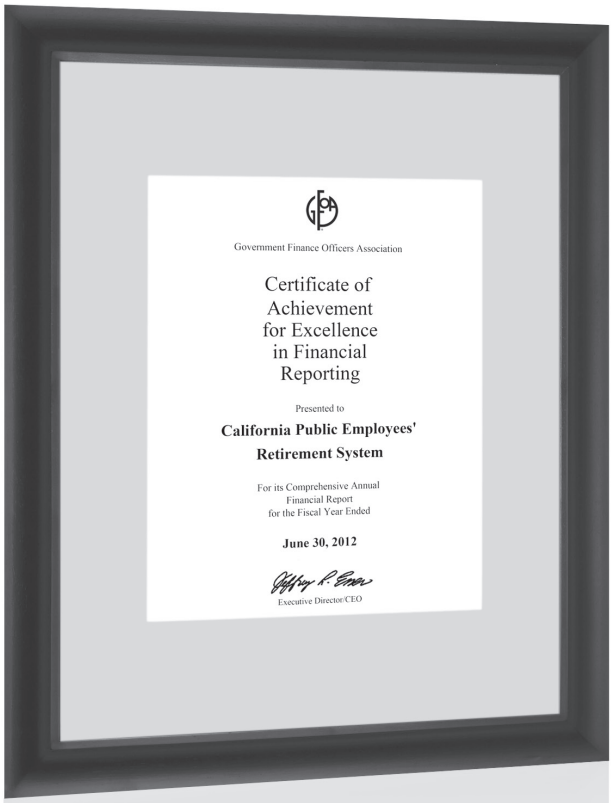
# Professional Awards



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**California Public Employees' Retirement System**

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

## CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the 17th consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements.

Public Pension Coordinating Council

***Public Pension Standards Award For Funding and Administration 2013***

Presented to

***California Public Employees' Retirement System***

In recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Alan H. Winkle
Program Administrator

## PUBLIC PENSION STANDARDS AWARD

The Public Pension Coordinating Council (PPCC) awarded a Public Pension Standards Award for Funding and Administration to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. This is the eleventh consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

# Chief Executive Officer's Letter of Transmittal

Anne Stausboll
*Chief Executive Officer*

December 31, 2013

**Members of the**
**CalPERS Board of Administration:**

I am pleased to present the CalPERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. The 2012-13 Fiscal Year was highlighted by growth and progress on many important strategic initiatives and objectives.

CalPERS investments rebounded with a solid net return of 13.2 percent in the 2012-13 Fiscal Year, which is well above our long-term annual average assumption of 7.5 percent. Our 20-year average annual return is 7.6 percent, and our 30-year average is 9.4 percent.

As of June 30, 2013, net position for the Public Employees' Retirement Fund (PERF) was $262 billion, a gain of $25 billion over the previous 12 months.

While the past year's healthy investment performance was encouraging, we remain focused on ensuring the long-term sustainability of CalPERS pension benefits. With that in mind, we established the Asset Liability Management (ALM) framework—an integrated, holistic approach to aligning the long-term growth of pension assets and liabilities.

The ALM process began in 2012 when we lowered the discount rate from 7.75 percent to 7.5 percent. Throughout 2012 and 2013 we conducted various workshops and briefings to further develop our ALM function and strengthen the System. In 2013, we shortened the smoothing and amortization periods for asset gains and losses. Over the past fiscal year, the CalPERS staff and Board of Administration began a systematic, comprehensive review of our investment asset allocation, as well as our economic and demographic actuarial assumptions.

As part of this work, we developed a set of investment beliefs that will guide the long-term strategic management of the CalPERS investment portfolio—all with the goal of enhancing the sustainability of CalPERS pensions.

In the health benefits arena, we took a leadership role at the national level by advocating for market reforms and better, more cost-effective medical services. We continue to promote the long-term health benefits of wellness and disease management programs along with access to high-quality physician and hospital networks.

We expanded our value-based pricing program that establishes reasonable threshold prices for certain medical procedures, such as knee and hip replacements. The majority of CalPERS members now choose hospitals that offer services through more economical

cost structures. More and more hospitals are beginning to reduce their prices for services in order to attract patients. Our value-based pricing initiative has saved California taxpayers $6 million and CalPERS members $600,000 in copays and other costs during the past two years.

We added four new HMO providers to our health benefits program to provide greater plan choices for our members and to promote competition among health plans, with the goal of keeping health benefits affordable.

We were also able to moderate the increase in health-care costs. Premium rates for CalPERS health plans in 2014 will, on average, increase just 3 percent higher than the prior year when rates increased by 9.6 percent. This is the smallest annual average rate increase in 15 years.

The environment for pensions also saw changes. The past fiscal year produced a landmark pension reform law in California called the Public Employees' Pension Reform Act (PEPRA), which went into effect on January 1, 2013. The reforms apply to nearly all California public employee pension systems, including CalPERS, and generally apply to public employees hired on January 1, 2013, or later, but not to public employees hired before the effective date.

In general, new employees will receive lower pension benefits and will have to work longer to earn their benefits. All workers will eventually have to pay half of the normal cost of their benefits. Our actuaries estimate the reforms will save California taxpayers between $42 billion and $55 billion over 30 years for CalPERS plans alone.

CalPERS began planning for implementation as soon as PEPRA was signed into law in September 2012. Over the past year, we worked closely with the State Legislature and stakeholder groups to clarify ambiguities and inconsistencies in the new law. Our staff updated many of our administrative processes, member publications and significant sections of our website, incorporating the reforms.

***CalPERS investments rebounded with a solid net return of 13.2 percent in the 2012-13 Fiscal Year, which is well above our long-term annual average assumption of 7.5 percent.***

Municipal bankruptcies emerged as a critical issue during the past fiscal year with the bankruptcies of two California cities, Stockton and San Bernardino. With the additional bankruptcy of Detroit, the question of whether cities can alter pension promises to their employees and retirees in bankruptcy became a national topic. CalPERS intends to fulfill our fiduciary obligation to act in the interest of our members to protect the pensions that have been promised and to champion our members and their families.

CalPERS continued our strong focus on risk management over the past year. As a part of that effort we filled the newly created positions of Chief Financial Officer and Chief of the Office of Enterprise Risk Management.

Our robust risk management program includes risk management training for staff; risk assessments of our business operations, benefit program administration, information technology systems, and investment programs; and developing policies and procedures for enterprise-wide risk mitigation.

In the customer service area, we expanded our my|CalPERS system, giving members the capability to apply for retirement and change health plans online during the annual open enrollment period.

For employers, we launched our Employer Response Team. While routine business will still be handled by our Customer Contact Center, the Employer Response Team will provide a higher level of service to employers who need assistance to address time-sensitive, complex, and priority cases.

## Management Responsibility for Financial Reporting

CalPERS management prepared the financial statements in this CAFR for the 2012-13 Fiscal Year. Management is responsible for the integrity and fairness of the information presented, including data that, out of necessity, is based on estimates and judgments. The accounting policies used to prepare these financial statements conform to accounting principles generally accepted in the United States. Financial information presented throughout this annual report is consistent with these accounting principles.

CalPERS maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. In addition, our audit personnel provide a continuing review of the internal controls and operations of CalPERS, and the Chief of the Office of Audit Services regularly reports to the CalPERS Board of Administration's Risk and Audit Committee. The Committee reviews the audit findings and recommendations for improvements in internal control and operational efficiency, and it reviews the actions of management to implement such recommendations.

Our independent external auditors, Macias Gini & O'Connell, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States, performing such tests and other procedures as they deem necessary to express opinions on the basic financial statements in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and the adequacy of internal control systems.

## Accounting System and Reports

Management is responsible for establishing and maintaining an internal control structure designed to ensure that CalPERS assets are protected from loss, theft or misuse, and that income is appropriately distributed. Responsibility for the accuracy, completeness and fair presentation of the information, and all disclosures, rests with CalPERS. The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The basic financial statements are presented in accordance with the guidelines of the Governmental Accounting Standards Board (GASB), including standards established by GASB Statement No. 25, *Financial Reporting for Defined Benefit Plans*; GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; GASB Statement No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*; and other GASB statements as appropriate. GASB Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A).

This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The CalPERS MD&A can be found immediately following the report of the independent auditors.

## Funding

CalPERS is making good progress recovering from the financial crisis of 2008-09 and Great Recession. The Public Employees' Retirement Fund (PERF) is the main trust fund from which nearly all CalPERS retirement benefits are paid. As of June 30, 2013, the PERF was approximately 74 percent funded. We are continuing efforts to enhance the funded ratio. The Required Supplemental Schedules to the Basic Financial Statements and the Actuarial Section contain a summary of CalPERS unfunded actuarial accrued liabilities.

***Our members inspire us and give our work purpose. At CalPERS, we are very proud to serve those who serve California today, and for generations to come.***

**In Closing**

Nearly 1.7 million CalPERS members and their families rely on CalPERS for their financial security. We understand our role as fiduciaries to act in the interest of our members and to deliver on the promises made by their employers. We discharge our duties every day with care and dedication. Our members inspire us and give our work purpose. At CalPERS, we are very proud to serve those who serve California today, and for generations to come.

Anne Stausboll
*Chief Executive Officer*

# About CalPERS

The California Public Employees' Retirement System (CalPERS) is the nation's largest public pension fund with total net position in the PERF of $262.0 billion as of June 30, 2013.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million members and 3,089 school and public employers. The System also operates eight Regional Offices located in Fresno, Glendale, Orange, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek.

Led by a 13-member Board of Administration, consisting of member-elected, appointed, and ex officio members; CalPERS membership consists of 1,104,237 active and inactive members and 574,759 retirees, beneficiaries and survivors. Active death benefits are paid as a result of a member death prior to retirement from State, school, and public agencies.

Established by legislation in 1931, the System became operational in 1932 for the purpose of providing a secure retirement to State employees. In 1939, new legislation allowed public agency and classified school employees to join the System for retirement benefits. CalPERS began administering health benefits for State employees in 1962, and five years later, public agencies joined the Health Program on a contract basis.

A defined benefit retirement plan, CalPERS provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death. Today CalPERS offers additional programs, including long-term care coverage, a deferred compensation retirement savings plan, and member education services.

## OUR VISION

A trusted leader respected by our members and stakeholders for our integrity, innovation, and service.

## MISSION

Provide responsible and efficient stewardship of the system to deliver promised retirement and health benefits while promoting wellness and retirement security for members and beneficiaries.

## CORE VALUES AND GUIDING BEHAVIORS

### Quality

- Strives to exceed customers' needs and expectations through competence, innovation and teamwork
- Proactively explores policy and product opportunities to better serve our customers
- Seek to "do it right" the first time
- Considers, understands and manages risk

### Respect

- Treats every person with kindness and humility
- Values and recognizes every individual for their unique skills, talents and contributions
- Stays present in the moment and actively listens to understand others
- Is courteous, responsive and professional

### Accountability

- Takes ownership of, and responsibility for, actions, risks and results and uses outcomes as learning opportunities
- Makes sound decisions from experience, good judgment and collaboration
- Gives and seeks clear expectations
- Finds solutions that contribute to desired results

### Integrity

- Acts in all endeavors with an ethical, honest mindset and in a professional manner
- Honors commitments, keeps promises and builds trust
- Is truthful in all actions and communications

### Openness

- Approaches every situation with good intentions
- Is receptive to new and diverse ideas
- Listens, cooperates and shares across the organization
- Encourages a trusting environment by being genuine and transparent in our actions and communications

### Balance

- Supports a healthy personal and professional balance
- Maintains focus on long-term goals while meeting short-term needs
- Embraces opportunities for personal and professional development
- Supports an environment that is optimistic and enjoyable in which relationships can prosper across our organization and communities

## GOALS AND OBJECTIVES

### Goal A: Improve long-term pension and health benefit sustainability

- Fund the system through an integrated view of pension assets and liabilities
- Educate employers and other stakeholders to make informed decisions about retirement security and health care
- Deliver target risk-adjusted investment returns
- Ensure high-quality, accessible, and affordable health benefits
- Create a lifestyle of wellness among members and employers

### Goal B: Cultivate a high-performing, risk-intelligent, and innovative organization

- Use a focused approach to generate, test, refine, and implement new ideas
- Deliver superior end-to-end customer service that is adaptive to customer needs
- Recruit, retain, develop, and empower a broad range of talents against organizational priorities
- Actively manage business risks with an enterprise-wide view

### Goal C: Engage in state and national policy development to enhance the long-term sustainability and effectiveness of our programs

- Clarify and communicate CalPERS perspective on pension, health, and financial markets
- Provide education and engagement opportunities to shape policy agenda and expand impact

# Board of Administration

**Rob Feckner,** President
School Member Representative
Glazing Specialist
Napa Valley Unified School District
*Term Ends: January 15, 2015*

**George Diehr,** Vice President
State Member Representative
Professor, CSU San Marcos
*Term Ends: January 15, 2015*

**Michael Bilbrey**
All Member Representative
Bookstore Operations Coordinator
Citrus Community College, Glendora
*Term Ends: January 15, 2018*

**Julie Chapman**
Director
California Department of Human Resources
Ex Officio Member

**John Chiang**
State Controller
Ex Officio Member

**Richard Costigan**
State Personnel Board Member
Ex Officio Member

**JJ Jelincic**
All Member Representative
Investment Officer III
CalPERS
*Term Ends: January 15, 2018*

**Henry Jones**
Retired Member Representative
Retired, Chief Financial Officer
Los Angeles Unified School District
*Term Ends: January 15, 2016*

**Ron Lind**
Public Representative[2]
President/International Vice-President
United Food & Commercial Workers Local 5
*Term Ends: January 12, 2016*

**Bill Lockyer**
State Treasurer
Ex Officio Member

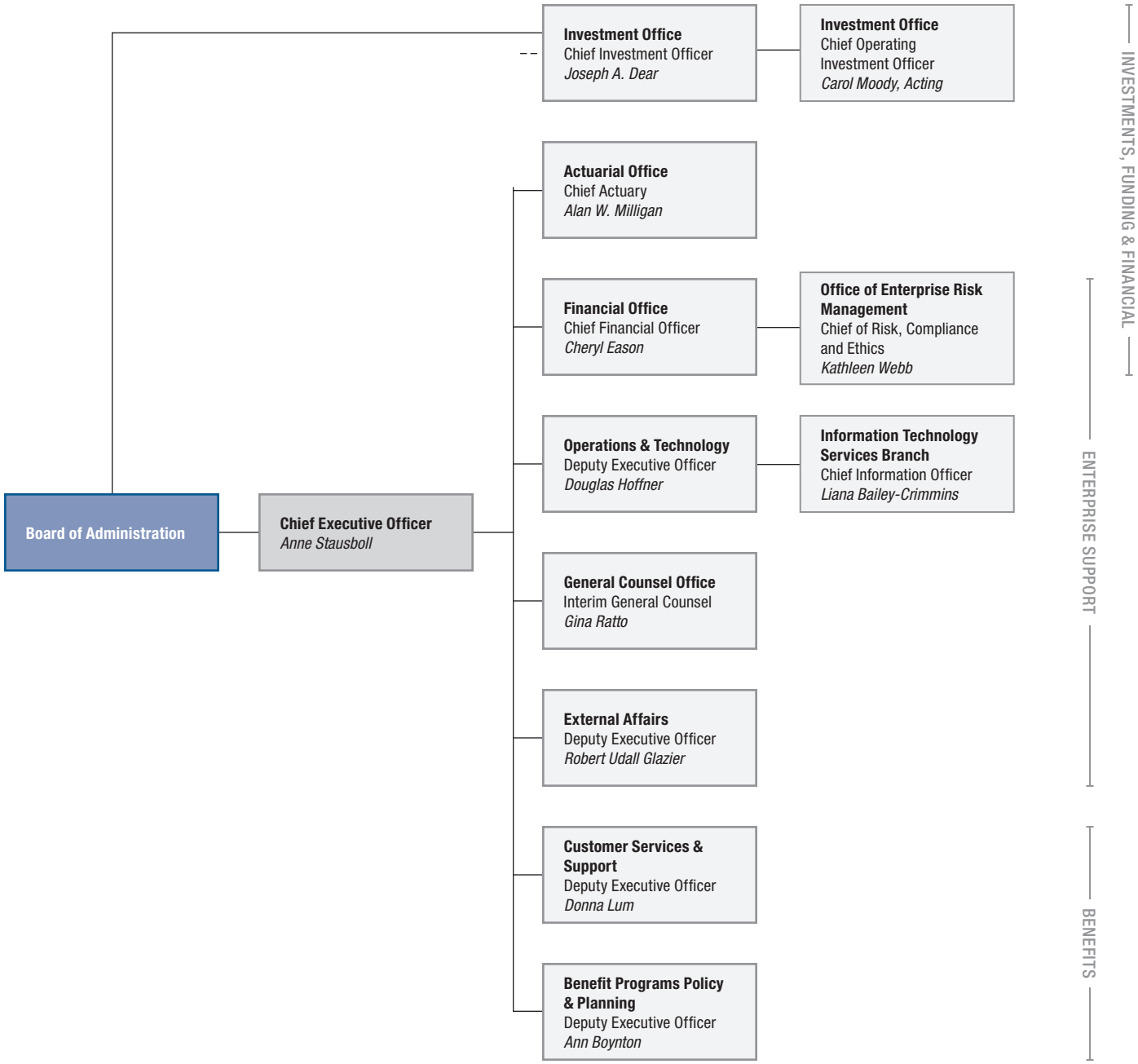
**Priya Mathur**
Public Agency Representative
Principal Financial Analyst, Bay Area Rapid Transit
*Term Ends: January 15, 2015*

**Bill Slaton**
Elected Official of Local Government[1]
President, Board of Directors
Sacramento Municipal Utility District
*Term Ends: January 15, 2015*

**Vacant**
Insurance Industry Representative[1]

[1] Governor appointee
[2] Appointed jointly by the Speaker of the Assembly and the Senate Rules Committee

# Organizational Chart — Executive Staff



# Organizational Chart — Expanded

**Investment Office**[1]
Chief Investment Officer
*Joseph A. Dear*

- **Investment Office**
  Chief Operating Investment Officer
  *Carol Moody, Acting*
  - Affiliate Investment Programs Division
  - Global Governance
  - Investment Compliance & Operational Risk
  - Investment Policy & Business Services Division
  - Investment Servicing Division
- Absolute Return Strategies
- Asset Allocation & Risk Management
- Global Equity
- Global Fixed Income
- Private Equity
- Real Assets

**Actuarial Office**
Chief Actuary
*Alan W. Milligan*

- Actuarial Office

**Financial Office**
Chief Financial Officer
*Cheryl Eason*

- **Office of Enterprise Risk Management**
  Chief of Risk, Compliance and Ethics
  *Kathleen Webb*
  - Enterprise Compliance Division
  - Enterprise Risk Management Division
- Fiscal Services Division
- Rapid Response & Management Services

**Operations & Technology**
Deputy Executive Officer
*Douglas Hoffner*

- **Information Technology Services Branch**
  Chief Information Officer
  *Liana Bailey-Crimmins*
  - Business Application Infrastructure Services
  - Customer Technology & Support Division
  - Data Center Management Division
  - Enterprise Solutions Development Division
  - IT Performance & Accountability Division
  - Technology Innovation & Strategic Services Division
- CalPERS Diversity Outreach Program
- Enterprise Strategy & Performance Division
- Human Resources Division
- Operations Support Services Division

INVESTMENTS, FUNDING & FINANCIAL

ENTERPRISE SUPPORT

**General Counsel Office**
Interim General Counsel
*Gina Ratto*

- Investigations Unit
- Legal Office
- Office of Audit Services

**External Affairs**
Deputy Executive Officer
*Robert Udall Glazier*

- Office of Governmental Affairs
- Office of Public Affairs
- Stakeholder Relations

**Customer Services & Support**
Deputy Executive Officer
*Donna Lum*

- Affiliate Program Services Division
- Benefit Services Division
- Customer Account Services Division
- Customer Service & Outreach Division

**Benefit Programs Policy & Planning**
Deputy Executive Officer
*Ann Boynton*

- Center for Innovation
- Health Plan Administration Division
- Health Policy Research Division
- Policy & Administration Services Division
- Retirement Research & Planning Division

ENTERPRISE SUPPORT

BENEFITS

# Consultant & Professional Services

| Individual or Firm |
| --- |
| 22nd Century Technologies, Inc. |
| Accenture, LLP |
| ACS Learning Services |
| ADSI, Inc. |
| Advanced Systems Group, LLC |
| Ambire Consulting, Inc. |
| Anthem Blue Cross |
| ATV Video Center, Inc. |
| Ballard Group, The |
| Base 3 Consulting |
| Belmonte Enterprises, LLC |
| Blackstone Technology Group |
| Booz Allen Hamilton, Inc. |
| Business Advantage Consulting |
| California Department of Health Care Services |
| Capio Group |
| Capital Technology Associates |
| Chisoft Consultant Services, LLC |
| Compliance 11, Inc. |
| Cornerstone Fitness, Inc. |
| CVS Caremark |
| Dee Hansford Consulting |
| Delegata |
| Department of General Services/RR Donnelly |
| Department of Human Resources |
| Department of Justice |
| Diamond Marketing Solutions |
| Dolamont Consulting, Inc. |
| Downey, Brand, Seymour & Rohwer, LLP |
| DSS Research, Inc. |
| Eagle Management Group |
| Eaton Interpreting Services |
| Enclipse Corporation |
| Enterprise Networking Solutions |
| Equanim Technologies |
| Experis IT Services US, LLC |
| Ferenczy & Paul, LLP |
| Gordon & Silver, LLP |
| GovernmentJobs.com, Inc. |
| Group One Consultants, Inc. |
| H&B Joint Venture |
| Hewitt Consulting |
| Hewlett Packard |
| Highlands Consulting Group |
| HP Enterprise Services, LLC |
| Information Technology Software Professional |
| Informatix, Inc. |
| ING U.S. |
| Innovative Software Technologies, Inc. |
| J & K Court Reporting, LLC |
| J. A. Frasca and Associates |
| Jay Gaines & Company, Inc. |
| JLynnconsulting, Inc. |
| K & L Gates, LLP |

| Individual or Firm |
| --- |
| Katrina Kennedy Training |
| Kearnford Application Systems Design |
| Kenera Consulting, Inc. |
| Kiefer Consulting, Inc. |
| Knowledge Structures, Inc. |
| Kong Consulting, Inc. |
| KPMG, LLP |
| Landor |
| LCS Technologies, Inc. |
| Lincoln Crow, LLC |
| Linsonic, LLC |
| Lussier, Vienna, Gregor & Associates |
| M Corp |
| Macias Gini & O'Connell, LLP |
| Maximus Federal Services, Inc. |
| McKinsey & Company, Inc. |
| McLagan Partners, Inc. |
| Mellon Bank |
| Mercer Health And Benefits |
| Metavista Consulting Group |
| Mindstorm |
| Modis, Inc. |
| Monarch Enterprises, Inc. |
| Moore Wallace North America, Inc. |
| Netresult, LLC |
| North Highland Company |
| Nossaman, Guther, Knox & Elliott |
| Online Video Service, Inc. |
| Pacific Business Group on Health |
| Pasanna Consulting Group, LLC |
| Patient Centered Outcomes Research Institute Trust |
| Performance Technology Partners, LLC |
| Pillsbury Winthrop Shaw Pittman, LLP |
| Princeton Solutions Group, Inc. |
| Propoint Technology, Inc |
| Pyramid Technical Consultants, LLC |
| R & G Associates |
| Reed Smith, LLP |
| Regents of the University of California |
| Rosenberg & Kaplan, A Law Corporation |
| Saba Software, Inc. |
| Safeguard Web and Graphics |
| Sage 2.0 |
| Sall Law Firm |
| SAS International, Inc. |
| Shah & Associates, LLP |
| Shaw Valenza, LLP |
| Shooting Star Solutions, LLC |
| Sign Language Interpreting Service Agency |
| Softsol Resources, Inc. |
| Softsol Technologies, Inc. |
| Sophus Consulting |
| SRI Infotech, Inc. |
| Staff Tech, Inc. |

## Consultant & Professional Services (continued)

| Individual or Firm |
| --- |
| Stanfield Systems, Inc. |
| State Controller's Office |
| Steptoe & Johnson, LLP |
| Stoel Rives, LLP |
| T5 Consulting |
| Take 1 Productions |
| Technisource, Inc. |
| Technology Crest Corporation |
| Trinity Technology Group, Inc. |
| Truven Health Analytics, Inc. |
| Two Shea Consulting, Inc. |
| United Health Services |
| University of California, San Franscisco |
| University of California, Berkeley |
| Univita |
| Unleashing Leaders, Inc. |
| Vantage Consulting Group, Inc. |
| Vanwrite |
| Veaco Group |
| Viaspire |
| Virtcom Consulting |
| Visionary Integration, LLC (VIP) |
| Zuber Lawler & Del Duca, LLP |
| Various |

**Note:**

[1] Additional information regarding investment professionals who provide services to the System can be found in the Investment Section.

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# Financial Section


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MGO Certified Public Accountants.

3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

Walnut Creek

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

## INDEPENDENT AUDITOR'S REPORT

To the Board of Administration
California Public Employees' Retirement System
Sacramento, California

We have audited the accompanying financial statements of the fiduciary activities and the proprietary activities of the California Public Employees' Retirement System (the System), a component unit of the State of California, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary activities and proprietary activities of the California Public Employees' Retirement System as of June 30, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

**Emphasis of Matters**

As discussed in Note 5 to the basic financial statements, actuarial data presented for the California Employers' Retirement Benefit Trust Fund was derived from actuarial valuations performed by actuarial firms engaged by participating employers. Actuarial valuations were based on the System's OPEB Assumption Model, which was revised in August 2012.

As discussed in Note 5 to the basic financial statements, actual contributions made by the State of California (State) to the closed Judges' Retirement Fund are made pursuant to State statute and were significantly less than the actuarially determined annual required contributions. State contributions were used to fund benefit payments of the current period. As such, the Judges' Retirement Fund does not retain the accumulated contributions of active members. Without the State contributions, the Judges' Retirement Fund will not be able to pay accumulated benefit payments due in fiscal year 2014. Management and legal counsel believe the State is legally required to provide the required contributions to fund the benefits.

As discussed in Note 8 to the basic financial statements, the determination of the estimated liability for future policy benefits of the Public Employees' Long-Term Care Fund is very sensitive to the underlying actuarial assumptions, including a discount rate of 5.75 percent, morbidity, and voluntary termination.

As discussed in Note 9 to the basic financial statements, based on the most recent actuarial valuations of the Public Employees' Retirement Fund and the California Employers' Retiree Benefit Trust Fund as of June 30, 2012, the actuarial accrued liability exceeded the actuarial value of assets by $57.4 billion and $15.5 billion, respectively.

Our opinions are not modified with respect to these matters.

**Other Matters**

*Prior-Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's financial statements for the fiscal year ended June 30, 2012, from which such partial information was derived.

We have previously audited the System's 2012 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the fiduciary activities and the proprietary activities in our report dated December 17, 2012. In our opinion, the partial comparative information presented herein as of and for the fiscal year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedules of Funding Progress, the Schedules of Employer Contributions and the Schedule of Claims Development Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Sacramento, California
December 6, 2013

# Management's Discussion & Analysis (Unaudited)

## INTRODUCTION

This section presents Management's Discussion and Analysis of the California Public Employees' Retirement System's (CalPERS or the System) financial performance during the fiscal year ended June 30, 2013. It is a narrative overview and analysis that we present in conjunction with the Chief Executive Officer's Letter of Transmittal, included in the Introductory Section of this Comprehensive Annual Financial Report. It should also be read in conjunction with the Basic Financial Statements of CalPERS, as presented in this report.

In addition to historical information, the Management's Discussion and Analysis includes certain forward-looking statements, which involve certain risks and uncertainties. CalPERS actual results, performance, and achievements may differ from the results, performance, and achievements expressed or implied in such forward-looking statements, due to a wide range of factors, including changes in interest rates, changes in the securities markets, general economic conditions, and legislative changes, as well as other factors.

CalPERS is primarily responsible for administering retirement and health benefits. CalPERS also administers long-term care benefits, a post-employment benefit fund for retiree health and supplemental retirement savings plans.

CalPERS comprises a total of 13 funds, including 8 trust funds, 2 agency funds and 3 proprietary funds, for which the CalPERS Board of Administration exercises fiduciary responsibility to protect participants' assets. These include the Public Employees' Retirement Fund (PERF), Legislators' Retirement Fund (LRF), Judges' Retirement Fund (JRF), Judges' Retirement Fund II (JRF II), State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), Public Agency Deferred Compensation Plan (IRC 457), Supplemental Contributions Program Fund (SCPF), the California Employers' Retiree Benefit Trust Fund (CERBTF), Public Employees' Contingency Reserve Fund (CRF Agency Fund Type) and Replacement Benefit Fund (RBF). The CalPERS Board also administers three business oriented proprietary funds. These are the Public Employees' Health Care Fund (HCF), Public Employees' Contingency Reserve Fund (CRF), and the Public Employees' Long-Term Care Fund (LTCF).

## FINANCIAL HIGHLIGHTS

### Fiduciary Trust Funds

The following events during the fiscal year have an impact on CalPERS operations:

- Nominal gross domestic product (GDP) growth this year has slipped to just 3.0 percent versus a 25 year average of 5.0 percent. Positive economic indicators include signs of growth in jobs and personal income; gains in consumer sentiment; a surge of business expenditures for capital goods in the second quarter of 2013; strength in home and car sales; and improved delivery of central banks. Most measures of US inflation are in the low 1.0 percent range. Some negative economic indicators include the growth of real GDP (less inflation) by only 1.4 percent; the softening of retail sales in June and the peaking of housing starts in March; the falling of mortgage refinancing as interest rates rose; the slowing of credit growth to roughly 3.0 percent; and the impact of furloughs on the personal income of government workers.
- Annual investment rate of return of 13.2 percent outperformed the strategic benchmark by 1.35 percent, contributing $30.3 billion to the PERF. Equity assets, public 19.0 percent and private 18.2 percent, were strong performers. Income assets lost 1.6 percent in a low interest rate environment with rising yields in the second quarter of 2013.
- CalPERS annual investment rate of return of 13.2 percent exceeded the actuarial assumed earnings rate of 7.5 percent. In order to help employers understand the risk, CalPERS is now providing an investment return scenario analysis in all of its annual actuarial valuation reports.
- JRF II earned 12.1 percent and LRF earned 5.7 percent. JRF I is actuarially underfunded and benefits are financed on a pay-as-you-go basis resulting in little opportunity for a long-term risk adjusted investment strategy.
- CERBTF employers can choose one of three different strategies, each one with a distinctly different long-term expected rate of return and return volatility.

- The SPOFF, an employer-paid defined contribution program, earned 11.3 percent following a balanced growth investment strategy. Other CalPERS defined contribution funds (IRC 457 and SCPF) use an investment program that is participant directed.
- On October 7, 2013 the SPOFF, IRC 457, and SCPF will transition the lineup of funds available for investment.
- The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA). PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 31, 2012. The financial impact will be gradually realized as total pension costs and the employer share of those costs decrease.
- Significant financial provisions of PEPRA:
    1. Reduces benefits for members enrolled effective date January 1, 2013. For each year worked, miscellaneous members are entitled to 2.0 percent of final compensation at age 62. Three safety member benefits are available to employers; 2.0 percent, 2.5 percent, and 2.7 percent of final compensation at age 57.
    2. Caps the annual compensation that can be used to calculate final compensation for all new members, excluding judges, at $113,700 for members who participate in Social Security or $136,440 for members who do not participate, adjusted after 2013 for consumer price index (CPI) increases. Additionally, final compensation for new members is calculated using the highest average of three consecutive years.
    3. For public agencies, school employers, California State Universities and judicial branch new members, the employee contribution rate is at least 50 percent of the total normal cost. For State of California new and classic members, the contribution rate is defined by statute. The contribution rate is either at least 50 percent of the total normal cost or is scheduled to reach 50 percent of total normal cost within the next one to two years.
    4. PEPRA prohibits new members from participating in the LRS. PERF membership is optional for constitutional and legislative statutory officers.
    5. The purchase of Additional Retirement Service Credit is prohibited on or after January 1, 2013.
- In April 2013, the CalPERS Board approved new actuarial policies that include a rate-smoothing method with a 30 year fixed amortization period for gains and losses. Over time, the proposed methods are designed to improve funding levels and help reduce the overall funding level risk. The proposed methods are expected to result in higher volatility in employer contribution rates in normal years but much less volatility in employer contribution rates in years where extreme events occur.
- As of June 30, 2012, the date of the most recent actuarial valuation, the PERF was funded at 83.1 percent, based on the actuarial value of assets. A better measure of benefit security is the funded status on the market value of assets basis. On that basis, as a result of the 0.14 percent investment return in 2011-12, the funded status declined from 73.6 percent at June 30, 2011, to 69.6 percent at June 30, 2012.
- The PERF paid $16.6 billion in retirement benefits to 566,975 annuitants during the Fiscal Year 2012-13, compared to $15.4 billion paid to 543,722 annuitants during the Fiscal Year 2011-12. Benefit payments increased primarily due to an increase in the number of retirees and the average benefit amount, including cost-of-living adjustments (COLA).

### Proprietary Funds

- CalPERS administers the PERSCare, PERS Choice, and PERS Select self-funded health care program. Financial activity for these programs is accounted for through the Public Employees' Health Care Fund (HCF). The CalPERS self-funded health care program's unrestricted net position increased from $454.0 million in the Fiscal Year 2011-12 to $456.4 million in the Fiscal Year 2012-13.
- Effective January 1, 2013, CalPERS partnered with its Pharmacy Benefit Manager (PBM) to provide a custom Medicare Part D prescription drug program, the Employer Group Waiver Plan (EGWP). Under the EGWP, CalPERS contracts with the prescription drug

programs through the PBM as the EGWP administrator, and the PBM manages all federal interaction. EGWP subsidies are reported in HCF as Federal Government Subsidies in the Statement of Revenues, Expenses and Changes in Net Position for the proprietary funds.

- The unrestricted net position of the CalPERS Long-Term Care Program amounted to $679.1 million as of June 30, 2013. The Long-Term Care Program collected $307.8 million in premiums, and the approximate average annual premium per person was $2,124. The unrestricted net position of $679.1 million represents an increase of $838.8 million from a deficit of $159.7 million as of June 30, 2012. The increase in unrestricted net position from the prior year is attributable to the Stabilization Plan approved by CalPERS Board in October 2012 which included premium increases for certain policies and allowed policy conversions for program members to move to a suitable plan option. In the Fiscal Year 2012-13, the actual claim experience for the program met expectation. The estimated liability for future policy benefits reflects the actual and anticipated future experience of the program, including the expected lower future claim payments caused by the actual and assumed higher policy conversion to a lower benefit coverage plan in calendar years 2013, 2014, and 2015. These improvements were offset by lower than expected investment returns in the Fiscal Year 2012-13. Effective January 1, 2014, with the passage of Assembly Bill No. 373, the Board has expanded eligibility to adult children of eligible applicants by amending the Long-Term Care Act.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis provides an introduction to and overview of the CalPERS Basic Financial Statements, which comprise the following components: Fund Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplemental Information. Collectively, this information presents the combined net position held in trust for pension benefits and other post-employment benefits, and the combined unrestricted net position for each of the other funds administered by CalPERS as of June 30, 2013. It also summarizes the combined changes in net position held in trust for pension and other post-employment benefits, the combined changes in unrestricted net position, and the cash flows of the proprietary funds for the fiscal year then ended, along with an actuarial view on the funded status of the defined benefit pension and other post-employment plans. The information available in each of these sections is briefly summarized as follows:

### Fund Financial Statements

The Board has a fiduciary duty for the investments in both the fiduciary and proprietary funds. At June 30, 2013, financial statements are presented for the two types of funds administered by CalPERS: fiduciary funds, where CalPERS acts in a fiduciary capacity as a trustee or agent for others and is responsible for handling the assets placed under its control; and proprietary funds, where fees are charged for services provided and the focus is on determining financial position, operating and non-operating income, cash flows and changes in net position.

**Fiduciary Funds** — include pension trust funds, other post-employment benefit fund, and two agency funds. The defined benefit plans administered by CalPERS include the PERF, LRF, JRF, and JRF II. The other post-employment benefit fund is the CERBTF. The defined contribution plans administered by CalPERS include the SPOFF, IRC 457, and the SCPF. The remaining fiduciary funds are the CRF and the RBF. The fiduciary funds are used to account for resources held for the benefit of CalPERS participants. A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position except for agency funds are presented for the fiduciary funds as of and for the fiscal year ended June 30, 2013, along with comparative total information as of and for the fiscal year ended June 30, 2012. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year-end, as well as the changes in those resources during the year.

**Proprietary Funds** — include the following enterprise funds: the HCF, CRF, and LTCF. Proprietary funds are used to account for activities for which fees are charged to external users for service, such as administration of health care and long-term care programs, and for which the costs of providing services are recovered with fees and charges. A statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows are presented for the proprietary funds as of and for the

fiscal year ended June 30, 2013, along with comparative total information as of and for the fiscal year ended June 30, 2012. Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

### Notes to the Basic Financial Statements

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the information provided in the fund financial statements. Information available in the Notes to the Basic Financial Statements is described below.

**Note 1** — provides a summary of significant accounting policies, including the basis of accounting for each of the fund types, investment accounting policies, management's use of estimates, and other significant accounting policies.

**Note 2** — provides a general description of CalPERS, as well as a concise description of each of the funds administered by CalPERS. Information regarding employer and member participation in the pension plans and other post-employment benefit plans administered by CalPERS is also provided.

**Note 3** — provides information on cash and cash equivalents.

**Note 4** — describes investments, including investing authority, investment risk categorizations, and additional information about cash, securities lending, and derivatives.

**Note 5** — provides information about employer contributions to the pension and other post-employment benefit funds and selected plan reserves administered by CalPERS.

**Note 6** — provides information about the State of California's other post-employment benefits (OPEB).

**Note 7** — provides detailed information on the estimated claims liability of the HCF.

**Note 8** — provides information regarding the LTCF June 30, 2013 actuarial valuation.

**Note 9** — provides information regarding the funded status and actuarial assumptions for the PERF, LRF, JRF, JRF II, and CERBTF.

**Note 10** — provides information on commitments.

**Note 11** — provides information on potential contingencies of CalPERS.

**Note 12** — provides information regarding future accounting pronouncements, which include Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68, and the key changes it will have on the financial statements.

**Note 13** — provides information regarding subsequent events, which include, pension reform, local government bankruptcies, State Peace Officers' and Firefighters' defined contribution plan closure and implementation of flex-funded health maintenance organization plans.

### Required Supplementary Information

Because of the long-term nature of public defined benefit pension and other post-employment benefit plans, financial statements for the past year alone cannot provide sufficient information to properly reflect the funding progress of the plans. Therefore, in addition to the Basic Financial Statements, two required schedules of historical trend information related to the defined benefit pension and other post-employment benefit plans are presented as part of the Required Supplementary Information (RSI) section of the Basic Financial Statements. These two schedules are the Schedule of Funding Progress and the Schedule of Employer Contributions. These schedules are based upon contributions made by employers and others, and the actuarial valuations for the pension plans performed by CalPERS actuaries and the other post-employment benefits valuations performed by actuaries engaged by sponsoring employers. The schedules provide additional actuarial information that contributes to the understanding of the changes in the actuarial funding and the funding progress of these defined benefit pension and other post-employment benefit plans over the past six years. The actuarial information is based upon assumptions made about future events at the time the valuations were performed, and, therefore, the amounts presented are management's estimates. Also included as part of the RSI, is the Schedule of Claims Development Information for the HCF.

### Other Supplemental Information

Other schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, as well as investment and other professional services expenses incurred, and changes in assets and liabilities for agency funds.

## FINANCIAL OVERVIEW & ANALYSIS

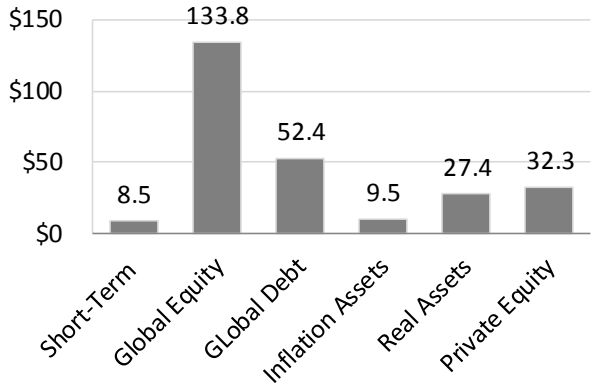
### Fiduciary Funds

Collectively, the net position held in trust for all fiduciary funds was a total of $267.3 billion at June 30, 2013, an increase of $25.9 billion (10.7 percent) from $241.4 billion at June 30, 2012. Additions to net position held in trust for benefits include employer and member contributions as well as net investment income. Deductions consist primarily of retirement, death and survivor benefits, refunds, administrative expenses, participant withdrawals, and OPEB reimbursements. Fiduciary funds are categorized as defined benefit, intended to fund employer guaranteed earned employment benefits; and defined contribution, intended as participant savings for post-employment income and health benefits. Asset accumulation and prudent investment strategies are primary purposes of both types of fiduciary funds.

The following charts display asset amounts and how they are allocated.

**Defined Benefit Plans — Investment Types**

(Dollars in Billions)




**Defined Benefit Plans — Administrative Expenses**

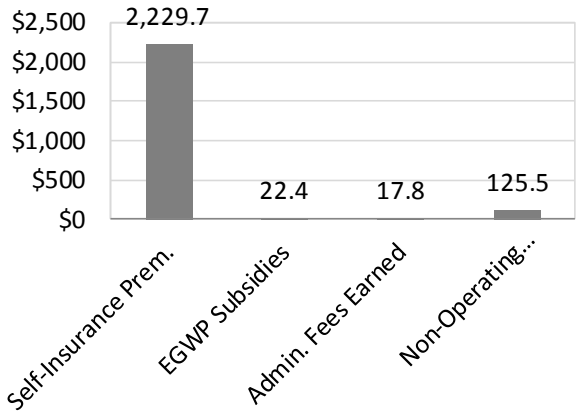
| Plan | Administrative Expenses | Total Membership | Cost per Member |
|---|---|---|---|
| **PERF** | $426,077,000 | 1,671,212 | $255 |
| **LRF** | 418,000 | 276 | 1,514 |
| **JRF** | 1,413,000 | 2,221 | 636 |
| **JRF II** | 899,000 | 1,404 | 640 |

### Proprietary Funds

CalPERS total unrestricted net position for proprietary funds which includes HCF, CRF and LTCF was $1.1 billion at June 30, 2013. Proprietary funds are created to facilitate a business type program where the primary financial focus is on yearly sustained operating revenues and specifically directed and controlled expenses. Operating revenues of the CalPERS proprietary funds consist of self-insurance premiums, Employer Group Waiver Program (EGWP) subsidies, Federal Government reimbursements, administrative fees, and other non-operating revenues. Operating expenses consist of medical and pharmaceutical payments, long-term care claims and administrative costs.

**Proprietary Funds — Revenue**

(Dollars in Millions)



## FINANCIAL ANALYSIS OF CALPERS FUNDS

### Public Employees' Retirement Fund (PERF)

#### Plan Net Position

The PERF provides retirement benefits to State of California and other California public agency employees. The PERF benefits are funded by member and employer contributions and by earnings on investments. The PERF net position held in trust for benefits at June 30, 2013 was $262.0 billion, an increase of $25.0 billion (10.5 percent) from $237.0 billion at June 30, 2012. The increase is a result of investment earnings and current year contributions exceeding the amount needed to pay 2012-13 benefits.

Additions to PERF net position held in trust for benefits include employer and member contributions, and investment income. For the Fiscal Year 2012-13, employer and member contributions totaled $12.0 billion, an increase of $0.6 billion (5.3 percent) from the Fiscal Year 2011-12. The increase is attributed to increased contribution rates calculated to amortize the unfunded actuarial liability.

The PERF recognized a net investment gain of $30.3 billion for the Fiscal Year 2012-13, compared with a net investment loss of $203.1 million for the Fiscal Year 2011-12. The gain came primarily from growth of global assets. Global public equity assets returned 19.0 percent, private equity assets returned 18.2 percent and real assets contributed with a return of 11.8 percent.

Deductions from PERF net position restricted for pension for the Fiscal Year 2012-13 totaled $17.3 billion, an increase of $1.3 billion (8.1 percent) from $16.0 billion in the Fiscal Year 2011-12. The increase in deductions was attributed to an increase in benefit payments as the number of beneficiaries increased from 543,722 to 566,975 and increases in average benefits, including COLA. A long-term trend of escalating benefit payments is evolving as the membership of the plan matures and retires. This trend was anticipated and factored into prior contribution requirements during the working life of the retirees.

## Net Position — PERF (Dollars in Thousands)

| | 2013 | 2012 | Total Percentage Change |
|---|---|---|---|
| ASSETS | | | |
| Cash, Cash Equivalents & Receivables | $3,039,073 | $3,115,452 | (2.5) % |
| Investments | 260,158,786 | 233,935,996 | 11.2 |
| Securities Lending Collateral | 17,142,084 | 9,325,426 | 83.8 |
| Capital Assets, Net & Other Assets | 710,722 | 715,911 | (0.7) |
| **Total Assets** | **$281,050,665** | **$247,092,785** | **13.7 %** |
| LIABILITIES | | | |
| Retirement Benefits, Investment Settlement & Other | $2,172,123 | $959,255 | 126.4 % |
| Securities Lending Obligations | 16,888,638 | 9,151,585 | 84.5 |
| **Total Liabilities** | **$19,060,761** | **$10,110,840** | **88.5 %** |
| **TOTAL NET POSITION** | **$261,989,904** | **$236,981,945** | **10.6 %** |

## Changes in Net Position — PERF (Dollars in Thousands)

| | 2013 | 2012 | Total Percentage Change |
|---|---|---|---|
| ADDITIONS | | | |
| Member Contributions | $3,896,078 | $3,598,437 | 8.3 % |
| Employer Contributions | 8,123,833 | 7,772,913 | 4.5 |
| Net Investment Income (Loss) | 30,284,807 | (203,084) | 15,012.5 |
| Other Income | 7,176 | 7,070 | 1.5 |
| **Total Additions** | **$42,311,894** | **$11,175,336** | **278.6 %** |
| DEDUCTIONS | | | |
| Retirement, Death & Survivor Benefits | $16,635,263 | $15,356,696 | 8.3 % |
| Refund of Contributions | 242,595 | 218,082 | 11.2 |
| Administrative Expenses | 426,077 | 380,404 | 12.0 |
| **Total Deductions** | **$17,303,935** | **$15,955,182** | **8.5 %** |
| **INCREASE (DECREASE) IN NET POSITION** | **$25,007,959** | **($4,779,846)** | **623.2 %** |
| **NET POSITION** | | | |
| **Beginning of Year** | **$236,981,945** | **$241,761,791** | **(2.0) %** |
| **End of Year** | **$261,989,904** | **$236,981,945** | **10.6 %** |

### Investments

PERF investments, excluding securities lending collateral, totaled $260.2 billion at June 30, 2013, an increase of $26.3 billion (11.2 percent) from $233.9 billion at June 30, 2012. The increase was attributable to strong performance of both public and private global growth assets. At June 30, 2013, the PERF held $131.6 billion in global equity securities, an increase of $18.0 billion from $113.6 billion at the end of the Fiscal Year 2011-12.

In global debt securities, the PERF held $51.6 billion at June 30, 2013, an increase of $1.7 billion from $49.9 billion at the end of the Fiscal Year 2011-12.

At June 30, 2013 the PERF held approximately $38.2 billion in gross value real asset investments; the net value totaled $27.1 billion, which is net of $11.1 billion in real asset related debt. The real asset debt amounted to 29.1 percent of the total gross real asset fair value. On a gross basis, real asset investments increased $1.6 billion from the $36.6 billion gross real asset investments at the end of the Fiscal Year 2011-12.

Real asset investments are classified as investments in accordance with GASB Statement No. 25. Certain real asset investments are leveraged whereby partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt.

The $11.2 billion in real asset debt is made up of $8.8 billion in long-term debt payable and $2.4 billion in other short-term liabilities.

At June 30, 2013, the inflation assets portfolios held $1.2 billion in commodities exposure, $4.0 billion in US Treasury Inflation Protected Securities (TIPS), $1.6 billion in short term investment funds and $2.4 billion in international inflation linked bonds.

In private equity, the PERF held $32.3 billion at June 30, 2013, a decrease of $1.9 billion from $34.2 billion at the end of the Fiscal Year 2011-12.

In short-term investments, the PERF held $8.4 billion at June 30, 2013, an increase of $4.0 billion from the $4.4 billion at the end of the Fiscal Year 2011-12. The increase in short-term assets as of June 30, 2013 was due to a number of factors. Positive equity returns generated large mark-to-market cash inflows from our equity futures contracts, Private Equity partners significantly increased their cash distributions during this period, and planned cash funding for new investment strategies necessitated higher than normal balances.

### Securities Lending

CalPERS earns income (intrinsic income) by lending investment securities. Qualified borrowers pay a fee for the right to borrow securities, and then provide cash and non-cash collateral at 102 percent or 105 percent of the market value of the domestic or international securities borrowed, respectively. The over-collateralization is an industry standard, which minimizes counterparty risk in the event a borrower fails to return the loaned security. CalPERS pays the borrowers a rate on cash collateral received, called a rebate. By reinvesting the cash collateral in short-term, high credit quality securities, CalPERS can earn a return above the rebate rate, which is referred to as reinvestment income. Intrinsic and reinvestment income are recognized as securities lending income on the Statement of Changes in Fiduciary Net Position, and the Statement of Revenues, Expenses and Changes in Net Position.

Securities lending collateral for all funds totaled $17.3 billion at June 30, 2013, an increase of $7.8 billion (82.1 percent) from $9.5 billion at June 30, 2012. The outstanding balances at year-end are reflective of current market demand to borrow securities and fluctuate from year to year.

For the Fiscal Year 2012-13, securities lending gross income of $184.2 million for all funds consisted of gross intrinsic income of $142.5 million, gross reinvestment income of $40.4 million and externally managed securities lending income of $1.3 million. The costs of securities lending totaled $38.6 million, which includes rebates paid to borrowers and fees paid to lending agents. At June 30, 2013, the total change in fair value of the reinvested cash collateral amounted to $78.7 million. The total change in fair value of reinvested cash collateral was reported as net appreciation (depreciation) in fair value of investments on the Statement of Changes in Fiduciary Net Position and the Statement of Revenues, Expenses and Changes in Net Position.

**2013 Investments —PERF** (Dollars in Billions)

| Investment Class | 2013 Amount | 2012 Amount | Percentage Change |
|---|---|---|---|
| Short-Term Investments | $8.4 | $4.4 | 90.9 % |
| Global Equity Securities | 131.6 | 113.6 | 15.8 |
| Global Debt Securities | 51.6 | 49.9 | 3.4 |
| Inflation Assets | 9.2 | 7.1 | 29.6 |
| Real Assets | 27.1 | 24.7 | 9.7 |
| Private Equity | 32.3 | 34.2 | (5.6) |
| **TOTAL** | **$260.2** | **$233.9** | **11.2 %** |

| Investment Class | 2013 Percent of Investments |
|---|---|
| Short-Term Investments | 3.2 % |
| Global Equity Securities | 50.6 |
| Global Debt Securities | 19.9 |
| Inflation Assets | 3.5 |
| Real Assets | 10.4 |
| Private Equity | 12.4 |
| **TOTAL** | **100.0 %** |

## OTHER DEFINED BENEFIT PENSION PLANS

### Legislators' Retirement Fund (LRF)

#### Plan Net Position

The LRF provides retirement benefits to California Legislators elected to office before November 7, 1990, and to constitutional, legislative, and statutory officers elected or appointed prior to January 1, 2013. The Public Employees' Pension Reform Act of 2013 (PEPRA) closed the Legislators' Retirement Fund to new participants. The number of LRF members has been declining in the last decade as eligible incumbent Legislators leave office and are replaced by those ineligible to participate in the LRF. Actuarially determined contributions will continue to be made by the State of California to supplement the existing assets until all benefit obligations have been fulfilled.

The LRF net position held in trust for benefits at June 30, 2013 totaled $122.1 million, a decrease of $0.9 million from $123.0 million at June 30, 2012. Additions to LRF net position held in trust for benefits were primarily investment income. Net investment income was $7.0 million in the Fiscal Year 2012-13 compared to $7.8 million for the Fiscal Year 2011-12. The primary driver of the change in LRF investment income was the decrease in fixed income portion of the portfolio. The investment rate of return for fixed income portion for the Fiscal Year 2012-13 was negative 2.0 percent compared to 13.0 percent in the Fiscal Year 2011-12.

For the Fiscal Year 2012-13 employer and members contributed $0.1 million. These were the first contributions in many years as a result of a June 30, 2011 actuarial valuation. During that valuation the actuarial funding method was changed from the Aggregate Funding Method to the Entry Age Normal Funding Method. This funding method change, along with the Board's minimum contribution policy, resulted in an employer contribution rate effective July 1, 2012. In addition, this positive employer contribution rate resulted in the resumption of member contributions.

Deductions from LRF net position held in trust for benefits are primarily comprised of retirement, death and survivor benefits. For the Fiscal Year 2012-13, these benefits decreased $0.2 million (2.6 percent) to $7.5 million from $7.7 million in 2011-12. Deceased members are replaced by survivors and beneficiaries who typically receive a lower benefit amount than the member received. Survivors and beneficiaries make up more than half of the total number of recipients.

An actuarial valuation of LRF assets and benefit obligations is performed annually. At June 30, 2012, the date of the most recent actuarial valuation, the funded status based on the actuarial valuation of assets was 113.8 percent. At June 30, 2012, the actuarial value of assets exceeded the actuarial accrued liabilities by approximately $15.0 million. On a market value of assets basis, the funded status was 112.8 percent at June 30, 2012.

#### Investments

The LRF mainly invests in global equity, global debt and inflation assets. Total investments excluding securities lending collateral were $121.5 million at June 30, 2013, a decrease of $0.9 million (0.7 percent) from $122.4 million in total LRF investments at June 30, 2012.

At June 30, 2013, the LRF held $38.7 million in global equity securities, a decrease of $1.0 million (2.5 percent) from $39.7 million at the end of the Fiscal Year 2011-12.

The LRF held $51.1 million in global debt securities, an increase of $0.4 million (0.8 percent) from $50.7 million at the end of the Fiscal Year 2011-12.

At June 30, 2013, the LRF held $21.9 million in inflation assets, a decrease of $0.1 million from $22.0 million at June 30, 2012.

At June 30, 2013, the LRF held $9.8 million in real assets, a decrease of $0.2 million from $10.0 million at June 30, 2012.

**Investments — LRF** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Global Equity Securities | $38.7 | 31.9 % |
| Global Debt Securities | 51.1 | 42.0 |
| Inflation Assets | 21.9 | 18.0 |
| Real Assets | 9.8 | 8.1 |
| **TOTAL** | **$121.5** | **100.0 %** |

## Judges' Retirement Fund (JRF)

### Plan Net Position

The JRF provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges appointed or elected before November 9, 1994. The JRF net position held in trust for benefits at June 30, 2013, totaled $53.8 million, a decrease of $18.9 million from $72.7 million at June 30, 2012. The decrease was primarily due to a reduction of the annual contribution from the State General Fund of $33.5 million.

Additions to JRF net position held in trust for benefits include employer and member contributions, investment income, and State "balancing contributions" (see Note 5 of the Notes to the Basic Financial Statements). For the Fiscal Year 2012-13, employer, member, and State "balancing contributions" decreased $35.3 million (17.5 percent) to $166.9 million, from $202.2 million for the Fiscal Year 2011-12, primarily due to the decrease in the State General Fund contributions. The number of active members decreased from 400 in the Fiscal Year 2011-12 to 319 in the Fiscal Year 2012-13, and, therefore, member contributions declined from$5.8 million to $4.9 million.

Deductions from JRF net position held in trust for benefits are primarily composed of retirement, death and survivor benefits. Benefit payments remained steady due to the dwindling number of new retirees in a closed plan. The number of retirees, survivors and beneficiaries increased from 1,884 in the Fiscal Year 2011-12 to 1,896 in the Fiscal Year 2012-13.

The JRF is funded on a "pay-as-you-go" basis, where short-term investments, contributions received during the year and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long-term, as the plan does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in the Fiscal Year 2013-14.

### Investments

The JRF invests only in short-term securities. Total investments were $52.6 million at June 30, 2013, a decrease of $18.2 million (25.7 percent) compared with $70.8 million in total investments at June 30, 2012. The decrease is due to a lower State General Fund augmentation.

## Judges' Retirement Fund II (JRF II)

### Plan Net Position

The JRF II provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges first appointed or elected on or after November 9, 1994. Net position held in trust for benefits at June 30, 2013 was $796.0 million, an increase of $140.6 million (21.5 percent) from $655.4 million at June 30, 2012.

Additions to JRF II net position held in trust for benefits include employer and member contributions, as well as investment income. Contributions were $72.8 million, an increase of $0.3 million from $72.5 million from the Fiscal Year 2011-12. For the Fiscal Year 2012-13, the fund had a net investment income of $79.2 million, an increase of $65.3 million, compared with $13.9 million for the Fiscal Year 2011-12. The increase was largely due to global equity growth.

Deductions from JRF II net position held in trust for benefits are composed of defined retirement benefits, survivor and death benefits and a cash balance (Monetary Credits) plan for Judges who leave the bench before becoming eligible for a defined benefit. For the Fiscal Year

2012-13, defined retirement and survivor benefits including Monetary Credits amounted to $10.5 million, an increase of $7.0 million from $3.5 million in the Fiscal Year 2011-12. An increase in Monetary Credit payments from $0.7 million to $6.4 million accounted for much of the increase. Monetary Credits are a cash plan provided as an alternative for Judges leaving the bench prior to their eligibility for a pension. The intent of Monetary Credits is to encourage well qualified candidates to serve on the bench for a limited time and then return to a private legal practice.

An actuarial valuation of the JRF II assets and benefit obligations is performed annually. At June 30, 2012, the date of the most recent actuarial valuation, the funded status based on the actuarial valuation of assets, increased to 95.0 percent from 92.1 percent at June 30, 2011. At June 30, 2012, the actuarial accrued liabilities exceeded the actuarial value of assets by approximately $35.2 million, while the amount by which the actuarial accrued liabilities exceeded the actuarial value of assets at June 30, 2011, was approximately $49.0 million. On a market value of assets basis, the funded status declined from 94.4 percent at June 30, 2011 to 93.2 percent at June 30, 2012, due to the positive 1.9 percent investment return falling short of the assumed rate of return of 7.0 percent in the Fiscal Year 2011-12.

### Investments

The JRF II invests mainly in short-term investments, global equity securities, global debt securities, inflation assets and real assets. Total investments excluding securities lending collateral amounted to $789.7 million at June 30, 2013, which was $140.8 million (21.7 percent) more than the $648.9 million at June 30, 2012. The increase in investments was primarily due to positive investment returns during the Fiscal Year 2012-13. In addition, the excess of member and employer contributions over retirement, death and survivor benefits also contributed to the increase in investments. In short-term investments, the JRF II held $8.1 million at June 30, 2013, an increase of $1.6 million from $6.5 million at the end of the Fiscal Year 2011-12.

At June 30, 2013, the JRF II held $491.4 million in global equity securities, an increase of $84.9 million (20.9 percent) from $406.5 million at the end of the Fiscal Year 2011-12.

In global debt securities, the JRF II held $156.7 million at June 30, 2013, an increase of $30.9 million (24.6 percent) from $125.8 million at the end of the Fiscal Year 2011-12.

At June 30, 2013, the JRF II held $70.3 million in inflation assets, an increase of $12.4 million (21.4 percent) from $57.9 million at the end of the Fiscal Year 2011-12. In real assets, the JRF II held $63.2 million at June 30, 2013, an increase of $11.0 million (21.1 percent) from $52.2 million at the end of the Fiscal Year 2011-12.

**Investments — JRF II** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $8.1 | 1.0 % |
| Global Equity Securities | 491.4 | 62.2 |
| Global Debt Securities | 156.7 | 19.8 |
| Inflation Assets | 70.3 | 9.0 |
| Real Assets | 63.2 | 8.0 |
| **TOTAL** | **$789.7** | **100.0 %** |

## Net Position — Other Defined Benefit Pension Plan Funds (Dollars in Thousands)

| | LRF | | JRF | | JRF II | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ASSETS | | | | | | |
| Cash, Cash Equivalents & Receivables | $1,379 | $895 | $2,008 | $2,480 | $5,815 | $5,995 |
| Investments | 121,498 | 122,386 | 52,636 | 70,796 | 789,684 | 648,925 |
| Securities Lending Collateral | 9,317 | 4,319 | — | — | 72,197 | 40,714 |
| **Total Assets** | **$132,194** | **$127,600** | **$54,644** | **$73,276** | **$867,696** | **$695,634** |
| LIABILITIES | | | | | | |
| Retirement Benefits, Investment Settlement & Other | $841 | $338 | $824 | $583 | $400 | $347 |
| Securities Lending Obligations | 9,205 | 4,233 | — | — | 71,330 | 39,904 |
| **Total Liabilities** | **$10,046** | **$4,571** | **$824** | **$583** | **$71,730** | **$40,251** |
| **TOTAL NET POSITION** | **$122,148** | **$123,029** | **$53,820** | **$72,693** | **$795,966** | **$655,383** |

## Changes in Net Position — Other Defined Benefit Pension Plan Funds (Dollars in Thousands)

| | LRF | | JRF | | JRF II | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ADDITIONS | | | | | | |
| Member Contributions | $31 | $0 | $4,909 | $5,796 | $18,819 | $18,757 |
| Employer Contributions | 80 | — | 161,945 | 196,402 | 54,025 | 53,711 |
| Net Investment Income | 6,974 | 7,761 | 76 | 80 | 79,214 | 13,947 |
| Other Income | — | — | 2,694 | 2,877 | — | — |
| **Total Additions** | **$7,085** | **$7,761** | **$169,624** | **$205,155** | **$152,058** | **$86,415** |
| DEDUCTIONS | | | | | | |
| Retirement, Death & Survivor Benefits | $7,548 | $7,659 | $187,084 | $185,428 | $10,518 | $3,536 |
| Refund of Contributions | — | 202 | — | 17 | 58 | 2,604 |
| Administrative Expenses | 418 | 347 | 1,413 | 1,163 | 899 | 725 |
| **Total Deductions** | **$7,966** | **$8,208** | **$188,497** | **$186,608** | **$11,475** | **$6,865** |
| **INCREASE (DECREASE) IN NET POSITION** | **($881)** | **($447)** | **($18,873)** | **$18,547** | **$140,583** | **$79,550** |
| **NET POSITION** | | | | | | |
| **Beginning of Year** | **$123,029** | **$123,476** | **$72,693** | **$54,146** | **$655,383** | **$575,833** |
| **End of Year** | **$122,148** | **$123,029** | **$53,820** | **$72,693** | **$795,966** | **$655,383** |

## DEFINED CONTRIBUTION PENSION PLANS

### State Peace Officers' & Firefighters' Defined Contribution Plan Fund (SPOFF)

#### Plan Net Position

The SPOFF provides supplemental retirement benefits to eligible safety employees. Net position held in trust for pension benefits increased by $17.5 million (3.7 percent) to $491.3 million at June 30, 2013, from $473.8 million at June 30, 2012. The increase is the result of investment income from growth assets.

Contributions were $0.3 million for the Fiscal Year 2012-13, an increase of $0.1 million from the Fiscal Year 2011-12. The increase was due to retroactive adjustments to payrolls effective prior to the suspension of contributions by the State of California during the Fiscal Year 2010-11. Net investment gain was $53.2 million for the Fiscal Year 2012-13, compared to a loss of $25.0 thousand for the Fiscal Year 2011-12.

SPOFF participant withdrawals were $34.4 million for the Fiscal Year 2012-13, an increase of $9.8 million (39.8 percent) from $24.6 million in the Fiscal Year 2011-12. Members withdrew to purchase additional retirement service credit, which ended effective January 1, 2013, as a result of the PEPRA.

#### Investments

The SPOFF invests mainly in global equity and debt securities. Total investments excluding securities lending collateral were $492.0 million at June 30, 2013, which was $17.1 million (3.6 percent) more than the $474.9 million at June 30, 2012.

**Investments — SPOFF** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $7.4 | 1.5 % |
| Global Equity Securities | 292.4 | 59.5 |
| Global Debt Securities | 134.4 | 27.3 |
| Inflation Assets | 42.9 | 8.7 |
| Real Assets | 14.9 | 3.0 |
| **TOTAL** | **$492.0** | **100.0 %** |

### Public Agency Deferred Compensation Plan (IRC 457)

#### Plan Net Position

The Board is the trustee for public agency participant assets in the IRC 457 deferred compensation program. Net position held in trust for participants at June 30, 2013, was $1,086.1 million, an increase of $128.9 million (13.5 percent), from $957.2 million at June 30, 2012.

Additions to IRC 457 net position consist of member contributions of $100.0 million in the Fiscal Year 2012-13, compared to $104.3 million in the Fiscal Year 2011-12. Net investment income amounted to $114.5 million for the Fiscal Year 2012-13, compared to $4.9 million for the Fiscal Year 2011-12. The increase in net investment income was due to improved global economic growth.

Deductions from the IRC 457 net position consist primarily of participant withdrawals of $82.6 million in the Fiscal Year 2012-13, an increase of $9.6 million (13.2 percent) from $73.0 million in the Fiscal Year 2011-12. Members withdrew to purchase additional retirement service credit, which ended effective January 1, 2013, as a result of PEPRA.

#### Investments

The IRC 457 investments excluding securities lending collateral were $1,077.9 million at June 30, 2013, which was $104.6 million (10.7 percent) more than the $973.3 million at June 30, 2012. The IRC 457 investments are participant directed, resulting in no overall fund strategy.

**Investments — IRC 457** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $132.4 | 12.3 % |
| Global Equity Securities | 678.2 | 62.9 |
| Global Debt Securities | 182.7 | 17.0 |
| Inflation Assets | 72.5 | 6.7 |
| Real Assets | 12.1 | 1.1 |
| **TOTAL** | **$1,077.9** | **100.0 %** |

## Supplemental Contributions Program Fund (SCPF)

The SCPF was established effective January 1, 2000, to provide supplemental retirement benefits to members of CalPERS and is entirely member funded. Net position held in trust for participants at June 30, 2013 was $19.3 million, an increase of $0.7 million from $18.6 million at June 30, 2012, due to an increase in the investment assets.

Contribution revenues were $0.2 million for the Fiscal Year 2012-13, unchanged from the Fiscal Year 2011-12. Net investment income was $2.1 million for the Fiscal Year 2012-13, compared to investment income of $3.0 thousand for the Fiscal Year 2011-12. The increase in investments was primarily due to positive investment returns during the Fiscal Year 2012-13.

For the Fiscal Year 2012-13, participant withdrawals were $1.4 million, an increase of $0.2 million from the Fiscal Year 2011-12, as members withdrew to purchase additional retirement service credit, which ended effective January 1, 2013 as a result of PEPRA.

**Investments — SCPF** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $0.6 | 3.1 % |
| Global Equity Securities | 11.4 | 59.1 |
| Global Debt Securities | 4.9 | 25.4 |
| Inflation Assets | 1.9 | 9.8 |
| Real Assets | 0.5 | 2.6 |
| **TOTAL** | **$19.3** | **100.0 %** |

## Net Position — Defined Contribution Pension Plan Funds (Dollars in Thousands)

| | SPOFF | | IRC 457 | | SCPF | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ASSETS | | | | | | |
| Cash, Cash Equivalents & Receivables | $8 | $14 | $10,707 | $9,361 | $13 | $15 |
| Investments | 492,046 | 474,921 | 1,077,851 | 973,320 | 19,311 | 18,616 |
| Securities Lending Collateral | 3,366 | 1,861 | 6,965 | 3,558 | 132 | 55 |
| **Total Assets** | **$495,420** | **$476,796** | **$1,095,523** | **$986,239** | **$19,456** | **$18,686** |
| LIABILITIES | | | | | | |
| Retirement Benefits, Investment Settlement & Other | $752 | $1,192 | $2,579 | $2,335 | $29 | $46 |
| Securities Lending Obligations | 3,326 | 1,824 | 6,882 | 3,488 | 131 | 53 |
| **Total Liabilities** | **$4,078** | **$3,016** | **$9,461** | **$5,823** | **$160** | **$99** |
| **TOTAL NET POSITION** | **$491,342** | **$473,780** | **$1,086,062** | **$980,416** | **$19,296** | **$18,587** |

## Changes in Net Position — Defined Contribution Pension Plan Funds (Dollars in Thousands)

| | SPOFF | | IRC 457 | | SCPF | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ADDITIONS | | | | | | |
| Member Contributions | $169 | $69 | $99,977 | $104,333 | $164 | $208 |
| Employer Contributions | 105 | 92 | 455 | 80 | — | — |
| Net Investment Income (Loss) | 53,165 | (25) | 114,471 | 4,872 | 2,051 | 3 |
| Other Income | — | — | — | 225 | — | — |
| **Total Additions** | **$53,439** | **$136** | **$214,903** | **$109,510** | **$2,215** | **$211** |
| DEDUCTIONS | | | | | | |
| Administrative Expenses | $1,460 | $1,589 | $3,467 | $3,131 | $58 | $63 |
| Participant Withdrawals | 34,417 | 24,640 | 82,587 | 73,025 | 1,448 | 1,219 |
| **Total Deductions** | **$35,877** | **$26,229** | **$86,054** | **$76,156** | **$1,506** | **$1,282** |
| **INCREASE (DECREASE) IN NET POSITION** | **$17,562** | **($26,093)** | **$128,849** | **$33,354** | **$709** | **($1,071)** |
| **NET POSITION** | | | | | | |
| **Beginning of Year** | **$473,780** | **$499,873** | **$980,416** | **$947,062** | **$18,587** | **$19,658** |
| Prior Period Adjustment | — | — | (23,203) | — | — | — |
| **Net Position as Restated** | **$473,780** | **$499,873** | **$957,213** | **$947,062** | **$18,587** | **$19,658** |
| **End of Year** | **$491,342** | **$473,780** | **$1,086,062** | **$980,416** | **$19,296** | **$18,587** |

## OTHER POST-EMPLOYMENT BENEFIT FUND

### California Employers' Retiree Benefit Trust Fund (CERBTF)

#### Plan Net Position

The CERBTF is a trust for the pre-funding by employers of health, dental, and other non-pension benefits promised to employees when they retire. Net position held in trust for benefits on June 30, 2013 was $2.7 billion, an increase of $0.6 billion due primarily to increased employer contributions from an increasing number of participating employers from 338 in the Fiscal Year 2011-12, to 373 (representing 376 OPEB plans) at June 30, 2013.

Additions to the CERBTF net position held in trust for OPEB benefits include employer contributions, which totaled $1,031.6 million in the Fiscal Year 2012-13, an increase of $259.8 million (33.7 percent) compared to $771.8 million in the Fiscal Year 2011-12, primarily due to the increase in participating employers. During the Fiscal Year 2012-13, the fund earned a net investment income of $237.7 million, an increase of $229.6 million compared to $8.1 million in the Fiscal Year 2011-12. The increase resulted from higher investment returns from global growth assets.

Deductions for OPEB reimbursements from the CERBTF net position held in trust for benefits totaled $635.1 million in the Fiscal Year 2012-13, an increase of $68.7 million (12.1 percent) from $566.4 million in the Fiscal Year 2011-12. The increase was due to greater employer participants utilizing the trust. Deductions for administrative expenses totaled $2.1 million. The amounts reported for contributions and reimbursements include $589.9 million for benefit payments made directly by employers to providers outside of the trust, which are required to be reported in the CERBTF in accordance with Generally Accepted Accounting Principles (GAAP).

At June 30, 2012, the date of the most recent actuarial valuations, the funded status increased to 11.8 percent from 11.7 percent at June 30, 2011. At June 30, 2012, the actuarial accrued liabilities exceeded the actuarial value of assets by approximately $15.5 billion.

**Investments — CERBTF** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $71.9 | 2.7 % |
| Global Equity Securities | 1,643.6 | 61.2 |
| Global Debt Securities | 507.2 | 18.9 |
| Inflation Assets | 251.6 | 9.4 |
| Real Assets | 210.2 | 7.8 |
| **TOTAL** | **$2,684.5** | **100.0 %** |

Employers can select from three strategies to invest their assets. In 2013, the conservative option earned 5.2 percent, intermediate risk earned 8.9 percent, and growth earned 11.8 percent.

**Net Position — Other Post-Employment Benefit Fund**

(Dollars in Thousands)

| | CERBTF | |
|---|---|---|
| | 2013 | 2012 |
| ASSETS | | |
| Cash, Cash Equivalents & Receivables | $48,249 | $36,368 |
| Investments | 2,684,477 | 2,063,613 |
| Securities Lending Collateral | 47,457 | 33,601 |
| **Total Assets** | **$2,780,183** | **$2,133,582** |
| LIABILITIES | | |
| Other Post-Employment Benefits, Investment Settlement & Other | $22,869 | $22,415 |
| Securities Lending Obligations | 46,887 | 32,933 |
| **Total Liabilities** | **$69,756** | **$55,348** |
| **TOTAL NET POSITION** | **$2,710,427** | **$2,078,234** |

### Changes in Net Position — Other Post-Employment Benefit Fund (Dollars in Thousands)

| | CERBTF | |
|---|---|---|
| | 2013 | 2012 |
| ADDITIONS | | |
| Employer Contributions | $1,031,619 | $771,750 |
| Investment Income | 237,710 | 8,066 |
| **Total Additions** | **$1,269,329** | **$779,816** |
| DEDUCTIONS | | |
| Administrative Expenses | $2,062 | $1,910 |
| Reimbursements | 635,074 | 566,360 |
| **Total Deductions** | **$637,136** | **$568,270** |
| **INCREASE IN NET POSITION** | **$632,193** | **$211,546** |
| **NET POSITION** | | |
| **Beginning of Year** | **$2,078,234** | **$1,866,688** |
| **End of Year** | **$2,710,427** | **$2,078,234** |

## ENTERPRISE FUNDS

### Public Employees' Health Care Fund (HCF)

#### Plan Activity

The HCF accounts for the activities of the CalPERS self-insured health care programs. Health premiums are collected from employers and members and used to directly pay for medical services and pharmaceutical usage.

The self-insured health care programs incurred claims expenses of $1.8 billion for the Fiscal Year 2012-13, unchanged from the Fiscal Year 2011-12. Cash & cash equivalents & receivables were $124.6 million at June 30, 2013, an increase of $24.0 million from $100.6 million at the end of the Fiscal Year 2011-12, due to a loan receivable. In August 2012, the HCF issued loans receivable totaling $36.0 million; the terms require monthly principal-only payment of $750 thousand beginning January 2013 for 48 months. This loan is accounted in short-term and long-term receivables. Premium revenues were $1.9 billion for the Fiscal Year 2012-13, an increase of $0.1 billion from $1.8 billion or 5.6 percent from the Fiscal Year 2011-12. The increase was primarily due to the overall enrollment growth and an increase in health premium rates. In addition, HCF received Employer Group Waiver Plan (EGWP) subsidies. Under the EGWP, CalPERS contracts with the federal prescription drug programs through the Pharmacy Benefit Manager (PBM) as the EGWP administrator, and the PBM manages all federal interaction. Due to health premiums received and recorded at the end of the month for the following month's coverage, the HCF is reporting unearned premium of $55.4 million at the end of the Fiscal Year 2012-13. At June 30, 2013, the HCF had $281.2 million in insurance premiums & claims payable and estimated insurance claims due, an increase of $47.8 million (20.5 percent), compared with $233.4 million at June 30, 2012.The increase was due to an increase in enrollment which resulted in spike in benefit utilization. For the Fiscal Year 2012-13, the HCF received $17.0 thousand in Federal government reimbursements, compared to $32.7 million for the Fiscal Year 2011-12, due to lack of additional federal funding for the ERRP beyond the Fiscal Year 2011-12. Non-operating revenues for the Fiscal Year 2012-13 were $4.3 million, compared with $33.5 million in Fiscal Year 2011-12, a decrease of $29.2 million. The decrease in non-operating income was due to a decrease in fixed income portion of the portfolio. The investment rate of return for fixed income investments for the Fiscal Year 2012-13 was negative 2.0 percent compared to 13.0 percent in the Fiscal Year 2011-12. Premium revenue increases offset by an increase in estimated incurred but not submitted insurance claims, resulted in the unrestricted net position to increase by a modest $2.4 million (0.5 percent) to $456.4 million at June 30, 2013.

#### Investments

Investments of the HCF are a non-operational use of reserves until needed for claims and include short-term and domestic debt securities.

### Investments — HCF (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $263.9 | 40.3 % |
| Domestic Debt Securities | 390.9 | 59.7 |
| **TOTAL** | **$654.8** | **100.0 %** |

### Public Employees' Contingency Reserve Fund (CRF)

The CRF was established to fund administrative costs related to the CalPERS health care programs and to provide a contingency reserve for potential increases in future health care premium rates or health care benefit costs.

Administrative fees collected and related costs are accounted for in the CRF proprietary fund type.

Administrative fees earned by the CRF were $17.8 million for the Fiscal Year 2012-13, a decrease of $7.6 million (29.9 percent) from $25.4 million in the Fiscal Year 2011-12. The reduction is attributed to the use of carry over fund reserves for the Fiscal Year 2012-13 operations. The administrative fees that are collected are a composite of three items:

- Enrollment, which increased from 1,373,606 Total Covered Lives (TCL) at July 2012 to 1,374,794 TCL at July 2013, an increase of 1,188 TCL per the Thomson Reuters Report titled "CalPERS Health Program Enrollment Report"
- Premium rates, which increased an average of 9.6 percent for basic plans and decreased 10.5 percent for Medicare Plans in 2013
- Administrative fee rate, which decreased from 0.36 percent in the Fiscal Year 2011-12 to 0.25 percent in the Fiscal Year 2012-13

Public agency health payments and remittances to contracted health care providers are reported in the CRF Agency Fund type. Public agencies remitted approximately $2.4 billion for payments to contracted health care providers in the Fiscal Year 2012-13.

### Investments

Investments of the CRF proprietary fund at June 30, 2012 and 2013 included only liquid, short-term securities, as investment balances are used to fund operating cash flows. Investments of the CRF proprietary fund activities decreased $6.1 million from $15.1 million at June 30, 2012, to $9.0 million at June 30, 2013, primarily due to a decrease in administrative fees earned resulting from rate reductions.

## Public Employees' Long-Term Care Fund (LTCF)

The LTCF, which provides long-term care insurance to participating members, incurred claim expenses of $198.2 million for the Fiscal Year 2012-13, an increase of $23.3 million (13.3 percent) from $174.9 million in the Fiscal Year 2011-12, due mainly to an increase in benefit use, which is expected as the participant population continues to age. Premium revenues were $307.8 million for the Fiscal Year 2012-13, a decrease of $5.7 million from $313.5 million at the end of the Fiscal Year 2011-12. The decrease is the result of the plan being closed to new members, some existing members electing reduced benefit options with reduced premiums and some members withdrawing from the program. Net investment income amounted to $119.2 million for the Fiscal Year 2012-13, an increase of $3.4 million from $115.8 million for the Fiscal Year 2011-12. The unrestricted net position of the Long-Term Care Program increased to $679.1 million during the Fiscal Year 2012-13 from a deficit of $159.7 million in the Fiscal Year 2011-12, an increase of $838.8 million. The significant funding improvement comes from a decrease in the estimated liability for future benefit payments of $631.8 million in the Fiscal Year 2012-13. The increase in unrestricted net position from the prior year is attributable to the Stabilization Plan approved by CalPERS Board in October 2012 that included premium increases to be effective in 2015 for certain policies and allowed policy conversions for program members to move to a suitable plan option. In the Fiscal Year 2012-13, the actual claim experience for the program met expectation. The estimated liability for future policy benefits reflects the actual and anticipated future experience of the program, including the expected lower future claim payments caused by the actual and assumed higher policy conversion to a lower benefit coverage plan in 2013, 2014, and 2015. The increase in premiums has been incorporated into the estimated liability.

### Investments

Total LTCF investments were $3.7 billion at June 30, 2013, which was $0.2 billion more than the $3.5 billion in total investments at June 30, 2012.

**Investments — LTCF** (Dollars in Millions)

| Investment Class | Amount | Percent of Investments |
|---|---|---|
| Short-Term Investments | $0.1 | 0.0 % |
| Global Equity Securities | 595.1 | 16.0 |
| Global Debt Securities | 2,260.2 | 60.9 |
| Inflation Assets | 429.6 | 11.6 |
| Real Assets | 428.4 | 11.5 |
| **TOTAL** | **$3,713.4** | **100.0 %** |

## Net Position — Enterprise Funds (Dollars in Thousands)

| | HCF | | CRF | | LTCF | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| ASSETS | | | | | | |
| Cash, Cash Equivalents & Receivables | $124,614 | $100,608 | $2,911 | $2,617 | $4,383 | $2,848 |
| Investments | 654,715 | 593,967 | 9,015 | 15,148 | 3,713,371 | 3,507,527 |
| Securities Lending Collateral | 2,479 | 3,495 | — | — | — | 42,343 |
| Loan Receivable | 22,500 | — | — | — | — | — |
| **Total Assets** | **$804,308** | **$698,070** | **$11,926** | **$17,765** | **$3,717,754** | **$3,552,718** |
| LIABILITIES | | | | | | |
| Insurance Premiums & Claims Payable & Estimated Insurance Claims Due | $281,248 | $233,391 | $0 | $0 | $231,763 | $212,292 |
| Unearned Premiums | 55,357 | 52 | — | — | 11,775 | 12,511 |
| Securities Lending Obligations | 2,450 | 3,425 | — | — | — | 41,501 |
| Other Liabilities | 8,878 | 7,246 | 13,219 | 10,169 | 4,092 | 5,547 |
| Estimated Liability for Future Policy Benefits | — | — | — | — | 2,791,002 | 3,440,593 |
| **Total Liabilities** | **$347,933** | **$244,114** | **$13,219** | **$10,169** | **$3,038,632** | **$3,712,444** |
| **TOTAL UNRESTRICTED NET POSITION (DEFICIT)** | **$456,375** | **$453,956** | **($1,293)** | **$7,596** | **$679,122** | **($159,726)** |

## Changes in Net Position — Enterprise Funds (Dollars in Thousands)

| | HCF | | CRF | | LTCF | |
|---|---|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 |
| REVENUES | | | | | | |
| Self-Insurance Premiums | $1,921,838 | $1,846,210 | $0 | $0 | $307,812 | $313,466 |
| Federal Government Subsidies | 22,375 | — | — | — | — | — |
| Federal Government Reimbursements | 17 | 32,710 | — | — | — | — |
| Non-Operating Revenues | 4,301 | 33,522 | 704 | 874 | 120,516 | 116,571 |
| Administrative Fees & Other | — | — | 17,809 | 25,490 | — | — |
| **Total Revenues** | **$1,948,531** | **$1,912,442** | **$18,513** | **$26,364** | **$428,328** | **$430,037** |
| EXPENSES | | | | | | |
| Claims Expense | $1,824,082 | $1,765,453 | $0 | $0 | $198,185 | $174,896 |
| Increase (Decrease) in Estimated Liabilities | 16,781 | (37,222) | — | — | (631,804) | 1,063,318 |
| Non-Operating Expenses | 95 | 87 | — | 1 | 1,280 | 814 |
| Administrative Expenses | 105,154 | 96,043 | 27,402 | 28,073 | 21,819 | 21,718 |
| **Total Expenses** | **$1,946,112** | **$1,824,361** | **$27,402** | **$28,074** | **($410,520)** | **$1,260,746** |
| **INCREASE (DECREASE) IN UNRESTRICTED NET POSITION** | **$2,419** | **$88,081** | **($8,889)** | **($1,710)** | **$838,848** | **($830,709)** |
| **NET POSITION (DEFICIT)** | | | | | | |
| **Beginning of Year** | **$453,956** | **$365,875** | **$7,596** | **$9,306** | **($159,726)** | **$670,983** |
| **End of Year** | **$456,375** | **$453,956** | **($1,293)** | **$7,596** | **$679,122** | **($159,726)** |

## REQUESTS FOR INFORMATION

This Financial Report is designed to provide a general overview of CalPERS finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, CA, 94229-2703, or by calling **888 CalPERS** (or **888**-225-7377).

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# Statement of Fiduciary Net Position – Fiduciary Funds

**As of June 30, 2013, with Comparative Totals as of June 30, 2012** (Dollars in Thousands)

| | Pension Trust Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| | PERF | LRF | JRF | JRF II | SPOFF | IRC 457 | SCPF |
| **ASSETS** | | | | | | | |
| **Cash & Cash Equivalents** | **$722,575** | **$1,301** | **$113** | **$1** | **$1** | **$706** | **$1** |
| **Receivables** | | | | | | | |
| Members, Public Agencies, State & Schools | $1,763,965 | $53 | $1,790 | $5,698 | $2 | $3,469 | $12 |
| Investment Sales & Other | 346,274 | 6 | — | 62 | 5 | 11 | — |
| Interest & Dividends | 168,524 | — | 8 | 4 | — | — | — |
| Due from Other Funds | 5,913 | 14 | 37 | 28 | — | — | — |
| Due from Federal Government | — | — | — | — | — | — | — |
| Other Program | 31,822 | 5 | 60 | 22 | — | 6,521 | — |
| **Total Receivables** | **$2,316,498** | **$78** | **$1,895** | **$5,814** | **$7** | **$10,001** | **$12** |
| **Investments, at Fair Value** | | | | | | | |
| Short-Term Investments | $8,358,000 | $5 | $52,636 | $8,068 | $7,433 | $132,424 | $642 |
| Securities Lending Collateral | 17,142,084 | 9,317 | — | 72,197 | 3,366 | 6,965 | 132 |
| Global Equity Securities | 131,631,222 | 38,734 | — | 491,388 | 292,401 | 678,197 | 11,389 |
| Global Debt Securities | 51,645,943 | 51,110 | — | 156,734 | 134,353 | 182,682 | 4,901 |
| Inflation Assets | 9,172,236 | 21,853 | — | 70,338 | 42,926 | 72,484 | 1,902 |
| Real Assets | 38,247,122 | 9,796 | — | 63,156 | 14,933 | 12,064 | 477 |
| Debt on Real Assets | (11,167,883) | — | — | — | — | — | — |
| Private Equity | 32,272,146 | — | — | — | — | — | — |
| **Total Investments** | **$277,300,870** | **$130,815** | **$52,636** | **$861,881** | **$495,412** | **$1,084,816** | **$19,443** |
| **Capital Assets, Net & Other Assets** | **$710,722** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **TOTAL ASSETS** | **$281,050,665** | **$132,194** | **$54,644** | **$867,696** | **$495,420** | **$1,095,523** | **$19,456** |
| **LIABILITIES** | | | | | | | |
| Retirement & Other Benefits | $1,416,951 | $623 | $10 | $0 | $0 | $0 | $0 |
| Due to Health Carriers | — | — | — | — | — | — | — |
| Investment Purchases & Other | 495,877 | 1 | — | 11 | 1 | 2 | — |
| Due to Members, Public Agencies, State & Schools | 3,195 | 2 | 24 | — | — | — | — |
| Securities Lending Obligations | 16,888,638 | 9,205 | — | 71,330 | 3,326 | 6,882 | 131 |
| Due to Other Funds | 6,334 | 47 | 128 | 140 | 155 | 340 | 6 |
| Management Fees | — | — | — | — | 459 | 1,746 | 23 |
| Other Program | 249,766 | 168 | 662 | 249 | 137 | 491 | — |
| **TOTAL LIABILITIES** | **$19,060,761** | **$10,046** | **$824** | **$71,730** | **$4,078** | **$9,461** | **$160** |
| **NET POSITION - RESTRICTED FOR PENSION & OTHER POST-EMPLOYMENT BENEFITS** | **$261,989,904** | **$122,148** | **$53,820** | **$795,966** | **$491,342** | **$1,086,062** | **$19,296** |

The accompanying notes are an integral part of these financial statements.

| Other Post-Employment Benefit Trust Fund | Agency Funds | Totals | |
|---|---|---|---|
| CERBTF | RBF & CRF | 2013 | 2012 |
| **$20,626** | **$1** | **$745,325** | **$898,708** |
| $25,947 | $14,689 | $1,815,625 | $1,860,807 |
| 888 | — | 347,246 | 260,552 |
| 4 | 46 | 168,586 | 154,866 |
| 784 | 1 | 6,777 | 9,382 |
| — | 11,406 | 11,406 | 12,633 |
| — | — | 38,430 | 31,357 |
| **$27,623** | **26,142** | **$2,388,070** | **$2,329,597** |
| $71,905 | $359,367 | $8,990,480 | $5,066,958 |
| 47,457 | — | 17,281,518 | 9,409,534 |
| 1,643,576 | — | 134,786,907 | 116,204,316 |
| 507,200 | — | 52,682,923 | 50,765,556 |
| 251,627 | — | 9,633,366 | 7,477,166 |
| 210,169 | — | 38,557,717 | 36,843,528 |
| — | — | (11,167,883) | (11,917,617) |
| — | — | 32,272,146 | 34,176,146 |
| **$2,731,934** | **$359,367** | **$283,037,174** | **$248,025,587** |
| **$0** | **$0** | **$710,722** | **$715,911** |
| **$2,780,183** | **$385,510** | **$286,881,291** | **$251,969,803** |
| $21,114 | $0 | $1,438,698 | $300,805 |
| — | 220,767 | 220,767 | 199,087 |
| 6 | — | 495,898 | 432,867 |
| — | 69,322 | 72,543 | 83,252 |
| 46,887 | — | 17,026,399 | 9,234,020 |
| 391 | 81,288 | 88,829 | 73,718 |
| 958 | — | 3,186 | 2,906 |
| 400 | 14,133 | 266,006 | 259,081 |
| **$69,756** | **$385,510** | **$19,612,326** | **$10,585,736** |
| **$2,710,427** | | **$267,268,965** | **$241,384,067** |

# Statement of Changes in Fiduciary Net Position – Fiduciary Funds

**For the Fiscal Year Ended June 30, 2013, with Comparative Totals for the Fiscal Year Ended June 30, 2012** (Dollars in Thousands)

| | Pension Trust Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| | PERF | LRF | JRF | JRF II | SPOFF | IRC 457 | SCPF |
| **ADDITIONS** | | | | | | | |
| **Retirement and OPEB Contributions** | | | | | | | |
| Members | $3,896,078 | $31 | $4,909 | $18,819 | $169 | $99,977 | $164 |
| Employers | 8,123,833 | 80 | 6,894 | 54,025 | 105 | 455 | — |
| State of California General Fund | — | — | 155,051 | — | — | — | — |
| Employer Contributions Direct — OPEB | — | — | — | — | — | — | — |
| Employer Contributions Outside of Trust — OPEB | — | — | — | — | — | — | — |
| **Total Retirement and OPEB Contributions** | **$12,019,911** | **$111** | **$166,854** | **$72,844** | **$274** | **$100,432** | **$164** |
| **Investment Income (Loss)** | | | | | | | |
| Net Appreciation (Depreciation) in Fair Value of Investments | $28,011,736 | $6,934 | $0 | $78,733 | $54,018 | $113,275 | $2,077 |
| Interest | 174,414 | — | 81 | 21 | 4 | 341 | 4 |
| Dividends | 1,038,143 | — | — | — | — | — | — |
| Real Assets | 2,860,993 | — | — | — | — | — | — |
| Private Equity | 667,673 | — | — | — | — | — | — |
| Other Income | 25,002 | — | — | — | — | 1,910 | — |
| Securities Lending Income | 180,849 | 84 | — | 759 | 50 | 103 | 2 |
| Less Investment Expenses: | | | | | | | |
| Costs of Lending Securities | (38,118) | (20) | — | (164) | (11) | (22) | (1) |
| Real Assets | (1,925,953) | — | — | — | — | — | — |
| Other | (709,932) | (24) | (5) | (135) | (896) | (1,136) | (31) |
| **Net Investment Income (Loss)** | **$30,284,807** | **$6,974** | **$76** | **$79,214** | **$53,165** | **$114,471** | **$2,051** |
| **Other Income** | **$7,176** | **$0** | **$2,694** | **$0** | **$0** | **$0** | **$0** |
| **TOTAL ADDITIONS** | **$42,311,894** | **$7,085** | **$169,624** | **$152,058** | **$53,439** | **$214,903** | **$2,215** |
| **DEDUCTIONS** | | | | | | | |
| Retirement, Death & Survivor Benefits | $16,635,263 | $7,548 | $187,084 | $10,518 | $0 | $0 | $0 |
| Refund of Contributions | 242,595 | — | — | 58 | — | — | — |
| Administrative Expenses | 426,077 | 418 | 1,413 | 899 | 1,460 | 3,467 | 58 |
| Participant Withdrawals | — | — | — | — | 34,417 | 82,587 | 1,448 |
| OPEB Reimbursements Direct | — | — | — | — | — | — | — |
| OPEB Reimbursements — Outside of Trust | — | — | — | — | — | — | — |
| **TOTAL DEDUCTIONS** | **$17,303,935** | **$7,966** | **$188,497** | **$11,475** | **$35,877** | **$86,054** | **$1,506** |
| **INCREASE (DECREASE) IN NET POSITION** | **$25,007,959** | **($881)** | **($18,873)** | **$140,583** | **$17,562** | **$128,849** | **$709** |
| **Net Position-Restricted for Pension and Other Post-Employment Benefits Beginning of Year** | **$236,981,945** | **$123,029** | **$72,693** | **$655,383** | **$473,780** | **$980,416** | **$18,587** |
| Prior Period Adjustment | $0 | $0 | $0 | $0 | $0 | ($23,203) | $0 |
| **Net Position Beginning of Year as Restated** | **$236,981,945** | **$123,029** | **$72,693** | **$655,383** | **$473,780** | **$957,213** | **$18,587** |
| **End of Year** | **$261,989,904** | **$122,148** | **$53,820** | **$795,966** | **$491,342** | **$1,086,062** | **$19,296** |

The accompanying notes are an integral part of these financial statements.

| Other Post-Employment Benefit Trust Fund | Totals | |
|---|---|---|
| CERBTF | 2013 | 2012 |
| $0 | $4,020,147 | $3,727,600 |
| — | 8,185,392 | 7,834,616 |
| — | 155,051 | 188,582 |
| 441,708 | 441,708 | 258,896 |
| 589,911 | 589,911 | 512,854 |
| **$1,031,619** | **$13,392,209** | **$12,522,548** |
| $237,153 | $28,503,926 | ($1,561,314) |
| 19 | 174,884 | 370,431 |
| — | 1,038,143 | 1,006,676 |
| — | 2,860,993 | 2,117,138 |
| — | 667,673 | 467,321 |
| — | 26,912 | 42,779 |
| 1,390 | 183,237 | 181,183 |
| (123) | (38,459) | (28,135) |
| — | (1,925,953) | (2,242,977) |
| (729) | (712,888) | (521,257) |
| **$237,710** | **$30,778,468** | **($168,155)** |
| **$0** | **$9,870** | **$9,947** |
| **$1,269,329** | **$44,180,547** | **$12,364,340** |
| $0 | $16,840,413 | $15,553,319 |
| — | 242,653 | 220,905 |
| 2,062 | 435,854 | 389,332 |
| — | 118,452 | 98,884 |
| 44,706 | 44,706 | 50,592 |
| 590,368 | 590,368 | 515,768 |
| **$637,136** | **$18,272,446** | **$16,828,800** |
| **$632,193** | **$25,908,101** | **($4,464,460)** |
| **$2,078,234** | **$241,384,067** | **$245,848,527** |
| $0 | ($23,203) | $0 |
| **$2,078,234** | **$241,360,864** | **$245,848,527** |
| **$2,710,427** | **$267,268,965** | **$241,384,067** |

# Statement of Net Position – Proprietary Funds

**As of June 30, 2013, with Comparative Totals as of June 30, 2012** (Dollars in Thousands)

| | Enterprise Funds | | | Totals | |
|---|---|---|---|---|---|
| | HCF | CRF | LTCF | 2013 | 2012 |
| **ASSETS** | | | | | |
| **Current Assets** | | | | | |
| Cash & Cash Equivalents | $521 | $0 | $3,398 | $3,919 | $2,218 |
| **Receivables** | | | | | |
| Members, Public Agencies, State & Schools | $28,701 | $589 | $599 | $29,889 | $32,944 |
| Interest & Dividends | 155 | 144 | — | 299 | 364 |
| Due from Other Funds | 85,464 | 1,293 | — | 86,757 | 69,188 |
| Investment Sales and Other | 6 | — | 386 | 392 | 134 |
| Loan | 9,750 | — | — | 9,750 | — |
| Other | 17 | 885 | — | 902 | 1,225 |
| **Total Receivables** | **$124,093** | **$2,911** | **$985** | **$127,989** | **$103,855** |
| **Subtotal Current Assets** | **$124,614** | **$2,911** | **$4,383** | **$131,908** | **$106,073** |
| **Investments, at Fair Value** | | | | | |
| Short-Term Investments | $263,865 | $9,015 | $104 | $272,984 | $121,809 |
| Securities Lending Collateral | 2,479 | — | — | 2,479 | 45,838 |
| Global Equity Securities | — | — | 595,126 | 595,126 | 1,558,410 |
| Domestic Debt Securities | 390,850 | — | 2,260,207 | 2,651,057 | 1,522,116 |
| Inflation Assets | — | — | 429,624 | 429,624 | 627,871 |
| Real Assets | — | — | 428,310 | 428,310 | 286,436 |
| **Total Investments** | **$657,194** | **$9,015** | **$3,713,371** | **$4,379,580** | **$4,162,480** |
| Long-Term Loan Receivable | $22,500 | — | — | $22,500 | — |
| **TOTAL ASSETS** | **$804,308** | **$11,926** | **$3,717,754** | **$4,533,988** | **$4,268,553** |
| **LIABILITIES** | | | | | |
| **Current Liabilities** | | | | | |
| Insurance Premiums & Claims Payable | $65,366 | $0 | $15,251 | $80,617 | $47,857 |
| Unearned Premiums | 55,357 | — | 11,775 | 67,132 | 12,563 |
| Estimated Insurance Claims Due | 215,882 | — | 216,512 | 432,394 | 397,826 |
| Securities Lending Obligations | 2,450 | — | — | 2,450 | 44,926 |
| Due to Other Funds | 1,828 | 2,064 | 812 | 4,704 | 4,852 |
| Management Fees | — | — | 789 | 789 | — |
| Other | 1,414 | — | 2,491 | 3,905 | 4,752 |
| **Total Current Liabilities** | **$342,297** | **$2,064** | **$247,630** | **$591,991** | **$512,776** |
| **Long-Term Liabilities** | | | | | |
| Estimated Liability for Future Policy Benefits | $0 | $0 | $2,791,002 | $2,791,002 | $3,440,593 |
| OPEB Obligation | 5,636 | 11,155 | — | 16,791 | 13,358 |
| **Total Long-Term Liabilities** | **$5,636** | **$11,155** | **$2,791,002** | **$2,807,793** | **$3,453,951** |
| **TOTAL LIABILITIES** | **$347,933** | **$13,219** | **$3,038,632** | **$3,399,784** | **$3,966,727** |
| **TOTAL UNRESTRICTED NET POSITION (DEFICIT)** | **$456,375** | **($1,293)** | **$679,122** | **$1,134,204** | **$301,826** |

The accompanying notes are an integral part of these financial statements.

# Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds

**For the Fiscal Year Ended June 30, 2013, with Comparative Totals for the Fiscal Year Ended June 30, 2012** (Dollars in Thousands)

| | Enterprise Funds | | | Totals | |
|---|---|---|---|---|---|
| | HCF | CRF | LTCF | 2013 | 2012 |
| **Operating Revenues** | | | | | |
| Self-Insurance Premiums | $1,921,838 | $0 | $307,812 | $2,229,650 | $2,159,676 |
| Federal Government Subsidies | 22,375 | — | — | 22,375 | — |
| Federal Government Reimbursements | 17 | — | — | 17 | 32,710 |
| Administrative Fees Earned | — | 17,799 | — | 17,799 | 25,390 |
| Other | — | 10 | — | 10 | 100 |
| **Total Operating Revenues** | **$1,944,230** | **$17,809** | **$307,812** | **$2,269,851** | **$2,217,876** |
| **Operating Expenses** | | | | | |
| Claims Expense | $1,824,082 | $0 | $198,185 | $2,022,267 | $1,940,349 |
| Increase (Decrease) in Estimated Liabilities | 16,781 | — | (631,804) | (615,023) | 1,026,096 |
| Administrative Expenses | 105,154 | 27,402 | 21,819 | 154,375 | 145,834 |
| **Total Operating Expenses** | **$1,946,017** | **$27,402** | **($411,800)** | **$1,561,619** | **$3,112,279** |
| **OPERATING INCOME (LOSS)** | **($1,787)** | **($9,593)** | **$719,612** | **$708,232** | **($894,403)** |
| **Non-Operating Revenues** | | | | | |
| Net Appreciation in Fair Value of Investments | $3,572 | $0 | $119,605 | $123,177 | $147,807 |
| Interest, Dividends, & Other Investment Income | 688 | 704 | 2 | 1,394 | 1,482 |
| Securities Lending Income | 41 | — | 909 | 950 | 1,678 |
| **Total Non-Operating Revenues** | **$4,301** | **$704** | **$120,516** | **$125,521** | **$150,967** |
| **Non-Operating Expenses** | | | | | |
| Costs of Lending Securities | $8 | $0 | $120 | $128 | $286 |
| Other Investment Expenses | 87 | — | 1,160 | 1,247 | 616 |
| **Total Non-Operating Expenses** | **$95** | **$0** | **$1,280** | **$1,375** | **$902** |
| **NON-OPERATING INCOME** | **$4,206** | **$704** | **$119,236** | **$124,146** | **$150,065** |
| **CHANGE IN UNRESTRICTED NET POSITION (DEFICIT)** | **$2,419** | **($8,889)** | **$838,848** | **$832,378** | **($744,338)** |
| **TOTAL UNRESTRICTED NET POSITION (DEFICIT)** | | | | | |
| **Beginning of Year** | **$453,956** | **$7,596** | **($159,726)** | **$301,826** | **$1,046,164** |
| **End of Year** | **$456,375** | **($1,293)** | **$679,122** | **$1,134,204** | **$301,826** |

The accompanying notes are an integral part of these financial statements.

# Statement of Cash Flows – Proprietary Funds

**For the Fiscal Year Ended June 30, 2013, with Comparative Totals for the Fiscal Year Ended June 30, 2012** (Dollars in Thousands)

| | Enterprise Funds | | | Totals | |
|---|---|---|---|---|---|
| | HCF | CRF | LTCF | 2013 | 2012 |
| **Cash Flows From Operating Activities** | | | | | |
| Self-Insurance Premiums Collected | $1,924,768 | $0 | $307,001 | $2,231,769 | $2,148,020 |
| Federal Government Subsidies | 22,375 | — | — | 22,375 | — |
| Federal Government Reimbursements | 17 | — | — | 17 | 32,710 |
| Claims Paid | (1,793,005) | — | (196,501) | (1,989,506) | (1,957,665) |
| Other (Payments) Receipts, Net | (97,149) | (6,908) | (23,255) | (127,312) | (160,903) |
| **Net Cash Provided by (Used for) Operating Activities** | **$57,006** | **($6,908)** | **$87,245** | **$137,343** | **$62,162** |
| **Cash Flows From Investing Activities** | | | | | |
| Net Sales (Purchases) of Investments | $100,055 | $0 | ($86,162) | $13,893 | ($116,484) |
| Net Change in Short-Term Investments | (157,231) | 6,133 | (77) | (151,175) | 54,107 |
| Net Proceeds from Securities Lending | (3) | — | 816 | 813 | 365 |
| Interest & Dividends Received | 682 | 775 | 2 | 1,459 | 1,599 |
| Other Investment (Payments) Receipts, Net | (12) | — | (620) | (632) | (616) |
| **Net Cash Provided by (Used for) Investing Activities** | **($56,509)** | **$6,908** | **($86,041)** | **($135,642)** | **($61,029)** |
| **NET INCREASE IN CASH & CASH EQUIVALENTS** | **$497** | **$0** | **$1,204** | **$1,701** | **$1,133** |
| **Cash & Cash Equivalents, Beginning of Year** | **$24** | **$0** | **$2,194** | **$2,218** | **$1,085** |
| **Cash & Cash Equivalents, End of Year** | **$521** | **$0** | **$3,398** | **$3,919** | **$2,218** |
| **Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities** | | | | | |
| Operating Income (Loss) | ($1,787) | ($9,593) | $719,612 | $708,232 | ($894,403) |
| Changes in Assets & Liabilities: | | | | | |
| Receivables: | | | | | |
| Members, Public Agencies, State & Schools | 2,930 | 200 | (75) | 3,055 | (11,667) |
| Due from Other Funds | (16,682) | (887) | — | (17,569) | (2,589) |
| Loans | (32,250) | — | — | (32,250) | — |
| Other | 1 | 322 | — | 323 | (825) |
| Insurance Premiums & Claims Payable | 31,076 | — | 1,684 | 32,760 | (27,463) |
| Unearned Premiums | 55,305 | — | (736) | 54,569 | (12,563) |
| Estimated Insurance Claims Due | 16,782 | — | 17,786 | 34,568 | (24,233) |
| Estimated Liability for Future Policy Benefits | — | — | (649,591) | (649,591) | 1,050,329 |
| Due to Other Funds | 131 | 711 | (990) | (148) | 1,936 |
| Management Fees | — | — | 789 | 789 | — |
| OPEB Obligation | 1,094 | 2,339 | — | 3,433 | (10,940) |
| Other | 406 | — | (1,234) | (828) | (5,420) |
| **Net Cash Provided by (Used for) Operating Activities** | **$57,006** | **($6,908)** | **$87,245** | **$137,343** | **$62,162** |
| **Noncash Investing, Capital & Financing Activities** | | | | | |
| Noncash Change in Fair Value of Investments | ($23,922) | $0 | ($119,605) | ($143,527) | ($30,886) |

The accompanying notes are an integral part of these financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Measurement Focus, Basis of Accounting & Basis of Presentation

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). In doing so, the California Public Employees' Retirement System (CalPERS), or the "System," adheres to guidelines established by the Governmental Accounting Standards Board (GASB).

The accounts of CalPERS are organized and operated on the basis of funds. CalPERS Board of Administration (Board) has a fiduciary responsibility for the investments within both the Fiduciary and Proprietary Funds. CalPERS has the following fund types at June 30, 2013:

**Fiduciary funds** — including pension trust, other post-employment trust, and agency funds, account for assets held by CalPERS in a trustee capacity or as an agent on behalf of others. The pension trust funds, the Public Employees' Retirement Fund (PERF), the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), the Judges' Retirement Fund II (JRF II), the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), the Supplemental Contributions Program Fund (SCPF) and the other post-employment health care fund, the California Employers' Retiree Benefit Trust Fund (CERBTF), are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions for the pension trust funds are recognized in the period in which the contributions are due. Employer contributions for defined benefit pension and Other Post-Employment Benefits (OPEB) Obligation plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds in the defined benefit plans are recognized when due and payable in accordance with the terms of each plan. The agency funds, the Replacement Benefit Fund (RBF) and the Public Employees' Contingency Reserve Agency Fund (CRF) are custodial in nature and do not measure the results of operations. Assets and liabilities are recorded using the accrual basis of accounting.

**Proprietary funds** — including enterprise funds, the Public Employees' Health Care Fund (HCF), the Public Employees' Contingency Reserve Proprietary Fund (CRF), and the Public Employees' Long-Term Care Fund (LTCF), are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. CalPERS applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations, and follows Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board Opinions, Accounting Research Bulletins and AICPA Accounting Interpretations, issued prior to December 1, 1989, insofar as those standards do not conflict with or contradict guidance of the GASB. Operating revenues and expenses are distinguished from non-operating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF, CRF, and LTCF are derived from self-insurance premiums, Federal Employer Group Waiver Plan (EGWP) subsidies, and administrative services fees. Operating expenses include the cost of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

### New GASB Pronouncements

#### GASB Statement No. 62

Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedures which do not conflict with or contradict other GASB pronouncements. The provisions of this statement are effective for financial statement periods beginning after December 15, 2011. The implementation of this statement does not have an impact on the System's financial statements.

#### GASB Statement No. 63

Effective July 1, 2012, CalPERS implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflow of Resources, Deferred Inflow of Resources, and Net Position*. Certain defined transactions that do not qualify for treatment as either assets or liabilities are accounted for and reported

as either deferred outflows of resources or deferred inflows of resources and are defined as consumption and/or acquisition of the net assets that are applicable to a future reporting period.

With the provision of GASB No. 63, the Statement of Net Assets became the Statement of Net Position. The new standard clarifies where these elements are to be reported in the statement of financial position. GASB Statement Nos. 53 and 60 previously identified certain transactions requiring the use of deferred outflows and deferred inflows of resources. Based on the review and analysis of GASB Nos. 53 and No. 60, it was determined that CalPERS does not have these types of transactions.

### Reporting Entity

The basic financial statements of CalPERS include fund financial statements reporting the financial activities of all of the above funds and assets under trust. The Board has plenary authority and fiduciary responsibility for the investment of monies and the administration of the System pursuant to the State Constitution, Article XVI, Section 17. CalPERS is classified as a component unit of the State of California for financial reporting purposes, in accordance with the provisions of Governmental Accounting Standards Board Statement No. 61. CalPERS financial statements are included in fiduciary and proprietary funds in the State of California Comprehensive Annual Financial Report.

### Investments

The majority of the investments held at June 30, 2013, are in the custody of or controlled by State Street Bank, CalPERS master custodian. State statutes and Board policies allow investments consisting of government, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, inflation assets, and other investments.

Investments are reported at fair value. The diversity of the investment types in which CalPERS invests requires a wide range of techniques to determine fair value. CalPERS has established internal unitized investment pools whereby multiple funds (e.g., PERF, LRF, JRF II, CERBTF, etc.) can participate in the unitized pools. These internal investment pools are valued at net asset value (NAV), which includes investment receivables, payables, interest, and dividend income. For financial reporting purposes, in accordance with GASB Statement No. 31, each fund participating in the unitized pool reports the fund's pro rata share of participation in the pool. As such, certain funds with 100 percent of their investments invested in the unitized pools do not report interest and dividends income on the statement of changes in fiduciary net position or the statement of revenues, expenses and changes in net position. This is because they are included in the calculation of the unit price of the unitized pools and ultimately flow through the net appreciation and depreciation of fair value of investments. Due to the short-term nature of investments held by the JRF and CRF proprietary fund, there was no net appreciation in the fair value of investments in Fiscal Year 2012-13. The determination of realized gains and losses is independent of the calculation of the change in the fair value of investments.

CalPERS presents, in the statement of changes in fiduciary net position, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current fiscal year were included as a component of net appreciation (depreciation) in the fair value of investments in the prior year and the current year. Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The overall valuation processes and information sources by major asset classification are as follows:

#### Short-Term

Short-term investments can consist of U.S. Treasury and Government Sponsored Securities, Money Market Funds, Commercial Paper, Certificates of Deposit, Delivery Versus Payment (DVP) Repurchase Agreements, Asset Backed Securities, Notes and Bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions. This approach allows for a high level of liquidity and diversification. Assets are reported at fair value or cost or amortized cost that approximates fair value. Fair value is determined based upon quoted market prices. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments.

### Global Equity Securities

The majority of domestic and international equity securities held by CalPERS is actively traded on major stock exchanges or over-the-counter. These exchanges make information on trades of identical securities available daily on a last trade or official close basis. If such information is not available, other pre-established means are used to determine a price.

In addition, CalPERS holds limited partner positions in corporate governance funds, organized to invest strategically in publicly traded equity securities of companies on major stock exchanges to achieve long-term capital appreciation. These limited partnerships have been valued using the NAV of the entity, with the most significant input into the NAV being the value of its investment holdings. The general partners obtain prices for their holdings in a manner similar to that described above for CalPERS equity holdings.

CalPERS also invests in limited partner positions in Absolute Return Strategy (ARS) funds. The most common strategies for these funds include, but are not limited to Directional Trading, Event Driven, Fund of Hedge Funds, Multi-Process, Security Selection, and Specialist Credit strategies. Investments in commingled funds have the potential to become illiquid under stressed market conditions, and, in certain circumstances, investors may be subject to redemption restrictions, which can impede the timely return of capital. These partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued on a monthly basis by each fund's independent administrator and for certain illiquid investments, where no market exists, the General Partner may provide pricing input. The pricing assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type, but are predominantly derived from observed market prices.

### Global Debt Securities

Debt securities consist primarily of negotiable obligations of the U.S. Government and U.S. Government sponsored agencies, foreign governments, corporations, and securitized offerings backed by residential and commercial mortgages, credit cards, auto and student loans, and direct loans for the asset-based lending program. Certain debt securities, such as U.S. Government bonds, have an active market. These securities can typically be valued using the close or last traded price on a specific date. The majority of other debt securities is not as actively traded and is thus valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings and other assumptions based upon the specifics of the asset type.

### Inflation Assets

In December 2007, the Board approved an investment asset allocation that included a five-percent allocation in an inflation-linked asset class (ILAC). The ILAC included commodities, inflation-linked bonds, infrastructure, and forestland. In May 2011, the Board approved the inflation assets program to be comprised of commodities and inflation-linked bonds. As mentioned in the real assets note, the infrastructure and forestland investments were reported as real assets as of July 1, 2011. Commodities investments are valued in the same manner as described in the Global Equity Securities section, and inflation-linked bonds are valued in the same manner as described in the Global Debt Securities section.

### Real Assets

In December 2010, the Board approved an alternative asset classification as part of the overall Strategic Asset Allocation process. The approved classification called for the creation of the new real assets class comprised of real estate, infrastructure and forestland investments. The real assets program was approved in May 2011 and its policy was adopted as of July 1, 2011.

Real estate investments consist primarily of private commercial real estate equity in separate accounts and commingled funds. Real estate is held either directly, in separate accounts, as a limited partner or in a joint venture or commingled fund. Properties owned directly, held in a separate account or in a joint venture structure are subject to independent third-party appraisals performed in accordance with the Uniform Standards of Professional Appraisal Practice once every year, as directed by CalPERS. Real estate investments in a commingled fund are long-term and illiquid in nature. As a result, investors are subject to redemption restrictions, which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Limited partner interests in joint

venture and commingled funds are valued by CalPERS using the NAV of the partnership. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually and may be periodically appraised by an independent third party, as directed by the general partners. The valuation assumptions are based upon both market and property specific inputs, which are not observable and involve a certain degree of expert judgment. Real estate investments also include real estate investment trust securities, which are valued in the same manner as described in the Global Equity Securities section of this footnote. Real estate investment income includes all rental and other property revenues, joint venture income and losses, interest income for CalPERS' minority investments, interest and dividends, credit enhancement fee income, foreign currency gains and losses, and other investment income from partnerships.

Infrastructure and forestland investments are valued in the same manner as described in the Private Equity section. These investments play a strategic role within the total fund by providing steady returns and cash yields, defensive growth, inflation protection and diversification benefits.

### Private Equity

CalPERS has invested as a limited partner in various funds, in customized investment accounts, and in co-investments, employing specific strategies. The most common investment strategies include leveraged buyouts, credit related, expansion capital, venture capital, and opportunistic capital. The strategies are long-term and illiquid in nature. As a result, the ability of limited partners to exit a partnership investment prior to its dissolution is limited.

Private equity partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly basis, in accordance with financial reporting standards: US GAAP, International Financial Reporting Standards (IFRS), etc.

The objective of private equity investments is to generate capital gains, including interest, dividends and other income. The CalPERS Private Equity Program's primary objective is to achieve the highest possible risk-adjusted return for the System while minimizing the risk of loss.

### Investment Expenses

Investment expenses presented within the statement of changes in fiduciary net position and the statement of revenues, expenses and changes in net position include expenses arising from the securities lending program, the allocation of consolidated costs arising from the underlying real asset partnership investments and other expenses incurred to manage the comprehensive investment portfolio. These portfolio expenses include management and performance fees, audit, appraisal, consulting, legal, technology, dividend tax and other miscellaneous fees. All of these fees are disclosed within the Other Supplemental Information section in the Investment Expenses Schedule.

Real asset management and incentive fees are included in the Other Investment Expenses financial statement line item and detailed in the Investment Expenses Schedule in the Other Supplemental Information Section. All other real asset expenses are comprised of partner insurance premiums, property management fees, leasing costs, bad debt expenses, repairs and maintenance, utilities, promotion and marketing, and general administrative expenses.

The Investment Expenses do not include fees and costs for the private equity and ARS programs, nor do they contain the commissions and fees paid to transact public securities. Partnership management fees for the private equity program are drawn from the committed capital and reported as an increase in the cost basis. ARS program investments may include investments in equity, fixed income, commodities, currencies, and other investments. The investment fees and costs are presented, for information, within the unaudited Investment Section of the System's Comprehensive Annual Financial Report in the following schedules: Schedule of Fees and Costs for Private Equity Partners, Schedule of Fees and Costs for Absolute Return Strategies Program and The Schedule of Commissions and Fees. These costs are captured within the respective net asset values as reported in the statement of net position for fiduciary and proprietary funds.

### Capital Assets

Capital assets are defined by CalPERS as assets with an initial individual cost of $5,000 or more, or $1 million or more for intangible assets, and an estimated useful life in excess of one year. Capital assets held by the PERF, consisting of buildings, furniture, equipment, and intangible assets are recorded at cost or, if donated, at their estimated fair value at the date of

donation. Capital assets are depreciated over their estimated useful lives, ranging from one to five years for furniture and equipment, 40 years for buildings, and determined on an asset by asset basis for intangible assets, using the straight-line method of depreciation. Capital assets totaled $710.7 million, net of accumulated depreciation of $166.3 million at June 30, 2013.

### Loans Receivable

In August 2012, the HCF incurred loan receivables totaling $36 million; the terms require monthly principal-only payment totaling $750 thousand beginning January 2013 for 48 months.

### Use of Estimates in the Preparation of Financial Statements

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain financial statement amounts and disclosures. Actual results could differ from those estimates.

### Reclassifications

Certain reclassifications have been made to the comparative totals as of and for the year ended June 30, 2012, to conform to the presentation as of June 30, 2013.

### Comparative Totals

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CalPERS financial statements for the year ended June 30, 2012, from which the summarized information was derived.

### Prior Period Adjustment

Plan net position restricted for pension benefits in the IRC 457 fund has been reduced by $23.2 million as of June 30, 2012 to remove the net position of the Placer County 401K plan, as CalPERS does not hold the assets in a trustee capacity.

## 2. GENERAL DESCRIPTION OF THE PLANS

The State Employees' Retirement System, the predecessor to CalPERS, was created after voters approved a constitutional amendment authorizing legislation to establish a pension system for State employees pursuant to the Statutes of 1931. Such legislation became effective January 1, 1932. CalPERS has expanded to include, among others, employees of local agencies that elect to participate in the System.

At June 30, 2013, the Board administers a total of 12 funds, including four defined benefit retirement plans: the PERF, LRF, JRF, and the JRF II; three defined contribution retirement plans: the SPOFF, IRC 457, and the SCPF; one defined benefit post-employment benefit plan, the CERBTF; one health care plan: the HCF; and three other plans: the LTCF, the CRF, and RBF.

### Defined Benefit Plans

The PERF was established in 1932, the LRF in 1947, the JRF in 1937, and JRF II in 1994. The PERF, LRF, JRF, and JRF II are defined benefit pension plans, which provide benefits based on members' years of service, age, final compensation, and benefit formula. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries.

At June 30, 2013, the State of California and 1,581 public agencies and schools (representing more than 2,500 entities) contribute to the PERF, which is an agent multiple-employer and cost-sharing defined benefit pension plan. The LRF, JRF, and JRF II are single-employer defined benefit pension plans for the State of California. CalPERS acts as the common investment and administrative agent for the member agencies, including schools (for classified employees).

Members of the PERF, LRF, JRF, and JRF II become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

As of June 30, 2013, the number of affiliated employers for the PERF, LRF, JRF, and JRF II are as follows:

### Affiliated Employers for the PERF, LRF, JRF, and JRF II

| | 2013 |
|---|---|
| **PERF** | |
| State | 1 |
| Schools | 61 |
| Public Agencies | 1,520 |
| **Total PERF** | **1,582** |
| **LRF** | **1** |
| **JRF** | **1** |
| **JRF II** | **1** |

As of June 30, 2013, benefit recipients and members in the PERF, LRF, JRF and JRF II consisted of the following:

### Benefit Recipients and Members in the PERF, LRF, JRF and JRF II

| Fund | Retirees | Survivors & Beneficiaries | Members | | TOTAL |
|---|---|---|---|---|---|
| | | | Active | Inactive | |
| **PERF** | | | | | |
| State | 175,851 | 28,785 | 243,620 | 90,463 | 538,719 |
| Schools | 161,024 | 22,338 | 280,738 | 150,127 | 614,227 |
| Public Agencies | 158,834 | 20,143 | 235,151 | 104,138 | 518,266 |
| Total PERF | **495,709** | **71,266** | **759,509** | **344,728** | **1,671,212** |
| **LRF** | **123** | **125** | **11** | **17** | **276** |
| **JRF** | **1,329** | **567** | **319** | **6** | **2,221** |
| **JRF II** | **41** | **11** | **1,352** | **—** | **1,404** |
| **TOTAL** | **497,202** | **71,969** | **761,191** | **344,751** | **1,675,113** |

The membership consists of the following categories:

#### PERF

- **Safety** — includes California Highway Patrol, peace officers, firefighters and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- **Schools** — includes non-teaching, non-certificated school employees.
- **State Industrial** — includes all employees of the California Department of Corrections & Rehabilitation who are not safety members.
- **General** — includes all other members, defined by statute as "miscellaneous" members.

#### LRF

- State Legislators
- Constitutional Officers
- Legislative Statutory Officers

#### JRF

- **Judges** — includes California Supreme Court, Courts of Appeal, and Superior Courts appointed or elected before November 9, 1994.

#### JRF II

- **Judges** — includes California Supreme Court, Courts of Appeal and Superior Courts appointed or elected on or after November 9, 1994.

### Financing

The benefits for the PERF, LRF, JRF and JRF II are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by State statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the Public Employees' Retirement Fund, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from $0 to $863 monthly. For the fiscal year ended June 30, 2013, the required contribution rates for active plan members are as follows:

### Required Contribution Rates for Active Plan Members

| | Required Contribution Rates |
|---|---|
| **PERF** | |
| State Employees: | |
| Miscellaneous & Industrial | 5% to 11% |
| Miscellaneous & Industrial — Second Tier | 0% |
| Safety | 9% to 11% |
| Peace Officers & Firefighters | 8% to 11% |
| California Highway Patrol | 10% |
| Classified School Employees | 6% or 7% |
| Public Agency Employees | 4% to 15.25% |
| **LRF** | 4% or 8% |
| **JRF** | 8% |
| **JRF II** | 8% or 14.25% |

These contributions are deposited in a fund or cost sharing risk pool for the purpose of building actuarial reserves for future benefits.

All employees in a covered class of employment who work on a half-time basis or more are eligible to participate in the retirement plans. CalPERS administers several different retirement plans, each providing a monthly allowance based on age, years of credited service, the benefit formula, and highest average compensation over an established period of one year or three years. All plans provide death and disability benefits. In addition, post-retirement cost of living increases are also provided. Within the PERF, the benefit provisions for the State and school employees are established by statute. The benefits for the public agencies are established by contract with the System, in accordance with the provisions of the Public Employees' Retirement Law.

The benefits for the LRF are established in accordance with the provisions of the Legislators' Retirement Law. The benefits for the JRF are established in accordance with the provisions of the Judges' Retirement Law. The benefits for the JRF II are established in accordance with the provisions of the Judges' Retirement System II Law.

In November 1990, Article IV, Section 4.5 was added to the State Constitution, pursuant to the adoption of Proposition 140. This section effectively prohibited future Legislators from earning State retirement benefits for service in the Legislature on or after November 7, 1990, though it recognized vested pension benefits that had accrued before that date.

Due to the effects of Proposition 140, there are two legislators eligible to participate in the Legislators' Retirement Fund. The only active members in the fund are Constitutional Officers (including the Insurance Commissioner and members of the Board of Equalization) and Legislative Statutory Officers. The Public Employees Pension Reform Act of 2013 (PEPRA) closed the Legislators Retirement System to new participants effective January 1, 2013.

Costs of administering the funds are financed through contributions and investment earnings of the funds.

### Termination

Upon permanent separation from the retirement plans, accumulated member contributions are refundable, with interest credited through the date of refund, as required by applicable laws. Withdrawal of such accumulated contributions results in forfeiture of the related vested benefits.

In the event that public agencies elect to terminate their contracts with the retirement plans, accumulated member and employer contributions, interest, and the related liability for benefits may be transferred to the employers. If amounts are not transferred to the employers, sufficient assets required to cover the related liability for benefits are retained in the retirement plans. Excess assets above those required, if any, are returned to the employer, while the employer is billed for any deficiency in assets.

### OASI

The Old Age & Survivors' Insurance Revolving Fund (OASI) was established to consolidate the collection and payment for California public agencies of employee and employer contributions under the provisions of the Federal Social Security regulations.

Federal legislation was enacted on October 21, 1986, which required direct remittance of Social Security contributions by individual public agencies and eliminates the intermediary collection and remittance of such contributions by individual public agencies and by State Social Security agencies, such as the OASI. As such, effective January 1, 1987, the OASI stopped receiving contributions from public agencies. Subsequently, CalPERS, the Social Security Administration, and participating local agencies reached agreement on the proper amount of contributions, payments, and refunds. Since then the OASI fund has been utilized to reimburse the PERF for OASI contract

management and related services, as provided in Government Code Section 22601. The residual balances are now being reported in the PERF for accounting and financial reporting purposes.

### CERBTF

The California Employers' Retiree Benefit Trust Fund (CERBTF) was established by Chapter 331 of the 1988 Statutes and initially funded in 2007. At June 30, 2013, 373 employers had elected to participate in the fund. The purpose of the fund is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the plan. The CERBTF is an agent multiple-employer plan as defined in GASB Statement No. 43 with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, or the employer substantiates to the Board that all of the employer's obligations for the payment of post-employment benefits have been satisfied. At June 30, 2013, there were 121,442 active or inactive members and 56,632 retirees for the miscellaneous plan and 27,901 active or inactive members and 21,075 retirees for the safety plan.

Costs to administer the plan are determined through the Board-approved cost allocation plan, where actual direct and indirect costs of administering the System are assessed to each fund.

## Defined Contribution Plans

### SPOFF

The State Peace Officers' and Firefighters' Supplemental Plan (SPOFF) is a defined contribution retirement plan established by Chapter 820 of the 1998 Statutes. The plan is a qualified money purchase pension plan under Section 401(a) of Title 26 of the Internal Revenue Code and is intended to supplement the retirement benefits provided by the PERF to eligible peace officers and firefighters employed by the State of California. Plan provisions are established and may be amended by statute.

SPOFF is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. Contributions to the plan are funded entirely by the employer. Contribution requirements are established and may be amended through a Memorandum of Understanding from the California Department of Human Resources. Effective April 2011, the State suspended contributing on behalf of rank and file positions, and effective May 2011, the State suspended contributing on behalf of supervisors, management, and exempt positions. As of June 30, 2013, the duration of the suspension is unknown.

The benefits paid to participants will depend on the amount contributed and the earnings/losses attributed to participants' accounts. Contributions are invested in the CalPERS Moderate Asset Allocation Fund, which includes short-term, equity and fixed income securities, inflation assets and real estate investment trusts. Distributions are allowed only at retirement or permanent separation from all State employment.

At June 30, 2013, there were 35,820 active and inactive participants.

### IRC 457

The CalPERS Supplemental Income 457 Plan (457 Deferred Compensation Plan) is available to public agencies and school districts within the State of California, and is governed by Government Code Section 21670 through 21685 authorizing the Board to establish a deferred compensation plan qualified under Section 457 of Title 26 of the United States Internal Revenue Code.

The CalPERS IRC 457 Plan is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. Plan participation is voluntary to employees of contracting public agencies and school districts.

Members may contribute up to the limit established under the Internal Revenue Code and are allowed to change

their contribution amount, transfer account balances among 24 investment options, or change the contribution percentages designated to each option on a daily basis. The 24 investment options are:

- CalPERS Target Retirement Income Fund
- CalPERS Target Retirement 2005 Fund
- CalPERS Target Retirement 2010 Fund
- CalPERS Target Retirement 2015 Fund
- CalPERS Target Retirement 2020 Fund
- CalPERS Target Retirement 2025 Fund
- CalPERS Target Retirement 2030 Fund
- CalPERS Target Retirement 2035 Fund
- CalPERS Target Retirement 2040 Fund
- CalPERS Target Retirement 2045 Fund
- CalPERS Target Retirement 2050 Fund
- CalPERS Conservative Asset Allocation Fund
- CalPERS Moderate Asset Allocation Fund
- CalPERS Aggressive Asset Allocation Fund
- Short-Term Investment Fund
- PIMCO Short-Term Bond Fund
- CalPERS Total Return Bond Fund
- CalPERS Treasury Inflation Protected Securities Fund
- CalPERS S&P 500 Equity Index Fund
- CalPERS Small & Mid Cap Equity Index Fund
- The Boston Company Small/Mid Value Fund
- The Boston Company Small/Mid Growth Fund
- CalPERS International Index Fund
- Pyramis Select International Fund

In addition, a Self-Managed Brokerage Account (SMA) is available as an optional provision. Members may access their funds upon retirement, separation from employment, or other distributable events as allowed under the Internal Revenue Code. The Board has authorization under the Government Code of the State of California to establish plan provisions.

At June 30, 2013, there were 25,665 active and inactive participants with account balances.

### SCPF

The Supplemental Contribution Plan (SCP) was established January 1, 2000, by Chapter 307 of the 1999 Statutes. The plan is a qualified plan under Section 401(a) of Title 26 of the United States Internal Revenue Code. It is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. After-tax contributions are intended to supplement the retirement benefits provided by the PERF.

Currently, the Plan is available only to State of California employees who are members of CalPERS. The program is entirely member-funded and participation is voluntary. Participant contributions are made on an after-tax basis and are separate from defined benefit contributions. Participants may contribute to a deferred compensation plan in conjunction with SCP, subject to Internal Revenue Code Section 415(c) limits. The same investment options as in the IRC 457 plan are available in SCP.

Distributions are allowed only at retirement or permanent separation from employment. The Board has authorization under the Government Code of the State of California to establish plan provisions. At June 30, 2013, there were 549 active and inactive participants in the program.

### RBF

The Replacement Benefit Fund (RBF) was established as a custodial fund by Chapter 938 of the 1995 Statutes. Initially funded in 1998, it provides benefits to members of the PERF, LFR, JRF and JRF II whose retirement allowance, based on the member's choice of retirement option, exceeds the Internal Revenue Code Section 415(b) limits. IRC Section 415(b) imposes a dollar limit on the annual retirement benefits an individual may receive from a qualified defined benefit pension plan.

The RBF is funded on a "pay-as-you-go" basis. That is, the employer is invoiced for amounts payable to its former employees in the calendar year and upon receipt of payment by the employers, CalPERS remits the replacement benefit to the retirees. Employer contributions must be in amounts equivalent to the benefits not paid from the PERF as a result of the limitations of IRC Section 415(b) plus, if applicable, employer FICA taxes. CalPERS is responsible for calculating the applicable dollar limit under IRC Section 415(b) and setting the employer rates. At June 30, 2013, there were 396 retirees receiving replacement benefits.

Government Code Section 7522.43 provides that a public retirement system may continue to administer a plan of replacement benefits for employees first hired prior to January 1, 2013 only. Section 7522.43 prohibits any employer

from offering a plan of replacement benefits for employees hired on or after January 1, 2013.

### HCF

The Public Employees' Health Care Fund (HCF) was established under the Public Employees' Medical and Hospital Care Act (PEMHCA) as of July 1, 1988. The self-funded plans, PERS Choice, PERSCare, and PERS Select (the Plans) are risk pools available to all entities that contract for health insurance coverage under PEMHCA. Having all members in a single risk pool spreads catastrophic claims over a large base and minimizes administrative expenses. The Plans retain all the risk of loss of allowable health claims. Fund members are not subject to a supplemental assessment in the event of deficiencies. Premium rates are set by the Board based on a trend analysis of the historic cost, utilization, demographics, and administrative expenses of the HCF to provide for the claims incurred and the actuarially determined required level of reserves.
The Plans rely on operating cash flows and investment income to fund health benefit payments. During the fiscal year 2012-13, the Board increased member premiums to mitigate the impact of increasing costs associated with enrollment growth, increases in provider pricing, and increased benefit utilization. Management believes that the current sources of funding will be adequate to provide for benefits of the Plans.

Public agencies participating in the Plans are required to make monthly premium payments based on rates established annually by CalPERS. Employers' shares of premiums are determined by the public agency through benefit negotiations, subject to minimum share of premium levels established through PEMHCA. Public agency employee members pay the difference between the premium rate and the employers' share of premium.

Effective January 1, 2013, CalPERS partnered with its Pharmacy Benefit Manager (PBM) to provide a custom Medicare Part D prescription drug plan, Employer Group Waiver Plan (EGWP). Under the EGWP, CalPERS contracts for the prescription drug program through a PBM as the EGWP administrator, and the PBM manages all federal interaction. CalPERS made this change in an effort to provide prescription drug benefits in the most cost efficient manner for CalPERS members. EGWP subsidies are comprised of direct subsidies, low income cost sharing subsidies, low income premium subsidies, reinsurance subsidies, and coverage gap discounts. EGWP premium subsidies are reported as Federal government subsidies; rebates and coverage gap discounts are reported as an offset to claims expense; and administrative fees are reported as administrative expenses.

### CRF

The Public Employees' Contingency Reserve Fund (CRF) was established in 1962, with the passage of PEMHCA, to fund administrative costs related to the PEMHCA program, and as a contingency reserve for such items as increases in future rates or in future benefits. PEMHCA was expanded to include local public agency employees on a contract basis in 1967. The CRF is reimbursed by the State and contracting public agencies for costs incurred for administering the program.

Activity in the CRF is reported in two separate fund types. Administrative fees collected and related costs are accounted for in the CRF enterprise fund. Public agency health payments and remittances to contracted health care providers are reported in the CRF Agency Fund.

PEMHCA establishes eligibility rules for the following:

- Retirees and beneficiaries receiving health care benefits,
- Terminated plan members entitled to but not yet receiving benefits, and
- Active plan members.

Administrative costs include direct costs of the program and a proportionate share of indirect costs allocated to the CRF enterprise fund by the PERF. The administrative fee is determined as a percentage of insurance premiums paid by the employers. The percentage of the insurance premiums paid for the fiscal year ended June 30, 2013, was 0.25. Administrative rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative costs.

Public agency employers submit the provider-determined, Board-approved premiums to the CRF Agency Fund, which in turn remits the premiums to the respective health care provider, which includes the Self-Funded Health Program – PERSCare, PERS Choice, and PERS Select.

At June 30, 2013, 1,225 public agencies participated in health insurance coverage under PEMHCA.

### LTCF

The Public Employees' Long-Term Care Fund (LTCF) began providing self-insured long-term care plans in 1995. The

LTCF operates by providing long-term care coverage to enrolled policyholders under the Public Employees' Long-Term Care Act (PERL, Chapter 15). The fund contracts with a third-party service provider to administer the program. The LTCF is a voluntary member-paid program and is not funded or subsidized by the employers. Premium rates are recommended to the Board by the CalPERS Actuarial Office, Long-Term Care actuary and are set by the Board. The Fiscal Year 2012-13 Annual Actuarial Valuation Report was completed by CalPERS Actuarial Office.

As of June, 30, 2013, there are 144,933 active policyholders, of which 5,358 are receiving benefits. In October 2012, the Board approved implementation of a rate increase of 85 percent for some policies with built-in inflation protection to be applied over a two-year period, beginning in 2015. Also approved was a new 10-year benefit plan with Retained Inflation (RI) option to provide additional alternatives to policyholders to avoid the scheduled premium pricing for new generation of the product offerings and a continuous open application beginning in December 2013.

## 3. CASH & CASH EQUIVALENTS

Cash and cash equivalents of approximately $0.7 billion at June 30, 2013 represent amounts held in the CalPERS general operating accounts with the State Treasury. The underlying investments are not individually identifiable by fund, as CalPERS monies are pooled with the monies of other State agencies and invested by the State Treasurer's Office.

## 4. INVESTMENTS

As of June 30, 2013, State Street Bank & Trust Company was the master custodian for all significant public market securities; however, certain securities are held by private equity, absolute return strategies and corporate governance partners. Real estate deeds of trust are held in the name of Limited Liability Corporations and Partnerships. The investments held by the LRF, JRF II, SPOFF, SCPF, IRC 457, HCF and a portion of the PERF and CERBTF investments are co-invested and held in internally managed unitized investment pools. The investments are held in domestic and international equity pools and global debt securities pools. The PERF, LRF, JRF, JRF II, CERBTF, and HCF have a different asset allocation based on Board-approved policy. The investments of the SCPF and IRC 457 are participant directed within the investment options listed in Note 2. The LTCF investments are no longer co-invested and held in internally managed unitized investment pools. The investments of LTCF and a portion of the CERBTF investments are being held in the State Street Global Advisors (SSgA) commingled funds. The LTCF and CERBT's investments in SSgA funds are based on Board-approved asset allocation policy.

### Securities Lending

The State Constitution and the Board policies permit CalPERS to enter into securities lending transactions, collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future.

CalPERS has contracted with eSecLending LLC (eSec) and State Street Bank & Trust (SSB), as third-party securities lending agents to loan domestic and international equity and debt securities. CalPERS receives both cash and non-cash (i.e., securities) collateral. Domestic and international securities are collateralized for cash at 102 percent and 105 percent, respectively, of the loaned securities market value. CalPERS cannot pledge or sell the collateral security without the borrower defaults; as such, the collateral security or non-cash collateral is not reported in CalPERS' financial statements in accordance with GASB Statement No. 28. Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the market value of the securities loaned. The securities loaned are priced daily by third party sources and margins are paid/received daily to maintain over-collateralized levels. In the event that a borrower defaults while the securities are on loan, the lending agents are required to indemnify CalPERS for the loss. Securities on loan can be recalled on demand by CalPERS or the borrower can return the loaned securities at any time. Since loans are terminable at will, loan durations do not generally match the duration of the investments made with the cash collateral. CalPERS may enter into term loan agreements, which are evaluated on an individual basis. On June 30, 2013, the fair value of the securities on loan was approximately $16.6 billion. The securities on loan remain on CalPERS' statement of fiduciary net position and the statement of net position in their respective investment

categories. At June 30, 2013, cash collateral received totaling $17.0 billion is reported as securities lending obligation, and the fair value of re-invested cash collateral totaling $17.3 billion is reported as securities lending collateral on the statement of fiduciary net position and the statement of net position. The changes in fair value of the re-invested cash collateral are reported as net appreciation/depreciation in fair value of investments on the statement of changes in fiduciary net position and the statement of revenues, expenses and changes in net position.

The CalPERS Fixed Income unit manages the securities lending activity. Because the domestic and international debt and equity securities in the unitized pools are also used in the securities lending program, in accordance with GASB Statement No. 28, the securities lending collateral, obligation, and the related income and costs are allocated to the pool owners (respective reporting funds) based on the funds' pro rata share of the pools' investments.

The LTCF is no longer part of the CalPERS internally managed unitized pools. As such, CalPERS securities lending transactions are not being allocated to the LTCF as of and for the year ended June 30, 2013. Effective in fiscal year 2012-13, the LTCF and a portion of the CERBT's investments are invested in commingled funds managed by SSgA that participate in State Street Bank's securities lending program. The CERBT and LTCF, as beneficial owners in the commingled funds, own an undivided interest or a pro rata allocation of the net asset values of the commingled funds. State Street Bank as the lending agent lends the commingled funds' securities and invests the cash collateral posted by the borrowers of those loaned securities in collateral pools managed by State Street Bank. In the instance that the fair value of the reinvested cash collateral declines, the commingled funds bear the risk of loss with respect to the invested cash collateral and are responsible for funding any shortfall on the collateral assets. Due to the fact that the CERBT and LTCF do not directly bear the risk of loss on the collateral assets; securities lending collateral and obligations from SSgA's securities lending program are not reported in the CERBT and LTCF. However, the value of the CERBTF and LTCF investments in the commingled funds would be negatively impacted by a decline in the fair value of reinvested collateral. In addition, because SSgA and State Street Bank, as the lending agent, receive a portion of the securities lending revenue earned from the investments held in the collateral pools as well as a management fee based on the assets invested in each of the collateral pools, but do not share in the investment losses, the lending agent may have an incentive to invest in securities that have greater potential for return but that also have greater investment risks.

CalPERS securities lending reinvestment collateral guidelines prescribe that cash collateral received needs to be invested in short-term, high-credit quality securities. Currently, SSB, eSec, and CalPERS manage the collateral. For the fiscal year ended June 30, 2013, the collateral invested in CalPERS High Quality Libor, CalPERS Short Duration, CalPERS Sec Lending Collateral Re-invest and CalPERS Internal Short-Term Pools had an aggregate weighted average maturity (to final maturity) of 400 days and duration of 10 days. SSB and eSec had weighted average maturity (to final maturity) of 33 and 205 days, respectively.

The weighted average maturity (to final maturity) in the eSec collateral pool is attributed to two Structured Investment Vehicles (SIVs) within the portfolio. The SIVs were purchased as medium-term notes between April 2006 and March 2007 (with April 2009 and March 2010 maturity dates) and at the time of purchase met all Cash Collateral Re-investment Policy guidelines. In 2007 and 2008, both SIVs went into enforcement, defaulted and eventually re-structured. After the re-structure, SIVs do not accrue nor pay interest at a pre-determined fixed nor variable rate. Cash flows are passed through performance from underlying collateral in each SIV trust. The weighted average maturity (to final maturity) on the underlying collateral is substantially longer than the original medium-term notes and is considered long-term.

### Investment Risk Disclosures

The CalPERS hedge fund program's investment risks are designed to be uncorrelated with the other investment programs in the PERF. In addition to the unique investment risks posed by hedge fund strategies, the hedge fund program also faces illiquidity and leverage risk. Hedge funds can be illiquid, either by virtue of illiquidity of underlying assets or due to manager actions to limit investor withdrawals. However, CalPERS has taken steps to minimize this risk by investing in hedge funds in more liquid asset classes and by structuring its investments to minimize an investment manager's ability to limit withdrawals. Hedge funds also use leverage to varying

degrees, and while a hedge fund can lose all its capital, CalPERS has limited its liability to the amount it invests, which is the same as with an equity or bond investment. Hedge funds are reported as equities in the statement of fiduciary net position.

In accordance with GASB Statement No. 40, CalPERS discloses investments of all CalPERS managed funds that are subject to certain risks: custodial credit risk, concentration of credit risk, interest rate risk, credit risk and foreign currency risk.

### Custodial Credit Risk

Custodial credit risk is the risk that in the event a depository institution or counterparty fails, the System would not be able to recover the value of its deposits, investments, or collateral securities. As of June 30, 2013, a portion of the System's investments, other than posted collateral for Futures and Over the Counter (OTC) instruments, is held in the System's name and is not exposed to custodial credit risk. Where CalPERS trusts invest in commingled funds, the assets within the fund are held in the name of the trustee of the fund and not in CalPERS name. There are no general policies relating to the custodial credit risk.

### Concentration of Credit Risk

In compliance with GASB No. 25 and GASB No. 40, CalPERS does not have investments greater than or equal to five percent of total net position and total investments in a single issuer.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolios using the effective duration or option-adjusted methodology. The System's investment policies require the option-adjusted duration of the total fixed income portfolio to stay within 10 percent of the option-adjusted duration of its benchmark. All individual portfolios are required to maintain a specified level of risk relative to their benchmark.

The System invests in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by residential and commercial mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

#### Debt Securities Highly Sensitive to Interest Rate Changes

As of June 30, 2013, CalPERS investments included securities highly sensitive to interest rate fluctuations in that they are subject to early payment in a period of declining interest rates (i.e. Collateralized and Mortgage Pass-Through etc.) The resulting reduction in expected total cash flows affects the fair value of these securities.

### Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policies establish general as well as specific risk measures for the fixed income portfolio. From the most general perspective, 89 percent of the total fixed income portfolio must be invested in investment-grade securities.

Investment-grade securities are those fixed income securities with a Moody's rating of Aaa to Baa or a Standard & Poor's rating of AAA to BBB. Each portfolio is required to maintain a specified risk level.

### Foreign Currency Risk

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international securities. The System's policy for total global equity specifies investment in international equities be based on market capitalization. For the global debt securities, 10 percent is targeted for investment in international securities. Real assets and private equity do not have a target allocation for international investments. The System uses a currency overlay program to reduce risk by hedging approximately 15 percent of the total exposure to international currencies.

### CalPERS – Debt Security Investments Subject to Interest Rate Risk (Dollars in Thousands)

| Debt Security Type | Portfolio Weighted Average Effective Duration (Years) | Fair Value June 30, 2013 | Percent of Debt Securities |
|---|---|---|---|
| U.S. Treasuries & Agencies | 9.13 | $24,270,732 | 39.0 % |
| Mortgages | 4.77 | 11,743,141 | 18.9 |
| Commercial Paper | 0.02 | 1,250,974 | 2.0 |
| Corporate | 9.73 | 10,816,633 | 17.4 |
| International | 9.94 | 6,240,593 | 10.0 |
| Asset Backed | 9.12 | 6,478,243 | 10.4 |
| Municipal | 8.58 | 15,622 | 0.0 |
| SWAPS | 1.12 | (43,972) | (0.1) |
| Private Placement | 2.61 | 2,917 | 0.0 |
| No Effective Duration: | | | |
| Asset Backed | N/A | 363,634 | 0.6 |
| Commingled | N/A | 868,215 | 1.4 |
| Corporate | N/A | 35,577 | 0.1 |
| International | N/A | 93,334 | 0.2 |
| Mortgages | N/A | 879 | 0.0 |
| SWAPS | N/A | 41,594 | 0.1 |
| **TOTAL [1]** | | **$62,178,116** | **100.0 %** |

**Notes:**

1 This table represents the fair value of investments in the fixed income portfolios. The global debt securities investments in the statement of fiduciary net position and the statement of proprietary net position are reported at fair value for non-unitized investments and at net asset value for investments in the unitized pools, which includes accruals in the unitized portfolios. In addition, certain debt securities are classified as inflation assets in the statement of fiduciary net position and the statement of proprietary net position.

### CalPERS – Securities Lending Collateral Subject to Interest Rate Risk (Dollars in Thousands)

| Security Type | Portfolio Weighted Average Effective Duration (Years) | Fair Value June 30, 2013 | Percent of Securities Lending Collateral |
|---|---|---|---|
| Asset Backed Securities | 0.09 | $495,143 | 7.4 % |
| Mortgage Backed Securities | 0.19 | 45,588 | 0.7 |
| No Effective Duration: | | | |
| Structured Investment Vehicles [1] | N/A | 199,995 | 3.0 |
| Cash | N/A | 2,541,662 | 38.2 |
| Money Market Fund [2] | N/A | 3,371,574 | 50.7 |
| **TOTAL [3]** | | **$6,653,962** | **100.0 %** |

**Notes:**

1 Structured Investment Vehicles have a weighted average maturity (to final maturity) of 197 days.

2 Money Market Fund is invested in US Treasury securities with a weighted average maturity (to final maturity) of 2 days.

3 This figure does not include $10,630,035 in repurchase agreements since they are not subject to GASB Statement No. 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is $17,283,997 for both fiduciary and proprietary fund types.

### CalPERS – Securities Lending Collateral Subject to Credit Risk (Dollars in Thousands)

| Moody s Quality Rating | Fair Value | Fair Value as a Percent of Securities Lending Collateral |
|---|---|---|
| Aaa | $504,013 | 7.6 % |
| Aa3 | 36,718 | 0.5 |
| P-1 | 44,800 | 0.7 |
| NA[1] | 999,986 | 15.0 |
| NR [2,3] | 5,068,445 | 76.2 |
| **TOTAL [4]** | **$6,653,962** | **100.0 %** |

**Notes:**

1 NA represents US Government Securities that are not applicable to the GASB No. 40 disclosure requirements.

2 NR represents those securities that are not rated.

3 This figure includes $3,371,574 invested in money market fund.

4 This figure does not include $10,630,035 in repurchase agreements since they are not subject to GASB Statement No. 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is $17,283,997 for both fiduciary and proprietary fund types.

### CalPERS – Debt Security Investments Subject to Credit Risk (Dollars in Thousands)

| Moody's Quality Rating | Fair Value | Fair Value as a Percent of Debt Security Investments |
|---|---|---|
| Aaa | $7,197,340 | 11.6 % |
| Aa1 | 2,181,617 | 3.5 |
| Aa2 | 616,731 | 1.0 |
| Aa3 | 1,235,000 | 2.0 |
| A1 | 552,695 | 0.9 |
| A2 | 562,071 | 0.9 |
| A3 | 1,669,699 | 2.7 |
| Baa1 | 1,809,267 | 2.9 |
| Baa2 | 3,114,131 | 5.0 |
| Baa3 | 2,361,789 | 3.8 |
| Ba1 | 667,215 | 1.1 |
| Ba2 | 188,260 | 0.3 |
| Ba3 | 308,317 | 0.5 |
| B1 | 352,730 | 0.6 |
| B2 | 157,240 | 0.2 |
| B3 | 227,902 | 0.4 |
| Caa | 116,470 | 0.2 |
| Caa1 | 213,091 | 0.3 |
| Caa2 | 373 | 0.0 |
| Caa3 | 42,228 | 0.1 |
| Ca | 32,704 | 0.0 |
| C | 7,233 | 0.0 |
| NA [1] | 23,943,029 | 38.5 |
| NR [2] | 5,516,060 | 8.9 |
| NR [2,3] | 9,104,924 | 14.6 |
| **TOTAL [4]** | **$62,178,116** | **100.0 %** |

**Notes:**

1 NA represents US Government Securities that are not applicable to the GASB No. 40 disclosure requirements.

2 NR represents those securities that are not rated.

3 Although the financial markets have a perception that FNMA and FHLMC mortgage backed securities have an implicit guarantee, the credit agencies do not rate these securities.

4 This table represents the fair value of investments in the fixed income portfolios. The global debt securities investments in the statement of fiduciary net position and the statement of proprietary net position are reported at fair value for non-unitized investments and at net asset value for investments in the unitized pools, which includes accruals in the unitized portfolios. In addition, certain debt securities are classified as inflation assets in the statement of fiduciary net position and the statement of proprietary net position.

### CalPERS – SSgA Weighted Average Maturity and Credit Risk (Dollars in Thousands)

| Security Type | Fair Value June 30, 2013 | Credit Rating | Weighted Average Maturity |
|---|---|---|---|
| SSgA Long U.S. Agency Index SL QP CTF | $31,953 | NR | 18.68 |
| SSgA U.S. High Yield Bond Index NL QP CTF | 86,850 | NR | 6.96 |
| SSgA U.S. TIPS Index NL QP CTF | 211,336 | NR | 8.67 |
| SSgA 3-10 Year U.S. Treasury Index SL QP CTF | 224,232 | NR | 5.54 |
| SSgA Long U.S. Treasury Index SL QP CTF | 413,415 | NR | 24.40 |
| SSgA U.S. Mortgage Backed Index SL QP CTF | 645,402 | NR | 7.10 |
| SSgA U.S. Asset Backed/Comm Mort Backed Index NL QP CTF | 47,996 | NR | 3.41 |
| SSgA 3-10 Year U.S. Credit Index SL QP CTF | 191,329 | NR | 6.08 |
| SSgA Long U.S. Credit Corporate Index SL QP CTF | 304,979 | NR | 24.17 |
| SSgA Long U.S. Credit Non-Corporate Index SL QP CTF | 92,836 | NR | 23.23 |
| SSgA 3-10 Year U.S. Agency Index SL QP CTF | 8,745 | NR | 4.84 |
| **TOTAL [1]** | **$2,259,073** | | |

**Notes:**

1 Investments are held by the LTCF.

### Interest and Credit Risks for Short-Term Investments

CalPERS invested in the State Treasury pool and State Street Bank Global Advisors' (SSgA) US Government Short-Term Investment Fund (GSTIF). These investments are included as part of the short-term investments in the financial statements. At June 30, 2013, the pooled money investment account with the State Treasury totaled approximately $2.5 billion and the US Government Short-Term Investment Fund with SSgA totaled approximately $7.6 billion. As of June 30, 2013, the weighted average maturity is 278 days for the State Treasury pool and 37 days for the SSgA US Government Short-Term Investment Fund. These pools are not rated.

### Derivatives

CalPERS holds investments in swaps, options, futures, rights and warrants and enters into forward foreign currency exchange contracts. The fair value of options, futures, rights and warrants are determined based upon quoted market

prices. The fair value of derivative investments that are not exchange-traded, such as swaps, is determined by an external pricing service using various proprietary methods, based upon the type of derivative instrument. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the contract exchange rate and the exchange rate at the end of the reporting period.

Futures contracts are marked-to-market at the end of each trading day, and the settlement of gains or losses occur on the following business day through the movement of variation margins. Over the counter derivatives, such as swaps, generally reset monthly and the settlement of gains or losses occur the following business day. Currency forward contracts roll quarterly updating the contract exchange rate.

With all over the counter derivatives, such as swaps and currency forwards, CalPERS is exposed to counterparty risk. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure and monitoring procedures.

### CalPERS – Derivative Instruments Summary (Dollars and Units in Thousands)

| Investment | Net Appreciation/ (Depreciation) in Fair Value For the Fiscal Year Ended June 30, 2013 | Fair Value at June 30, 2013 | | | |
|---|---|---|---|---|---|
| Derivatives (by type) | Amount | Classification | Amount | Notional (Dollars) | Notional (Units) |
| Commodity Futures Long | ($23,856) | Equity Securities | $0 | $0 | — |
| Comodity Futures Short | (10,501) | Equity Securities | — | — | — |
| Credit Default Swaps | 400 | Debt Securities | — | — | — |
| Credit Default Swaps Bought | (1,265) | Debt Securities | (29) | 12,800 | — |
| Credit Default Swaps Written | 706 | Debt Securities | (104) | 14,043 | — |
| Fixed Income Futures Long | (7,963) | Equity Securities | — | — | 490,578 |
| Fixed Income Futures Short | 18,011 | Equity Securities | — | — | (522,652) |
| Fixed Income Options Bought | 568 | Equity Securities | — | — | — |
| Fixed Income Options Written | (25,892) | Equity Securities | (8,164) | — | (289,244) |
| Foreign Currency Options Bought | 413 | Equity Securities | — | — | — |
| Foreign Currency Options Written | 66 | Equity Securities | (59) | — | (3,424) |
| Futures Options Bought | (27,431) | Equity Securities | 877 | — | 4,600 |
| Futures Options Written | 25,358 | Equity Securities | (2,380) | — | (15,300) |
| Foreign Exchange Forwards | 382,233 | Investment Sales/Purchases | 129,070 | 23,450,446 | — |
| Index Futures Long | 2,338,736 | Equity Securities | — | — | 71,240 |
| Index Options Bought | (15,939) | Equity Securities | — | — | 150,000 |
| Index Options Written | 68,372 | Equity Securities | (1) | — | (150,000) |
| Pay Fixed Interest Rate Swaps | 379 | Debt Securities | 3,206 | 100,800 | — |
| Receive Fixed Interest Rate Swaps | (1,724) | Debt Securities | (1,796) | 72,953 | — |
| Rights | (10,953) | Equity Securities | 3,074 | — | 14,990 |
| Total Return Bond Swaps | (37,338) | Debt Securities | (3,655) | 4,156,814 | — |
| Warrants | 11,517 | Equity Securities | 13,494 | — | 9,398 |
| **TOTAL** | **$2,683,897** | | **$133,533** | **$27,807,856** | **(239,814)** |

The information presented in this table is derived from CalPERS June 30, 2013 accounting records and in some instances may reflect trades on a one-day lag basis.

## CalPERS – Derivative Instruments Subject To Interest Rate Risk (Dollars in Thousands)

### Investment Maturities

| | | Investment Maturities (in years) | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value at June 30, 2013 | Under-1 | 1-5 | 6-10 | 10+ |
| Credit Default Swaps Bought | ($29) | ($2) | ($27) | $0 | $0 |
| Credit Default Swaps Written | (104) | — | (104) | — | — |
| Fixed Income Options Written | (8,164) | (8,164) | — | — | — |
| Pay Fixed Interest Rate Swaps | 3,206 | — | 955 | 2,251 | — |
| Receive Fixed Interest Rate Swaps | (1,796) | — | (5) | (1,966) | 175 |
| Total Return Bond Swaps | (3,655) | (3,655) | — | — | — |
| **TOTAL** | **($10,542)** | **($11,821)** | **$819** | **$285** | **$175** |

## Derivative Instruments Highly Sensitive to Interest Rate Changes (Dollars in Thousands)

| Investment Type | Reference Rate | Fair Value at June 30, 2013 | Notional |
|---|---|---|---|
| Interest Rate Swaps | Receive Variable 3-month LIBOR, Pay Fixed 1.694% | $2,251 | $29,720 |
| Interest Rate Swaps | Receive Variable 3-month LIBOR, Pay Fixed 0.764% | 290 | 13,260 |
| Interest Rate Swaps | Receive Variable 3-month LIBOR, Pay Fixed 1.400% | 73 | 30,600 |
| Interest Rate Swaps | Receive Variable 3-month LIBOR, Pay Fixed 0.985% | 592 | 27,220 |
| Interest Rate Swaps | Receive Fixed 2.0000%, Pay Variable 6-month LIBOR | 175 | 10,872 |
| Interest Rate Swaps | Receive Fixed 5.5000%, Pay Variable 1-month TIIE | 3 | 1,559 |
| Interest Rate Swaps | Receive Fixed 1.0000%, Pay Variable 6-month LIBOR | 3 | 9,765 |
| Interest Rate Swaps | Receive Fixed 0.4300%, Pay Variable 3-month LIBOR | (9) | 16,370 |
| Interest Rate Swaps | Receive Fixed 2.0425%, Pay Variable 3-month LIBOR | (581) | 10,850 |
| Interest Rate Swaps | Receive Fixed 3.7950%, Pay Variable 3-month BKBM | (144) | 2,471 |
| Interest Rate Swaps | Receive Fixed 5.7500%, Pay Variable 1-month TIIE | (897) | 15,201 |
| Interest Rate Swaps | Receive Fixed 5.7500%, Pay Variable 1-month TIIE | (346) | 5,865 |
| **Subtotal — Interest Rate Swaps** | | **$1,410** | **$173,753** |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | $910 | $389,015 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | 417 | 178,149 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .00% | 324 | 138,584 |
| Total Return Bond Swaps | Receive Fixed 0.07%, Pay Fixed .00% | (291) | 124,344 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | 334 | 142,709 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .08% | 560 | 239,420 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | 1,035 | 442,073 |
| Total Return Bond Swaps | Receive Fixed 0.07%, Pay Fixed .00% | (537) | 229,650 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .08% | 471 | 201,113 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | 1,110 | 474,332 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | 677 | 289,117 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .08% | 751 | 320,739 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .08% | 517 | 221,025 |
| Total Return Bond Swaps | Receive Fixed 0.08%, Pay Fixed .00% | (624) | 266,544 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .08% | (4,008) | 250,000 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | (2,446) | 125,000 |
| Total Return Bond Swaps | Receive Fixed 0.00%, Pay Fixed .07% | (2,855) | 125,000 |
| **Subtotal — Total Return Bond Swaps** | | **($3,655)** | **$4,156,814** |
| **TOTAL** | | **($2,245)** | **$4,330,567** |

## CalPERS – Derivative Instruments Subject To Counterparty Credit Risk

| Counterparty | Percentage of Net Exposure | S&P Ratings | Fitch Ratings | Moody's Ratings |
|---|---|---|---|---|
| Bank of America, N.A. | 22.42% | A | A | A3 |
| JP Morgan Chase Bank, N.A. New York | 15.66% | A+ | A+ | Aa3 |
| HSBC Bank USA | 8.67% | AA- | AA- | A1 |
| Goldman Sachs International | 8.60% | A- | A | A3 |
| Commonwealth Bank of Australia Sydney | 7.23% | AA- | AA- | Aa2 |
| Bank of New York | 4.67% | A+ | AA- | Aa3 |
| Barclays Bank PLC Wholesale | 4.66% | A+ | A | A2 |
| Royal Bank of Canada | 3.88% | AA- | AA | Aa3 |
| Citibank, N.A. | 3.85% | A | A | A3 |
| BNP Paribas SA | 3.17% | A+ | A+ | A2 |
| Morgan Stanley Capital Services Inc. | 2.38% | A- | A | Baa1 |
| Royal Bank of Scotland PLC | 2.36% | A | A | A3 |
| UBS AG | 1.95% | A | A | A2 |
| Societe Generale | 1.94% | A | A+ | A2 |
| Standard Chartered Bank | 1.91% | AA- | AA- | A1 |
| Deutsche Bank AG London | 1.66% | A+ | A+ | A2 |
| JP Morgan Securities Inc. | 1.13% | A | A+ | A2 |
| Credit Suisse International | 1.06% | A+ | A | A1 |
| Goldman Sachs + CO | 0.74% | A- | A | A3 |
| Credit Suisse London Branch (GFX) | 0.42% | A+ | A | A1 |
| UBS AG London | 0.33% | A | A | A2 |
| Credit Suisse Securities (USA) LLC | 0.28% | A+ | A | A1 |
| JP Morgan | 0.28% | A | A+ | A2 |
| Canadian Imperial Bank of Commerce | 0.16% | A+ | AA- | Aa3 |
| Deutsche Bank Securities | 0.15% | A+ | A+ | A2 |
| Citigroup | 0.13% | A- | A | Baa2 |
| Westpac Banking Corporation | 0.12% | AA- | AA- | Aa2 |
| BNP Finance | 0.10% | A+ | A+ | A2 |
| Barclays Capital | 0.03% | A+ | A | A2 |
| Goldman Sachs Capital Markets LP | 0.03% | A- | A | A3 |
| JP Morgan Chase Bank, N.A. London | 0.02% | A+ | A+ | Aa3 |
| JP Morgan Chase Bank | 0.01% | A+ | A+ | Aa3 |
| Barclays Bank CME | 0.00% [1] | A+ | A | A2 |
| | 100.00% | | | |

**Notes:**

1 The Percentage of Net Exposure for Counterparty Barclays Bank CME is less than 0.01%.

### CalPERS — International Investment Securities | Fair Value at June 30, 2013 (U.S. Dollars in Thousands)

The following table presents investment securities of all CalPERS managed funds, including derivative instruments that are subject to foreign currency risk.

| Currency | Cash | Equity | Debt Securities | Real Assets | Private Equity | Forward Contracts | Total |
|---|---|---|---|---|---|---|---|
| Australian Dollar | $9,488 | $3,386,143 | $110,531 | $209,224 | $0 | $49,359 | $3,764,745 |
| Brazilian Real | 3,997 | 1,334,169 | 106 | 1,145,374 | — | (1,734) | 2,481,912 |
| British Pound Sterling | 35,819 | 9,208,196 | 1,382,113 | 274,143 | 1,031 | 25,392 | 10,926,694 |
| Canadian Dollar | 13,793 | 4,253,430 | 218,777 | 597,809 | 185,759 | 32,024 | 5,301,592 |
| Chilean Peso | 214 | 233,204 | 987 | — | — | (21) | 234,384 |
| Chinese Renminbi | — | — | — | 679,066 | — | — | 679,066 |
| Colombian Peso | 20 | 63,584 | — | — | — | — | 63,604 |
| Czech Koruna | 189 | 52,134 | 9,498 | — | — | 243 | 62,064 |
| Danish Krone | 1,146 | 584,298 | 10,544 | — | — | (3,183) | 592,805 |
| Egyptian Pound | 11,773 | 46,706 | — | — | — | — | 58,479 |
| Euro Currency | 185,331 | 13,948,640 | 2,433,363 | 738,749 | 3,351,690 | 30,171 | 20,687,944 |
| Guatemala Quetzal | — | — | — | 72,029 | — | — | 72,029 |
| Hong Kong Dollar | 14,142 | 3,295,360 | — | 415,541 | — | (115) | 3,724,928 |
| Hungarian Forint | 353 | 96,833 | — | — | — | — | 97,186 |
| Indian Rupee | 3,569 | 885,406 | 68 | 383,684 | — | — | 1,272,727 |
| Indonesian Rupiah | 459 | 393,696 | — | — | — | — | 394,155 |
| Israeli Shekel | 929 | 244,283 | — | — | — | (596) | 244,616 |
| Japanese Yen | 89,484 | 12,283,114 | 903,462 | 279,406 | 84,710 | (18,585) | 13,621,591 |
| Malaysian Ringgit | 876 | 418,679 | — | 22,221 | — | — | 441,776 |
| Mexican Peso | 4,400 | 436,975 | 70,530 | 179,333 | — | (1,586) | 689,652 |
| Moroccan Dirham | 18 | 4,060 | — | — | — | — | 4,078 |
| New Taiwan Dollar | 1,825 | 1,542,956 | — | — | — | (47) | 1,544,734 |
| New Turkish Lira | 114 | 214,762 | — | — | — | — | 214,876 |
| New Zealand Dollar | 339 | 85,520 | 61,343 | — | — | (400) | 146,802 |
| Norwegian Krone | 1,733 | 510,631 | 33,929 | 2,530 | — | 5,843 | 554,666 |
| Pakistan Rupee | 172 | 39,905 | — | — | — | — | 40,077 |
| Peruvian Noveau Sol | 49 | 6,310 | — | — | — | — | 6,359 |
| Philippine Peso | 194 | 179,624 | — | — | — | — | 179,818 |
| Polish Zloty | 156 | 193,430 | 50,175 | — | — | 686 | 244,447 |
| Russian Ruble | — | — | — | 225,238 | — | — | 225,238 |
| Singapore Dollar | 1,987 | 772,669 | 5,560 | 8,888 | — | 3,310 | 792,414 |
| South African Rand | 2,063 | 1,092,817 | 5,719 | — | — | 210 | 1,100,809 |
| South Korean Won | 2,677 | 1,939,828 | — | — | — | — | 1,942,505 |
| Sri Lanka Rupee | 3 | — | — | 123,069 | — | — | 123,072 |
| Swedish Krona | 2,108 | 1,403,950 | 46,066 | — | — | 11,790 | 1,463,914 |
| Swiss Franc | 845 | 3,574,483 | — | — | — | (3,665) | 3,571,663 |
| Thailand Baht | 4,782 | 518,302 | — | — | — | (26) | 523,058 |
| Turkish Lira | 1,339 | 284,260 | — | — | — | — | 285,599 |
| UAE Dirham | 740 | 45,088 | — | — | — | — | 45,828 |
| **TOTAL** | **$397,126** | **$63,573,445** | **$5,342,771** | **$5,356,304** | **$3,623,190** | **$129,070** | **$78,421,906** |

The fair value of derivative instruments is included in the amounts reported under equities, debt securities, investment sales and other and investment purchases and other.

### Real Assets

Real assets, which include real estate, infrastructure and forestland investments, are classified as investments in accordance with GASB Statement No. 25. Certain real asset investments are leveraged in that partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. At June 30, 2013, real asset investments of approximately $39.0 billion are reported at estimated fair value. Of this amount, $0.7 billion is real estate investments trusts (REITS) and $38.3 billion is the fair value of real asset investments, offset by $8.8 billion of long-term debt payables and $2.4 billion of other short-term liabilities.

Required repayment of real asset debt, which includes both recourse ($255 million) and non-recourse ($8.6 billion) debt, is as follows:

**Required Repayment of Real Assets Debt**

(Dollars in Thousands)

| Debt Matures Year Ending June 30 | Principal | Interest | Total Amount |
|---|---|---|---|
| 2014 | $1,065,724 | $352,227 | $1,417,951 |
| 2015 | 1,026,394 | 307,308 | 1,333,702 |
| 2016 | 1,012,704 | 263,786 | 1,276,490 |
| 2017 | 1,440,049 | 223,369 | 1,663,418 |
| 2018 | 1,033,059 | 167,100 | 1,200,159 |
| 2019-2023 | 1,930,216 | 475,173 | 2,405,389 |
| 2024-2028 | 748,838 | 181,203 | 930,041 |
| 2029-2033 | 165,133 | 64,331 | 229,464 |
| 2034-2038 | 84,089 | 40,138 | 124,227 |
| 2039-2043 | 276,889 | 20,899 | 297,788 |
| 2044+ | 40,089 | 1,079 | 41,168 |
| **TOTAL** | **$8,823,184** | **$2,096,613** | **$10,919,797** |

## 5. CONTRIBUTIONS & RESERVES

### Employer Contributions Actuarially Determined & Contributions Made

Employer contributions are calculated as a percentage of employer payrolls. OPEB plan employer contributions are voluntarily determined by the employer and there are no long-term contracts for contributions. The payroll for employees covered by the PERF, LRF, JRF, and JRF II in Fiscal Year 2012-13 was approximately $43.0 billion, $1.5 million, $64.7 million, and $237.8 million, respectively.

### Actuarial Valuations

Actuarial valuations are used to determine the cost of pension benefits payable to the members of CalPERS who participate in the PERF, LRF, JRF, and JRF II as well as the related required contribution rates. The actuarial valuations include a number of significant assumptions, including the actuarial cost method used, the asset valuation method, the rate of return on the investment portfolio, rate of inflation, projected salary increases, post-retirement benefit increases, and the life expectancy of members and beneficiaries.

The actuarial cost method used for the PERF, LRF, JRF, and JRF II is the Individual Entry Age Normal cost method. The CERBTF actuarial accrued liability as of June 30, 2012 was based on the OPEB assumption model, which allowed only the Entry Age Normal or Projected Unit Credit actuarial cost method. In August 2012, the CalPERS Board removed requirements of specific assumption values and methods. For any OPEB valuation report with a measurement date after August 15, 2012, the OPEB assumption model allows the use of any actuarial cost method that complies with Actuarial Standards of Practice and with Governmental Accounting Standards. These methods are projected benefit cost methods that take into account those benefits that are expected to be earned in the future, as well as those already accrued.

In March 2011, the Board approved increasing the number of CERBTF asset allocation strategies from one to three. A nominal discount rate assumption was established for each asset allocation strategy. The discount rate assumption of the CERBTF Assumptions Model was modified further to allow the application of a Margin for Adverse Deviation to the nominal discount rate. These changes were incorporated into all OPEB valuations and Alternative Measurement Methods (AMM) cost reports dated after June 15, 2011.

To amortize any unfunded actuarial liabilities, the PERF, LRF, and JRF II use the level percentage of payroll method, while the JRF uses a level dollar method. Employers participating in the CERBTF have the option of either using a level dollar or level percentage of payroll method to amortize their unfunded actuarial liabilities.

For the PERF, the 2011 and 2010 actuarial valuations were used to set the actuarially determined contribution requirements for the 2012-13 Fiscal Year for the State and School employers, and public agencies, respectively. For JRF, JRF II and LRF, the 2011 actuarial valuations were used to set the actuarially determined contribution requirements for the 2012-13 Fiscal Year.

The 2012 actuarial valuations were used to set the actuarially determined contribution requirements for different fiscal years. For the PERF, the 2012 actuarial valuations were used to set the actuarially determined contribution requirements for the 2013-14 Fiscal Year for the State and School employers, while the 2012 valuations were used to set the actuarially determined contribution requirements for the 2014-15 Fiscal Year for public agencies. For LRF, JRF and JRF II, the 2012 actuarial valuations were used to set the actuarially determined contribution requirements for the 2013-14 Fiscal Year. The CERBTF uses demographic assumptions similar to the pension plans with the addition of the Health Cost Trend Rate assumption.

In April 2013, the CalPERS Board approved new actuarial policies that are aimed at returning the System to fully funded status within 30 years. Over time, the proposed methods are designed to improve funding levels and help reduce the overall funding level risk. The proposed methods are expected to result in higher volatility in employer contribution rates in normal years but much less volatility in employer contribution rates in years where extreme events occur.

At the March 14, 2012 meeting, the Board approved a recommendation to lower the CalPERS discount rate assumption, or the rate of investment return the pension fund assumes, from 7.75 to 7.50 percent. The price inflation assumption was also lowered from 3.00 to 2.75 percent, which lowers the overall payroll growth assumption to 3.00.

At the April 18, 2012 meeting, the Board approved a recommendation to phase-in the employer contribution rate increases over a period of two years. The phase-in resulted in amortizing over a 20-year period the increase in actuarial liabilities resulting from the change in assumptions, with the payment in year one equal to one-third of the payment that would have been required without the phase-in and the unpaid balance amortized over the remaining 19 years.

### Restrictions on Net Position Available for Benefits

Included in the Net Position Held in Trust for Pension Benefits is a restricted reserve that, by law, is retained in the PERF and LRF as a reserve against deficiencies in interest earned, potential losses under investments, court-mandated costs, and actuarial losses resulting from terminations, mergers, or dissolutions of contracting agencies. This reserve cannot exceed 0.2 percent of total assets of the PERF, excluding the OASI, and the LRF, and totaled approximately $528.3 million and $246.0 thousand as of June 30, 2013, for the PERF and LRF, respectively.

#### PERF

Actuarial valuations of the PERF are performed annually. The last valuation was performed as of June 30, 2012, for the State, schools, and public agencies.

The total Fiscal Year 2012-13 net retirement contributions for the PERF amounted to approximately $12.0 billion, of which $8.1 billion (the actuarially determined annual required contribution) came from 1,582 employers and approximately $3.9 billion came from over 759,000 members. The contributions to the PERF were for the retirement program, the 1959 Survivor Program, and the Group Term Life Insurance Program. For the retirement program, the average employer normal cost is 10.317 percent of covered payroll, and amortization of the unfunded liabilities is 8.135 percent of covered payroll for Fiscal Year 2012-13. These figures are averages for all employers. The actual figures vary by each employer's plan.

#### LRF

Actuarial valuations of the LRF are required to be carried out at least annually. The legislated State contribution rate will be adjusted periodically as part of the annual Budget Act in order to maintain or restore the actuarial soundness of the fund. The last actuarial valuation was performed as of June 30, 2012. For the fiscal year ended June 30, 2013, the statutory employer contribution rate was 5.380 percent based on the June 30, 2011 actuarial valuation. Therefore, for the year ended June 30, 2013, the contributions made by the State to the fund were approximately $80 thousand, which is less than the actuarially determined required contributions of approximately $0.1 million. Due to PEPRA, the minimum employer contribution rate is the normal cost. Accordingly, the employer contribution rate for the coming fiscal year of July 1, 2013 to June 30, 2014 is 38.381 percent.

### JRF

Contributions made by the State of California to the JRF are made pursuant to State statute and are not actuarially determined; however, an actuarial valuation of the JRF assets and liabilities is performed every year and is used by CalPERS to make recommendations for financing the JRF. The California law, effective January 1, 2004, eliminated the requirement that the JRF be funded and actuarially sound. Recommendations to achieve the necessary level of contributions have been submitted by the Board to the Legislature.

As of June 30, 2013, funding was provided from the following sources to meet benefit payment requirements:

- **Member Contributions** — 8 percent of applicable member compensation
- **Employer Contributions** — 8 percent of applicable member compensation (contributions of 8 percent are also made for retired judges who return to court)
- **Filing Fees** — Varying amounts depending on fee rate and number of filings
- **Investments** — Current yield on short-term investments
- **State of California "Balancing Contributions"** — An amount required by the Judges' Retirement Law, at least equal to the estimated benefits payable during the ensuing fiscal year less the sum of 1) the estimated member contributions during the ensuing fiscal year and; 2) net position available for benefits at the beginning of the fiscal year

Under the "pay-as-you-go" basis, short-term investments, as well as contributions received during the year and a State General Fund augmentation, are used to provide funding for benefit payments. This funding method is generally more expensive in the long-term, as the fund does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in 2014. Management and legal counsel believe the State of California is legally required to provide these required contributions to fund the benefits.

For the fiscal year ended June 30, 2013, the actual contributions made by the State to the JRF were approximately $161.9 million, which is significantly less than the actuarially determined annual required contribution of approximately $1.5 billion.

Because current contributions are used to make benefit payments, the fund does not retain the accumulated contributions of active members. The cumulative contributions for all currently active members since inception were approximately $99.9 million at June 30, 2013, which exceeded Net Position Held in Trust for Pension Benefits by approximately $46.1 million at June 30, 2013.

### JRF II

Actuarial valuations for the JRF II are required to be carried out annually. The legislated State contribution rate will be adjusted periodically as part of the annual Budget Act in order to maintain or restore the actuarial soundness of the fund. The last actuarial valuation was performed as of June 30, 2012.

For the fiscal year ended June 30, 2013, the statutory employer contribution rate was 22.837 percent based on the June 30, 2011 actuarial valuation. Therefore, for the fiscal year ended June 30, 2013, the contributions made by the State to the fund were approximately $54 million, which is less than the actuarially determined required contributions of approximately $55.6 million.

### CERBTF

Actuarially determined contributions for the CERBTF are based on actuarial valuations that are conducted at least biennially by outside actuarial firms engaged by participating employers. Contributions to the CERBTF are elective and not required. OPEB valuations are prepared using actuarial assumptions and methods that comply with Actuarial Standards of Practice and with Governmental Accounting Standards and include an assumption for health care cost trend rate. The actuarial valuation estimates the cost of future health and other post-employment benefit insurance premiums for current and retired participating employees. Employers with less than 100 plan members may use the alternative measurement method as permitted by GASB Statement No. 57.

The total Fiscal Year 2012-13 actual net OPEB employer contributions from 373 participating employers representing 376 OPEB plans was $1.03 billion, compared to the actuarially determined annual required contribution of 12.7 percent of covered payroll, or $1.3 billion. This amount includes the $441.7 million in contributions made to the CERBTF, plus an additional $589.9 million in retiree health care premiums paid by employers directly to providers,

implicit rate subsidies, and other GASB Statement No. 45 compliant costs recognized by employers as contributions toward the Annual Required Contribution (ARC). CERBTF actuarial valuations are based upon plan benefits in effect at the time of the valuations, either defined by the employer or by the Public Employees Hospital Care Act (PEMHCA), for employers participating in that program. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of future employer and employee cost sharing.

## 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION

The State of California (the State), as an employer, provides retired State employees with certain post-employment benefits, such as health care and dental benefits, under a single-employer defined benefit plan. As a state agency, CalPERS provides funding for the State's OPEB benefits. CalPERS funding is based on the amount determined by the State on a pay-as-you-go basis. The State does not issue a stand-alone financial report for the OPEB plan.

To be eligible for these benefits, a first-tier plan State employee must retire on or after age 50 with at least five years of service, and second-tier plan employee must retire on or after attaining age 55 with at least 10 years of service. In addition, an employee must retire within 120 days of separation from employment to be eligible to receive these benefits. CalPERS recognizes the cost of providing these benefits to State retirees on a pay-as-you-go basis during the year, and at year-end CalPERS records its share of the net OPEB obligation as determined by the most recent State of California actuarial valuation report as of June 30, 2012 based on the pay-as-you-go funding scenario.

CalPERS recognizes the cost of providing these benefits to State retirees on a pay-as-you-go basis during the year, and at year-end CalPERS records its share of the net OPEB obligation as determined by the most recent State of California actuarial valuation report as of June 30, 2012 based on the pay-as-you-go funding scenario.

The costs of these benefits on a pay-as-you-go basis are reported in the administrative expense line item in the statement of changes in fiduciary net position and statement of revenues, expenses, and changes in net position.

For the fiscal year ended June 30, 2013, the costs of these benefits were as follows for the respective funds:

**OPEB Costs** (Dollars in Thousands)

| Fund | Amount |
|---|---|
| PERF | $38,573 |
| LRF | 54 |
| JRF | 157 |
| JRF II | 94 |
| CERBTF | 238 |
| HCF | 1,683 |
| CRF - Proprietary Fund | 3,596 |
| **TOTAL** | **$44,395** |

The State's most recent actuarial valuation report as of June 30, 2012 reported, based upon a pay-as-you-go scenario, the State's actuarial accrued liabilities associated with the State employees' post-employment benefits of $ 63.9 billion as of June 30, 2012, an annual OPEB cost of $5.0 billion, estimated net employer contributions of $1.8 billion, and an expected Net OPEB Obligation of $16.1 billion as of and for the fiscal year ended June 30, 2013. CalPERS is a component unit of the State and CalPERS participates in the State's plan as a single-employer plan. CalPERS allocated shares of the Net OPEB Obligation as of June 30, 2013 were as follows for the respective funds:

**Net OPEB Obligations** (Dollars in Thousands)

| Fund | Amount |
|---|---|
| PERF | $113,174 |
| LRF | 158 |
| JRF | 422 |
| JRF II | 247 |
| CERBTF | 400 |
| HCF | 5,636 |
| CRF - Proprietary Fund | 11,155 |
| **TOTAL** | **$131,192** |

The Net OPEB Obligation is reported as other program liability in the statement of fiduciary net position, and is reported as OPEB Obligation in the statement of net position–proprietary funds.

The actuarial report for OPEB, including a description of benefits, may be obtained by writing to the Office of State Controller, P.O. Box 942850, Sacramento, CA 94250-5872, or by visiting the State Controller's web site at www.sco.ca.gov.

## 7. HEALTH CARE FUND

### Estimated Liabilities

The Public Employees' Health Care Fund (HCF) establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been "incurred but not reported" (IBNR). The estimated medical claims liability was calculated by Anthem Blue Cross, the HCF's third-party administrator, at June 30, 2013, using a variety of actuarial and statistical techniques and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of $215.9 million is carried at its face amount, and no interest discount is assumed. The IBNR portion represents an estimate for claims that have been incurred prior to June 30, 2013, but have not been reported to the HCF. The total estimated claims at the end of the 2012-13 Fiscal Year also includes $65.4 million, which is reported as insurance premiums and claims payable liability in the statement of net position.

### Anticipated Investment Income and Reinsurance

Anticipated investment income is included in the annual premium requirement for HCF members. Also, the HCF has not entered into any reinsurance or excess insurance agreements.

The following schedule represents changes in the aggregate estimated claims liabilities of the HCF for the fiscal years ended June 30, 2013 and 2012.

### Changes in the Aggregate Estimated Claims Liabilities of the HCF for PERSCare, PERS Choice and PERS Select

(Dollars in Thousands)

| For the Year Ended June 30 | 2013 | 2012 |
|---|---|---|
| **TOTAL ESTIMATED CLAIMS AT BEGINNING OF FISCAL YEAR** | **$233,390** | **$279,160** |
| INCURRED CLAIMS & CLAIM ADJUSTMENT EXPENSES | | |
| Provision for Insured Events of Current Fiscal Year | $1,921,957 | $1,816,245 |
| Decrease in Provision for Insured Events of Prior Years | (81,094) | (88,014) |
| **Total Incurred Claims & Claim Adjustment Expenses** | **$1,840,863** | **$1,728,231** |
| PAYMENTS | | |
| Claims & Claim Adjustment Expenses Attributable to Insured Events of Current Fiscal Year | $1,640,709 | $1,625,692 |
| Claims & Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Year | 152,296 | 148,308 |
| **Total Payments** | **$1,793,005** | **$1,774,000** |
| **TOTAL ESTIMATED CLAIMS AT END OF FISCAL YEAR** | **$281,248** | **$233,390** |

## 8. LONG-TERM CARE FUND

The Public Employees' Long-Term Care Fund (LTCF) estimate of the funding level to provide for the payment of future claim benefits is projected based on actual membership levels.

The LTCF establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The liability for future policy benefits was calculated by CalPERS Actuarial Office, LTC actuary, using a variety of actuarial and statistical techniques as part of the actuarial review as of June 30, 2013. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 5.75 percent, morbidity, and voluntary termination. In Fiscal Year 2012-13, the morbidity experience was similar to what was estimated, the policy termination was higher than anticipated, and the actual investment return was lower than expected.

The total estimated liability for future policy benefits as of June 30, 2013 was $3.0 billion. Of that amount, $216.5 million is expected to be paid in Fiscal Year 2013-14.

## 9. PERF, LRF, JRF, JRF II, AND CERBTF FUNDED STATUS

The following represents the funded status of the CalPERS pension trust funds and the post-employment health care fund as of June 30, 2012. These actuarial valuations involve estimates of the value and probability assumptions of events far into the future, and these amounts and assumptions are subject to continual revision as actual results are compared to past expectations. Calculations are based on the benefits provided under the terms of the plan in effect and the pattern of cost sharing between employees and the employer. The projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing. These actuarial calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility.

**Funded Status[1] of the PERF, LRF, JRF, JRF II, and CERBTF** (Dollars in Millions)

| Fund | Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) - (Funding Excess) | Funded Ratio | Annual Covered Payroll | UAAL/(Funding Excess) as a % of Covered Payroll |
|---|---|---|---|---|---|---|---|
| | | (1) | (2) | (3) (2) (1) | (1) ÷ (2) | (4) | (3) ÷ (4) |
| PERF [2] | 6/30/12 | $282,991 | $340,429 | $57,438 | 83.1 % | $42,599 | 134.8 % |
| LRF | 6/30/12 | 124 | 109 | (15) | 113.8 | 2 | (750.0) |
| JRF | 6/30/12 | 73 | 3,172 | 3,099 | 2.3 | 69 | 4,491.3 |
| JRF II | 6/30/12 | 668 | 703 | 35 | 95.0 | 231 | 15.2 |
| CERBTF [4] | 6/30/12 [3] | 2,072 | 17,612 | 15,540 | 11.8 | 11,175 | 139.1 |

**Notes:**

1 The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. Market value of asset information is included in the Schedule of Funding Progress as part of the Required Supplementary Information on page 82-83.

2 These figures are not final, however the final numbers are not expected to be materially different.

3 The June 30, 2012 data represents the rolled forward and backward data based on the actuarial information from 366 OPEB valuations with the measurement date as of June 30, 2011 or later and 10 OPEB valuations with an earlier measurement date, applying methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

4 CERBTF actuarial accrued liability as of June 30, 2012 was based on the OPEB assumption model, which allowed only the Entry Age Normal or Projected Unit Credit actuarial cost method. In August 2012, the CalPERS Board removed requirements of specific assumption values and methods. For any OPEB valuation report with a measurement date after August 15, 2012, the OPEB assumption model allows the use of any actuarial cost method that complies with Actuarial Standards of Practice and with Governmental Accounting Standards. The Actuarial Accrued Liability (AAL) reported for the CERBTF represents aggregated liabilities calculated under any allowable cost method.

## Actuarial Information | Assumptions and Methods Used in the Most Recent Actuarial Valuations

| | PERF | LRF | JRF | JRF II | CERBTF |
|---|---|---|---|---|---|
| Funded Status Valuation Date | June 30, 2012 [2] | June 30, 2012 [2] | June 30, 2012 [2] | June 30, 2012 [2] | June 30, 2012 |
| Adoption Date | Various | Various | Various | Various | — |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Entry Age Normal or Projected Unit Credit |
| Amortization Method | Level Percentage of Payroll | Level Percentage of Payroll | Level Dollar | Level Percentage of Payroll | Varies [3] |
| Amortization Approach | Closed (Open for Gains and Losses) [9] | Closed | Closed | Closed (Open for Gains and Losses) | Varies [4] |
| Remaining Amortization Period | Schools 20 years; Public Agencies, average 21 years; State plans 18 to 23 years | 30 Years | Average of 2 Years | Average of 16 Years | 30 Years [5] |
| Asset Valuation Method | Smoothing of Market Value | Smoothing of Market Value | Market Value | Smoothing of Market Value | Varies [6] |
| ACTUARIAL ASSUMPTIONS | | | | | |
| Net Investment Rate of Return | 7.50% | 5.75% | 4.25% | 7.00% | 6.39% – 7.61% [7] |
| Projected Salary Increases [1] | Varies, based on duration of service | 3.00% | 3.00% | 3.00% | 3.25% [8] |
| Post Retirement Benefit Increase | For State and Schools, 2% or 3% compounded annually<br><br>For Public Agencies, 2.00% or 2.75% compounded annually, depending on the agency plan provisions | 2.75% | 3.00% | 2.75% | — |
| HEALTH CARE COST TREND RATES: | | | | | |
| Select Period | — | — | — | — | 0 – 10 Years |
| Initial Rate | — | — | — | — | 4.00 – 12.00% |
| Ultimate Rate | — | — | — | — | 4.00 – 6.00% |

**Notes:**

1 Please refer to *Exhibit C: Sample Pay Increase Assumptions for Individual Members* in the Actuarial Section.

2 The June 30, 2012 actuarial valuations for the LRF, JRF, JRF II, State and Schools were used to set the ARC for the Fiscal Year 2013-14, while the June 30, 2012 actuarial valuations for the public agencies set the ARC for Fiscal Year 2014-15.

3 The employers used either a level dollar or level percentage of payroll for their amortization method.

4 The employers were able to use both open and closed amortization approaches.

5 For a significant majority of the valuations, the unfunded liability was amortized over 30 years; the remainder used periods that ranged between one year and 29 years.

6 Most valuations used the current market value of assets and a few used the smoothing market value of assets.

7 The net investment rate of return shown in the table above reflects the expected returns of the three portfolios. Employers who expect to not fully fund the ARC in future years use a weighted rate of return that is blended with the employer's expected return on general unrestricted assets.

8 While the significant majority of valuations utilized a 3.25 percent projected salary increase assumption, some valuations used a somewhat lower rate.

9 Gains and Losses are amortized over a rolling 30 years, except for Fiscal Years 2008-09 through 2010-11. Gains and Losses for Fiscal Years 2008-09 through 2010-11 are amortized over a fixed 30 year period.

## Actuarial Information | Assumptions and Methods Used in the Actuarial Valuations in Development of the Fiscal Year 2013 ARC

| | PERF | LRF | JRF | JRF II | CERBTF |
|---|---|---|---|---|---|
| ARC Valuation Date | June 30, 2011: State and Schools June 30, 2010: Public Agencies | June 30, 2011 | June 30, 2011 | June 30, 2011 | June 30, 2011 [8] |
| Adoption Date | Various | Various | Various | Various | — |
| Actuarial Cost Method | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Individual Entry Age Normal | Entry Age Normal or Projected Unit Credit |
| Amortization Method | Level Percentage of Payroll | Level Percentage of Payroll | Level Dollar | Level Percentage of Payroll | Varies [2] |
| Amortization Approach | Closed (Open for Gains and Losses) [9] | Closed | Closed | Closed (Open for Gains and Losses) | Varies [3] |
| Remaining Amortization Period | Schools 29 years; Public Agencies, average 21 years; State plans 23 to 28 years | 30 Years | Average of 2 years | Average of 19 years | 30 Years [4] |
| Asset Valuation Method | Smoothing of Market Value | Smoothing of Market Value | Market Value | Smoothing of Market Value | Varies [5] |
| ACTUARIAL ASSUMPTIONS | | | | | |
| Net Investment Rate of Return | Public Agencies 7.75% State and Schools 7.50% | 5.75% | 4.25% | 7.00% | 6.39% – 7.61% [6] |
| Projected Salary Increases[1] | Varies, based on duration of service | 3.00% | 3.00% | 3.00% | 3.25% [7] |
| Post Retirement Benefit Increase | For State and Schools, 2% or 3% compounded annually<br><br>For Public Agencies, 2% or 3% compounded annually, depending on the agency plan provisions | 2.75% | 3.00% | 2.75% | — |
| HEALTH CARE COST TREND RATES: | | | | | |
| Select Period | — | — | — | — | 0 – 10 Years |
| Initial Rate | — | — | — | — | 4.00 – 12.00% |
| Ultimate Rate | — | — | — | — | 4.00 – 6.00% |

Refer to page 76 for corresponding footnote explanations.

**Refer to the table on page 75 for corresponding footnotes.**

**Notes:**

1 Includes inflation at 2.75 percent for State and Schools and 3.00 percent for Public Agencies.

2 The employers used either a level dollar or level percentage of payroll for their amortization method.

3 The employers were able to use both open and closed amortization approaches.

4 For a significant majority of the valuations, the unfunded liability was amortized over 30 years; the remainder used periods that ranged between one year and 29 years.

5 Most valuations used the current market value of assets and a few used the smoothing market value of assets.

6 In March 2011, the Board increased the number of CERBTF investment portfolios from one to three, and allowed a Margin for Adverse Deviation in the associated discount rate for OPEB valuations dated after June 15, 2011. The net investment rate of return shown in the table above reflects the expected returns of the three portfolios. Employers who expect to not fully fund the ARC in future years use a weighted rate of return that is blended with that employer's expected return on general unrestricted assets.

7 While the significant majority of valuations utilized a 3.25 percent projected salary increase assumption, some valuations used a somewhat lower rate.

8 The CERBTF ARC for the fiscal year ended June 30, 2013 was primarily derived from OPEB valuations as of June 30, 2011.

9 Gains and Losses are amortized over a rolling 30 years, except for Fiscal Years 2008-09 through 2010-11. Gains and Losses for Fiscal Years 2008-09 through 2010-11 are amortized over a fixed 30 year period.

## 10. COMMITMENTS TO FUND PARTNERSHIPS

At June 30, 2013, CalPERS total capital commitments to fund partnerships was $93.7 billion. Of this amount, $20.5 billion remained unfunded and is not recorded on the CalPERS statement of fiduciary net position. Certain unfunded commitments for real assets are subjected to annual approval. The following table depicts the total commitments and unfunded commitments, respectively, by asset class.

**Total Commitments and Unfunded Commitments to Fund Partnerships by Asset Class** (Dollars in Thousands)

| Asset Class | Total Commitments | Unfunded Commitments |
|---|---|---|
| Equity (Corporate Governance) | $4,042,710 | $15,176 |
| Real Assets | 31,444,431 | 8,043,312 |
| Private Equity | 58,179,979 | 12,396,698 |
| **TOTAL** | **$93,667,120** | **$20,455,186** |

## 11. CONTINGENCIES

CalPERS has entered into agreements with a number of issuers of non-taxable debt to provide payment of principal and interest in the event of issuer non-payment. CalPERS is paid an annual fee over the term of the agreement for each transaction. The majority of the transactions are secured, with additional support from letters of credit from banks or bond insurers for repayment. As of June 30, 2013, the credit enhancement program had contingent liabilities of approximately $1.5 billion and net fee income of approximately $9.3 million.

CalPERS participates, as lender, in asset-based lending transactions, which is secured debt that is loaned primarily to non-investment grade borrowers for mostly working capital, acquisitions, turnarounds, growth financing, debtor-in-possession financing, exit financing, and corporate recapitalization/reorganizations. Collateral consists primarily of accounts receivable and/or inventory. Although borrowers are not required to borrow (draw down) the total committed loan amount they must pay fees (unused fees) based on the unfunded amounts, interest on any funded amounts, and fees on any letter of credits that are issued. Usually the terms of these loans are no greater than five years. In exchange for providing these loans, CalPERS receives interest and fees from the borrowers. Interest is based on Prime or LIBOR plus a margin. For the 2012-13 Fiscal Year, interest and fee income earned was roughly $5.3 million, and as of June 30, 2013, $236 million was committed by CalPERS and the total outstanding loan balance was zero.

CalPERS is a defendant in litigation involving individual pension and health benefit payments and participant eligibility issues arising from its normal activities. In the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the employer contribution rate. CalPERS is involved in litigation relating to various matters. During the fiscal year, two specific cases arose that could potentially impact the future financial health of funds administered by CalPERS.

In the case of *Sanchez, Elma et_al. v. CalPERS*, plaintiffs claim that CalPERS breached its contract with the long-term care purchases by allegedly promising that long-term care premiums would never increase during the lifetime of the purchase, but then increasing the premiums and failing to continue the Inflation Pretention Benefit without an increase in premiums. The case was brought as a class action. CalPERS filed a demurrer to the Complaint on October 2013. The hearing date on this will not be set until after the first case management conference is held. The LTCF could be negatively impacted depending on the outcome of this litigation.

In the case of *Staniforth, et_al. v. Judges Retirement System (JRS)*, plaintiffs claim that the retired judges have not been paid correctly under the holding in the California Supreme Court case of *Olson v. Cory 27 Cal. 3d 738* (1980). This case was brought as a petition for Writ of Mandate and Complaint for Declaratory Relief. The JRS' demurrer was sustained without leave to amend and judgment was entered in the JRS' favor in April 2013. The *Olson v. Cory* claims are now on appeal, with a decision from the Fourth District Court of Appeal likely to be issued with the next three to six months. The judges retired from the closed JRF. Any additional funds to be paid out as a result of this litigation would need to be appropriated by the Legislature and come from the State's General Fund.

The amount of potential loss or range of loss on either of these cases is not estimable at this time due to the many unknowns and complexities.

## 12. FUTURE ACCOUNTING PRONOUNCEMENTS

### Statements No. 67 and No. 68 of the Governmental Accounting Standards Board

In June 2012, GASB approved Statement No. 67, *Financial Reporting for Pension Plans*, an amendment of GASB Statement No. 25, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. GASB Statement No. 67 addresses reporting by pension plans that administer benefits for governments, and is effective for financial statements for periods beginning after June 15, 2013. GASB Statement No. 68, which primarily relates to reporting by governments that provide pensions to their employees is effective for fiscal years beginning after June 15, 2014. These standards were subsequently published in August 2012.

Key changes include:

- Incorporating ad hoc cost-of-living adjustments and other
  ad hoc postemployment benefit changes into projections of benefit payments, if an employer's past practice and future expectations of granting them indicate they are essentially automatic.
- Using a discount rate that applies to: (a) the expected long-term rate of return on pension plan investments to projected benefit payments for which plan assets are expected to be available to make projected benefit payments; and (b) the interest rate on a tax-exempt 20-year AA/Aa-or higher rated municipal bond index to projected benefit payments for which plan assets are not expected to be available for long-term investment in a qualified trust.
- Requiring more extensive note disclosures and required supplementary information.

The System will be subject to the provisions of GASB Statement No. 67 beginning with the fiscal year ending June 30, 2014. GASB Statement No. 67 replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. GASB Statement No. 67 builds upon the existing framework for financial reports of defined benefit pension plans and enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. In addition, it requires the presentation of new information about the annual money-weighted rates of return on pension plan investments in the notes to the financial statements and in 10-year required supplementary information schedules.

CalPERS is evaluating the impact of new GASB standards and expects that related communications with participating employers will require significant effort.

## 13. SUBSEQUENT EVENTS

### A. California Public Employees' Pension Reform

**Pension Reform Act Clarifications.** In October 2013, Senate Bill No. 13 was signed into law by the Governor. This legislation amends the Public Employees' Pension Reform Act of 2013 (PEPRA) to correct or clarify several provisions, including those related to new judges' retirement benefits. It requires that new judges are subject to an employee contribution rate of at least 50 percent of the normal cost. It corrected a requirement that new judges are not subject to the PEPRA retirement formulas. It clarifies that accumulated additional contributions will be used to calculate one of the benefit options for CalPERS safety members eligible for industrial disability retirement benefits and who retire on or after January 1, 2013.

**PEPRA Exceptions: Transit Employees.** In October 2013, Assembly Bill No. 1222 was signed into law by the Governor. This legislation exempts California transit employees of public employers from all of the provisions of the Public Employees' Pension Reform Action of 2013 (PEPRA), until January 1, 2015, or until a court determines that the PEPRA does not violate specified federal transit labor laws, whichever is sooner. If a court determines that PEPRA does violate federal transit labor laws, this exemption would continue indefinitely.

### B. Local Government Bankruptcies

As of September 30, 2013, the cities of San Bernardino and Stockton filed for financial relief under Chapter 9 of the Federal Bankruptcy Code in the prior year and are still seeking relief. The city of Mammoth Lakes has resolved their bankruptcy issues. Both local governments provide retirement

benefits through CalPERS. As such, these entities are obligated by the state and federal constitution to make contributions to CalPERS for the pension benefits of their employees. One of these governments met its pension obligations and remitted annual contributions during the fiscal year 2012-2013, whereas the other local government ceased paying their annual contributions for a period of time during the year and was approximately $14 million in arrears as of June 30, 2013. Both local governments have been found to be eligible to be debtors under Chapter 9. The rulings granting bankruptcy protection occurred on April 1, 2013, and as of August 28, 2013, the latter is under appeal. These local governments have yet to obtain bankruptcy confirmation of their final bankruptcy plans, and therefore the outcome and impact of the bankruptcy proceedings at these stages of the cases are unknown.

### C. State Peace Officers' and Firefighters' Defined Contribution Plan Closure

In October 2013, Senate Bill No. 277 was signed by the Governor. This legislation terminates the State Peace Officers' and Firefighters' Defined Contribution Plan (Plan) on January 1, 2014 or upon specified Internal Revenue Service (IRS) approvals, whichever is later. It prohibits new participants in the Plan, requires the cessation of all contributions into the Plan, allows rollovers into the CalPERS Supplemental Contributions Program and other specified means of asset distribution, and discharges the CalPERS Board from liability and responsibility upon Plan assets distribution.

### D. Implementation of Flex-Funded Health Maintenance Organization Plans

Health Maintenance Organization plans (HMOs) must obtain a license by the Department of Managed Health Care (DMHC), which oversees and regulates HMOs by means of the Knox-Keene Health Care Service Plan Act of 1975 (Knox-Keene Act). Regardless of how CalPERS may fund an HMO, an HMO ultimately bears the risk for paying monthly provider costs under the Knox-Keene Act for DMHC purposes.

Up through this calendar year, all CalPERS HMOs have been funded by an upfront, pre-paid set amount corresponding to all health care services covered by the HMO. Accordingly, these HMOs have been able to retain and potentially earn interest on any part of the premium dollar in excess of the cost of covered services provided during a given year.

On April 17, 2013, the Board approved flex-funded HMOs for the 2014 plan year. Starting January 1, 2014, all CalPERS HMO plans, except the Kaiser Permanente HMO, will be flex-funded. Flex-funded plans generally have a capitation component, i.e., an upfront, pre-paid set amount, for a corresponding set of services; and a self-funded component for a corresponding set of services, sometimes referred to as fee-for-service. Capitated payments are generally paid to primary care physicians, medical groups and in some instances, hospitals for providing a delineated set of services required by the Knox-Keene Act. The self-funded fee-for-service payments are generally paid to hospitals and specialists.

In 2014 and beyond, CalPERS will be able retain any excess premium dollar set aside for fee-for-service payments remaining after all fee-for-services payments are remitted. This excess premium and any earned interest may be used to help lower future health benefit plan premiums. Other potential benefits of flex-funding are the expected ease of risk-adjusting premiums; management and investment of claims reserves; improved transparency; consolidation of pharmacy benefits for several plans; and possible mitigation of health care cost inflation for the State of California.

CalPERS will pay the capitated fixed payments component of the premium for public agencies from the Contingency Reserve Agency Fund (CRF) in accordance with Government Code section 22910, and the fee-for-service payments component of the premium from the Health Care Fund (HCF), in accordance with Government Code section 22911. The capitated fixed payments component of the premium for the State will be paid from a Special Deposit Fund and the fee-for-service payments from the HCF.

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# Financial Section:
## Required Supplementary Information


82 Schedule of Funding Progress — Pension and OPEB Trust Funds (Unaudited)

85 Schedule of Employer Contributions — Pension and OPEB Trust Funds (Unaudited)

86 Schedule of Claims Development Information (Unaudited)

# Schedule of Funding Progress – Pension and OPEB Trust Funds (Unaudited)

(Dollars in Millions)

| Actuarial Valuation Date | Actuarial Value of Assets (1) | Actuarial Accrued Liability (AAL) Entry Age (2) | Unfunded AAL(UAAL) (AVA Basis) (2) (1) | Funded Ratio - Actuarial Value of Assets Basis (1) ÷ (2) |
|---|---|---|---|---|
| **PERF** | | | | |
| 6/30/07 | $216,484 | $248,224 | $31,740 | 87.2 % |
| 6/30/08 | 233,272 | 268,324 | 35,052 | 86.9 |
| 6/30/09 | 244,964 | 294,042 | 49,078 | 83.3 |
| 6/30/10 | 257,070 | 308,343 | 51,273 | 83.4 |
| 6/30/11 [8] | 271,389 | 328,567 | 57,178 | 82.6 |
| 6/30/12 | 282,991 | 340,429 | 57,438 [2] | 83.1 |
| **LRF** [3, 7] | | | | |
| 6/30/07 | $142 | $102 | ($40) | 139.2 % |
| 6/30/08 | 142 | 103 | (39) | 137.9 |
| 6/30/09 | 134 | 112 | (22) | 119.6 |
| 6/30/10 | 127 | 112 | (15) | 113.4 |
| 6/30/11 [8] | 126 | 109 | (17) | 115.6 |
| 6/30/12 | 124 | 109 | (15) | 113.8 |
| **JRF** [3,4] | | | | |
| 6/30/07 | $12 | $2,714 | $2,702 | 0.4 % |
| 6/30/08 | 19 | 3,607 | 3,588 | 0.5 |
| 6/30/09 | 41 | 3,583 | 3,542 | 1.1 |
| 6/30/10 | 64 | 3,429 | 3,365 | 1.9 |
| 6/30/11 [8] | 54 | 3,297 | 3,243 | 1.6 |
| 6/30/12 | 73 | 3,172 | 3,099 | 2.3 |
| **JRF II** | | | | |
| 6/30/07 | $268 | $295 | $27 | 90.8 % |
| 6/30/08 | 335 | 367 | 32 | 91.3 |
| 6/30/09 | 379 | 451 | 72 | 84.0 |
| 6/30/10 | 461 | 521 | 60 | 88.5 |
| 6/30/11 [8] | 561 | 610 | 49 | 92.0 |
| 6/30/12 | 668 | 703 | 35 | 95.0 |
| **CERBTF** [9] | | | | |
| 6/30/07 | $11 | $24 | $13 | 45.8 % |
| 6/30/08 | 48 | 4,845 | 4,797 | 1.0 |
| 6/30/09 [5] | 873 | 10,462 | 9,589 | 8.3 |
| 6/30/10 [6] | 1,287 | 14,288 | 13,001 | 9.0 |
| 6/30/11 | 1,818 | 15,522 | 13,704 | 11.7 |
| 6/30/12 | 2,072 | 17,612 | 15,540 | 11.8 |

Refer to page 84 for corresponding footnote explanations.

## Schedule of Funding Progress – Pension and OPEB Trust Funds (Unaudited) (continued)

| Annual Covered Payroll (3) | UAAL as a % of Covered Payroll [(2) (1)] ÷ (3) | Market Value of Assets (4) | Unfunded AAL (UAAL) (MVA Basis) (2) (4) | Funded Ratio – Market Value of Assets Basis[1] (4) ÷ (2) |
|---|---|---|---|---|
| $40,864 | 77.7 % | $251,162 | ($2,938) | 101.2 % |
| 44,236 | 79.2 | 238,041 | 30,283 | 88.7 |
| 45,100 | 108.8 | 178,860 | 115,182 | 60.8 |
| 44,984 | 114.0 | 201,632 | 106,711 | 65.4 |
| 43,901 | 130.2 | 241,740 | 86,827 | 73.6 |
| 42,599 | 134.8 | 236,800 | 103,629 | 69.6 |
| $2 | (2,000.0) % | $142 | ($40) | 139.2 % |
| 2 | (1,950.0) | 134 | (31) | 130.1 |
| 2 | (1,100.0) | 112 | — | 100.0 |
| 2 | (750.0) | 114 | (2) | 101.8 |
| 2 | (850.0) | 124 | (15) | 113.8 |
| 2 | (750.0) | 123 | (14) | 112.8 |
| $119 | 2,270.6 % | $12 | $2,702 | 0.4 % |
| 111 | 3,232.4 | 19 | 3,588 | 0.5 |
| 97 | 3,651.5 | 41 | 3,542 | 1.1 |
| 86 | 3,912.8 | 64 | 3,365 | 1.9 |
| 76 | 4,267.1 | 54 | 3,243 | 1.6 |
| 69 | 4,491.3 | 73 | 3,099 | 2.3 |
| $156 | 17.3 % | $291 | $4 | 98.6 % |
| 175 | 18.3 | 325 | 42 | 88.6 |
| 199 | 36.2 | 316 | 135 | 70.1 |
| 213 | 28.2 | 422 | 99 | 81.0 |
| 230 | 21.3 | 576 | 34 | 94.4 |
| 231 | 15.2 | 655 | 48 | 93.2 |
| $37 | 35.1 % | $11 | $13 | 45.8 % |
| 5,092 | 94.2 | 48 | 4,797 | 1.0 |
| 9,307 | 103.0 | 845 | 9,617 | 8.1 |
| 10,435 | 124.6 | 1,287 | 13,001 | 9.0 |
| 10,374 | 132.1 | 1,864 | 13,658 | 12.0 |
| 11,175 | 139.1 | 2,077 | 15,535 | 11.8 |

**Refer to the table on pages 82-83 for corresponding footnotes.**

**Notes:**

1 The funded status on a market value of assets basis is reported since it represents the true measure of the plan's ability to pay benefits at a given point in time. The actuarial value of assets is used only for purposes of setting the employer contribution rates and keeping them as smooth as possible from year to year. The unfunded liability and funded status on an actuarial value of assets basis represent the unfunded liability/(surplus) that was taken into account when establishing employer rates.

2 The Unfunded Actuarial Accrued Liability (the total Actuarial Liability in excess of Actuarial Value of Assets) of the PERF by the major employer group from the June 30, 2012 valuation is as follows, in billions: 1) $28,200 for the State of California, 2) $5,600 for schools, and 3) $23,638 for public agencies.

3 Beginning with the June 30, 2007 actuarial valuation, CalPERS is complying with GASB Statement No. 50, which requires the funding progress to be disclosed using the Entry Age Actuarial Cost Method. The actuarial funding method was changed from the Aggregate Funding Method to the Entry Age Normal Funding Method for the LRF and JRF as of June 30, 2011 and June 30, 2010, respectively.

4 The actuarial assumption for the investment rate of return was reduced from 7.0 percent in the June 30, 2007 valuation to 4.5 percent in the June 30, 2008 valuation to reflect the funding of the JRF on a pay-as-you-go basis.

5 The amounts previously reported as of June 30, 2009 in the Fiscal Year 2008-09 financial statements were revised to reflect the valuation results for new plan participants and to align the valuation dates of all plan participants. The revised data reflects the individual actuarial valuations of 258 employers participating in the CERBTF as of June 30, 2010, aligned to a measurement date of June 30, 2009 in compliance with GASB Statement No. 57.

6 Beginning with reporting for the 2010-11 fiscal year, valuation results from CERBTF participating employers are aligned as of a single measurement date to comply with GASB Statement No. 57. Data is rolled forward or backwards to that date by CalPERS staff, using methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

7 The investment return assumption for the LRF was reduced from 7 percent to 6 percent for the June 30, 2010 valuation to reflect the change in the asset allocation strategy adopted by the Board in April 2011.

8 At the March 2012 meeting, the Board approved a recommendation to lower the inflation assumption from 3.00 percent to 2.75 percent. Consequently, the CalPERS discount rate assumption, or the rate of investment return, was lowered by 0.25 percent. The rates of investment return for the PERF, LRF, JRF, and JRF II are now 7.50 percent, 5.75 percent, 4.25 percent, and 7.00 percent, respectively. At the April 2012 meeting, the Board approved a recommendation to phase-in the employer contribution rate increases for the PERF over a period of two years.

9 Actuarial Accrued Liabilities (AAL) with a measurement date prior to August 2012 were based on the OPEB assumption model, which allowed only the Entry Age Normal or Projected Unit Credit actuarial cost method. In August 2012, the CalPERS Board removed requirements of specific assumption values and methods so that liabilities can be measured using any actuarial cost method that complies with Actuarial Standards of Practice and with Governmental Accounting Standards.

# Schedule of Employer Contributions – Pension and OPEB Trust Funds (Unaudited)

| Year Ended June 30 | PERF Employer Contributions | | LRF Employer Contributions | |
|---|---|---|---|---|
| | Annual Required Contribution | % of Required Contributions Made | Annual Required Contribution | % of Required Contributions Made |
| 2008 | $7,242,802,002 | 100.0 | $0 [2] | 0 |
| 2009 | 6,912,376,563 | 100.0 | — [2] | — |
| 2010 | 6,955,049,078 | 100.0 | — [2] | — |
| 2011 | 7,465,397,498 | 100.0 | — [2] | — |
| 2012 | 7,772,912,572 | 100.0 | — [2] | — |
| 2013 | 7,988,036,866 [1] | 101.7 | 129,524 [3] | 61.6 |

**Notes:**

1 The 2011 actuarial valuation was used to set the Fiscal Year 2012-13 PERF Annual Required Contributions for the State and Schools. The 2010 actuarial valuations were used to set the Fiscal Year 2012-13 Annual Required Contributions for Public Agencies. The State contributed more than the ARC in Fiscal Year 2012-13 because it did not use the phase-in schedule that the Board adopted for the June 30, 2011 assumption changes.

2 Based on the June 30, 2010, 2009, 2008, 2007, and 2006 actuarial valuations, the annual required contributions for the years ended June 30, 2012, 2011, 2010, 2009, and 2008 were $0.

3 In the June 30, 2011 actuarial valuation, the actuarial funding method was changed from the Aggregate Funding Method to the Entry Age Normal Funding Method. This funding method change along with the Board's minimum contribution policy resulted in an employer contribution rate effective July 1, 2012 for the first time in many years. In addition, this positive employer contribution rate resulted in the resumption of member contributions.

| Year Ended June 30 | JRF Employer Contributions | | JRF II Employer Contributions | | CERBTF Employer Contributions | |
|---|---|---|---|---|---|---|
| | Annual Required Contribution | % of Required Contributions Made | Annual Required Contribution | % of Required Contributions Made | Annual Required Contribution | % of Required Contributions Made [3] |
| 2008 | $623,532,045 | 26.2 | $31,673,544 | 116.1 | $450,827,057 [2] | 174.5 |
| 2009 | 790,911,681 | 24.1 | 42,944,106 | 92.0 | 611,607,510 [2] | 95.7 |
| 2010 | 1,167,007,021 | 15.9 | 44,758,633 | 95.2 | 870,842,132 [2] | 76.9 |
| 2011 | 1,262,446,956 | 13.3 | 50,949,124 | 105.7 | 1,141,450,654 [2,5] | 65.6 |
| 2012 | 1,366,702,281 [1] | 14.4 | 53,144,136 | 101.1 | 1,221,939,827 [5] | 63.2 |
| 2013 | 1,467,053,208 [4] | 11.0 | 55,638,700 [4] | 97.1 | 1,342,067,800 [5] | 73.1 |

**Notes:**

1 Starting with Fiscal Year 2011-12, the ARC is determined using the Individual Entry Age Normal Method. Prior to Fiscal Year 2011-12, the Aggregate Cost Method was used to determine the ARC.

2 The Fiscal Years 2007-08, 2008-09, 2009-10 and 2010-11 contributions made toward the ARC excludes $48.9 million, $10.4 million, $4.4 million, and $9.9 million, respectively, that were contributed to the CERBTF, but were treated as pre-existing assets for purposes of calculating the ARC.

3 The required contributions made include retiree health premiums paid directly to health carriers, OPEB related administrative costs paid outside the CERBTF, and implicit rate subsidy.

4 The 2011 valuation was used to determine the Fiscal Year 2012-13 Annual Required Contributions for the JRF and JRF II.

5 The CERBT for the 2010-11, 2011-12 and 2012-13 Fiscal Years includes amounts from some employers who had not yet begun making contributions to the trust at the time of the respective reporting periods. Had they been excluded, the reported ARCs would have been $916.9 million, $969.9 million and $1.1 billion, respectively, and the contributions made toward the ARCs would represent 73.0 percent, 70.3 percent and 80.5 percent of the respective ARCs.

# Schedule of Claims Development Information (Unaudited)

The table on the next page presents the Health Care Fund's (HCF) earned revenues and investment income, as well as losses and other expenses over the last 10 years. Rows one through six contain the following information:

1. This line shows the total earned premium revenues and investment revenues for each fiscal year.
2. This line shows other HCF operating costs, including overhead and claims expense not allocable to individual claims, for each fiscal year.
3. This line shows the HCF's incurred claims and allocated claim adjustment expenses (both paid and accrued) as reported at the end of the policy year. The policy year is the first year in which the triggering event under the contract occurred.
4. This section shows the cumulative amounts paid as of the end of each policy year and years succeeding the policy year.
5. This section shows re-estimated incurred claims as of the end of each policy year and years succeeding the policy year. Re-estimates are based on new information received on known claims, as well as information on new claims not previously reported.
6. This line compares the amount of the re-estimated incurred claims to the amount initially established (line 3), and shows whether the re-estimate is greater or less than projected. As data mature for individual policy years, the correlation between initial estimates and re-estimates is used to evaluate the accuracy of incurred claims currently recognized.

## Public Employees' Health Care Fund — June 30, 2013 (Dollars in Thousands)

| | Fiscal and Policy Year Ended | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| 1) Net Earned Required Premium & Investment Revenues | $1,048,042 | $1,115,172 | $1,229,239 | $1,410,888 | $1,543,643 | $1,608,738 | $1,409,621 | $1,775,005 | $1,912,355 | $1,948,531 |
| 2) Unallocated Expenses | $58,182 | $65,902 | $67,679 | $74,771 | $78,607 | $85,511 | $90,292 | $88,392 | $96,043 | $105,154 |
| 3) Estimated Incurred Claims & Expenses, End of Policy Year | $940,503 | $1,083,011 | $1,202,409 | $1,268,239 | $1,385,438 | $1,530,264 | $1,654,214 | $1,792,599 | $1,816,245 | $1,921,957 |
| 4) Paid (Cumulative) as of: | | | | | | | | | | |
| End of Policy Year | $807,627 | $923,608 | $1,043,346 | $1,094,818 | $1,197,390 | $1,313,680 | $1,444,509 | $1,550,306 | $1,635,839 | $1,640,709 |
| One Year Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | 1,589,771 | 1,698,615 | $1,788,135 | — |
| Two Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | 1,589,771 | 1,698,615 | — | — |
| Three Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | 1,589,771 | — | — | — |
| Four Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | — | — | — | — |
| Five Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | — | — | — | — | — |
| Six Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | — | — | — | — | — | — |
| Seven Years Later | 883,550 | 1,012,021 | 1,146,876 | — | — | — | — | — | — | — |
| Eight Years Later | 883,550 | 1,012,021 | — | — | — | — | — | — | — | — |
| Nine Years Later | 883,550 | — | — | — | — | — | — | — | — | — |
| 5) Re-estimated Incurred Claims Expenses: | | | | | | | | | | |
| End of Policy Year | $940,503 | $1,083,011 | $1,202,409 | $1,268,239 | $1,385,438 | $1,530,264 | $1,654,214 | $1,792,599 | $1,816,245 | $1,921,957 |
| One Year Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | 1,589,771 | 1,698,615 | $1,788,135 | — |
| Two Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | 1,589,771 | 1,698,615 | — | — |
| Three Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | 1,589,771 | — | — | — |
| Four Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | 1,448,134 | — | — | — | — |
| Five Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | 1,316,774 | — | — | — | — | — |
| Six Years Later | 883,550 | 1,012,021 | 1,146,876 | 1,197,334 | — | — | — | — | — | — |
| Seven Years Later | 883,550 | 1,012,021 | 1,146,876 | — | — | — | — | — | — | — |
| Eight Years Later | 883,550 | 1,012,021 | — | — | — | — | — | — | — | — |
| Nine Years Later | 883,550 | — | — | — | — | — | — | — | — | — |
| 6) Decrease in Estimated Incurred Claims & Expenses From End of Policy Year | ($56,953) | ($70,990) | ($55,533) | ($70,906) | ($68,664) | ($82,130) | ($64,443) | ($93,984) | ($28,110) | $0 |

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# Financial Section:
## Other Supplemental Information


90 Administrative Expenses — All Funds

91 Investment Expenses — All Funds

97 Consultant and Professional Services Expenses

101 Statement of Changes in Assets and Liabilities — Agency Funds

# Administrative Expenses – All Funds

## For the Fiscal Year Ended June 30, 2013

(Dollars in Thousands)

| | |
|---|---|
| PERSONNEL SERVICES | |
| Salaries & Wages | $176,819 |
| Employee Benefits | 68,131 |
| **Total Personnel Services** | **$244,950** |
| | |
| CONSULTANT & PROFESSIONAL SERVICES | |
| State of California Agencies | $5,931 |
| External Consultants | 106,535 |
| Deferred Compensation Management/Custody Fees | 3,587 |
| Health Plan Administrator Fees | 89,471 |
| Long-Term Care Administrator Fees | 19,837 |
| **Total Consultant & Professional Services** | **$225,361** |
| | |
| OPERATING EXPENSES & EQUIPMENT | |
| General Expense | $5,536 |
| Software | 5,445 |
| Printing | 1,342 |
| Postage | 3,040 |
| Communications | 2,163 |
| Data Processing Services | 20,876 |
| Travel | 1,815 |
| Training | 977 |
| Medical Examiners | 1,094 |
| Facilities Operation | 3,789 |
| Central Administrative Services | 43,116 |
| CSUS Foundation — Students | 814 |
| Administrative Hearings | 518 |
| Consolidated Data Center | 68 |
| Equipment | 2,220 |
| **Total Operating Expenses & Equipment** | **$92,813** |
| | |
| OTHER EXPENSES & ADJUSTMENTS | |
| Depreciation Expense | $16,347 |
| Increase in Paid Absence Obligation | 3,041 |
| Amortization | 1,528 |
| Reimbursements | (2,706) |
| Prior Year & Other Adjustments | 8,895 |
| **Total Other Expenses & Adjustments** | **$27,105** |
| **TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS** | **$590,229** |

# Investment Expenses – All Funds

## For the Fiscal Year Ended June 30, 2013

### Investment Management Fees (Dollars in Thousands)

| | Net Assets Managed at Fair Value | Fees |
|---|---|---|
| **DOMESTIC EQUITY MANAGERS** | | |
| First Quadrant, LP | $1,226,748 | $550 |
| FIS Group, Inc. | — | 1,690 |
| JP Morgan Chase Bank | 961,204 | 522 |
| Leading Edge Investment Advisors, LLC | 360,561 | 2,579 |
| Legato Capital Management, LLC | — | 1,120 |
| Piedmont Investment Advisors, LLC | 248,259 | 231 |
| Progress Investment Management | — | 1,057 |
| Pzena Investment Management, LLC | 571,961 | 948 |
| Quotient Investors, LLC | 330,959 | 1,406 |
| Redwood Investments, LLC | 246,363 | 898 |
| Relational Investors, LLC | 849,246 | 1,019 |
| Relational Investors Mid-Cap Fund I, LP | 766,663 | 975 |
| Research Affiliates, LLC | 4,884,297 | 500 |
| Strategic Investment Management, LP | — | 1,340 |
| Stux Capital Management, LLC | 607,134 | 1,288 |
| T. Rowe Price Associates, Inc. | 1,320,121 | 2,459 |
| The Boston Company Asset Management, LLC | 674,900 | 287 |
| **Total Domestic Equity Managers** | **$13,048,416** | **$18,869** |
| | | |
| **DOMESTIC FIXED INCOME MANAGERS** | | |
| Columbia Management Investment | — | 403 |
| **Total Domestic Fixed Income Managers** | **$0** | **$403** |

| | Net Assets Managed at Fair Value | Fees |
|---|---|---|
| **GLOBAL EQUITY MANAGERS** | | |
| Alliance Bernstein, LP | $695,102 | $766 |
| Arrowstreet Capital, LP | 2,970,513 | 1,405 |
| Baillie Gifford Overseas Ltd. | 1,956,566 | 898 |
| Cartica Corporate Governance Fund, LP | 416,733 | 5,264 |
| Dimensional Fund Advisors, LP | 902,384 | 2,476 |
| Genesis Asset Managers, LLP | 1,249,518 | 2,275 |
| Grantham, Mayo, Van Otterloo & Co., LLC | 626,811 | 423 |
| Hermes Sourecap Limited | 396,827 | 1,646 |
| Knight Vinke Institutional Partners I, LP | 2,639 | 22 |
| Lazard Asset Management, LLC | 973,763 | 2,500 |
| Leading Edge Investment Advisors, LLC | 987,738 | 380 |
| Nomura Asset Mgt. USA, Inc. | 512,504 | 257 |
| Pictet Asset Management Limited | — | 206 |
| Pyramis Global Advisors Trust Company | 891,672 | 1,720 |
| QS Investors, LLC | 1,927,547 | 27 |
| Research Affiliates, LLC | 5,881,223 | 1,028 |
| Tobam SAS | 164,905 | 694 |
| Victoria 1522 Investments, LP | 134,051 | 922 |
| **Total Global Equity Managers** | **$20,690,496** | **$22,909** |
| | | |
| **GLOBAL FIXED INCOME MANAGERS** | | |
| Alliance Bernstein, LP | $525,435 | $442 |
| Baring Intl Invest | 517,895 | 430 |
| Pacific Investment Management Co., LLC | 981,928 | 752 |
| Pareto Investment Management Limited | — | 291 |
| Rogge Global Partners | 507,906 | 382 |
| State Street Bank & Trust Company | — | 981 |
| **Total Global Fixed Income Managers** | **$2,533,164** | **$3,278** |

## Investment Management Fees (continued) (Dollars in Thousands)

| | Net Assets Managed at Fair Value | Fees |
|---|---|---|
| **REAL ASSET MANAGERS** | | |
| 301 Capitol Mall, LP | $14,199 | $120 |
| Aetos Capital Asia TE II, Ltd. | 142,046 | 2,105 |
| Aetos Capital Asia TE, LP | 5,842 | 82 |
| AEW Senior Housing Company, LLC | 87,146 | 786 |
| AEW-SHP Managed Portfolio | 113,385 | 2,400 |
| AGI-TMG Housing Partners I, LLC | 68,016 | (318) |
| Alinda Infrastructure Fund I, LP | 96,065 | 1,453 |
| Alinda Infrastructure Fund II, LP | 190,141 | 3,381 |
| American Value Partners Fund I, LP | 47,067 | 664 |
| Apollo Real Estate Finance Corporation | 49,075 | 773 |
| ARA Asia Dragon Fund | 444,412 | 5,011 |
| ARA Asia Dragon Fund II | 27,165 | 749 |
| ARA China Long Term Hold | 285,995 | 2,181 |
| AREA Real Estate Investment Fund V, LP | 39,162 | 707 |
| BRIDGE Urban Infill Land Development, LLC | 25,312 | 163 |
| CalEast Canada Limited Partnership | 141,141 | 730 |
| CalEast Industrial Investors, LLC | 342,260 | 2,691 |
| CalEast Solstice, LLC | 2,482,259 | 14,502 |
| California Smart Growth Fund IV, LP | 61,396 | 866 |
| CalSmart, LLC (Canyon) | 17,535 | 446 |
| CalWest - CalPERS | 418,444 | 447 |
| CalWest Industrial Properties, LLC | — | 1,572 |
| Canyon Catalyst Fund, LLC | 17,413 | 633 |
| Canyon Johnson Urban Fund, III | 176,349 | 2,801 |
| Carlyle Infrastructure Partners, LP | 69,609 | 841 |
| CBRE Strategic Partners Europe Fund III | 39,171 | 609 |
| CBRE Strategic Partners UK Fund II | (24,702) | 212 |
| CBRE Strategic Partners UK Fund III | 18,716 | 467 |
| Centerline Urban Capital I, LLC | 185,893 | 999 |
| CIM Fund III, LP | 866,775 | 7,123 |
| CIM Infrastructure Fund, LP | 313,988 | 1,709 |
| CIM Urban Real Estate Fund, LP | 430,848 | 3,426 |
| CIM Urban REIT, LLC | 492,459 | 5,328 |
| CityView LA Urban Fund I, LP | 25,873 | 406 |
| CUIP Properties, LLC | (1,377) | 542 |
| European Property Investors, LP | 16,160 | 218 |
| Fifth Street Properties | 5,269 | 29 |
| Fillmore East Fund, LP | 8,012 | 261 |
| Fortress Holiday Investment Fund, LP | 112,362 | 927 |
| Fortress Investment Fund IV (Fund A), LP | 108,427 | 838 |
| Fortress Residential Investment Deutschland (Fund A) | 71,991 | 844 |
| Fortress RIC CoInvestment Fund, LP | 17,267 | 164 |
| FSP - Base | 469,868 | 1,247 |
| FSP - DT 2011 | 500,500 | 3,829 |
| GI Partners Fund II, LP | 486,954 | 1,819 |
| GI Partners Fund III, LP | 526,680 | 3,932 |

| | Net Assets Managed at Fair Value | Fees |
|---|---|---|
| **REAL ASSET MANAGERS** | | |
| Global Infrastructure Partners II, LP (GIP II) | $96,107 | $4,581 |
| Global Retail Investors, LLC | 1,087,262 | 5,454 |
| GRI - Base | 93,475 | 298 |
| GRI - DT 2011 | 86,157 | 344 |
| Guggenheim Structured Real Estate III, LP | 26,197 | 315 |
| Hampshire Partners Fund VI, LP | 16,815 | 283 |
| Harbert European Real Estate Fund II, LP | 56,752 | 516 |
| HC Green Development Fund, LP | 68,122 | 476 |
| HC NOP Holdings, LP | 735 | 118 |
| HCB Interests II, LP | 373,406 | 5,440 |
| HCB Interests, LP | 109 | 102 |
| HCB LTH | 553,759 | 2,281 |
| HCC Interests, LP | 54,817 | 616 |
| HCM Holdings II, LP | 45,845 | 630 |
| HCM Holdings, LP | 50,443 | 520 |
| Hearthstone Housing Partners II, LLC | 69,011 | 3,463 |
| Hearthstone Housing Partners III, LLC | 24,410 | 371 |
| Hearthstone Multi-State Residential Value-Added III | (7,555) | (1) |
| Hearthstone Path-of-Growth Fund, LLC | 63,774 | 118 |
| Hines CalPERS Russia Long Term Hold | 225,238 | 483 |
| Hines European Development Fund II, LP | (1,631) | 209 |
| Hines European Development Fund, LP | (2,326) | 314 |
| IHP Investment Fund I, LP | 157,448 | 670 |
| IHP Investment Fund II, LP | 54,971 | 761 |
| IHP Investment Fund III, LP | 216,035 | 4,563 |
| IL&FS India Realty Fund II, LLC | 201,048 | 1,969 |
| IL&FS India Realty Fund, LLC | 99,862 | 1,500 |
| IMI - Base | 2,774,623 | 6,103 |
| IMI - DT 2011 | 282,412 | 1,184 |
| IMP - Base | 220,909 | 233 |
| IMP - DT 2011 | 445,241 | 2,039 |
| Institutional Core Multifamily Investors | 105,599 | 53 |
| Institutional Logistics Partners, LLC | 68,241 | 85 |
| Institutional Mall Investors, LLC | — | 5,670 |
| Institutional Multifamily Partners | 1,777,891 | 6,121 |
| JER Europe Fund III, LP | 11,855 | 414 |
| JER US Debt Co-Investment Vehicle, LP | 50,349 | 614 |
| KAREC California Development Program, LLC | 247,617 | 1,039 |
| KC 2011, LLC | 179,206 | 2,922 |
| KSC Affordable Housing Investment Fund, LLC | 68,025 | 958 |
| LaSalle Asia Opportunity Fund III, LP | 87,354 | 1,366 |
| LaSalle French Fund II, LP | 29,837 | 505 |
| LaSalle Japan Logistics Fund II, LP | 27,420 | 336 |
| Lincoln Timber, LP | 1,741,197 | 6,911 |
| Market Street Capital Partners, LP | 98,321 | 1,077 |
| Meriwether Farms, LLC | 63,526 | 1,195 |

## Investment Management Fees (Continued)(Dollars in Thousands)

| | Net Assets Managed at Fair Value | Fees |
|---|---|---|
| **REAL ASSET MANAGERS** | | |
| MGPA Asia Fund II, LP | $74,957 | $899 |
| MGPA Europe Parallel Fund II, LP | 45,313 | 1,053 |
| National Office Partners, LLC (CWP) | 1,048,544 | 4,806 |
| Niam Nordic Investment Fund III | 33,468 | 325 |
| Niam Nordic Investment Fund IV | 89,601 | 1,025 |
| ORA Multifamily Investments I, LLC | 187,004 | 1,979 |
| ORA Residential Investments I, LP | 211,606 | 5,522 |
| Pacific Vineyard Partners, LLC | 31,478 | 1,405 |
| PLA Retail Fund I, LP | 82,419 | 1,108 |
| PRECO Account Partnership III, LP | 52,711 | 496 |
| PRECO III Co-invest (Senior Housing UK Investment II) | 269 | 7 |
| Rockpoint Real Estate Fund II, LP | 19,096 | 296 |
| Rockpoint Real Estate Fund III, LP | 109,537 | 1,795 |
| RREEF Global Opportunities Fund II, LLC | 101,893 | (306) |
| Savanna Real Estate Fund I, LP | 42,873 | 608 |
| SDL Hospitality Co-Invest Fund, LP | 163,479 | 303 |
| Secured Capital Japan Real Estate Partners Asia, LP | 202,431 | 2,792 |
| Secured Capital Japan Real Estate Partners II, LP | 49,555 | 739 |
| Shea Capital I, LLC | 85,414 | 3,804 |
| Shea Mountain House, LLC | 113,553 | 1,548 |
| Starwood Capital Hospitality Fund I-2, LP | 187,600 | 1,587 |
| Starwood Capital Hospitality Fund II Global, LP | 237,047 | 1,243 |
| Stockbridge Hollywood Park Co-Investors, LP | 101,162 | 749 |
| Stockbridge Real Estate Fund II -B, LP | 20,137 | 442 |
| Strategic Partners Value Enhancement Fund, LP | 38,440 | 575 |
| Sun-Apollo India Real Estate Fund, LLC | 23,431 | 475 |
| Sylvanus, LLC | 486,690 | 2,616 |
| TechCore, LLC | 149,334 | 679 |
| TPG Hospitality Investments IV, LLC | 129,216 | 1,986 |
| UrbanAmerica, LP II | 44,458 | 1,059 |
| Windsor Realty Fund VII, LP | 21,291 | 414 |
| Xander Co-Investment | 42,563 | 3,506 |
| Xander JV Fund I (India Realty) | 16,780 | 475 |
| **Total Real Asset Managers** | **$26,265,827** | **$201,944** |
| | | |
| **SIP INVESTMENT MANAGEMENT FEES** | | |
| Alliance Bernstein, LP | $0 | $83 |
| Pacific Investment Management Company, LLC | — | 115 |
| Pyramis Global Advisors Trust Company | — | 625 |
| The Boston Company Asset Management, Inc. | — | 731 |
| State Street Global Advisors | — | 1,139 |
| Turner Investments, LP | — | 149 |
| **Total SIP Investment Management Fees** | **$0** | **$2,842** |
| **TOTAL INVESTMENT MANAGEMENT FEES** | | **$250,245** |

## Performance Fees (Dollars in Thousands)

| | Fees |
|---|---|
| **DOMESTIC EQUITY MANAGERS** | |
| First Quadrant, LP | $1,008 |
| FIS Group, Inc. | 42 |
| JP Morgan Chase Bank | 1,428 |
| Leading Edge Investment Advisors, LLC | 362 |
| Legato Capital Management, LLC | 879 |
| Progress Investment Management | 423 |
| Research Affiliates, LLC | 3,861 |
| T. Rowe Price Associates, Inc. | 792 |
| **Total Domestic Equity Managers** | **$8,795** |
| | |
| **GLOBAL EQUITY MANAGERS** | |
| Arrowstreet Capital, LP | $11,564 |
| Baillie Gifford Overseas Ltd. | 7,954 |
| Genesis Asset Managers, LLP | 9,184 |
| Lazard Asset Management, LLC | 6,980 |
| Nomura Asset Mgt. USA, Inc. | 974 |
| Pyramis Global Advisors Trust Company | 766 |
| **Total Global Equity Managers** | **$37,422** |
| | |
| **GLOBAL FIXED INCOME MANAGERS** | |
| Alliance Bernstein, LP | $1,779 |
| Baring Intl Invest | 745 |
| Pacific Investment Management Co., LLC | 2,552 |
| Rogge Global Partners | 622 |
| **Total Global Fixed Income Managers** | **$5,698** |

## Performance Fees (Continued) (Dollars in Thousands)

| | Fees |
|---|---|
| **REAL ASSET MANAGERS** | |
| Aetos Capital Asia TE, LP | $63 |
| AEW Senior Housing Company, LLC | (33) |
| CalEast Canada Limited Partnership | (150) |
| CalEast Solstice, LLC | (206) |
| CIM Infrastructure Fund, LP | 5,728 |
| DB Real Estate Global Opportunities IA, LP | (85) |
| DB Real Estate Global Opportunities IB, LP | (1,707) |
| FSP - Base | 2,030 |
| GRI - Base | 198 |
| HC Green Development Fund, LP | 15,453 |
| HCB Interests II, LP | 11,357 |
| HCC Interests, LP | (1,339) |
| Hearthstone Housing Partners, LP | 2,127 |
| Hearthstone Multi-State Residential Value-Added III | (240) |
| Hearthstone-MSII Homebuilding Investors, LLC | (39) |
| IHP Investment Fund III | 79,750 |
| IMP - Base | 61 |
| Institutional Mall Investors, LLC | 119,545 |
| Ivy Investment Vehicle LDC (SWPM) | 5,703 |
| ORA Residential Investments I, LP | 33,723 |
| SDL Hospitality Co-Invest Fund, LP | (1,390) |
| Secured Capital Japan Real Estate Partners I, LP | 75 |
| **Total Real Asset Managers** | **$270,624** |
| **TOTAL PERFORMANCE FEES** | **$322,539** |
| **TOTAL INVESTMENT MANAGEMENT AND PERFORMANCE FEES** | **$572,784** |

## Other Investment Expenses (Dollars in Thousands)

| | Fees |
|---|---|
| **AUDITOR FEES** | |
| Carolyn Sangil David, CPA & Assoc. | $56 |
| Conrad, LLP | 308 |
| KNL Support Services | 46 |
| KPM & Associates | 366 |
| **Total Auditor Fees** | **$776** |
| **APPRAISAL FEES** | |
| Altus Group US, Inc. | $5,317 |
| Colliers International Valuation and Advisory Services | 369 |
| Cushman Wakefield Western, Inc. | 32 |
| Duff & Phelps, LLC | 541 |
| Poyry Management Consulting | 88 |
| Weiser Realty Advisors, LLC | 280 |
| **Total Appraisal Fees** | **$6,627** |
| **COMPANY EXPENSE** | |
| Legato Capital Management, LLC | $159 |
| Strategic Investment Management, LP | 82 |
| **Total Company Expense** | **$241** |
| **CONSULTANT FEES** | |
| Altius Associates Limited | $90 |
| Apco Worldwide, Inc. | 35 |
| ATV Video Center, Inc. | 40 |
| Bard Consulting, LLC | 1,208 |
| Brock Capital Group, LLC | 61 |
| Business Advantage Consulting | 55 |
| Callan Associates, Inc. | 917 |
| Cambridge Associates | 293 |
| Courtland Partners, Ltd | 192 |
| Crosswater Realty Advisors, LLC | 668 |
| Cutter Associates, Inc. | 189 |
| Duff & Phelps, LLC | 120 |
| FTI Consulting, Inc. | 457 |
| Garland Associates, Inc. | 78 |
| Hamilton Lane Advisors, LLC | 235 |
| Heidricks & Struggles, Inc. | 200 |
| Highlands Consulting Group | 11 |
| Korn/Ferry | 164 |
| Le Plastrier Consulting Group, Inc. | 2,094 |
| Loop Capital Markets, LLC | 140 |
| LP Capital Advisors | 301 |
| McLagan Partners, Inc. | 3 |
| Meketa Investment Group | 181 |
| Mercer Investment Consulting | 552 |

## Other Investment Expenses (Continued) (Dollars in Thousands)

| | Fees |
|---|---|
| **CONSULTANT FEES** | |
| Mosaic Investment Advisors, Inc. | $349 |
| Navigant Consulting, Inc. | 510 |
| Nichols Consulting | 442 |
| Pacific Alternative Asset Mgmt Co., LLC | 250 |
| Pacific Community Ventures | 355 |
| Pension Consulting Alliance, Inc. | 1,856 |
| RBC Capital Markets Corp | 179 |
| RG & Associates | 162 |
| Ridgeway Partners, LLC | 403 |
| RSR Partners | 46 |
| R.V. Kuhns & Associates, Inc. | 75 |
| Schaffer Consulting, LLC | 7 |
| Senn-Delaney Leadership | 92 |
| SL Capital Partners, LLP | 70 |
| Starting Point | 55 |
| Stockbridge Capital Group, LLC | 47 |
| Strategic Investment Solutions, Inc. | 40 |
| Townsend Group, The | 190 |
| UBS Alternative and Quantitative Inv., LLC | 6,750 |
| Wilcox Miller & Nelson/Scientific Digital | 66 |
| Wilshire Associates, Inc. | 3,160 |
| **Total Consultant Fees** | **$23,388** |
| | |
| **SYSTEM CONSULTANT FEES** | |
| Cambria Solutions, Inc. | $698 |
| Capio Group | 83 |
| Cutter Associates, Inc. | 419 |
| MK Partners, Inc. | 8 |
| Performance Technology Partners, LLC | 2 |
| Propoint Technology, Inc | 1,449 |
| Pyramid Technical Consultants, LLC | 256 |
| SAS International, Inc. | 182 |
| Stanfield Systems, Inc. | 91 |
| Trinity Technology Group, Inc. | 211 |
| **Total System Consultant Fees** | **$3,399** |
| | |
| **LEGAL FEES** | |
| AES Asset Sales - Reimbursement | ($155) |
| AlvaradoSmith | 11 |
| Berman Devalerio Pease Tabacco Burt & P | 34 |
| Chapman and Cutler, LLP | 75 |
| Covington & Burling | 154 |
| Cox, Castle & Nicholson, LLP | 882 |
| Felderstein, Willoughby & Pascuzzi, LLP | 28 |
| Foster, Pepper & Shefelman PLLC | 130 |
| Glaser Weil Fink Jacobs Howard & Shapiro | 55 |

| | Fees |
|---|---|
| **LEGAL FEES** | |
| Hawkins Delafied & Wood, LLP | $10 |
| Institutional Multifamily Partners, LLC | 3,852 |
| K & L Gates, LLP | 1,827 |
| Katten Muchin Rosenman, LLP | 301 |
| Kirkpatrick & Lockhart Preston Gates | 817 |
| Mennemeier Glassman & Stroud, LLP | 18 |
| Morgan, Lewis & Bockius, LLP | 922 |
| Nixon Peabody, LLP | 253 |
| Nolan Armstrong & Barton, LLP | 6 |
| Pillsbury Winthrop Shaw Pittman, LLP | 6,441 |
| Polsinelli Shughart, LLP | 28 |
| Potter Anderson & Corroon, LLP | 98 |
| Soltman, Levitt, Flaherty & Wattles, LLP | 9 |
| **Total Legal Fees** | **$15,796** |
| | |
| **MASTER CUSTODIAN FEES** | |
| State Street Bank & Trust Company | $7,528 |
| **Total Master Custodian Fees** | **$7,528** |
| | |
| **TAX ADVISORY FEES** | |
| Ernst & Young US, LLP | $44 |
| KPMG Limited Taiwan | 313 |
| S.R. Batliboi & Co | 182 |
| **Total Tax Advisory Fees** | **$539** |
| | |
| **TECHNOLOGY EXPENSES** | |
| 13D Research, Inc. | $50 |
| Adobe Government at Carahsoft | 108 |
| Alternativesoft Ag | 10 |
| Altura Capital Group, LLC | 25 |
| Argus Financial Software | 1 |
| Axioma, Inc. | 156 |
| Barclays Capital | 100 |
| Barra, Inc. | 932 |
| BCA Research | 215 |
| Blackrock Financial Management, Inc. | 4,822 |
| Bloomberg, LP | 2,402 |
| Cambridge Associates | 192 |
| Candeal, Inc. | 9 |
| CB Richard Ellis Investors | 158 |
| Charles River Development | 3,489 |
| Cost Effectiveness Measurement, Inc. | 60 |
| Covenant Review, LLC | 45 |
| Credit Suisse Securities (USA), LLC | 100 |
| Creditsights | 90 |
| Dow Jones & Company, Inc. | 15 |

## Other Investment Expenses (Continued) (Dollars in Thousands)

| | Fees |
|---|---|
| **TECHNOLOGY EXPENSES** | |
| Edgar Online, Inc. | $9 |
| Emap Limited | 14 |
| Embs, Inc. | 9 |
| Empirical Research Partners, LLC | 60 |
| Equilar, Inc. | 8 |
| Ermitage Asset Management Jersey Limited | 78 |
| Etrali North America, LLC | 236 |
| Eurasia Group | 68 |
| Eurekahedge Pte. Ltd. | 10 |
| Evestment Alliance | 87 |
| Factset Research Systems, Inc. | 1,935 |
| Fan Asset Management, LLC | 91 |
| Farient Advisers, LLC | 19 |
| Firstrain, Inc. | 10 |
| Fitch, Inc. | 60 |
| FTSE | 904 |
| FX Alliance, Inc. | 17 |
| Glass, Lewis & Co., LLC | 490 |
| Global Investor Collaboration Svcs., LLC | 5 |
| GMI | 154 |
| Governance Metrics International | 80 |
| GP Analytics | 120 |
| Green Street Advisors | 58 |
| Hedge Fund Research, Inc. | 5 |
| High Frequency Economics, Ltd. | 26 |
| IHS Global, Inc. | 31 |
| Institutional Shareholder Service | 452 |
| Intex Solutions, Inc. | 194 |
| London Stock Exchange Plc | 10 |
| Macroeconomic Adviser, LLC | 17 |
| Markit North America, Ltd. | 140 |
| Mcube Investment Technologies, LLC | 73 |
| Mercer Investment Consulting | 5 |
| Moody's Analytics, Inc. | 316 |
| Moody's Investors Service, Inc. | 87 |
| MRI Software, LLC | 245 |
| MSCI, Inc | 33 |
| NCREIF | 2 |
| New York Stock Exchange | 31 |
| Northfield Info. Svcs., Inc. | 120 |
| Nyse Market, Inc. | 7 |
| Omgeo | 135 |
| Options Price Reporting Authority | 1 |
| Oxford Analytica, Inc. | 39 |
| Preqin Limited | 20 |

| | Fees |
|---|---|
| **TECHNOLOGY EXPENSES** | |
| Principal Life Insurance Company | $245 |
| Property & Portfolio Research, Inc. | 50 |
| Quantal International, Inc. | 45 |
| RBSs Smart Productions, Inc. | 100 |
| Roubini Global Economics | 10 |
| Russell Investment Group | 106 |
| SNL Financial, LLC | 76 |
| Standard & Poor's Corporation | 664 |
| State Street Bank & Trust Company | 316 |
| Strategic Economic Decisions, Inc. | 15 |
| Style Research, Inc. | 79 |
| Sustainalytics U.S. Inc. | 20 |
| The Depository Trust & Clearing Corp. | 6 |
| The Mathworks, Inc. | 193 |
| Thomson Reuters | 633 |
| Toronto Stock Exchange | 5 |
| Trade Web | 53 |
| William O'Neil & Company | 26 |
| World Markets Company Plc, The | 36 |
| Yardeni Research, Inc. | 15 |
| Yield Book, Inc. | 83 |
| Zeno Consulting Group, LLC | 48 |
| Zephyr Associates, Inc. | 37 |
| **Total Technology Expenses** | **$22,351** |
| **TOTAL OTHER INVESTMENT EXPENSES** | **$80,645** |
| **MISCELLANEOUS EXPENSES** | |
| Miscellaneous Investment Fees | $507 |
| Mortgage Servicing Fees | 2,513 |
| Transaction Fees | 59,023 |
| Prior Year & Other Adjustments | (1,337) |
| **TOTAL MISCELLANEOUS EXPENSES** | **$60,706** |
| **TOTAL INVESTMENT EXPENSES - ALL FUNDS** | **$714,135** |

# Consultant and Professional Services Expenses

### For the Fiscal Year Ended June 30, 2013

(Dollars in Thousands)

| Individual or Firm | Fees | Nature of Service |
|---|---|---|
| 22nd Century Technologies, Inc. | $78 | Desktop Services, Project Management Services, Application Development & Wintel Platform |
| Accenture, LLP | 43,095 | Consulting services for Pension System Resumption (PSR) project |
| ACS Learning Services | 213 | Course Design & Development, Corporate Culture Training, General Business Skills & Desktop Computing Skills |
| ADSI, Inc. | 631 | Project Management Services, Architecture, Data Services, Application Development & Management Support Services |
| Advanced Systems Group, LLC | 30 | Production Equipment Maintenance Services |
| Ambire Consulting, Inc. | 181 | Project Management Services, Application Development & Specialized IT Support Services for Investment Systems/Business |
| Anthem Blue Cross | 72,239 | Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation & Development, Wellness, Prevention & Disease Management Services |
| ATV Video Center, Inc. | 134 | Audiovisual Support & Live Event Presentation Services |
| Ballard Group, The | 187 | Information Technology (IT) Consultant Services |
| Base 3 Consulting | 1,891 | Application Development & Management Support Services |
| Belmonte Enterprises, LLC | 1,149 | Project Management Services, Architecture, Data Services & Application Development |
| Blackstone Technology Group | 198 | Management Support Services, Release Management/Quality Assurance/Configuration Management, Application Development, Data Services, Architecture & Project Management Services |
| Booz Allen Hamilton, Inc. | 70 | Media Training, Writing, Editorial, Marketing, Survey & Research Services |
| Business Advantage Consulting | 358 | Project Oversight & Management Services, Application Development & Content Management |
| California Department of Health Care Services | 20 | Annual Fee For Long-term Care Policy & Partnership Services |
| Capio Group | 919 | Database Administration, Management Support Services, Business Process Reengineering, Business Transformation/Transition & IT Security |
| Capital Technology Associates | 152 | Management Support Services, Project Management & Oversight Services |
| Chisoft Consultant Services, LLC | 54 | Architecture & Application Development |
| Compliance 11, Inc. | 92 | Personal Trading Software Services |
| Cornerstone Fitness, Inc. | 86 | Organizational Development & Readiness. Employee Training & Development |
| CVS Caremark | 9,793 | Pharmacy Claims Administration, Account Management, Eligibility, Retail & Other Reporting Services |
| Dee Hansford Consulting | 69 | Writing, Editorial, Education, Marketing & Outreach Campaigns Services |
| Delegata | 1,364 | Data Services, Application Development, Architecture, Database Administration, Management Support Services & Business Process Reengineering |
| Department of General Services/RR Donnelly | 317 | Open Enrollment Printing, Mail Processing & Postage |
| Department of Human Resources | 91 | Election Forms for the Alternate Retirement Program (ARP) Processing Services |
| Department of Justice | 133 | Conduct & Provide External Investigative Services |
| Diamond Marketing Solutions | 185 | Statement Generation & Mailing Services, Data Transmission & Customer Acceptance Testing Services, Production Quality Assurance Services & Project Management Services |
| Dolamont Consulting, Inc. | 1,186 | Business Transformation/Transition, Specialized IT Support Services for Investment Systems/Business & Management Support Services |
| Downey, Brand, Seymour & Rohwer, LLP | 21 | Legal Opinions & Advice. Analyze Employee Benefit, Federal & State Tax Laws |
| DSS Research, Inc. | 104 | Project Management, Design & Development, Database Preparation, Printing & Survey Tracking |
| Eagle Management Group | 173 | Coordinate Conference/Event Participation Services & Display Exhibit Shipping & Set-Up |
| Eaton Interpreting Services | 60 | Professional Sign Language Interpreter Services |
| Enclipse Corporation | 709 | Application Development & Database Administration, Network & Backup Management |
| Enterprise Networking Solutions | 46 | Technical Writing, Business Process Reengineering, Project Management Services & Data Services |
| Equanim Technologies | 1,286 | Project Oversight & Management Services, Management Support Services & Release Management/Quality Assurance/Configuration Management |
| Experis IT Services Us, LLC | 251 | Contract Support & Recruiting Services |

(Dollars in Thousands)

| Individual or Firm | Fees | Nature of Service |
|---|---|---|
| Ferenczy & Paul, LLP | $22 | Legal Opinions & Advice. Analyze Federal & State Tax Laws |
| Gordon & Silver, LLP | 231 | Legal Services on Litigation Matters |
| GovernmentJobs.com, Inc. | 34 | Publicize, Post CalPERS Recruitments, Collect & Retain Applications |
| Group One Consultants, Inc. | 61 | Develop Comprehensive Candidate Profile, Screen Candidate, Conduct Face-To-Face Interviews & Prepare written In-Depth Profiles on the Candidate |
| H&B Joint Venture | 65 | Consulting Services on Pension System Resumption (PSR) Project |
| Hewitt Consulting | 48 | Actuarial Consulting for the Health Program & Benefits, Medical Management, Utilization Management & Pharmaceutical Benefit Management Consulting & Leveraging Health Care Information System |
| Hewlett Packard | 1,083 | Mission Critical Advisory Service & Software Support |
| Highlands Consulting Group | 1,815 | Survey & Research Services |
| HP Enterprise Services, LLC | 221 | Project Management Services, Architecture, Data Services & Database Administration |
| Information Technology Software Professional | 584 | Data Services, Project Management Services, Architecture, Application Development & Content Management |
| Informatix, Inc. | 215 | Business Process Reengineering, Business Transformation/Transition, Management Support Services, Technical Writing, Data Network & Services |
| ING U.S. | 3,587 | Third Party Member Record-keeper |
| Innovative Software Technologies, Inc. | 282 | Exadata Transition & Annual Valuation Refresh |
| J & K Court Reporting, LLC | 70 | Transcribe Administrative Hearings & Appeals, Protest Proceedings & Full Hearing |
| J. A. Frasca and Associates | 222 | Release Management/Quality Assurance/Configuration Management, Application Development, Project Management & Management Support Services |
| Jay Gaines & Company, Inc. | 93 | Comprehensive Candidate Profile Development & Timeline Search for Specified Vacant Position(s) |
| JLynnconsulting, Inc. | 975 | Database Administration & Services, Application Development, Technical Writing, Business Process Reengineering & Training Services |
| K & L Gates, LLP | 6,627 | Legal & Advice Services. Monitor & Report on State & Federal Judicial Proceedings, including Municipal Bankruptcies |
| Katrina Kennedy Training | 30 | Organizational Development & Readiness. Employee Training & Development & Leadership Development |
| Kearnford Application Systems Design | 1,453 | Project Management Services, Architecture, Data Services, Application Development, Management Support Services & Business Process Reengineering |
| Kenera Consulting, Inc. | 268 | Business Transformation/Transition, Management Support Services, Application Development & Project Management Services |
| Kiefer Consulting, Inc. | 507 | Content Management, Management Support Services, Database Administration, Application Development, Architecture & Project Management Services |
| Knowledge Structures, Inc. | 44 | Employee Training & Development |
| Kong Consulting, Inc. | 527 | PeopleSoft Financials Functional Support Services |
| KPMG, LLP | 2,238 | Organizational & Leadership Development, Strategic & Operational Business Planning, Performance Management, Program Evaluation & Management Analysis |
| Landor | 110 | Writing, Editorial, Marketing, Survey & Research Services |
| LCS Technologies, Inc. | 1,634 | Application Development & Database Administration |
| Lincoln Crow, LLC | 209 | Writing, Editorial & Marketing Services |
| Linsonic, LLC | 214 | Architecture, Data Services, Application Development & Database Administration |
| Lussier, Vienna, Gregor & Associates | 786 | Identify & Monitor Proposed Legislations, Regulations & Issues of Interest or Concern to CalPERS |
| M Corp | 588 | Project Management Services, Data Services, Application Development, Release Management/Quality Assurance/Configuration Management, Management Support Services & Business Process Reengineering |
| Macias Gini & O'Connell LLP | 643 | Independent Audit in Accordance with Generally Accepted Auditing Standards (GAAS) and Agreed-Upon Procedures |
| Maximus Federal Services, Inc. | 43 | Independent Medical Review of Appeal Cases & Research of Various Benefit Issues |
| McKinsey & Company, Inc. | 72 | Organizational & Structural Analysis & Specialty Consulting |
| McLagan Partners, Inc. | 58 | Biennial Salary Surveys & Consultation on the Structure & Administration of the Compensation Program |

(Dollars in Thousands)

| Individual or Firm | Fees | Nature of Service |
|---|---|---|
| Mellon Bank | $320 | Banking Services |
| Mercer Health And Benefits | 1,229 | Actuarial Consulting of Health Program & Benefits, Medical & Utilization Management Consulting, Pharmaceutical Benefit Management Consulting & Leveraging Health Care Information System, Long-term Care Pricing Support Project, PBM Post-Implementation Audit Project |
| Metavista Consulting Group | 41 | Project Oversight & Management Services, Technical Writing, Management Support Services, Business Process Reengineering & Business Transformation/Transition |
| Mindstorm | 36 | Video & Multimedia Production Services & Post Production Services |
| Modis, Inc. | 116 | System Support, Database Administration, Data Services, Project Oversight & Management Services, IT Security & Specialized IT Support Services |
| Monarch Enterprises, Inc. | 156 | Application Development |
| Moore Wallace North America, Inc. | 509 | Provide Production & Fulfillment of the Open Enrollment Communication Dissemination Materials |
| Netresult, LLC | 92 | Project Management Services, Architecture, Data Services, Application Development, Database Administration, Content Management & Business Process Reengineering |
| North Highland Company | 486 | Business Process Reengineering, Business Transformation/Transition, Management Support Services, Architecture, Project Management & Oversight Services |
| Nossaman, Guther, Knox & Elliott | 30 | Legal Services on Bankruptcy Cases |
| Online Video Service, Inc. | 232 | Media Training, Web Event & Webinar Services |
| Pacific Business Group on Health | 43 | Maintenance of the Existing Customized Internet Based Health Plan Chooser Tool, Annual Update to Accommodate New Plan & Benefit Design Changes |
| Pasanna Consulting Group, LLC | 865 | Architecture & Application Development |
| Performance Technology Partners, LLC | 2,268 | Telecommunications, Release Management/Quality Assurance/Configuration Management, Management Support Services, Business Process Reengineering & IT Security |
| Pillsbury Winthrop Shaw Pittman, LLP | 619 | Legal Services |
| Princeton Solutions Group, Inc. | 287 | Project Oversight & Management Services, Architecture, Application Development & Release Management/Quality Assurance/Configuration Management |
| Propoint Technology, Inc | 182 | Project Management Services, Application Development, Technical Writing, Management Support Services, Business Process Reengineering, Business Transformation/Transition & Specialized IT Support Services for Investment Systems/Business |
| Pyramid Technical Consultants, LLC | 252 | Project Management Services & Specialized IT Support Services for Investment Systems/Business |
| R & G Associates | 219 | Project Oversight & Management Support Services |
| Reed Smith, LLP | 495 | Legal & Litigation Services |
| Regents of the University of California | 278 | Evaluation Study on the Impact of the CalPERS Reference Pricing Benefit on the Use of & Expenditures for Hip & Knee Replacement Surgery |
| Rosenberg & Kaplan, A Law Corporation | 200 | Legal Services, Advice & Representation in Negotiations of Agreements with Different Health Care Insurance Companies |
| Saba Software, Inc. | 67 | Business & Technical Consulting & Development |
| Safeguard Web and Graphics | 166 | Typesetting, Printing, Packaging & Mailing Services for Board of Administration Elections & Possible Run-Off Elections |
| Sage 2.0 | 127 | Project Management & Data Services & Application Development |
| Sall Law Firm | 100 | Legal Services in Ethics & Conflict of Interest Matters |
| SAS International, Inc. | 497 | Application Servers, Desktop Services, Unix/Linux Platform & Data Network |
| Shah & Associates, LLP | 74 | Legal Services & Representation of the Board in State, Federal & Quasi-Judicial Proceeding |
| Shaw Valenza, LLP | 63 | Litigation & Advisory Legal Services. Labor Negotiations |
| Shooting Star Solutions, LLC | 377 | Project Oversight & Management Services, Management Support Services, Business Process Reengineering & IT Security |
| Sign Language Interpreting Service Agency | 55 | Professional Sign Language Interpreter Services |
| Softsol Resources, Inc. | 91 | MyICalPERS Health Application Development & Support |

(Dollars in Thousands)

| Individual or Firm | Fees | Nature of Service |
|---|---|---|
| Softsol Technologies, Inc. | $869 | Data Network & Backup Management, Database Administration, Mainframe, Application Servers, & Disaster Recovery |
| Sophus Consulting | 21 | CalPERS ProLaw Implementation |
| SRI Infotech, Inc. | 541 | Architecture, Data Services, Application Development, Database Administration & Application Servers |
| Staff Tech, Inc. | 127 | Wintel Platform, Unix/Linux Platform, Mainframe, Application Servers, Desktop Services, Technical Writing & IT Security |
| Stanfield Systems, Inc. | 624 | Database Administration, Content Management, Mainframe, Disaster Recovery & Specialized IT Support Services for Investment Systems/Business |
| State Controller's Office | 11,228 | Interest Earning Computation Services & Claims Schedule Processing Services, Information Technology, Other Post Employment Benefits & General Administrative Services |
| Steptoe & Johnson, LLP | 2,421 | Legal Services; Federal Tax Advice |
| Stoel Rives, LLP | 140 | Legal Services & Assistance with the Negotiation of Contracts Between CalPERS & Health Plans & Third Party Administrators of Health Programs |
| T5 Consulting | 601 | Application Development |
| Take 1 Productions | 52 | Video & Multimedia Production Services, Post Production Services & Captioning Services |
| Technisource, Inc. | 28 | Application Servers, Desktop Services, Technical Writing, Data Backup Management, Database Administration, Wintel Platform, Application Development & Project Management Services |
| Technology Crest Corporation | 186 | Architecture, Application Development, Systems Support & Application Servers |
| Trinity Technology Group, Inc. | 1,070 | Project Management Services, Architecture, Data Services, Application Development, Release Management/Quality Assurance/Configuration Management, Technical Writing, Management Support Services, Business Process Reengineering & Specialized IT Support Services for Investment Systems/Business |
| Truven Health Analytics Inc. | 2,477 | Advantage Application Service Provider Services & Advantage Suite Data Consulting Services, Health Member Data Set Up, Storage & ERRP Closeout Submission Services |
| Two Shea Consulting, Inc. | 132 | Administrative Support |
| United Health Services | 466 | Actuarial Services |
| University of California, San Franscisco | 24 | Identify the Rates of Potentially Avoidable Complications (PAC) |
| University of California, Berkeley | 95 | Evaluation of the Impact of the CalPERS Reference Pricing Benefit Design on Use & Expenditures for Hip & Knee Replacement Surgery |
| Univita | 18,780 | Billing, Banking, Claims Administration, Underwriting, Care Advisory, Enrollment, Customer & Specialist, Reporting, Data Feed Services |
| Unleashing Leaders, Inc. | 52 | Executive Reporting & Communication. Oversight & Assessment. Mentoring & Organization Change Management |
| Vantage Consulting Group, Inc. | 857 | Production Support, Sub-System Production Support, Pension Reform/ Health Reform Analysis & Support |
| Vanwrite | 88 | Employee Training & Development |
| Veaco Group | 26 | Self-Assessment Process |
| Viaspire | 60 | User Experience Design, Strategy & Research |
| Virtcom Consulting | 28 | Diversity & Inclusion Assessment & Strategic Planning Training |
| Visionary Integration, LLC (VIP) | 590 | IT Security, Business Process Reengineering, Management Support Services, Application Servers, Data Services & Network & Database Administration |
| Zuber Lawler & Del Duca, LLP | 201 | Legal Services on State Contracts for Goods & Services or Claims Involving Banking & Finance |
| Various | 338 | |
| **TOTAL CONSULTANT & PROFESSIONAL SERVICES EXPENSES** | **$215,918** | |

# Statement of Changes in Assets and Liabilities – Agency Funds

**For the Fiscal Year Ended June 30, 2013** (Dollars in Thousands)

| | RBF | | | |
|---|---|---|---|---|
| | Balance June 30, 2012 | Additions | Deductions | Balance June 30, 2013 |
| ASSETS | | | | |
| Cash & Cash Equivalents | $0 | $20,689 | $20,688 | $1 |
| Member, Public Agencies, State & Schools Receivables | — | 15,146 | 14,934 | 212 |
| Interests & Dividends Receivables | 5 | 4 | 5 | 4 |
| Due from PERF | — | 1 | — | 1 |
| Short Term Investments | 4,167 | 10,940 | 9,728 | 5,379 |
| **TOTAL ASSETS** | **$4,172** | **$46,780** | **$45,355** | **$5,597** |
| LIABILITIES | | | | |
| Due to Other Funds | $0 | $8 | $8 | $0 |
| Other Program | 4,172 | 15,171 | 13,746 | 5,597 |
| **TOTAL LIABILITIES** | **$4,172** | **$15,179** | **$13,754** | **$5,597** |

| | CRF | | | |
|---|---|---|---|---|
| | Balance June 30, 2012 | Additions | Deductions | Balance June 30, 2013 |
| ASSETS | | | | |
| Cash & Cash Equivalents | $21,262 | $117,938 | $139,200 | $0 |
| Member, Public Agencies, State & Schools Receivables | 23,751 | 2,171,479 | 2,180,754 | 14,476 |
| Interest & Dividends Receivables | 74 | 42 | 74 | 42 |
| Due From Federal Government | 12,633 | 33,745 | 34,972 | 11,406 |
| Short Term Investments | 303,313 | 2,621,003 | 2,570,328 | 353,988 |
| **TOTAL ASSETS** | **$361,033** | **$4,944,207** | **$4,925,328** | **$379,912** |
| LIABILITIES | | | | |
| Due to Health Carriers | $199,087 | $4,794,397 | $4,772,717 | $220,767 |
| Due to Member, Public Agencies, State & Schools | 81,326 | 99,272 | 111,276 | 69,322 |
| Due to Other Funds | 68,353 | 868,228 | 855,293 | 81,288 |
| Other Program | 12,267 | 43,616 | 47,348 | 8,535 |
| **TOTAL LIABILITIES** | **$361,033** | **$5,805,513** | **$5,786,634** | **$379,912** |

# Statement of Changes in Assets and Liabilities – Agency Funds

**For the Fiscal Year Ended June 30, 2013** (Dollars in Thousands)

| | RBF & CRF Totals | | | |
|---|---|---|---|---|
| | Balance June 30, 2012 | Additions | Deductions | Balance June 30, 2013 |
| ASSETS | | | | |
| Cash & Cash Equivalents | $21,262 | $138,627 | $159,888 | $1 |
| Member, Public Agencies, State & Schools Receivables | 23,751 | 2,186,625 | 2,195,687 | 14,689 |
| Interests & Dividends Receivables | 79 | 46 | 79 | 46 |
| Due From Other Funds | — | 1 | — | 1 |
| Due From Federal Government | 12,633 | 33,745 | 34,972 | 11,406 |
| Short Term Investments | 307,480 | 2,631,944 | 2,580,057 | 359,367 |
| **TOTAL ASSETS** | **$365,205** | **$4,990,988** | **$4,970,683** | **$385,510** |
| LIABILITIES | | | | |
| Due to Health Carriers | $199,087 | $4,794,397 | $4,772,717 | $220,767 |
| Due to Member, Public Agencies, State & Schools | 81,326 | 99,272 | 111,276 | 69,322 |
| Due to Other Funds | 68,353 | 868,236 | 855,301 | 81,288 |
| Other Program | 16,439 | 58,787 | 61,093 | 14,133 |
| **TOTAL LIABILITIES** | **$365,205** | **$5,820,692** | **$5,800,387** | **$385,510** |

# Investment Section


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# Chief Investment Officer's Letter

December 31, 2013

On behalf of CalPERS Investment Office, I am pleased to report on CalPERS investment performance, operations, and initiatives for the one-year period ending June 30, 2013. The CalPERS PERF Fund earned a net 13.2 percent return this fiscal year, with the total net position for the PERF at $262.0 billion. Strong returns in global equity markets and a rejuvenated real estate portfolio were contributing factors to our performance.

The Fund's return of 13.2 percent was especially significant, outperforming its benchmark by 135 basis points. It also pushed the three-year return to 11.3 percent, exceeding that benchmark by 23 basis points, the first time it has outperformed its three-year benchmark since 2007.

Investments in domestic and international stocks returned 19.0 percent, outperforming the Global Equity benchmark by 73 basis points. Income generating properties in the Real Assets portfolio, including office, retail and industrial assets, contributed to a total return of 11.8 percent. Real Assets outperformed its benchmark by 88 basis points. This is the third consecutive year of positive growth in Real Assets, continuing the stabilization and strides toward recovery in that market.

The Investment Office continues its work on asset allocation and risk management through the Asset Liability Management (ALM) process. Together with the Actuarial Office, our work provides an integrated view of assets and liabilities so that financial risks to the System can be better understood, communicated and managed.

Reducing costs remains paramount in the Investment Office. Through our efforts we've established recurring annualized savings of more than $100 million from cost-effectiveness initiatives including increased in-house management of investment portfolios, negotiating more favorable terms with external investment managers, and reducing reliance on consultants.

As part of our work to integrate environmental, social, and governance (ESG) factors into investment decision-making across the portfolio, we launched the Sustainable Investment Research Initiative (SIRI). The project seeks to drive innovative thought leadership that will inform and advance our understanding of sustainability factors and the impact they may have on companies, markets, and the financial services industry from the perspective of a global institutional investor.

We remain committed to our emerging manager programs. Staff continues to execute the work outlined in our Emerging Manager Five-Year Plan, which is designed to help improve alignment between our culture of valuing diversity and our business strategies related to investment performance with emerging managers. We also continue to invest in our home state. CalPERS has $22.9 billion invested in California, across all asset classes, supporting approximately 1.5 million local jobs, infrastructure for communities and commerce, and business expansion and related economic activity.

We are a long-term investor. We continue to improve upon our ability to deliver world class results for years to come. Our 20 and 30 year returns are 7.6 percent and 9.4 percent, respectively, both higher than our assumed long-term average annual return rate of 7.5 percent. And though returns in any one year must be evaluated with restraint, the strength of our one-year and three-year returns indicate that the significant work we've done – and continue to do – to restructure the portfolio and our investment operations is starting to bear fruit.

Our Investment Office staff, the Board's pension consultant Wilshire Associates, and State Street Bank & Trust, our master custodian, compiled the investment data presented on the next pages as required by the Public Employees' Retirement Law.

Joseph A. Dear
*Chief Investment Officer*

# Summary of Investments – PERF (As of June 30, 2013) (Dollars in Thousands)

| Category | Book Value | Market Value | % of Investments at Market Value |
|---|---|---|---|
| Cash and Short Term Investment | $8,361,194 | $8,358,000 | 3.2% |
| Net Investment Receivables/Payables | 3,653 | 3,653 | — |
| Global Debt Securities | 37,960,626 | 51,645,943 | 19.9% |
| Global Equity | 111,928,266 | 131,631,222 | 50.6% |
| Private Equity | 30,345,800 | 32,272,146 | 12.4% |
| Inflation Assets | 9,546,661 | 9,172,236 | 3.5% |
| Real Assets | 24,379,268 | 27,079,239 | 10.4% |
| **TOTAL INVESTMENT VALUE** | **$222,525,468** | **$260,162,439** | **100.0%** |

**Note:** Differences between Total Investment Value in the Summary of Investments and Total Investments shown on page 40 are due to differences in reporting methods. In accordance with GASB Statement No. 28, the financial statements include Securities Lending Collateral as part of Total Investments, which is not included here. The Summary of Investments also includes Net Investment Receivables/Payables that are not reported on page 40 in Total Investments.

# Investment Performance – PERF

CalPERS net returns for domestic and international equity securities for fiscal year 2012-13 were 22.1 percent and 15.1 percent, respectively. CalPERS uses the Custom FTSE US TMI (Blended) Index to provide a benchmark for the domestic equity investment returns, and the FTSE All-World ex US Index for international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market conditions.

Private equity incurred a net return of 18.2 percent for the 2012-13 fiscal year, compared to a return of approximately 1 percent for fiscal year 2011-12. The Policy Benchmark for the private equity program is 67 percent FTSE US TMI plus 33 percent FTSE AW ex US TMI plus 300 basis point risk premium on a one quarter lag basis.

Domestic debt securities returned -1.2 percent, and international debt securities returned -6.1 percent for the 2012-13 fiscal year, compared to 13.8 percent and 2.5 percent, respectively for fiscal year 2011-12. CalPERS uses the Barclays Long Liability Index and the Barclays International Fixed Income Index to provide a benchmark for fixed income investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment.

CalPERS real assets net return for fiscal year 2012-13 was 11.8 percent. CalPERS uses a custom benchmark that is weighted 77 percent real estate benchmark (net of fees NCREIF ODCE on a one quarter lag basis) plus 15 percent infrastructure benchmark Consumer Price Index plus 400 basis point risk premium on a one quarter lag basis) plus 8 percent forestland benchmark (NCREIF Timberland on a one quarter lag basis) for the real asset portfolio.

Liquidity asset class investments returned approximately -0.8 percent for the 2012-13 fiscal year, compared to a return of 4.6 percent for fiscal year 2011-12. CalPERS uses a custom benchmark that is weighted 75 percent Barclays Treasury 2-10 yr. plus 25 percent 1-month treasury bill.

Inflation investments returned approximately 0.2 percent for the 2012-13 fiscal year. CalPERS uses a custom benchmark that is weighted 75 percent Inflation-Linked Bond Program benchmark (ILB Custom Index: Blend of 67 percent Barclays Capital Global Inflation-Linked U.S. and 33 percent Barclays Capital Global Inflation-Linked United Kingdom, France, Italy, Germany and Canada only, un hedged) plus 25 percent Commodities benchmark (Standard & Poor's GSCI Total Return Index.)

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. Shown on the following page are the 1-year, 3-year, 5-year, and 10-year time-weighted rates of return for the year ended June 30, 2013.

Per guidelines recommended by the Chartered Financial Analyst Institute, the master custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

## PERF Portfolio Comparisons

| Category | 1-Year Return | 3 Year Return | 5 Year Return | 10 Year Return | Index[7] | 1-Year Return | 3 Year Return | 5 Year Return | 10 Year Return |
|---|---|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **13.2%** | **11.3%** | **3.5%** | **7.1%** | Asset Allocation Policy Index[1] | 11.9% | 11.1% | 5.4% | 7.9% |
| | | | | | Actuarial Rate | 7.5% | 7.7% | 7.7% | 7.7% |
| | | | | | Trust Universe Comparison Service (TUCS) Public Fund Median | 12.4% | 11.5% | 5.4% | 7.0% |
| | | | | | Wilshire Large Fund Universe Median | 12.4% | 11.5% | 4.8% | 7.4% |
| Domestic Equity | 22.1% | 17.5% | 6.9% | 7.7% | CalPERS Custom FTSE TMI (Blended) | 21.9% | 18.4% | 7.1% | 7.8% |
| International Equity | 15.1% | 8.5% | (0.4%) | 8.8% | FTSE All World ex U.S. Index | 14.4% | 8.4% | (0.2%) | 9.0% |
| Private Equity | 18.2% | 15.3% | 7.1% | 12.3% | 67% FTSE USTMI+33% FTSEAWEXUS+3% 1Q | 23.0% | 17.6% | 8.9% | 12.1% |
| **Total Growth** | **18.7%** | **13.6%** | **3.9%** | **8.2%** | **CAFR Growth Benchmark[2]** | **19.3%** | **13.8%** | **4.7%** | **8.6%** |
| Domestic Debt Securities | (1.2%) | 6.1% | 8.1% | 6.5% | Barclays Long Liability Index | (2.8%) | 5.5% | 7.1% | 5.7% |
| International Debt Securities | (6.1%) | 3.7% | 4.0% | 5.5% | Barclays International Fixed Income | (6.2%) | 2.5% | 2.6% | 4.8% |
| **Total Debt Securities** | **(1.6%)** | **5.9%** | **7.7%** | **6.4%** | CalPERS TOT GBL FI INC Policy EX Tobacco[3] | **(3.1%)** | **5.1%** | **6.7%** | **5.6%** |
| Real Assets | 11.8% | 12.4% | (8.2%) | 3.0% | REAL ASSETS BENCHMARK[4] | 11.0% | 12.4% | 3.4% | 9.1% |
| Liquidity | (0.8%) | 1.4% | 1.2% | 2.3% | 75% BC TREAS 2-10YR+25%1 MO TBILL | (0.8%) | 1.6% | 1.3% | 2.3% |
| Inflation[5] | 0.2% | 6.8% | (3.2%) | — | Inflation Benchmark[6] | (0.9%) | 5.3% | (1.2%) | — |
| Absolute Return Strategies | 7.4% | 3.8% | 1.4% | 5.0% | 1 yr Treasury Note + 5% | 5.3% | 5.4% | 6.1% | 8.0% |

**Notes:**

1. The Asset Allocation Policy Index return equals the return for each asset class benchmark, weighted at the current target asset allocations.
2. The benchmark is 78% FSTE all World and 22% Private Equity Benchmark.
3. The benchmark is 90% Barclays Long Liabilities + 10% Barclays International Fixed Income.
4. The benchmark is 77% Real Estate Benchmark (NCREIF ODCE(net) + EPRA NAREIT Global), 15% Infrastructure Benchmark (CPI + 4%) and 8% Forestland Benchmark (NCREIF Timberland (Gross)).
5. Inception Date for Inflation Asset Class is 2007.
6. Inflation Benchmark: 75% ILB Benchmark and 25% Commodities Benchmark.
7. Index benchmarks are as of June 30, 2013, and are subject to be updated based on changes within the fund portfolios.

# Asset Allocations – PERF

| Asset Class [2] | Current Allocation[1] | Current Year Target | Prior Year Target |
|---|---|---|---|
| Cash Equivalents | 4.0% | 4.0% | 4.0% |
| Global Debt Securities | 15.5% | 17.0% | 17.0% |
| Equity | 51.4% | 50.0% | 50.0% |
| Private Equity | 12.4% | 14.0% | 14.0% |
| Inflation Assets | 3.5% | 4.0% | 4.0% |
| Real Assets | 10.4% | 11.0% | 11.0% |
| Absolute Return Strategies[3] | 2.0% | — | — |
| Multi-Asset Class[3] | 0.2% | — | — |
| Overlay, Transition, Plan Level Portfolios[3] | 0.6% | — | — |
| **TOTAL FUND** | **100.0%** | **100.0%** | **100.0%** |

**Notes:**

1 The current allocation percentages differ from investment asset percentages presented in the MD&A and Statement of Net Position as a result of different methodologies used for categorizing investment assets for investment purposes versus financial statement presentation purposes.

2 Differences between investment percentages above and the percentages on the Summary of Investments on page 105 are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

3 These asset classes do not have targets because they are not components of the Total Fund Policy benchmark.

## PERF Total Fund Performance | 10-Year Review, One-Year Returns

# Portfolio of California Investments at Market Value – PERF

| (Dollars in Millions) | California Investments |
|---|---|
| **EQUITY** | |
| Domestic Equity | $10,084.4 |
| International Equity | 42.8 |
| **TOTAL EQUITY** | **$10,127.2** |
| **FIXED INCOME** | |
| Domestic Fixed Income | $ 3,110.0 |
| International Fixed Income | — |
| **TOTAL FIXED INCOME** | **$ 3,110.0** |
| **INFLATION LINKED** | — |
| **REAL ASSETS** | **$4,900.0** |
| **PRIVATE EQUITY** | **$3,607.6** |
| **ABSOLUTE RETURN STRATEGIES** | **$1,117.0** |
| **TOTAL CALIFORNIA INVESTMENTS** | **$22,861.8** |

# Largest Stock & Bond Holdings at Market Value – PERF

## Largest Stock Holdings (Dollars in Thousands)

| Rank | Security Name | Shares | Market Value |
|---|---|---|---|
| 1 | Exxon Mobil Corporation | 13,903,868 | $1,256,214 |
| 2 | Apple, Inc. | 2,782,279 | 1,102,005 |
| 3 | Microsoft Corporation | 24,708,696 | 853,191 |
| 4 | Johnson & Johnson | 8,918,114 | 765,709 |
| 5 | Chevron Corporation | 6,361,241 | 752,789 |
| 6 | General Electric Company | 32,010,341 | 742,320 |
| 7 | Google Incorporated CL A | 825,679 | 726,903 |
| 8 | Wells Fargo & Company | 17,456,809 | 720,443 |
| 9 | Nestle SA Reg | 11,000,788 | 720,286 |
| 10 | JP Morgan Chase & Company | 12,719,282 | 671,451 |

**Note:**
Market Value is based on holdings from Global Equity only.

## Largest Bond Holdings (Dollars in Thousands)

| Rank | Bond | Par Value | Market Value |
|---|---|---|---|
| 1 | United States Treasury 1.750% 05/15/2023 | $5,056,500 | $4,734,553 |
| 2 | United States Treasury 3.125% 11/15/2041 | 3,179,000 | 2,978,596 |
| 3 | United States Treasury 0.125% 01/15/2023 | 2,272,691 | 2,205,578 |
| 4 | United States Treasury 0.250% 10/15/2015 | 1,781,000 | 1,773,003 |
| 5 | United States Treasury 0.750% 10/31/2017 | 1,280,000 | 1,255,680 |
| 6 | United States Treasury 0.125% 04/15/2017 | 1,216,369 | 1,249,443 |
| 7 | United States Treasury 0.250% 09/15/2015 | 1,000,000 | 996,000 |
| 8 | United States Treasury 2.875% 05/15/2043 | 870,000 | 769,750 |
| 9 | United States Treasury 1.000% 03/31/2017 | 763,000 | 763,732 |
| 10 | United States Treasury 2.125% 02/15/2040 | 623,083 | 758,503 |

A complete list of portfolio holdings is available upon request.

# Schedule of Commissions & Fees – PERF (Dollars in Thousands)

| Broker | Number of Shares Traded | Base Commission & Fees Amount |
|---|---|---|
| ABG Securities, Ltd. | 1,482,864 | $11 |
| Academy Securities, Inc. | 571,592 | 14 |
| Ambit Capital Private, Ltd. | 141,698 | 8 |
| Antique Stock Broking, Ltd. | 112,200 | 14 |
| Aviate Global, LLP | 1,119,381 | 13 |
| Avondale Partners, LLC | 384,468 | 14 |
| Axis Capital, Ltd. | 669,568 | 17 |
| Banco De Investimentos Credit | 2,515,690 | 20 |
| Banco Itau SA | 659,600 | 11 |
| Banco Pactual SA | 1,453,046 | 19 |
| Banco Santander Brasil SA | 2,266,520 | 65 |
| Banco Santander Central Hispano | 3,539,608 | 22 |
| Banco Santander Mexicano, SA | 1,224,720 | 12 |
| Bank J. Vontobel and Co. AG | 337,501 | 11 |
| Barclays Capital Inc./LE | 63,997,292 | 775 |
| Barclays Capital, Inc. | 21,616,386 | 209 |
| Blaylock Robert Van, LLC | 7,042,811 | 103 |
| Bley Investment Group | 8,882,174 | 129 |
| Bloomberg Tradebook, LLC | 458,104 | 9 |
| BNP Equities France | 23,471,696 | 80 |
| BNP Paribas Securities (Asia), Ltd. | 7,777,453 | 49 |
| BNP Paribas Securities Services | 9,529,064 | 67 |
| BNY Brokerage | 409,544 | 17 |
| Boe Securities INC/Broadcort CAP, Corp. | 352,174 | 10 |
| Brockhouse and Cooper, Inc. | 2,605,785 | 21 |
| Cabrera Capital Markets | 669,009 | 18 |
| Canaccord Genuity, Ltd. | 1,624,403 | 17 |
| Cantor Clearing Services | 288,452,445 | 218 |
| Cantor Fitzgerald and Company | 15,127,992 | 217 |
| Cantor Fitzgerald and Company / Castleoak Sec. | 438,863 | 12 |
| Capital Institutional Svcs Inc., Equities | 12,000,724 | 111 |
| China International Capital Company | 6,705,065 | 27 |
| CIMB Securities (HK), Ltd. | 12,976,062 | 32 |
| CIMB-GK Securities Pte., Ltd. | 5,857,286 | 35 |
| Citation Group | 817,687 | 14 |
| Citibank International PLC | 88,165 | 8 |
| Citigroup Global Market Korea Secs., Ltd. | 2,093,691 | 74 |
| Citigroup Global Markets CME | 25,842 | 56 |
| Citigroup Global Markets India | 893,342 | 14 |
| Citigroup Global Markets UK Equity, Ltd. | 13,878,761 | 31 |
| Citigroup Global Markets, Inc. | 730,583,594 | 1,501 |
| Citigroup Global Markets, Inc. Salomon Bro. | 849,783 | 2,077 |
| Citigroup Global Markets, Ltd. | 81,935,655 | 331 |
| CLSA Australia PTY, Ltd. | 3,237,294 | 35 |
| CLSA Securities Malaysia SDN BHD | 2,744,630 | 10 |
| CLSA Singapore PTE, Ltd. | 14,270,606 | 98 |
| Collins Stewart, LLC | 910,499 | 36 |
| Commerce Intl. Merchant Bankers | 2,010,900 | 11 |
| Concordia SA CVMCC | 3,426,890 | 44 |
| Convergex Execution Solutions, LLC | 2,763,829 | 44 |
| Cowen and Company, LLC | 2,248,238 | 68 |
| Credit Agricole Indosuez Cheuvreux | 1,170,700 | 48 |
| Credit Lyonnais Securities (Asia) | 25,619,206 | 162 |
| Credit Lyonnais Securities India | 3,692,490 | $20 |
| Credit Suisse First Boston | 8,739,315 | 24 |
| Credit Suisse First Boston (Europe) | 104,953 | 9 |
| Credit Suisse First Boston SA CTVM | 619,200 | 17 |
| Credit Suisse Secs India Private, Ltd. | 3,916,770 | 51 |
| Credit Suisse Securities (Europe), Ltd. | 75,203,762 | 398 |
| Credit Suisse Securities (USA), LLC | 186,602,813 | 1,081 |
| CS First Boston (Hong Kong), Ltd. | 65,674,947 | 106 |
| CSFB Australia Equities, Ltd. | 1,247,510 | 15 |
| CSI US Institutional Desk | 297,435 | 9 |
| Daewoo Securities Company, Ltd. | 194,648 | 12 |
| Daiwa Securities (HK), Ltd. | 381,491,091 | 284 |
| Daiwa Securities America, Inc. | 83,222,094 | 161 |
| Daiwa Securities Company, Ltd. | 196,366 | 28 |
| Davy Stockbrokers | 1,220,310 | 39 |
| DBS Vickers Securities (Singapore) | 9,334,200 | 12 |
| Den Norske Bank | 443,165 | 10 |
| Deutche Bank AG London | 74,095,395 | 312 |
| Deutsche Bank Securities, Inc. | 337,953,965 | 759 |
| Deutsche Eq In Prvt LIM DB | 4,177,501 | 49 |
| Deutsche Morgan Grenfell Secs | 2,132,757 | 44 |
| Deutsche Securities Asia, Ltd. | 46,668,437 | 164 |
| Direct Access Partners, LLC | 509,202 | 12 |
| DNB Nor Markets Custody Dnb Norbank Asa | 1,479,624 | 18 |
| Dongwon Securities | 180,166 | 28 |
| Dowling and Partners | 281,829 | 10 |
| Drexel Hamilton, LLC | 478,717 | 9 |
| DSP Merrill Lynch, Ltd. | 4,634,512 | 53 |
| Exane SA | 2,481,253 | 85 |
| Fator - Doria Atherino S.A CV | 1,388,480 | 17 |
| Fig Partners, LLC | 432,660 | 9 |
| Forsyth Barr, Ltd. | 461,930 | 9 |
| G Trade Services, Ltd. | 30,255,361 | 116 |
| GMP Securities Europe, LLP | 410,000 | 15 |
| Goldman Sachs (Asia), LLC | 99,456,152 | 100 |
| Goldman Sachs (India) | 1,968,530 | 31 |
| Goldman Sachs and Company | 243,169,194 | 1,177 |
| Goldman Sachs CME | 613,486 | 1,369 |
| Goldman Sachs Do Brasil Corretora | 4,139,124 | 51 |
| Goldman Sachs International | 23,564,164 | 335 |
| Gordon, Haskett and Company | 488,341 | 17 |
| Great Pacific Securities, Inc. | 11,918,975 | 174 |
| Guzman and Company | 16,662,170 | 253 |
| Hanwha Securities Seoul | 45,014 | 43 |
| Hong Kong and Shanghai Banking, Corp. | 238,905,022 | 139 |
| HSBC Bank Brasil SA Banco Multiplo | 7,925,941 | 27 |
| HSBC Bank USA | 24,127,528 | 9 |
| HSBC Bank, PLC | 31,028,174 | 239 |
| HSBC Securities (USA), Inc. | 246,160,129 | 242 |
| HSBC Securities India Holdings | 17,244,221 | 86 |
| Imperial Capital, LLC | 262,702 | 9 |
| ING Bank NV | 621,615 | 18 |
| Instinet | 46,502,608 | 544 |
| Instinet Australia Clearing Srvc. Pty., Ltd. | 11,346,357 | 28 |

## Schedule of Commissions & Fees – PERF (continued) (Dollars in Thousands)

| Broker | Number of Shares Traded | Base Commission & Fees Amount |
|---|---|---|
| Instinet Canada | 1,561,665 | $13 |
| Instinet Pacific, Ltd. | 97,052,729 | 185 |
| Instinet Singapore Services PT | 42,316,072 | 40 |
| Instinet UK, Ltd. | 325,694,336 | 1,085 |
| Instinet, LLC | 19,217,602 | 164 |
| Intermonte Securities SIM SPA | 4,415,204 | 12 |
| Intermonte Sim SPA | 3,214,497 | 11 |
| Investec Bank PLC | 728,620 | 16 |
| Investment Technology Group, Inc. | 30,043,500 | 332 |
| Investment Technology Group, Ltd. | 75,009,380 | 288 |
| ISI Group, Inc. | 1,654,360 | 54 |
| Island Trader Securities, Inc. | 565,350 | 9 |
| Itau USA Securities, Inc. | 595,493 | 23 |
| ITG Australia, Ltd. | 38,438,750 | 111 |
| ITG Canada | 7,412,919 | 42 |
| ITG Securities (HK), Ltd. | 101,413,899 | 98 |
| ITG, Inc. | 4,734,204 | 66 |
| Ivy Securities, Inc. | 812,330 | 17 |
| Jefferies and Company, Inc. | 8,946,454 | 175 |
| Jefferies International, Ltd. | 3,591,299 | 31 |
| JMP Securities | 397,366 | 16 |
| Jones Trading Institutional Services, LLC | 11,969,989 | 172 |
| JP Morgan Clearing Corporation | 20,773,514 | 252 |
| JP Morgan India Private, Ltd. | 2,379,191 | 27 |
| JP Morgan Securities (Asia Pacific), Ltd. | 245,774,240 | 200 |
| JP Morgan Securities (Far East), Ltd. Seoul | 379,131 | 85 |
| JP Morgan Securities Australia, Ltd. | 5,274,917 | 40 |
| JP Morgan Securities, Inc. | 118,852,569 | 766 |
| JP Morgan Securities, PLC | 359,311,371 | 893 |
| Keefe Bruyette and Woods, Inc. | 723,771 | 24 |
| Keybanc Capital Markets, Inc. | 262,731 | 9 |
| KGI Securities (Hong Kong), Ltd. | 3,238,700 | 36 |
| King CL and Associates, Inc. | 324,705 | 10 |
| Knight Equity Markets, LP | 9,768,137 | 139 |
| Knight Execution and Clearing | 7,365,866 | 62 |
| Kotak Securities, Ltd. | 541,197 | 9 |
| Lazard Capital Markets, LLC | 1,613,223 | 28 |
| Leerink Swann and Company | 332,753 | 12 |
| Liquidnet Asia Ltd. | 17,892,948 | 18 |
| Liquidnet, Inc. | 7,326,459 | 149 |
| Loop Capital Markets | 6,695,157 | 82 |
| M. Ramsey King Securities, Inc. | 29,809,501 | 427 |
| Macquarie Bank, Ltd. | 71,445,296 | 176 |
| Macquarie Capital (USA), Inc. | 411,249 | 9 |
| Macquarie Equities, Ltd. (Sydney) | 4,704,278 | 117 |
| Macquarie Securities (India) PVT, Ltd. | 524,339 | 13 |
| Macquarie Securities (Singapore) | 7,290,800 | 15 |
| Macquarie Securities (USA), Inc. | 1,467,078 | 57 |
| Macquarie Securities, Ltd. | 23,239,079 | 60 |
| Macquarie Securities, Ltd. Seoul | 199,791 | 14 |
| Merrill Lynch International | 584,101,568 | 964 |
| Merrill Lynch Pierce Fenner and Smith | 231,868,103 | 1,159 |
| Mischler Financial Group, Inc.-Equities | 8,231,858 | 136 |
| Mitsubishi UFJ Securities (USA) | 677,640 | 10 |
| Mizuho Securities Asia, Ltd. | 4,560,700 | $30 |
| Mizuho Securities USA, Inc. | 1,639,003 | 20 |
| Morgan Keegan and Company, Inc. | 1,245,774 | 37 |
| Morgan Stanley and Company Inc. | 148,753,759 | 787 |
| Morgan Stanley and Company International | 95,562,876 | 329 |
| Morgan Stanley and Company International Taipei Metro | 64,203,757 | 82 |
| Morgan Stanley Dean Witter, Inc. | 18,496,000 | 148 |
| Morgan Stanley Securities, Ltd. | 3,379,557 | 24 |
| Motilal Oswal Securities, Ltd. | 1,046,060 | 13 |
| Mr. Beal & Company | 1,064,078 | 23 |
| National Financial Services, Corp. | 274,400 | 10 |
| Needham and Company | 219,748 | 9 |
| Nesbitt Burns | 524,519 | 10 |
| Nomura Financial Advisory and Securities India | 1,279,214 | 29 |
| Nomura International, PLC | 5,743,766 | 24 |
| Nomura Securities International, Inc. | 31,971,260 | 97 |
| North Land Securities, Inc. | 326,349 | 11 |
| North South Capital, LLC | 11,438,258 | 160 |
| Numis Securities, Inc. | 379,658 | 12 |
| Oddo Et Cie | 258,650 | 18 |
| Oppenheimer and Co., Inc. | 474,393 | 17 |
| Pacific Crest Securities | 292,142 | 10 |
| Parel | 781,199 | 8 |
| Pavilion Global Markets, Ltd. | 6,843,530 | 29 |
| Penserra Securities, LLC | 21,966,641 | 298 |
| Pershing LLC | 6,219,316 | 80 |
| Pershing Securities, Ltd. | 3,220,654 | 60 |
| Piper Jaffray | 1,530,886 | 49 |
| PT Mandiri Sekuritas | 11,849,500 | 20 |
| Pulse Trading, LLC | 1,878,910 | 41 |
| Rabobank Netherland | 403,133 | 8 |
| Raymond James and Associates, Inc. | 1,925,963 | 67 |
| RBC Capital Markets | 3,773,959 | 102 |
| RBC Dominion Securities, Inc. | 16,678,332 | 126 |
| Renaissance Securities (Cyprus), Ltd. | 652,394 | 29 |
| Rhb Investment Bank Berhad | 409,700 | 8 |
| Robert W. Baird Company, Inc. | 780,704 | 28 |
| Roberts and Ryan Investments, Inc. | 816,553 | 24 |
| Robotti and Company, LLC | 8,585,945 | 98 |
| Rosenblatt Securities, LLC | 15,161,913 | 191 |
| Royal Bank of Canada Europe, Ltd. | 6,741,031 | 56 |
| Salomon Smith Barney Inc. | 13,349,000 | 15 |
| Samsung Securities Co., Ltd. | 286,698 | 44 |
| Sanford C Bernstein Co., LLC | 26,150,220 | 223 |
| Sanford C. Bernstein, Ltd. | 58,993,368 | 257 |
| Scotia Capital (USA), Inc. | 1,350,090 | 51 |
| Seagroatt and Campbell SDN BHD | 2,108,500 | 11 |
| Seslia Securities | 11,666,149 | 159 |
| SG Americas Securities, LLC | 3,179,207 | 34 |
| SG Asia Securities (India) Pvt, Ltd. | 2,503,652 | 35 |
| SG Securities Hong Kong | 45,809,299 | 195 |

## Schedule of Commissions & Fees – PERF (continued) (Dollars in Thousands)

| Broker | Number of Shares Traded | Base Commission & Fees Amount |
|---|---|---|
| Shenyin Wanguo Securities (Hong Kong), Ltd. | 4,121,500 | $8 |
| Sidoti and Company, LLC | 442,248 | 17 |
| SJ Levinson and Sons, LLC | 2,523,083 | 51 |
| Societe Generale Bank and Trust | 220,884 | 15 |
| Societe Generale London Branch | 76,624,713 | 326 |
| Standard Bank London, Ltd. | 1,335,636 | 13 |
| State Street Bank and Trust Company | 2,339,157 | 18 |
| State Street Global Markets, LLC | 4,049,111 | 40 |
| Stephens, Inc. | 748,431 | 29 |
| Sterne, Agee and Leach, Inc. | 747,612 | 28 |
| Stifel Nicolaus Co., Inc. | 3,015,062 | 104 |
| Stuart Frankel and Co., Inc. | 21,411,213 | 281 |
| Sungard Brokerage & Securities Svcs, LLC | 3,752,255 | 57 |
| Suntrust Capital Markets, Inc. | 328,807 | 12 |
| Svenska Handelsbanken | 929,327 | 9 |
| The Hong Kong and Shanghai Bank | 7,469,339 | 46 |
| Troika Dialog Investment Company | 204,821 | 14 |
| UBS Ag | 285,378,264 | 896 |
| UBS Ag London | 1,699,709 | $ 36 |
| UBS Securities Asia, Ltd. | 348,997,665 | 328 |
| UBS Securities Canada, Inc. | 2,918,187 | 36 |
| UBS Securities Pte., Ltd. | 49,147,684 | 13 |
| UBS Securities, LLC | 10,665,797 | 214 |
| UBS Warburg, LLC | 7,013,769 | 62 |
| VTB Bank Europe, PLC | 3,882,454 | 24 |
| Wedbush Morgan Securities, Inc. | 289,133 | 9 |
| Weeden and Company | 24,871,503 | 314 |
| Wells Fargo Securities, LLC | 5,739,431 | 113 |
| William Blair and Company, LLC | 1,570,160 | 60 |
| William Capital Group LP | 489,878 | 14 |
| Wood and Company | 50,557 | 11 |
| Woori Investment Securities | 170,020 | 11 |
| XP Investimentos CCTVM SA | 1,903,159 | 30 |
| Yamner and Company, Inc. | 1,059,125 | 16 |
| Yuanta Securities Company, Ltd. | 2,473,196 | 9 |
| Various[1] | 106,218,721 | 596 |
| **TOTAL** | **7,958,553,561** | **$33,009** |

**Note:**

[1] Commissions and fees paid to brokers that totaled less than $8,000 for the year are reported under the "Various" line item.

# Schedule of Fees & Costs for Private Equity Partners – PERF (Dollars in Thousands)

| Fund Name | 2012 Fees & Costs[1] |
|---|---|
| 57 Stars Global Opportunities Fund II, LLC | $10,387 |
| 57 Stars Global Opportunities Fund, LLC | 9,455 |
| Aberdare Ventures IV, LP | 1,206 |
| Aberdere Ventures III, LP | 237 |
| Acon-Bastion Partners II, LP | 1,718 |
| Advent Global Private Equity IV, LP | 39 |
| Advent International GPE VI, LP | 7,943 |
| Advent International GPE VII, LP | 3,500 |
| Advent Latin America Private Equity Fund IV, LP | 2,904 |
| Advent Latin American Private Equity Fund III, LP | 480 |
| Advent Latin American Private Equity Fund V-H, LP | 2,412 |
| Affinity Asia Pacific Fund III, LP | 2,813 |
| Aisling Capital II, LP | 1,017 |
| Aisling Capital III, LP | 1,891 |
| Alta V, LP | 7 |
| Apollo Credit Opportunities Fund, LP | 9,301 |
| Apollo European Principal Finance Fund, LP | 2,071 |
| Apollo Investment Fund III, LP | 40 |
| Apollo Investment Fund IV, LP | 33 |
| Apollo Investment Fund V, LP | 387 |
| Apollo Investment Fund VI, LP | 1,207 |
| Apollo Investment Fund VII, LP | 9,305 |
| ArcLight Energy Partners Fund II, LP | 248 |
| ArcLight Energy Partners III, LP | 2,124 |
| ArcLight Energy Partners IV, LP | 1,771 |
| Ares Corporate Opportunities Fund II, LP | 934 |
| Ares Corporate Opportunities Fund III, LP | 6,647 |
| Ares Corporate Opportunities Fund, LP | 162 |
| Ares Special Situations Fund, LP | 1,064 |
| Asia Alternatives Capital Partners II, LP | 129 |
| Asia Alternatives Capital Partners, LP | 3,109 |
| Asia Recovery Co-Investment Fund, LP | 21 |
| Asia Recovery Fund, LP | 26 |
| Audax Credit Opportunities Fund, LP | 622 |
| Audax Mezzanine Fund II, LP | 632 |
| Audax Private Equity Fund II, LP | 29 |
| Audax Private Equity Fund III, LP | 312 |
| Aurora Equity Partners II, LP | 11 |
| Aurora Equity Partners III, LP | 231 |
| Aurora Equity Partners, LP | 13 |
| Aurora Resurgence Fund (c), LP | 4,556 |
| Avenue Asia Special Situations Fund III, LP | 76 |
| Avenue Asia Special Situations Fund IV, LP | 2,224 |
| Avenue Europe Special Situations Fund, LP | 191 |
| Avenue Special Situations Fund IV, LP | 35 |
| Avenue Special Situations Fund V, LP | 68 |
| Avenue Special Situations Fund VI (A), LP | 1,894 |
| Avenue Special Situations Fund IV, LP | 357 |
| Avenue Special Situations Fund V, LP | 1,867 |
| Avenue Special Situations Fund VI (A), LP | 1,234 |
| Bank of America CA Community Venture Fund, LP | 1,573 |
| Baring Vostok Private Equity Fund IV, LP | 1,416 |
| Birch Hill Equity Partners (US) III, LP | 1,437 |
| Birch Hill Equity Partners (US) IV, LP | 3,046 |
| Blackstone Capital Partners IV, LP | 111 |

| Fund Name | 2012 Fees & Costs[1] |
|---|---|
| Blackstone Capital Partners V, LP | $700 |
| Blackstone Capital Partners VI, LP | 554 |
| Blackstone Communications Partners I, LP | 82 |
| Blackstone GS Capital Partners V, LP | 3,888 |
| Blackstone Mezzanine Partners, LP | 41 |
| Blackstone TOP Fund, LP | 567 |
| Bridgepoint Europe II | 139 |
| Bridgepoint Europe III, LP | 1,644 |
| Bridgepoint Europe IV, LP | 4,514 |
| Cadence Bancorp, LLC | 298 |
| California Asia Investors, LP | 2,987 |
| California Emerging Ventures II, LLC | 5,345 |
| California Emerging Ventures III, LLC | 5,253 |
| California Emerging Ventures IV, LLC | 8,743 |
| California Emerging Ventures, LLC | 2,321 |
| CalPERS Clean Energy & Technologies Fund, LLC | 7,099 |
| CalPERS Corporate Partners, LLC | 598 |
| Candover 2001 Fund | 49 |
| Candover 2005 Fund US No. 1, LP | 767 |
| Capital Link Fund II, LP | 7,061 |
| Capital Link, LLC | 9,164 |
| Carlyle Asia Growth Partners III, LP | 1,300 |
| Carlyle Asia Growth Partners IV, LP | 2,897 |
| Carlyle Asia Partners (PV II) LP | 56 |
| Carlyle Asia Partners II, LP | 1,926 |
| Carlyle Asia Partners III, LP | 5,590 |
| Carlyle Europe Partners II, LP | 257 |
| Carlyle Europe Partners III, LP | 3,934 |
| Carlyle Europe Technology Partners II, LP | 2,325 |
| Carlyle Global Financial Services Partners, LP | 3,377 |
| Carlyle Japan International Partners II, LP | 2,867 |
| Carlyle Japan Partners, LP | 314 |
| Carlyle MC Partners, LP | 3 |
| Carlyle Mexico Partners, LP | 261 |
| Carlyle Partners II, LP | 38 |
| Carlyle Partners III, LP | 56 |
| Carlyle Partners IV, LP | 963 |
| Carlyle Partners Kinder Morgan | 31 |
| Carlyle Partners V, LP | 9,477 |
| Carlyle Strategic Partners II, LP | 948 |
| Carlyle U.S. Growth Fund III, LP | 1,206 |
| Carlyle Venture Partners II, LP | 200 |
| Carlyle/Riverstone Global Energy and Power Fund II, LP | 1,979 |
| Carlyle/Riverstone Global Energy and Power Fund III, LP | 1,811 |
| Carlyle/Riverstone Revewable Energy Infrastructure Fund I, LP | 107 |
| Central Valley Fund II, LP, The | 455 |
| Cerberus Institutional Partners V, LP | 5,426 |
| CHK Mid Con Co-Invest Vehicle Preferred, LP | 27 |
| Clarus Lifesciences I, LP | 1,092 |
| Clarus Lifesciences II, LP | 1,538 |
| Clearlake Capital Partners III, LP | 91 |
| Clearstone Venture Partners III-A, LP | 193 |

**Note:**

[1] Fees and costs for the 1-year period ending December 31, 2012.

## Schedule of Fees & Costs for Private Equity Partners – PERF (continued) (Dollars in Thousands)

| Fund Name | 2012 Fees & Costs[1] |
|---|---|
| Clearwater Capital Partners Fund II, LP | $923 |
| Clearwater Capital Partners Fund III, LP | 6,397 |
| Clearwater Capital Partners I, LP | 339 |
| Clessidra Capital Partners | 455 |
| Clessidra Capital Partners II, LP | 3,728 |
| Coller International Partners III, LP | 29 |
| Coller International Partners IV, LP | 762 |
| Coller International Partners V, LP | 6,228 |
| Community Bancorp | 298 |
| Conversus Asset Management, LLC | 18 |
| Conversus Capital | 11,592 |
| Court Square Capital Partners II, LP | 693 |
| Craton Equity Investors I, LP | 315 |
| Credit Suisse - Domestic Emerging Manager, LP | 657 |
| CVC European Equity Partners II, LP | 40 |
| CVC European Equity Partners III, LP | 49 |
| CVC European Equity Partners IV, LP | 484 |
| CVC European Equity Partners Tandem Fund (B), LP | 5,253 |
| CVC European Equity Partners V, LP | 5,455 |
| CVC European Equity Partners, LP | 14 |
| Darby Coverging Europe Mezzanine Fund, LP | 788 |
| DFJ Frontier Fund, LP | 172 |
| EM Alternatives | 696 |
| ESP - Golden Bear Europe Fund, LP | 6,112 |
| Essex Woodlands Health Ventures VIII, LP | 2,261 |
| Ethos Private Equity Fund III, LP | 18 |
| Falconhead Capital Partners II, LP | 111 |
| Fenway Partners Capital Fund, LP | 33 |
| First Reserve Fund X, LP | 252 |
| First Reserve Fund XI, LP | 3,650 |
| First Reserve Fund XII, LP | 5,109 |
| Francisco Partners II, LP | 243 |
| Francisco Partners III, LP | 1,636 |
| Francisco Partners, LP | 12 |
| Garage California Entrepreneurs Fund, LP | 121 |
| Generation Capital Partners, LP | 30 |
| Gleacher Mezzanine Fund I, LP | 23 |
| Granite Global Ventures II, LP | 55 |
| Granite Global Ventures III, LP | 1,171 |
| Green Credit Investors, LP | 7 |
| Green Equity Investors II, LP | 32 |
| Green Equity Investors III, LP | 2 |
| Green Equity Investors IV, LP | 20 |
| Green Equity Investors V, LP | 79 |
| GSO Capital Opportunities Fund II, LP | 374 |
| GSO Capital Opportunities Fund, LP | 398 |
| GSO Capital Solutions LP | 849 |
| GSO Giant Co-Invest I, LP | 21 |
| Hamlet Holdings, LLC (Harrah's) | 1 |
| Health Evolution Investments, LLC | 246 |
| Health Evolution Management Co., LLC | 2 |
| Health Evolution Partners Growth, LP | 12,052 |
| Health Evolution Partners, LLC | 5,111 |
| Hellman & Friedman Capital Partners II, LP | 2 |
| Hellman & Friedman Capital Partners IV, LP | $8 |
| Hellman & Friedman Capital Partners V, LP | 837 |
| Hellman & Friedman Capital Partners VI, LP | 2,287 |
| Hellman & Friedman Capital Partners VII, LP | 4,209 |
| Huntsman Gay Capital Partners, LP | 264 |
| ICV Partners II, LP | 371 |
| Insight Venture Partners V, LP | 472 |
| Insight Venture Partners VI, LP | 1,194 |
| Khosla Ventures III, LP | 2,916 |
| Khosla Ventures Seed, LP | 1,532 |
| KKR 2006 Fund, LP | 2,092 |
| KKR Asian Fund, LP | 1,317 |
| KKR European Fund III, LP | 5,175 |
| KKR European Fund, LP | 48 |
| KKR Millennium Fund, LP | 5 |
| Kline Hawkes Pacific, LP | 120 |
| KM Corporate Partners Fund II, LP | 1,848 |
| KPS Special Situations III, LP | 1,542 |
| Levine Leichtman Capital Partners Deep Value Fund, LP | 713 |
| Levine Leichtman Capital Partners II, LP | 6 |
| Levine Leichtman Capital Partners III, LP | 1,033 |
| Levine Leichtman Capital Partners IV, LP | 739 |
| Lexington Capital Partners II, LP | 71 |
| Lexington Capital Partners III, LP | 89 |
| Lexington Capital Partners IV, LP | 167 |
| Lexington Capital Partners V, LP | 241 |
| Lexington Middle Market Investors, LP | 613 |
| Lightspeed Venture Partners VII, LP | 596 |
| Lime Rock Partners III, LP | 399 |
| Lime Rock Partners IV, LP | 724 |
| Lime Rock Partners V, LP | 1,766 |
| Lion Capital Fund II, LP | 1,432 |
| Lombard Asia III, LP | 526 |
| Lombard Thailand Partners, LP | 130 |
| Lombard/Pacific Partners, LP | 121 |
| Madison Dearborn Capital Partners III, LP | 18 |
| Madison Dearborn Capital Partners IV, LP | 58 |
| Madison Dearborn Capital Partners V, LP | 1,624 |
| Magnum Capital, LP | 127 |
| Markstone Capital Partners, LP | 254 |
| MHR Institutional Partners II, LP | 350 |
| MHR Institutional Partners III, LP | 6,381 |
| New Enterprise Associates 12, LP | 328 |
| New Mountain Partners II, LP | 130 |
| New Mountain Partners III, LP | 4,898 |
| Newbridge Asia III, LP | 77 |
| Newbridge Asia IV, LP | 1,843 |
| NGEN II, LLC | 161 |
| Nogales Investors Fund II, LP | 205 |
| Oak Hill Capital Partners II, LP | 910 |
| Oak Hill Capital Partners III, LP | 6,800 |
| Oaktree Opportunities Fund VIIIB, LP | 3,652 |
| Pacific Community Ventures Investments Partners II, LP | 80 |

**Note:**

[1] Fees and costs for the 1-year period ending December 31, 2012.

## Schedule of Fees & Costs for Private Equity Partners – PERF (continued) (Dollars in Thousands)

| Fund Name | 2012 Fees & Costs[1] |
|---|---|
| PAG Asia I, LP | $2,972 |
| Palladium Equity Partners III, LP | 1,755 |
| Parish Capital I, LP | 243 |
| Parish Capital II, LP | 133 |
| Permira Europe I | 14 |
| Permira Europe III | 677 |
| Permira U.K. Venture IV | 2,173 |
| Perseus-Soros Biopharmaceutical Fund, LP | 112 |
| Pharos Capital Partners II-A, LP | 202 |
| Polish Enterprise Fund IV, LP | 31 |
| Polish Enterprise Fund V, LP | 634 |
| Polish Enterprise Fund VI, LP | 1,725 |
| Prospect Venture Partners III, LP | 219 |
| Providence Equity Partners V, LP | 700 |
| Providence Equity Partners VI, LP | 3,152 |
| Q Street/Century LLC | 76 |
| Quadrangle Capital Partners II, LP | 664 |
| Resolute Fund II, The | 1,560 |
| RFG Private Equity Limited Partnership No.1 | 318 |
| Rh ne Partners III, LP | 318 |
| Richardson Capital Private Equity Limited Partnership No. 2 | 89 |
| Ripplewood Partners II, LP | 16 |
| Riverstone/Carlyle Renewable and Alternative Energy Fund II, LP | 4,327 |
| Riverwood Capital Partners, LP | 882 |
| RockPort Capital Partners II, LP | 70 |
| Rosewood Capital Associates V, LP | 338 |
| Sacramento Private Equity Partners, LP | 7,086 |
| SAIF Partners III, LP | 1,740 |
| SAIF Partners IV LP | 2,347 |
| Samson Co-Invest III, LP | 10 |
| Silver Lake Credit Fund, LP | 2,222 |
| Silver Lake Group, LLC | 122 |
| Silver Lake Partners II, LP | 446 |
| Silver Lake Partners III, LP | 4,444 |
| Silver Lake Partners, LP | 3 |
| Silver Lake Sumeru Fund, LP | 2,079 |
| Silver Lake Technology Investors III, LP | 10 |
| Silver Lake Technology Management, L.L.C. | 1 |
| SpaceVest Fund, LP | 26 |
| T3 Partners II, LP | 117 |
| TA Subordinated Debt Fund II, LP | 565 |
| TA X, LP | 1,273 |
| Tailwind Capital Partners, LP | 2,037 |
| TC Group, LLC | 72 |
| Technology Partners Fund V, LP | 2 |
| Technology Partners Fund VI, LP | 6 |
| Thomas H. Lee Equity Fund V, LP | 89 |
| Thomas H. Lee Equity Fund VI, LP | 689 |
| Thomas H. Lee Equity Partners, LP | 8 |
| TowerBrook Investors II, LP | 1,363 |
| TowerBrook Investors III, LP | 6,834 |
| TowerBrook Investors, LP | 43 |
| TPG Asia V, LP | $5,754 |
| TPG Biotechnology Partners II, LP | 663 |
| TPG Biotechnology Partners III, LP | 1,940 |
| TPG Biotechnology Partners, LP | 78 |
| TPG Credit Strategies, LP | 814 |
| TPG Holding, LP | 29 |
| TPG Partners III, LP | 165 |
| TPG Partners IV, LP | 520 |
| TPG Partners V, LP | 2,110 |
| TPG Partners VI, LP | 10,787 |
| TPG Star, LP | 1,465 |
| TPG Ventures, LP | 98 |
| Tricor Pacific Capital Partners IV, LP | 2 |
| Trinity Ventures IX, LP | 242 |
| VantagePoint CleanTech Partners, LP | 23 |
| VantagePoint Venture Partners 2006 (Q), LP | 1,516 |
| Vicente Capital Partners Growth Equity Fund, LP | 736 |
| W Capital Partners II, LP | 2,741 |
| W Capital Partners, LP | 161 |
| Wayzata Opportunities Fund II, LLC | 3,111 |
| Wayzata Opportunities Fund, LLC | 828 |
| Wellspring Capital Partners V, LP | 2,836 |
| Welsh, Carson, Anderson & Stowe IX, LP | 115 |
| Welsh, Carson, Anderson & Stowe VI, LP | 4 |
| Welsh, Carson, Anderson & Stowe X, LP | 495 |
| Welsh, Carson, Anderson & Stowe XI, L.P | 1,172 |
| WLR Recovery Fund II, LP | 220 |
| WLR Recovery Fund III, LP | 1,033 |
| WLR Recovery Fund IV, LP | 2,309 |
| Yucaipa American Alliance Fund I, LP | 2,218 |
| Yucaipa American Alliance Fund II, LP | 7,519 |
| Yucaipa American Special Situations Fund I, LP | 44 |
| Yucaipa Corporate Initiatives Fund I, LP | 1,807 |
| Yucaipa Corporate Initiatives Fund II, LP | 1,012 |
| **TOTAL** | **$476,142** |

**Note:**

[1] Fees and costs for the 1-year period ending December 31, 2012.

# Schedule of Fees & Costs for Absolute Return Strategies Program – PERF (Dollars in Thousands)

| Fund Name | Management Fees | Performance Fees |
|---|---|---|
| Brookside Capital Partners Fund, L.P. | $2,041 | $ — |
| BlueTrend Fund, L.P. | 78 | (157) |
| Breton Hill Eureka Fund, L.P. | 6,275 | 5,683 |
| Canyon Value Realization Fund, L.P. | 3,210 | 2,694 |
| Chatham Eureka Fund, L.P. | 281 | 1,193 |
| Deephaven Market Neutral LLC | 5,571 | — |
| Lansdowne Eureka Fund, L.P. | 1,450 | 2,377 |
| O'Connor Global Fundamental Market Neutral Long Short LLC | 149 | — |
| OMG Eureka Fund, L.P. | 7,382 | 6,505 |
| OZ Domestic Partners II, L.P. | 25 | — |
| OZ Eureka Fund, L.P. | 2,432 | — |
| PFM Diversified Eureka Fund | 1,009 | 422 |
| Standard Pacific Eureka Fund, L.L.L.P. | 399 | — |
| Symphony Eureka Fund, L.P. | 605 | 119 |
| SuttonBrook Eureka Fund, L.P. | 9,334 | 23,394 |
| PAAMCO Blue Diamond | 3,730 | 8,679 |
| Vision Blue Diamond Fund, L.P. | 1,306 | — |
| Ermitage Highbury Fund, L.P. | 2,832 | 3,453 |
| AIS Highbury Fund, L.P. | 657 | — |
| ERAAM Highbury Fund, L.P. | 1,596 | — |
| 47 Degrees North New Generation 1848 Fund, L.P | 2,008 | — |
| Rock Creek 1848 Fund, L.P. | 851 | — |
| PAAMCO 1848 Fund, L.P. | 783 | — |
| SuttonBrook Eureka Fund LP | 2,060 | (261) |
| Tennenbaum Multi-Strategy Fund LLC | 1,475 | — |
| The Marquee Fund, L.P. | 1,631 | 925 |
| PAAMCO Blue Diamond | 1,538 | — |
| **TOTAL MANAGEMENT AND PERFORMANCE FEES** | **$60,708** | **55,026** |

# Total Investment Management Expenses Summary (Dollars in Thousands)

| Category | |
|---|---|
| **EXTERNAL MANAGEMENT FEES** | |
| Domestic Equity | $18,869 |
| Domestic Fixed Income[2] | 3,765 |
| Global Equity | 22,909 |
| Global Fixed Income | 3,278 |
| Real Asset | 201,944 |
| SIP Investment Management | 2,842 |
| Private Equity[1] | 476,142 |
| Absolute Return Strategies[2] | 60,708 |
| **TOTAL EXTERNAL MANAGEMENT FEES** | **$790,457** |
| **EXTERNAL PERFORMANCE FEES** | |
| Domestic Equity | $8,795 |
| Global Equity | 37,422 |
| Global Fixed Income | 5,698 |
| Real Asset | 270,624 |
| Absolute Return Strategies[2] | 55,026 |
| **TOTAL EXTERNAL PERFORMANCE FEES** | **$377,565** |
| **ADDITIONAL INVESTMENT-RELATED EXPENSES** | |
| Auditor Fees | $776 |
| Appraisal Fees | 6,627 |
| Company Expense | 241 |
| Consultant Fees | 23,388 |
| System Consultant Fees | 3,399 |
| Legal Fees | 15,796 |
| Master Custodian Fees | 7,528 |
| Tax Advisory Fees | 539 |
| Technology Expenses | 22,351 |
| Miscellaneous Expenses | 60,706 |
| Commissions & fees[2] | 33,009 |
| Internal staff personnel expenses[3] | 43,550 |
| Administrative fees[3] | 3,534 |
| **TOTAL ADDITIONAL INVESTMENT-RELATED EXPENSES** | **$221,444** |
| **TOTAL INVESTMENT MANGEMENT COSTS (ALL TRUST FUNDS)** | **$1,389,466** |
| **Total Investments as of June 30, 2013** | **$287,416,754** |
| **Total Investments as of June 30, 2012** | **$252,188,067** |
| **Management Expense Ratio (based on average assets)** | **0.51%** |

**Notes:**

1. Expense is recorded in fair value of the investments and is recorded as a reduction in Net Appreciation in Fair Value of Investments; costs are for the one-year period ending December 31, 2012.
2. Expense is recorded in fair value of the investments and is recorded as a reduction in Net Appreciation in Fair Value of Investments.
3. Expense is recorded in the administrative expenses and represents the internal costs attributable to managing the investment portfolio.

# Investment Performance – LRF

Global equity securities achieved returns of approximately 18.5 percent for fiscal year 2012-13 compared to benchmark returns of 18.3 percent. CalPERS uses the custom LRS Global Equity Benchmark to provide a benchmark for the global equity portfolio. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

Domestic fixed income securities incurred returns of approximately -1.2 percent for fiscal year 2012-13, compared to benchmark returns of -2.8 percent. CalPERS uses a custom Barclays Capital Long Liability Index to provide a benchmark for the domestic fixed income portfolio. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

The TIPS (U.S. Treasury Inflation Protected Securities) portfolio incurred returns of approximately -4.6 percent for fiscal year 2012-13, compared to benchmark returns of -4.8 percent. CalPERS uses the Barclays Capital Global Real: US TIPS Index to provide a benchmark for the TIPS portfolio.

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Legislators' Retirement System Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. Below are the 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2013.

Per guidelines recommended by the Chartered Financial Analyst Institute, the master custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

## LRF Portfolio Comparisons

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **5.7%** | **9.3%** | **6.4%** | Weighted Policy Benchmark | 4.8% | 9.1% | 6.0% |
| | | | | Actuarial Rate | 5.8% | 5.8% | 5.8% |
| Global Equity | 18.5% | 13.5% | 3.6% | LRS Global Equity Benchmark | 18.3% | 13.5% | 3.6% |
| Domestic Fixed Income | (1.2%) | 6.2% | 7.8% | Barclays Long Liability Index | (2.8%) | 5.5% | 7.1% |
| TIPS | (4.6%) | 4.7% | 4.6% | Barclays Long Liability Index TIPS | (4.8%) | 4.6% | 4.4% |
| REITs | 14.2% | — | — | CalPERS Custom REIT Index | 14.3% | — | — |
| Commodities | 1.6% | — | — | GSCI Total Return (Daily) | 2.0% | — | — |

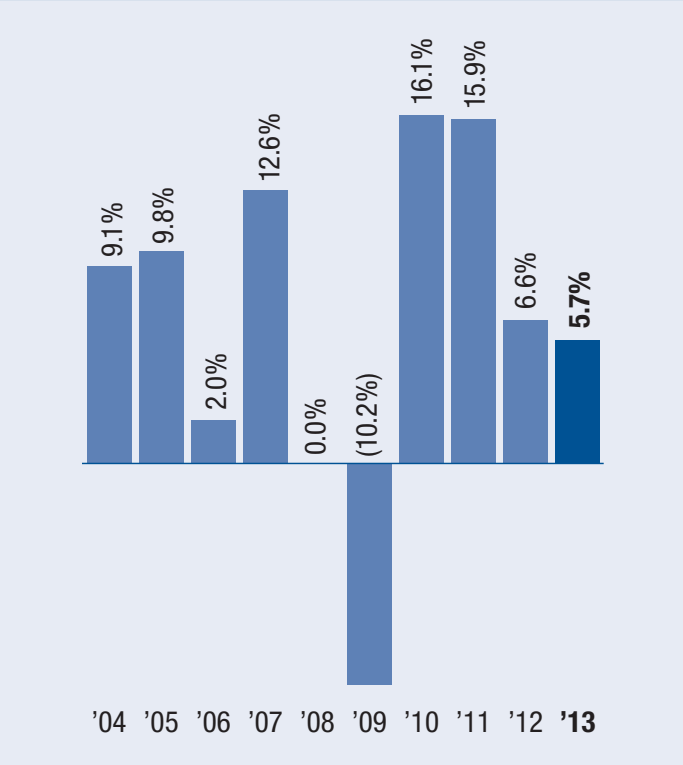
**Notes:**

[1] Index benchmarks are as of June 30, 2013 and are subject to be updated based on changes within the fund portfolios.

## LRF Asset Allocation

| Asset Class | Current Allocation | Current Year Target | Prior Year Target |
|---|---|---|---|
| Global Equity | 31.9% | 32.0% | 32.0% |
| Domestic Fixed Income | 42.1% | 42.0% | 42.0% |
| TIPS | 15.0% | 15.0% | 15.0% |
| REITs | 8.0% | 8.0% | 8.0% |
| Commodities | 3.0% | 3.0% | 3.0% |
| **TOTAL FUND** | **100.0%** | **100.0%** | **100.0%** |

## LRF Total Fund Performance | 10-Year Review, One-Year Returns



# Investment Performance – JRF II

Global equity securities achieved returns of approximately 18.5 percent for fiscal year 2012-13 compared to benchmark returns of 18.3 percent. CalPERS uses the custom JRS II Global Equity Benchmark to provide a benchmark for the global equity portfolio. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

Domestic fixed income securities incurred returns of approximately -1.2 percent for fiscal year 2012-13 compared to benchmark returns of -2.8 percent. CalPERS uses the Barclays Capital Long Liability Index to provide a benchmark for the domestic fixed income portfolio. This benchmark is representative of the returns that could be expected in a similar investing environment and reflects the overall market characteristics.

Investments in Real Estate Investment Trusts (REITs) earned approximately 14.2 percent compared to benchmark returns of 14.3 percent. CalPERS uses the custom FTSE EPRA/NAREIT Developed Index to benchmark the REIT portfolio. This benchmark is representative of the returns that could be expected in a similar investing environment and reflects the overall market characteristics.

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Judges' Retirement System II Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2013, are shown below.

Per guidelines recommended by the Chartered Financial Analyst Institute, the master custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

## JRF II Portfolio Comparisons

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **12.1%** | **11.6%** | **5.4%** | Weighted Policy Benchmark | 11.6% | 11.7% | 5.6% |
| | | | | Actuarial Rate | 7.0% | 7.0% | 7.0% |
| Global Equity | 18.5% | 13.3% | 3.2% | JRS II Global Equity Benchmark | 18.3% | 13.3% | 3.2% |
| Domestic Fixed Income | (1.2%) | 6.2% | 7.8% | Barclays Long Liability Index | (2.8%) | 5.5% | 7.1% |
| TIPS | (4.6%) | — | — | Barclays Long Liability TIPS | (4.8%) | — | — |
| REITs | 14.2% | 15.9% | 2.2% | CalPERS Custom REIT Index | 14.3% | 16.0% | 2.2% |
| Commodities | 1.6% | — | — | GSCI Total Return (Daily) | 2.0% | — | — |

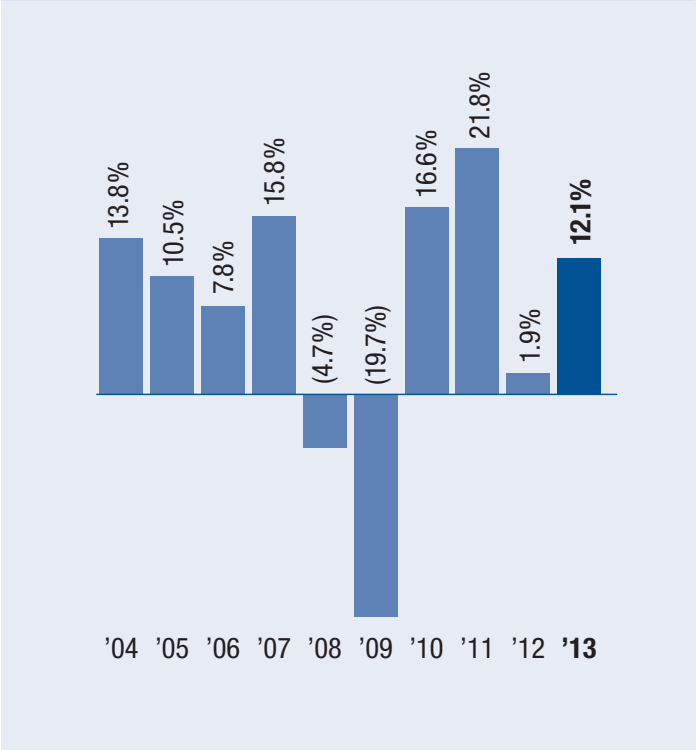
**Notes:**

[1] Index benchmarks are as of June 30, 2013 and are subject to be updated based on changes within the fund portfolios.

## JRF II Asset Allocation

| Asset Class | Current Allocation | Current Year Target | Prior Year Target |
|---|---|---|---|
| Global Equity | 62.9% | 63.0% | 63.0% |
| Domestic Fixed Income | 20.0% | 20.0% | 20.0% |
| TIPS | 6.0% | 6.0% | 6.0% |
| REITs | 8.1% | 8.0% | 8.0% |
| Commodities | 3.0% | 3.0% | 3.0% |
| **TOTAL FUND** | **100.0%** | **100.0%** | **100.0%** |

## JRF II Total Fund Performance | 10-Year Review, One-Year Returns



# Investment Performance – CERBTF

Investments in global equities yielded returns of approximately 17.3 percent, 18.2 percent and 18.0 percent for Strategies 1, 2, and 3, respectively, during the 2012-13 fiscal year. The benchmark return for Strategy 1 was approximately 17.3 percent, and the benchmark returns for Strategies 2 and 3 were approximately 18.2 percent during the same period. CalPERS uses the MSCI All Country World Index IMI (net) to provide a benchmark for the CERBTF global equity asset class.

Investments in domestic fixed income securities generated returns of approximately -1.2 percent for all three CERBTF strategies compared to benchmark returns of approximately -2.8 percent for fiscal year 2012-13. CalPERS uses a custom Barclays Capital Long Liability Index to provide a benchmark for the CERBTF domestic fixed income asset class. This benchmark is representative of the returns that could be expected in a similar investing environment and reflects the overall market characteristics.

The TIPS portfolio incurred returns of approximately -4.6 percent for all three strategies, compared to the benchmark return of -4.8 percent. CalPERS uses a custom CalPERS TIPS index as its portfolio benchmark. This benchmark is representative of the returns that could be expected in a similar investing environment and reflects the overall market characteristics.

## CERBTF Strategy 1 Portfolio Comparisons (Inception date - June 1, 2007)

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **11.8%** | **11.8%** | **4.5%** | CERBT Strategy 1 Policy Benchmark | 11.6% | 11.9% | 4.7% |
| | | | | Actuarial Rate | 7.5% | 7.6% | 7.7% |
| Global Equity | 17.3% | 13.7% | 3.2% | MSCI All Country World Index IMI (net) | 17.3% | 13.6% | 3.2% |
| Domestic Fixed Income | (1.2%) | 6.2% | 7.8% | CalPERS Custom Long Liability | (2.8%) | 5.8% | 7.1% |
| TIPS | (4.6%) | — | — | CalPERS TIPS | (4.8%) | — | — |
| REITs | 13.6% | 15.7% | 2.3% | FTSE EPRA/NAREIT Developed Liquid Index (net) | 13.4% | 15.7% | 2.0% |
| Commodities | 1.6% | — | — | S&P GSCI Total Return Index | 2.0% | — | — |

## CERBTF Strategy 2 Portfolio Comparisons (Inception date - October 1, 2011)

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **8.9%** | — | — | CERBT Strategy 2 Policy Benchmark | 8.5% | — | — |
| | | | | Actuarial Rate | 7.5% | — | — |
| Global Equity | 18.2% | — | — | MSCI All Country World Index IMI (net) | 18.2% | — | — |
| Domestic Fixed Income | (1.2%) | — | — | CalPERS Custom Long Liability | (2.8%) | — | — |
| TIPS | (4.6%) | — | — | CalPERS TIPS | (4.8%) | — | — |
| REITs | 13.6% | — | — | FTSE EPRA/NAREIT Developed Liquid Index (net) | 13.4% | — | — |
| Commodities | 1.6% | — | — | S&P GSCI Total Return Index | 2.0% | — | — |

## CERBTF Strategy 3 Portfolio Comparisons (Inception date - January 1, 2012)

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **5.2%** | — | — | CERBT Strategy 3 Policy Benchmark | 4.7% | — | — |
| | | | | Actuarial Rate | 7.5% | — | — |
| Global Equity | 18.0% | — | — | MSCI All Country World Index IMI (net) | 18.2% | — | — |
| Domestic Fixed Income | (1.2%) | — | — | CalPERS Custom Long Liability | (2.8%) | — | — |
| TIPS | (4.6%) | — | — | CalPERS TIPS | (4.8%) | — | — |
| REITs | 13.4% | — | — | FTSE EPRA/NAREIT Developed Liquid Index (net) | 13.4% | — | — |
| Commodities | 1.6% | — | — | S&P GSCI Total Return Index | 2.0% | — | — |

**Note:**

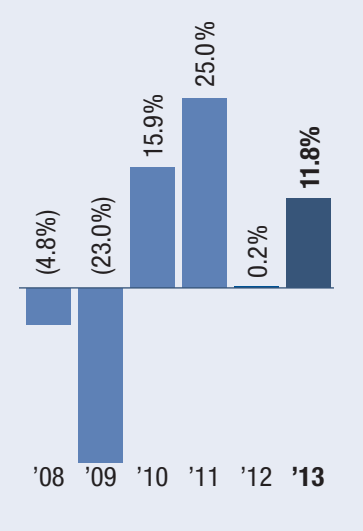
[1] Index benchmarks are as of June 30, 2013 and are subject to be updated based on changes within the fund portfolios.

### CERBTF Asset Allocation

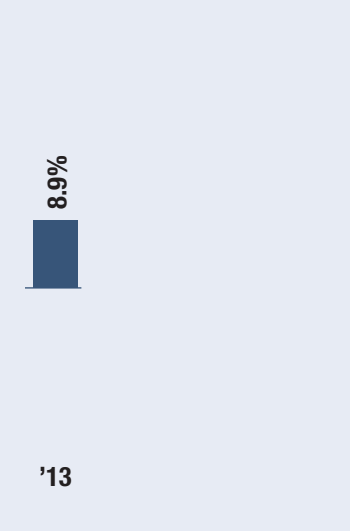
| Asset Class | Strategy 1 Current Allocation | Strategy 1 Policy Target Allocation | Strategy 2 Current Allocation | Strategy 2 Policy Target Allocation | Strategy 3 Current Allocation | Strategy 3 Policy Target Allocation |
|---|---|---|---|---|---|---|
| Global Equity | 64.5% | 66.0% | 51.2% | 50.0% | 31.1% | 32.0% |
| Domestic Fixed Income | 17.6% | 18.0% | 23.6% | 24.0% | 41.5% | 42.0% |
| TIPS | 4.9% | 5.0% | 14.1% | 15.0% | 14.5% | 15.0% |
| REITs | 7.9% | 8.0% | 7.8% | 8.0% | 7.5% | 8.0% |
| Commodities | 2.9% | 3.0% | 2.9% | 3.0% | 3.0% | 3.0% |
| Cash Equivalents | 2.2% | — | 0.4% | — | 2.4% | — |
| **TOTAL FUND** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **100.0%** |

### CERBTF Total Fund Performance | Six-Year Review

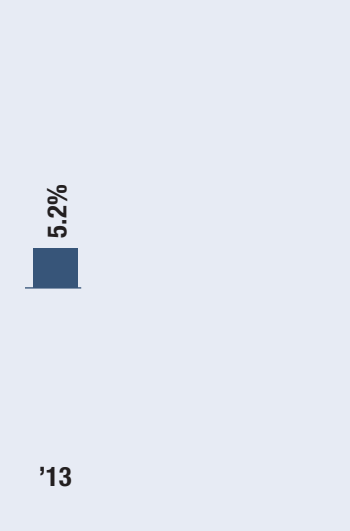
Strategy 1 – One-Year Returns




Strategy 2 – One-Year Returns




Strategy 3 – One-Year Returns




# Investment Performance – HCF

Investments of the HCF at June 30, 2013, include domestic debt securities. These securities yielded a one-year return of 0.7 percent.

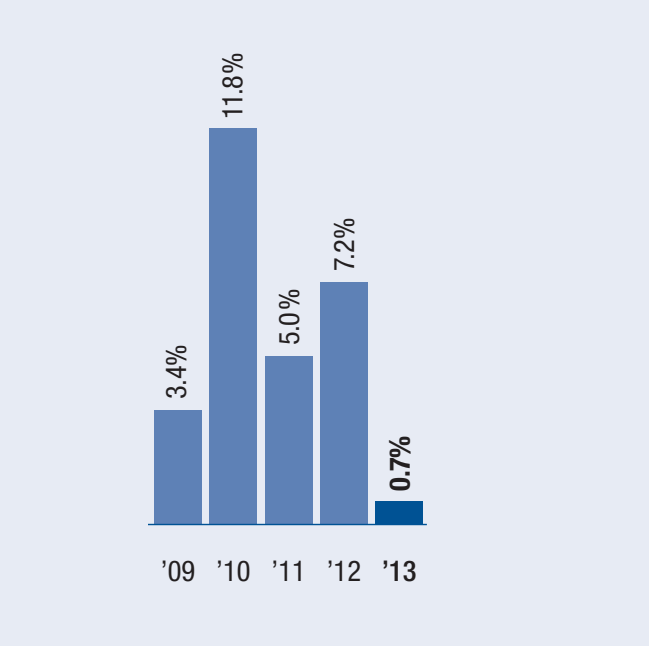
### HCF Portfolio Comparisons

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **0.7%** | **4.3%** | **5.6%** | Weighted Policy Benchmark | (0.7%) | 3.5% | 5.2% |

**Note:**

[1] Index benchmarks are as of June 30, 2013 and are subject to be updated based on changes within the fund portfolios.

**HCF Total Fund Performance** | Five-Year Review, One-Year Returns




# Investment Performance – LTCF

Global equity securities earned returns of approximately 17.1 percent for the 2012-13 fiscal year compared to the benchmark return of 17.3 percent during the same period. CalPERS uses the MSCI All Country World Index IMI (net) to provide a benchmark for global equity investments.

Domestic fixed income securities incurred returns of approximately -1.9 percent for the 2012-13 fiscal year. CalPERS benchmark return for the fiscal year 2012-13 was approximately -2.8 percent. CalPERS uses a custom Barclays Capital Long Liability Index to provide a benchmark for domestic fixed income investments. This benchmark is representative of the returns that could be expected in a similar investing environment and reflects the overall market characteristics.

Investments in real estate investment trusts (REITs) earned approximately 13.6 percent for fiscal year 2012-13. CalPERS uses the custom FTSE EPRA/NAREIT Developed Index to provide a benchmark for its REITs investments. This benchmark is representative of the returns that could be expected in a similar investing environment and reflects the overall market characteristics.

## LTCF Portfolio Comparisons

| Category | 1-Year Return | 3 Year Return | 5 Year Return | Index[1] | 1-Year Return | 3 Year Return | 5 Year Return |
|---|---|---|---|---|---|---|---|
| **TOTAL FUND** | **3.5%** | **8.8%** | **4.7%** | Weighted Policy Benchmark | 3.0% | 8.6% | 4.6% |
| | | | | Actuarial Rate | 4.5% | 4.5% | 4.5% |
| Global Equity | 17.1% | 13.9% | 3.5% | MSCI All Country World Index (net) | 17.3% | 14.0% | 3.5% |
| Domestic Fixed Income | (1.9%) | 5.9% | 7.7% | Barclays Long Liability Index | (2.8%) | 5.5% | 7.1% |
| TIPS | (4.9%) | 4.6% | 4.6% | Barclays Long Liability TIPS | (4.8%) | 4.6% | 4.4% |
| REITs | 13.6% | 15.7% | 2.0% | CalPERS Custom FTSE EPRA/NAREIT Index | 13.4% | 15.7% | 2.0% |
| Commodities | 2.6% | — | — | GSCI Total Return (Daily) | 2.0% | — | — |

**Notes:**

1 Index benchmarks are as of June 30, 2013 and are subject to be updated based on changes within the fund portfolios.

## LTCF Asset Allocation

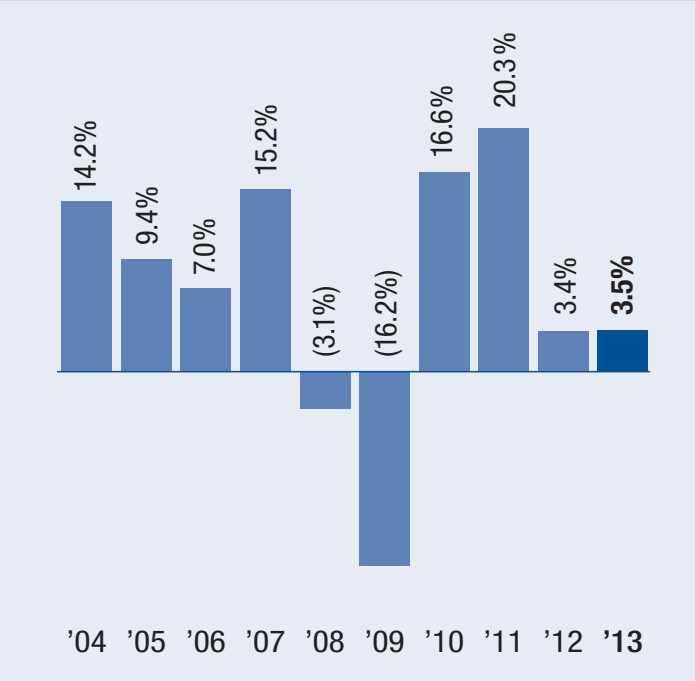
| Asset Class | Current Allocation | Current Year Target | Prior Year Target |
|---|---|---|---|
| Global Equity | 16.0% | 15.0% | — |
| Domestic Equity[1] | — | — | 29.0% |
| International Equity[1] | — | — | 19.0% |
| US Fixed Income | 60.9% | 61.0% | 30.0% |
| TIPS | 5.7% | 6.0% | 7.0% |
| REITs | 11.5% | 12.0% | 5.0% |
| High Yield[1] | — | — | 10.0% |
| Commodities[2] | 5.9% | 6.0% | — |
| **TOTAL FUND** | **100.0%** | **100.0%** | **100.0%** |

**Notes:**

1 No current year allocation or target due to change in asset allocation policy.

2 No prior year target due to change in asset allocation policy.

## LTCF Total Fund Performance | 10-Year Review, One-Year Returns



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# Actuarial Certification

June 30, 2013

**The Board of Administration of the**
**California Public Employees' Retirement System**

As authorized, the CalPERS actuarial staff perform annual actuarial valuations of the CalPERS State, schools, and public agency defined benefit pension plans; the latest such valuations are as of June 30, 2012.

The funding objective for each of these plans is to accumulate assets equal to 100 percent of the accrued liability as measured by the Entry Age Normal Cost method in a manner that keeps contributions approximately level as a percentage of payroll. Unfunded actuarial liabilities or surplus assets (excess assets) are amortized pursuant to Board policy such that the amortization payment is not less than that required to amortize an unfunded liability over 30 years.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the Financial Section by Governmental Accounting Standards Board Statements No. 25 and No. 43. In our opinion, the actuarial assumptions are internally consistent and produce results which are reasonable in the aggregate.

The valuations are based on the member and financial data as of the valuation date, extracted from the various CalPERS databases. Both the membership and financial data are subject to extensive tests for reasonableness.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.
*Chief Actuary, CalPERS*

**Note:** Actuarial reports and supporting documents for the State, schools, and local agencies can be obtained on the CalPERS website, **www.calpers.ca.gov**.

# Actuarial Methods & Assumptions

## ACTUARIAL METHODS

The ultimate cost that a retirement system such as CalPERS incurs is equal to benefits paid plus the expenses resulting from administration and financing. These costs are paid through contributions to the plan and investment earnings on the System's assets.

The actuarial valuations rely upon data extracted from central databases maintained by CalPERS. These databases are created from data supplied by the individual employers. The data was not audited by the actuarial staff, but appears to be reasonable for valuation purposes. Summary information regarding plan membership data for various groups is provided in Exhibits F through H.

Using each plan's schedule of benefits, member data described above, and a set of actuarial assumptions, the plan's actuary estimates the cost of the benefits to be paid. Then, using a particular actuarial funding method, the actuary allocates these costs to the fiscal years within the employee's career.

In the case of the CalPERS plans with pay-related benefits, the financial objective is to fund in a manner which keeps contribution rates approximately as a level percentage of payroll from generation to generation, while accumulating sufficient assets over each member's working career. The primary funding method used to accomplish this objective is the Entry Age Normal Cost Method. This method is used for all defined benefit pay-related plans within CalPERS, for the Legislators' Retirement System (LRS), for the Judges' Retirement System (JRS) and for the Judges' Retirement System II (JRS II). It is also used for the Indexed Level of 1959 Survivor Benefits.

For CalPERS non-pay-related plans, the financial objective is to produce annual costs that coincide with the value of benefits earned for that year. The Term Insurance Cost Method is used for the plans within the 1959 Survivor Program that are not indexed and for the State Group Term Life Insurance Program.

Annual actuarial valuations are performed each June 30 using these methods. This report contains information through the most recent valuation date of June 30, 2012. Progress in financing can be found in the Summary of Funding Progress, Exhibits A and B.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the Financial Section by Governmental Accounting Standards Board Statement No. 25 and No. 43.

### Entry Age Normal Cost Method

Under the Entry Age Normal Cost Method, projected benefits are determined for all members. For active members, liabilities are spread in a manner that produces level annual costs as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years. This Entry Age Normal cost method was adopted by the Board in May 1995.

The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for inactive members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the value of plan assets is called the unfunded actuarial accrued liability.

The required contribution is then determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payroll.

In the CalPERS case, the unfunded liability is broken down into components, or bases, according to their date of origin and the cause that gave rise to that component. A component of the unfunded liability that arose due to a change in plan provisions or in actuarial methods or assumptions is separately tracked and amortized over a declining 20-year period. The amortization methods were adopted by the Board in April 2005.

The actuarial assumptions discussed in this section are used to determine projected benefits. The effect of differences between those assumptions and the actual experience of the plan is calculated each year when the annual actuarial valuation is performed. These differences are actuarial gains or losses. Gains and losses are tracked separately and amortized over a rolling 30-year period.

A maximum 30-year amortization payment on the entire unfunded liability is enforced on the amortization methods described above. In addition, for those plans in which the amortization methods described above result in either mathematical inconsistencies or unreasonable actuarial results, all unfunded liability components are combined into a single base and amortized over a period of time, as determined by the CalPERS Chief Actuary. There is a minimum employer contribution equal to normal cost, less 30-year amortization of surplus (negative unfunded liability), if any.

#### Term Insurance Cost Method

The actuarial funding method for non-indexed levels of the 1959 Survivor Program is a modified Term Insurance Cost Method. Under this method, there is no actuarial accrued liability for active members; all liability is due to current beneficiaries. The normal cost is calculated as the amount needed to provide benefits to survivors of deaths expected in the next one-year period.

The Term Insurance Cost Method is also used for the State Group Term Life Insurance Program. The required contributions are calculated as one and one-half times the expected life insurance payments for the coming year less the current assets available to pay those benefits, but not less than zero. The Term Insurance Cost Method was adopted by the Board in November 1997.

#### Asset Valuation Method

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset smoothing technique is used. First an Expected Value of Assets would be computed by bringing forward the prior year's Actuarial Value of Assets and the contributions received and benefits paid during the year at the assumed actuarial rate of return. The Actuarial Value of Assets would then be computed as the Expected Value of Assets plus one-fifteenth of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. Finally, the Actuarial Value of Assets is restricted to no less than 80 percent and no more than 120 percent of the Market Value of Assets. This methodology is used in the valuations for all programs except the JRS, which uses an Actuarial Value of Assets equal to the Market Value of the Fund plus accrued interest. The Asset Valuation Method was adopted by the Board in April 2005.

In December 2009, the CalPERS Board adopted a temporary change to the asset smoothing method in order to phase in over a three-year period the impact of the negative 24.0 percent investment loss experienced by CalPERS in fiscal year 2008-09. The following changes were adopted for all public agencies, the State and School plans:

- For the June 30, 2009 valuation increase the corridor limits for the actuarial value of assets from 80-120 percent to 60-140 percent of the market value of assets.
- For the June 30, 2010 valuation reduce the corridor limits for the actuarial value of assets to 70-130 percent of the market value of assets.
- And in the June 30, 2011 valuation return to the 80-120 percent of market value corridor limits for the actuarial value of assets.

## ACTUARIAL ASSUMPTIONS

The actuarial assumptions used in determining actuarial liabilities and required employer contributions include both economic and non-economic assumptions. These assumptions represent the actuary's best estimate of anticipated future experience and are reviewed in depth periodically.

#### Economic Assumptions

The economic assumptions include an assumed inflation assumption of 2.75 percent compounded annually. The inflation assumption is a component of assumed investment return, assumed wage growth, and assumed future post-retirement cost-of-living increases.

Based upon the asset allocation of the Public Employees' Retirement Fund (PERF), the assumed investment return (net of administrative and investment expenses) is 7.5 percent per year, compounded annually. Different asset allocations and lower assumed investment returns apply to LRF, JRF, and JRF II. The economic assumptions adopted by the Board in March 2012 are based on a review by the Actuarial Office and an economic assumptions study performed by an outside actuarial consultant.

The assumed investment returns for these three plans are 5.75 percent, 4.25 percent, and 7.0 percent, respectively.

For plans within CalPERS, the overall payroll is assumed to increase 3.0 percent annually. This is based upon the 2.75 percent inflation assumption and a

0.25 percent per annum productivity increase assumption. The overall payroll growth assumption is used to project future payroll over which the unfunded liability is amortized.

For plans within CalPERS, the assumed growth in an individual employee's future pay is composed of the 2.75 percent inflation component, an additional 0.25 percent per annum productivity component, and an annual merit increase based on the member's length of service. The service-based merit increase in an individual's salary recognizes that larger salary increases tend to occur earlier in an employee's career. Pay increase assumptions for individual members are shown for sample lengths of service in Exhibit C.

#### Non-Economic Assumptions

Non-economic assumptions for plans within the PERF are based upon the most recent CalPERS Experience Study (covering the period June 30, 1997 through June 30, 2007) that was completed and adopted by the Board in April 2010.

Post-retirement mortality tables are based on CalPERS experience. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table. Sample life annuity values based on these tables are shown in Exhibit E.

### CHANGES SINCE PRIOR VALUATION

#### Changes in Actuarial Methods

There were no changes in actuarial methods since the prior year's actuarial valuation.

#### Changes in Actuarial Assumptions

There were no changes in actuarial assumptions.

#### Changes in Plan Provisions

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in Appendix B of the plan's annual valuation report.

## Summary of Funding Progress

### UNFUNDED LIABILITY & FUNDED RATIOS

For the plans in CalPERS, unfunded actuarial accrued liabilities are the difference between Entry Age Normal Accrued Liabilities and the assets of the Fund. It is required that these unfunded liabilities be financed systematically over future years.

Because of inflation, comparing the dollar amounts of assets, benefits paid, member salaries, and unfunded actuarial accrued liabilities can be misleading. While no one or two measures can fully describe the financial condition of a plan, the ratio of a pension plan's actuarial value of assets to its liabilities provides a meaningful index. However, a better measure is the funded ratio based on the market value of assets. This is the true measure of a plan's ability to pay benefits. The higher this ratio, the stronger the plan and observation of this ratio over a period of years can give an indication as to the financial strength of the system. Both these measures are presented in Exhibit A.

### SOLVENCY TEST

Exhibit B, Funding Progress — Solvency Test, demonstrates System solvency as measured under the Governmental Accounting Standards Board Statement No. 25.

### INDEPENDENT REVIEW

To ensure the quality of its valuations, CalPERS contracts with independent consulting actuaries to review the valuations on a triennial basis.

# Exhibit A: Funding Progress – Unfunded Liability & Funded Ratios

(Dollars in Millions)

| Actuarial Valuation Date | Actuarial Value of Assets (1) | Actuarial Accrued Liability (AAL) Entry Age (2) | Unfunded AAL (UAAL) (AVA Basis) (2) (1) | Funded Ratio – Actuarial Value of Assets Basis (1)÷(2) | Annual Covered Payroll (3) | UAAL as a % of Covered Payroll [(2) (1)]÷(3) | Market Value of Assets (MVA) (4) | Unfunded AAL (UAAL) (MVA Basis) (2) (4) | Funded Ratio – Market Value of Assets Basis[1] (4)÷(2) |
|---|---|---|---|---|---|---|---|---|---|
| **PERF** | | | | | | | | | |
| 6/30/03 | $158,596 | $180,922 | $22,326 | 87.7% | $34,784 | 64.2% | $144,330 | $36,592 | 79.8% |
| 6/30/04 | 169,899 | 194,609 | 24,710 | 87.3 | 35,078 | 70.4 | 167,110 | 27,499 | 85.9 |
| 6/30/05 | 183,680 | 210,301 | 26,621 | 87.3 | 36,045 | 73.9 | 189,103 | 21,198 | 89.9 |
| 6/30/06 | 199,033 | 228,131 | 29,098 | 87.2 | 38,047 | 76.5 | 211,188 | 16,943 | 92.6 |
| 6/30/07 | 216,484 | 248,224 | 31,740 | 87.2 | 40,864 | 77.7 | 251,162 | (2,938) | 101.2 |
| 6/30/08 | 233,272 | 268,324 | 35,052 | 86.9 | 44,236 | 79.2 | 238,041 | 30,283 | 88.7 |
| 6/30/09 | 244,964 | 294,042 | 49,078 | 83.3 | 45,100 | 108.8 | 178,860 | 115,182 | 60.8 |
| 6/30/10 | 257,070 | 308,343 | 51,273 | 83.4 | 44,984 | 114.0 | 201,632 | 106,711 | 65.4 |
| 6/30/11 | 271,389 | 328,567 | 57,178 | 82.6 | 43,901 | 130.2 | 241,740 | 86,827 | 73.6 |
| 6/30/12 | 282,991 | 340,429 | 57,438[2] | 83.1 | 42,599 | 134.8 | 236,800 | 103,629 | 69.6 |
| **LRF** | | | | | | | | | |
| 6/30/07 | $142 | $102 | ($40) | 139.2% | $2 | (2,000.0)% | $142 | ($40) | 139.2% |
| 6/30/08 | 142 | 103 | (39) | 137.9 | 2 | (1,950.0) | 134 | (31) | 130.1 |
| 6/30/09 | 134 | 112 | (22) | 119.6 | 2 | (1,100.0) | 112 | — | 100.0 |
| 6/30/10 | 127 | 112 | (15) | 113.4 | 2 | (750.0) | 114 | (2) | 101.8 |
| 6/30/11 | 126 | 109 | (17) | 115.6 | 2 | (850.0) | 124 | (15) | 113.8 |
| 6/30/12 | 124 | 109 | (15) | 113.8 | 2 | (750.0) | 123 | (14) | 112.8 |
| **JRF** | | | | | | | | | |
| 6/30/07 | $12 | $2,714 | $2,702 | 0.4% | $119 | 2,270.6% | $12 | $2,702 | 0.4% |
| 6/30/08 | 19 | 3,607 | 3,588 | 0.5 | 111 | 3,232.4 | 19 | 3,588 | 0.5 |
| 6/30/09 | 41 | 3,583 | 3,542 | 1.1 | 97 | 3,651.5 | 41 | 3,542 | 1.1 |
| 6/30/10 | 64 | 3,429 | 3,365 | 1.9 | 86 | 3,912.8 | 64 | 3,365 | 1.9 |
| 6/30/11 | 54 | 3,297 | 3,243 | 1.6 | 76 | 4,267.1 | 54 | 3,243 | 1.6 |
| 6/30/12 | 73 | 3,172 | 3,099 | 2.3 | 69 | 4,491.3% | 73 | 3,099 | 2.3 |
| **JRF II** | | | | | | | | | |
| 6/30/03 | $96 | $105 | $9 | 91.4% | $87 | 10.3% | $91 | $14 | 86.7% |
| 6/30/04 | 129 | 138 | 9 | 93.5 | 99 | 9.1 | 129 | 9 | 93.5 |
| 6/30/05 | 168 | 178 | 10 | 94.4 | 112 | 8.9 | 172 | 6 | 96.6 |
| 6/30/06 | 213 | 220 | 7 | 96.8 | 125 | 5.6 | 219 | 1 | 99.5 |
| 6/30/07 | 268 | 295 | 27 | 90.8 | 156 | 17.3 | 291 | 4 | 98.6 |
| 6/30/08 | 335 | 367 | 32 | 91.3 | 175 | 18.3 | 325 | 42 | 88.6 |
| 6/30/09 | 379 | 451 | 72 | 84.0 | 199 | 36.2 | 316 | 135 | 70.1 |
| 6/30/10 | 461 | 521 | 60 | 88.5 | 213 | 28.2 | 422 | 99 | 81.0 |
| 6/30/11 | 561 | 610 | 49 | 92.0 | 230 | 21.3 | 576 | 34 | 94.4 |
| 6/30/12 | 668 | 703 | 35 | 95.0 | 231 | 15.2 | 655 | 48 | 93.2 |
| **CERBTF[5]** | | | | | | | | | |
| 6/30/07 | $11 | $24 | $13 | 45.8% | $37 | 35.1% | $11 | $13 | 45.8% |
| 6/30/08 | 48 | 4,845 | 4,797 | 1.0 | 5,092 | 94.2 | 48 | 4,797 | 1.0 |
| 6/30/09[3] | 873 | 10,462 | 9,589 | 8.3 | 9,307 | 103.0 | 845 | 9,617 | 8.1 |
| 6/30/10[4] | 1,287 | 14,288 | 13,001 | 9.0 | 10,435 | 124.6 | 1,287 | 13,001 | 9.0 |
| 6/30/11 | 1,818 | 15,522 | 13,704 | 11.7 | 10,374 | 132.1 | 1,864 | 13,658 | 12.0 |
| 6/30/12 | 2,072 | 17,612 | 15,540 | 11.8 | 11,175 | 139.1 | 2,077 | 15,535 | 11.8 |

**Notes:**

[1] The funded ratio based on the market value assets is the true measure of the plan's ability to pay benefits.

[2] The Unfunded Accrued Liability (the total Actuarial Liability in excess of actuarial value of assets) of the PERF by major employer group from the June 30, 2012 valuation is a follows: 1) $28,200 for the State of California, 2) $5,600 for schools, and 3) $23,638 for public agencies.

[3] The amounts previously reported as of June 30, 2009 in the fiscal year 2008-09 financial statements were revised to reflect the valuation results for new plan participants and to align the valuation dates of all plan participants. The revised data reflects the individual actuarial valuations of 258 employers participating in the CERBTF as of June 30, 2010, aligned to a measurement date of June 30, 2009 in compliance with GASB Statement No. 57.

[4] Beginning with reporting for the 2010-11 fiscal year, valuation results from CERBTF participating employers are aligned as of a single measurement date to comply with GASB Statement No. 57. Data is rolled forward or backwards to that date by CalPERS staff, using methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

[5] Actuarial Accrued Liabilities (AAL) with a measurement date prior to August 2012 were based on the OPEB assumption model, which allowed only the Entry Age Normal or Projected Unit Credit actuarial cost method. In August 2012, the CalPERS Board removed requirements of specific assumption values and methods so that liabilities can be measured using any actuarial cost method that complies with Actuarial Standards of Practice and with Governmental Accounting Standards.

## Supplemental Schedule of Differences

### Reconciliation Between the Net Position Held in Trust for Pension Benefits and the Net Position Allocated to Fund the Pension Benefit Obligation or the Actuarial Liability – June 30, 2012.

| | PERF | LRF | JRF | JRF II |
|---|---|---|---|---|
| **Actuarial Value of Assets** | **$282,990,985,000** | **$124,212,000** | **$72,693,000** | **$667,557,000** |
| Difference Between Smoothed Market Value & Fair Value | (46,191,363,000) | (1,183,000) | 0 | (12,174,000) |
| Member Additional Contributions | 1,852,324 | — | — | — |
| Reserve for Post Retirement Redeposit | (370,921,429) | — | — | — |
| Reserve for Disability Installment Payments | 63,314 | — | — | — |
| Reserve for Purchasing Power Protection Account | (38,927,217) | — | — | — |
| Reserve for Deficiencies | 475,877,003 | — | — | — |
| Reserve for Fiduciary Self Insurance | 40,000,000 | — | — | — |
| Reserve for State OPEB Exp | (88,084,000) | — | — | — |
| Difference in reserves between accounting estimates on publication date and final reconciled assets for valuations | 93,366,348 | — | — | — |
| Difference in reserves due to early CAFR closing and final reconciled reserves | 1,039 | — | — | — |
| Financial accrual for unposted contribution revenue | 69,094,579 | — | — | — |
| **Net Position Restricted for Pension Benefits** | **$236,981,943,961** | **$123,029,000** | **$72,693,000** | **$655,383,000** |

# Exhibit B: Funding Progress – Solvency Test

The funding objective for a retirement system is to be able to pay long-term benefit promises through member contributions as a percent of salary that remain approximately level from year to year. In this way, members and employers pay their fair share for retirement services accrued in that year by the retirement system's members.

If a system follows level contribution rate financing principles, it will pay all promised benefits when due — the ultimate test of financial soundness.

A short-term solvency test is one means of checking a system's funding progress. In a short-term solvency test, the plan's present assets (investments and cash) are compared with 1) member contributions on deposit, 2) the liabilities for future benefits to persons who have retired or terminated, and 3) the liabilities for projected benefits for service already rendered by active members. In a system that employs level contribution rate financing, the liabilities for member contributions on deposit (liability 1) and the liabilities for future benefits to present retirees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time.

| Valuation Date | Accrued Liability | | | | Valuation Assets | Portion of Actuarial Accrued Liabilities Covered by Valuation Assets | | |
|---|---|---|---|---|---|---|---|---|
| | Member Contributions[1] (1) | Terminated, Retirees & Beneficiaries (2) | Employer-Financed Portion of Active Members (3) | Total Accrued Liability (1) + (2) + (3) | | (1) | (2) | (3) |
| **PERF** (Dollars in Billions) | | | | | | | | |
| 6/30/07 | $34.1 | $123.0 | $91.2 | $248.2 | $216.5 | 100% | 100% | 65.2% |
| 6/30/08 | 36.7 | 133.8 | 97.8 | 268.3 | 233.3 | 100 | 100 | 64.2 |
| 6/30/09 | 39.1 | 146.8 | 108.2 | 294.1 | 245.0 | 100 | 100 | 54.6 |
| 6/30/10 | 40.6 | 160.2 | 107.5 | 308.3 | 257.1 | 100 | 100 | 52.3 |
| 6/30/11 | 42.3 | 179.1 | 107.2 | 328.6 | 271.4 | 100 | 100 | 46.7 |
| 6/30/12 | 43.0 | 193.0 | 104.4 | 340.4 | 283.0 | 100 | 100 | 45.0 |
| **LRF** (Dollars in Millions) | | | | | | | | |
| 6/30/07 | $1.365 | $95.661 | $4.546 | $101.571 | $141.603 | 100% | 100% | 980.6% |
| 6/30/08 | 1.367 | 95.765 | 5.904 | 103.036 | 142.351 | 100 | 100 | 765.8 |
| 6/30/09 | 1.047 | 105.002 | 5.849 | 111.898 | 134.195 | 100 | 100 | 481.2 |
| 6/30/10 | 1.391 | 103.673 | 7.292 | 112.356 | 126.642 | 100 | 100 | 295.9 |
| 6/30/11 | 1.608 | 99.305 | 8.064 | 108.977 | 125.646 | 100 | 100 | 306.7 |
| 6/30/12 | 0.801 | 100.337 | 7.448 | 108.585 | 124.212 | 100 | 100 | 309.8 |
| **JRF** (Dollars in Millions) | | | | | | | | |
| 6/30/07 | $118.940 | $1,773.682 | $821.019 | $2,713.640 | $11.672 | 10% | 0.0% | 0.0% |
| 6/30/08 | 114.128 | 1,883.956 | 1,608.761 | 3,606.845 | 19.289 | 17 | 0.0 | 0.0 |
| 6/30/09 | 105.851 | 1,949.177 | 1,527.964 | 3,582.992 | 41.390 | 39 | 0.0 | 0.0 |
| 6/30/10 | 100.426 | 2,404.920 | 924.035 | 3,429.381 | 63.828 | 64 | 0.0 | 0.0 |
| 6/30/11 | 94.320 | 2,494.653 | 707.565 | 3,296.538 | 54.383 | 58 | 0.0 | 0.0 |
| 6/30/12 | 91.589 | 2,441.189 | 639.498 | 3,172.276 | 72.693 | 79 | 0.0 | 0.0 |
| **JRF II** (Dollars in Millions) | | | | | | | | |
| 6/30/07 | $81.693 | $5.340 | $207.950 | $294.983 | $267.604 | 100% | 100% | 86.8% |
| 6/30/08 | 107.497 | 10.610 | 248.407 | 366.514 | 334.903 | 100 | 100 | 87.3 |
| 6/30/09 | 121.016 | 13.191 | 316.339 | 450.546 | 378.692 | 100 | 100 | 77.3 |
| 6/30/10 | 136.179 | 14.430 | 370.078 | 520.687 | 461.071 | 100 | 100 | 83.9 |
| 6/30/11 | 172.538 | 31.596 | 405.428 | 609.562 | 561.476 | 100 | 100 | 88.1 |
| 6/30/12 | 223.897 | 41.142 | 437.693 | 702.732 | 667.557 | 100 | 100 | 92.0 |

**Note:**

[1] Includes accrued interest on member contributions.

# Exhibit C: Sample Pay Increase Assumptions for Individual Members

## Annual Percentage Increases by Duration of Service[1]

| Duration of Service | State Miscellaneous First & Second Tier | | | State Industrial First & Second Tier | | | State Safety | | |
|---|---|---|---|---|---|---|---|---|---|
| | Entry Age 20 | Entry Age 30 | Entry Age 40 | Entry Age 20 | Entry Age 30 | Entry Age 40 | Entry Age 20 | Entry Age 30 | Entry Age 40 |
| 0 | 13.10% | 10.70% | 8.00% | 9.30% | 8.60% | 8.00% | 7.30% | 7.10% | 6.90% |
| 3 | 8.70 | 7.80 | 6.30 | 7.90 | 7.50 | 7.10 | 5.90 | 5.40 | 4.60 |
| 5 | 7.00 | 6.50 | 5.60 | 7.10 | 6.90 | 6.70 | 5.30 | 4.80 | 3.80 |
| 10 | 4.70 | 4.60 | 4.20 | 5.80 | 5.60 | 5.50 | 4.60 | 4.10 | 3.30 |
| 15 | 4.00 | 3.90 | 3.70 | 4.90 | 4.80 | 4.70 | 4.10 | 3.80 | 3.20 |
| 20 | 3.60 | 3.60 | 3.50 | 4.30 | 4.20 | 4.10 | 3.70 | 3.50 | 3.20 |
| 25 | 3.50 | 3.50 | 3.40 | 3.60 | 3.60 | 3.60 | 3.60 | 3.50 | 3.20 |
| 30 | 3.50 | 3.50 | 3.40 | 3.60 | 3.60 | 3.60 | 3.60 | 3.50 | 3.20 |

| Duration of Service | State Peace Officer/Firefighter | | | California Highway Patrol | | | School | | |
|---|---|---|---|---|---|---|---|---|---|
| | Entry Age 20 | Entry Age 30 | Entry Age 40 | Entry Age 20 | Entry Age 30 | Entry Age 40 | Entry Age 20 | Entry Age 30 | Entry Age 40 |
| 0 | 19.70% | 18.30% | 16.60% | 8.80% | 8.80% | 8.80% | 10.80% | 9.60% | 8.20% |
| 3 | 8.80 | 8.60 | 8.00 | 6.00 | 6.00 | 6.00 | 7.50 | 7.00 | 6.20 |
| 5 | 6.60 | 6.40 | 5.80 | 4.90 | 4.90 | 4.90 | 6.30 | 6.00 | 5.30 |
| 10 | 4.40 | 4.30 | 4.10 | 3.70 | 3.70 | 3.70 | 4.50 | 4.40 | 4.10 |
| 15 | 3.90 | 3.80 | 3.80 | 3.50 | 3.50 | 3.50 | 3.90 | 3.80 | 3.50 |
| 20 | 3.60 | 3.50 | 3.50 | 3.40 | 3.40 | 3.40 | 3.60 | 3.50 | 3.20 |
| 25 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.20 |
| 30 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.40 | 3.20 |

| Duration of Service | Public Agency Miscellaneous | | | Public Agency Fire | | | Public Agency Police | | |
|---|---|---|---|---|---|---|---|---|---|
| | Entry Age 20 | Entry Age 30 | Entry Age 40 | Entry Age 20 | Entry Age 30 | Entry Age 40 | Entry Age 20 | Entry Age 30 | Entry Age 40 |
| 0 | 14.20% | 12.40% | 9.80% | 10.50% | 10.50% | 10.20% | 10.90% | 10.90% | 10.90% |
| 3 | 8.80 | 8.00 | 6.70 | 8.00 | 7.50 | 6.00 | 7.20 | 7.00 | 6.40 |
| 5 | 7.00 | 6.50 | 5.60 | 6.90 | 6.20 | 4.50 | 5.90 | 5.50 | 4.80 |
| 10 | 4.80 | 4.60 | 4.10 | 5.10 | 4.60 | 3.50 | 4.50 | 4.20 | 3.40 |
| 15 | 4.30 | 4.10 | 3.60 | 4.10 | 3.90 | 3.40 | 4.10 | 3.90 | 3.30 |
| 20 | 3.90 | 3.70 | 3.30 | 3.70 | 3.60 | 3.30 | 3.70 | 3.60 | 3.30 |
| 25 | 3.60 | 3.60 | 3.30 | 3.50 | 3.50 | 3.30 | 3.50 | 3.40 | 3.30 |
| 30 | 3.60 | 3.60 | 3.30 | 3.50 | 3.50 | 3.30 | 3.50 | 3.40 | 3.30 |

| Duration of Service | Public Agency County Peace Officer | | |
|---|---|---|---|
| | Entry Age 20 | Entry Age 30 | Entry Age 40 |
| 0 | 12.90% | 12.90% | 12.90% |
| 3 | 8.20 | 7.70 | 7.10 |
| 5 | 6.60 | 6.00 | 5.30 |
| 10 | 4.60 | 4.20 | 3.80 |
| 15 | 4.10 | 3.80 | 3.60 |
| 20 | 3.70 | 3.60 | 3.40 |
| 25 | 3.50 | 3.40 | 3.30 |
| 30 | 3.50 | 3.40 | 3.30 |

**Note:**

[1] Increase includes the assumed inflation rate of 2.75 percent per year.

# Exhibit D: Sample Non-Economic Assumptions

## State Miscellaneous First Tier | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[1] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.01040 | 0.05560 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.00940 | 0.05040 | N/A | N/A | 0.00050 | 0.00026 | 0.00020 | 0.00010 | N/A | N/A |
| 30 | 0.00840 | 0.04520 | N/A | N/A | 0.00053 | 0.00036 | 0.00030 | 0.00048 | N/A | N/A |
| 35 | 0.00750 | 0.04000 | N/A | N/A | 0.00067 | 0.00046 | 0.00050 | 0.00127 | N/A | N/A |
| 40 | 0.00650 | 0.03490 | N/A | N/A | 0.00087 | 0.00065 | 0.00120 | 0.00233 | N/A | N/A |
| 45 | 0.00550 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00220 | 0.00396 | N/A | N/A |
| 50 | 0.00460 | 0.00000 | 0.01100 | 0.02300 | 0.00176 | 0.00126 | 0.00380 | 0.00554 | N/A | N/A |
| 55 | 0.00360 | 0.00000 | 0.04800 | 0.10100 | 0.00260 | 0.00176 | 0.00400 | 0.00494 | N/A | N/A |
| 56 | 0.00340 | 0.00000 | 0.03800 | 0.08100 | 0.00287 | 0.00194 | 0.00380 | 0.00464 | N/A | N/A |
| 57 | 0.00320 | 0.00000 | 0.04800 | 0.10200 | 0.00314 | 0.00212 | 0.00350 | 0.00431 | N/A | N/A |
| 58 | 0.00300 | 0.00000 | 0.05000 | 0.10600 | 0.00341 | 0.00230 | 0.00320 | 0.00395 | N/A | N/A |
| 59 | 0.00280 | 0.00000 | 0.05900 | 0.12400 | 0.00368 | 0.00248 | 0.00290 | 0.00355 | N/A | N/A |
| 60 | 0.00260 | 0.00000 | 0.07000 | 0.14800 | 0.00395 | 0.00266 | 0.00260 | 0.00312 | N/A | N/A |
| 61 | 0.00240 | 0.00000 | 0.08700 | 0.18400 | 0.00437 | 0.00297 | 0.00230 | 0.00312 | N/A | N/A |
| 62 | 0.00220 | 0.00000 | 0.12500 | 0.26600 | 0.00480 | 0.00327 | 0.00210 | 0.00312 | N/A | N/A |
| 63 | 0.00200 | 0.00000 | 0.15000 | 0.31800 | 0.00523 | 0.00358 | 0.00190 | 0.00312 | N/A | N/A |
| 64 | 0.00190 | 0.00000 | 0.12400 | 0.26200 | 0.00565 | 0.00389 | 0.00170 | 0.00312 | N/A | N/A |
| 65 | 0.00170 | 0.00000 | 0.14500 | 0.30700 | 0.00608 | 0.00419 | 0.00150 | 0.00312 | N/A | N/A |
| 70 | 0.00070 | 0.00000 | 0.13400 | 0.28400 | 0.00914 | 0.00649 | 0.00150 | 0.00312 | N/A | N/A |

## State Miscellaneous Second Tier | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement[3] | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[1] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.08430 | 0.05890 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.07800 | 0.05260 | N/A | N/A | 0.00050 | 0.00026 | 0.00020 | 0.00010 | N/A | N/A |
| 30 | 0.07170 | 0.04630 | N/A | N/A | 0.00053 | 0.00036 | 0.00030 | 0.00048 | N/A | N/A |
| 35 | 0.06540 | 0.04000 | N/A | N/A | 0.00067 | 0.00046 | 0.00050 | 0.00127 | N/A | N/A |
| 40 | 0.05910 | 0.00000 | N/A | N/A | 0.00087 | 0.00065 | 0.00120 | 0.00233 | N/A | N/A |
| 45 | 0.05280 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00220 | 0.00396 | N/A | N/A |
| 50 | 0.04650 | 0.00000 | 0.01100 | 0.02300 | 0.00176 | 0.00126 | 0.00380 | 0.00554 | N/A | N/A |
| 55 | 0.04020 | 0.00000 | 0.04800 | 0.10100 | 0.00260 | 0.00176 | 0.00400 | 0.00494 | N/A | N/A |
| 56 | 0.03900 | 0.00000 | 0.03800 | 0.08100 | 0.00287 | 0.00194 | 0.00380 | 0.00464 | N/A | N/A |
| 57 | 0.03770 | 0.00000 | 0.04800 | 0.10200 | 0.00314 | 0.00212 | 0.00350 | 0.00431 | N/A | N/A |
| 58 | 0.03650 | 0.00000 | 0.05000 | 0.10600 | 0.00341 | 0.00230 | 0.00320 | 0.00395 | N/A | N/A |
| 59 | 0.03520 | 0.00000 | 0.05900 | 0.12400 | 0.00368 | 0.00248 | 0.00290 | 0.00355 | N/A | N/A |
| 60 | 0.03390 | 0.00000 | 0.07000 | 0.14800 | 0.00395 | 0.00266 | 0.00260 | 0.00312 | N/A | N/A |
| 61 | 0.03270 | 0.00000 | 0.08700 | 0.18400 | 0.00437 | 0.00297 | 0.00230 | 0.00312 | N/A | N/A |
| 62 | 0.03140 | 0.00000 | 0.12500 | 0.26600 | 0.00480 | 0.00327 | 0.00210 | 0.00312 | N/A | N/A |
| 63 | 0.03020 | 0.00000 | 0.15000 | 0.31800 | 0.00523 | 0.00358 | 0.00190 | 0.00312 | N/A | N/A |
| 64 | 0.02890 | 0.00000 | 0.12400 | 0.26200 | 0.00565 | 0.00389 | 0.00170 | 0.00312 | N/A | N/A |
| 65 | 0.02770 | 0.00000 | 0.14500 | 0.30700 | 0.00608 | 0.00419 | 0.00150 | 0.00312 | N/A | N/A |
| 70 | 0.02140 | 0.00000 | 0.13400 | 0.28400 | 0.00914 | 0.00649 | 0.00150 | 0.00312 | N/A | N/A |

**Notes:**

1 Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

2 Years of service.

3 State Miscellaneous Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. The assumption is that all Tier 2 members will elect to convert to Tier 1 service.

## California Highway Patrol | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.01290 | 20 | 0.00930 | N/A | N/A | 0.00047 | 0.00016 | 0.00014 | 0.00003 | 0.00104 |
| 1 | 0.01240 | 25 | 0.00930 | N/A | N/A | 0.00050 | 0.00026 | 0.00014 | 0.00007 | 0.00196 |
| 2 | 0.01210 | 30 | 0.00930 | N/A | N/A | 0.00053 | 0.00036 | 0.00014 | 0.00010 | 0.00288 |
| 3 | 0.01160 | 35 | 0.00930 | N/A | N/A | 0.00067 | 0.00046 | 0.00014 | 0.00012 | 0.00380 |
| 4 | 0.01130 | 40 | 0.00930 | N/A | N/A | 0.00087 | 0.00065 | 0.00014 | 0.00013 | 0.00483 |
| 5 | 0.00400 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00028 | 0.00014 | 0.00575 |
| 6 | 0.00380 | 50 | 0.00000 | 0.00440 | 0.01320 | 0.00176 | 0.00126 | 0.00028 | 0.00015 | 0.00667 |
| 7 | 0.00360 | 55 | 0.00000 | 0.02800 | 0.08400 | 0.00260 | 0.00176 | 0.00028 | 0.00016 | 0.11890 |
| 8 | 0.00340 | 56 | 0.00000 | 0.02710 | 0.08130 | 0.00287 | 0.00194 | 0.00028 | 0.00016 | 0.11890 |
| 9 | 0.00310 | 57 | 0.00000 | 0.02990 | 0.08970 | 0.00314 | 0.00212 | 0.00028 | 0.00016 | 0.11890 |
| 10 | 0.00290 | 58 | 0.00000 | 0.02990 | 0.06860 | 0.00341 | 0.00230 | 0.00028 | 0.00017 | 0.11890 |
| 15 | 0.00190 | 59 | 0.00000 | 0.04530 | 0.13580 | 0.00368 | 0.00248 | 0.00028 | 0.00017 | 0.11890 |
| 20 | 0.00110 | 60 | 0.00000 | 1.00000 | 1.00000 | 0.00395 | 0.00266 | 0.00028 | 0.00017 | 0.11890 |
| 25 | 0.00060 | 61 | 0.00000 | 1.00000 | 1.00000 | 0.00437 | 0.00297 | 0.00028 | 0.00017 | 0.11890 |
| 30 | 0.00030 | 62 | 0.00000 | 1.00000 | 1.00000 | 0.00480 | 0.00327 | 0.00028 | 0.00017 | 0.11890 |
| 35 | 0.00030 | 63 | 0.00000 | 1.00000 | 1.00000 | 0.00523 | 0.00358 | 0.00028 | 0.00018 | 0.11890 |
| 40 | 0.00030 | 64 | 0.00000 | 1.00000 | 1.00000 | 0.00565 | 0.00389 | 0.00028 | 0.00018 | 0.11890 |
| 45 | 0.00030 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00028 | 0.00018 | 0.11890 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00028 | 0.00019 | 0.11890 |

## School | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[3] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.02780 | 0.08160 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.02490 | 0.07330 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00010 | N/A | N/A |
| 30 | 0.02210 | 0.06490 | N/A | N/A | 0.00053 | 0.00036 | 0.00018 | 0.00010 | N/A | N/A |
| 35 | 0.01920 | 0.05660 | N/A | N/A | 0.00067 | 0.00046 | 0.00064 | 0.00038 | N/A | N/A |
| 40 | 0.01640 | 0.04820 | N/A | N/A | 0.00087 | 0.00065 | 0.00136 | 0.00094 | N/A | N/A |
| 45 | 0.01350 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00283 | 0.00171 | N/A | N/A |
| 50 | 0.01070 | 0.00000 | 0.00900 | 0.01600 | 0.00176 | 0.00126 | 0.00439 | 0.00299 | N/A | N/A |
| 55 | 0.00780 | 0.00000 | 0.04800 | 0.08800 | 0.00260 | 0.00176 | 0.00489 | 0.00335 | N/A | N/A |
| 56 | 0.00730 | 0.00000 | 0.03900 | 0.07200 | 0.00287 | 0.00194 | 0.00484 | 0.00323 | N/A | N/A |
| 57 | 0.00670 | 0.00000 | 0.04200 | 0.07800 | 0.00314 | 0.00212 | 0.00474 | 0.00305 | N/A | N/A |
| 58 | 0.00620 | 0.00000 | 0.05000 | 0.09200 | 0.00341 | 0.00230 | 0.00459 | 0.00283 | N/A | N/A |
| 59 | 0.00560 | 0.00000 | 0.05700 | 0.10500 | 0.00368 | 0.00248 | 0.00441 | 0.00260 | N/A | N/A |
| 60 | 0.00500 | 0.00000 | 0.07300 | 0.13400 | 0.00395 | 0.00266 | 0.00425 | 0.00239 | N/A | N/A |
| 61 | 0.00450 | 0.00000 | 0.09000 | 0.16600 | 0.00437 | 0.00297 | 0.00410 | 0.00219 | N/A | N/A |
| 62 | 0.00390 | 0.00000 | 0.15100 | 0.27800 | 0.00480 | 0.00327 | 0.00398 | 0.00201 | N/A | N/A |
| 63 | 0.00330 | 0.00000 | 0.13600 | 0.25100 | 0.00523 | 0.00358 | 0.00388 | 0.00182 | N/A | N/A |
| 64 | 0.00270 | 0.00000 | 0.13300 | 0.24400 | 0.00565 | 0.00389 | 0.00382 | 0.00164 | N/A | N/A |
| 65 | 0.00220 | 0.00000 | 0.18000 | 0.33100 | 0.00608 | 0.00419 | 0.00378 | 0.00146 | N/A | N/A |
| 70 | 0.00030 | 0.00000 | 0.13100 | 0.24100 | 0.00914 | 0.00649 | 0.00395 | 0.00075 | N/A | N/A |

**Notes:**

1 Years of service.

2 Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

3 Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

## State Safety | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.13130 | 20 | 0.03690 | N/A | N/A | 0.00047 | 0.00016 | 0.00036 | 0.00003 | 0.00024 |
| 1 | 0.09670 | 25 | 0.03690 | N/A | N/A | 0.00050 | 0.00026 | 0.00054 | 0.00007 | 0.00108 |
| 2 | 0.06220 | 30 | 0.03690 | N/A | N/A | 0.00053 | 0.00036 | 0.00063 | 0.00010 | 0.00216 |
| 3 | 0.04610 | 35 | 0.03690 | N/A | N/A | 0.00067 | 0.00046 | 0.00072 | 0.00012 | 0.00324 |
| 4 | 0.03740 | 40 | 0.03690 | N/A | N/A | 0.00087 | 0.00065 | 0.00072 | 0.00013 | 0.00432 |
| 5 | 0.00800 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00108 | 0.00014 | 0.00528 |
| 6 | 0.00750 | 50 | 0.00000 | 0.02100 | 0.03700 | 0.00176 | 0.00126 | 0.00216 | 0.00015 | 0.00636 |
| 7 | 0.00710 | 55 | 0.00000 | 0.07000 | 0.12400 | 0.00260 | 0.00176 | 0.00306 | 0.00016 | 0.00960 |
| 8 | 0.00660 | 56 | 0.00000 | 0.06400 | 0.11300 | 0.00287 | 0.00194 | 0.00324 | 0.00016 | 0.00960 |
| 9 | 0.00620 | 57 | 0.00000 | 0.05800 | 0.10300 | 0.00314 | 0.00212 | 0.00342 | 0.00016 | 0.00960 |
| 10 | 0.00580 | 58 | 0.00000 | 0.06800 | 0.12000 | 0.00341 | 0.00230 | 0.00351 | 0.00017 | 0.00960 |
| 15 | 0.00390 | 59 | 0.00000 | 0.06700 | 0.11800 | 0.00368 | 0.00248 | 0.00369 | 0.00017 | 0.00960 |
| 20 | 0.00250 | 60 | 0.00000 | 0.07200 | 0.12800 | 0.00395 | 0.00266 | 0.00387 | 0.00017 | 0.00960 |
| 25 | 0.00130 | 61 | 0.00000 | 0.09600 | 0.17000 | 0.00437 | 0.00297 | 0.00396 | 0.00017 | 0.00960 |
| 30 | 0.00090 | 62 | 0.00000 | 0.11700 | 0.20800 | 0.00480 | 0.00327 | 0.00414 | 0.00017 | 0.00960 |
| 35 | 0.00090 | 63 | 0.00000 | 0.11100 | 0.19700 | 0.00523 | 0.00358 | 0.00432 | 0.00018 | 0.00960 |
| 40 | 0.00090 | 64 | 0.00000 | 0.12000 | 0.21300 | 0.00565 | 0.00389 | 0.00441 | 0.00018 | 0.00960 |
| 45 | 0.00090 | 65 | 0.00000 | 0.16000 | 0.28400 | 0.00608 | 0.00419 | 0.00459 | 0.00018 | 0.00960 |
| 50 | 0.00000 | 70 | 0.00000 | 0.14400 | 0.25500 | 0.00914 | 0.00649 | 0.00459 | 0.00019 | 0.00960 |

## State Peace Officer/Firefighter | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.12170 | 20 | 0.01730 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00030 |
| 1 | 0.07790 | 25 | 0.01730 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00150 |
| 2 | 0.04310 | 30 | 0.01730 | N/A | N/A | 0.00053 | 0.00036 | 0.00010 | 0.00010 | 0.00300 |
| 3 | 0.03530 | 35 | 0.01730 | N/A | N/A | 0.00067 | 0.00046 | 0.00020 | 0.00012 | 0.00450 |
| 4 | 0.02750 | 40 | 0.01730 | N/A | N/A | 0.00087 | 0.00065 | 0.00040 | 0.00013 | 0.00600 |
| 5 | 0.00560 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00060 | 0.00014 | 0.00750 |
| 6 | 0.00520 | 50 | 0.00000 | 0.02000 | 0.05200 | 0.00176 | 0.00126 | 0.00098 | 0.00015 | 0.00900 |
| 7 | 0.00490 | 55 | 0.00000 | 0.07800 | 0.20200 | 0.00260 | 0.00176 | 0.00143 | 0.00016 | 0.02080 |
| 8 | 0.00460 | 56 | 0.00000 | 0.07000 | 0.18100 | 0.00287 | 0.00194 | 0.00150 | 0.00016 | 0.02080 |
| 9 | 0.00420 | 57 | 0.00000 | 0.05800 | 0.15100 | 0.00314 | 0.00212 | 0.00158 | 0.00016 | 0.02080 |
| 10 | 0.00390 | 58 | 0.00000 | 0.06600 | 0.17000 | 0.00341 | 0.00230 | 0.00165 | 0.00017 | 0.02080 |
| 15 | 0.00250 | 59 | 0.00000 | 0.06300 | 0.16200 | 0.00368 | 0.00248 | 0.00180 | 0.00017 | 0.02080 |
| 20 | 0.00150 | 60 | 0.00000 | 0.06700 | 0.17400 | 0.00395 | 0.00266 | 0.00188 | 0.00017 | 0.02080 |
| 25 | 0.00060 | 61 | 0.00000 | 0.07000 | 0.18200 | 0.00437 | 0.00297 | 0.00195 | 0.00017 | 0.02080 |
| 30 | 0.00030 | 62 | 0.00000 | 0.11600 | 0.30100 | 0.00480 | 0.00327 | 0.00203 | 0.00017 | 0.02080 |
| 35 | 0.00030 | 63 | 0.00000 | 0.10700 | 0.27700 | 0.00523 | 0.00358 | 0.00218 | 0.00018 | 0.02080 |
| 40 | 0.00030 | 64 | 0.00000 | 0.13700 | 0.35500 | 0.00565 | 0.00389 | 0.00225 | 0.00018 | 0.02080 |
| 45 | 0.00030 | 65 | 0.00000 | 0.13200 | 0.34100 | 0.00608 | 0.00419 | 0.00233 | 0.00018 | 0.02080 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00233 | 0.00019 | 0.02080 |

**Notes:**

[1] Years of service.

[2] Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

## Public Agency 2% at 55 Miscellaneous | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[1] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.02120 | 0.06560 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.01930 | 0.05970 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00010 | N/A | N/A |
| 30 | 0.01740 | 0.05370 | N/A | N/A | 0.00053 | 0.00036 | 0.00021 | 0.00020 | N/A | N/A |
| 35 | 0.01550 | 0.04770 | N/A | N/A | 0.00067 | 0.00046 | 0.00063 | 0.00088 | N/A | N/A |
| 40 | 0.01360 | 0.04180 | N/A | N/A | 0.00087 | 0.00065 | 0.00145 | 0.00164 | N/A | N/A |
| 45 | 0.01160 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00252 | 0.00243 | N/A | N/A |
| 50 | 0.00970 | 0.00000 | 0.02000 | 0.03300 | 0.00176 | 0.00126 | 0.00331 | 0.00311 | N/A | N/A |
| 55 | 0.00780 | 0.00000 | 0.06400 | 0.10700 | 0.00260 | 0.00176 | 0.00366 | 0.00306 | N/A | N/A |
| 56 | 0.00740 | 0.00000 | 0.05700 | 0.09500 | 0.00287 | 0.00194 | 0.00371 | 0.00297 | N/A | N/A |
| 57 | 0.00700 | 0.00000 | 0.06100 | 0.10200 | 0.00314 | 0.00212 | 0.00375 | 0.00286 | N/A | N/A |
| 58 | 0.00660 | 0.00000 | 0.06600 | 0.11000 | 0.00341 | 0.00230 | 0.00378 | 0.00276 | N/A | N/A |
| 59 | 0.00620 | 0.00000 | 0.07600 | 0.12700 | 0.00368 | 0.00248 | 0.00379 | 0.00264 | N/A | N/A |
| 60 | 0.00590 | 0.00000 | 0.09200 | 0.15300 | 0.00395 | 0.00266 | 0.00377 | 0.00253 | N/A | N/A |
| 61 | 0.00550 | 0.00000 | 0.11300 | 0.18800 | 0.00437 | 0.00297 | 0.00373 | 0.00242 | N/A | N/A |
| 62 | 0.00510 | 0.00000 | 0.16200 | 0.27000 | 0.00480 | 0.00327 | 0.00366 | 0.00232 | N/A | N/A |
| 63 | 0.00470 | 0.00000 | 0.16400 | 0.27300 | 0.00523 | 0.00358 | 0.00356 | 0.00222 | N/A | N/A |
| 64 | 0.00440 | 0.00000 | 0.14800 | 0.24700 | 0.00565 | 0.00389 | 0.00342 | 0.00212 | N/A | N/A |
| 65 | 0.00390 | 0.00000 | 0.22100 | 0.36900 | 0.00608 | 0.00419 | 0.00325 | 0.00202 | N/A | N/A |
| 70 | 0.00200 | 0.00000 | 0.17600 | 0.29300 | 0.00914 | 0.00649 | 0.00279 | 0.00182 | N/A | N/A |

## Public Agency 2.5% at 55 Miscellaneous | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[1] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.02120 | 0.06560 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.01930 | 0.05970 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00010 | N/A | N/A |
| 30 | 0.01740 | 0.05370 | N/A | N/A | 0.00053 | 0.00036 | 0.00021 | 0.00020 | N/A | N/A |
| 35 | 0.01550 | 0.04770 | N/A | N/A | 0.00067 | 0.00046 | 0.00063 | 0.00088 | N/A | N/A |
| 40 | 0.01360 | 0.04180 | N/A | N/A | 0.00087 | 0.00065 | 0.00145 | 0.00164 | N/A | N/A |
| 45 | 0.01160 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00252 | 0.00243 | N/A | N/A |
| 50 | 0.00970 | 0.00000 | 0.03330 | 0.05460 | 0.00176 | 0.00126 | 0.00331 | 0.00311 | N/A | N/A |
| 55 | 0.00780 | 0.00000 | 0.11200 | 0.18400 | 0.00260 | 0.00176 | 0.00366 | 0.00306 | N/A | N/A |
| 56 | 0.00740 | 0.00000 | 0.07000 | 0.11500 | 0.00287 | 0.00194 | 0.00371 | 0.00297 | N/A | N/A |
| 57 | 0.00700 | 0.00000 | 0.07700 | 0.12650 | 0.00314 | 0.00212 | 0.00375 | 0.00286 | N/A | N/A |
| 58 | 0.00660 | 0.00000 | 0.09100 | 0.14950 | 0.00341 | 0.00230 | 0.00378 | 0.00276 | N/A | N/A |
| 59 | 0.00620 | 0.00000 | 0.10500 | 0.17250 | 0.00368 | 0.00248 | 0.00379 | 0.00264 | N/A | N/A |
| 60 | 0.00590 | 0.00000 | 0.11200 | 0.18400 | 0.00395 | 0.00266 | 0.00377 | 0.00253 | N/A | N/A |
| 61 | 0.00550 | 0.00000 | 0.10500 | 0.17250 | 0.00437 | 0.00297 | 0.00373 | 0.00242 | N/A | N/A |
| 62 | 0.00510 | 0.00000 | 0.15400 | 0.25300 | 0.00480 | 0.00327 | 0.00366 | 0.00232 | N/A | N/A |
| 63 | 0.00470 | 0.00000 | 0.13300 | 0.21850 | 0.00523 | 0.00358 | 0.00356 | 0.00222 | N/A | N/A |
| 64 | 0.00440 | 0.00000 | 0.13300 | 0.21850 | 0.00565 | 0.00389 | 0.00342 | 0.00212 | N/A | N/A |
| 65 | 0.00390 | 0.00000 | 0.18200 | 0.29900 | 0.00608 | 0.00419 | 0.00325 | 0.00202 | N/A | N/A |
| 70 | 0.00200 | 0.00000 | 0.15960 | 0.26220 | 0.00914 | 0.00649 | 0.00279 | 0.00182 | N/A | N/A |

**Notes:**

1 Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

2 Years of service.

## Public Agency 2.7% at 55 Miscellaneous | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[1] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.02120 | 0.06560 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.01930 | 0.05970 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00010 | N/A | N/A |
| 30 | 0.01740 | 0.05370 | N/A | N/A | 0.00053 | 0.00036 | 0.00021 | 0.00020 | N/A | N/A |
| 35 | 0.01550 | 0.04770 | N/A | N/A | 0.00067 | 0.00046 | 0.00063 | 0.00088 | N/A | N/A |
| 40 | 0.01360 | 0.04180 | N/A | N/A | 0.00087 | 0.00065 | 0.00145 | 0.00164 | N/A | N/A |
| 45 | 0.01160 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00252 | 0.00243 | N/A | N/A |
| 50 | 0.00970 | 0.00000 | 0.03500 | 0.05750 | 0.00176 | 0.00126 | 0.00331 | 0.00311 | N/A | N/A |
| 55 | 0.00780 | 0.00000 | 0.11550 | 0.18980 | 0.00260 | 0.00176 | 0.00366 | 0.00306 | N/A | N/A |
| 56 | 0.00740 | 0.00000 | 0.07700 | 0.12650 | 0.00287 | 0.00194 | 0.00371 | 0.00297 | N/A | N/A |
| 57 | 0.00700 | 0.00000 | 0.08050 | 0.13230 | 0.00314 | 0.00212 | 0.00375 | 0.00286 | N/A | N/A |
| 58 | 0.00660 | 0.00000 | 0.09450 | 0.15530 | 0.00341 | 0.00230 | 0.00378 | 0.00276 | N/A | N/A |
| 59 | 0.00620 | 0.00000 | 0.10500 | 0.17250 | 0.00368 | 0.00248 | 0.00379 | 0.00264 | N/A | N/A |
| 60 | 0.00590 | 0.00000 | 0.11200 | 0.18400 | 0.00395 | 0.00266 | 0.00377 | 0.00253 | N/A | N/A |
| 61 | 0.00550 | 0.00000 | 0.10850 | 0.17830 | 0.00437 | 0.00297 | 0.00373 | 0.00242 | N/A | N/A |
| 62 | 0.00510 | 0.00000 | 0.15750 | 0.25880 | 0.00480 | 0.00327 | 0.00366 | 0.00232 | N/A | N/A |
| 63 | 0.00470 | 0.00000 | 0.13650 | 0.22430 | 0.00523 | 0.00358 | 0.00356 | 0.00222 | N/A | N/A |
| 64 | 0.00440 | 0.00000 | 0.13650 | 0.22430 | 0.00565 | 0.00389 | 0.00342 | 0.00212 | N/A | N/A |
| 65 | 0.00390 | 0.00000 | 0.18550 | 0.30480 | 0.00608 | 0.00419 | 0.00325 | 0.00202 | N/A | N/A |
| 70 | 0.00200 | 0.00000 | 0.16380 | 0.26916 | 0.00914 | 0.00649 | 0.00279 | 0.00182 | N/A | N/A |

## Public Agency 3% at 60 Miscellaneous | Probability of an active member leaving due to:

| | Termination with Refund | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| AGE[1] | 5 Years[2] | 5 Years[2] | 10 Years[2] | 25 Years[2] | Male | Female | Male | Female | Male & Female | Male & Female |
| 20 | 0.02120 | 0.06560 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00010 | N/A | N/A |
| 25 | 0.01930 | 0.05970 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00010 | N/A | N/A |
| 30 | 0.01740 | 0.05370 | N/A | N/A | 0.00053 | 0.00036 | 0.00021 | 0.00020 | N/A | N/A |
| 35 | 0.01550 | 0.04770 | N/A | N/A | 0.00067 | 0.00046 | 0.00063 | 0.00088 | N/A | N/A |
| 40 | 0.01360 | 0.04180 | N/A | N/A | 0.00087 | 0.00065 | 0.00145 | 0.00164 | N/A | N/A |
| 45 | 0.01160 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00252 | 0.00243 | N/A | N/A |
| 50 | 0.00970 | 0.00000 | 0.03330 | 0.05460 | 0.00176 | 0.00126 | 0.00331 | 0.00311 | N/A | N/A |
| 55 | 0.00780 | 0.00000 | 0.10500 | 0.17250 | 0.00260 | 0.00176 | 0.00366 | 0.00306 | N/A | N/A |
| 56 | 0.00740 | 0.00000 | 0.07000 | 0.11500 | 0.00287 | 0.00194 | 0.00371 | 0.00297 | N/A | N/A |
| 57 | 0.00700 | 0.00000 | 0.07700 | 0.12650 | 0.00314 | 0.00212 | 0.00375 | 0.00286 | N/A | N/A |
| 58 | 0.00660 | 0.00000 | 0.09100 | 0.14950 | 0.00341 | 0.00230 | 0.00378 | 0.00276 | N/A | N/A |
| 59 | 0.00620 | 0.00000 | 0.10150 | 0.16680 | 0.00368 | 0.00248 | 0.00379 | 0.00264 | N/A | N/A |
| 60 | 0.00590 | 0.00000 | 0.11900 | 0.19550 | 0.00395 | 0.00266 | 0.00377 | 0.00253 | N/A | N/A |
| 61 | 0.00550 | 0.00000 | 0.11200 | 0.18400 | 0.00437 | 0.00297 | 0.00373 | 0.00242 | N/A | N/A |
| 62 | 0.00510 | 0.00000 | 0.16100 | 0.26450 | 0.00480 | 0.00327 | 0.00366 | 0.00232 | N/A | N/A |
| 63 | 0.00470 | 0.00000 | 0.14000 | 0.23000 | 0.00523 | 0.00358 | 0.00356 | 0.00222 | N/A | N/A |
| 64 | 0.00440 | 0.00000 | 0.14000 | 0.23000 | 0.00565 | 0.00389 | 0.00342 | 0.00212 | N/A | N/A |
| 65 | 0.00390 | 0.00000 | 0.18900 | 0.31050 | 0.00608 | 0.00419 | 0.00325 | 0.00202 | N/A | N/A |
| 70 | 0.00200 | 0.00000 | 0.16800 | 0.27600 | 0.00914 | 0.00649 | 0.00279 | 0.00182 | N/A | N/A |

**Notes:**

1 Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

2 Years of service.

## Public Agency 2% at 50 Police | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.10130 | 20 | 0.01630 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00069 |
| 1 | 0.06360 | 25 | 0.01630 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00322 |
| 2 | 0.02710 | 30 | 0.01630 | N/A | N/A | 0.00053 | 0.00036 | 0.00020 | 0.00010 | 0.00644 |
| 3 | 0.02580 | 35 | 0.01630 | N/A | N/A | 0.00067 | 0.00046 | 0.00030 | 0.00012 | 0.00966 |
| 4 | 0.02450 | 40 | 0.01630 | N/A | N/A | 0.00087 | 0.00065 | 0.00040 | 0.00013 | 0.01288 |
| 5 | 0.00860 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00050 | 0.00014 | 0.01610 |
| 6 | 0.00790 | 50 | 0.00000 | 0.01380 | 0.02530 | 0.00176 | 0.00126 | 0.00080 | 0.00015 | 0.01921 |
| 7 | 0.00720 | 55 | 0.00000 | 0.08990 | 0.16450 | 0.00260 | 0.00176 | 0.00130 | 0.00016 | 0.06682 |
| 8 | 0.00660 | 56 | 0.00000 | 0.06380 | 0.11660 | 0.00287 | 0.00194 | 0.00150 | 0.00016 | 0.06682 |
| 9 | 0.00590 | 57 | 0.00000 | 0.07110 | 0.13000 | 0.00314 | 0.00212 | 0.00160 | 0.00016 | 0.06682 |
| 10 | 0.00530 | 58 | 0.00000 | 0.06280 | 0.11490 | 0.00341 | 0.00230 | 0.00180 | 0.00017 | 0.06682 |
| 15 | 0.00270 | 59 | 0.00000 | 0.13960 | 0.17350 | 0.00368 | 0.00248 | 0.00200 | 0.00017 | 0.06682 |
| 20 | 0.00170 | 60 | 0.00000 | 0.13960 | 0.17190 | 0.00395 | 0.00266 | 0.00200 | 0.00017 | 0.06682 |
| 25 | 0.00120 | 61 | 0.00000 | 0.13960 | 0.17190 | 0.00437 | 0.00297 | 0.00200 | 0.00017 | 0.06682 |
| 30 | 0.00090 | 62 | 0.00000 | 0.13960 | 0.17190 | 0.00480 | 0.00327 | 0.00200 | 0.00017 | 0.06682 |
| 35 | 0.00090 | 63 | 0.00000 | 0.13960 | 0.17190 | 0.00523 | 0.00358 | 0.00200 | 0.00018 | 0.06682 |
| 40 | 0.00090 | 64 | 0.00000 | 0.13960 | 0.17190 | 0.00565 | 0.00389 | 0.00200 | 0.00018 | 0.06682 |
| 45 | 0.00090 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00200 | 0.00018 | 0.06682 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00200 | 0.00019 | 0.06682 |

## Public Agency 2% at 50 Fire | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.07100 | 20 | 0.01620 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00024 |
| 1 | 0.05540 | 25 | 0.01620 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00120 |
| 2 | 0.03980 | 30 | 0.01620 | N/A | N/A | 0.00053 | 0.00036 | 0.00010 | 0.00010 | 0.00252 |
| 3 | 0.02420 | 35 | 0.01620 | N/A | N/A | 0.00067 | 0.00046 | 0.00010 | 0.00012 | 0.00372 |
| 4 | 0.02180 | 40 | 0.01620 | N/A | N/A | 0.00087 | 0.00065 | 0.00010 | 0.00013 | 0.00492 |
| 5 | 0.00290 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00020 | 0.00014 | 0.00612 |
| 6 | 0.00240 | 50 | 0.00000 | 0.00650 | 0.01010 | 0.00176 | 0.00126 | 0.00050 | 0.00015 | 0.00744 |
| 7 | 0.00200 | 55 | 0.00000 | 0.08680 | 0.13360 | 0.00260 | 0.00176 | 0.00100 | 0.00016 | 0.07212 |
| 8 | 0.00160 | 56 | 0.00000 | 0.07790 | 0.12000 | 0.00287 | 0.00194 | 0.00110 | 0.00016 | 0.07212 |
| 9 | 0.00120 | 57 | 0.00000 | 0.09010 | 0.13870 | 0.00314 | 0.00212 | 0.00130 | 0.00016 | 0.07212 |
| 10 | 0.00090 | 58 | 0.00000 | 0.07900 | 0.12170 | 0.00341 | 0.00230 | 0.00150 | 0.00017 | 0.07212 |
| 15 | 0.00060 | 59 | 0.00000 | 0.07290 | 0.11230 | 0.00368 | 0.00248 | 0.00150 | 0.00017 | 0.07212 |
| 20 | 0.00050 | 60 | 0.00000 | 0.11350 | 0.17470 | 0.00395 | 0.00266 | 0.00150 | 0.00017 | 0.07212 |
| 25 | 0.00030 | 61 | 0.00000 | 0.11360 | 0.17490 | 0.00437 | 0.00297 | 0.00150 | 0.00017 | 0.07212 |
| 30 | 0.00030 | 62 | 0.00000 | 0.11360 | 0.17490 | 0.00480 | 0.00327 | 0.00150 | 0.00017 | 0.07212 |
| 35 | 0.00030 | 63 | 0.00000 | 0.11360 | 0.17490 | 0.00523 | 0.00358 | 0.00150 | 0.00018 | 0.07212 |
| 40 | 0.00030 | 64 | 0.00000 | 0.11360 | 0.17490 | 0.00565 | 0.00389 | 0.00150 | 0.00018 | 0.07212 |
| 45 | 0.00030 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00150 | 0.00018 | 0.07212 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00150 | 0.00019 | 0.07212 |

**Notes:**

[1] Years of service.

[2] Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

## Public Agency 3% at 50 Police | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.10130 | 20 | 0.01630 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00069 |
| 1 | 0.06360 | 25 | 0.01630 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00322 |
| 2 | 0.02710 | 30 | 0.01630 | N/A | N/A | 0.00053 | 0.00036 | 0.00020 | 0.00010 | 0.00644 |
| 3 | 0.02580 | 35 | 0.01630 | N/A | N/A | 0.00067 | 0.00046 | 0.00030 | 0.00012 | 0.00966 |
| 4 | 0.02450 | 40 | 0.01630 | N/A | N/A | 0.00087 | 0.00065 | 0.00040 | 0.00013 | 0.01288 |
| 5 | 0.00860 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00050 | 0.00014 | 0.01610 |
| 6 | 0.00790 | 50 | 0.00000 | 0.07000 | 0.19300 | 0.00176 | 0.00126 | 0.00080 | 0.00015 | 0.01921 |
| 7 | 0.00720 | 55 | 0.00000 | 0.09000 | 0.25000 | 0.00260 | 0.00176 | 0.00130 | 0.00016 | 0.06682 |
| 8 | 0.00660 | 56 | 0.00000 | 0.06900 | 0.19100 | 0.00287 | 0.00194 | 0.00150 | 0.00016 | 0.06682 |
| 9 | 0.00590 | 57 | 0.00000 | 0.08000 | 0.22300 | 0.00314 | 0.00212 | 0.00160 | 0.00016 | 0.06682 |
| 10 | 0.00530 | 58 | 0.00000 | 0.08700 | 0.24200 | 0.00341 | 0.00230 | 0.00180 | 0.00017 | 0.06682 |
| 15 | 0.00270 | 59 | 0.00000 | 0.09000 | 0.25100 | 0.00368 | 0.00248 | 0.00200 | 0.00017 | 0.06682 |
| 20 | 0.00170 | 60 | 0.00000 | 0.13500 | 0.37650 | 0.00395 | 0.00266 | 0.00200 | 0.00017 | 0.06682 |
| 25 | 0.00120 | 61 | 0.00000 | 0.09000 | 0.25100 | 0.00437 | 0.00297 | 0.00200 | 0.00017 | 0.06682 |
| 30 | 0.00090 | 62 | 0.00000 | 0.11250 | 0.31375 | 0.00480 | 0.00327 | 0.00200 | 0.00017 | 0.06682 |
| 35 | 0.00090 | 63 | 0.00000 | 0.09000 | 0.25100 | 0.00523 | 0.00358 | 0.00200 | 0.00018 | 0.06682 |
| 40 | 0.00090 | 64 | 0.00000 | 0.09000 | 0.25100 | 0.00565 | 0.00389 | 0.00200 | 0.00018 | 0.06682 |
| 45 | 0.00090 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00200 | 0.00018 | 0.06682 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00200 | 0.00019 | 0.06682 |

## Public Agency 3% at 50 Fire | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.07100 | 20 | 0.01620 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00024 |
| 1 | 0.05540 | 25 | 0.01620 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00120 |
| 2 | 0.03980 | 30 | 0.01620 | N/A | N/A | 0.00053 | 0.00036 | 0.00010 | 0.00010 | 0.00252 |
| 3 | 0.02420 | 35 | 0.01620 | N/A | N/A | 0.00067 | 0.00046 | 0.00010 | 0.00012 | 0.00372 |
| 4 | 0.02180 | 40 | 0.01620 | N/A | N/A | 0.00087 | 0.00065 | 0.00010 | 0.00013 | 0.00492 |
| 5 | 0.00290 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00020 | 0.00014 | 0.00612 |
| 6 | 0.00240 | 50 | 0.00000 | 0.03400 | 0.06800 | 0.00176 | 0.00126 | 0.00050 | 0.00015 | 0.00744 |
| 7 | 0.00200 | 55 | 0.00000 | 0.12700 | 0.25200 | 0.00260 | 0.00176 | 0.00100 | 0.00016 | 0.07212 |
| 8 | 0.00160 | 56 | 0.00000 | 0.12100 | 0.24100 | 0.00287 | 0.00194 | 0.00110 | 0.00016 | 0.07212 |
| 9 | 0.00120 | 57 | 0.00000 | 0.10100 | 0.20100 | 0.00314 | 0.00212 | 0.00130 | 0.00016 | 0.07212 |
| 10 | 0.00090 | 58 | 0.00000 | 0.11800 | 0.23500 | 0.00341 | 0.00230 | 0.00150 | 0.00017 | 0.07212 |
| 15 | 0.00060 | 59 | 0.00000 | 0.10000 | 0.19900 | 0.00368 | 0.00248 | 0.00150 | 0.00017 | 0.07212 |
| 20 | 0.00050 | 60 | 0.00000 | 0.15000 | 0.29850 | 0.00395 | 0.00266 | 0.00150 | 0.00017 | 0.07212 |
| 25 | 0.00030 | 61 | 0.00000 | 0.10000 | 0.19900 | 0.00437 | 0.00297 | 0.00150 | 0.00017 | 0.07212 |
| 30 | 0.00030 | 62 | 0.00000 | 0.12500 | 0.24875 | 0.00480 | 0.00327 | 0.00150 | 0.00017 | 0.07212 |
| 35 | 0.00030 | 63 | 0.00000 | 0.10000 | 0.19900 | 0.00523 | 0.00358 | 0.00150 | 0.00018 | 0.07212 |
| 40 | 0.00030 | 64 | 0.00000 | 0.10000 | 0.19900 | 0.00565 | 0.00389 | 0.00150 | 0.00018 | 0.07212 |
| 45 | 0.00030 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00150 | 0.00018 | 0.07212 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00150 | 0.00019 | 0.07212 |

**Notes:**

[1] Years of service.

[2] Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

## Public Agency 3% at 55 Police | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.10130 | 20 | 0.01630 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00069 |
| 1 | 0.06360 | 25 | 0.01630 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00322 |
| 2 | 0.02710 | 30 | 0.01630 | N/A | N/A | 0.00053 | 0.00036 | 0.00020 | 0.00010 | 0.00644 |
| 3 | 0.02580 | 35 | 0.01630 | N/A | N/A | 0.00067 | 0.00046 | 0.00030 | 0.00012 | 0.00966 |
| 4 | 0.02450 | 40 | 0.01630 | N/A | N/A | 0.00087 | 0.00065 | 0.00040 | 0.00013 | 0.01288 |
| 5 | 0.00860 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00050 | 0.00014 | 0.01610 |
| 6 | 0.00790 | 50 | 0.00000 | 0.01900 | 0.04000 | 0.00176 | 0.00126 | 0.00080 | 0.00015 | 0.01921 |
| 7 | 0.00720 | 55 | 0.00000 | 0.11600 | 0.24000 | 0.00260 | 0.00176 | 0.00130 | 0.00016 | 0.06682 |
| 8 | 0.00660 | 56 | 0.00000 | 0.07600 | 0.15600 | 0.00287 | 0.00194 | 0.00150 | 0.00016 | 0.06682 |
| 9 | 0.00590 | 57 | 0.00000 | 0.05800 | 0.12000 | 0.00314 | 0.00212 | 0.00160 | 0.00016 | 0.06682 |
| 10 | 0.00530 | 58 | 0.00000 | 0.07600 | 0.15700 | 0.00341 | 0.00230 | 0.00180 | 0.00017 | 0.06682 |
| 15 | 0.00270 | 59 | 0.00000 | 0.09400 | 0.19300 | 0.00368 | 0.00248 | 0.00200 | 0.00017 | 0.06682 |
| 20 | 0.00170 | 60 | 0.00000 | 0.14100 | 0.28950 | 0.00395 | 0.00266 | 0.00200 | 0.00017 | 0.06682 |
| 25 | 0.00120 | 61 | 0.00000 | 0.09400 | 0.19300 | 0.00437 | 0.00297 | 0.00200 | 0.00017 | 0.06682 |
| 30 | 0.00090 | 62 | 0.00000 | 0.11750 | 0.24125 | 0.00480 | 0.00327 | 0.00200 | 0.00017 | 0.06682 |
| 35 | 0.00090 | 63 | 0.00000 | 0.09400 | 0.19300 | 0.00523 | 0.00358 | 0.00200 | 0.00018 | 0.06682 |
| 40 | 0.00090 | 64 | 0.00000 | 0.09400 | 0.19300 | 0.00565 | 0.00389 | 0.00200 | 0.00018 | 0.06682 |
| 45 | 0.00090 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00200 | 0.00018 | 0.06682 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00200 | 0.00019 | 0.06682 |

## Public Agency 3% at 55 Fire | Probability of an active member leaving due to:

| | Termination with Refund | | Termination with Vested Deferred Benefits | Service Retirement | | Non-Industrial Death | | Non-Industrial Disability | Industrial Death | Industrial Disability |
|---|---|---|---|---|---|---|---|---|---|---|
| YRS[1] | Vary by Service | AGE[2] | 5 Years[1] | 10 Years[1] | 25 Years[1] | Male | Female | Male & Female | Male & Female | Male & Female |
| 0 | 0.07100 | 20 | 0.01620 | N/A | N/A | 0.00047 | 0.00016 | 0.00010 | 0.00003 | 0.00024 |
| 1 | 0.05540 | 25 | 0.01620 | N/A | N/A | 0.00050 | 0.00026 | 0.00010 | 0.00007 | 0.00120 |
| 2 | 0.03980 | 30 | 0.01620 | N/A | N/A | 0.00053 | 0.00036 | 0.00010 | 0.00010 | 0.00252 |
| 3 | 0.02420 | 35 | 0.01620 | N/A | N/A | 0.00067 | 0.00046 | 0.00010 | 0.00012 | 0.00372 |
| 4 | 0.02180 | 40 | 0.01620 | N/A | N/A | 0.00087 | 0.00065 | 0.00010 | 0.00013 | 0.00492 |
| 5 | 0.00290 | 45 | 0.00000 | N/A | N/A | 0.00120 | 0.00093 | 0.00020 | 0.00014 | 0.00612 |
| 6 | 0.00240 | 50 | 0.00000 | 0.01200 | 0.02800 | 0.00176 | 0.00126 | 0.00050 | 0.00015 | 0.00744 |
| 7 | 0.00200 | 55 | 0.00000 | 0.09200 | 0.21100 | 0.00260 | 0.00176 | 0.00100 | 0.00016 | 0.07212 |
| 8 | 0.00160 | 56 | 0.00000 | 0.08100 | 0.18700 | 0.00287 | 0.00194 | 0.00110 | 0.00016 | 0.07212 |
| 9 | 0.00120 | 57 | 0.00000 | 0.10000 | 0.23000 | 0.00314 | 0.00212 | 0.00130 | 0.00016 | 0.07212 |
| 10 | 0.00090 | 58 | 0.00000 | 0.08100 | 0.18700 | 0.00341 | 0.00230 | 0.00150 | 0.00017 | 0.07212 |
| 15 | 0.00060 | 59 | 0.00000 | 0.07800 | 0.17800 | 0.00368 | 0.00248 | 0.00150 | 0.00017 | 0.07212 |
| 20 | 0.00050 | 60 | 0.00000 | 0.11700 | 0.26700 | 0.00395 | 0.00266 | 0.00150 | 0.00017 | 0.07212 |
| 25 | 0.00030 | 61 | 0.00000 | 0.07800 | 0.17800 | 0.00437 | 0.00297 | 0.00150 | 0.00017 | 0.07212 |
| 30 | 0.00030 | 62 | 0.00000 | 0.09750 | 0.22250 | 0.00480 | 0.00327 | 0.00150 | 0.00017 | 0.07212 |
| 35 | 0.00030 | 63 | 0.00000 | 0.07800 | 0.17800 | 0.00523 | 0.00358 | 0.00150 | 0.00018 | 0.07212 |
| 40 | 0.00030 | 64 | 0.00000 | 0.07800 | 0.17800 | 0.00565 | 0.00389 | 0.00150 | 0.00018 | 0.07212 |
| 45 | 0.00030 | 65 | 0.00000 | 1.00000 | 1.00000 | 0.00608 | 0.00419 | 0.00150 | 0.00018 | 0.07212 |
| 50 | 0.00000 | 70 | 0.00000 | 1.00000 | 1.00000 | 0.00914 | 0.00649 | 0.00150 | 0.00019 | 0.07212 |

**Notes:**

[1] Years of service.

[2] Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

**Post-Retirement Mortality** | Rates vary by age and gender. These rates are used for all plans.

| | Healthy Recipients | | Non-Industrially Disabled (Not Job Related) | | Industrially Disabled (Job Related) | |
|---|---|---|---|---|---|---|
| **Age** | Male | Female | Male | Female | Male | Female |
| 50 | 0.00239 | 0.00125 | 0.01632 | 0.01245 | 0.00443 | 0.00356 |
| 55 | 0.00474 | 0.00243 | 0.01936 | 0.01580 | 0.00563 | 0.00546 |
| 60 | 0.00720 | 0.00431 | 0.02293 | 0.01628 | 0.00777 | 0.00798 |
| 65 | 0.01069 | 0.00775 | 0.03174 | 0.01969 | 0.01388 | 0.01184 |
| 70 | 0.01675 | 0.01244 | 0.03870 | 0.03019 | 0.02236 | 0.01716 |
| 75 | 0.03080 | 0.02071 | 0.06001 | 0.03915 | 0.03585 | 0.02665 |
| 80 | 0.05270 | 0.03749 | 0.08388 | 0.05555 | 0.06926 | 0.04528 |
| 85 | 0.09775 | 0.07005 | 0.14035 | 0.09577 | 0.11799 | 0.08017 |
| 90 | 0.16747 | 0.12404 | 0.21554 | 0.14949 | 0.16575 | 0.13775 |
| 95 | 0.25659 | 0.21556 | 0.31025 | 0.23055 | 0.26108 | 0.23331 |
| 100 | 0.34551 | 0.31876 | 0.45905 | 0.37662 | 0.40918 | 0.35165 |

# Exhibit E: Single Life Retirement Values

Present value of $1 monthly increasing 2 percent annually after two-year waiting period. Interest Rate of 7.50 Percent.

| | Service Retirement | | Non-Industrial Disability Retirement | | Industrial Disability Retirement | |
|---|---|---|---|---|---|---|
| **Age** | Male | Female | Male | Female | Male | Female |
| 50 | 171.997 | 179.856 | 142.365 | 153.150 | 167.117 | 171.823 |
| 51 | 169.749 | 177.842 | 140.490 | 151.425 | 164.943 | 169.771 |
| 52 | 167.454 | 175.746 | 138.492 | 149.823 | 162.711 | 167.655 |
| 53 | 165.107 | 173.573 | 136.367 | 148.289 | 160.388 | 165.476 |
| 54 | 162.703 | 171.318 | 134.251 | 146.707 | 157.946 | 163.233 |
| 55 | 160.238 | 168.984 | 132.112 | 145.038 | 155.380 | 160.928 |
| 56 | 157.712 | 166.572 | 129.925 | 143.274 | 152.709 | 158.561 |
| 57 | 155.117 | 164.076 | 127.653 | 141.410 | 149.966 | 156.127 |
| 58 | 152.448 | 161.509 | 125.269 | 139.426 | 147.150 | 153.634 |
| 59 | 149.699 | 158.869 | 122.790 | 137.302 | 144.225 | 151.075 |
| 60 | 146.857 | 156.120 | 120.227 | 135.029 | 141.150 | 148.425 |
| 61 | 143.913 | 153.283 | 117.602 | 132.625 | 137.937 | 145.696 |
| 62 | 140.864 | 150.360 | 114.955 | 130.054 | 134.661 | 142.890 |
| 63 | 137.696 | 147.341 | 112.296 | 127.311 | 131.355 | 139.998 |
| 64 | 134.404 | 144.254 | 109.646 | 124.420 | 128.023 | 137.040 |
| 65 | 130.995 | 141.100 | 106.993 | 121.476 | 124.635 | 134.011 |
| 70 | 113.166 | 124.295 | 92.905 | 107.145 | 106.783 | 117.806 |
| 75 | 93.674 | 105.363 | 76.532 | 91.830 | 87.186 | 99.581 |
| 80 | 73.931 | 84.941 | 61.264 | 75.069 | 67.853 | 80.134 |
| 85 | 55.387 | 64.944 | 45.183 | 57.216 | 52.776 | 61.177 |
| 90 | 40.042 | 47.042 | 34.010 | 43.734 | 39.987 | 44.281 |
| 95 | 29.556 | 33.069 | 24.348 | 30.602 | 27.949 | 30.890 |
| 100 | 21.536 | 22.973 | 16.364 | 19.710 | 18.287 | 21.046 |

# Exhibit F: History of Member Salary Data

| Valuation Date | Number of Active Members | Annual Covered Payroll (In Millions) | Average Annual Salary | % Increase In Average Pay |
|---|---|---|---|---|
| 6/30/03 | 778,203 | $34,784 | $44,697 | 4.3% |
| 6/30/04 | 760,498 | 35,078 | 46,126 | 3.2 |
| 6/30/05 | 756,234 | 36,045 | 47,664 | 3.3 |
| 6/30/06 | 767,127 | 38,047 | 49,597 | 4.0 |
| 6/30/07 | 793,164 | 40,864 | 51,521 | 3.9 |
| 6/30/08 | 813,474 | 44,236 | 54,379 | 5.5 |
| 6/30/09 | 812,864 | 45,053 | 55,425 | 1.9 |
| 6/30/10 | 794,138 | 44,984 | 56,645 | 2.2 |
| 6/30/11 | 779,481 | 43,901 | 56,321 | (0.6) |
| 6/30/12 | 762,459 | 42,599 | 55,871 | (0.8) |

# Exhibit G: Members in Valuation

## State Miscellaneous First Tier | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 1,300 | 8 | — | — | — | — | 1,308 | $39,011,397 |
| 25-29 | 6,494 | 1,261 | 34 | — | — | — | 7,789 | 327,231,868 |
| 30-34 | 6,877 | 4,228 | 1,416 | 45 | — | — | 12,566 | 635,190,729 |
| 35-39 | 5,392 | 4,571 | 4,251 | 623 | 43 | — | 14,880 | 865,546,250 |
| 40-44 | 4,770 | 4,810 | 6,029 | 2,145 | 1,060 | 81 | 18,895 | 1,177,744,251 |
| 45-49 | 4,303 | 4,209 | 6,099 | 2,797 | 3,761 | 1,393 | 22,562 | 1,462,722,249 |
| 50-54 | 4,031 | 3,856 | 6,203 | 3,023 | 4,579 | 5,583 | 27,275 | 1,796,534,147 |
| 55-59 | 3,185 | 3,347 | 4,955 | 2,540 | 3,748 | 6,572 | 24,347 | 1,626,013,132 |
| 60-64 | 1,869 | 2,186 | 2,911 | 1,575 | 2,145 | 3,356 | 14,042 | 957,810,740 |
| 65 & up | 909 | 988 | 1,353 | 640 | 692 | 1,138 | 5,720 | 394,805,269 |
| **TOTAL** | **39,130** | **29,464** | **33,251** | **13,388** | **16,028** | **18,123** | **149,384** | **$9,282,610,034** |

## State Miscellaneous Second Tier | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 3 | — | — | — | — | — | 3 | $126,152 |
| 25-29 | 28 | 2 | — | — | — | — | 30 | 1,364,547 |
| 30-34 | 36 | 13 | 78 | — | — | — | 127 | 6,330,971 |
| 35-39 | 36 | 39 | 340 | 109 | 7 | — | 531 | 29,255,169 |
| 40-44 | 42 | 61 | 449 | 408 | 147 | — | 1,107 | 60,999,271 |
| 45-49 | 35 | 51 | 462 | 439 | 375 | 59 | 1,421 | 77,425,841 |
| 50-54 | 46 | 48 | 395 | 388 | 345 | 255 | 1,477 | 82,118,554 |
| 55-59 | 23 | 44 | 296 | 298 | 265 | 305 | 1,231 | 67,925,808 |
| 60-64 | 14 | 28 | 158 | 170 | 160 | 191 | 721 | 40,997,664 |
| 65 & up | 15 | 26 | 86 | 68 | 54 | 51 | 300 | 15,983,931 |
| **TOTAL** | **278** | **312** | **2,264** | **1,880** | **1,353** | **861** | **6,948** | **$382,527,908** |

## State Industrial First & Second Tier | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 176 | 5 | — | — | — | — | 181 | $5,874,132 |
| 25-29 | 703 | 119 | 3 | — | — | — | 825 | 31,254,468 |
| 30-34 | 722 | 315 | 81 | 1 | — | — | 1,119 | 47,856,909 |
| 35-39 | 604 | 315 | 235 | 56 | — | — | 1,210 | 57,912,547 |
| 40-44 | 596 | 366 | 309 | 180 | 63 | — | 1,514 | 76,874,116 |
| 45-49 | 587 | 422 | 325 | 254 | 155 | 33 | 1,776 | 93,210,103 |
| 50-54 | 511 | 420 | 352 | 268 | 187 | 121 | 1,859 | 100,514,562 |
| 55-59 | 384 | 278 | 267 | 172 | 122 | 80 | 1,303 | 71,390,142 |
| 60-64 | 203 | 170 | 186 | 114 | 66 | 31 | 770 | 43,288,926 |
| 65 & up | 86 | 58 | 65 | 45 | 21 | 6 | 281 | 16,936,436 |
| **TOTAL** | **4,572** | **2,468** | **1,823** | **1,090** | **614** | **271** | **10,838** | **$545,112,340** |

**Note:** Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## State Safety | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 237 | 6 | — | — | — | — | 243 | $10,669,507 |
| 25-29 | 1,063 | 238 | 2 | — | — | — | 1,303 | 69,585,312 |
| 30-34 | 1,377 | 767 | 68 | — | — | — | 2,212 | 137,224,206 |
| 35-39 | 1,292 | 1,085 | 222 | 14 | — | — | 2,613 | 192,165,167 |
| 40-44 | 1,257 | 1,253 | 461 | 133 | 14 | 1 | 3,119 | 234,796,130 |
| 45-49 | 1,155 | 1,339 | 571 | 285 | 89 | 8 | 3,447 | 257,989,021 |
| 50-54 | 1,085 | 1,466 | 737 | 432 | 239 | 85 | 4,044 | 306,736,322 |
| 55-59 | 874 | 1,252 | 784 | 390 | 204 | 68 | 3,572 | 291,352,660 |
| 60-64 | 477 | 813 | 482 | 289 | 119 | 41 | 2,221 | 194,281,140 |
| 65 & up | 172 | 312 | 250 | 147 | 58 | 16 | 955 | 94,995,021 |
| **TOTAL** | **8,989** | **8,531** | **3,577** | **1,690** | **723** | **219** | **23,729** | **$1,789,794,486** |

## California Highway Patrol | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 55 | — | — | — | — | — | 55 | $4,558,452 |
| 25-29 | 575 | 217 | — | — | — | — | 792 | 69,818,227 |
| 30-34 | 496 | 510 | 240 | — | — | — | 1,246 | 114,998,677 |
| 35-39 | 290 | 418 | 678 | 277 | 1 | — | 1,664 | 160,046,556 |
| 40-44 | 31 | 191 | 557 | 652 | 190 | 2 | 1,623 | 162,878,961 |
| 45-49 | — | 16 | 58 | 347 | 546 | 228 | 1,195 | 130,688,483 |
| 50-54 | 1 | — | 3 | 57 | 230 | 302 | 593 | 68,625,361 |
| 55-59 | 1 | — | — | 22 | 26 | 95 | 144 | 16,852,630 |
| 60-64 | — | — | — | — | — | — | — | — |
| 65 & up | — | — | — | — | — | — | — | — |
| **TOTAL** | **1,449** | **1,352** | **1,536** | **1,355** | **993** | **627** | **7,312** | **$728,467,347** |

## State Peace Officer/Firefighter | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 389 | 1 | — | — | — | — | 390 | $8,153,927 |
| 25-29 | 2,298 | 1,010 | 2 | — | — | — | 3,310 | 164,066,528 |
| 30-34 | 2,056 | 3,022 | 778 | 3 | — | — | 5,859 | 364,247,169 |
| 35-39 | 1,332 | 2,405 | 2,708 | 598 | 6 | — | 7,049 | 489,379,808 |
| 40-44 | 972 | 1,804 | 2,242 | 2,630 | 418 | 6 | 8,072 | 597,556,142 |
| 45-49 | 663 | 1,153 | 1,440 | 2,074 | 1,814 | 965 | 8,109 | 646,231,488 |
| 50-54 | 319 | 721 | 883 | 1,290 | 1,035 | 795 | 5,043 | 408,847,326 |
| 55-59 | 177 | 335 | 449 | 632 | 434 | 321 | 2,348 | 187,595,036 |
| 60-64 | 53 | 113 | 178 | 257 | 144 | 116 | 861 | 68,742,863 |
| 65 & up | 16 | 24 | 51 | 59 | 24 | 35 | 209 | 17,013,343 |
| **TOTAL** | **8,275** | **10,588** | **8,731** | **7,543** | **3,875** | **2,238** | **41,250** | **$2,951,833,630** |

**Note:** Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

## School | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 7,236 | 106 | — | — | — | — | 7,342 | $147,089,438 |
| 25-29 | 15,303 | 3,445 | 74 | — | — | — | 18,822 | 479,004,794 |
| 30-34 | 12,718 | 8,318 | 2,350 | 55 | — | — | 23,441 | 738,095,294 |
| 35-39 | 11,295 | 8,202 | 5,651 | 1,197 | 24 | — | 26,369 | 900,971,730 |
| 40-44 | 12,898 | 9,022 | 6,855 | 2,930 | 962 | 34 | 32,701 | 1,117,923,470 |
| 45-49 | 13,810 | 11,377 | 8,714 | 4,100 | 2,758 | 1,251 | 42,010 | 1,470,605,441 |
| 50-54 | 12,294 | 12,892 | 10,961 | 5,788 | 3,872 | 3,860 | 49,667 | 1,808,139,308 |
| 55-59 | 8,598 | 10,464 | 10,428 | 6,584 | 4,437 | 4,823 | 45,334 | 1,674,020,863 |
| 60-64 | 4,547 | 5,913 | 6,146 | 4,223 | 3,125 | 2,757 | 26,711 | 977,849,389 |
| 65 & up | 2,281 | 2,470 | 2,283 | 1,450 | 1,081 | 1,041 | 10,606 | 340,029,657 |
| **TOTAL** | **100,980** | **72,209** | **53,462** | **26,327** | **16,259** | **13,766** | **283,003** | **$9,653,729,383** |

## Public Agency Miscellaneous | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 3,478 | 134 | — | — | — | — | 3,612 | $113,547,715 |
| 25-29 | 9,246 | 3,636 | 96 | — | — | — | 12,978 | 577,986,102 |
| 30-34 | 9,124 | 8,416 | 2,294 | 77 | — | — | 19,911 | 1,107,729,979 |
| 35-39 | 7,018 | 8,161 | 5,436 | 1,134 | 71 | — | 21,820 | 1,380,419,087 |
| 40-44 | 6,482 | 7,813 | 6,568 | 2,867 | 1,275 | 114 | 25,119 | 1,698,440,125 |
| 45-49 | 5,953 | 7,264 | 6,922 | 3,747 | 3,746 | 1,730 | 29,362 | 2,073,713,594 |
| 50-54 | 5,355 | 6,979 | 6,942 | 4,184 | 4,664 | 4,949 | 33,073 | 2,407,116,047 |
| 55-59 | 3,815 | 5,307 | 5,576 | 3,377 | 3,550 | 4,501 | 26,126 | 1,891,351,901 |
| 60-64 | 2,017 | 3,143 | 3,385 | 1,997 | 1,960 | 2,230 | 14,732 | 1,044,132,770 |
| 65 & up | 900 | 1,301 | 1,295 | 700 | 665 | 699 | 5,560 | 364,053,371 |
| **TOTAL** | **53,388** | **52,154** | **38,514** | **18,083** | **15,931** | **14,223** | **192,293** | **$12,658,490,691** |

## Public Agency Safety | By Attained Age & Years of Service – June 30, 2012

| Attained Age | Distribution of Active Members by Age & Service Years of Service at Valuation Date | | | | | | Total | Total Valuation Payroll |
|---|---|---|---|---|---|---|---|---|
| | 0-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25 & up | | |
| 15-24 | 715 | 18 | — | — | — | — | 733 | $41,794,451 |
| 25-29 | 3,475 | 1,573 | 11 | — | — | — | 5,059 | 375,704,749 |
| 30-34 | 2,764 | 4,623 | 957 | 6 | — | — | 8,350 | 712,682,796 |
| 35-39 | 1,377 | 3,309 | 3,315 | 596 | 3 | — | 8,600 | 803,031,520 |
| 40-44 | 862 | 2,141 | 3,206 | 2,464 | 851 | 7 | 9,531 | 965,067,329 |
| 45-49 | 437 | 894 | 1,504 | 1,797 | 2,719 | 1,057 | 8,408 | 927,453,582 |
| 50-54 | 247 | 325 | 591 | 739 | 1,266 | 1,546 | 4,714 | 535,450,721 |
| 55-59 | 108 | 151 | 244 | 236 | 364 | 665 | 1,768 | 190,973,739 |
| 60-64 | 40 | 51 | 65 | 65 | 77 | 146 | 444 | 45,336,302 |
| 65 & up | 6 | 12 | 19 | 15 | 19 | 24 | 95 | 9,222,679 |
| **TOTAL** | **10,031** | **13,097** | **9,912** | **5,918** | **5,299** | **3,445** | **47,702** | **$4,606,717,868** |

**Note:** Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

# Exhibit H: Schedule of Retirees & Beneficiaries Added to/and Removed from Rolls

| Year Ended | Added to Rolls | | Removed from Rolls | | Rolls - End of Year | | % Increase in Annual Allowances | Average Annual Allowance |
|---|---|---|---|---|---|---|---|---|
| | Number | Annual Allowances | Number | Annual Allowances | Number | Annual Allowances | | |
| **PERF** | | | | | | | | |
| 6/30/07 | 29,821 | $828,676,000 | 15,881 | $251,559,000 | 461,624 | $10,421,160,000 | 8.7% | $22,575 |
| 6/30/08 | 30,462 | 911,182,000 | 16,228 | 267,867,000 | 475,858 | 11,422,808,000 | 9.6 | 24,005 |
| 6/30/09 | 31,929 | 1,006,450,000 | 16,168 | 275,138,000 | 491,619 | 12,506,735,000 | 9.5 | 25,440 |
| 6/30/10 | 37,566 | 1,265,188,000 | 17,323 | 299,011,000 | 511,862 | 13,751,737,000 | 10.0 | 26,866 |
| 6/30/11 | 40,596 | 1,318,290,000 | 17,298 | 319,210,000 | 535,160 | 15,032,305,000 | 9.3 | 28,089 |
| 6/30/12 | 39,729 | 1,286,891,000 | 19,412 | 381,443,000 | 555,477 | 16,126,912,000 | 7.3 | 29,033 |
| **JRF** | | | | | | | | |
| 6/30/07 | 98 | $8,854,000 | 56 | $5,018,000 | 1,702 | $158,429,000 | 12.5% | $93,084 |
| 6/30/08 | 125 | 12,030,000 | 84 | 7,888,000 | 1,743 | 166,599,000 | 5.2 | 95,582 |
| 6/30/09 | 116 | 11,989,000 | 67 | 5,085,000 | 1,792 | 172,039,000 | 3.3 | 96,004 |
| 6/30/10 | 129 | 12,425,000 | 72 | 6,622,000 | 1,849 | 177,572,000 | 3.2 | 96,037 |
| 6/30/11 | 104 | 9,536,000 | 69 | 6,037,000 | 1,884 | 181,834,000 | 2.4 | 96,515 |
| 6/30/12 | 75 | 7,365,000 | 67 | 5,804,000 | 1,892 | 184,952,000 | 1.7 | 97,755 |
| **JRF II** | | | | | | | | |
| 6/30/07 | 0 | $0 | 2 | $288,000 | 11 | $968,000 | (21.0)% | $88,000 |
| 6/30/08 | 5 | 475,000 | 2 | 288,000 | 14 | 958,000 | (1.0) | 68,429 |
| 6/30/09 | 3 | 280,000 | 2 | 298,000 | 15 | 1,252,000 | 30.7 | 83,467 |
| 6/30/10 | 5 | 405,000 | 1 | 59,000 | 19 | 1,397,000 | 11.6 | 73,526 |
| 6/30/11 | 11 | 1,224,000 | — | — | 30 | 2,149,000 | 53.8 | 71,633 |
| 6/30/12 | 9 | 744,000 | 2 | 195,000 | 37 | 3,093,000 | 43.9 | 83,595 |
| **LRF** | | | | | | | | |
| 6/30/07 | 18 | $374,000 | 12 | $314,000 | 269 | $7,608,000 | 1.9% | $28,283 |
| 6/30/08 | 8 | 161,000 | 13 | 316,000 | 264 | 7,694,000 | 1.1 | 29,144 |
| 6/30/09 | 5 | 234,000 | 9 | 177,000 | 260 | 7,737,000 | 0.6 | 29,758 |
| 6/30/10 | 9 | 280,000 | 14 | 480,000 | 255 | 7,780,000 | 0.6 | 30,510 |
| 6/30/11 | 15 | 460,000 | 16 | 399,000 | 254 | 7,871,000 | 1.2 | 30,988 |
| 6/30/12 | 3 | 102,000 | 12 | 461,000 | 245 | 7,680,000 | (2.4) | 31,347 |

**Note:** These total counts and allowance are for service, disability, and industrial retirement, special death, 1957 Survivor, Pre-Retirement Option 2, and 1959 Survivor beneficiaries and non-members. This information was reviewed by the CalPERS Actuarial staff and appears to be reasonable.

# Actuarial Certifications – Other Plans

## JUDGES' RETIREMENT SYSTEM

May 2013

**Actuarial Certification**

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System; the latest such valuation is as of June 30, 2012.

To the best of our knowledge, the report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System, as of June 30, 2012. Based on the employee data provided by the CalPERS Judges' and Legislators' Office, the statement of fiduciary net position provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B of the actuarial valuation report, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods, as prescribed by the CalPERS Board of Administration, are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A, B, and H in the Actuarial Section of the CAFR.

Barbara Ware, F.S.A., M.A.A.A.
*Enrolled Actuary*
*Senior Pension Actuary, CalPERS*

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.
*Chief Actuary, CalPERS*

## JUDGES' RETIREMENT SYSTEM II

May 2013

**Actuarial Certification**

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System II; the latest such valuation is as of June 30, 2012.

To the best of our knowledge, the report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System II, as of June 30, 2012. Based on the employee data provided by the Judges' Retirement System administrative staff at CalPERS, the statement of fiduciary net position provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B of the actuarial valuation report, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for this plan.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A, B, and H in the Actuarial Section of the CAFR.

Fritzie Archuleta, A.S.A., M.A.A.A.
*Senior Pension Actuary, CalPERS*

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.
*Chief Actuary, CalPERS*

**Note:** The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System can be obtained on the CalPERS website, **www.calpers.ca.gov**.

## LEGISLATORS' RETIREMENT SYSTEM

May 2013

**Actuarial Certification**

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Legislators' Retirement System; the latest such valuation is as of June 30, 2012.

To the best of our knowledge, the report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Legislators' Retirement System. Based on the employee data provided by the CalPERS Judges' and Legislators' Office, the statement of fiduciary net position provided by the CalPERS Fiscal Services Division, and the benefits plans as outlined in Appendix B of the actuarial valuation report, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A, B, and H in the Actuarial Section of the CAFR.

David Clement, A.S.A., M.A.A.A.
*Enrolled Actuary*
*Senior Pension Actuary, CalPERS*

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.
*Chief Actuary, CalPERS*

**Note:** The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System can be obtained on the CalPERS website, **www.calpers.ca.gov**.

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# Statistical Section


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# Introduction to the Statistical Section

The Statistical section provides additional historical information to assist in using the Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Schedules to understand the economic condition of the California Public Employees' Retirement System.

The schedules presented contain information on financial trends, analysis, and additional analytical information on employees' membership data, retirement benefits, health benefits, supplemental income, long-term care and public agency employers.

The information in this section is obtained from comprehensive annual financial reports for relevant years and other internal sources.

# Additions by Source – Retirement Programs

10-Year Review (Dollars in Thousands)

| | Member Contributions | Employer Contributions | Investment Income/(Loss) | Miscellaneous Income | Total |
|---|---|---|---|---|---|
| **PERF** | | | | | |
| 2012/13 | $3,896,078 | $8,123,833 | $30,284,807 | $7,176 | $42,311,894 |
| 2011/12 | 3,598,437 | 7,772,913 | (203,084) | 7,070 | 11,175,336 |
| 2010/11 | 3,600,089 | 7,465,397 | 43,904,425 | 3,011 | 54,972,922 |
| 2009/10 | 3,378,867 | 6,955,049 | 25,567,295 | 10,234 | 35,911,445 |
| 2008/09 | 3,882,355 | 6,912,376 | (57,367,054) | 3,155 | (46,569,168) |
| 2007/08 | 3,512,075 | 7,242,802 | (12,499,110) | 6,202 | (1,738,031) |
| 2006/07 | 3,262,699 | 6,442,384 | 40,748,261 | 9,119 | 50,462,463 |
| 2005/06 | 3,080,879 | 6,095,029 | 22,041,265 | — | 31,217,173 |
| 2004/05 | 3,176,781 | 5,774,120 | 21,893,728 | 473 | 30,845,102 |
| 2003/04 | 2,266,445 | 4,261,347 | 24,265,850 | 6,723 | 30,800,365 |
| **LRF** | | | | | |
| 2012/13 | $31 | $80 | $6,974 | $0 | $7,085 |
| 2011/12 | — | — | 7,761 | — | 7,761 |
| 2010/11 | 3 | — | 17,667 | — | 17,670 |
| 2009/10 | 17 | — | 17,793 | — | 17,810 |
| 2008/09 | 69 | — | (14,041) | — | (13,972) |
| 2007/08 | 14 | — | 223 | — | 237 |
| 2006/07 | 129 | — | 16,530 | — | 16,659 |
| 2005/06 | 160 | — | 3,808 | — | 3,968 |
| 2004/05 | 20 | — | 12,575 | 1 | 12,596 |
| 2003/04 | 56 | — | 11,094 | — | 11,150 |
| **JRF** | | | | | |
| 2012/13 | $4,909 | $161,945 | $76 | $2,694 | $169,624 |
| 2011/12 | 5,796 | 196,402 | 80 | 2,877 | 205,155 |
| 2010/11 | 6,658 | 167,302 | 184 | 3,216 | 177,360 |
| 2009/10 | 7,361 | 185,389 | 332 | 3,486 | 196,568 |
| 2008/09 | 8,597 | 190,510 | 410 | 3,574 | 203,091 |
| 2007/08 | 9,569 | 163,206 | 384 | 3,827 | 176,986 |
| 2006/07 | 10,398 | 131,372 | 1,186 | 2,591 | 145,547 |
| 2005/06 | 10,315 | 120,576 | 959 | 2,874 | 134,724 |
| 2004/05 | 10,417 | 127,078 | 234 | 2,663 | 140,392 |
| 2003/04 | 11,262 | 107,318 | 59 | 4,020 | 122,659 |

## 10-Year Review (Dollars in Thousands)

| | Member Contributions | Employer Contributions | Investment Income/(Loss) | Miscellaneous Income | Total |
|---|---|---|---|---|---|
| **JRF II** | | | | | |
| 2012/13 | $18,819 | $54,025 | $79,214 | $0 | $152,058 |
| 2011/12 | 18,757 | 53,711 | 13,947 | — | 86,415 |
| 2010/11 | 18,589 | 53,863 | 91,596 | — | 164,048 |
| 2009/10 | 16,178 | 42,589 | 50,801 | — | 109,568 |
| 2008/09 | 15,400 | 39,514 | (59,927) | — | (5,013) |
| 2007/08 | 13,808 | 36,761 | (12,184) | — | 38,385 |
| 2006/07 | 11,694 | 27,062 | 35,427 | — | 74,183 |
| 2005/06 | 9,584 | 24,069 | 15,474 | — | 49,127 |
| 2004/05 | 8,217 | 21,195 | 14,816 | — | 44,228 |
| 2003/04 | 8,131 | 18,240 | 13,431 | — | 39,802 |
| **SPOFF** | | | | | |
| 2012/13 | $169 | $105 | $53,165 | $0 | $53,439 |
| 2011/12 | 69 | 92 | (25) | — | 136 |
| 2010/11 | — | 39,066 | 88,035 | 7 | 127,108 |
| 2009/10 | — | 52,219 | 37,643 | 3,431 | 93,293 |
| 2008/09 | — | 53,114 | (55,423) | — | (2,309) |
| 2007/08 | — | 51,475 | (18,363) | — | 33,112 |
| 2006/07 | — | 48,948 | 37,813 | — | 86,761 |
| 2005/06 | — | 8,933 | 16,517 | — | 25,450 |
| 2004/05 | — | 41,406 | 15,285 | — | 56,691 |
| 2003/04 | — | 40,894 | 17,971 | — | 58,865 |
| **IRC457** | | | | | |
| 2012/13 | $99,977 | $455 | $114,471 | $0 | $214,903 |
| 2011/12 | 104,333 | 80 | 4,872 | 225 | 109,510 |
| 2010/11 | 89,531 | 84 | 151,932 | 214 | 241,761 |
| 2009/10 | 108,436 | 84 | 72,951 | 858 | 182,329 |
| 2008/09 | 247,484 | 87 | (251,890) | 113 | (4,206) |
| 2007/08 | 125,952 | 53 | (47,015) | 39 | 79,029 |
| 2006/07 | 104,956 | — | 80,167 | 14 | 185,137 |
| 2005/06 | 123,161 | — | 36,245 | 8 | 159,414 |
| 2004/05 | 97,452 | — | 15,712 | 11 | 113,175 |
| 2003/04 | 74,146 | — | 33,539 | 3 | 107,688 |
| **SCPF** | | | | | |
| 2012/13 | $164 | $0 | $2,051 | $0 | $2,215 |
| 2011/12 | 208 | — | 3 | — | 211 |
| 2010/11 | 285 | — | 3,610 | — | 3,895 |
| 2009/10 | 536 | — | 1,884 | 33 | 2,453 |
| 2008/09 | 483 | — | (4,054) | — | (3,571) |
| 2007/08 | 713 | — | (1,517) | — | (804) |
| 2006/07 | 457 | — | 3,619 | 389 | 4,465 |
| 2005/06 | 634 | — | 1,782 | — | 2,416 |
| 2004/05 | 552 | — | 1,897 | — | 2,449 |
| 2003/04 | 741 | — | 2,881 | — | 3,622 |

# Deductions by Type – Retirement Programs

10-Year Review (Dollars in Thousands)

| | Benefit Payments | Contribution Refunds | Administrative Expenses[1] | Total |
|---|---|---|---|---|
| **PERF** | | | | |
| 2012/13 | $16,635,263 | $242,595 | $426,077 | $17,303,935 |
| 2011/12 | 15,356,696 | 218,082 | 380,404 | 15,955,182 |
| 2010/11 | 14,242,258 | 227,168 | 357,779 | 14,827,205 |
| 2009/10 | 12,972,457 | 182,387 | 278,036 | 13,432,880 |
| 2008/09 | 11,831,836 | 186,783 | 427,809 | 12,446,428 |
| 2007/08 | 10,884,417 | 182,415 | 402,340 | 11,469,172 |
| 2006/07 | 10,070,555 | 181,574 | 278,453 | 10,530,582 |
| 2005/06 | 9,236,073 | 170,929 | 250,251 | 9,657,253 |
| 2004/05 | 8,434,119 | 155,236 | 208,965 | 8,798,320 |
| 2003/04 | 7,639,085 | 151,526 | 188,361 | 7,978,972 |
| **LRF** | | | | |
| 2012/13 | $7,548 | $0 | $418 | $7,966 |
| 2011/12 | 7,659 | 202 | 347 | 8,208 |
| 2010/11 | 7,382 | 440 | 408 | 8,230 |
| 2009/10 | 11,082 | 35 | 4,444 | 15,561 |
| 2008/09 | 7,706 | 296 | 358 | 8,360 |
| 2007/08 | 7,621 | 309 | 397 | 8,327 |
| 2006/07 | 7,666 | 92 | 323 | 8,081 |
| 2005/06 | 7,314 | 823 | 295 | 8,432 |
| 2004/05 | 7,792 | 979 | 318 | 9,089 |
| 2003/04 | 7,051 | 214 | 281 | 7,546 |
| **JRF** | | | | |
| 2012/13 | $187,084 | $0 | $1,413 | $188,497 |
| 2011/12 | 185,428 | 17 | 1,163 | 186,608 |
| 2010/11 | 185,119 | — | 1,188 | 186,307 |
| 2009/10 | 178,861 | 32 | 968 | 179,861 |
| 2008/09 | 174,902 | — | 1,049 | 175,951 |
| 2007/08 | 168,304 | 136 | 973 | 169,413 |
| 2006/07 | 151,059 | — | 701 | 151,760 |
| 2005/06 | 133,588 | 323 | 171 | 134,082 |
| 2004/05 | 126,609 | 88 | 1,061 | 127,758 |
| 2003/04 | 121,604 | 238 | 719 | 122,561 |
| **JRF II** | | | | |
| 2012/13 | $10,518 | $58 | $899 | $11,475 |
| 2011/12 | 3,536 | 2,604 | 725 | 6,865 |
| 2010/11 | 2,236 | 5,870 | 716 | 8,822 |
| 2009/10 | 1,392 | 2,592 | 494 | 4,478 |
| 2008/09 | 1,252 | 3,062 | 578 | 4,892 |
| 2007/08 | 964 | 2,134 | 597 | 3,695 |
| 2006/07 | 1,005 | 981 | 451 | 2,437 |
| 2005/06 | 859 | 750 | 406 | 2,015 |
| 2004/05 | 904 | 340 | 425 | 1,669 |
| 2003/04 | 584 | 203 | 414 | 1,201 |

## 10-Year Review (Dollars in Thousands)

| | Benefit Payments | Contribution Refunds | Administrative Expenses[1] | Total |
|---|---|---|---|---|
| **SPOFF** | | | | |
| 2012/13 | $34,417 | $0 | $1,460 | $35,877 |
| 2011/12 | 24,640 | — | 1,589 | 26,229 |
| 2010/11 | 30,949 | — | 1,839 | 32,788 |
| 2009/10 | 22,743 | — | 1,758 | 24,501 |
| 2008/09 | 12,922 | — | 2,715 | 15,637 |
| 2007/08 | 11,626 | — | 2,157 | 13,783 |
| 2006/07 | 10,828 | — | — | 10,828 |
| 2005/06 | 6,578 | — | — | 6,578 |
| 2004/05 | 5,353 | — | — | 5,353 |
| 2003/04 | 4,351 | — | — | 4,351 |
| **IRC457** | | | | |
| 2012/13 | $82,587 | $0 | $3,467 | $86,054 |
| 2011/12 | 73,025 | — | 3,131 | 76,156 |
| 2010/11 | 93,844 | — | 3,874 | 97,718 |
| 2009/10 | 46,418 | — | 3,491 | 49,909 |
| 2008/09 | 34,753 | — | 2,393 | 37,146 |
| 2007/08 | 47,942 | — | 1,759 | 49,701 |
| 2006/07 | 42,647 | — | — | 42,647 |
| 2005/06 | 62,078 | — | — | 62,078 |
| 2004/05 | 41,503 | — | — | 41,503 |
| 2003/04 | 16,131 | — | — | 16,131 |
| **SCPF** | | | | |
| 2012/13 | $1,448 | $0 | $58 | $1,506 |
| 2011/12 | 1,219 | — | 63 | 1,282 |
| 2010/11 | 2,113 | — | 84 | 2,197 |
| 2009/10 | 1,624 | — | 117 | 1,741 |
| 2008/09 | 671 | — | 61 | 732 |
| 2007/08 | 870 | — | 113 | 983 |
| 2006/07 | 1,918 | — | — | 1,918 |
| 2005/06 | 2,078 | — | 79 | 2,157 |
| 2004/05 | 2,194 | — | 76 | 2,270 |
| 2003/04 | 1,631 | — | 66 | 1,697 |

**Note:**

[1] Excludes investment advisor fees.

# Changes in Net Position – Retirement Programs

10-Year Review (Dollars in Thousands)

| | | | | Net Position | |
|---|---|---|---|---|---|
| | Additions | Deductions | Net Change | Beginning of Year | End of Year |
| **PERF** | | | | | |
| 2012/13 | $42,311,894 | $17,303,935 | $25,007,959 | $236,981,945 | $261,989,904 |
| 2011/12 | 11,175,336 | 15,955,182 | (4,779,846) | 241,761,791 | 236,981,945 |
| 2010/11 | 54,972,922 | 14,827,205 | 40,145,717 | 201,616,074 | 241,761,791 |
| 2009/10 | 35,911,445 | 13,432,880 | 22,478,565 | 179,137,509[1] | 201,616,074 |
| 2008/09 | (46,569,168) | 12,446,428 | (59,015,596) | 237,915,479 | 178,899,883 |
| 2007/08 | (1,738,031) | 11,469,172 | (13,207,203) | 251,122,682 | 237,915,479 |
| 2006/07 | 50,462,463 | 10,530,582 | 39,931,881 | 211,190,801 | 251,122,682 |
| 2005/06 | 31,217,173 | 9,657,253 | 21,559,920 | 189,630,881 | 211,190,801 |
| 2004/05 | 30,845,102 | 8,798,320 | 22,046,782 | 167,584,099 | 189,630,881 |
| 2003/04 | 30,800,365 | 7,978,972 | 22,821,393 | 144,762,706 | 167,584,099 |
| **LRF** | | | | | |
| 2012/13 | $7,085 | $7,966 | ($881) | $123,029 | $122,148 |
| 2011/12 | 7,761 | 8,208 | (447) | 123,476 | 123,029 |
| 2010/11 | 17,670 | 8,230 | 9,440 | 114,036 | 123,476 |
| 2009/10 | 17,810 | 15,561 | 2,249 | 111,787 | 114,036 |
| 2008/09 | (13,972) | 8,360 | (22,332) | 134,119 | 111,787 |
| 2007/08 | 237 | 8,327 | (8,090) | 142,209 | 134,119 |
| 2006/07 | 16,659 | 8,081 | 8,578 | 133,631 | 142,209 |
| 2005/06 | 3,968 | 8,432 | (4,464) | 138,095 | 133,631 |
| 2004/05 | 12,596 | 9,089 | 3,507 | 134,588 | 138,095 |
| 2003/04 | 11,150 | 7,546 | 3,604 | 130,984 | 134,588 |
| **JRF** | | | | | |
| 2012/13 | $169,624 | $188,497 | ($18,873) | $72,693 | $53,820 |
| 2011/12 | 205,155 | 186,608 | 18,547 | 54,146 | 72,693 |
| 2010/11 | 177,360 | 186,307 | (8,947) | 63,093 | 54,146 |
| 2009/10 | 196,568 | 179,861 | 16,707 | 46,386 | 63,093 |
| 2008/09 | 203,091 | 175,951 | 27,140 | 19,246 | 46,386 |
| 2007/08 | 176,986 | 169,413 | 7,573 | 11,673 | 19,246 |
| 2006/07 | 145,547 | 151,760 | (6,213) | 17,886 | 11,673 |
| 2005/06 | 134,724 | 134,082 | 642 | 17,244 | 17,886 |
| 2004/05 | 140,392 | 127,758 | 12,634 | 4,610 | 17,244 |
| 2003/04 | 122,659 | 122,561 | 98 | 4,512 | 4,610 |
| **JRF II** | | | | | |
| 2012/13 | $152,058 | $11,475 | $140,583 | $655,383 | $795,966 |
| 2011/12 | 86,415 | 6,865 | 79,550 | 575,833 | 655,383 |
| 2010/11 | 164,048 | 8,822 | 155,226 | 420,607 | 575,833 |
| 2009/10 | 109,568 | 4,478 | 105,090 | 315,517 | 420,607 |
| 2008/09 | (5,013) | 4,892 | (9,905) | 325,422 | 315,517 |
| 2007/08 | 38,385 | 3,695 | 34,690 | 290,732 | 325,422 |
| 2006/07 | 74,183 | 2,437 | 71,746 | 218,986 | 290,732 |
| 2005/06 | 49,127 | 2,015 | 47,112 | 171,874 | 218,986 |
| 2004/05 | 44,228 | 1,669 | 42,559 | 129,315 | 171,874 |
| 2003/04 | 39,802 | 1,201 | 38,601 | 90,714 | 129,315 |

## 10-Year Review (Dollars in Thousands)

| | Additions | Deductions | Net Change | Net Position Beginning of Year | Net Position End of Year |
|---|---|---|---|---|---|
| **SPOFF** | | | | | |
| 2012/13 | $53,439 | $35,877 | $17,562 | $473,780 | $491,342 |
| 2011/12 | 136 | 26,229 | (26,093) | 499,873 | 473,780 |
| 2010/11 | 127,108 | 32,788 | 94,320 | 405,553 | 499,873 |
| 2009/10 | 93,293 | 24,501 | 68,792 | 336,761 | 405,553 |
| 2008/09 | (2,309) | 15,637 | (17,946) | 354,707 | 336,761 |
| 2007/08 | 33,112 | 13,783 | 19,329 | 335,378 | 354,707 |
| 2006/07 | 86,761 | 10,828 | 75,933 | 259,445 | 335,378 |
| 2005/06 | 25,450 | 6,578 | 18,872 | 240,573 | 259,445 |
| 2004/05 | 56,691 | 5,353 | 51,338 | 189,235 | 240,573 |
| 2003/04 | 58,865 | 4,351 | 54,514 | 134,721 | 189,235 |
| **IRC457** | | | | | |
| 2012/13 | $214,903 | $86,054 | $128,849 | $957,213[1] | $1,086,062 |
| 2011/12 | 109,510 | 76,156 | 33,354 | 947,062 | 980,416 |
| 2010/11 | 241,761 | 97,718 | 144,043 | 803,019 | 947,062 |
| 2009/10 | 182,329 | 49,909 | 132,420 | 670,599 | 803,019 |
| 2008/09 | (4,206) | 37,146 | (41,352) | 711,951 | 670,599 |
| 2007/08 | 79,029 | 49,701 | 29,328 | 682,623 | 711,951 |
| 2006/07 | 185,137 | 42,647 | 142,490 | 540,133 | 682,623 |
| 2005/06 | 159,414 | 62,078 | 97,336 | 442,797 | 540,133 |
| 2004/05 | 113,175 | 41,503 | 71,672 | 371,125 | 442,797 |
| 2003/04 | 107,688 | 16,131 | 91,557 | 279,568 | 371,125 |
| **SCPF** | | | | | |
| 2012/13 | $2,215 | $1,506 | $709 | $18,587 | $19,296 |
| 2011/12 | 211 | 1,282 | (1,071) | 19,658 | 18,587 |
| 2010/11 | 3,895 | 2,197 | 1,698 | 17,960 | 19,658 |
| 2009/10 | 2,453 | 1,741 | 712 | 17,248 | 17,960 |
| 2008/09 | (3,571) | 732 | (4,303) | 21,551 | 17,248 |
| 2007/08 | (804) | 983 | (1,787) | 23,338 | 21,551 |
| 2006/07 | 4,465 | 1,918 | 2,547 | 20,791 | 23,338 |
| 2005/06 | 2,416 | 2,157 | 259 | 20,532 | 20,791 |
| 2004/05 | 2,449 | 2,270 | 179 | 20,353 | 20,532 |
| 2003/04 | 3,622 | 1,697 | 1,925 | 18,428 | 20,353 |

**Note:**

[1] Due to the implementation of GASB Statement No. 51 (Accounting and Financial reporting for Intangible Assets), beginning balance was restated.

# Membership & Retirement Data – Retirement Programs

## Public Employees' Retirement System | 10-Year Review

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| ACTIVE & INACTIVE MEMBERS | | | | | | | | | | |
| STATE MEMBERS | | | | | | | | | | |
| Miscellaneous | 227,291 | 228,667 | 223,251 | 224,084 | 224,966 | 222,806 | 219,101 | 214,721 | 219,919 | 227,096 |
| University of California | 44 | 45 | 49 | 56 | 81 | 93 | 103 | 111 | 127 | 92 |
| Industrial | 13,038 | 13,734 | 13,732 | 13,624 | 12,822 | 11,862 | 10,815 | 11,695 | 11,032 | 10,607 |
| ARP | 12,160 | 9,491 | 13,972 | 16,477 | 19,422 | 19,086 | 16,608 | 13, 955 | — | — |
| Highway Patrol | 7,556 | 7,565 | 7,573 | 7,589 | 7,471 | 7,133 | 6,987 | 6,968[1] | 11,359 | 10,236 |
| Safety | 28,878 | 28,935 | 29,402 | 29,305 | 29,911 | 28,763 | 26,099 | 23,129 | 21,750 | 16,714 |
| Peace Officer/Firefighter | 45,116 | 47,162 | 48,243 | 49,437 | 51,260 | 51,371 | 48,722 | 46,605 | 46,485 | 44,740 |
| **Total State Members** | **334,083** | **335,599** | **336,222** | **340,572** | **345,933** | **341,114** | **328,435** | **317,184** | **310,672** | **309,485** |
| PUBLIC AGENCY MEMBERS | | | | | | | | | | |
| Schools | 430,865 | 428,117 | 425,186 | 427,211 | 432,383 | 426,686 | 409,675 | 394,911 | 380,374 | 372,614 |
| Cities | 158,649 | 160,253 | 163,430 | 167,994 | 173,315 | 175,240 | 171,546 | 166,192 | 161,515 | 158,884 |
| Counties | 94,980 | 93,468 | 93,651 | 95,122 | 97,188 | 98,395 | 95,177 | 92,013 | 88,717 | 87,468 |
| Districts & Other Public Agencies | 85,660 | 85,003 | 84,937 | 85,145 | 85,578 | 84,698 | 82,067 | 78,595 | 75,704 | 73,616 |
| **Total Public Agency Members** | **770,154** | **766,841** | **767,204** | **775,472** | **788,464** | **785,019** | **758,465** | **731,711** | **706,310** | **692,582** |
| **TOTAL ACTIVE & INACTIVE MEMBERS** | **1,104,237** | **1,102,440** | **1,103,426** | **1,116,044** | **1,134,397** | **1,126,133** | **1,086,900** | **1,048,895** | **1,016,982** | **1,002,067** |
| BENEFIT RECIPIENTS | | | | | | | | | | |
| Service Retirement | 486,625 | 464,601 | 450,263 | 428,821 | 408,428 | 393,328 | 380,162 | 367,737 | 353,212 | 341,348 |
| Disability Retirement | 43,857 | 43,626 | 43,347 | 43,090 | 43,074 | 42,813 | 42,965 | 42,383 | 41,857 | 42,064 |
| Industrial Disability Retirement | 36,493 | 35,495 | 34,733 | 33,951 | 33,453 | 32,757 | 32,081 | 31,157 | 30,025 | 29,320 |
| Industrial Death | 894 | 903 | 1,070 | 1,056 | 1,045 | 1,039 | 1,013 | 995 | 972 | 958 |
| 1957 Survivor Benefit | 3,698 | 3,831 | 3,626 | 3,535 | 3,398 | 3,246 | 3,164 | 3,074 | 2,960 | 2,881 |
| 1959 Survivor Benefit | 3,192 | 3,171 | 3,195 | 3,170 | 3,115 | 3,069 | 2,985 | 2,295 | 2,875 | 2,880 |
| **TOTAL BENEFIT RECIPIENTS** | **574,759[1]** | **551,627** | **536,234** | **513,623** | **492,513[2]** | **476,252** | **462,370** | **447,641** | **431,901** | **419,451** |
| **TOTAL MEMBERS** | **1,678,996** | **1,654,067** | **1,639,660** | **1,629,667** | **1,626,910** | **1,602,385** | **1,549,270** | **1,496,536** | **1,448,883** | **1,421,518** |

## Legislators' Retirement System | 10-Year Review

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| ACTIVE & INACTIVE MEMBERS | | | | | | | | | | |
| Members of the Legislature | 7 | 8 | 8 | 15 | 17 | 18 | 23 | 27 | 28 | 35 |
| Constitutional Officers | 17 | 19 | 20 | 17 | 18 | 18 | 19 | 15 | 15 | 18 |
| Legislative Statutory Officers | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **TOTAL ACTIVE & INACTIVE MEMBERS** | **28** | **31** | **32** | **36** | **39** | **40** | **46** | **46** | **47** | **57** |
| BENEFIT RECIPIENTS | | | | | | | | | | |
| Members of the Legislature | | | | | | | | | | |
| Service Retirement | 226 | 200 | 210 | 214 | 221 | 222 | 228 | 227 | 228 | 221 |
| Disability Retirement | 7 | 9 | 9 | 9 | 9 | 11 | 11 | 6 | 6 | 7 |
| Pre-Retirement Option 2 | 2 | — | — | (1) | — | — | — | — | — | — |
| **Total Members of the Legislature** | **235** | **209** | **219** | **222** | **230** | **233** | **239** | **233** | **234** | **228** |
| Constitutional Officers | | | | | | | | | | |
| Service Retirement | 10 | 26 | 26 | 25 | 21 | 21 | 22 | 22 | 23 | 25 |
| Disability Retirement | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pre-Retirement Option 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| **Total Constitutional Officers** | **12** | **29** | **29** | **28** | **24** | **24** | **25** | **25** | **26** | **28** |
| Legislative Statutory Officers | | | | | | | | | | |
| Service Retirement | 1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| Disability Retirement | — | — | — | — | — | — | — | — | — | — |
| Pre-Retirement Option 2 | — | — | — | — | — | — | — | — | — | — |
| **Total Legislative Statutory Officers** | **1** | **5** | **5** | **5** | **5** | **5** | **5** | **5** | **6** | **6** |
| **TOTAL BENEFIT RECIPIENTS** | **248** | **243** | **253** | **255** | **259** | **262** | **269** | **263** | **266** | **262** |
| **TOTAL MEMBERS** | **276** | **274** | **285** | **291** | **298** | **302** | **315** | **309** | **313** | **319** |

## Judges' Retirement System | 10-Year Review

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| **ACTIVE & INACTIVE MEMBERS** | | | | | | | | | | |
| Active Judges & Deferred Retirement Judges | 325 | 431 | 466 | 528 | 620 | 682 | 756 | 825 | 917 | 983 |
| **TOTAL ACTIVE & INACTIVE MEMBERS** | **325** | **431** | **466** | **528** | **620** | **682** | **756** | **825** | **917** | **983** |
| **BENEFIT RECIPIENTS** | | | | | | | | | | |
| Service Retirement | 1,151 | 654 | 655 | 648 | 641 | 619 | 610 | 607 | 612 | 610 |
| Disability Retirement | 50 | 46 | 46 | 46 | 48 | 47 | 52 | 50 | 48 | 48 |
| Deferred Retirement | 632 | 582 | 590 | 595 | 595 | 604 | 611 | 618 | 673 | 672 |
| Optional Settlement Benefit | — | 527 | 510 | 478 | 433 | 390 | 352 | 306 | 196 | 154 |
| Pre-Retirement Survivor | 63 | 75 | 73 | 76 | 72 | 75 | 77 | 79 | 77 | 74 |
| **TOTAL BENEFIT RECIPIENTS** | **1,896** | **1,884** | **1,874** | **1,843** | **1,789** | **1,735** | **1,702** | **1,660** | **1,606** | **1,558** |
| **TOTAL MEMBERS** | **2,221** | **2,315** | **2,340** | **2,371** | **2,409** | **2,417** | **2,458** | **2,485** | **2,523** | **2,541** |

## Judges' Retirement System II | 10-Year Review

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| **ACTIVE & INACTIVE MEMBERS** | | | | | | | | | | |
| Active Judges | 1,352 | 1,272 | 1,290 | 1,197 | 1,119 | 979 | 915 | 831 | 748 | 690 |
| **TOTAL ACTIVE & INACTIVE MEMBERS** | **1,352** | **1,272** | **1,290** | **1,197** | **1,119** | **979** | **915** | **831** | **748** | **690** |
| **BENEFIT RECIPIENTS** | | | | | | | | | | |
| Service Retirement | 30 | 14 | 7 | 6 | 4 | 3 | 4 | 1 | 1 | 2 |
| Disability Retirement | 18 | 9 | 13 | 7 | 6 | 5 | 3 | 2 | 1 | — |
| Optional Settlement Benefit | — | — | 6 | 4 | 4 | 4 | — | 3 | — | — |
| Pre-Retirement Survivor | 2 | 13 | 2 | 2 | 1 | 2 | 2 | 7 | 7 | 4 |
| 36-month Judge's Salary | 2 | 1 | 2 | — | — | — | — | — | — | — |
| **TOTAL BENEFIT RECIPIENTS** | **52** | **37** | **30** | **19** | **15** | **14** | **9** | **13** | **9** | **6** |
| **TOTAL MEMBERS** | **1,404** | **1,309** | **1,320** | **1,216** | **1,134** | **993** | **924** | **844** | **757** | **696** |

**Notes:**

[1] This total differs from Total Benefit Recipients on pages 53 and 160. Total Benefit Recipients shown here include Active Death Benefits paid as a result of a member death prior to retirement.

# Program Data - Public Employees' Retirement Fund (PERF)

## PRIMARY BENEFITS

Benefits are paid according to the category of employment and the type of benefit coverage provided by an employer. Local agencies have variations in benefits due to their specific contract obligations with CalPERS.

The four categories of membership are:

- **Miscellaneous Members –** staff, operational, supervisory, and all other eligible employees who are not in special membership categories.
- **Safety Members –** California Highway Patrol officers, police officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- **State Industrial Members –** employees of the California Department of Corrections and Rehabilitation who have the same service retirement and other benefits as miscellaneous members, but who also have industrial death and disability benefits under certain limited circumstances.
- **State Peace Officer/Firefighter Members –** State employees who are involved in law enforcement, firefighting and fire suppression, public safety, protective services, or the management and supervision thereof, whose positions are defined as State peace officer/firefighter members in the Government Code or by the Department of Human Resources.

## ASSEMBLY BILL 340 – PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA)

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 31, 2012. The financial impact will be gradually realized as total pension costs and the employer share of those costs decrease.

## SEPARATION FROM EMPLOYMENT/REFUNDS

At permanent separation from employment, members may either leave their contributions on deposit and defer retirement[1] or terminate membership by electing to take a refund of member contributions plus interest (compounded annually). With a refund election, CalPERS is required to deduct federal withholding of 20 percent from the untaxed portion of the refund, unless the taxable portion is directly rolled over to a qualified plan or IRA.

## SERVICE RETIREMENT

### State Miscellaneous & State Industrial Members (First Tier), School Members & University Members 2 Percent at 55 Formula

- **Service not coordinated with Social Security –** A guarantee of 2 percent of final compensation[2] at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

School members with service credit rendered after January 1, 2001: final compensation will not be reduced by $133.33.

### State Miscellaneous & State Industrial Members Separated from Service Prior to January 1, 2000, 2 Percent at 60 Formula

- **Service not coordinated with Social Security –** A guarantee of 2 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 60 with an increased benefit rate to age 63.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

### State Miscellaneous & State Industrial Members (First Tier), School Members & University Members 2 Percent at 62 Formula

A guarantee of 2 percent of final compensation at age 62 for each year of service credit. Retirement may begin at age 52, (or as early as age 50 if there was service rendered prior to January 1, 2013) with a reduced benefit rate, or after age 62 with an increased benefit rate to age 67.

### State Miscellaneous & State Industrial Members (Second Tier) 1.25 Percent at 65 Formula

A guarantee of 1.25 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55, or as early as age 50 (if there is a combination of First Tier and Second Tier service; a reduced benefit rate will apply).

**State Miscellaneous & State Industrial Members (Second Tier) 1.25 percent at 67 Formula**

A guarantee of 1.25 percent of final compensation at age 67 for each year of service credit. Retirement may begin at age 55, or as early as age 50 (if there is a combination of First Tier and Second Tier service. The First Tier service must have been rendered prior to January 1, 2013.) A reduced benefit rate will apply.

**Local Miscellaneous Members 2 Percent at 55 Formula**

- **Service not coordinated with Social Security –** A guarantee of 2 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

**Local Miscellaneous Members 2 Percent at 60 Formula**

- **Service not coordinated with Social Security –** A guarantee of 2 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 60 with an increased benefit rate to age 63.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

**Local Miscellaneous Members 2 Percent at 62 Formula**

- A guarantee of 2 percent of final compensation at age 62 for each year of service credit. Retirement may begin at age 52, (or as early as age 50 if there was service rendered prior to January 1, 2013) with a reduced benefit rate, or after age 62 with an increased benefit rate to age 67.

**Local Miscellaneous Members 2.5 Percent at 55 Formula**

- **Service not coordinated with Social Security –** A guarantee of 2.5 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

**Local Miscellaneous Members 2.7 Percent at 55 Formula**

- **Service not coordinated with Social Security –** A guarantee of 2.7 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

**Local Miscellaneous Members 3 Percent at 60 Formula**

- **Service not coordinated with Social Security –** A guarantee of 3 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.
- **Service coordinated with Social Security –** Same basic benefit rate; however, there is a reduction of $133.33 from the final compensation before benefits are determined.

**Local Miscellaneous Members (Second Tier) 1.5 Percent at 65 Formula**

A guarantee of 1.5 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55, or as early as 50 if there is a combination of First Tier and Second Tier service (a reduced benefit rate will apply).

**Local Safety Members 2 Percent at 50 Formula**

2 percent of final compensation for each year of service for retirement at age 50, with an increased benefit rate to age 55. The maximum allowance payable is 90 percent of final compensation.

**State Safety Members & Local Safety Members 2 Percent at 55 Formula**

2 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 80 percent of final compensation for State safety members and 90 percent for local safety members. Retirement may begin at age 50 with a reduced benefit rate.

**Local Safety Members Half Pay at 55 Formula**

This benefit is no longer available as a contract amendment. Only a small number of local agencies are still covered under this formula which guarantees one-half of final compensation at age 55 with 20 or more years of service credit. Retirement may begin at age 50 with a reduced benefit rate.

**State Safety Members & Local Safety Members 2.5 Percent at 55 Formula**

This benefit is no longer available as a contract amendment. It provides 2.5 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 80 percent of final compensation for State safety members and 90 percent for local safety members. Retirement may begin at age 50 with
a reduced benefit rate.

**State Safety Members & Local Safety Members 2 Percent at 57 Formula**

2 percent of final compensation for each year of service for retirement at age 57. Retirement may begin at age 50 with a reduced benefit rate.

**State Safety Members & Local Safety Members 2.5 Percent at 57 Formula**

2.5 percent of final compensation for each year of service for retirement at age 57. Retirement may begin at age 50 with a reduced benefit rate.

**State Safety Members & Local Safety Members 2.7 Percent at 57 Formula**

2.7 percent of final compensation for each year of service for retirement at age 57. Retirement may begin at age 50 with a reduced benefit rate.

**State Patrol Members, Local Safety Members & State Peace Officer/Firefighter Members 3 Percent at 50 Formula**

3 percent of final compensation for each year of service for retirement at age 50. The maximum allowance payable is 90 percent of final compensation for State patrol members, local safety members, and State peace officer/firefighters.

**State Peace Officer/Firefighter Members & Local Safety Members 3 Percent at 55 Formula**

3 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent for State peace officer/firefighter members and local safety members. Retirement may begin at age 50 with a reduced benefit rate.

## DISABILITY RETIREMENT

**For Most Members**

A monthly allowance of 1.8 percent of final compensation for each year of service, improved under certain conditions to 33⅓ percent of final compensation, applicable to members with at least five years of service credit.

**By Contract Amendment Only for Local Agencies**

A monthly allowance of 30 percent of final compensation, plus an additional 1 percent for each year of service over five years to a maximum of 50 percent.

**For State Second Tier Members**

A monthly allowance of 1.125 percent of final compensation for each year of service, improved under certain conditions to 33⅓ percent of final compensation, applicable to members with at least 10 years of service credit or five years if credited as of January 1, 1985.

**For Certain Local Miscellaneous Second Tier Members**

A monthly allowance of 1.35 percent of final compensation for each year of service, improved under certain conditions to 33⅓ percent of final compensation, applicable to members with at least five years of service credit.

## INDUSTRIAL DISABILITY RETIREMENT

**For Most Members**

A monthly allowance of 50 percent of final compensation, applicable to patrol members, State and local safety members, State peace officer/firefighter members, State industrial members, local miscellaneous members (by contract amendment only), and certain State miscellaneous members defined by law. The injury or illness must be job related and the member must be serving in one of these categories at the time the industrial disability occurs. California Highway Patrol members may be entitled to an enhanced benefit if specific qualifying factors are met.

**By Contract Amendment Only for Local Agencies**

A monthly allowance of 75 percent of final compensation, if found totally disabled.

**By Contract Amendment Only for Local Agencies**

A monthly allowance of 50 percent to 90 percent of final compensation, depending on the disability rating by the Workers' Compensation Appeals Board.

## DEATH BENEFITS (BEFORE RETIREMENT)

**Basic Death Benefit – All Members Except State Employees**

**Eligible to retire or not** – A return of member contributions plus interest (compounded annually) and an employer-paid portion equal to one month's compensation earnable for each year of current service to a maximum of six months.

**Basic Death Benefit – State Employees Only**

**Eligible to retire or not eligible to retire with 20 years or more of State service credit** – A return of member contributions plus interest (compounded annually) and a State-paid portion equal to six months' pay (50 percent of the member's earnable pay for the 12 months prior to the member's death).

**Not eligible to retire with less than 20 years of State service credit** – A return of only the member contributions plus interest (compounded annually).

**Insurance Benefit – State Employees Only**

**Eligible to retire or not eligible to retire with 20 years or more of State service credit** – $5,000 in a lump sum.

**Not eligible to retire with less than 20 years of State service credit** – $5,000 in a lump sum plus six months' pay (50 percent of annual compensation).

**Alternate Death Benefit[3] – For State Members in Bargaining Units Contracting for this Benefit, Who are Not Eligible to Retire, With 20 Years or More of State Service Credit**

A monthly allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to pre-retirement Option 2W (if the beneficiary is a spouse or registered domestic partner), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had been old enough to retire. A spouse or registered domestic partner or minor child may receive continued health and dental insurance with the Alternate Death Benefit.

**Alternate Death Benefit for Firefighters – Local Agency Employers Contracting for this Benefit, With 20 Years or More of Total Service Credit**

A monthly non-job-related allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to Pre-Retirement Option 2W (if the beneficiary is a spouse or registered domestic partner, even if the agency does not contract separately for the Pre-Retirement Option 2W benefit), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had either been old enough to retire (if the member died before reaching retirement age), or based on the member's actual age if the member was eligible to retire at the time of death. This benefit applies to all service credit earned by the member, including service that may have been earned with a local agency that does not contract for the Alternate Death Benefit, as long as the member was employed at the time of death by a local agency that provides this benefit in their contract.

**Pre-Retirement Option 2W Benefit – Local Agencies by Contract, Married, or Registered Domestic Partnership**

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

**Pre-Retirement Option 2W Benefit[3] – For All State Members, Married, or Registered Domestic Partnership**

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

**1957 Survivor Benefit[3] – Local & School Members, Married, or Registered Domestic Partnership**

For all members eligible to retire who are married or in a registered domestic partnership, a monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death.

**1957 Survivor Benefit[1] – All Members, Not Married, or No Registered Domestic Partnership**

For all members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until

age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

**1959 Survivor Benefit – State & School Members & by Contract Option, Local Agency Members Not Coordinated With Social Security**

A monthly benefit paid to survivors of deceased members who died prior to retirement. This benefit is similar to the Social Security Survivor Benefit and is paid in addition to any other applicable pre-retirement death benefit, except the Special Death Benefit.

**Special Death Benefit[3] – Survivors of Patrol, State & Local Safety, State Industrial & State Peace Officer/Firefighter Members, State Miscellaneous[4] & Local Miscellaneous by Contract Amendment[4]**

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse or registered domestic partner until death, or if no spouse, to natural or adopted unmarried children up to age 22. The monthly allowance is recalculated annually on October 1 based on the salary rates for employees who work in the position the member held at the time of death until such time as the member would have attained age 50.

**Special Death Benefit[5] – Violent Death**

Provides increased benefits (up to 75 percent of final compensation) based upon the number of surviving children, if the member's death is the result of external violence or physical force.

## DEATH BENEFITS (AFTER RETIREMENT)

**Retired Death Benefit – State Members Only**

A $2,000 lump sum payable in addition to any optional settlement elected.

**Retired Death Benefit – School Members Only**

A $2,000 lump sum payable in addition to any optional settlement. The amount may be increased to $3,000, $4,000, or $5,000 depending on the employer contract.

**Retired Death Benefit – Local & School Members**

A $500, $600, $2,000, $3,000, $4,000, or $5,000 lump sum (depending on the employer contract) payable in addition to any optional settlement elected.

**Survivor Continuance Benefit – State Members, School Members & by Contract Option, Local Agency Members**

- **Service not coordinated with Social Security** – 50 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.
- **Service coordinated with Social Security** – 25 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.

## OPTIONAL SETTLEMENTS

**For All Members**

All the disability and service retirement allowances discussed in this section are the highest (unmodified) allowances payable to a retired member. There are six optional settlements to allow a member to reduce their allowance to provide a benefit to a named beneficiary at the member's death. Under two of these options, if the beneficiary predeceases the member, the member's allowance will be increased to the higher (unmodified) amount.

## COST-OF-LIVING ADJUSTMENTS (COLA)

**For All Members – Except State Second Tier**

A maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies). **Note:** Does not apply to the Pre-Retirement 1959 Survivor Death Benefit.

**For State Second Tier Members Only**

A fixed 3 percent compounded annually.

**Notes:**

1. A member who has less than the required amount of service credit must return to CalPERS-covered employment to obtain the minimum service credit required to be eligible for retirement.
2. The term "final compensation" appears throughout this section. It means the highest average payrate and special compensation during any one-year or three-year period of employment.
3. The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.
4. The survivor of a State or local miscellaneous member qualifies for the Special Death Benefit if the member was killed or fatally injured while performing their official duties.
5. The Special Death Benefit is payable if the member's death is job related.

## Active & Inactive Members

| Employer/Category | Active | Inactive | Total |
|---|---|---|---|
| State Miscellaneous – First Tier | 146,555 | 51,231 | 197,786 |
| State Miscellaneous – Second Tier | 6,820 | 22,685 | 29,505 |
| State Industrial – First Tier | 9,609 | 1,820 | 11,429 |
| State Industrial – Second Tier | 642 | 967 | 1,609 |
| State ARP[1] | 9,883 | 2,277 | 12,160 |
| Highway Patrol | 7,261 | 295 | 7,556 |
| State Safety | 23,782 | 5,096 | 28,878 |
| Peace Officer/Firefighter | 39,067 | 6,049 | 45,116 |
| University of California[2] | 1 | 43 | 44 |
| **TOTAL STATE MEMBERS** | **243,620** | **90,463** | **334,083** |
| School – Miscellaneous | 280,126 | 149,977 | 430,103 |
| School – Safety | 612 | 150 | 762 |
| **TOTAL SCHOOL MEMBERS** | **280,738** | **150,127** | **430,865** |
| Public Agency – Miscellaneous | 189,702 | 93,779 | 283,481 |
| Public Agency – Safety | 45,449 | 10,359 | 55,808 |
| **TOTAL PUBLIC AGENCY MEMBERS** | **235,151** | **104,138** | **339,289** |
| **TOTAL MEMBERS** | **759,509** | **344,728** | **1,104,237** |

## Benefit Payments by Type

| Category | Amount Paid |
|---|---|
| Service Retirement | $14,304,469,220 |
| Disability Retirement | 560,645,818 |
| Industrial Disability Retirement | 1,494,486,150 |
| PPPA Payments[3] | 37,957,813 |
| **TOTAL** | **$16,397,559,001** |
| Basic Death Benefit/Group Term Life Insurance | $45,181,888 |
| 1957 Survivor Benefit | 83,210,337 |
| 1959 Survivor Benefit | 34,606,918 |
| Industrial Death Allowance | 42,555,263 |
| Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments | 32,149,825 |
| **TOTAL** | **$237,704,231** |
| **GRAND TOTAL** | **$16,635,263,232** |

## Benefit Recipients by Employer Category[4]

| Employer/Category | Retired Members | Survivors & Beneficiaries | Total |
|---|---|---|---|
| State Miscellaneous – First Tier | 121,092 | 22,097 | 143,189 |
| State Miscellaneous – Second Tier | 935 | 112 | 1,047 |
| State Miscellaneous – Mixed Tier | 1,897 | 478 | 2,375 |
| State Industrial – First Tier | 5,183 | 638 | 5,821 |
| State Industrial – Second Tier | 154 | 18 | 172 |
| State Industrial – Mixed Tier | 34 | 6 | 40 |
| Highway Patrol | 6,459 | 1,119 | 7,578 |
| State Safety | 13,469 | 2,214 | 15,683 |
| Peace Officer/Firefighter | 26,628 | 2,103 | 28,731 |
| **TOTAL STATE** | **175,851** | **28,785** | **204,636** |
| School – Miscellaneous | 160,638 | 22,299 | 182,937 |
| School – Safety | 386 | 39 | 425 |
| **TOTAL SCHOOL** | **161,024** | **22,338** | **183,362** |
| Public Agency – Miscellaneous | 117,744 | 14,955 | 132,699 |
| Public Agency – Safety | 41,090 | 5,188 | 46,278 |
| **TOTAL PUBLIC AGENCY** | **158,834** | **20,143** | **178,977** |
| **TOTAL** | **495,709** | **71,266** | **566,975** |

**Notes:**

1 The Alternate Retirement Program (ARP) is a mandated savings plan for State miscellaneous and industrial members hired on or after August 11, 2004, during their first two years of employment. While contributing to ARP during that period, they are also "non-contributing" CalPERS members. ARP does not apply to new members hired on or after July 1, 2013.

2 The number of University of California members continues to decline since new employees must join the University of California Retirement System (UCRS).

3 These payments were made from the Purchasing Power Protection Account, which is structured to maintain current benefit levels and to restore CalPERS allowances to 75 percent of their original purchasing power (80 percent for public agencies).

4 The actual number of benefit recipients is by the employer category from which they retired, regardless of whether they had service in other employer categories. The total includes only those recipients receiving a monthly allowance, and does not include recipients of one-time only payments.

## Benefit Payments by Type | Six-Year Review

| Category | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|---|
| Service Retirement | $14,304,469,220 | $13,100,533,228 | $12,078,836,537 | $10,886,413,443 | $9,832,150,382 | $8,989,399,878 |
| Disability Retirement | 560,645,818 | 566,771,017 | 557,833,490 | 540,419,698 | 526,320,720 | 508,340,191 |
| Industrial Disability Retirement | 1,494,486,150 | 1,425,569,675 | 1,349,369,869 | 1,276,846,198 | 1,211,176,434 | 1,141,230,969 |
| PPPA Payments | 37,957,813 | 38,927,217 | 42,656,666 | 51,590,524 | 60,244,271 | 59,612,434 |
| **TOTAL** | **$16,397,559,001** | **$15,131,801,137** | **$14,028,696,562** | **$12,755,269,863** | **$11,629,891,807** | **$10,698,583,472** |
| Basic Death Benefit/Group Term Life Insurance | $45,181,888 | $43,730,806 | $41,224,228 | $42,385,815 | $40,509,577 | $37,488,504 |
| 1957 Survivor Benefit | 83,210,337 | 77,780,450 | 74,103,991 | 69,745,915 | 65,076,391 | 60,762,855 |
| 1959 Survivor Benefit | 34,606,918 | 32,855,386 | 33,355,374 | 33,158,971 | 32,209,689 | 31,383,843 |
| Industrial Death Allowance | 42,555,263 | 42,035,922 | 38,985,369 | 37,042,156 | 35,506,591 | 33,600,164 |
| Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments | 32,149,825 | 28,492,596 | 25,893,151 | 34,855,181 | 28,642,393 | 22,598,032 |
| **TOTAL** | **$237,704,231** | **$224,895,160** | **$213,562,113** | **$217,188,038** | **$201,944,641** | **$185,833,398** |
| Refunds | $242,595,215 | $218,082,685 | $227,167,877 | $182,387,623 | $186,783,064 | $182,415,410 |
| **GRAND TOTAL** | **$16,877,858,447** | **$15,574,778,982** | **$14,469,426,552** | **$13,154,845,524** | **$12,018,619,512** | **$11,066,832,280** |

## Average Benefit Payments – As of June 30, 2012 | Ten-Year Review

| RETIREMENT EFFECTIVE DATES | Years of Credited Service | | | | | | |
|---|---|---|---|---|---|---|---|
| | 0 5 | 5-10 | 10-15 | 15 20 | 20-25 | 25-30 | 30+ |
| **2011/12[1]** | | | | | | | |
| Average Monthly Allowance[2] | $541 | $747 | $1,267 | $1,860 | $2,733 | $4,228 | $5,026 |
| Average Final Compensation | $6,104 | $4,442 | $4,679 | $5,037 | $5,722 | $6,587 | $6,700 |
| Number of Recipients[2] | 763 | 4,688 | 5,628 | 4,735 | 5,746 | 5,163 | 6,726 |
| **2010/11** | | | | | | | |
| Average Monthly Allowance[2] | $517 | $782 | $1,291 | $1,856 | $2,815 | $4,146 | $5,130 |
| Average Final Compensation | $6,442 | $4,508 | $4,739 | $4,927 | $5,606 | $6,500 | $6,741 |
| Number of Recipients[2] | 713 | 4,322 | 5,128 | 4,607 | 5,993 | 5,243 | 7,572 |
| **2009/10** | | | | | | | |
| Average Monthly Allowance[2] | $586 | $829 | $1,377 | $2,059 | $3,043 | $4,577 | $5,572 |
| Average Final Compensation | $6,806 | $4,460 | $4,760 | $5,153 | $5,819 | $6,738 | $7,076 |
| Number of Recipients[2] | 878 | 4,172 | 4,322 | 4,208 | 5,596 | 5,322 | 7,092 |
| **2008/09** | | | | | | | |
| Average Monthly Allowance[2] | $606 | $830 | $1,360 | $1,988 | $2,906 | $4,432 | $5,569 |
| Average Final Compensation | $6,519 | $4,378 | $4,680 | $4,982 | $5,641 | $6,574 | $7,013 |
| Number of Recipients[2] | 680 | 3,796 | 3,598 | 3,681 | 4,157 | 3,977 | 5,801 |
| **2007/08** | | | | | | | |
| Average Monthly Allowance[2] | $506 | $777 | $1,306 | $1,966 | $2,882 | $4,364 | $5,433 |
| Average Final Compensation | $6,138 | $4,358 | $4,518 | $4,970 | $5,587 | $6,472 | $6,864 |
| Number of Recipients[2] | 727 | 3,620 | 3,371 | 3,652 | 3,765 | 3,458 | 4,883 |
| **2006/07** | | | | | | | |
| Average Monthly Allowance[2] | $601 | $753 | $1,222 | $1,801 | $2,624 | $3,917 | $5,115 |
| Average Final Compensation | $6,125 | $4,294 | $4,356 | $4,632 | $5,182 | $5,925 | $6,539 |
| Number of Recipients[2] | 648 | 3,943 | 3,536 | 4,059 | 3,738 | 3,606 | 4,467 |
| **2005/06** | | | | | | | |
| Average Monthly Allowance[2] | $487 | $682 | $1,134 | $1,654 | $2,372 | $3,610 | $4,870 |
| Average Final Compensation | $6,040 | $4,012 | $4,144 | $4,405 | $4,858 | $5,689 | $6,294 |
| Number of Recipients[2] | 560 | 3,624 | 3,788 | 4,462 | 3,807 | 3,650 | 5,249 |
| **2004/05** | | | | | | | |
| Average Monthly Allowance[2] | $473 | $687 | $1,109 | $1,606 | $2,360 | $3,439 | $4,750 |
| Average Final Compensation | $5,534 | $3,926 | $4,017 | $4,289 | $4,837 | $5,488 | $6,132 |
| Number of Recipients[2] | 549 | 3,487 | 4,032 | 4,668 | 3,861 | 3,859 | 5,876 |
| **2003/04** | | | | | | | |
| Average Monthly Allowance[2] | $510 | $693 | $1,082 | $1,560 | $2,192 | $3,308 | $4,553 |
| Average Final Compensation | $5,443 | $3,835 | $3,863 | $4,171 | $4,492 | $5,254 | $5,915 |
| Number of Recipients[2] | 545 | 3,489 | 4,254 | 4,465 | 3,822 | 3,499 | 4,831 |
| **2002/03** | | | | | | | |
| Average Monthly Allowance[2] | $573 | $678 | $1,074 | $1,475 | $2,110 | $3,261 | $4,625 |
| Average Final Compensation | $4,996 | $3,609 | $3,752 | $3,936 | $4,350 | $5,156 | $5,888 |
| Number of Recipients[2] | 529 | 2,834 | 3,825 | 3,678 | 3,281 | 3,116 | 4,650 |

**Notes:**

[1] The data for fiscal year 2011-12 is the most recent data available.

[2] These averages and totals are for retired members, beneficiaries, and community property recipients.

# Public Agency Employers

## CONTRACT ACTIONS SUMMARY

On June 30, 2013, 1,581 public agency contracts provided retirement, death, and survivor benefits for participants of 57 County Offices of Education; four school district offices; 450 cities and towns; 37 counties; and 1,033 districts and other public agencies. The 57 County Offices of Education contracts provide benefits for 1,508 school districts and charter schools, bringing the total number of public agency employers to 3,089.

| | Added | Merged | Terminated | Total |
|---|---|---|---|---|
| County Offices of Education (for 1,508 school districts and charter schools) | — | — | — | 57 |
| Los Angeles City Schools and Community College Districts | — | — | — | 2 |
| Los Angeles County Superintendents of Schools and San Diego County Superintendent of Schools | — | — | — | 2 |
| Cities/Towns | 1 | — | -1 | 450 |
| Counties | — | — | — | 37[1] |
| Districts and Other Public Agencies | 6 | — | –1 | 1,033[2] |
| **TOTAL PUBLIC AGENCY CONTRACTS** | **7** | — | **–2** | **1,581[3]** |

## AMENDMENTS

Public agency contracts vary depending upon the member categories covered, the formula the agency elects to provide, and the optional benefit provisions selected from the group of approximately 55 benefits. These optional benefits may be provided at the time the original contract is established or they may be added later through the contract amendment process.

During the 2012-13 fiscal year, 235 contract amendments were completed. The benefit formula changes for public agencies included: four to provide the 2.7% at 55 formula for active miscellaneous members; four to provide the 3% at 55 formula for safety members; one to provide the 3% @ 50 for safety members; and one to provide the 2% at 50 formula for safety members; and 182 contract amendments were completed to provide a different (lower) level of benefits for new hires.

## TWO YEARS OF ADDITIONAL SERVICE CREDIT – "GOLDEN HANDSHAKE"

Contracting agencies may amend their contracts to provide additional service credit if there are impending mandatory transfers, layoffs, or demotions. Eligible employees who retire within a 90- to 180-day window period established by the employer receive two years additional service credit. The County Offices of Education may also contract for this benefit when there is an impending curtailment of, or change, in the manner of performing services, and their best interest would be served by granting the additional service credit. Once the contract is amended, the employer may establish additional window periods.

In the 2012-13 fiscal year, four public agencies amended their contracts to provide the two years of additional service credit and 10 additional window periods were established. The County Offices of Education established 25 additional window periods for the Golden Handshake benefit.

## POPULAR BENEFIT AMENDMENTS

| Benefit | Number of amendments |
|---|---|
| Different Level of Benefits | 182 |
| 2.7% at 55 Miscellaneous Formula | 4 |
| 3% at 55 Safety Formula | 4 |
| Cost Sharing | 18 |
| Pre-Retirement Option 2W Death Benefit | 4 |
| Two Year Additional Service Credit | 4 |

## TERMINATIONS

- City of Loyalton, effective March 31, 2013.
- Orange Cove Fire Protection District of Fresno and Tulare Counties, effective February 7, 2013.

**Note:**

1 The total for Counties has been updated to accurately reflect the total number of agencies contracting with CalPERS. Totals in the prior year report include agencies inadvertently misreported.

2 The total for Districts and Other Public Agencies has been updated to accurately reflect the total number of agencies contracting with CalPERS. Totals in the prior year report include agencies inadvertently misreported.

3 Agencies that contract with CalPERS for retirement benefits and have zero participants were included. "Participants" is defined as active and inactive members excluding retirees.

## LARGEST PARTICIPATING EMPLOYERS

| Employer | Number of Employees |
|---|---|
| State of California | 321,924 |
| Los Angeles County Office of Education | 104,393 |
| Los Angeles Unified School District | 41,684 |
| San Diego County Office of Education | 36,843 |
| Orange County Office of Education | 32,599 |
| County of Riverside | 25,692 |
| San Bernardino County Office of Education | 24,488 |
| Riverside County Office of Education | 23,475 |
| County of Santa Clara | 20,487 |
| Santa Clara County Office of Education | 19,260 |

## NEW CONTRACTS

During the 2012-2013 fiscal year, seven additional agencies contracted with CalPERS for retirement, death, and survivor benefits. The new contracting agencies are:

| Effective Date | Public Agency | Misc. Member Formula | Safety Member Formula |
|---|---|---|---|
| 12/13/2012 | Associated Students, Inc., California State University East Bay | 2% @ 55 | |
| 12/14/2012 | Associated Students Incorporated of California State University, Stanislaus | 2% @ 60 | |
| 12/14/2012 | University Student Union, California State University, Stanislaus | 2% @ 60 | |
| 2/17/2013 | CRA/LA, A Designated Local Authority | 2% @ 55 | |
| 12/29/2012 | Shasta Regional Transportation Agency | 2% @ 55 | |
| 2/1/2013 | Successor Agency to the Former Redevelopment Agency of the City of Fresno | 2% @ 55 | |
| 12/31/2012 | City of Coalinga | 2% @ 55 | 2% @ 55 |

## RECIPROCAL SYSTEMS

Reciprocity is a valuable addition to the CalPERS benefit package. Its purpose is to encourage career public service, by allowing members to move between employers under different public retirement systems without losing their retirement and related benefits. The following retirement systems have reciprocity with CalPERS.

### Counties Under the County Employees' Retirement Law of 1937

- Alameda
- Contra Costa
- Fresno
- Imperial
- Kern
- Los Angeles
- Marin
- Mendocino
- Merced
- Orange
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Mateo
- Santa Barbara
- Sonoma
- Stanislaus
- Tulare
- Ventura

### The University of California Retirement Plan (UCRP)

### Reciprocal Public Retirement Systems

- Concord, City of
- Contra Costa Water District
- Costa Mesa, City of (safety only)
- East Bay Municipal Utility District
- East Bay Regional Park District (safety only)
- Fresno, City of
- Los Angeles City Employees' Retirement Plan
- Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees' Retirement Income Plan)
- Oakland, City of (non-safety only)
- Pasadena, City of (fire and police only)
- Sacramento, City of
- San Clemente, City of (non-safety only)
- San Diego, City of
- San Francisco, City and County of
- San Jose, City of
- San Luis Obispo, County of

### Systems with Limited Reciprocity

- Judges' Retirement System
- Judges' Retirement System II
- Legislators' Retirement System
- California State Teachers' Retirement System

## PARTICIPATING PUBLIC AGENCIES BY TYPE

The total number includes active and inactive participants excluding retirees. In most cases, a participant is only counted once. A participant could be counted more than once if he/she were actively employed by more than one employer on the report effective date. An active member is currently employed by the State of California, a CalPERS contracting public agency, or a school district. An inactive member is not currently working for a covered employer; however contributions and interest are kept on account.

### County Offices of Education (57 total)

| | |
|---|---|
| Alameda | 15,651 |
| Alpine | 52 |
| Amador | 256 |
| Butte | 3,530 |
| Calaveras | 664 |
| Colusa | 458 |
| Contra Costa | 10,282 |
| Del Norte | 236 |
| El Dorado | 2,456 |
| Fresno | 13,714 |
| Glenn | 550 |
| Humboldt | 2,468 |
| Imperial | 3,038 |
| Inyo | 321 |
| Kern | 13,738 |
| Kings | 2,065 |
| Lake | 888 |
| Lassen | 517 |
| Los Angeles | 104,393 |
| Madera | 1,653 |
| Marin | 2,899 |
| Mariposa | 199 |
| Mendocino | 1,996 |
| Merced | 4,479 |
| Modoc | 286 |
| Mono | 260 |
| Monterey | 6,592 |
| Napa | 2,043 |
| Nevada | 1,150 |
| Orange | 32,599 |
| Placer | 4,219 |
| Plumas | 434 |
| Riverside | 23,475 |
| Sacramento | 16,465 |
| San Benito | 808 |
| San Bernardino | 24,488 |
| San Diego | 36,843 |
| San Joaquin | 8,597 |
| San Luis Obispo | 3,622 |
| San Mateo | 7,679 |
| Santa Barbara | 5,735 |
| Santa Clara | 19,260 |
| Santa Cruz | 3,521 |
| Shasta | 2,658 |
| Sierra | 52 |
| Siskiyou | 981 |
| Solano | 4,213 |
| Sonoma | 5,923 |
| Stanislaus | 8,015 |
| Sutter | 1,205 |
| Tehama | 1,288 |
| Trinity | 332 |
| Tulare | 7,769 |
| Tuolumne | 579 |
| Ventura | 9,072 |
| Yolo | 2,295 |
| Yuba | 1,311 |

### School District Offices[1] (4 total)

| | |
|---|---|
| Los Angeles Unified School District | 41,684 |
| Los Angeles Community College District | 3,283 |
| Los Angeles County Office of Education | 3,169 |
| San Diego County Office of Education | 1,121 |

### Counties (37 total)

| | |
|---|---|
| Alpine | 105 |
| Amador | 541 |
| Butte | 2,799 |
| Calaveras | 615 |
| Colusa | 462 |
| Del Norte | 691 |
| El Dorado | 2,499 |
| Glenn | 592 |
| Humboldt | 2,675 |
| Inyo | 555 |
| Kings | 1,744 |
| Lake | 1,323 |
| Lassen | 685 |
| Madera | 1,787 |
| Mariposa | 516 |
| Modoc | 547 |
| Mono | 418 |
| Monterey | 6,319 |
| Napa | 1,745 |
| Nevada | 1,158 |
| Placer | 2,904 |
| Plumas | 538 |
| Riverside | 25,692 |
| San Benito | 567 |
| San Joaquin | 75 |
| Santa Clara | 20,487 |
| Santa Cruz | 3,014 |
| Shasta | 2,311 |
| Sierra | 146 |
| Siskiyou | 884 |
| Solano | 3,358 |
| Sutter | 1,256 |
| Tehama | 1,139 |
| Trinity | 485 |
| Tuolumne | 1,210 |
| Yolo | 2,089 |
| Yuba | 1,124 |

**Note:**

[1] Agencies that contract with CalPERS as public agencies and are not reflected elsewhere in this report.

**Cities & Towns (450 total)**

| | |
|---|---|
| Adelanto | 145 |
| Agoura Hills | 46 |
| Alameda | 675 |
| Albany | 98 |
| Alhambra | 628 |
| Aliso Viejo | 23 |
| Alturas | 26 |
| American Canyon | 87 |
| Anaheim | 2,959 |
| Anderson | 65 |
| Angels | 46 |
| Antioch | 400 |
| Apple Valley | 152 |
| Arcadia | 435 |
| Arcata | 155 |
| Arroyo Grande | 109 |
| Artesia | 44 |
| Arvin | 72 |
| Atascadero | 203 |
| Atherton | 67 |
| Atwater | 127 |
| Auburn | 89 |
| Avalon | 83 |
| Avenal | 60 |
| Azusa | 412 |
| Bakersfield | 1,748 |
| Baldwin Park | 538 |
| Banning | 208 |
| Barstow | 195 |
| Beaumont | 188 |
| Bell | 226 |
| Bell Gardens | 203 |
| Bellflower | 122 |
| Belmont | 181 |
| Belvedere | 28 |
| Benicia | 268 |
| Berkeley | 1,836 |
| Beverly Hills | 1,099 |
| Biggs | 10 |
| Bishop | 39 |
| Blue Lake | 10 |
| Blythe | 97 |
| Bradbury | 3 |
| Brawley | 193 |
| Brea | 436 |
| Brentwood | 342 |
| Brisbane | 103 |
| Buellton | 27 |
| Buena Park | 372 |
| Burbank | 1,720 |
| Burlingame | 246 |
| Calabasas | 153 |
| Calexico | 253 |
| California City | 112 |
| Calimesa | 14 |
| Calipatria | 18 |
| Calistoga | 64 |
| Camarillo | 164 |
| Campbell | 189 |
| Canyon Lake | 6 |
| Capitola | 93 |
| Carlsbad | 847 |
| Carmel-By-The-Sea | 94 |
| Carpinteria | 48 |
| Carson | 532 |
| Cathedral City | 229 |
| Cerritos | 435 |
| Chico | 421 |
| Chino | 594 |
| Chowchilla | 93 |
| Chula Vista | 1,267 |
| Citrus Heights | 255 |
| Claremont | 290 |
| Clayton | 39 |
| Clearlake | 71 |
| Cloverdale | 60 |
| Clovis | 941 |
| Coachella City | 84 |
| Coalinga | 103 |
| Colfax | 10 |
| Colma | 59 |
| Colton | 431 |
| Colusa | 45 |
| Commerce | 165 |
| Compton | 520 |
| Concord | 594 |
| Corcoran | 105 |
| Corning | 52 |
| Corona | 902 |
| Coronado | 375 |
| Corte Madera | 75 |
| Costa Mesa | 760 |
| Cotati | 52 |
| Covina | 287 |
| Crescent City | 89 |
| Cudahy | 31 |
| Culver City | 846 |
| Cupertino | 207 |
| Cypress | 225 |
| Daly City | 745 |
| Dana Point | 98 |
| Davis | 522 |
| Del Mar | 72 |
| Del Rey Oaks | 10 |
| Delano | 49 |
| Desert Hot Springs | 100 |
| Diamond Bar | 69 |
| Dinuba | 261 |
| Dixon | 121 |
| Dos Palos | 39 |
| Downey | 535 |
| Duarte | 63 |
| Dublin | 133 |
| Dunsmuir | 11 |
| East Palo Alto | 137 |
| Eastvale | 11 |
| El Cajon | 637 |
| El Centro | 349 |
| El Cerrito | 234 |
| El Monte | 347 |
| El Segundo | 409 |
| Elk Grove | 316 |
| Emeryville | 47 |
| Encinitas | 285 |
| Escalon | 44 |
| Escondido | 1,139 |
| Etna | 7 |
| Eureka | 324 |
| Exeter | 52 |
| Fairfax | 57 |
| Fairfield | 637 |
| Farmersville | 40 |
| Fillmore | 42 |
| Firebaugh | 58 |
| Folsom | 548 |
| Fontana | 1,058 |
| Fort Bragg | 80 |
| Fortuna | 101 |
| Fountain Valley | 263 |
| Fowler | 36 |
| Fremont | 1,074 |
| Fullerton | 765 |
| Galt | 238 |
| Garden Grove | 826 |
| Gardena | 601 |
| Gilroy | 286 |
| Glendale | 2,418 |
| Glendora | 255 |
| Goleta | 78 |
| Gonzales | 47 |
| Grand Terrace | 86 |
| Grass Valley | 122 |
| Greenfield | 56 |
| Gridley | 60 |
| Grover Beach | 83 |
| Guadalupe | 57 |
| Gustine | 35 |
| Half Moon Bay | 52 |
| Hanford | 334 |
| Hawaiian Gardens | 97 |
| Hawthorne | 438 |
| Hayward | 969 |
| Healdsburg | 143 |
| Hemet | 375 |
| Hercules | 177 |
| Hermosa Beach | 187 |
| Hesperia | 154 |
| Hidden Hills | 4 |
| Highland | 44 |
| Hillsborough | 101 |
| Hollister | 161 |
| Hughson | 40 |
| Huntington Beach | 1,185 |
| Huntington Park | 213 |
| Imperial | 69 |
| Imperial Beach | 104 |
| Indian Wells | 42 |
| Indio | 286 |
| Industry | 23 |
| Inglewood | 890 |
| Ione | 20 |
| Irvine | 1,128 |
| Irwindale | 91 |
| Jackson | 38 |
| Kerman | 72 |
| King City | 51 |
| Kingsburg | 78 |
| La Canada Flintridge | 43 |
| La Habra | 542 |
| La Habra Heights | 29 |
| La Mesa | 326 |
| La Mirada | 106 |
| La Palma | 93 |
| La Puente | 57 |
| La Quinta | 106 |
| La Verne | 205 |
| Laguna Beach | 312 |
| Laguna Hills | 51 |
| Laguna Niguel | 132 |
| Laguna Woods | 11 |
| Lake Elsinore | 95 |
| Lake Forest | 88 |
| Lakeport | 55 |
| Lakewood | 393 |
| Lancaster | 683 |
| Larkspur | 77 |
| Lathrop | 108 |
| Lawndale | 111 |
| Lemon Grove | 96 |
| Lemoore | 158 |
| Lincoln | 182 |
| Lindsay | 125 |
| Live Oak | 23 |
| Livermore | 547 |
| Livingston | 85 |
| Lodi | 512 |
| Loma Linda | 108 |
| Lomita | 58 |
| Lompoc | 454 |
| Long Beach | 6,043 |
| Loomis | 14 |
| Los Alamitos | 59 |
| Los Altos | 156 |
| Los Altos Hills | 29 |
| Los Banos | 181 |
| Los Gatos | 227 |
| Lynwood | 236 |
| Madera | 374 |
| Malibu | 104 |
| Mammoth Lakes | 105 |
| Manhattan Beach | 376 |
| Manteca | 410 |

### *Cities & Towns (continued)*

| | |
|---|---|
| Marina | 128 |
| Martinez | 52 |
| Marysville | 78 |
| Maywood | 76 |
| Menifee | 45 |
| Menlo Park | 347 |
| Merced | 540 |
| Mill Valley | 241 |
| Millbrae | 166 |
| Milpitas | 427 |
| Mission Viejo | 207 |
| Modesto | 1,333 |
| Monrovia | 316 |
| Montague | 7 |
| Montclair | 260 |
| Monte Sereno | 10 |
| Montebello | 663 |
| Monterey | 601 |
| Monterey Park | 450 |
| Moorpark | 88 |
| Moraga | 58 |
| Moreno Valley | 579 |
| Morgan Hill | 246 |
| Morro Bay | 130 |
| Mountain View | 808 |
| Mt. Shasta | 40 |
| Murrieta | 313 |
| Napa | 506 |
| National City | 421 |
| Needles | 221 |
| Nevada City | 39 |
| Newark | 252 |
| Newman | 58 |
| Newport Beach | 1,080 |
| Norco | 94 |
| Norwalk | 274 |
| Novato | 281 |
| Oakdale | 112 |
| Oakland | 4,676 |
| Oakley | 44 |
| Oceanside | 1,154 |
| Ojai | 41 |
| Ontario | 1,186 |
| Orange | 783 |
| Orange Cove | 49 |
| Orland | 48 |
| Oroville | 144 |
| Oxnard | 2,534 |
| Pacific Grove | 122 |
| Pacifica | 260 |
| Palm Desert | 161 |
| Palm Springs | 556 |
| Palmdale | 355 |
| Palo Alto | 1,304 |
| Palos Verdes Estates | 96 |
| Paradise | 90 |
| Paramount | 120 |
| Parlier | 53 |
| Pasadena | 2,274 |
| Paso Robles | 205 |
| Patterson | 122 |
| Perris | 82 |
| Petaluma | 416 |
| Pico Rivera | 161 |
| Piedmont | 133 |
| Pinole | 131 |
| Pismo Beach | 120 |
| Pittsburg | 0 |
| Placentia | 156 |
| Placerville | 110 |
| Pleasant Hill | 162 |
| Pleasanton | 588 |
| Pomona | 675 |
| Port Hueneme | 160 |
| Porterville | 406 |
| Portola | 19 |
| Portola Valley | 12 |
| Poway | 292 |
| Rancho Cordova | 80 |
| Rancho Cucamonga | 656 |
| Rancho Mirage | 103 |
| Rancho Palos Verdes | 168 |
| Rancho Santa Margarita | 25 |
| Red Bluff | 126 |
| Redding | 837 |
| Redlands | 529 |
| Redondo Beach | 580 |
| Redwood City | 792 |
| Reedley | 154 |
| Rialto | 391 |
| Richmond | 1,000 |
| Ridgecrest | 166 |
| Rio Vista | 64 |
| Ripon | 25 |
| Riverbank | 76 |
| Riverside | 2,714 |
| Rocklin | 370 |
| Rohnert Park | 225 |
| Rolling Hills | 3 |
| Rolling Hills Estates | 25 |
| Rosemead | 97 |
| Roseville | 1,449 |
| Ross | 22 |
| Sacramento | 5,256 |
| Salinas | 614 |
| San Anselmo | 73 |
| San Bernardino | 1,490 |
| San Bruno | 292 |
| San Buenaventura | 873 |
| San Carlos | 199 |
| San Clemente | 37 |
| San Dimas | 96 |
| San Fernando | 165 |
| San Francisco (1) | 1,328 |
| San Gabriel | 199 |
| San Jacinto | 80 |
| San Joaquin | 20 |
| San Jose | 12 |
| San Leandro | 454 |
| San Luis Obispo | 527 |
| San Marcos | 297 |
| San Marino | 182 |
| San Mateo | 636 |
| San Pablo | 164 |
| San Ramon | 361 |
| Sand City | 28 |
| Sanger | 139 |
| Santa Ana | 1,489 |
| Santa Barbara | 1,462 |
| Santa Clara | 1,028 |
| Santa Clarita | 600 |
| Santa Cruz | 999 |
| Santa Fe Springs | 199 |
| Santa Maria | 677 |
| Santa Monica | 3,010 |
| Santa Paula | 179 |
| Santa Rosa | 1,460 |
| Santee | 171 |
| Saratoga | 89 |
| Sausalito | 140 |
| Scotts Valley | 99 |
| Seal Beach | 117 |
| Seaside | 250 |
| Sebastopol | 47 |
| Selma | 150 |
| Shafter | 140 |
| Shasta Lake | 53 |
| Sierra Madre | 114 |
| Signal Hill | 172 |
| Simi Valley | 688 |
| Solana Beach | 97 |
| Soledad | 87 |
| Solvang | 47 |
| Sonoma | 105 |
| Sonora | 54 |
| South El Monte | 80 |
| South Gate | 473 |
| South Lake Tahoe | 258 |
| South Pasadena | 248 |
| South San Francisco | 540 |
| St. Helena | 92 |
| Stanton | 56 |
| Stockton | 1,893 |
| Suisun City | 128 |
| Sunnyvale | 1,144 |
| Susanville | 88 |
| Sutter Creek | 14 |
| Taft | 152 |
| Tehachapi | 67 |
| Temecula | 233 |
| Temple City | 54 |
| Thousand Oaks | 446 |
| Tiburon | 54 |
| Torrance | 1,733 |
| Tracy | 523 |
| Truckee | 149 |
| Tulare | 471 |
| Tulelake | 25 |
| Turlock | 499 |
| Tustin | 392 |
| Twentynine Palms | 56 |
| Ukiah | 245 |
| Union City | 384 |
| Upland | 374 |
| Vacaville | 570 |
| Vallejo | 524 |
| Vernon | 377 |
| Victorville | 593 |
| Villa Park | 8 |
| Visalia | 692 |
| Vista | 435 |
| Walnut | 70 |
| Walnut Creek | 636 |
| Wasco | 74 |
| Waterford | 20 |
| Watsonville | 469 |
| Weed | 37 |
| West Covina | 429 |
| West Hollywood | 298 |
| West Sacramento | 485 |
| Westlake Village | 22 |
| Westminster | 292 |
| Whittier | 499 |
| Wildomar | 13 |
| Williams | 36 |
| Willits | 67 |
| Willows | 36 |
| Windsor | 132 |
| Winters | 45 |
| Woodlake | 51 |
| Woodland | 372 |
| Woodside | 27 |
| Yorba Linda | 144 |
| Yountville | 31 |
| Yreka | 67 |
| Yuba City | 341 |
| Yucaipa | 69 |
| Yucca Valley | 77 |

**Note:**

[1] San Francisco has both City and County employees, however it is listed only in the "total" count of the Cities & Towns category.

**Other Public Agencies that Contract with CalPERS for Retirement Benefits (1,033 total)**

(School districts contracting for school safety staff and/or AB 616 miscellaneous formula are included in this category.)

Academic Senate for California Community Colleges. . . . . 26
Access Services Incorporated . . . . . 130
Agoura Hills and Calabasas Community Center . . . . . 13
Alameda Alliance for Health. . . . . 386
Alameda Corridor Transportation Authority . . . . . 16
Alameda County Fire Department . . . . . 442
Alameda County Law Library. . . . . 16
Alameda County Mosquito Abatement District. . . . . 14
Alameda County Schools Insurance Group . . . . . 8
Alameda County Transportation Commission . . . . . 28
Alameda County Waste Management Authority. . . . . 54
Alameda County Water District . . . . . 251
Albany Municipal Services Joint Powers Authority. . . . . 21
Alhambra Redevelopment Agency . . . . . 1
Alliance of Schools for Cooperative Insurance Programs . . . . . 29
Alpine Fire Protection District . . . . . 23
Alta California Regional Center Inc . . . . . 489
Alta Irrigation District . . . . . 39
Altadena Library District . . . . . 23
Amador County Transportation Commission . . . . . 6
Amador Transit . . . . . 39
Amador Water Agency. . . . . 54
American Canyon Fire Protection District . . . . . 17
American River Flood Control District . . . . . 11
Anderson Cemetery District. . . . . 3
Anderson Fire Protection District. . . . . 12
Angiola Water District . . . . . 7
Antelope Valley Mosquito and Vector Control District. . . . . 5
Antelope Valley Schools Transportation Agency. . . . . 314
Antelope Valley Transit Authority . . . . . 70
Apple Valley Fire Protection District. . . . . 54
Aptos/La Selva Fire Protection Agency . . . . . 38
Arbuckle-College City Fire Protection District . . . . . 4
Arcade Creek Recreation and Park District . . . . . 9
Arcata Fire Protection District . . . . . 21
Area 12 Agency on Aging. . . . . 34
Armona Community Services District . . . . . 1
Aromas Water District . . . . . 6
Arrowbear Park County Water District. . . . . 5
Arroyo Grande District Cemetery. . . . . 4
Associated Students California State University San Bernardino . . . . . 2
Associated Students Inc California State University East Bay . . . . . 19
Associated Students Incorporated of
California State University Stanislaus . . . . . 5
Associated Students of California State University, Chico . . . . . 146
Association of Bay Area Governments. . . . . 138
Association of California Water Agencies. . . . . 72
Association of California Water Agencies -
Joint Powers Insurance Authority . . . . . 54
Association of Monterey Bay Area Governments . . . . . 35
Atascadero Cemetery District . . . . . 3
Auburn Area Recreation and Park District . . . . . 90
Auburn Public Cemetery District . . . . . 7
Avila Beach Community Services District . . . . . 1
Aztec Shops, Ltd. . . . . 96
Baldwin Park Unified School District . . . . . 947
Bard Water District . . . . . 24
Bardsdale Cemetery District . . . . . 8
Barstow Cemetery District. . . . . 5
Bay Area Air Quality Management District. . . . . 405
Bay Area Water Supply and Conservation Agency . . . . . 9
Beach Cities Health District. . . . . 163
Bear Mountain Recreation and Park District . . . . . 17
Bear Valley Community Services District. . . . . 57
Beaumont District Library . . . . . 11
Beaumont-Cherry Valley Recreation and Park District . . . . . 23
Beaumont-Cherry Valley Water District . . . . . 41
Bella Vista Water District. . . . . 30
Belmont Fire Protection District. . . . . 24
Belmont-San Carlos Fire Department . . . . . 6
Belvedere-Tiburon Library Agency. . . . . 22
Ben Lomond Fire Protection District . . . . . 1
Benicia City Housing Authority. . . . . 14
Bennett Valley Fire Protection District . . . . . 9
BETA Healthcare Group Risk Management Authority. . . . . 87
Big Bear Area Regional Wastewater Agency . . . . . 21
Big Bear City Airport District . . . . . 7
Big Bear City Community Services District . . . . . 74
Big Bear Municipal Water District . . . . . 11
Bighorn-Desert View Water Agency. . . . . 13
Black Gold Cooperative Library System. . . . . 18
Blanchard/Santa Paula Public Library District. . . . . 8
Blue Lake Fire Protection District . . . . . 1
Bodega Bay Fire Protection District. . . . . 18
Bolinas Community Public Utility District. . . . . 8
Bolinas Fire Protection District . . . . . 2
Bonita-Sunnyside Fire Protection District . . . . . 17
Boron Community Services District. . . . . 4
Borrego Springs Fire Protection District. . . . . 23
Borrego Water District. . . . . 17
Boulder Creek Fire Protection District . . . . . 1
Branciforte Fire Protection District . . . . . 4
Brannan-andrus Levee Maintenance District. . . . . 1
Broadmoor Police Protection District. . . . . 18
Brooktrails Township Community Services District . . . . . 12
Browns Valley Irrigation District. . . . . 15
Buena Park Library District . . . . . 24
Burney Basin Mosquito Abatement District . . . . . 1
Burney Fire District . . . . . 10
Burney Water District . . . . . 10
Butte County Air Quality Management District. . . . . 14
Butte County Association of Governments. . . . . 12
Butte County In-Home Supportive Services Public Authority . . . . . 3
Butte County Mosquito and Vector Control District . . . . . 21
Butte Local Agency Formation Commission. . . . . 4
Butte Schools Self-Funded Programs . . . . . 2
Butte-Glenn Community College District . . . . . 500
Byron-Bethany Irrigation District. . . . . 20
Cabrillo College Foundation. . . . . 8
Cachuma Operation and Maintenance Board. . . . . 22

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Cal Poly Corporation . . . . . 557
Cal Poly Pomona Foundation, Inc. . . . . 453
Calaveras Council of Governments . . . . . 3
Calaveras County Water District . . . . . 89
Calaveras Public Utility District . . . . . 7
California Association For Park and Recreation Indemnity . . . . . 6
California Authority of Racing Fairs . . . . . 17
California Bear Credit Union. . . . . 81
California Central Valley Flood Control Association . . . . . 0
California Fair Services Authority . . . . . 43
California Fairs Financing Authority . . . . . 29
California Firefighter's Joint Apprenticeship Committee . . . . . 39
California Interscholastic Federation North Coast Section . . . . . 9
California Interscholastic Federation, Central Coast Section . . . . . 9
California Interscholastic Federation, Central Section . . . . . 3
California Interscholastic Federation, Northern Section . . . . . 2
California Interscholastic Federation, Sac-Joaquin Section . . . . . 7
California Interscholastic Federation, San Diego Section . . . . . 4
California Interscholastic Federation, Southern Section. . . . . 16
California Interscholastic Federation, State office . . . . . 23
California Joint Powers Insurance Authority . . . . . 29
California Joint Powers Risk Management Authority . . . . . 8
California Maritime Academy Foundation, Inc.. . . . . 2
California Municipal Utilities Association . . . . . 9
California Pines Community Services District . . . . . 20
California Redevelopment Association Foundation. . . . . 11
California School Boards Association . . . . . 180
California Special Districts Association . . . . . 33
California State and Federal Employees No. 20 Credit Union . . . . . 14
California State University, Bakersfield Foundation . . . . . 84
California State University, Fresno Athletic Corporation . . . . . 132
California State University,
Stanislaus Auxiliary and Business Services . . . . . 27
California State University-Fresno Association, Inc.. . . . . 228
Callayomi County Water District . . . . . 2
Calleguas Municipal Water District . . . . . 73
Camarillo Health Care District . . . . . 58
Cambria Cemetery District . . . . . 1
Cambria Community Healthcare District . . . . . 22
Cambria Community Services District . . . . . 37
Cameron Park Community Services District . . . . . 20
Camrosa Water District . . . . . 27
Capitol Area Development Authority . . . . . 50
Carmel Area Wastewater District. . . . . 26
Carmel Highlands Fire Protection District of Monterey County. . . . . 1
Carmel Regional Fire Ambulance Authority . . . . . 3
Carmel Valley Fire Protection District. . . . . 0
Carmichael Water District . . . . . 34
Carpinteria Sanitary District . . . . . 22
Carpinteria Valley Water District . . . . . 25
Casitas Municipal Water District . . . . . 59
Castaic Lake Water Agency . . . . . 131
Castro Valley Sanitary District . . . . . 23
Castroville Community Services District . . . . . 6
Cawelo Water District . . . . . 18
Cayucos Sanitary District . . . . . 12
Cayucos-Morro Bay Cemetery District. . . . . 4
Centerville Community Services District . . . . . 6
Central Basin Municipal Water District. . . . . 48
Central Calaveras Fire and Rescue Protection District . . . . . 8
Central Coast Computing Authority . . . . . 5
Central Coast Water Authority . . . . . 40
Central Contra Costa Transit Authority . . . . . 353
Central County Fire Department . . . . . 69
Central Fire Protection District of Santa Cruz County. . . . . 53
Central Marin Sanitation Agency . . . . . 47
Central Sierra Child Support Agency . . . . . 54
Central Sierra Planning Council . . . . . 1
Central Valley Regional Center, Inc. . . . . 389
Central Water District . . . . . 4
Chester Public Utility District . . . . . 13
Chico Area Recreation and Park District . . . . . 109
Children and Families Commission of San Luis Obispo County . . . . . 4
Chino Basin Water Conservation District . . . . . 15
Chino Basin Watermaster . . . . . 12
Chino Valley Independent Fire District . . . . . 150
Citrus Heights Water District . . . . . 30
Citrus Pest Control District No. 2 of Riverside County . . . . . 2
City/County Association of Governments of San Mateo County . . . . . 2
Clear Creek Community Services District . . . . . 10
Clearlake Oaks County Water District . . . . . 25
Cloverdale Citrus Fair . . . . . 4
Cloverdale Fire Protection District . . . . . 3
Clovis Cemetery District . . . . . 13
Coachella Valley Association of Governments . . . . . 23
Coachella Valley Mosquito and Vector Control District . . . . . 88
Coachella Valley Public Cemetery District . . . . . 6
Coachella Valley Water District . . . . . 564
Coalinga/Huron Unified School District Library District . . . . . 8
Coalinga-Huron Cemetery District . . . . . 2
Coalinga-Huron Mosquito Abatement District . . . . . 0
Coalinga-Huron Recreation and Park District. . . . . 19
Coast Life Support District . . . . . 12
Coastal Developmental Services Fdn DBA
Westside Regional Center . . . . . 262
Coastside County Water District . . . . . 22
Coastside Fire Protection District . . . . . 9
Colfax Cemetery District . . . . . 2
College of the Canyons Foundation . . . . . 2
College Town. . . . . 0
Colusa County one-Stop Partnership. . . . . 16
Colusa Mosquito Abatement District . . . . . 5
Community College League of California . . . . . 32
Community Development Commission of Mendocino County . . . . . 43
Community Development Commission
of the County of Los Angeles. . . . . 1,116
Compton Creek Mosquito Abatement District . . . . . 1
Compton Unified School District . . . . . 1,834
Conejo Recreation and Park District . . . . . 283
Consolidated Mosquito Abatement District . . . . . 21
Contra Costa Community College District . . . . . 940
Contra Costa County Law Library . . . . . 5
Contra Costa County Schools Insurance Group . . . . . 60
Contra Costa Transportation Authority . . . . . 25

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Cooperative Organization for the Development of Employee Selection Procedures . . . 10
Cooperative Personnel Services . . . 361
Copperopolis Fire Protection District . . . 11
Cordelia Fire Protection District of Solano County . . . 4
Cordova Recreation and Park District . . . 53
Corning Water District . . . 4
Costa Mesa Sanitary District . . . 12
Cosumnes Community Services District . . . 574
Cottonwood Fire Protection District . . . 5
Cottonwood Water District . . . 3
CRA/LA, A Designated Local Authority . . . 56
Crescent City Harbor District . . . 15
Crescenta Valley Water District . . . 37
Crestline Lake Arrowhead Water Agency . . . 13
Crestline Village Water District . . . 12
Crockett Community Services District . . . 6
CSAC Excess Insurance Authority . . . 82
Cucamonga Valley Water District . . . 140
Cutler Public Utility District . . . 5
Cutler-Orosi Joint Powers Wastewater Authority . . . 5
Cuyama Valley Recreation District . . . 0
Dairy Council of California . . . 104
Daly City Redevelopment Agency . . . 0
Davis Cemetery District . . . 5
De Luz Community Services District . . . 6
Del Norte County Library District . . . 3
Del Paso Manor Water District . . . 5
Del Puerto Water District . . . 5
Del Rey Community Services District . . . 12
Delano Mosquito Abatement District . . . 7
Delta Diablo Sanitation District . . . 82
Delta Vector Control District . . . 20
Denair Community Services District . . . 6
Desert Water Agency . . . 92
Diablo Water District . . . 14
Diamond Springs/El Dorado Fire Protection District . . . 21
Dixon Public Library District . . . 15
Donald P and Katherine B Loker University Student Union, Inc . . . 15
Dougherty Regional Fire Authority . . . 3
Downey Cemetery District . . . 0
Dublin San Ramon Services District . . . 127
Durham Mosquito Abatement District . . . 2
East Bay Dischargers Authority . . . 3
East Bay Regional Park District . . . 730
East Contra Costa Irrigation District . . . 21
East Kern Airport District . . . 31
East Orange County Water District . . . 10
East Palo Alto Sanitary District . . . 13
East Quincy Services District . . . 7
East San Gabriel Valley Human Services Consortium . . . 156
East Valley Water District . . . 77
Eastern Municipal Water District . . . 714
Eastern Sierra Transit Authority . . . 40
Ebbetts Pass Fire Protection District . . . 27
El Dorado County Fire Protection District . . . 100
El Dorado County Resource Conservation District . . . 3
El Dorado County Transit Authority . . . 94
El Dorado County Transportation Commission . . . 7
El Dorado Hills Community Services District . . . 54
El Dorado Hills County Water District . . . 57
El Dorado Irrigation District . . . 278
Encina Wastewater Authority . . . 98
Esparto Community Services District . . . 7
Esparto Fire Protection District . . . 2
Estero Municipal Improvement District . . . 242
Exeter District Ambulance . . . 27
Exposition Metro Line Construction Authority . . . 23
Fair Oaks Recreation & Park District . . . 52
Fair Oaks Water District . . . 56
Fairfield-Suisun Sewer District . . . 73
Fall River Valley Community Services District . . . 6
Fallbrook Public Utility District . . . 79
Far Northern Regional Center . . . 200
Feather River Air Quality Management District . . . 11
Feather River Recreation and Park District . . . 39
Feather Water District . . . 4
Felton Fire Protection District . . . 3
Fern Valley Water District . . . 4
Florin County Water District . . . 11
Florin Resource Conservation District Elk Grove Water District . . . 50
Fontana Unified School District . . . 2,061
Foothill Municipal Water District . . . 13
Foresthill Public Utility District . . . 7
Forestville County Water District . . . 6
Forestville Fire Protection District . . . 7
Fort Bragg Fire Protection Authority . . . 4
Fort Ord Reuse Authority . . . 16
Foundation for California Community Colleges . . . 210
Fresno City Housing Authority . . . 170
Fresno County Housing Authority . . . 165
Fresno County Law Library . . . 5
Fresno Westside Mosquito Abatement District . . . 9
Fruitridge Fire Protection District . . . 0
Fullerton California State University Associated Students . . . 94
Fulton El-Camino Recreation and Park District . . . 16
Garden Valley Fire Protection District . . . 11
Georgetown Divide Public Utility District . . . 23
Georgetown Divide Resource Conservation District . . . 0
Georgetown Fire Protection District . . . 9
Gilsizer County Drainage District . . . 6
Glen Ellen Fire Protection District . . . 8
Glendale College, Associated Students of . . . 16
Glendale Community College District . . . 461
Glenn County Mosquito and Vector Control District . . . 3
Gold Coast Transit . . . 276
Gold Ridge Fire Protection District . . . 14
Gold Ridge Resource Conservation District . . . 9
Golden Gate Bridge Highway and Transportation District . . . 569
Golden Hills Community Services District . . . 16
Golden Sierra Job Training Agency . . . 43
Goleta Sanitary District . . . 47
Goleta Water District . . . 84
Goleta West Sanitary District . . . 9

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Granada Sanitary District . . . . . 2
Great Basin Unified Air Pollution Control District . . . . . 28
Greater Anaheim Special Education Local Plan Area . . . . . 102
Greater Los Angeles County Vector Control District . . . . . 76
Greater Vallejo Recreation District . . . . . 83
Green Valley County Water District . . . . . 2
Greenfield Fire Protection District . . . . . 4
Gridley Biggs Cemetery District . . . . . 5
Grossmont Healthcare District . . . . . 10
Grossmont Schools Federal Credit Union . . . . . 28
Grossmont-Cuyamaca Community College District . . . . . 679
Groveland Community Services District . . . . . 31
Gualala Community Services District . . . . . 5
Hacienda La Puente Unified School District . . . . . 1,411
Hamilton Branch Fire Protection District . . . . . 1
Happy Camp Sanitary District . . . . . 0
Happy Homestead Cemetery District . . . . . 4
Happy Valley Fire District . . . . . 3
Hayward Area Recreation and Park District . . . . . 164
Hayward California State University, Auxiliary Foundation, Inc. . . . . 182
Health Plan of San Joaquin . . . . . 296
Heartland Communications Facility Authority . . . . . 45
Heber Public Utility District . . . . . 15
Helendale Community Services District . . . . . 19
Helix Water District . . . . . 173
Henry Miller Reclamation District No. 2131 . . . . . 48
Herald Fire Protection District . . . . . 5
Heritage Ranch Community Services District . . . . . 15
Herlong Public Utility District . . . . . 4
Hesperia Fire Protection District . . . . . 32
Hesperia Water District . . . . . 70
Hidden Valley Lake Community Services District . . . . . 17
Hi-Desert Water District . . . . . 47
Higgins Area Fire Protection District . . . . . 16
Hilton Creek Community Services District . . . . . 1
Hopland Public Utility District . . . . . 1
Housing Authority of the City of Alameda . . . . . 48
Housing Authority of the City of Calexico . . . . . 23
Housing Authority of the City of Eureka . . . . . 24
Housing Authority of the City of Livermore . . . . . 16
Housing Authority of the City of Los Angeles . . . . . 1,209
Housing Authority of the City of Madera . . . . . 52
Housing Authority of the City of San Buenaventura . . . . . 63
Housing Authority of the City of San Luis Obispo . . . . . 49
Housing Authority of the City of South San Francisco . . . . . 4
Housing Authority of the County of Butte . . . . . 44
Housing Authority of the County of Santa Clara . . . . . 188
Housing Authority of the County of Santa Cruz . . . . . 88
Hub Cities Consortium . . . . . 53
Human Rights/Fair Housing Commission
of the City and County of Sacramento . . . . . 26
Humboldt Bay Harbor Recreation and Conservation District . . . . . 22
Humboldt Bay Municipal Water District . . . . . 27
Humboldt Community Services District . . . . . 26
Humboldt County Association of Governments . . . . . 5
Humboldt No. 1 Fire Protection District of Humboldt County . . . . . 19
Humboldt State University Center Board of Directors . . . . . 73
Humboldt Transit Authority . . . . . 68
Humboldt Waste Management Authority . . . . . 54
Idyllwild Fire Protection District . . . . . 11
Independent Cities Association, Inc. . . . . 0
Indian Wells Valley Water District . . . . . 36
Inland Counties Regional Center, Inc. . . . . 769
Inland Empire Health Plan . . . . . 1,152
Inland Empire Resource Conservation District . . . . . 19
Inland Empire Utilities Agency . . . . . 359
Intelecom Intelligent Telecommunications . . . . . 40
Intergovernmental Training and Development Center . . . . . 11
Inverness Public Utility District . . . . . 3
Ironhouse Sanitary District . . . . . 34
Irvine Child Care Project . . . . . 0
Irvine Ranch Water District . . . . . 394
Isla Vista Recreation and Park District . . . . . 21
Jackson Valley Irrigation District . . . . . 3
Jamestown Sanitary District . . . . . 8
Janesville Fire Protection District . . . . . 1
Joshua Basin Water District . . . . . 25
June Lake Public Utility District . . . . . 8
Jurupa Area Recreation and Park District . . . . . 16
Jurupa Community Services District . . . . . 188
Kaweah Delta Water Conservation District . . . . . 30
Kelseyville Fire Protection District . . . . . 24
Kensington Community Services District . . . . . 13
Kentfield Fire Protection District . . . . . 17
Kenwood Fire Protection District . . . . . 1
Kern County Council of Governments . . . . . 25
Kern County Housing Authority . . . . . 176
Kern County Law Library . . . . . 7
Kern County Local Agency Formation Commission . . . . . 2
Kern Health Systems . . . . . 436
Kern River Valley Cemetery District . . . . . 2
Kern-Tulare Water District . . . . . 8
Kettleman City Community Services District . . . . . 4
Kings County Area Public Transit Agency . . . . . 39
Kings County Association of Governments . . . . . 8
Kings County In-Home Supportive Services Public Authority . . . . . 4
Kings Mosquito Abatement District . . . . . 13
Kings Waste and Recycling Authority . . . . . 76
Kinneloa Irrigation District . . . . . 4
Kirkwood Meadows Public Utility District . . . . . 30
Konocti County Water District . . . . . 12
La Branza Water District . . . . . 0
La Habra Heights County Water District . . . . . 11
La Puente Valley County Water District . . . . . 16
Laguna Beach County Water District . . . . . 46
Lake Arrowhead Community Services District . . . . . 61
Lake County Fire Protection District . . . . . 35
Lake County Vector Control District . . . . . 12
Lake Don Pedro Community Services District . . . . . 13
Lake Hemet Municipal Water District . . . . . 57
Lake Oroville Area Public Utility District . . . . . 8
Lake Shastina Community Services District . . . . . 17
Lake Valley Fire Protection District . . . . . 67
Lakeport County Fire Protection District . . . . . 20

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Lakeside Fire Protection District . . . . . 65
Lakeside Water District . . . . . 21
Lamont Public Utility District . . . . . 8
Las Gallinas Valley Sanitary District of Marin County . . . . . 21
Las Virgenes Municipal Water District . . . . . 153
Lassen County Waterworks District #1 . . . . . 1
League of California Cities . . . . . 131
Lee Lake Water District . . . . . 9
Leucadia Wastewater District . . . . . 25
Levee District #1 of Sutter County . . . . . 3
Linda County Water District . . . . . 12
Linda Fire Protection District . . . . . 0
Linden-Peters Rural County Fire Protection District . . . . . 12
Lindsay Strathmore Public Cemetery District . . . . . 3
Little Lake Fire Protection District . . . . . 5
Littlerock Creek Irrigation District . . . . . 6
Live Oak Cemetery District . . . . . 3
Livermore/Amador Valley Transit Authority . . . . . 20
Local Agency Formation Commission of Monterey County . . . . . 4
Local Agency Formation Commission of Solano County . . . . . 1
Local Government Services Authority, A Joint Powers Authority . . . . . 58
Long Beach City College Associated Student Body Enterprises . . . . . 15
Long Beach State University, Associated Students . . . . . 89
Long Beach State University, Forty-Niner Shops, Inc. . . . . 77
Loomis Fire Protection District . . . . . 10
Los Alamos Community Services District . . . . . 6
Los Angeles City Community Redevelopment Agency . . . . . 167
Los Angeles County Area 'E' Civil Defense and Disaster Board . . . . . 2
Los Angeles County Law Library . . . . . 63
Los Angeles County Sanitation District No. 2 . . . . . 2,025
Los Angeles County West Vector Control District . . . . . 40
Los Angeles Memorial Coliseum Commission . . . . . 36
Los Angeles Neuropsychiatric Institute . . . . . 4
Los Gatos-Saratoga Department of Community
Education and Recreation . . . . . 72
Los Osos Community Services District . . . . . 21
Lower Lake Cemetery District . . . . . 2
Lower Lake County Waterworks District #1 . . . . . 8
Lower Tule River Irrigation District . . . . . 37
Madera Cemetery District . . . . . 20
Madera County Mosquito and Vector Control District . . . . . 11
Main San Gabriel Basin Watermaster . . . . . 12
Majestic Pines Community Services District . . . . . 3
Mammoth Lakes Fire District . . . . . 15
Mammoth Lakes Mosquito Abatement District . . . . . 1
Management of Emeryville Services Authority . . . . . 141
March Joint Powers Authority . . . . . 23
Marin Children and Families Commission . . . . . 8
Marin Community College District . . . . . 262
Marin County Housing Authority . . . . . 99
Marin County In-Home Supportive Services Public Authority . . . . . 5
Marin County Sanitary District No. 1 . . . . . 45
Marin Healthcare District . . . . . 0
Marin Municipal Water District . . . . . 281
Marina Coast Water District . . . . . 43
Marinwood Community Services District . . . . . 28
Mariposa Public Utility District . . . . . 8
Maxwell Public Utility District . . . . . 4
Mc Farland Recreation and Park District . . . . . 7
Mc Kinleyville Community Services District . . . . . 32
McCloud Community Services District . . . . . 10
Meeks Bay Fire Protection District . . . . . 14
Meiners Oaks County Water District . . . . . 6
Mendocino City Community Services District . . . . . 4
Mendocino County Russian River Flood Control & Water
Conservation Improvement District . . . . . 1
Mendocino Transit Authority . . . . . 65
Menlo Park Fire Protection District . . . . . 107
Merced County Housing Authority . . . . . 75
Merced County Mosquito Abatement District . . . . . 18
Merced Irrigation District . . . . . 242
Mesa Water District . . . . . 79
Metro Gold Line Foothill Extension Construction Authority . . . . . 17
Metropolitan Transportation Commission . . . . . 228
Metropolitan Water District of Southern California . . . . . 2,522
Mid City Development Corporation . . . . . 0
Midpeninsula Regional Open Space District . . . . . 160
Mid-Peninsula Water District . . . . . 24
Mid-Placer Public Schools Transportation Agency . . . . . 68
Midway City Sanitary District . . . . . 35
Millview County Water District . . . . . 6
Minter Field Airport District . . . . . 19
Mission Springs Water District . . . . . 54
Mojave Water Agency . . . . . 47
Mokelumne Rural Fire District . . . . . 11
Monte Vista County Water District . . . . . 43
Montecito Fire Protection District . . . . . 52
Montecito Sanitary District of Santa Barbara County . . . . . 17
Montecito Water District . . . . . 30
Monterey Bay Unified Air Pollution Control District . . . . . 40
Monterey County Regional Fire Protection District . . . . . 56
Monterey County Water Resources Agency . . . . . 62
Monterey Peninsula Airport District . . . . . 58
Monterey Peninsula Regional Park District . . . . . 14
Monterey Peninsula Water Management District . . . . . 35
Monterey Regional Waste Management District . . . . . 153
Monterey Regional Water Pollution Control Agency . . . . . 101
Monterey-Salinas Transit District . . . . . 355
Montezuma Fire Protection District . . . . . 16
Morongo Basin Transit Authority . . . . . 64
Mother Lode Job Training Agency . . . . . 32
Moulton-Niguel Water District . . . . . 144
Mountains Recreation and Conservation Authority . . . . . 288
Mountain-Valley Library System . . . . . 0
Mt View Sanitary District of Contra Costa County . . . . . 21
Mt. San Antonio College Auxiliary Services . . . . . 29
Municipal Pooling Authority . . . . . 14
Municipal Water District of Orange County . . . . . 40
Murphys Sanitary District . . . . . 8
Murrieta Fire Protection District . . . . . 48
Murrieta Valley Cemetery District . . . . . 6
Napa County Mosquito Abatement District . . . . . 7
Napa County Resource Conservation District . . . . . 16
Napa County Transportation and Planning Agency . . . . . 17

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Napa Sanitation District . . . 55
National Orange Show . . . 141
Natomas Fire Protection District . . . 0
Nevada Cemetery District . . . 4
Nevada County Consolidated Fire District . . . 44
Nevada County Local Agency Formation Commission . . . 3
Nevada County Resource Conservation District . . . 2
Nevada Irrigation District . . . 193
Nevada-Sierra Regional IHSS Public Authority . . . 17
Newcastle, Rocklin, Gold Hill Cemetery District . . . 8
Newhall County Water District . . . 44
Newport Beach City Employees Federal Credit Union . . . 3
Niland Sanitary District . . . 1
Nipomo Community Services District . . . 17
North Bay Cooperative Library System . . . 5
North Bay Regional Center . . . 246
North Bay Schools Insurance Authority . . . 38
North Central Counties Consortium . . . 12
North Coast County Water District . . . 23
North Coast Railroad Authority . . . 2
North Coast Unified Air Quality Management District . . . 19
North County Dispatch Joint Powers Authority . . . 36
North County Fire Protection District of Monterey County . . . 34
North County Fire Protection District of San Diego County . . . 83
North County Transit District . . . 428
North Delta Water Agency . . . 2
North Kern Cemetery District . . . 10
North Kern Water Storage District . . . 38
North Kern-South Tulare Hospital District . . . 236
North Los Angeles County Regional Center Inc . . . 568
North Marin Water District . . . 63
North of the River Municipal Water District . . . 8
North of the River Recreation and Park District . . . 280
North State Cooperative Library System . . . 5
North Tahoe Fire Protection District . . . 62
North Tahoe Public Utility District . . . 42
Northern California Power Agency . . . 179
Northern California Special Districts Insurance Authority . . . 2
Northern Salinas Valley Mosquito Abatement District . . . 6
Northern Sierra Air Quality Management District . . . 6
Northshore Fire Protection District . . . 26
Northstar Community Services District . . . 44
Northwest Mosquito and Vector Control District . . . 26
Novato Sanitary District . . . 27
Oakdale Irrigation District . . . 92
Oakdale Rural Fire Protection District . . . 19
Oakland City Housing Authority . . . 480
Oakland Unified School District . . . 3,001
Oceano Community Services District . . . 18
Ojai Valley Sanitary District . . . 22
Olcese Water District . . . 0
Olivenhain Municipal Water District . . . 105
Omnitrans . . . 906
Ophir Hill Fire Protection District . . . 8
Orange County Health Authority . . . 976
Orange County Transportation Authority . . . 6
Orange County Vector Control District . . . 65
Orchard Dale Water District . . . 11
Orland Cemetery District . . . 3
Oro Loma Sanitary District . . . 51
Orosi Public Utility District . . . 6
Oroville Cemetery District . . . 7
Oroville Mosquito Abatement District . . . 1
Otay Water District . . . 223
Oxnard Harbor District . . . 29
Pacific Fire Protection District . . . 0
Padre Dam Municipal Water District . . . 161
Pajaro Valley Fire Protection Agency . . . 0
Pajaro Valley Public Cemetery District . . . 9
Pajaro Valley Water Management Agency . . . 21
Palm Ranch Irrigation District . . . 4
Palmdale Water District . . . 108
Palo Verde Valley District Library . . . 5
Palos Verdes Library District . . . 63
Paradise Recreation and Park District . . . 34
Pasadena City College Bookstore . . . 10
Pasadena Unified School District . . . 1,777
Paso Robles City Housing Authority . . . 8
Patterson Irrigation District . . . 14
Pauma Valley Community Services District . . . 24
Peardale Chicago Park Fire Protection District . . . 4
Pebble Beach Community Services District . . . 14
Peninsula Fire Protection District . . . 15
Peninsula Health Care District . . . 4
Peninsula Traffic Congestion Relief Alliance . . . 16
Penn Valley Fire Protection District . . . 21
Personal Assistance Services Council . . . 28
Phelan Pinon Hills Community Services District . . . 23
Pico Water District . . . 18
Pine Cove Water District . . . 5
Pine Grove Mosquito Abatement District . . . 1
Pinedale County Water District . . . 10
Pioneer Cemetery District . . . 3
Pixley Irrigation District . . . 4
Placer County Cemetery District No. 1 . . . 6
Placer County Resource Conservation District . . . 7
Placer County Transportation Planning Agency . . . 9
Placer County Water Agency . . . 210
Placer Hills Fire Protection District . . . 23
Placer Mosquito and Vector Control District . . . 22
Planning and Service Area II Area Agency on Aging . . . 6
Pleasant Hill - Martinez Joint Facilities Agency . . . 152
Pleasant Hill Recreation and Park District . . . 57
Pleasant Valley County Water District . . . 5
Pleasant Valley Recreation and Park District . . . 106
Plumas Eureka Community Services District . . . 5
Plumas Local Agency Formation Commission . . . 0
Pomerado Cemetery District . . . 5
Pomona Valley Transportation Authority . . . 4
Pomona, Calif State Polytechnic University,
Associated Students, Inc. . . . 77
Port San Luis Harbor District . . . 35
Porter Vista Public Utility District . . . 2
Porterville Irrigation District . . . 4

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Porterville Public Cemetery District . . . . . 11
Public Agency Risk Sharing Authority of California . . . . . 5
Public Cemetery District No. 1 of Kern County. . . . . 6
Public Entity Risk Management Authority . . . . . 8
Public Transportation Services Corporation. . . . . .2,296
Pupil Transportation Cooperative. . . . . 153
Purissima Hills County Water District. . . . . 10
Quartz Hill Water District . . . . . 19
Quincy Community Services District . . . . . 15
Rainbow Municipal Water District . . . . . 65
Ramona Municipal Water District. . . . . 60
Rancho Adobe Fire Protection District . . . . . 32
Rancho California Water District . . . . . 155
Rancho Cucamonga Fire Protection District. . . . . 125
Rancho Murieta Community Services District . . . . . 57
Rancho Santa Fe Fire Protection District . . . . . 70
Rancho Santiago Community College Associated Students . . . . . 0
Rancho Simi Recreation & Park District. . . . . 318
Reclamation District No. 3. . . . . 2
Reclamation District No. 833. . . . . 1
Reclamation District No. 999. . . . . 5
Reclamation District No. 1000. . . . . 9
Reclamation District No. 1001. . . . . 11
Reclamation District No. 1660. . . . . 0
Red Bluff Cemetery District. . . . . 5
Redevelopment Agency of the City of Fresno. . . . . 20
Redwood Coast Regional Center . . . . . 130
Redwood Empire Municipal Insurance Fund . . . . . 12
Redwood Empire School Insurance Group . . . . . 29
Reedley Cemetery District. . . . . 6
Regional Center of Orange County. . . . . 564
Regional Center of the East Bay . . . . . 503
Regional Council of Rural Counties . . . . . 63
Regional Housing Authority of Sutter and Nevada Counties. . . . . 50
Regional Water Authority. . . . . 5
Rescue Fire Protection District . . . . . 12
Resort Improvement District No. 1. . . . . 12
Resource Conservation District of the Santa Monica Mountains . . . . . 11
Richardson Bay Sanitary District . . . . . 6
Rincon Del Diablo Municipal Water District . . . . . 20
Rincon Valley Fire Protection District. . . . . 26
Rio Alto Water District . . . . . 8
Rio Linda Elverta Community Water District . . . . . 18
Rio Vista Cemetery District . . . . . 4
Riverbank City Housing Authority . . . . . 2
Riverside County Air Pollution Control District . . . . . 0
Riverside County Flood Control and Water Conservation District . . . . 274
Riverside County Law Library . . . . . 14
Riverside County Regional Park and Open Space District . . . . . 172
Riverside County Transportation Commission . . . . . 59
Riverside County Waste Resources Management District . . . . . 44
Riverside Transit Agency . . . . . 550
Rosamond Community Services District . . . . . 32
Rose Bowl Operating Company . . . . . 30
Rosedale-Rio Bravo Water Storage District . . . . . 8
Roseville Public Cemetery District. . . . . 10
Ross Valley Fire Department . . . . . 34
Rowland Water District . . . . . 33
Rubidoux Community Services District . . . . . 24
Running Springs Water District . . . . . 40
Russian River Fire Protection District. . . . . 24
Sacramento Area Council of Governments. . . . . 75
Sacramento City Housing Authority . . . . . 293
Sacramento County Public Law Library . . . . . 31
Sacramento Metropolitan Air Quality Management District . . . . . 112
Sacramento Metropolitan Cable Television Commission . . . . . 14
Sacramento Metropolitan Fire District . . . . . 718
Sacramento Municipal Utility District. . . . . .2,551
Sacramento Public Library Authority . . . . . 383
Sacramento Regional Fire/EMS Communications Center. . . . . 94
Sacramento Suburban Water District. . . . . 59
Sacramento Transportation Authority . . . . . 4
Sacramento-Yolo Mosquito and Vector Control District . . . . . 89
Salida Fire Protection District . . . . . 0
Salinas Valley Solid Waste Authority . . . . . 41
Salton Community Services District . . . . . 21
Samoa Peninsula Fire Protection District. . . . . 0
San andreas Regional Center Inc. . . . . 337
San andreas Sanitary District . . . . . 7
San Benito County Water District. . . . . 26
San Bernardino City Unified School District. . . . . .3,209
San Bernardino County Housing Authority. . . . . 162
San Bernardino County Transportation Authority. . . . . 0
San Bernardino Economic Development Agency . . . . . 35
San Bernardino Valley Municipal Water District . . . . . 29
San Bernardino Valley Water Conservation District . . . . . 12
San Bernardino, California State University, Student Union . . . . . 29
San Diego Association of Governments . . . . . 422
San Diego County Law Library . . . . . 55
San Diego County Water Authority. . . . . 331
San Diego Metropolitan Transit System. . . . . 204
San Diego Pooled Insurance Program Authority . . . . . 1
San Diego Rural Fire Protection District. . . . . 7
San Diego State University Associated Students . . . . . 36
San Diego Trolley, Inc. . . . . 812
San Diego Unified School District . . . . . .9,880
San Dieguito Water District . . . . . 26
San Elijo Joint Powers Authority . . . . . 24
San Francisco Bay Area Rapid Transit District. . . . . .3,757
San Francisco Bay Area Water Emergency
Transportation Authority . . . . . 12
San Francisco City and County Housing Authority. . . . . 332
San Francisco City and County Redevelopment Agency. . . . . 116
San Francisco Community College District Bookstore Auxiliary. . . . . 10
San Francisco County Transportation Authority. . . . . 62
San Francisco Health Authority . . . . . 374
San Francisco Law Library . . . . . 11
San Francisquito Creek Joint Powers Authority . . . . . 5
San Gabriel County Water District . . . . . 16
San Gabriel Valley Council of Governments . . . . . 38
San Gabriel Valley Mosquito and Vector Control District . . . . . 46
San Gabriel Valley Municipal Water District . . . . . 8
San Gorgonio Pass Water Agency . . . . . 3
San Jacinto Valley Cemetery District. . . . . 7

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

San Joaquin County Housing Authority . . . . . 113
San Joaquin County IHSS Public Authority . . . . . 10
San Joaquin Delta Community College District . . . . . 516
San Juan Water District. . . . . 54
San Lorenzo Valley Water District . . . . . 33
San Luis Obispo Cal Poly Associated Students, Inc. . . . . 145
San Luis Obispo Council of Governments . . . . . 28
San Luis Obispo Regional Transit Authority . . . . . 7
San Luis Water District . . . . . 16
San Mateo County Harbor District . . . . . 47
San Mateo County In-Home Supportive Services Public Authority. . . . . 8
San Mateo County Law Library . . . . . 5
San Mateo County Schools Insurance Group . . . . . 9
San Mateo County Transit District . . . . . 940
San Miguel Community Services District. . . . . 5
San Miguel Consolidated Fire Protection District . . . . . 37
San Simeon Community Services District . . . . . 1
Sanger Cemetery District . . . . . 7
Sanitary District No. 5 of Marin County . . . . . 11
Santa Ana River Flood Protection Agency . . . . . 0
Santa Ana Unified School District . . . . . 2,474
Santa Ana Watershed Project Authority . . . . . 26
Santa Barbara County Law Library . . . . . 2
Santa Barbara County Special Education Local Plan Area . . . . . 235
Santa Barbara Regional Health Authority. . . . . 241
Santa Clara County Central Fire Protection District . . . . . 283
Santa Clara County Health Authority . . . . . 203
Santa Clara County Law Library . . . . . 6
Santa Clara County Open Space Authority. . . . . 25
Santa Clara County Schools Insurance Group . . . . . 8
Santa Clara Valley Transportation Authority. . . . . 815
Santa Clara Valley Water District . . . . . 808
Santa Clarita Valley School Food Services Agency . . . . . 143
Santa Cruz County Law Library . . . . . 2
Santa Cruz County Regional Transportation Commission . . . . . 28
Santa Cruz Local Agency Formation Commission . . . . . 1
Santa Cruz Metropolitan Transit District . . . . . 407
Santa Cruz Port District. . . . . 34
Santa Cruz Regional 9-1-1. . . . . 101
Santa Fe Irrigation District. . . . . 48
Santa Margarita Water District . . . . . 165
Santa Maria Public Airport District. . . . . 15
Santa Monica Community College District. . . . . 694
Santa Nella County Water District . . . . . 8
Santa Paula City Housing Authority . . . . . 8
Santa Ynez River Water Conservation Dist.,
Improvement District No. 1 . . . . . 18
Sausalito-Marin City Sanitary District . . . . . 13
School Risk and Insurance Management Group. . . . . 9
Schools Excess Liability Fund . . . . . 11
Schools Insurance Authority . . . . . 81
Scotts Valley Fire Protection District . . . . . 26
Scotts Valley Water District . . . . . 21
Selma Cemetery District . . . . . 7
Selma-Kingsburg-Fowler County Sanitation District . . . . . 28
Serrano Water District. . . . . 15
Sewer Authority Mid-Coastside. . . . . 16
Sewerage Commission--Oroville Region . . . . . 9
Shafter Wasco Irrigation District . . . . . 10
Shasta Area Safety Communications Agency . . . . . 67
Shasta Community Services District . . . . . 7
Shasta Lake Fire Protection District . . . . . 11
Shasta Local Agency Formation Commission . . . . . 2
Shasta Mosquito and Vector Control District . . . . . 17
Shasta Regional Transportation Agency . . . . . 8
Shasta Valley Cemetery District. . . . . 2
Shiloh Public Cemetery District . . . . . 5
Sierra Lakes County Water District . . . . . 6
Sierra-Sacramento Valley Emergency Medical Services Agency . . . . . 16
Silicon Valley Animal Control Authority . . . . . 20
Silveyville Cemetery District . . . . . 5
Solano County Mosquito Abatement District . . . . . 9
Solano County Water Agency. . . . . 19
Solano Irrigation District . . . . . 104
Solano Transportation Authority . . . . . 25
Soledad Community Health Care District . . . . . 0
Sonoma County Library. . . . . 179
Sonoma Marin Area Rail Transit District . . . . . 31
Sonoma State Enterprises, Inc. . . . . 11
Sonoma Student Union Corporation. . . . . 1
Soquel Creek Water District. . . . . 53
South Bay Regional Public Communications Authority. . . . . 102
South Bayside System Authority . . . . . 92
South Central Los Angeles Regional Center
for Developmentally Disabled Persons. . . . . 327
South Coast Water District . . . . . 94
South County Support Services Agency. . . . . 47
South Feather Water and Power Agency . . . . . 62
South Kern Cemetery District . . . . . 6
South Orange County Wastewater Authority . . . . . 76
South Placer Fire District. . . . . 48
South Placer Municipal Utility District . . . . . 23
South San Joaquin Irrigation District. . . . . 111
South San Luis Obispo County Sanitation District . . . . . 11
South Tahoe Public Utility District . . . . . 122
Southeast Area Social Services Funding Authority . . . . . 107
Southern California Association of Governments. . . . . 251
Southern California Library Cooperative . . . . . 14
Southern California Public Power Authority . . . . . 14
Southern California Regional Rail Authority . . . . . 324
Southern San Joaquin Municipal Utility District. . . . . 13
Southern Sonoma County Resource Conservation District. . . . . 10
Southwest Transportation Agency. . . . . 80
Special District Risk Management Authority . . . . . 25
Squaw Valley Public Service District . . . . . 30
Stallion Springs Community Services District . . . . . 15
Stanislaus Consolidated Fire Protection District. . . . . 57
Stanislaus County Housing Authority. . . . . 113
State and Federal Contractors Water Agency . . . . . 4
State Bar of California . . . . . 835
State Water Contractors . . . . . 9
Stege Sanitary District . . . . . 12
Stinson Beach County Water District. . . . . 11
Stockton East Water District . . . . . 40

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Stockton Unified School District . . . . . 1,786
Strawberry Recreation District . . . . . 16
Successor Agency to the Former Redevelopment
Agency of the City of Fresno . . . . . 5
Suisun Fairfield Rockville Cemetery District . . . . . 12
Suisun Fire Protection District . . . . . 1
Suisun Resource Conservation District . . . . . 11
Summit Cemetery District . . . . . 10
Sunnyslope County Water District . . . . . 21
Susanville Sanitary District . . . . . 10
Sutter Cemetery District . . . . . 21
Sweetwater Authority . . . . . 173
Sweetwater Springs Water District . . . . . 13
Sylvan Cemetery District . . . . . 7
Tahoe City Public Utility District . . . . . 71
Tahoe Resource Conservation District . . . . . 70
Tahoe Transportation District . . . . . 0
Tahoe-Truckee Sanitation Agency . . . . . 62
Tehachapi Valley Recreation and Park District . . . . . 11
Tehachapi-Cummings County Water District . . . . . 20
Tehama County Mosquito Abatement District . . . . . 6
Templeton Community Services District . . . . . 25
thermalito Water and Sewer District . . . . . 11
Three Arch Bay Community Services District . . . . . 0
Three Rivers Community Services District . . . . . 2
Three Valleys Municipal Water District . . . . . 28
Tiburon Fire Protection District . . . . . 30
Torrance City Redevelopment Agency . . . . . 0
Trabuco Canyon Water District . . . . . 37
Tracy Rural County Fire Protection District . . . . . 1
Transbay Joint Powers Authority . . . . . 14
Transportation Agency for Monterey County . . . . . 14
Treasure Island Development Authority . . . . . 0
Tri-City Mental Health Center . . . . . 344
Tri-Counties Association for the Developmentally Disabled . . . . . 445
Tri-County Schools Insurance Group . . . . . 6
Tri-Dam Project . . . . . 28
Trindel Insurance Fund . . . . . 9
Trinity County Waterworks District #1 . . . . . 4
Trinity Public Utilities District . . . . . 24
Truckee Donner Public Utility District . . . . . 76
Truckee Fire Protection District . . . . . 47
Truckee Sanitary District . . . . . 42
Truckee Tahoe Airport District . . . . . 47
Tulare Mosquito Abatement District . . . . . 6
Tulare Public Cemetery District . . . . . 11
Tuolumne Fire District . . . . . 3
Tuolumne Utilities District . . . . . 82
Turlock Mosquito Abatement District . . . . . 13
Twain Harte Community Services District . . . . . 16
Twentynine Palms Water District . . . . . 37
Twin Cities Police Authority . . . . . 67
Twin Rivers Unified School District . . . . . 1,676
Ukiah Valley Fire District . . . . . 9
Union Public Utility District . . . . . 10
Union Sanitary District . . . . . 161
United Water Conservation District . . . . . 80
University Enterprises Corporation at CSUSB . . . . . 274
University Enterprises, Inc. . . . . 276
University Student Union California State University Stanislaus . . . . . 5
Upland City Housing Authority . . . . . 28
Upper San Gabriel Valley Municipal Water District . . . . . 10
Vacaville Fire Protection District . . . . . 8
Vacaville-Elmira Cemetery District . . . . . 8
Vallecitos Water District . . . . . 119
Vallejo Sanitation and Flood Control District . . . . . 94
Valley Center Municipal Water District . . . . . 71
Valley County Water District . . . . . 30
Valley Mountain Regional Center, Inc. . . . . 414
Valley of the Moon Water District . . . . . 18
Valley Sanitary District . . . . . 28
Valley Springs Public Utility District . . . . . 4
Valley-Wide Recreation and Park District . . . . . 166
Vandenberg Village Community Services District . . . . . 11
Ventura County Law Library . . . . . 8
Ventura County Schools Business Services Authority . . . . . 15
Ventura County Schools Self-Funding Authority . . . . . 7
Ventura County Transportation Commission . . . . . 24
Ventura Port District . . . . . 50
Ventura River County Water District . . . . . 10
Veterans Home of California Post Fund . . . . . 10
Victor Valley Wastewater Reclamation Authority . . . . . 55
Visalia Public Cemetery District . . . . . 6
Vista Irrigation District . . . . . 115
Walnut Valley Water District . . . . . 66
Wasco Recreation and Park District . . . . . 9
Washington Colony Cemetery District . . . . . 3
Water Employee Services Authority . . . . . 224
Water Facilities Authority . . . . . 9
Water Replenishment District of Southern California . . . . . 50
Weaverville Community Services District . . . . . 9
Weaverville Sanitary District . . . . . 3
West Almanor Community Services District . . . . . 1
West Basin Municipal Water District . . . . . 41
West Bay Sanitary District . . . . . 31
West Cities Communication Center . . . . . 31
West Contra Costa Integrated Waste Management Authority . . . . . 8
West County Transportation Agency . . . . . 167
West County Wastewater District . . . . . 62
West End Communications Authority . . . . . 0
West Kern Water District . . . . . 47
West Stanislaus Irrigation District . . . . . 18
West Valley Mosquito and Vector Control District . . . . . 22
West Valley Sanitation District of Santa Clara County . . . . . 35
West Valley Water District . . . . . 70
West Valley-Mission Community College District . . . . . 482
Westborough Water District . . . . . 6
Western Contra Costa Transit Authority . . . . . 7
Western Municipal Water District . . . . . 169
Western Riverside Council of Governments . . . . . 36
Westlands Water District . . . . . 139
Westwood Community Services District . . . . . 6
Wheeler Ridge-Maricopa Water Storage District . . . . . 51
Wildomar Cemetery District . . . . . 1

**Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)***

Willow County Water District . . . . . 6
Willow Creek Community Services District . . . . . 6
Willows Cemetery District . . . . . 4
Wilton Fire Protection District . . . . . 2
Windsor Fire Protection District . . . . . 19
Winterhaven Water District . . . . . 5
Winters Cemetery District . . . . . 5
Winters Fire Protection District . . . . . 3
Winton Water and Sanitary District . . . . . 10
Woodbridge Rural County Fire Protection District . . . . . 42
Woodlake Fire District . . . . . 2
Woodside Fire Protection District . . . . . 50
Yolo County Federal Credit Union . . . . . 98
Yolo County Housing Authority . . . . . 55
Yolo County In-Home Supportive Services Public Authority . . . . . 4
Yolo County Public Agency Risk Management Insurance Authority . . . . 7
Yolo County Transportation District . . . . . 12
Yolo Emergency Communications Agency . . . . . 59
Yolo-Solano Air Quality Management District . . . . . 33
Yorba Linda Water District . . . . . 86
Yuba Community College District . . . . . 269
Yuba County Water Agency . . . . . 40
Yuba Sutter Transit Authority . . . . . 4
Yucaipa Valley Water District . . . . . 84
Yuima Municipal Water District . . . . . 11

# Legislators' Retirement System Program Data

## PRIMARY BENEFITS

CalPERS has administered the Legislators' Retirement System (LRS) since its inception in 1947. The duties of the Board with respect to administering LRS are the same as CalPERS on such items as determining membership and benefit rights, making investments, crediting interest, and obtaining information necessary for administration. Benefits payable from LRS are financed through the State's contribution as an employer, member contributions, and interest earned on investments.

The CalPERS Board is authorized to establish actuarially determined rates. For fiscal year 2012-13, the Board approved an employer contribution rate of 5.380%. Effective January 1, 2013, Assembly Bill 340, added Government Code section 7522.52. Section 7522.52 requires that a public employer's contribution to a defined benefit plan, in combination with employee contributions to that defined benefit plan, shall not be less than the normal cost.

Member contributions to LRS are made by active members based on position and membership date. Active Legislative Members and Constitutional Officers contribute 4 percent of compensation if first elected before March 4, 1972, or 8 percent of compensation if first elected after March 4, 1972. The interest credited to member accounts is the net earnings rate of investments.

## ASSEMBLY BILL 340 – PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA)

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 31, 2012. The financial impact will be gradually realized as total pension costs and the employer share of those costs decrease.

PEPRA amended the Legislators' Retirement Law, and prohibits any Constitutional Officer or Legislative Statutory Officer who takes office on or after January 1, 2013 from participating in LRS

## PROPOSITION 140

Proposition 140, the Political Reform Act of 1990, requires that Legislators (Senators and Members of the Assembly) first elected after November 7, 1990 participate in the federal Social Security program and in no other retirement system.

## MEMBERSHIP

Members of the Legislature serving prior to November 7, 1990, elected Constitutional Officers and Legislative Statutory Officers serving prior to January 1, 2013, were eligible for membership.

## SERVICE RETIREMENT

### Retirement Age

The retirement age is 60, with four or more years of service credit, or any age with 20 or more years. The retirement age for Legislative Statutory Officers is 55, or any age with 20 years or more of service credit.

### Members of the Legislature Benefit Formula

The retirement formula consists of three separate formulas that are totaled together to provide the members with their allowance. The first part of the formula consists of 5 percent of the first $500 of salary up to 15 years of service. The second part is 3 percent per year of the same $500 of salary for years in excess of 15 years. And finally, total years of service is multiplied by 3 percent per year of their salary above $500. In no case may a member receive more than two-thirds of their salary.

### Constitutional Officers' Benefit Formula

Five percent per year of service up to eight years (40 percent) of their highest salary. If the member has 24 or more years of service, the retirement allowance is 60 percent of their final salary.

### Statutory Officers' Benefit Formula

Statutory Officers receive 3 percent per year of service, not to exceed 66 percent of final monthly compensation.

**Early Retirement Options for Members of the Legislature & Constitutional Officers**

Legislators and Constitutional Officers may retire before age 60 with 15 years of service. However, their retirement allowance is reduced by 2 percent for each year they retire before age 60.

## DISABILITY RETIREMENT

Disability retirement uses the same formula as service retirement. There is no reduction if retirement is before age 60 for members of the Legislature.

## DEATH BENEFITS (BEFORE RETIREMENT)

**Not Eligible to Retire**

One month's salary for each year of service, plus the return of the member's contributions with interest payable to a survivor.

**Eligible to Retire**

If the member has elected one of the optional settlements, their beneficiary will receive the benefit provided by the option selected, calculated as if the date of death had been the date of retirement. In lieu of this benefit, the beneficiary may elect an allowance of one-half the unmodified retirement allowance, payable until death or remarriage.

## DEATH BENEFITS WHILE IN OFFICE

Beneficiaries receive a lump sum benefit in an amount equal to the annual compensation of an LRS member during the 12 months preceding the member's death, regardless of whether the member was eligible to retire.

## DEATH BENEFITS (AFTER RETIREMENT)

Members choose between one of four options. The level of survivor benefit is based on the option chosen, without a reduction in allowance for members of the Legislature. Constitutional Officers and Statutory Officers receive a reduced allowance based on their age at time of retirement and the option they choose. Beneficiaries also receive a $600 lump sum payment.

## COST-OF-LIVING ADJUSTMENTS (COLA)

The annual COLA is determined by the Consumer Price Index.

## LRS ACTIVE & INACTIVE MEMBERS

| Category | Active | Inactive | TOTAL |
|---|---|---|---|
| Members of the Legislature | 1 | 6 | 7 |
| Constitutional Officers | 10 | 7 | 17 |
| Legislative Statutory Officers | 0 | 4 | 4 |
| **TOTAL** | **11** | **17** | **28** |

## LRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

| Category | Retired LRS | Survivors & Beneficiaries | TOTAL |
|---|---|---|---|
| **Members of Legislature** | | | |
| Service Retirement | 115 | 111 | 226 |
| Disability Retirement | — | 7 | 7 |
| Pre-Retirement Option 2 | — | 2 | 2 |
| **TOTAL MEMBERS OF LEGISLATURE** | **115** | **120** | **235** |
| **Constitutional Officers** | | | |
| Service Retirement | 7 | 3 | 10 |
| Disability Retirement | 1 | — | 1 |
| Pre-Retirement Option 2 | — | 1 | 1 |
| **TOTAL CONSTITUTIONAL OFFICERS** | **8** | **4** | **12** |
| **Legislative Statutory Officers** | | | |
| Service Retirement | — | 1 | — |
| **TOTAL LEGISLATIVE STATUTORY OFFICERS** | **—** | **1** | **—** |
| **TOTAL** | **123** | **125** | **248** |

## LRS BENEFIT PAYMENTS BY TYPE

| Category | Amount Paid |
|---|---|
| Service Retirement | $7,299,555 |
| Disability Retirement | 170,540 |
| Beneficiary Death Benefits | 3,000 |
| Beneficiary Death Benefits/Allowance | 74,519 |
| **TOTAL** | **$7,547,614** |

## LRS Average Benefit Payments – As of June 30, 2012 | Eight-Year Review

| RETIREMENT EFFECTIVE DATES | Years of Credited Service | | | | | | |
|---|---|---|---|---|---|---|---|
| | 0 5 | 5-10 | 10-15 | 15 20 | 20-25 | 25-30 | 30+ |
| **2011/12[1,5]** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Average Final Compensation[3] | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | — | — | — | — | — | — |
| **2010/11** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $4,258 | $2,103 | $0 | $8,206 | $0 | $0 |
| Average Final Compensation[3] | $0 | $6,481 | $4,375 | $0 | $9,215 | $0 | $0 |
| Number of Recipients[2] | — | 3 | 1 | — | 1 | — | — |
| **2009/10** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $435 | $1,759 | $6,604 | $4,965 | $3,842 | $4,452 |
| Average Final Compensation[3] | $0 | $1,600 | $0 | $13,767 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 4 | 1 | 1 | 1 | 1 | 1 |
| **2008/09** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $0 | $1,250 | $2,957 | $6,456 | $0 | $0 |
| Average Final Compensation[3] | $0 | $0 | $0 | $0 | $9,684 | $0 | $0 |
| Number of Recipients[2] | — | — | 2 | 1 | 2 | — | — |
| **2007/08** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $2,212 | $1,250 | $0 | $1,710 | $0 | $0 |
| Average Final Compensation[3] | $0 | $7,858 | $0 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 2 | 3 | — | 2 | — | — |
| **2006/07** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $2,134 | $310 | $5,717 | $4,921 | $0 | $0 |
| Average Final Compensation[3] | $0 | $8,434 | $0 | $8,250 | $9,240 | $0 | $0 |
| Number of Recipients[2] | — | 6 | 9 | 1 | 2 | — | — |
| **2005/06** | | | | | | | |
| Average Monthly Allowance[2] | $704 | $441 | $2,011 | $1,042 | $4,404 | $0 | $0 |
| Average Final Compensation[3] | $0 | $0 | $4,375 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | 2 | 4 | 2 | 1 | 3 | — | — |
| **2004/05[4]** | | | | | | | |
| Average Monthly Allowance[2] | $565 | $1,053 | $935 | $1,067 | $5,358 | $0 | $0 |
| Average Final Compensation[3] | $4,375 | $4,375 | $0 | $0 | $8,714 | $0 | $0 |
| Number of Recipients[2] | 1 | 1 | 1 | 5 | 5 | — | — |

**Notes:**

1 The data for fiscal year 2011-12 is the most recent data available.

2 These averages and totals are for retired members, beneficiaries, and community property recipients.

3 Average Final Compensation information does not include salary averages for beneficiaries.

4 CalPERS began reporting Average Benefit Payments for the LRS in the June 30, 2006 Comprehensive Annual Financial Report. Additional years of information will be added each year as it becomes available to provide a ten-year review.

5 There were no retirements in FY 2011-12, thus no benefit amounts to report.

# Judges' Retirement System Program Data

## PRIMARY BENEFITS

The Judges' Retirement System (JRS) was established in 1937. The operational activities of the JRS were transferred from the State Controller's Office to CalPERS in 1979. Benefits payable through the JRS are financed by the General Fund, the payroll contributions of members, and the State's contribution as an employer. Both employer and members contribute at the rate of 8 percent of compensation.

## MEMBERSHIP

The Judges' Retirement System provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, Superior Court Judges, and beneficiaries.

## SERVICE RETIREMENT

### Retirement Age

Members must be at least age 60 with 20 years of service, or age 70 with at least 10 years of service.

### Retirement Benefit Formula

The retirement allowance is a percentage of the current salary of the last judicial office held and is increased proportionally with active judicial salaries. The allowance is based on a member's age and years of service as follows:

| Age | Years of Service | Retirement Allowance |
|---|---|---|
| 60–70 | 20 | 75% |
| 66 | 18 | 65% |
| 67 | 16 | 65% |
| 68 | 14 | 65% |
| 69 | 12 | 65% |
| 70 | 10 | 65% |

Judges can work as long as they want and receive their full pension of either 65 percent or 75 percent (depending on credited service). In addition, a surviving spouse benefit of at least one-half of the judge's allowance is provided.

### Deferred Retirement

Judges are eligible for deferred retirement at any age if they have at least five years of service. However, judges are not paid the allowance until they reach the age they would be eligible for normal retirement if they had remained in office. A judge must be at least age 63, or age 60 with 20 years of service, to receive a retirement allowance. The allowance is based on years of service multiplied by a percentage of the judge's final salary — varying from 2 percent for five years to 3.75 percent for 12 or more years of service. The maximum benefit they can receive is 75 percent of salary.

## DISABILITY RETIREMENT (NON-WORK RELATED)

Judges must apply to the Commission on Judicial Performance to receive a disability retirement. There is no age requirement.

The service requirement is four years. The retirement allowance is 65 percent of the judge's final salary, or 75 percent of their final salary if the judge has 20 or more years of service.

## DISABILITY RETIREMENT (WORK RELATED)

Judges receive the same amount for work related disability retirement as non-work related disability retirement. Any person becoming a judge between January 1, 1980 and December 31, 1988, must have at least two years of judicial service; or after January 1, 1989, must have four years of judicial service, unless the disability is a result of injury or disease arising out of and in the course of judicial service.

## DEATH BENEFITS (BEFORE RETIREMENT)

### Not Eligible to Retire

Spouses or registered domestic partners can receive 25 percent of a current active judge's salary for life or return of contributions plus one month's salary, for each year of service not to exceed six months; or the surviving spouse or registered domestic partner can elect a monthly allowance for life, if the judge had paid an extra $2 per month and had 10 to 20 years of service. This allowance would be equal to 1.625 percent of the salary multiplied by the number of years of service.

### Eligible to Retire

Spouses or registered domestic partners receive one-half of what the retirement allowance would have been if the judge had retired on date of death.

## DEATH BENEFITS (AFTER RETIREMENT)

Spouses or registered domestic partners receive one-half of the retirement pension for life, if the member retired with the standard retirement benefit formula, or on disability. Judges may elect to take a reduced retirement allowance in order to enhance the survivor benefits to their spouse, registered domestic partner, or a designated beneficiary.

## COST-OF-LIVING ADJUSTMENTS (COLA)

The allowance increases are based on the current salary of an active judge. Retirees receive the same increase as active judges.

## JRS ACTIVE MEMBERS & FORMER JUDGES ON DEFERRED RETIREMENT

| | |
|---|---|
| Active | 319 |
| Deferred Retirement | 6 |
| **TOTAL ACTIVE & DEFERRED MEMBERS** | **325** |

## JRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

| Category | Retired Judges | Survivors & Beneficiaries | TOTAL |
|---|---|---|---|
| Service Retirement | 827 | 324 | 1,151 |
| Disability Retirement | 45 | 5 | 50 |
| Deferred Retirement | 457 | 175 | 632 |
| Optional Settlement | — | — | — |
| Pre-Retirement Survivor | — | 63 | 63 |
| **TOTAL** | **1,329** | **567** | **1,896** |

## JRS BENEFIT PAYMENTS BY TYPE

| Category | Amount Paid |
|---|---|
| Service Retirement | $155,996,207 |
| Disability Retirement | 5,432,941 |
| Beneficiary Death Benefits/Life Allowance | 25,655,307 |
| **TOTAL** | **$187,084,455** |

## JRS Average Benefit Payments – As of June 30, 2012 | Eight-Year Review

| RETIREMENT EFFECTIVE DATES | Years of Credited Service | | | | | | |
|---|---|---|---|---|---|---|---|
| | 0 5 | 5-10 | 10-15 | 15 20 | 20-25 | 25-30 | 30+ |
| **2011/12[1]** | | | | | | | |
| Average Monthly Allowance[2] | $1,316 | $3,160 | $7,580 | $8,055 | $9,795 | $10,090 | $0 |
| Average Final Compensation | $14,899 | $15,473 | $17,879 | $15,114 | $15,042 | $15,168 | $0 |
| Number of Recipients[2] | 2 | 4 | 5 | 20 | 30 | 9 | — |
| **2010/11** | | | | | | | |
| Average Monthly Allowance[2] | $1,447 | $4,186 | $5,586 | $8,680 | $8,645 | $7,809 | $9,245 |
| Average Final Compensation | $14,899 | $14,899 | $14,899 | $14,899 | $14,382 | $17,299 | $17,018 |
| Number of Recipients[2] | 3 | 8 | 10 | 22 | 41 | 16 | 4 |
| **2009/10** | | | | | | | |
| Average Monthly Allowance[2] | $2,352 | $3,914 | $7,133 | $8,742 | $8,730 | $8,892 | $7,771 |
| Average Final Compensation | $15,974 | $15,290 | $15,042 | $14,947 | $15,042 | $15,437 | $14,899 |
| Number of Recipients[2] | 2 | 11 | 15 | 45 | 45 | 8 | 3 |
| **2008/09** | | | | | | | |
| Average Monthly Allowance[2] | $1,385 | $3,388 | $6,231 | $9,236 | $9,313 | $10,636 | $10,189 |
| Average Final Compensation | $14,899 | $15,114 | $15,095 | $15,071 | $15,412 | $14,193 | $14,899 |
| Number of Recipients[2] | 1 | 10 | 11 | 25 | 50 | 15 | 4 |
| **2007/08** | | | | | | | |
| Average Monthly Allowance[2] | $3,410 | $5,643 | $6,108 | $8,432 | $8,297 | $9,838 | $12,787 |
| Average Final Compensation | $14,899 | $14,899 | $15,186 | $14,899 | $15,069 | $14,899 | $17,050 |
| Number of Recipients[2] | 3 | 6 | 15 | 38 | 47 | 15 | 1 |
| **2006/07** | | | | | | | |
| Average Monthly Allowance[2] | $1,555 | $4,411 | $5,800 | $7,855 | $8,512 | $9,348 | $10,661 |
| Average Final Compensation | $14,304 | $13,984 | $13,884 | $13,854 | $14,134 | $13,824 | $14,304 |
| Number of Recipients[2] | 2 | 7 | 16 | 31 | 33 | 7 | 2 |
| **2005/06** | | | | | | | |
| Average Monthly Allowance[2] | $2,934 | $2,592 | $6,031 | $6,550 | $7,451 | $7,942 | $8,282 |
| Average Final Compensation | $13,327 | $12,485 | $12,724 | $12,510 | $12,723 | $12,727 | $12,558 |
| Number of Recipients[2] | 2 | 7 | 14 | 16 | 51 | 10 | 1 |
| **2004/05[3]** | | | | | | | |
| Average Monthly Allowance[2] | $2,205 | $3,179 | $5,226 | $6,116 | $7,720 | $7,454 | $7,328 |
| Average Final Compensation | $11,987 | $12,208 | $12,405 | $12,370 | $12,484 | $12,531 | $13,327 |
| Number of Recipients[2] | 3 | 8 | 17 | 23 | 59 | 9 | 2 |

**Note:**

[1] The data for fiscal year 2011-12 is the most recent data available.

[2] These averages and totals are for retired members, beneficiaries, and community property recipients.

[3] CalPERS began reporting Average Benefit Payments for the JRF in the June 30, 2006 Comprehensive Annual Financial Report. Additional years of information will be added each year as it becomes available to provide a ten-year review.

# Judges' Retirement System II Program Data

## PRIMARY BENEFITS

The Judges' Retirement System II (JRS II) was established in 1994 to create a fully funded, actuarially sound retirement system for judges appointed or elected on or after November 9, 1994. This system provides a unique combination of two basic types of retirement benefits: a defined benefit plan and a monetary credit plan. The defined benefit plan provides a lifetime monthly retirement allowance of up to 75 percent of final compensation. The monetary credit plan allows for a refund of member contributions, a portion of the employer contributions, and interest. Members contribute at the rate of 8 percent of compensation.

## ASSEMBLY BILL 340 – PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA)

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 31, 2012. The financial impact will be gradually realized as total pension costs and the employer share of those costs decrease.

The new law implemented new member contribution requirements for judges that meet the definition of a new member under PEPRA, effective January 1, 2013. The new requirements provide that all new PEPRA members must contribute to JRS II an amount equal to half of the normal cost.

## MEMBERSHIP

The JRS II provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, and Superior Court Judges, first appointed or elected after November 9, 1994, and their beneficiaries.

## SERVICE RETIREMENT

### Retirement Age

Judges must be at least age 65 with 20 years of service or age 70 with a minimum of five years of service to receive the defined benefit plan. Judges must have at least five years of service to receive the monetary credit plan.

## RETIREMENT FORMULA

### Defined Benefit Plan

This option provides a defined benefit of 3.75 percent of the highest 12-month average salary per year of service, up to 75 percent for judges reaching age 65 with at least 20 years of service. Optional settlements are available which reduce a judge's retirement allowance to provide a lifetime benefit for a surviving spouse upon death of the judge.

The Public Employees' Pension Reform Act of 2013 (Chapter 296, Stats. 2012) (PEPRA) also added Government Code section 7522.32, which for the purpose of determining the retirement benefits to be paid to a new member of a public retirement system, defines final compensation as the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months.

### Monetary Credit Plan

This option provides a cash payment in a single lump sum, or the member may elect to receive an annuity at retirement based on the accumulated contributions of the employee and the employer. To receive the annuity a judge must meet the minimum qualifications required under the defined benefit plan. Lifetime benefits are not provided under this plan.

## DISABILITY RETIREMENT (NON-WORK RELATED)

Judges who have five years of service and become permanently disabled because of a mental or physical disability may apply to the Commission on Judicial Performance for disability retirement.

An allowance is based on the judge's age and will be the amount equal to the lower of the following:

- the monthly benefit of 3.75 percent of the final compensation multiplied by the number of years of service the judge would have been credited had the judge continued to work until the age the judge would have first been eligible to retire, or
- 65 percent of the judge's average monthly salary during the 12 months preceding the retirement date.

## DISABILITY RETIREMENT (WORK RELATED)

Judges receive 65 percent of their average monthly salary during the 12 months preceding their retirement date, regardless of age or length of service.

## DEATH BENEFITS (BEFORE RETIREMENT)

### Eligible for the Defined Benefit Plan

Spouses or registered domestic partners receive either the monthly retirement allowance equal to one-half of the judge's defined benefit plan allowance or the judge's monetary credits. At any time while in office, a judge may make an irrevocable election for their eligible surviving spouse or registered domestic partner to receive the maximum survivor benefit (Option 2) in the event of the judge's pre-retirement death.

### Eligible for the Monetary Credit Plan

Spouses or registered domestic partners receive the judge's monetary credits or three times the annual salary at the time of death, whichever is greater.

## DEATH BENEFITS (AFTER RETIREMENT)

### Defined Benefit Plan

Judges retiring on the defined benefit plan are offered the choice of one of four optional settlement benefits to increase the survivor benefits to their eligible surviving spouse or registered domestic partner.

### Monetary Credit Plan

If the judge elected to receive the monetary credit plan in a lump sum, there are no survivor benefits. If the judge elected monetary credit plan in an annuity, the spouse or registered domestic partner receives a lump sum payment of the remaining funds at the time of the judge's death.

## COST-OF-LIVING ADJUSTMENTS (COLA)

The retirement allowance of retired judges who have elected the defined benefit plan will be adjusted every January after the judge has been retired six months. The adjustment is based on the United States city average of the Consumer Price Index For All Urban Consumers, as published by the United States Bureau of Statistics. This adjustment will not be less than 1 percent or more than 3 percent.

## JRS II ACTIVE JUDGES

| | |
|---|---|
| Active Members | 1,352 |
| **TOTAL** | **1,352** |

## JRS II BENEFIT RECIPIENTS BY RETIREMENT TYPE

| Category | Retired Judges | Survivors & Beneficiaries | TOTAL |
|---|---|---|---|
| Service Retirement | 28 | 2 | 30 |
| Disability Retirement | 13 | 5 | 18 |
| Pre-Retirement Survivor | — | 2 | 2 |
| 36-month Judge's Salary | — | 2 | 2 |
| **TOTAL** | **41** | **11** | **52** |

## JRS II BENEFIT PAYMENTS BY TYPE

| Category | Amount Paid |
|---|---|
| Service Retirement | $2,197,091 |
| Disability Retirement | 1,475,957 |
| Beneficiary Death Benefits | 147,457 |
| Beneficiary Death Benefits/Life Allowance | 297,231 |
| Monetary Credit | 6,400,160 |
| **TOTAL** | **$10,517,896** |

## JRS II Average Benefit Payments – As of June 30, 2012 | Eight-Year Review

| RETIREMENT EFFECTIVE DATES | Years of Credited Service | | | | | | |
|---|---|---|---|---|---|---|---|
| | 0 5 | 5-10 | 10-15 | 15 20 | 20-25 | 25-30 | 30+ |
| **2011/12[1]** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $3,812 | $8,824 | $8,192 | $0 | $0 | $0 |
| Average Final Compensation | $0 | $14,899 | $15,975 | $14,899 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 3 | 2 | 4 | — | — | — |
| **2010/11** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $11,423 | $8,150 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $0 | $14,899 | $14,899 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 3 | 6 | 1 | 1 | — | — |
| **2009/10** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $9,684 | $6,025 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $0 | $14,899 | $15,437 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 1 | 4 | — | — | — | — |
| **2008/09** | | | | | | | |
| Average Monthly Allowance[2] | $14,899 | $4,476 | $0 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $14,899 | $15,975 | $0 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | 1 | 2 | — | — | — | — | — |
| **2007/08** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $8,624 | $7,748 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $0 | $14,638 | $15,244 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 1 | 4 | — | — | — | — |
| **2006/07** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | — | — | — | — | — | — |
| **2005/06** | | | | | | | |
| Average Monthly Allowance[2] | $0 | $10,982 | $4,275 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $0 | $12,434 | $12,459 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | — | 3 | 3 | — | — | — | — |
| **2004/05[3]** | | | | | | | |
| Average Monthly Allowance[2] | $11,987 | $7,080 | $0 | $0 | $0 | $0 | $0 |
| Average Final Compensation | $11,987 | $11,987 | $0 | $0 | $0 | $0 | $0 |
| Number of Recipients[2] | 1 | 2 | — | — | — | — | — |

**Note:**

1 The data for fiscal year 2011-12 is the most recent data available.

2 These averages and totals are for retired members, beneficiaries, and community property recipients.

3 CalPERS began reporting Average Benefit Payments for the JRF II in the June 30, 2006 Comprehensive Annual Financial Report. Additional years of information will be added each year as it becomes available to provide a ten-year review.

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# Statistical Section:
## Other Programs

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# Expenses & Revenues – Enterprise Funds

## Health Care Fund | 10-Year Review (Dollars in Thousands)

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | | | |
| Self-Insurance Premiums | $1,921,838 | $1,846,210 | $1,709,975 | $1,362,081 | $1,586,942 | $1,509,064 | $1,390,819 | $1,211,210 | $1,105,131 | $1,042,720 |
| Federal Government Subsidies | 22,375 | — | — | — | — | — | — | — | — | — |
| Federal Government Reimbursements | 17 | 32,710 | 42,583 | — | — | — | — | — | — | — |
| **Total Operating Revenues** | **$1,944,230** | **$1,878,920** | **$1,752,558** | **$1,362,081** | **$1,586,942** | **$1,509,064** | **$1,390,819** | **$1,211,210** | **$1,105,131** | **$1,042,720** |
| **OPERATING EXPENSES** | | | | | | | | | | |
| Actual & Estimated Claims | 1,840,863 | $1,728,231 | | $1,572,084 | $1,461,601 | $1,314,531 | $1,212,706 | $1,131,419 | $1,026,058 | $886,460 |
| Administrative Expenses | 105,154 | 96,043 | 88,391 | 90,292 | 85,511 | 79,146 | 74,771 | 67,679 | 65,902 | 58,182 |
| Health Premiums Remitted to Insurance Carriers | — | — | — | — | — | — | — | — | — | — |
| **Total Operating Expenses** | **$1,946,017** | **$1,824,274** | **$1,816,547** | **$1,662,376** | **$1,547,112** | **$1,393,677** | **$1,287,477** | **$1,199,098** | **$1,091,960** | **$944,642** |
| **OPERATING INCOME (LOSS)** | **($1,787)** | **$54,646** | **($63,989)** | **($300,295)** | **$39,830** | **$115,387** | **$103,342** | **$12,112** | **$13,171** | **$98,078** |
| **NON-OPERATING REVENUES** | | | | | | | | | | |
| Investment Income | $4,260 | $33,468 | $22,447 | $47,540 | $21,796 | $34,579 | $20,069 | $18,029 | $10,041 | $5,321 |
| Securities Lending Income | 41 | 54 | — | — | — | — | — | — | — | — |
| **Total Non-Operating Revenues** | **$4,301** | **$33,522** | **$22,447** | **$47,540** | **$21,796** | **$34,579** | **$20,069** | **$18,029** | **$10,041** | **$5,321** |
| **NON-OPERATING EXPENSES** | | | | | | | | | | |
| Cost of Lending Securities | $8 | $12 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Investment Expenses | 87 | 75 | — | — | — | — | — | — | — | — |
| **Total Non-Operating Expenses** | **$95** | **$87** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **NON-OPERATING INCOME** | **$4,206** | **$33,435** | **$22,447** | **$47,540** | **$21,796** | **$34,579** | **$20,069** | **$18,029** | **$10,041** | **$5,321** |
| **CHANGE IN UNRESTRICTED NET POSITION** | **$2,419** | **$88,081** | **($41,542)** | **($252,755)** | **$61,626** | **$149,966** | **$123,411** | **$30,141** | **$23,212** | **$103,399** |
| **TOTAL UNRESTRICTED NET POSITION** | | | | | | | | | | |
| Beginning of Year | $453,956 | $365,875 | $407,417 | $660,172 | $598,546 | $448,580 | $325,169 | $295,028 | $271,816 | $168,417 |
| End of Year | $456,375 | $453,956 | $365,875 | $407,417 | $660,172 | $598,546 | $448,580 | $325,169 | $295,028 | $271,816 |

## Contingency Reserve Fund | 10-Year Review (Dollars in Thousands)

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | | | |
| Health Premiums Collected | $0 | $0 | $0 | $0 | $0 | $0 | $0[1] | $1,633,317 | $1,520,622 | $1,410,584 |
| Administrative Fees & Other | 17,809 | 25,490 | 23,956 | 22,528 | 25,633 | 14,928 | 16,509 | 13,140 | 16,808 | 16,218 |
| **Total Operating Revenues** | **$17,809** | **$25,490** | **$23,956** | **$22,528** | **$25,633** | **$14,928** | **$16,509** | **$1,646,457** | **$1,537,430** | **$1,426,802** |
| **OPERATING EXPENSES** | | | | | | | | | | |
| Health Premiums Remitted to Insurance Carriers | $0 | $0 | $0 | $0 | $0 | $0 | $0[1] | $1,633,317 | $1,520,622 | $1,410,584 |
| Administrative Expenses | 27,402 | 28,073 | 27,448 | 27,065 | 27,288 | 24,358 | 20,854 | 16,356 | 17,109 | 15,384 |
| **Total Operating Expenses** | **$27,402** | **$28,073** | **$27,448** | **$27,065** | **$27,288** | **$24,358** | **$20,854** | **$1,649,673** | **$1,537,731** | **$1,425,968** |
| **OPERATING INCOME (LOSS)** | **($9,593)** | **($2,583)** | **($3,492)** | **($4,537)** | **($1,655)** | **($9,430)** | **($4,345)** | **($3,216)** | **($301)** | **$834** |
| **NON-OPERATING REVENUES** | | | | | | | | | | |
| Investment Income | $704 | $874 | $993 | $1,071 | $3,706 | $8,037 | $9,279 | $5,049 | $2,817 | $1,787 |
| **Total Non-Operating Revenues** | **$704** | **$874** | **$993** | **$1,071** | **$3,706** | **$8,037** | **$9,279** | **$5,049** | **$2,817** | **$1,787** |
| **NON-OPERATING EXPENSES** | | | | | | | | | | |
| Other Investment Expenses | $0 | $1 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Total Non-Operating Expenses** | **$0** | **$1** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **NON-OPERATING INCOME** | **$704** | **$873** | **$993** | **$1,071** | **$3,706** | **$8,037** | **$9,279** | **$5,049** | **$2,817** | **$1,787** |
| **CHANGE IN UNRESTRICTED NET POSITION** | **($8,889)** | **($1,710)** | **($2,499)** | **($3,466)** | **$2,051** | **($1,393)** | **$4,934** | **$1,833** | **$2,516** | **$2,621** |
| **TOTAL UNRESTRICTED NET POSITION** | | | | | | | | | | |
| Beginning of Year | $7,596 | $9,306 | $11,805 | $15,271 | $13,220 | $14,613 | $9,679 | $7,846 | $5,330 | $2,709 |
| End of Year | ($1,293) | $7,596 | $9,306 | $11,805 | $15,271 | $13,220 | $14,613 | $9,679 | $7,846 | $5,330 |

**Note:**

[1] PEMHCA health premiums collected from public agencies is shown as agency fund activity in accordance with GASB No. 43.

## Long-Term Care Fund | 10-Year Review (Dollars in Thousands)

| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | | | |
| Self-Insurance Premiums | $307,812 | $313,466 | $314,099 | $285,948 | $296,529 | $299,489 | $241,495 | $243,690 | $241,663 | $225,128 |
| **Total Operating Revenues** | **$307,812** | **$313,466** | **$314,099** | **$285,948** | **$296,529** | **$299,489** | **$241,495** | **$243,690** | **$241,663** | **$225,128** |
| **OPERATING EXPENSES** | | | | | | | | | | |
| Claims | $198,185 | $174,896 | $156,118 | $133,042 | $116,191 | $101,349 | $87,324 | $78,007 | $65,369 | $53,022 |
| Increase (Decrease) in Estimated Liabilities | (631,804) | 1,063,318 | (115,600) | (208,200) | 469,800 | (600,900) | 487,800 | 219,400 | 840,700 | 585,000 |
| Administrative Expenses | 21,819 | 21,718 | 21,303 | 19,663 | 18,421 | 18,479 | 18,198 | 17,053 | 16,285 | 15,305 |
| **Total Operating Expenses** | **($411,800)** | **$1,259,932** | **$61,821** | **($55,495)** | **$604,412** | **($481,072)** | **$593,322** | **$314,460** | **$922,354** | **$653,327** |
| **OPERATING INCOME (LOSS)** | **$719,612** | **($946,466)** | **$252,278** | **$341,443** | **($307,883)** | **$780,561** | **($351,827)** | **($70,770)** | **($680,691)** | **($428,199)** |
| **NON-OPERATING REVENUES** | | | | | | | | | | |
| Investment Income | $119,607 | $114,947 | $537,156 | $351,745 | ($369,021) | ($73,039) | $281,068 | $121,703 | $124,474 | $141,686 |
| Securities Lending Income | 909 | 1,624 | — | — | — | — | — | — | — | — |
| **Total Non-Operating Revenues** | **$120,516** | **$116,571** | **$537,156** | **$351,745** | **($369,021)** | **($73,039)** | **$281,068** | **$121,703** | **$124,474** | **$141,686** |
| **NON-OPERATING EXPENSES** | | | | | | | | | | |
| Cost of Lending Securities | $120 | $274 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Other Investment Expenses | 1,160 | 540 | — | — | — | — | — | — | — | — |
| **Total Non-Operating Expenses** | **$1,280** | **$814** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |
| **NON-OPERATING INCOME (LOSS)** | **$119,236** | **$115,757** | **$537,156** | **$351,745** | **($369,021)** | **($73,039)** | **$281,068** | **$121,703** | **$124,474** | **$141,686** |
| **CHANGE IN UNRESTRICTED NET POSITION** | **$838,848** | **($830,709)** | **$789,434** | **$693,188** | **($676,904)** | **$707,522** | **($70,759)** | **$50,933** | **($556,217)** | **($286,513)** |
| **TOTAL UNRESTRICTED NET POSITION** | | | | | | | | | | |
| Beginning of Year | ($159,726) | $670,983 | ($118,451) | ($811,639) | ($134,735) | ($842,257) | ($771,498) | ($822,431) | ($266,214) | $20,299 |
| End of Year | $679,122 | ($159,726) | $670,983 | ($118,451) | ($811,639) | ($134,735) | ($842,257) | ($771,498) | ($822,431) | ($266,214) |

# Health Benefits Program Data

## Total Enrollments by Health Plan

| | Basic | | | Medicare | | | Total Enrollments (Subs)[1] |
|---|---|---|---|---|---|---|---|
| | Active | Retired | TOTAL | Active | Retired | TOTAL | |
| Blue Shield Access+ | 63,760 | 15,054 | 78,814 | 6 | 21,706 | 21,712 | 100,526 |
| Blue Shield NetValue | 59,623 | 9,445 | 69,068 | — | 4,179 | 4,179 | 73,247 |
| CAHP | 6,343 | 2,097 | 8,440 | — | 2,611 | 2,611 | 11,051 |
| CCPOA | 9,510 | 1,897 | 11,407 | — | 388 | 388 | 11,795 |
| Kaiser | 157,383 | 31,385 | 188,768 | 11 | 55,905 | 55,916 | 244,684 |
| Kaiser/Out-of-State | 23 | 353 | 376 | 0 | 1,202 | 1,202 | 1,578 |
| PERS Choice | 62,510 | 25,266 | 87,776 | 5 | 40,010 | 40,015 | 127,791 |
| PERS Select | 19,050 | 1,436 | 20,486 | — | 770 | 770 | 21,256 |
| PERSCare | 3,076 | 2,572 | 5,648 | 3 | 38,424 | 38,427 | 44,075 |
| PORAC | 6,465 | 2,486 | 8,951 | — | 1,156 | 1,156 | 10,107 |
| **TOTAL** | **387,743** | **91,991** | **479,734** | **25** | **166,351** | **166,376** | **646,110** |

## Five-Year Enrollments

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| Total Covered Lives – Employees, Annuitants, & Dependents | 1,374,794 | 1,373,606 | 1,354,987 | 1,309,902 | 1,286,349 |
| Total Prime Lives – Employees & Annuitants | 646,110 | 639,682 | 631,413 | 624,996 | 607,570 |

## Basic & Supplemental Health Plan Total Enrollments

| | Basic | | | Medicare | | | Total Enrollments (Subs)[1] |
|---|---|---|---|---|---|---|---|
| | Active | Retired | TOTAL | Active | Retired | TOTAL | |
| HMOs | 280,789 | 56,237 | 337,026 | 17 | 82,992 | 83,009 | 420,035 |
| Self-Funded PPOs | 84,636 | 29,274 | 113,910 | 8 | 79,204 | 79,212 | 193,122 |
| Association Plans | 22,318 | 6,480 | 28,798 | 0 | 4,155 | 4,155 | 32,953 |
| **TOTAL** | **387,743** | **91,991** | **479,734** | **25** | **166,351** | **166,376** | **646,110** |

## Participating Public Agency Summary

| | 2013 | 2012 |
|---|---|---|
| Counties | 29 | 29 |
| Cities | 304 | 306 |
| School Employers | 156* | 150* |
| Districts & Other Public Agencies | 736* | 729* |
| **TOTAL** | **1,225** | **1,214** |
| **TOTAL COVERED LIVES** | **625,687** | **586,465** |

*Three charter schools and the LA Office of Education were set up as Districts & Other Public Agencies due to the construction of their retirement contracts. We have moved them to the School Employers category for accuracy of the employer type in the 2013 CAFR.

**Note:**

[1] Total Enrollments (Subs) shows health plan subscribers only, not the dependents. The total covered lives — 1,373,606 — is shown in the Five Year Enrollments table above.

## PARTICIPATING PUBLIC AGENCIES BY TYPE

Approximate number of all covered lives active, retired, and dependents for each public agency.

### Counties (29 total)

| | |
|---|---|
| Amador | 245 |
| Butte | 4,332 |
| Colusa | 731 |
| Contra Costa | 2,890 |
| Glenn | 1,076 |
| Humboldt | 3,874 |
| Inyo | 1,142 |
| Lake | 153 |
| Lassen | 728 |
| Madera | 3,238 |
| Mariposa | 1,097 |
| Modoc | 386 |
| Mono | 871 |
| Monterey | 9,843 |
| Napa | 3,329 |
| Nevada | 2,539 |
| Placer | 7,295 |
| Plumas | 245 |
| Riverside | 2,773 |
| San Benito | 1,042 |
| San Luis Obispo | 5,159 |
| Santa Cruz | 6,328 |
| Shasta | 5,280 |
| Siskiyou | 1,632 |
| Solano | 5,425 |
| Trinity | 1,116 |
| Tuolumne | 1,161 |
| Yolo | 3,570 |
| Yuba | 1,725 |
| **Total Covered Lives** | **79,225** |

### Cities (304 total)

| | |
|---|---|
| Agoura Hills | 96 |
| Alameda | 1,585 |
| Albany | 187 |
| Alhambra | 916 |
| Aliso Viejo | 32 |
| American Canyon | 158 |
| Angels | 89 |
| Antioch | 784 |
| Arcadia | 788 |
| Arroyo Grande | 281 |
| Artesia | 117 |
| Atherton | 128 |
| Atwater | 228 |
| Auburn | 160 |
| Avalon | 170 |
| Avenal | 9 |
| Azusa | 571 |
| Baldwin Park | 481 |
| Barstow | 481 |
| Bell | 334 |
| Bellflower | 268 |
| Belmont | 351 |
| Belvedere | 58 |
| Beverly Hills | 2,283 |
| Biggs | 17 |
| Bishop | 183 |
| Blythe | 253 |
| Brawley | 209 |
| Brea | 961 |
| Brentwood | 637 |
| Brisbane | 196 |
| Buellton | 40 |
| Buena Park | 852 |
| Burbank | 2,944 |
| Burlingame | 835 |
| Calabasas | 219 |
| California City | 119 |
| Calimesa | 2 |
| Calistoga | 98 |
| Camarillo | 332 |
| Campbell | 313 |
| Canyon Lake | 6 |
| Capitola | 134 |
| Carlsbad | 1,531 |
| Carmel-by-the-Sea | 173 |
| Carpinteria | 98 |
| Carson | 1,061 |
| Cathedral City | 501 |
| Cerritos | 807 |
| Chino | 558 |
| Chino Hills | 70 |
| Citrus Heights | 337 |
| Clayton | 58 |
| Coachella City | 147 |
| Colma | 124 |
| Colton | 149 |
| Colusa | 89 |
| Commerce | 609 |
| Compton | 1,617 |
| Concord | 1,397 |
| Corona | 2,145 |
| Coronado | 492 |
| Corte Madera | 181 |
| Costa Mesa | 1,506 |
| Covina | 413 |
| Crescent City | 155 |
| Cudahy | 68 |
| Culver City | 2,183 |
| Cupertino | 596 |
| Cypress | 373 |
| Daly City | 1,312 |
| Dana Point | 113 |
| Davis | 995 |
| Del Rey Oaks | 19 |
| Diamond Bar | 96 |
| Dixon | 162 |
| Downey | 1,934 |
| Duarte | 136 |
| Dublin | 271 |
| Eastvale | 11 |
| El Cajon | 748 |
| El Monte | 914 |
| El Segundo | 1,071 |
| Elk Grove | 443 |
| Emeryville | 196 |
| Encinitas | 492 |
| Etna | 15 |
| Fairfax | 66 |
| Fillmore | 36 |
| Firebaugh | 70 |
| Fort Jones | 11 |
| Foster - Elected Officials | 0 |
| Fountain Valley | 780 |
| Fremont | 2,100 |
| Fullerton | 315 |
| Galt | 392 |
| Garden Grove | 1,587 |
| Gilroy | 558 |
| Glendora | 368 |
| Goleta | 94 |
| Grand Terrace | 45 |
| Grass Valley | 249 |
| Gridley | 119 |
| Grover Beach | 121 |
| Guadalupe | 62 |
| Half Moon Bay | 53 |
| Hanford | 411 |
| Hawaiian Gardens | 185 |
| Hawthorne | 984 |
| Hayward | 2,573 |
| Hercules | 141 |
| Hesperia | 192 |
| Hidden Hills | 6 |
| Highland | 60 |
| Hillsborough | 288 |
| Hollister | 166 |
| Huntington Beach | 1,035 |
| Huntington Park | 643 |
| Imperial Beach | 141 |
| Indian Wells | 111 |
| Indio | 660 |
| Ione | 36 |
| Irwindale | 296 |
| Jackson | 94 |
| La Canada Flintridge | 64 |
| La Habra | 605 |
| La Habra Heights | 26 |
| La Mesa | 701 |
| La Mirada | 268 |
| La Palma | 151 |
| La Puente | 136 |
| La Quinta | 181 |
| Laguna Niguel | 128 |
| Laguna Woods | 15 |
| Lake Elsinore | 226 |
| Lake Forest | 136 |
| Lakewood | 288 |
| Larkspur | 204 |
| Lathrop | 145 |
| Lawndale | 111 |
| Lemon Grove | 168 |
| Lemoore | 141 |
| Lincoln | 633 |
| Live Oak | 47 |
| Lodi | 1,010 |
| Loma Linda | 138 |
| Lomita | 124 |
| Lompoc | 837 |
| Loomis | 26 |
| Los Alamitos | 158 |
| Los Altos | 300 |
| Los Altos Hills | 60 |
| Los Banos | 409 |
| Los Gatos | 415 |
| Lynwood | 496 |
| Malibu | 162 |
| Mammoth Lakes | 149 |
| Manhattan Beach | 650 |
| Manteca | 899 |
| Marina | 194 |
| Martinez | 166 |
| Maywood | 64 |
| Menifee | 40 |
| Menlo Park | 616 |
| Millbrae | 266 |
| Milpitas | 1,110 |
| Mission Viejo | 266 |
| Modesto | 345 |
| Montague | 15 |
| Monte Sereno | 9 |
| Montebello | 1,018 |
| Monterey | 1,133 |
| Moorpark | 141 |
| Moreno Valley | 575 |
| Morgan Hill | 326 |
| Morro Bay | 271 |
| Mt. Shasta | 43 |
| Murrieta | 588 |

***Cities (continued)***

| | |
|---|---|
| Napa | 209 |
| Newark | 281 |
| Newport Beach | 1,979 |
| Norco | 228 |
| Norwalk | 833 |
| Novato | 364 |
| Oakdale | 168 |
| Oakland | 15,415 |
| Ojai | 107 |
| Ontario | 3,519 |
| Orange | 1,487 |
| Orinda | 64 |
| Oxnard | 1,998 |
| Pacific Grove | 200 |
| Pacifica | 279 |
| Palm Desert | 358 |
| Palm Springs | 334 |
| Palo Alto | 4,948 |
| Paradise | 262 |
| Paramount | 228 |
| Pasadena | 4,141 |
| Patterson | 183 |
| Perris | 213 |
| Petaluma | 688 |
| Pico Rivera | 479 |
| Piedmont | 266 |
| Pinole | 302 |
| Pismo Beach | 198 |
| Placentia | 449 |
| Pomona | 1,891 |
| Port Hueneme | 222 |
| Portola Valley | 32 |
| Rancho Cordova | 102 |
| Rancho Mirage | 211 |
| Rancho Santa Margarita | 38 |
| Red Bluff | 151 |
| Redlands | 1,208 |
| Redwood City | 1,687 |
| Reedley | 296 |
| Rialto | 884 |
| Richmond | 2,718 |
| Ridgecrest | 162 |
| Rio Vista | 85 |
| Rocklin | 652 |
| Rolling Hills | 15 |
| Rolling Hills Estates | 51 |
| Rosemead | 166 |
| Roseville | 3,212 |
| Ross | 47 |
| Salinas | 1,088 |
| San Anselmo | 113 |
| San Carlos | 241 |
| San Clemente | 432 |
| San Dimas | 160 |
| San Fernando | 413 |
| San Francisco | 143 |
| San Gabriel | 417 |
| San Jacinto | 6 |
| San Juan Capistrano | 185 |
| San Leandro | 1,150 |
| San Luis Obispo | 863 |
| San Marcos | 158 |
| San Marino | 260 |
| San Mateo | 1,674 |
| San Pablo | 343 |
| San Rafael | 1,363 |
| Sand City | 21 |
| Santa Ana | 1,864 |
| Santa Clara | 2,126 |
| Santa Clarita | 658 |
| Santa Cruz | 1,853 |
| Santa Fe Springs | 752 |
| Santa Maria | 854 |
| Santa Monica | 603 |
| Santa Paula | 155 |
| Santa Rosa | 854 |
| Saratoga | 134 |
| Sausalito | 196 |
| Scotts Valley | 175 |
| Seal Beach | 305 |
| Selma | 232 |
| Shasta Lake | 126 |
| Sierra Madre | 153 |
| Signal Hill | 364 |
| Solana Beach | 134 |
| Solvang | 89 |
| South El Monte | 92 |
| South Gate | 718 |
| South Pasadena | 426 |
| Stanton | 96 |
| Suisun City | 170 |
| Sunnyvale | 3,074 |
| Temecula | 281 |
| Temple City | 132 |
| Thousand Oaks | 1,125 |
| Tiburon | 100 |
| Torrance | 3,591 |
| Truckee | 358 |
| Tulelake | 15 |
| Tustin | 686 |
| Twentynine Palms | 64 |
| Ukiah | 15 |
| Union City | 562 |
| Upland | 675 |
| Vacaville | 1,608 |
| Vallejo | 1,859 |
| Villa Park | 23 |
| Walnut | 66 |
| Weed | 49 |
| West Covina | 1,007 |
| West Hollywood | 492 |
| West Sacramento | 739 |
| Westlake Village | 34 |
| Westminster | 850 |
| Wildomar | 23 |
| Williams | 58 |
| Willows | 64 |
| Winters | 53 |
| Woodland | 903 |
| Woodside | 43 |
| Yorba Linda | 271 |
| Yountville | 79 |
| Yreka | 96 |
| Yuba City | 160 |
| Yucaipa | 85 |
| Yucca Valley | 85 |
| **Total Covered Lives** | **173,206** |

**Districts & Other Public Agencies (736 total)**

| | |
|---|---|
| Academic Senate for California Community Colleges | 11 |
| Agoura Hills and Calabasas Community Center | 17 |
| Alameda Corridor Transportation Authority | 26 |
| Alameda County Congestion Management Agency | 11 |
| Alameda County Fire Department | 1,278 |
| Alameda County Law Library | 38 |
| Alameda County Mosquito Abatement District | 51 |
| Alameda County Schools Insurance Group | 2 |
| Alameda County Transportation Authority | 0 |
| Alameda County Transportation Commission | 49 |
| Alameda County Transportation Improvement Authority | 13 |
| Alameda County Waste Management Authority | 111 |
| Alameda County Water District | 754 |
| Albany Municipal Services Joint Powers Authority | 38 |
| Alhambra Redevelopment Agency | 2 |
| Aliso Water Management Agency | 0 |
| Alliance Of Schools For Cooperative Insurance Programs | 53 |
| Alpine Springs County Water District | 6 |
| Altadena Library District | 66 |
| Amador County Superior Court | 53 |
| Amador Water Agency | 100 |
| American Canyon Fire Protection District | 47 |
| Anderson Cemetery District | 6 |
| Anderson Fire Protection District | 34 |
| Antelope Valley Mosquito and Vector Control District | 15 |
| Apple Valley Fire Protection District | 124 |
| Aptos/La Selva Fire Protection Agency | 98 |
| Arbuckle-College City Fire Protection District | 9 |
| Arcade Creek Recreation and Park District | 13 |
| Arcade Water District | 0 |
| Arcata Fire Protection District | 83 |
| Area 12 Agency on Aging | 26 |
| Arrowbear Park County Water District | 19 |
| Arroyo Grande District Cemetery | 9 |
| Associated Students California State University San Bernardino | 9 |
| Associated Students Incorporated of California State University Stanislaus | 11 |
| Associated Students, Inc. | 6 |
| Association of Bay Area Governments | 219 |
| Association of Monterey Bay Area Governments | 23 |
| Atascadero Cemetery District | 13 |

***Districts & Other Public Agencies (continued)***

Auburn Public Cemetery District . . . . . 19
Aztec Shops, Ltd. . . . . 192
BETA Healthcare Group Risk Management Authority . . . . . 136
Banning-Cabazon Cemetery District . . . . . 0
Bardsdale Cemetery District . . . . . 6
Bay Area Air Quality Management District . . . . . 1,039
Bay Area Library And Information System . . . . . 4
Bay Area Water Supply and Conservation Agency . . . . . 17
Beach Cities Health District . . . . . 104
Bear Mountain Recreation And Park District . . . . . 11
Bear Valley Community Healthcare District . . . . . 567
Beaumont District Library . . . . . 17
Beaumont Public Cemetery District . . . . . 0
Beaumont-Cherry Valley Recreation And Park District . . . . . 19
Beaumont-Cherry Valley Water District . . . . . 60
Bella Vista Water District . . . . . 79
Belmont Fire Protection District . . . . . 47
Belmont-San Carlos Fire Department . . . . . 117
Belvedere-Tiburon Joint Recreation . . . . . 6
Belvedere-Tiburon Library Agency . . . . . 26
Ben Lomond Fire Protection District . . . . . 2
Benicia City Housing Authority . . . . . 32
Bennett Valley Fire Protection District . . . . . 6
Big Bear Area Regional Wastewater Agency . . . . . 47
Big Bear City Airport District . . . . . 21
Big Bear City Community Services District . . . . . 213
Black Gold Cooperative Library System . . . . . 15
Blanchard/Santa Paula Public Library District . . . . . 19
Bonita-Sunnyside Fire Protection District . . . . . 60
Boulder Creek Fire Protection District . . . . . 6
Branciforte Fire Protection District . . . . . 9
Brannan-Andrus Levee Maintenance District . . . . . 2
Buena Park Library District . . . . . 51
Butte County Air Quality Management District . . . . . 19
Butte County Association of Governments . . . . . 23
Butte County In-Home Supportive Services Public Authority . . . . . 6
Butte County Law Library . . . . . 4
Butte County Superior Court . . . . . 232
Butte Local Agency Formation Commission . . . . . 6
Byron, Brentwood, Knightsen Union Cemetery District . . . . . 15
CSAC Excess Insurance Authority . . . . . 113
Cal Poly Corporation . . . . . 645
Calaveras County Superior Court . . . . . 60
Calaveras County Water District . . . . . 230
Calaveras Public Utility District . . . . . 17
California Administrative Services Authority . . . . . 0
California Authority of Racing Fairs . . . . . 23
California Bear Credit Union . . . . . 49
California Dried Plum Board . . . . . 11
California Fair Services Authority . . . . . 94
California Fairs Financing Authority . . . . . 30
California Interscholastic Federation North Coast Section . . . . . 17
California Interscholastic Federation, Northern Section . . . . . 2
California Interscholastic Federation, Southern Section . . . . . 60
California Joint Powers Insurance Authority . . . . . 75
California Joint Powers Risk Management Authority . . . . . 13
California Maritime Academy Foundation, Inc. . . . . 0
California Municipal Utilities Association . . . . . 13
California State and Federal Employees #20 Credit Union . . . . . 19
California State University, Bakersfield Foundation . . . . . 51
California State University, Dominguez Hills Foundation . . . . . 111
California State University, Fresno Athletic Corporation . . . . . 126
California State University, Los Angeles-Usu Board . . . . . 53
California State University, Stanislaus Auxiliary and Business Services 11
California State University-Fresno Association, Inc. . . . . 339
Calleguas Municipal Water District . . . . . 198
Camarillo Health Care District . . . . . 36
Cambria Cemetery District . . . . . 2
Cambria Community Healthcare District . . . . . 28
Cambria Community Services District . . . . . 132
Cameron Park Community Services District . . . . . 30
Capistrano Bay Community Services District . . . . . 2
Capitol Area Development Authority . . . . . 94
Carmel Highlands Fire Protection District of Monterey County . . . . . 2
Carmel Regional Fire Ambulance Authority . . . . . 2
Carmel Valley Fire Protection District . . . . . 0
Carmichael Water District . . . . . 64
Carpinteria Public Cemetery District . . . . . 4
Castaic Lake Water Agency . . . . . 245
Castro Valley County Fire Protection District . . . . . 0
Castro Valley Sanitary District . . . . . 66
Castroville Community Services District . . . . . 11
Cayucos Sanitary District . . . . . 17
Cayucos-Morro Bay Cemetery District . . . . . 4
Central Calaveras Fire and Rescue Protection District . . . . . 9
Central Coast Water Authority . . . . . 64
Central Contra Costa Transit Authority . . . . . 466
Central County Fire Department . . . . . 320
Central Fire Protection District of Santa Cruz County . . . . . 215
Central Marin Sanitation Agency . . . . . 134
Central Plumas Recreation and Park District . . . . . 4
Central Sierra Child Support Agency . . . . . 79
Central Valley Regional Center, Inc. . . . . 807
Cesar Chavez Student Center, Inc . . . . . 58
Channel Islands Beach Community Services District . . . . . 15
Chester Public Utility District . . . . . 30
Children and Families Commission of San Luis Obispo County . . . . . 4
Chino Basin Watermaster . . . . . 15
Chino Valley Independent Fire District . . . . . 292
Chowchilla Cemetery District . . . . . 11
Christian Valley Park Community Service District . . . . . 0
Citrus Pest Control District No. 2 of Riverside County . . . . . 2
City/County Association of Governments of San Mateo County . . . . . 4
Clear Creek Community Services District . . . . . 30
Cloverdale Citrus Fair . . . . . 0
Coachella Valley Association of Governments . . . . . 23
Coachella Valley Mosquito and Vector Control District . . . . . 102
Coachella Valley Public Cemetery District . . . . . 17
Coalinga-Huron Recreation and Park District . . . . . 19
Coastal Animal Services Authority . . . . . 11
Coastal Developmental Services Foundation
DBA Westside Regional Center . . . . . 415
Coastal San Luis Resource Conservation . . . . . 0
Coastside Fire Protection District . . . . . 60

***Districts & Other Public Agencies (continued)***

Colusa County Superior Court . . . . . 32
Colusa Mosquito Abatement District . . . . . 4
Community College League of California . . . . . 40
Compton Creek Mosquito Abatement District . . . . . 0
Conejo Recreation and Park District . . . . . 209
Contra Costa County Law Library . . . . . 17
Contra Costa County Schools Insurance Group . . . . . 40
Contra Costa Fire Protection District . . . . . 1497
Contra Costa Mosquito Vector Control Dist . . . . . 79
Contra Costa Special Ed Local Plan Area . . . . . 17
Contra Costa Transportation Authority . . . . . 49
Cordelia Fire Protection District Of Solano County . . . . . 6
Corning Water District . . . . . 6
Costa Mesa Sanitary District . . . . . 17
Cosumnes Community Services District . . . . . 667
Cottonwood Cemetery District . . . . . 4
Cottonwood Fire Protection District . . . . . 13
Crescent City Harbor District . . . . . 38
Crestline Lake Arrowhead Water Agency . . . . . 32
Crestline Sanitation District . . . . . 36
Cutler-Orosi Joint Powers Wastewater Authority . . . . . 0
Cuyama Valley Recreation District . . . . . 0
Cypress Recreation And Park District . . . . . 0
Dairy Council Of California . . . . . 87
Davis Cemetery District . . . . . 11
Deer Springs Fire Protection District . . . . . 4
Del Norte County Library District . . . . . 0
Del Norte Healthcare District . . . . . 6
Del Paso Manor Water District . . . . . 9
Del Paso Manor Water District-Directors . . . . . 0
Del Puerto Water District . . . . . 6
Del Rey Community Services District . . . . . 9
Delta Diablo Sanitation District . . . . . 215
Delta Vector Control District . . . . . 34
Denair Community Services District . . . . . 13
Desert Healthcare District . . . . . 26
Diamond Springs/El Dorado Fire Protection District . . . . . 68
Dixon Housing Authority . . . . . 0
Dominguez Hills CSU Associated Students . . . . . 11
Dominguez Hills CSU Associated Students - Child Development Center . . . . . 9
Donald P. and Katherine B. Loker University Student Union, Inc. . . . . 19
Dougherty Regional Fire Authority . . . . . 21
Dublin San Ramon Services District . . . . . 307
Dunnigan Water District . . . . . 6
Durham Mosquito Abatement District . . . . . 2
East Bay Dischargers Authority . . . . . 15
East Bay Regional Park District . . . . . 5,412
East Diablo Fire District . . . . . 109
East Kern Airport District . . . . . 83
East Palo Alto Sanitary District . . . . . 26
East Quincy Services District . . . . . 9
East Valley Water District . . . . . 170
Eastern Municipal Water District . . . . . 1,295
Eastern Plumas Health Care District . . . . . 273
Eastern Sierra Community Service Dist. . . . . 15
Eastern Sierra Transit Authority . . . . . 47
Eden Township Healthcare District . . . . . 2
El Camino Irrigation District . . . . . 0
El Dorado County Fire Protection District . . . . . 258
El Dorado County Transit Authority . . . . . 49
El Dorado County Transportation Commission . . . . . 13
El Dorado Hills Community Services District . . . . . 36
El Dorado Hills County Water District . . . . . 158
El Dorado Irrigation District . . . . . 707
Encina Wastewater Authority . . . . . 132
Encinitas Fire Protection District . . . . . 0
Encinitas Sanitary District . . . . . 0
Esparto Community Services District . . . . . 4
Estero Municipal Improvement District . . . . . 452
Fair Oaks Cemetery District . . . . . 9
Fair Oaks Fire District . . . . . 0
Fair Oaks Recreation and Park District . . . . . 36
Fairfield-Suisun Sewer District . . . . . 126
Fallbrook Healthcare District . . . . . 2
Feather River Air Quality Management District . . . . . 17
Feather Water District . . . . . 9
Felton Fire Protection District . . . . . 4
Fern Valley Water District . . . . . 11
First Five of Mariposa County . . . . . 0
Florin County Water District . . . . . 19
Foothill/Eastern Transportation Corridor Agency . . . . . 162
Forestville County Water District . . . . . 13
Forestville Fire Protection District . . . . . 17
Fort Bragg Fire Protection Authority . . . . . 11
Fort Ord Reuse Authority . . . . . 28
Fresno County Law Library . . . . . 9
Fresno Irrigation District . . . . . 190
Fresno-Madera Area Agency On Aging . . . . . 66
Fruitridge Fire Protection District . . . . . 2
Fullerton California State University Associated Students . . . . . 166
Fulton El-Camino Recreation and Park District . . . . . 32
Galt Fire Protection District . . . . . 0
Garden Valley Fire Protection District . . . . . 15
Georgetown Fire Protection District . . . . . 28
Gilsizer County Drainage District . . . . . 6
Glen Ellen Fire Protection District . . . . . 9
Glenn County Mosquito and Vector Control District . . . . . 6
Glenn County Superior Court . . . . . 51
Glenn-Colusa Irrigation District . . . . . 0
Gold Coast Transit . . . . . 330
Gold Ridge Fire Protection District . . . . . 23
Golden Sierra Job Training Agency . . . . . 79
Goleta Cemetery District . . . . . 9
Goleta Sanitary District . . . . . 72
Goleta West Sanitary District . . . . . 26
Great Basin Unified Air Pollution Control District . . . . . 72
Greater Anaheim Special Education Local Plan Area . . . . . 47
Greater Los Angeles County Vector Control District . . . . . 177
Greater Vallejo Recreation District . . . . . 121
Green Valley County Water District . . . . . 4
Greenfield Fire Protection District . . . . . 9
Gridley Biggs Cemetery District . . . . . 15
Grossmont Healthcare District . . . . . 28
Grossmont Schools Federal Credit Union . . . . . 23
Half Moon Bay Fire Protection District . . . . . 0

***Districts & Other Public Agencies (continued)***

Hamilton Branch Fire Protection District . . . . . 2
Hamilton City Community Services District . . . . . 4
Harbor Developmental Disabilities Foundation, Inc. . . . . 454
Hayward California State University, Auxiliary Foundation, Inc. . . . . 115
Heartland Communications Facility Authority . . . . . 15
Heritage Ranch Community Services District . . . . . 23
Hesperia Fire Protection District . . . . . 2
Hesperia Recreation And Park District . . . . . 102
Hesperia Water District . . . . . 92
Hilton Creek Community Services District . . . . . 4
Housing Authority of the City of Alameda . . . . . 75
Housing Authority of the City of Eureka . . . . . 43
Housing Authority of the City of Los Angeles . . . . . 1527
Housing Authority of the City of South San Francisco . . . . . 9
Housing Authority of the County of Santa Clara . . . . . 317
Housing Authority of the County of Santa Cruz . . . . . 128
Hub Cities Consortium . . . . . 45
Humboldt County Association of Governments . . . . . 4
Humboldt County Superior Court . . . . . 213
Humboldt No. 1 Fire Protection District of Humboldt County . . . . . 36
Humboldt State University Center Board of Directors . . . . . 256
Humboldt Transit Authority . . . . . 117
Hydesville County Water District . . . . . 2
Idyllwild Fire Protection District . . . . . 38
Indian Valley Community Services District . . . . . 0
Indian Valley Health Care District . . . . . 0
Inland Empire Utilities Agency . . . . . 581
Intelecom Intelligent Telecommunications . . . . . 38
Inverness Public Utility District . . . . . 13
Ironhouse Sanitary District . . . . . 104
Irvine Ranch Water District . . . . . 769
Isla Vista Recreation and Park District . . . . . 19
JRS Los Angeles County Superior Court . . . . . 888
JRS Riverside County Superior Court . . . . . 107
JRS Ventura County Superior Court . . . . . 62
Jamestown Sanitary District . . . . . 17
Jurupa Community Services District . . . . . 271
Kanawha Water District . . . . . 9
Kensington Community Services District . . . . . 47
Kensington Fire Protection District . . . . . 21
Kentfield Fire Protection District . . . . . 55
Kenwood Fire Protection District . . . . . 6
Kern County Council Of Governments . . . . . 60
Kern County Housing Authority . . . . . 339
Kern County Law Library . . . . . 6
Kern Regional Center . . . . . 407
Kirkwood Meadows Public Utility District . . . . . 62
Lake County Winegrape Commission . . . . . 2
Lake Don Pedro Community Services District . . . . . 0
Lake Hemet Municipal Water District . . . . . 128
Lake Valley Fire Protection District . . . . . 58
Lakeside Fire Protection District . . . . . 177
Las Gallinas Valley Sanitary District of Marin County . . . . . 72
Last Frontier Healthcare District . . . . . 162
Lathrop-Manteca Fire Protection District . . . . . 89
Leucadia Wastewater District . . . . . 49
Levee District No.1 of Sutter County . . . . . 6
Linda Fire Protection District . . . . . 34
Linden-Peters Rural County Fire Protection District . . . . . 34
Littlerock Creek Irrigation District . . . . . 15
Live Oak Cemetery District . . . . . 4
Livermore/Amador Valley Transit Authority . . . . . 45
Local Agency Formation Commission of Monterey County . . . . . 6
Local Agency Formation Commission of San Luis Obispo County . . . . . 0
Local Government Services Authority, A Joint Powers Authority . . . . . 55
Lompoc Cemetery District . . . . . 11
Lompoc Healthcare District . . . . . 648
Los Angeles City Community Redevelopment Agency . . . . . 496
Los Angeles County Area 'E' Civil Defense And Disaster Board . . . . . 2
Los Angeles County Law Library . . . . . 149
Los Angeles County Sanitation District No. 2 . . . . . 5,847
Los Angeles County West Vector Control District . . . . . 75
Los Angeles Memorial Coliseum Commission . . . . . 75
Los Osos Community Services District . . . . . 13
Lower Tule River Irrigation District . . . . . 77
Lumberjack Enterprises, Inc. . . . . 0
Madera Cemetery District . . . . . 62
Madera County Economic Development Commission . . . . . 0
Majestic Pines Community Services District . . . . . 4
Mammoth Lakes Fire District . . . . . 34
Mammoth Lakes Mosquito Abatement District . . . . . 0
Management of Emeryville Services Authority . . . . . 226
March Joint Powers Authority . . . . . 19
Marin Children and Families Commission . . . . . 4
Marin County Housing Authority . . . . . 104
Marin County Sanitary District No 1 . . . . . 83
Marin Healthcare District . . . . . 0
Marin Municipal Water District . . . . . 895
Marinwood Community Services District . . . . . 64
Maxwell Public Utility District . . . . . 6
Mayers Memorial Hospital District . . . . . 311
McCloud Community Services District . . . . . 28
Meadow Vista County Water District . . . . . 11
Meeks Bay Fire Protection District . . . . . 13
Meiners Oaks County Water District . . . . . 11
Mendocino County Russian River Flood Control
and Water Conservation Improvement Dt . . . . . 2
Menlo Park Fire Protection District . . . . . 332
Merced County Housing Authority . . . . . 79
Mesa Water District . . . . . 124
Metropolitan Transportation Commission . . . . . 447
Metropolitan Water District of Southern California . . . . . 6,744
Mid Carmel Valley Fire Protection Dist . . . . . 6
Midpeninsula Regional Open Space District . . . . . 204
Midway City Sanitary District . . . . . 104
Midway Heights County Water District . . . . . 4
Millville Masonic and Odd Fellows Cemetery District . . . . . 2
Mission Valley Regional Occupational Center/Program . . . . . 53
Mojave Desert Air Quality Management . . . . . 72
Mojave Water Agency . . . . . 94
Monte Vista County Water District . . . . . 53
Montecito Fire Protection District . . . . . 170
Monterey Bay Unified Air Pollution Control District . . . . . 66
Monterey County Law Library . . . . . 2
Monterey County Regional Fire Protection District . . . . . 164
Monterey County Superior Court . . . . . 396

***Districts & Other Public Agencies (continued)***

Monterey County Water Resources Agency . . . . . 119
Monterey Peninsula Airport District . . . . . 100
Monterey Peninsula Regional Park District . . . . . 43
Monterey-Salinas Transit District. . . . . 409
Moraga-Orinda Fire Protection Dist. . . . . 302
Morongo Basin Transit Authority . . . . . 53
Mosquito and Vector Management District of Santa Barbara County. . . 15
Moss Landing Harbor District . . . . . 11
Mother Lode Job Training Agency . . . . . 49
Mountain Valley Emergency Medical Services Agency. . . . . 6
Mt View Sanitary District of Contra Costa County . . . . . 45
Mt. San Antonio College Auxiliary Services . . . . . 100
Muir Beach Community Services District. . . . . 4
Municipal Pooling Authority . . . . . 28
Murphys Sanitary District . . . . . 0
Murrieta Fire Protection District . . . . . 128
Napa County Mosquito Abatement District . . . . . 26
Napa County Superior Court . . . . . 183
Napa County Transportation and Planning Agency . . . . . 28
Napa Sanitation District. . . . . 170
Nevada Cemetery District . . . . . 9
Nevada County Superior Court . . . . . 147
Nevada Irrigation District. . . . . 669
Nevada-Sierra Regional IHSS Public Authority. . . . . 13
Newport Beach City Employees Federal Credit Union . . . . . 6
Nipomo Community Services District . . . . . 43
North Bay Regional Center . . . . . 386
North Bay Schools Insurance Authority . . . . . 30
North Coast Railroad Authority . . . . . 4
North Coast Unified Air Quality Management District. . . . . 45
North County Fire Protection District of Monterey County . . . . . 100
North County Fire Protection District of San Diego County . . . . . 194
North County Regional Occupational Program Joint Powers Agency . . . . 9
North County Transit District . . . . . 377
North Delta Water Agency . . . . . 0
North Los Angeles County Regional Center Inc . . . . . 865
North Marin Water District. . . . . 162
North State Cooperative Library System . . . . . 6
North Tahoe Fire Protection District. . . . . 128
Northern California Power Agency . . . . . 524
Northern California Special Districts Insurance Authority . . . . . 9
Northern Salinas Valley Mosquito Abatement District . . . . . 13
Northern Sierra Air Quality Management District. . . . . 15
Northridge Water District. . . . . 0
Northridge, Csu, Associated Students . . . . . 85
Northstar Community Services District . . . . . 83
Northwest Mosquito and Vector Control District . . . . . 21
Novato Fire Protection District. . . . . 320
Novato Sanitary District. . . . . 89
Oak Hill Cemetery District . . . . . 0
Oakland City Housing Authority . . . . . 944
Ojai Valley Sanitary District . . . . . 55
Ophir Hill Fire Protection District . . . . . 4
Orange County Fire Authority . . . . . 777
Orange County Vector Control District . . . . . 138
Oro Loma Sanitary District . . . . . 175
Oroville Cemetery District . . . . . 21
Oroville Mosquito Abatement District. . . . . 2
Oxnard Harbor District. . . . . 102
Pacific Fire Protection District . . . . . 28
Pajaro Valley Fire Protection Agency . . . . . 0
Pajaro Valley Public Cemetery District . . . . . 19
Palm Drive Health Care District . . . . . 275
Palm Ranch Irrigation District . . . . . 13
Palm Springs Cemetery District. . . . . 13
Palm Springs Desert Resorts Convention and Visitors Authority . . . . . 79
Palo Verde Valley District Library . . . . . 0
Paradise Recreation and Park District . . . . . 28
Paso Robles City Housing Authority. . . . . 23
Peardale Chicago Park Fire Protection District. . . . . 2
Peninsula Health Care District . . . . . 6
Peninsula Library System . . . . . 28
Peninsula Traffic Congestion Relief Alliance . . . . . 17
Penn Valley Fire Protection District . . . . . 28
Penryn Fire Protection District. . . . . 0
Pine Cove Water District . . . . . 9
Pine Grove Mosquito Abatement District . . . . . 2
Pinedale County Water District . . . . . 26
Pioneer Cemetery District . . . . . 9
Pixley Irrigation District . . . . . 17
Placer County Resource Conservation District. . . . . 11
Placer County Transportation Planning Agency . . . . . 19
Placer County Water Agency . . . . . 577
Placer Hills Fire Protection District. . . . . 6
Placer Mosquito and Vector Control District. . . . . 38
Planning and Service Area II Area Agency On Aging . . . . . 4
Pleasant Valley Recreation and Park District . . . . . 81
Plumas County Community Development Commission . . . . . 34
Plumas Local Agency Formation Commission . . . . . 2
Point Montara Fire Protection District . . . . . 0
Pomerado Cemetery District . . . . . 9
Pomona, California State Polytechnic University,
Associated Students, Inc. . . . . 115
Port San Luis Harbor District . . . . . 70
Port of Oakland . . . . . 0
Princeton-Codora-Glenn Irrigation Dist. . . . . 11
Processing Strawberry Advisory Board . . . . . 11
Processing Tomato Advisory Board . . . . . 9
Provident Irrigation District . . . . . 9
Public Agency Risk Sharing Authority of California . . . . . 13
Public Entity Risk Management Authority . . . . . 11
Quincy Cemetery District. . . . . 2
Quincy Community Services District . . . . . 13
Rainbow Municipal Water District . . . . . 4
Ramona Cemetery District. . . . . 11
Rancho Cucamonga Fire Protection District. . . . . 334
Rancho Murieta Community Services District . . . . . 77
Rancho Simi Recreation and Park District . . . . . 211
Reclamation District No. 70. . . . . 17
Reclamation District No. 341 . . . . . 4
Reclamation District No. 800 . . . . . 9
Reclamation District No. 833. . . . . 9
Reclamation District No. 900. . . . . 9
Reclamation District No. 1000. . . . . 130

***Districts & Other Public Agencies (continued)***

Reclamation District No. 1001 . . . . . 36
Reclamation District No. 1601 . . . . . 4
Reclamation District No. 1660 . . . . . 0
Redway Community Services District . . . . . 13
Regional Center of the East Bay . . . . . 648
Regional Council of Rural Counties . . . . . 45
Regional Government Services Authority . . . . . 21
Regional Housing Authority of Sutter and Nevada Counties . . . . . 60
Regional Water Authority . . . . . 19
Richardson Bay Sanitary District . . . . . 19
Rincon Del Diablo Municipal Water District . . . . . 83
Riverbank City Housing Authority . . . . . 4
Riverdale Public Utility District . . . . . 6
Riverside County Air Pollution Control District . . . . . 0
Riverside County Housing Authority . . . . . 0
Riverside County Superior Court . . . . . 0
Riverside County Transportation Commission . . . . . 111
Rodeo-Hercules Fire Protection District . . . . . 75
Roseville Public Cemetery District . . . . . 21
Ross Valley Fire Department . . . . . 136
Rubidoux Community Services District . . . . . 4
Ruth Lake Community Services District . . . . . 0
Sacramento Area Council of Governments . . . . . 136
Sacramento City Housing Authority . . . . . 858
Sacramento County Fire Protection District . . . . . 0
Sacramento County Public Law Library . . . . . 40
Sacramento Metropolitan Air Quality Management District . . . . . 162
Sacramento Metropolitan Cable Television Commission . . . . . 13
Sacramento Metropolitan Fire District . . . . . 2,614
Sacramento Regional Fire/EMS Communications Center . . . . . 128
Sacramento Regional Transit District . . . . . 2,358
Sacramento Suburban Water District . . . . . 153
Sacramento Transportation Authority . . . . . 2
Salinas Valley Solid Waste Authority . . . . . 77
Salton Community Services District . . . . . 45
Samoa Peninsula Fire Protection District . . . . . 0
San Andreas Regional Center Inc . . . . . 656
San Andreas Sanitary District . . . . . 17
San Benito County Water District . . . . . 47
San Bernardino County Housing Authority . . . . . 415
San Bernardino County Law Library . . . . . 11
San Bernardino County Transportation Authority . . . . . 0
San Bernardino Economic Development Agency . . . . . 28
San Bernardino, California State University, Student Union . . . . . 47
San Diego Association of Governments . . . . . 645
San Diego County Law Library . . . . . 81
San Diego State University Associated Students . . . . . 64
San Dieguito Water District . . . . . 77
San Elijo Joint Powers Authority . . . . . 38
San Francisco Bay Area Rapid Transit District . . . . . 10,535
San Francisco Bay Area Water Emergency Transportation Authority . . . 15
San Francisco City and County Housing Authority . . . . . 511
San Francisco City and County Redevelopment Agency . . . . . 349
San Francisco Community College District Bookstore Auxiliary . . . . . 30
San Francisco County Transportation Authority . . . . . 75
San Gabriel Valley Mosquito And Vector Control District . . . . . 26
San Gorgonio Pass Water Agency . . . . . 13
San Jacinto Valley Cemetery District . . . . . 34
San Joaquin County Housing Authority . . . . . 332
San Joaquin County Mosquito and Vector Control District . . . . . 107
San Joaquin Hills Transportation Corridor Agency . . . . . 0
San Jose State University Foundation . . . . . 616
San Jose State University, Associated Students . . . . . 89
San Juan Water District . . . . . 149
San Lorenzo Valley Water District . . . . . 47
San Luis Obispo Air Pollution Control District . . . . . 40
San Luis Obispo Cal Poly Associated Students, Inc. . . . . 207
San Luis Obispo Council of Governments . . . . . 34
San Luis Obispo County Pension Trust . . . . . 15
San Luis Obispo Regional Transit Authority . . . . . 13
San Marcos Fire Protection District . . . . . 0
San Mateo County Resource Conservation District . . . . . 0
San Mateo County Schools Insurance Group . . . . . 15
San Mateo County Transit District . . . . . 1,845
San Miguel Community Services District . . . . . 11
San Miguel Consolidated Fire Protection District . . . . . 200
San Ramon Valley Fire Protection Dist . . . . . 626
San Simeon Community Services District . . . . . 2
Sanitary District No. 5 of Marin County . . . . . 34
Santa Barbara Co Association Of Gov . . . . . 51
Santa Barbara County Law Library . . . . . 6
Santa Clara County Health Authority . . . . . 309
Santa Clara County Law Library . . . . . 2
Santa Cruz County Law Library . . . . . 0
Santa Cruz County Regional Transportation Commission . . . . . 45
Santa Cruz County Superior Court . . . . . 290
Santa Cruz Local Agency Formation Commission . . . . . 6
Santa Cruz Metropolitan Transit District . . . . . 1,135
Santa Cruz Regional 9-1-1 . . . . . 128
Santa Fe Irrigation District . . . . . 164
Santa Maria Public Airport District . . . . . 28
Santa Paula City Housing Authority . . . . . 21
Saratoga Fire Protection District . . . . . 21
Sausalito-Marin City Sanitary District . . . . . 51
School Personnel Credit Union . . . . . 15
Schools Excess Liability Fund . . . . . 19
Scotts Valley Water District . . . . . 47
Selma-Kingsburg-Fowler County Sanitation District . . . . . 89
Sequoia Healthcare District . . . . . 11
Serra Cooperative Library System . . . . . 0
Sewer Authority Mid-Coastside . . . . . 34
Shasta Area Safety Communications Agency . . . . . 102
Shasta Community Services District . . . . . 0
Shasta County Superior Court . . . . . 447
Shasta Dam Area Public Utility District . . . . . 0
Shasta Mosquito and Vector Control District . . . . . 40
Shasta Regional Transportation Agency . . . . . 21
Shasta Valley Cemetery District . . . . . 11
Sierra Lakes County Water District . . . . . 19
Sierra-Sacramento Valley Emergency Medical Services Agency . . . . . 32
Silicon Valley Animal Control Authority . . . . . 32
Silveyville Cemetery District . . . . . 11
Siskiyou County Superior Court . . . . . 96
Smith River Community Services District . . . . . 11

***Districts & Other Public Agencies (continued)***

Solano County Mosquito Abatement District . . . . . 32
Solano County Superior Court . . . . . 400
Solano County Water Agency. . . . . 26
Solano Transportation Authority . . . . . 40
Sonoma Marin Area Rail Transit District . . . . . 45
Sonoma State Enterprises, Inc. . . . . 2
Sonoma Student Union Corporation. . . . . 6
Soquel Creek Water District. . . . . 138
South Bay Regional Public Communications Authority. . . . . 109
South Bayside System Authority . . . . . 226
South County Area Transit. . . . . 9
South Feather Water and Power Agency . . . . . 177
South Kern Cemetery District . . . . . 0
South Orange County Wastewater Authority . . . . . 166
South Placer Fire District. . . . . 102
South Placer Municipal Utility District . . . . . 66
South San Luis Obispo County Sanitation District . . . . . 23
Southeast Area Social Services Funding Authority . . . . . 19
Southern California Association of Governments . . . . . 358
Southern California Library Cooperative . . . . . 19
Southern California Public Power Authority . . . . . 23
Southern California Regional Rail Authority . . . . . 613
Southern Humboldt Community HealthCare District . . . . . 100
Southern Inyo Healthcare District . . . . . 113
Southern San Joaquin Municipal Utility District . . . . . 64
Spartan Shops, Inc.. . . . . 160
Squaw Valley Public Service District . . . . . 55
State Assistance Fund for Enterprise, Business Industrial Development 23
Stanislaus County Housing Authority. . . . . 266
State Water Contractors . . . . . 17
State and Federal Contractors Water Agency . . . . . 4
Stege Sanitary District . . . . . 23
Stinson Beach County Water District. . . . . 19
Stockton Port District . . . . . 151
Strawberry Recreation District . . . . . 6
Student Union Of San Jose State University . . . . . 68
Suisun Resource Conservation District . . . . . 15
Summit Cemetery District . . . . . 40
Sunnyslope County Water District . . . . . 34
Superior Court of California County of San Luis Obispo . . . . . 262
Susanville Sanitary District . . . . . 17
Sutter Cemetery District . . . . . 26
Sweetwater Springs Water District . . . . . 23
Sylvan Cemetery District. . . . . 11
Tahoe City Fire Protection District . . . . . 0
Tahoe City Public Utility District. . . . . 121
Tahoe-Truckee Sanitation Agency . . . . . 168
Temecula Public Cemetery District . . . . . 9
Templeton Community Services District . . . . . 47
Three Arch Bay Community Services District . . . . . 2
Tiburon Fire Protection District . . . . . 87
Tower Foundation, San Jose State University . . . . . 17
Trabuco Canyon Water District . . . . . 55
Tracy Rural County Fire Protection District . . . . . 2
Transbay Joint Powers Authority . . . . . 23
Transportation Agency for Monterey County . . . . . 23
Tri-Counties Association for the Developmentally Disabled . . . . . 579
Truckee Fire Protection District . . . . . 126
Truckee Sanitary District. . . . . 185
Tulare County Housing Authority . . . . . 132
Tulare Mosquito Abatement District. . . . . 17
Tuolumne Fire District . . . . . 4
Tuolumne Regional Water District . . . . . 0
Tuolumne Utilities District . . . . . 466
Turlock Mosquito Abatement District. . . . . 36
Twain Harte Community Services District . . . . . 23
Twin Cities Police Authority . . . . . 198
Ukiah Valley Fire District . . . . . 11
Union Public Utility District . . . . . 11
Union Sanitary District. . . . . 422
United Water Conservation District . . . . . 124
University Auxiliary and Research Services Corp. . . . . 102
University Corporation. . . . . 320
University Glen Corporation. . . . . 49
University Student Union California State University Stanislaus. . . . . 11
Upland City Housing Authority. . . . . 43
Vacaville Fire Protection District . . . . . 17
Vacaville-Elmira Cemetery District. . . . . 17
Vallejo Sanitation and Flood Control District . . . . . 277
Valley County Water District . . . . . 94
Valley Mountain Regional Center, Inc. . . . . 481
Valley Preparatory Academy, Inc.. . . . . 0
Valley Sanitary District . . . . . 43
Valley of The Moon Water District . . . . . 36
Valley-Wide Recreation and Park District. . . . . 64
Ventura County Law Library . . . . . 19
Ventura County Transportation Commission . . . . . 49
Ventura Port District . . . . . 72
Ventura Regional Sanitation District . . . . . 143
Veterans Home of California Post Fund . . . . . 17
Victor Valley Wastewater Reclamation Authority . . . . . 100
Water Facilities Authority. . . . . 17
Weaverville Community Services District. . . . . 17
Weaverville Fire Protection District . . . . . 0
Weaverville Sanitary District . . . . . 0
West Bay Sanitary District. . . . . 53
West Cities Communication Center . . . . . 26
West Cities Communication Center Joint Powers Authority . . . . . 0
West Contra Costa Healthcare District. . . . . 11
West Contra Costa Integrated Waste Management Authority. . . . . 11
West County Wastewater District . . . . . 158
West Plainfield Fire Protection Dist.. . . . . 0
Western Canal Water District. . . . . 26
Western Riverside Council of Governments . . . . . 40
Westlands Water District . . . . . 1,551
Wildomar Cemetery District. . . . . 2
Willow Creek Community Services District . . . . . 6
Willow Oak Fire District. . . . . 0
Willows Cemetery District . . . . . 6
Wilton Fire Protection District . . . . . 2
Winterhaven Water District . . . . . 2
Winters Cemetery District . . . . . 11
Winters Fire Protection District . . . . . 2
Woodlake Fire District . . . . . 0

| | |
|---|---|
| Woodside Fire Protection District | 187 |
| Yolo County Housing Authority | 85 |
| Yolo County In-Home Supportive Services Public Authority | 9 |
| Yolo County Public Agency Risk Management Insurance Authority | 17 |
| Yolo County Superior Court | 198 |
| Yolo County Transit Authority | 0 |
| Yolo County Transportation District | 26 |
| Yolo Emergency Communications Agency | 75 |
| Yolo-Solano Air Quality Management District | 64 |
| Yuba County Water Agency | 98 |
| Yuba Sutter Transit Authority | 4 |
| Yuima Municipal Water District | 2 |
| **Total Covered Lives** | **106,634** |

## School Employers (156 total)

| | |
|---|---|
| Acalanes Union High School District | 1,263 |
| Alameda City Unified School District | 1,747 |
| Albany City Unified School District | 907 |
| Alta-Dutch Flat Union Elementary School District | 9 |
| Antioch Charter Academy | 0 |
| Antioch Charter Academy II | 28 |
| Antioch Unified School District | 2,771 |
| Auburn Union Elementary School District | 70 |
| Baldy View Regional Occupational Program | 60 |
| Bassett Unified School District | 271 |
| Bayshore Preparatory Charter School | 9 |
| Berryessa Union Elementary School District | 1,640 |
| Beverly Hills Unified School District | 1,189 |
| Bonita Unified School District | 1,502 |
| Brisbane Elementary School District | 162 |
| Burbank Unified School District | 3,084 |
| Burlingame Elementary School District | 479 |
| Campbell Union Elementary School District | 1,425 |
| Campbell Union High School District | 1,610 |
| Capo-Laguna R.O.P. | 66 |
| Castaic Union Elementary School District | 379 |
| Centinela Valley Union High School District | 1,617 |
| Cerritos Community College District | 1,889 |
| Charter Learning Center | 21 |
| Chatom Union Elementary School District | 28 |
| Compton Unified School District | 4,562 |
| Connecting Waters | 170 |
| County School Service - Contra Costa County Schools | 1,314 |
| County School Service - Napa County Schools | 400 |
| County School Service - Sacramento County Schools | 1,779 |
| County School Service - San Mateo County Schools | 1,212 |
| County School Services - Alameda County Schools | 458 |
| County Superintendent of Schools Office - Riverside County Schs. | 3,868 |
| Culver City Unified School District | 1,402 |
| Davis Joint Unified School District | 1,242 |
| Duarte Unified School District | 635 |
| Dublin Unified School District | 522 |
| Eastern Sierra Unified School District | 55 |
| El Camino Community College District | 2,202 |
| El Dorado Union High School District | 47 |
| Empire Union Elementary School District | 53 |
| Fairfield-Suisun Adult Education | 0 |
| Fairfield-Suisun Cafeteria | 0 |
| Fairfield-Suisun Child Care Center | 0 |
| Fairfield-Suisun Unified School District | 3,276 |
| Fillmore Unified School District | 760 |
| Foothill-De Anza Community College District | 11,619 |
| Fountain Valley Elementary School District | 995 |
| Fremont Unified School District | 3,966 |
| Fremont Union High School District | 794 |
| Gavilan Joint Community College District | 547 |
| Golden Lakes Charter School | 13 |
| Hayward Unified School District | 3,059 |
| Healdsburg Unified School District | 236 |
| Hillsborough City School District | 277 |
| Holtville Unified School District | 2 |
| Howell Mountain Elementary School District | 21 |
| John Swett Unified School District | 334 |
| Knightsen School District | 47 |
| Las Lomitas Elementary School District | 311 |
| Las Virgenes Unified School District | 2,149 |
| Liberty Union High School District | 1,048 |
| Little Lake City Elementary School District | 763 |
| Lodi Unified School District | 4,277 |
| Los Altos Elementary School District | 1,071 |
| Los Angeles Community College District | 43,137 |
| Los Angeles County Office of Education | 7,894 |
| Los Nietos Elementary School District | 371 |
| Lowell Joint Elementary School District | 505 |
| Lynwood Unified School District | 1,291 |
| Magnolia Elementary School District | 1,242 |
| Manteca Unified School District | 60 |
| Martinez Unified School District | 841 |
| Menlo Park City Elementary School District | 633 |
| Metropolitan Education District | 332 |
| Mill Valley Elementary School District | 622 |
| Millbrae Elementary School District | 377 |
| Modesto City Elementary School District | 4,403 |
| Montebello Unified School District | 7,625 |
| Monterey Peninsula Unified School District | 3,135 |
| Moreland Elementary School District | 788 |
| Morgan Hill Unified School District | 1,459 |
| Mountain House Elementary School District | 0 |
| Mt. Baldy Joint School District | 15 |
| Mt. Diablo Unified School District | 6,565 |
| Mt. Pleasant Elementary School District | 403 |
| Mt. San Antonio Community College District | 3,025 |
| Napa Community College District | 905 |
| Napa Valley Unified School District | 2,995 |
| Natomas Unified School District | 675 |
| New Haven Unified School District | 1,772 |
| Newark Unified School District | 505 |
| Newhall Elementary School District | 1,005 |
| Newman-Crows Landing Unified School District | 360 |
| North Monterey County Unified School District | 575 |
| North Orange County Community College District | 4,243 |
| Ocean Grove Charter School | 121 |

***School Employers (continued)***

| | |
|---|---|
| Ohlone Community College District | 746 |
| Orange Unified School District | 5,738 |
| Orinda Union School District | 573 |
| Pacifica School District | 880 |
| Palos Verdes Peninsula Unified School District | 2,111 |
| Paradise Elementary School District | 19 |
| Pittsburg Unified School District | 1,887 |
| Pleasanton Unified School District | 364 |
| Ravenswood City Elementary School District | 850 |
| Redwood City Elementary School District | 1,938 |
| Reed Union Elementary School District | 358 |
| Ridgecrest Charter School | 34 |
| Rio Hondo Community College District | 1,482 |
| River Delta Joint Unified School District | 362 |
| Riverbank Unified School District | 439 |
| Ross Elementary School District | 143 |
| Ross Valley Elementary School District | 490 |
| Rowland Unified School District | 2,846 |
| Sacramento City Unified School District | 6,094 |
| San Bruno Park Elementary School District | 547 |
| San Carlos Elementary School District | 479 |
| San Leandro Unified School District | 990 |
| San Lorenzo Unified School District | 1,295 |
| San Mateo County Community College District | 3,293 |
| San Mateo-Foster City School District | 2,024 |
| San Rafael City Elementary School District | 662 |
| San Rafael City High School District | 641 |
| Santa Clarita Community College District | 351 |
| Santa Monica Community College District | 2,486 |
| Santa Monica-Malibu Unified School District | 3,101 |
| Saugus Union Elementary School District | 1,069 |
| Sequoia Union High School District | 2,450 |
| Sky Mountain Charter School | 98 |
| Solano Community College District | 963 |
| Solano County Schools | 709 |
| Soledad Unified School District | 760 |
| Sonoma Valley Unified School District | 903 |
| South Pasadena Unified School District | 912 |
| South San Francisco Unified School District | 2,234 |
| South Sutter Charter School | 170 |
| South Whittier School District | 652 |
| Southeast Los Angeles County Regional Occupational Program | 68 |
| Stanislaus County Office of Education | 4 |
| Stockton Unified School District | 6,856 |
| Temple City Unified School District | 816 |
| Turlock Joint Elementary School District | 0 |
| Turlock Joint Unified School District | 1,071 |
| Turlock Joint Union High School District | 0 |
| Twin Rivers Unified School District | 5,557 |
| Union Elementary School District | 718 |
| Vacaville Unified School District | 2128 |
| Valle Lindo Elementary School District | 183 |
| Vallejo City Unified School District | 3,218 |
| Walnut Valley Unified School District | 765 |
| West Contra Costa Unified School District | 8,863 |
| West Covina Unified School District | 1,504 |
| Whittier City Elementary School District | 1,114 |
| William S. Hart Union High School District | 3,655 |
| Wiseburn Elementary School District | 368 |
| **Total Covered Lives** | **266,622** |

# Supplemental Income Plans (SIP)

CalPERS provides members with the Supplemental Income Plans to save for retirement.

The CalPERS Supplemental Income Plans include:

- CalPERS Supplemental Income 457 Plan
- Supplemental Contributions Plan (SCP)
- State Peace Officers and Firefighters (SPOFF) Supplemental Plan.

## CalPERS SUPPLEMENTAL INCOME 457 PLAN

The CalPERS Supplemental Income 457 Plan is a way for participants to defer a portion of pre-tax salary into investments of an individual's choosing. It allows both the amount deferred and the amount earned on the investment to be protected from income tax until the money is taken out during retirement. The plan supplements the retirement benefit plans offered by CalPERS. All California public agencies and school districts may adopt the 457 Plan for the benefit of their employees.

The CalPERS Board controls the investment and administrative functions of the CalPERS Supplemental Income 457 Plan. Assets are held in trust by the Board for the exclusive benefit of participating employees.

As of June 30, 2013, the CalPERS Supplemental Income 457 Plan was adopted by 734 California public agencies and school districts. Below is a summary of participating public agencies within the CalPERS Supplemental Income 457 Plan. For a full listing of the CalPERS Supplemental Income 457 Plan participating public agencies, please visit our public agency employer page at **www.calpers.ca.gov.**

### Participating Public Agency Summary

| Agency | |
|---|---|
| Cities | 110 |
| Counties | 17 |
| Community College Districts, School Districts & County Offices of Education | 156 |
| Districts & Other Public Agencies | 309 |
| Police & Fire Districts | 56 |
| Water Districts | 86 |
| **TOTAL** | **734** |

## SUPPLEMENTAL CONTRIBUTIONS PLAN

The Supplemental Contributions Plan is available to State of California employees who are members of CalPERS, as well as active judges who are members of the Judges' Retirement System I or II. Participants may invest after-tax contributions through payroll deductions or cash contributions by check. Participant earnings grow tax-deferred until SCP participants begin to take withdrawals in retirement or upon separation from State employment.

## SPOFF SUPPLEMENTAL PLAN

The State Peace Officers' and Firefighters' (SPOFF) Supplemental Plan (also known as State POFF Defined Contribution Plan), is an employer provided retirement benefit negotiated between the State of California and certain employee groups. The contributions are invested by CalPERS and credited to each participant's account along with any net earnings. The balance of the account is available to SPOFF participants only at retirement or upon permanent separation from all State employment.

In October 2013, Senate Bill No. 277 was signed by the Governor. This legislation terminates the State Peace Officers' and Firefighters' Defined Contribution Plan (Plan) on January 1, 2014 or upon specified Internal Revenue Service (IRS) approvals, whichever is later. It prohibits new participants in the Plan, requires the cessation of all contributions into the Plan, allows rollovers into the CalPERS Supplemental Contributions Program and other specified means of asset distribution, and discharges the CalPERS Board from liability and responsibility upon Plan assets distribution.

## SIP FUND LINEUP

The CalPERS Supplemental Income 457 Plan and Supplemental Contributions Plan for the fiscal year 2012-13 investment line-up allows participants to choose from two styles of asset allocation funds, or build their own portfolio with the 10 core funds.

The two styles of CalPERS-managed Asset Allocation Funds include:

- Eleven Target Retirement Date Funds
  - Structured with 5-year increments to allow participants to target their retirement date.

  - Utilizes glide path strategy to reduce risk as the member approaches retirement.
- Three Risk-Based Asset Allocation Funds
  - Conservative, Moderate and Aggressive.

Ten Core Funds
- Complete asset class coverage to build a portfolio tailored to participant investment goals and allow the opportunity for a well-diversified portfolio; and
- Spans the risk-return spectrum, without duplication.

The SPOFF investment is a balanced Moderate Asset Allocation Fund internally managed by CalPERS.

Fees collected from participant accounts provide funding to administer the Plans and are assessed based on the investment options selected.

The financial statements for this plan are in this report as part of the Financial Section and the accompanying notes and schedules.

# Long-Term Care Program Data

The CalPERS Long-Term Care program (LTC) helps to provide financial protection from the high cost of care caused by chronic illness, injury or old age. Long-Term Care products reimburse the cost for covered personal care (Activities of Daily Living) services such as bathing, dressing, toileting, transferring, continence and eating, which are not typically covered by traditional health insurance or Medicare.

The LTC program is self-funded and not-for-profit and offers participants several products with coverage and benefit options. As of June 30, 2013, the total long-term care participant count decreased 3.6 percent to 144,933. This decrease may be attributable to the LTC program stabilization and sustainability measures and realized participant population morbidity. Annual premiums as of June 30, 2013 were $307.8 million.

The LTC program's total investments were approximately $3.7 billion, with $198.2 million paid out in benefits to its participants during fiscal year 2012-13. The total benefits paid since the LTC program's inception in 1995 through June 30, 2013 have reached approximately $1.2 billion.

The financial statements for the LTC program are found in the Financial Section of this report and in the accompanying notes and schedules. The tables on the next page provide a summary of plan types and participant counts as of June 30, 2013 as well as five-year historical participant counts.

## Participant Count by TLC Plan Type (as of 6/30/2013)

| Benefit Period | Comprehensive Plans | | Facility Only Plans | | Partnership Plans | Total |
|---|---|---|---|---|---|---|
| | With Inflation | No Inflation | With Inflation | No Inflation | With Inflation | |
| Lifetime | 42,812 | 17,387 | 7,760 | 4,572 | — | 72,531 |
| 10 Year | — | 9,166 | — | 2,480 | — | 11,646 |
| 6 Year | 10,080 | 8,324 | 2,157 | 2,416 | — | 22,977 |
| 3 Year | 13,866 | 8,680 | 5,424 | 4,243 | — | 32,213 |
| 2 Year | — | — | — | — | 3,402 | 3,402 |
| 1 year | — | — | — | — | 1,999 | 1,999 |
| 6 Month | — | — | — | — | 165 | 165 |
| **TOTAL** | **66,758** | **43,557** | **15,341** | **13,711** | **5,566** | **144,933** |

## Five-Year Historical Participant Counts

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|
| **TOTAL COVERED LIVES** | **144,933** | **150,330** | **154,634** | **159,528** | **165.023** |

# Compliance Section


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# Introduction

## OUR COMPLIANCE PHILOSOPHY

An enterprise-wide commitment is crucial to establishing an effective compliance program. Commitment from all staff is necessary to achieve a truly functioning program. By putting our core values into action, we inspire trust, cooperation, and participation from others. The result is the assurance that employees will do the right thing, ask questions, come forward, and speak up about errors or concerns.

Our compliance approach is based on continual improvement, building partnerships, and establishing trust. We bring together the right people at the right times across the entire compliance lifecycle, from the initial analysis of new laws and regulations to implementation and day-to-day work. We believe that by working together to develop awareness and identify and address compliance risks before they cause problems, we position ourselves to provide the best possible service to our members, employers and constituents.

## SCOPE AND METHODOLOGY

This report summarizes the compliance accomplishments of the California Public Employees' Retirement System (CalPERS) for the period from July 1, 2012, through June 30, 2013.

The Office of Enterprise Risk Management (OERM) coordinated input from throughout CalPERS to generate this report, which reflects CalPERS strong commitment to practicing ethics, compliance, risk management and good governance, at all levels of operation. This commitment is demonstrated on a daily basis by the CalPERS Board of Administration, executives, management, and staff throughout the organization and has resulted in significant improvements to the security, stability, and quality of our programs.

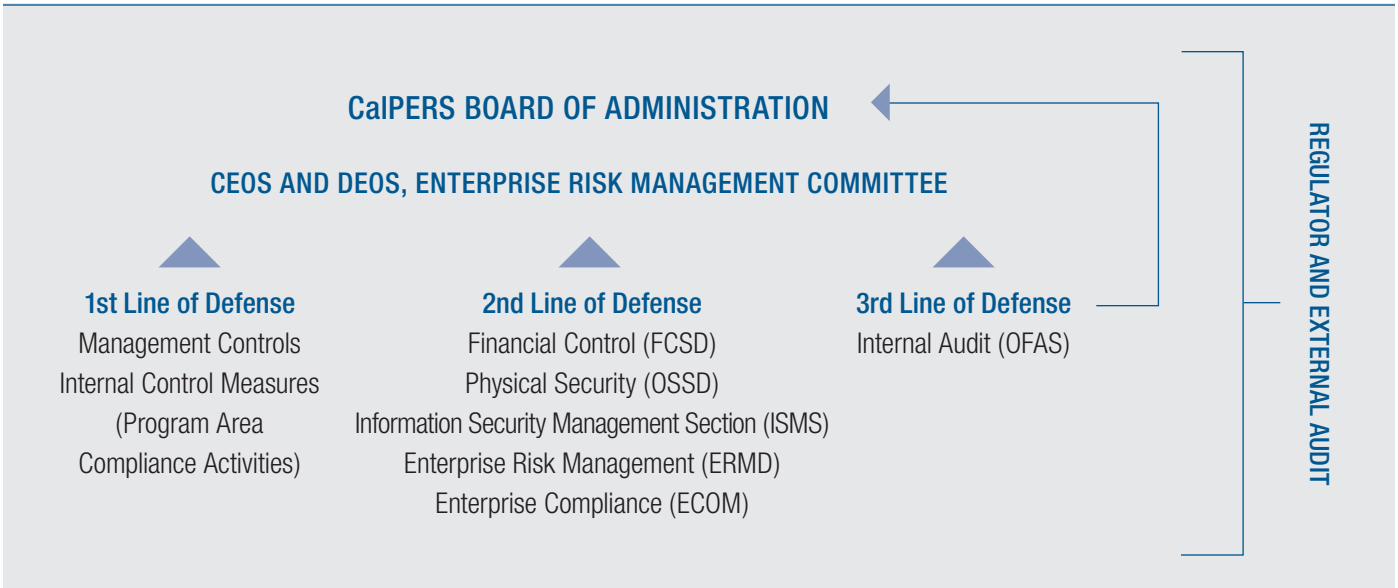
## INTEGRATED ASSURANCE MODEL

CalPERS Strategic Plan Goal B directs staff to "Cultivate a high-performing, risk-intelligent and innovative organization."

To achieve this goal, we bring together the right people, processes and systems to methodically manage performance and risk to achieve CalPERS strategic goals and objectives. CalPERS Integrated Assurance Model provides a coordinated approach to the management of risk by leveraging our limited resources while expanding our breadth of services provided through our assurance providers.

The chart below shows how CalPERS distributes responsibilities under the Integrated Assurance Model, using Three Lines of Defense to coordinate risk management and compliance responsibilities throughout CalPERS. It establishes a proactive framework that

## THE THREE LINES OF DEFENSE



provides integrated levels of assurance, promotes ethical behavior, and drives ethical decision-making. Compliance is an integral part of our decision-making and business responsibilities, no matter where we are in the organization.

Each line of defense operates in complimentary but different ways.

Program areas create our first line of defense, by complying with laws, regulations and policies, and establishing and administering controls to prevent and detect noncompliance.

The Office of Enterprise Risk Management (OERM) creates a second line of defense, by providing increased objectivity and independent validation through an independent reporting relationship. OERM includes:

- The Enterprise Risk Management Division (ERMD), which is responsible for identifying and monitoring risks of all types throughout CalPERS and helping program areas manage identified risks, and
- The Enterprise Compliance Division (ECOM), which is responsible for oversight of program area compliance with applicable laws, regulations, and policies. ECOM staff test and monitor compliance processes within the program areas to evaluate the effectiveness of existing compliance strategies and identify, develop, and implement solutions to address potential weaknesses.

The Office of Audit Services (OFAS) creates our third line of defense, by providing increased objectivity and independent validation through an independent reporting relationship. OFAS conducts point-in-time assessments of the design and operating effectiveness of internal controls over business and technology operations, compliance with laws and policies, and effective management of risks.

Working together, CalPERS strives to create a positive environment that supports staff acting in good faith while establishing and maintaining appropriate controls to prevent, detect, and address noncompliance.

# Program Compliance

## PROGRAM AREAS

Program areas are CalPERS first line of defense against noncompliance. As we conduct our day-to-day operations, CalPERS program staff identify compliance requirements that affect their jobs and consistently do the right thing in an increasingly complex and dynamic regulatory environment.

In addition to everyone's responsibility to comply with laws, regulations and policies as they pertain to the work we do, program staff undertake a wide range of activities to ensure compliance. They develop policies, procedures, and guidance to mitigate noncompliance risks and guide staff in effectively carrying out essential compliance functions. Many program areas have established quality assurance and compliance teams consisting of dedicated subject matter experts who help identify and address potential compliance concerns specific to the program area's scope of responsibility. Program areas also develop and maintain automated technology solutions that support compliance efforts by recording key information and establishing ongoing controls that help reduce error and detect potentially inappropriate activity.

Transparency and outreach efforts benefit compliance by creating improved public accountability and educating members, employers, and other interested parties about what they can do to account for their own compliance responsibilities.

### Actuarial Compliance

CalPERS responded to a wide range of changes and recommendations relating to actuarial standards and compliance. This fiscal year included the following:

- The CalPERS Board in April 2013 approved shortening smoothing and amortization periods and simplifying actuarial reports to improve system financial soundness and sustainability. Going forward, staff will use a method known as "Direct Rate Smoothing" to amortize costs over a 30 year period with a 5-year ramp-up of rates.

- To ensure compliance with Governmental Accounting Standards Board (GASB) Statement 68, CalPERS implemented processes, procedures, and systems to meet reporting requirements and provide employers the reporting information on a voluntary fee for service basis.

In support of Government Code (GC) § 20133[1] reporting requirements, CalPERS staff initiated an actuarial investigation into the mortality, service, and compensation experience of members and persons receiving benefits from the system. This report will be completed during Fiscal Year (FY) 2013-14.

The Actuarial Standards Board established two new Actuarial Standards of Practice: (ASOP) No. 46 – Risk Evaluation in Enterprise Risk Management and ASOP No. 47 – Risk Treatment in Enterprise Risk Management. CalPERS assessed its asset liability model, which deals with both risk evaluation and risk treatment, confirming that it met the new requirements.

**Actuarial Report**

CalPERS actuarial staff produced annual government-mandated actuarial reports that set the contribution rates for employers within the systems:

- Actuarial Valuation and Employer Contribution Rates for State and Schools
- Legislators' Retirement System Valuation Report
- Judges' Retirement System Valuation Report
- Judges' Retirement System II Valuation Report
- 1959 Survivor Benefit Program Valuation Report
- Actuarial Section of the Comprehensive Annual Financial Report

**Actuarial Transparency**

CalPERS took several steps to improve transparency and provide information employers can use to accurately project future financial obligations, allowing them to better anticipate and comply with their future employer contribution obligations. These changes included providing more detailed risk exposure information and disclosure elements in actuarial valuations and posting Actuarial Board Policies to the CalPERS On Line website at www.calpers.ca.gov.

**CalPERS Logo Usage / Brand Guidelines**

To protect and preserve our brand, CalPERS updated usage guidelines for the CalPERS logo and included the guidelines in the CalPERS Brand Guidelines document. Staff began revision efforts for all member publications to comply with CalPERS Brand Guidelines.

**Employer Outreach and Monitoring**

CalPERS staff created new reports to help monitor employer compliance with CalPERS governing statutes and policies. Six new reports have been posted on the my|CalPERS Employer Reports Status page of the online system to improve employer compliance capabilities. In addition, an internal Payroll and Payment Monitoring report was developed to assist staff with overseeing employer compliance, along with two internal reports on Supplemental Income Plans (SIP) Remittance Advice and Employer Defined Contribution Payments.

CalPERS program staff also worked with employers to resolve over 300 employer review findings, a significant increase over 2011-12. All employer review findings for the 2008-09 and 2009-10 fiscal years were completed and closed.

**GASB Monitoring and Compliance**

To help CalPERS remain compliant with all reporting requirements, CalPERS staff regularly communicates with Governmental Accounting Standards Board (GASB) staff and external auditors. CalPERS is also a member of the GASB Other Post-Employment Benefits (OPEB) Task Force.

**Health**

CalPERS developed and initiated the Dependent Eligibility Verification (DEV) project to validate that only eligible dependents of CalPERS members remain enrolled in CalPERS health plans, and established and implemented new processes in support of the Dependent Eligibility Verification project.

CalPERS staff also established the Out of Service Area batch process to identify members who are outside of their health plan service area to notify and transition these members to a valid health or dental plan.

**Long-Term Care Program**

The CalPERS Board approved restructuring the Long-Term-Care (LTC) Fund, pursuant to CalPERS fiduciary responsibility to enhance financial stabilization and solvency of the LTC Program. Changes included:

- Adjusting the asset allocation to be more consistent with the LTC industry in April 2012
- Obtaining board approval to lower the LTC Fund discount rate in September 2012
- Adding new 3, 6, and 10-year retained inflation benefit design options for LTC program participants to mitigate future rate increases
- Establishing a 10 percent LTC Fund margin as the threshold for reopening the LTC program

With the LTC Fund sufficiently stable, the CalPERS Board approved reopening the LTC program to new applicants in February 2013. Actual fund stabilization, policy conversion and margin statistics was to be reported to the CalPERS Board in October 2013 in the 2013 LTC Fund valuation.

**Investments**

CalPERS tested high-risk investment policies and best practices, developed a formal compliance program operating plan, and created new policies and procedures that reflect asset management industry best practices. Investment Office staff also attended internal comprehensive investment conflict of interest compliance training.

**Mandated Reports**

State law requires CalPERS to submit reports to the Legislative Counsel's Office (See Appendix C – Mandated Reports). Current copies of these reports can be obtained from the Legislative Counsel's website at www.agencyreports.ca.gov.

**Pension**

CalPERS revised our member retirement publications to ensure compliance with the Public Employees' Pension Reform Act of 2013 (PEPRA).

To ensure CalPERS complies with the statutes governing the Safety Officer Survivor Program, staff developed and implemented policies and procedures related to eligibility and notification for the surviving beneficiaries of safety members.

The Judges' and Legislators' Retirement System achieved 100 percent payroll reporting compliance, improving confidence in financial reporting and annual member statement accuracy.

Staff implementing the Reduction and Elimination Backlog plans responded to 63,000 member requests for service credit purchases to improve compliance with laws governing service credit purchases. Staff also established a late/missing payroll tracking process to improve payroll monitoring and compliance.

At the June 2013 CalPERS Board of Administration meeting, the Board affirmed staff's determination that that the Additional Retirement Service Credit (ARSC) statutes and original intent was for the employee to pay for the purchase and that employers paying on behalf of the employee is not allowable under the provisions. Consequently, the Board determined that Additional Retirement Service Credit (ARSC) purchases made by employers were unlawful; this decision was made precedential.

CalPERS also implemented changes to the online my|CalPERS system parameters to more effectively monitor for pension spiking.

**Public Records Act**

To support and enhance understanding and compliance with the law, staff conducted a second annual training in January 2013 on the Public Records Act (PRA) laws and processes, which was provided to CalPERS staff assigned to facilitate PRA requests for their divisions.

CalPERS proudly supported "Sunshine Week 2013," a week dedicated to promoting transparent and open government. CalPERS used established social media channels to share the goals of Sunshine Week and to remind the public about steps CalPERS has taken to become more transparent.

**Section 218**

CalPERS is California's "State Social Security Administrator," (SSSA) and is responsible for all aspects of Section 218 coverage. The SSSA provides public employers with

information and advice about Social Security and Medicare coverage for state and local government employees.

To support member and business partner understanding and compliance, CalPERS provided a comprehensive update at the 2012 CalPERS Educational Forum, maintained educational webpages, and issued Circular Letters and Periodic Bulletins for California employers.

## EDUCATION AND OUTREACH

CalPERS education and outreach efforts improve staff, employer, and members' compliance efforts by providing clear instructions and guidance about important timely compliance topics. Providing consistent information to all parties improves their understanding and awareness, and reduces the risk of noncompliance errors resulting from miscommunication or lack of knowledge.

### Employer Education and Outreach

CalPERS revised retirement publications, State and public agency manuals and online content to maintain compliance with the system disclosure policy, system changes, and Public Employees' Pension Reform Act of 2013 (PEPRA).

Additionally, staff provided educational opportunities to State, school, and public agencies. More than 271 classes on CalPERS laws and business rules were held, to help employers reduce errors and inquiries and improve the accuracy of members' benefits. Staff also provided 36 Disability/Industrial Disability Employer Workshops throughout the State.

In order to support accurate and timely reporting and benefits, customer education channels were expanded to include four Business Rules Training webinars, my|CalPERS system training, and 28 new computer-based training modules, including modules that address proper reporting of reportable compensation. In addition, CalPERS conducted PEPRA teleconferences for more than 1,500 business partners.

Staff updated our Employer Reference Guides to provide employers with accurate compliance information and CalPERS business protocols. Staff issued multiple Circular Letters, informing employers about new online resources, CalPERS Health Benefits Program business rules and legislative and procedural changes.

Other avenues for communication were also developed to assist members with health benefit questions, including the new Public Agency Billing Inquiry Queue for Employers and participation in our retirement planning fairs.

### Staff Education and Outreach

Based on our commitment to employee excellence and expertise, CalPERS staff are required to complete several mandatory training courses to guide their compliance efforts by informing them of their compliance obligations. A matrix showing mandatory compliance-related training provided to staff is available in Appendix A (Compliance Training).

Some State employment classifications require the possession and maintenance of specific licenses and certifications integral to the performance of their duties. A chart of affected positions is provided in Appendix B (Mandated Licenses and Certifications).

## EQUAL EMPLOYMENT OPPORTUNITY

CalPERS is firmly committed to fair and equitable treatment and diversity of our employees and officers. By complying with the requirements described below, not only does CalPERS fulfill our legal obligations but we build a workplace that evaluates and rewards staff based on merit and accomplishment, resulting in improved outcomes throughout our operations.

### Annual Workforce Analysis

GC § 19790[1], 19791, and Executive Order S-6-04 require the State of California to establish an effective Equal Employment Opportunity (EEO) program and to provide EEO to all individuals in all its activities. As required by law, CalPERS submitted its 2012 CalPERS Annual Workforce Analysis to the California Department of Human Resources (CalHR), pursuant to GC § 19797.

### Disability Advisory Council

CalPERS hosted monthly meetings of the CalPERS Disability Advisory Council (DAC), pursuant to GC § 19230–19237 and 19795(b).

The DAC provided its members with the opportunity to attend Disability Awareness Training facilitated by the

California Department of Rehabilitation, including information about the Americans with Disabilities Act of 1990 (ADA) and EEO. DAC members also participated in a Veterans Day event that included education and awareness related to disabled veterans.

### Disability Survey

Pursuant to the Rehabilitation Act of 1973 and GC § 19233, the California Department of Human Resources requires State agencies to provide employees with the opportunity to self-identify any disabilities. Survey data is confidential and protected under the Privacy Act of 1974. CalPERS last completed this survey in February 2011.

### Equal Employment Opportunity Program

The CalPERS EEO Counselor received certification as a CalHR Certified EEO Investigator and received an Investigator certification from the National Association of Workplace Investigators.

To support management compliance with State fair-hiring practices and EEO laws, CalPERS conducted two Limited Examination and Appointment Program (LEAP) workshops for managers and supervisors and conducted EEO presentations at two Leadership Essentials and Direction for Your Emerging Role (LEADER) trainings and at each monthly New Employee Orientation (NEO) training. CalPERS also developed and conducted workshops related to diversity and inclusion initiatives.

CalPERS maintains an internal discrimination complaint process that is utilized for all concerns and complaints alleging discrimination, sexual harassment, or hostile work environment by all employees and/or official representatives of CalPERS. Employees have additional protection through complaint processes with the Department of Fair Employment and Housing and the Equal Employment Opportunity Commission. CalPERS continues to respond to employment discrimination complaints within 90 days of the complaint filing pursuant to 2 CCR 64.4[2].

## INFORMATION TECHNOLOGY

Technology solutions support staff compliance efforts in several ways, including but not limited to automated controls, enhanced knowledge sharing and transparency. Effective webpage design, content and accessibility provide member, employer, and staff access to procedures and educational materials designed to improve transparency and promote awareness and understanding of their compliance responsibilities. Systems have also been designed and implemented to record key information, establishing automated controls that help reduce error and detect potentially inappropriate activity.

### Accessibility

As a state agency, CalPERS is required to comply with federal and State laws that forbid discrimination against persons with disabilities, including the accessibility of its services provided via electronic and information technology. CalPERS established the Web Accessibility Policy and Social Media Employee Usage Guidelines and continues to make ongoing Web accessibility enhancements to the site, pursuant to GC § 11135(d)[1], which requires that all electronic and information technology developed or purchased by the State of California is accessible to persons with disabilities.

### CalPERS Intranet

To enhance sharing of information CalPERS implemented a new intranet, including a complete review of all pre-existing human resource-related content for relevance and accuracy prior to and after migrating to the new intranet.

### Human Resources

CalPERS upgraded the PeopleSoft Human Capital Management (HCM) system to increase automation and provide new system functionality while reducing system customizations to facilitate future upgrades. This upgrade also introduced new system features, including single sign-on and an application portal, which provides limited self-service functionality.

Human resources staff piloted an automated timesheet, allowing staff and managers to process and approve timesheets electronically, improving accuracy and efficiency. CalPERS will also be able to automatically submit leave data to the control agency via data interface.

In addition, CalPERS implemented a new job applicant tracking system, which improves compliance with hiring laws by providing guidance to managers through the hiring process. The new system also improves business processes and provides detailed metrics, electronic archival of hiring records, and enhanced audit tools.

# Assurance

## AUDITS AND COMPLIANCE

Internal audits and compliance provide CalPERS second and third lines of defense. As the third line of defense, internal audits provide a point-in-time assessment of program activities, identifying compliance risks and other areas for improvement. In contrast, compliance is the second line of defense that involves ongoing monitoring designed to continually identify and address potential compliance risks. Compliance activities at CalPERS are related to preventing and detecting potential conflicts of interest and to mitigating risks of noncompliance with laws, rules, and regulations.

### Audit Resolution Policy

CalPERS revised the Audit Resolution Policy to support internal audit findings resolution, consistent with the Standards for the Professional Practice of Internal Auditing. As of June 30, 2013, CalPERS is compliant with Board policy discouraging unresolved internal audit findings over one year old.

### Board Fiduciary Training and Certification

Based on the Political Reform Act of 1974 (Government Code sections 81000 et seq.) and the Board's Governance Policy, approved in February 2012, all Board members are required to attend fiduciary training annually. Staff continue to monitor Board completion of the Fiduciary Training and Fiduciary Certification requirements.

### Compliance Reviews

The Enterprise Compliance Division (ECOM) developed and piloted an approach for conducting program compliance reviews to assess program area compliance with laws, rules, and regulations. Compliance review findings will be used to assist each program to identify best practices and deliver continual business process improvement support.

ECOM also provided ongoing oversight and monitoring of systems used by the Investments Office and for personal trading activity conducted by key CalPERS staff. The Chief Compliance Officer investigated and oversaw resolution of violations identified through these monitoring activities.

### Contract-Related Disclosure Policy

CalPERS staff continued to conduct contract-related disclosure reviews on solicitations, contracts and purchase orders over $10,000, pursuant to the Contract-Related Disclosure Policy and GC § 559.1[1].

### Contracting Public Agency Reviews

The Public Agency Review Program ensures CalPERS contracting public agencies comply with the requirements section of the California Government Code (GC) and the California Code of Regulations (CCR). The reviews validate that CalPERS membership and employee compensation were reported accurately. During the year, public agency reviews found issues such as excessive pay rates reported for pension purposes, employees enrolled in CalPERS who were not eligible members, and misclassified positions to enhance benefits. CalPERS expanded the program to increase the number of public contracting agencies reviewed per year.

### Ethics Training for Form 700 Filers

In July 2012, CalPERS developed a new ethics training program for Form 700 filers through the Learning Management System (LMS). This web-based course provides information on ethics and conflict-of-interest training required for all employees who file Form 700

financial disclosure forms. The LMS now logs the completion of this mandatory training automatically in support of ongoing staff training compliance monitoring efforts.

**External Audits and Reviews**

CalPERS complied with federal audit requests regarding CalPERS Early Retiree Reinsurance Program (ERRP) claims pursuant to the Patient Protection and Affordable Care Act. CalPERS also contracted with an independent auditing firm to improve death benefit payment reliability and accuracy, improving CalPERS compliance with the Public Employees Retirement Law (PERL).

**Financial Statement Audit**

GC § 20228[1] requires the CalPERS Board of Administration to annually employ a certified public accountant, who is not in public employment, to audit CalPERS financial statements. CalPERS external auditor completed an audit of the CalPERS financial statements for FY 2011-12. The 2012 Management Letter accepted by the Board at its March 20, 2013, meeting identified several significant control deficiencies in financial reporting and identified opportunities for strengthening internal controls. There were no deficiencies in internal controls that were considered to be material weaknesses. CalPERS staff established a preliminary implementation plan for each response and staff is implementing these changes, which will help address risks of noncompliance with financial reporting standards.

**Financial Integrity and State Manager's Accountability Act**

The Financial Integrity and State Manager's Accountability Act of 1983 (FISMA), GC § 13400-13407, requires a biennial review of internal accounting systems, administrative control and monitoring practices. CalPERS satisfied the biennial reporting requirement in FY 2011-12.

CalPERS management complies with FISMA requirements by maintaining a system of internal controls that provides reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable.

**Form 700 Process**

To help detect and prevent potential conflicts of interest, CalPERS went above and beyond Fair Political Practices Commission (FPPC) minimum requirements for state agency oversight of the Form 700 financial disclosure filing process. During the period from May 1, 2013, through June 30, 2013, ECOM's Filing Officer began conducting reviews of all Form 700s submitted by CalPERS staff, Board members and consultants, including all annual, assuming office, and departure from office Form 700 submissions.

In February 2013, CalPERS received certification by the Fair Political Practices Commission to accept electronic filings of the Statement of Economic Interests (Form 700) using the automated Form 700 system. This certification provides additional benefits to CalPERS filers who electronically submit Form 700s, in the form of:

- Digital signatures and automatic date/time stamps
- Instant notification when Form 700 is successfully filed
- Reduced time and cost to file

**Internal Audits**

The Office of Audit Services performs assurance and consulting work consistent with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. Internal audits cover retirement, health, investments, information technology, fiscal, and operations support. CalPERS also evaluates risk exposures relating to the organization's governance, operations, and information systems.

As a result of CalPERS effective audit program, CalPERS has recovered significant funding from vendors for failing to meet contractual requirements.

**Personal Trading Regulations**

The CalPERS Board of Administration approved the Personal Trading Regulation in November 2012, which became codified effective December 2012 as CCR[2] § 558.1. Individuals defined as Covered Persons must now comply with the regulation, including use of the CalPERS automated personal trading platform to disclose all investment-trading-related activity and avoid transactions that could result in allegations of insider trading or front running.

Early adopters have been using the Personal Trading Platform since October 2012. The regulations went into effect for all users on December 1, 2012. As of June 30, 2013, CalPERS had achieved 100 percent compliance on the Initial Personal Trading Attestations.

CalPERS staff has produced nine online tutorials introducing users to Compliance 11, providing step-by-step instructions on how to log into the system, submit Pre-Clearance Requests, and manually enter transactions. The tutorial series is available on the Personal Trading Information Center as a training resource.

## ETHICS

While some noncompliance can be detected procedurally, the first sign that something is wrong can also come from a staff member or citizen reporting their concerns to CalPERS. CalPERS maintains and monitors an Ethics Helpline, as one avenue for individuals to report these types of concerns, to help CalPERS identify and address potentially inappropriate activities. Likewise, the Undue Influence process provides staff with the opportunity to discuss concerns in an impartial setting, helping preserve staff's ability to make the best possible decisions, free of undue influence.

Both of these processes are part of CalPERS outreach to encourage employees and members of the public to speak up early about their concerns. Responding quickly to a problem or concern improves our ability to effectively limit and address potentially negative impacts.

### Ethics Inquiries

The CalPERS Ethics Helpline allows CalPERS employees, members and business partners, contractors and the general public to anonymously and securely report concerns about potential misconduct or inappropriate activities, consistent with U.S. Federal Organizational Sentencing Guidelines. The CalPERS Ethics Helpline is hosted and monitored externally by a third-party vendor. A reporting party can submit an Ethics Helpline report 24 hours a day 365 days a year by either calling a toll-free phone number and speaking with a live vendor employee or by completing and submitting an online report via a secure website. Complaints can also be submitted to the Whistleblower Hotline administered by the California Bureau of State Audits.

During FY 2012-13, 96 ethics-related complaints were submitted to the CalPERS Ethics Helpline, of which 72 (75 percent) had been closed as of June 30, 2013. Centralized compliance staff coordinated intake, conducted preliminary research, assigned the complaint to the appropriate program area and monitored ongoing ethics inquiries by program staff to promote timely completion and consistent reporting.

Staff presented status updates and trend analysis to the CalPERS Board Risk and Audit Committee throughout the 2012-13 fiscal year.

### Undue Influence

In 2012, CalPERS implemented the Undue Influence Policy which requires Executive Staff and Investment Senior Management to certify annually that they have been free of undue influence, as defined by the policy, during the prior year. Certifications were received for the reporting period January 1, 2011 through December 31, 2011. ECOM conducted interviews and monitored compliance with the annual undue certification process. No incidents of Undue Influence were substantiated for Calendar Year 2011. CalPERS will continue to evaluate and enhance the Undue Influence process.

## FINANCIAL CONTROLS

Financial transparency and accurate financial reporting establish a basis for CalPERS Board oversight of CalPERS operations and are a critical component of CalPERS compliance with federal and state accounting and reporting requirements and standards. By establishing effective controls and oversight, CalPERS provides additional assurance that the information we provide, and which the Board uses as a basis for its decision-making, is accurate, reliable and complete.

CalPERS received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 17th consecutive year for the FY 2011-12 CAFR. This award recognizes CalPERS for producing an efficiently organized and readable comprehensive annual financial report that meets Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

CalPERS initiated development of strategic measures to comply with Governor's Executive Order B-13-11, which directs the Department of Finance to collaborate with State agencies and departments to create a budget plan incorporating methods such as strategic planning, performance measures, and zero-based budgeting.

In 2013, CalPERS implemented the zero-based budgeting methodology to develop the FY 2013-14 CalPERS Budget. Using zero-based budgeting, CalPERS identified potential budget reductions based on critical business priority considerations, including alignment to business plan objectives, managing top risks, continued pension reform implementation, vacancy management of unfilled positions and delivering on Board approved commitments. This enhanced process ensured CalPERS focused on true budgetary needs rather than past expenditures. As a result, CalPERS developed a budget that addressed organizational needs and funding to meeting strategic objectives while eliminating unnecessary expenses.

The development of new annual cash forecasts supports the monitoring and assurance of CalPERS financial stability for the following funds:

- Public Employees' Retirement Fund
- Legislators' Retirement Fund
- Judges' Retirement Fund, Judges' Retirement Fund II
- Supplemental Contributions Program Fund
- Public Agency Deferred Compensation Program
- State Peace Officers' and Firefighters' Defined Contribution Plan Fund

CalPERS developed and implemented monthly investment expense reporting to track costs for public assets, hedge funds, administrative costs, and real assets. These monthly financial reports ensure investment expenses are appropriately captured, allocated, and reported, as well as allowing CalPERS to analyze investment expenditures to increase operational efficiencies and cost effectiveness.

To improve internal accountability, staff updated the process for clearing outstanding travel advances and implemented a new requirement for submitting timely Travel Expense Claims (TECs) when a travel advance is requested. The improved monitoring and reporting includes monthly reporting of all outstanding travel advances to the CalPERS Chief Executive Officer, contacting CalPERS employees on the 11th day following the completion of travel if a Travel Expense Claim (TEC) has not been received, and providing employees with 15 days from contact to submit a TEC. Failure to comply within 15 days following notification results in a recovery of costs in the employee's next regular pay warrant if the TEC remains delinquent.

CalPERS reviewed the Supplemental Income Plan (SIP) programs and will be implementing new fees to participants in October 2013. The continued maintenance and monitoring of SIP pricing ensures the ongoing financial sustainability of the three funds: Public Agency Deferred Compensation Plan (IRC[3] 457), State Peace Officers' and Firefighters' Defined Contribution Plan Fund and Supplemental Contributions Program Fund.

CalPERS enhanced the assurance review process for the FY 2012-13 Incentive Compensation Awards program. These enhancements included a review and assessment of the process and data sources utilized in the calculation of the quantitative investment performance plan measures. As a result, there is greater independence and assurance of the accuracy of individual quantitative assessment calculations.

### Investment-Related Disclosures Process

CalPERS staff instituted a secondary review process for investment-related disclosures that are reported in the Comprehensive Annual Financial Report.

### Pension Plan Funding Levels and Risks Report

CalPERS conducted the second annual review of the Pension Plan Funding Levels and Risks report as part of the Board Governance project for the CalPERS Board Finance and Administration Committee. This report allows the CalPERS Board to assess the overall financial soundness and sustainability of the pension plans within the Public Employees' Retirement Fund (PERF).

## MONITORING AND OVERSIGHT

CalPERS faces an increasingly complex and dynamic regulatory environment. By monitoring and centrally reporting on the full range of policies, laws and regulations that affect CalPERS operations, we help staff identify requirements that may affect their conduct. The Policy Library monitors policies across their entire life-cycle, using a centralized process and location to assure that CalPERS policies remain current and consistent over time. Compliance staff also use the regulatory library as a basis for compliance reviews, including assessment of whether program staff have accurately identified the full range of laws and regulations that apply to their program areas. This, coupled with enhanced reporting and monitoring controls, establishes strong foundational elements for a robust compliance program.

### Contract Services

New reporting and monitoring controls over contract services help detect conflict of interest and provide additional assurance that public funds are managed responsibly. By providing division chiefs and executive staff with mandatory compliance training regarding their contracting duties, CalPERS further reduces the likelihood of noncompliance resulting from lack of knowledge or awareness.

CalPERS staff continued to streamline and automate the contracting process to improve oversight and efficiency. The contracts database was brought in-house and staff successfully piloted contracts with several divisions, including the development and provision of related training.

To ensure accountability for leaders given delegated authority to sign general contracts for less than $1 million, mandatory contract training is required for division chiefs and executive staff. Training is required within 90 days of appointment and every other year thereafter. The training provides an overview of the State and CalPERS contracting policies, processes, and their responsibilities for receiving delegated authority to sign contracts.

In compliance with the CalPERS Board's Contracting Activity Reporting Policy, reports were prepared and submitted to the Board for approval in December 2012 and April 2013.

### Policy Library

CalPERS established a new oversight function to create and administer a central policy repository and guide the policy governance process. Following a structured life-cycle process for policy creation, review, revision, retirement, approval, implementation and enforcement, CalPERS has instituted an enterprise policy framework that enhances our capacity to comply with applicable laws, directives, ethical norms, acceptable standards, and best practices.

### Regulatory Compliance Repository

CalPERS established an online Regulatory Compliance Library as a centralized reference source for statutes, regulations and rules governing each CalPERS division.

The library contains live links to all applicable statutes, regulations and rules and is located on the CalPERS intranet. The library allows staff to access, sort, and view statutes and regulations. Staff can also follow links within the library, leading to the current, full text of the law, regulation or rule, or to the portal leading to the specific citation.

## RISK MANAGEMENT

Risk management is part of CalPERS second line of defense. By accurately identifying high-risk areas and processes, CalPERS risk management efforts establish a solid baseline that compliance staff can use to prioritize compliance activities, helping to ensure that high-risk areas receive appropriate attention and assistance.

CalPERS is conducting a business strategy review to centralize all enterprise risk, compliance, and security functions. As part of this process, staff has outlined the functions that are available to the retirement system related to information security, compliance, emergency management, and risk assessment and intelligence.

### Business Continuity Program

Pursuant to Executive Order S-O4-06, CalPERS has coordinated and developed an enterprise-wide Business Impact Analysis, Gap Analysis, and Business Continuity Plan updates. These activities examine CalPERS business processes to determine the impact of interruptions and identify existing risks that may prevent CalPERS from

responding to an incident and recovering from a disaster.

#### Risk Identification Activities

In FY 2012-13, CalPERS conducted enterprise-wide risk assessments to identify the areas of highest risk. CalPERS completed 11 of 18 planned annual risk assessments and multiple ad-hoc risk management projects requested by the CalPERS Board or Executive Risk Management Committee.

CalPERS recalibrated and refreshed the following risk exposure reports for CalPERS management and Board members:

- Enterprise-wide risk dashboard to identify key risk results
- Top risk lists
- Emerging risks list
- Risk portfolio

CalPERS staff also developed tools and methodologies to help management identify, track and manage residual risks.

### SECURITY

Security is another part of CalPERS second line of defense. Our building security and information security staff provide an additional layer of protection by helping detect, address, and deter potential misconduct affecting our members, employers, employees, and State assets.

Because CalPERS staff often work with personal, sensitive and confidential information, privacy and information security represent a significant area of risk for CalPERS. These activities include both physical and electronic security, reflecting the fact that information security is relevant to both electronic and hard-copy information.

#### Customer Service

To promote worker safety, CalPERS conducted an internal training for customer service staff and developed a new procedure for interactions with challenging customers.

Processes, procedures, and training were created to protect member confidentiality and privacy while responding to inquiries received though the Member Secured Messaging channel.

The CalPERS Customer Contact Center achieved an average quality assurance evaluation score of 92 percent for member and employer phone teams, reflecting a high rate of compliance with proper security and verification procedures.

CalPERS staff also developed a Regional Office Minimum Security Roadmap and implementation plan to mitigate potential risks associated with worker safety. Implementation measures pursuant to the plan have been completed at our Walnut Creek and San Jose regional offices.

#### Health Insurance Portability and Accountability

Staff responsible for oversight of CalPERS HIPAA compliance efforts focus on three main areas: ensuring all new projects, RFPs, and contracts are vetted for HIPAA compliance; reviewing and assessing all health plan partner incident notifications to determine if a breach has occurred and reporting breach incidents to the Security Incident Team; and monitoring the annual HIPAA web-based training requirement for all staff and contractors.

CalPERS responded to two complaints received from the Office of Civil Rights (OCR), alleging that CalPERS violated Health Insurance Portability and Accountability (HIPAA) rules and regulations by releasing Protected Health Information (PHI) without consent. CalPERS conducted a full investigation into the allegations and provided responses and documentation to the OCR. The OCR then conducted their own investigation with the information provided and concluded that CalPERS used member information within the HIPAA guidelines and therefore no violation occurred.

#### Information Access Controls

Staff conducted access-rights clean review for certain benefit administration staff who have not accessed the system in more than 90 days. CalPERS updated and revised my|CalPERS access requestor and approver procedures and rolled out updated procedures to business users.

#### Information Security

By establishing a new information security training through the online Learning Management System, CalPERS continues to enhance awareness enterprise wide.

**Information Security Policy Refresh**

The Information Security Policy Refresh Project is updating all CalPERS information security policies to become fully compliant with applicable laws, regulations, national standards and best practices. Currently all 532 applicable information security requirements from the following sources have been incorporated into CalPERS information security policies, which are being approved by CalPERS stakeholders:

- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- Health Information Technology for Economic and Clinical Health (HITECH) Act
- International Organization for Standardization (ISO/IEC 27001-27002)
- US National Institute of Standards and Technology
- Cloud Security Alliance
- CA State Administrative Manual (SAM § 5300)
- Information Technology Infrastructure Library (ITIL)

Seventeen information security policies and 435 of 751 new or updated control standards were approved by the Enterprise Architecture Board to meet today's technology, regulatory and threat landscape. A new Information Security Policy Management System was also implemented, which includes a component for automatically updating security policies and standards as federal regulations and industry best practices evolve. This makes it easier for CalPERS to maintain up-to-date compliance regarding information security and privacy regulations.

**Investigations/Breaches**

CalPERS operates an information security program pursuant to GC[1] § 11549 and SAM § 5300[7], relating to establishment of an information security program and investigation of potential information security incidents. In support of CalPERS compliance with these requirements, CalPERS has conducted 11 information security-related examinations.

CalPERS has also responded to 18 information security incidents involving a variety of subjects. Thirteen of the information security incidents were not "Notice Triggering" events (e.g., not involving Security Breach Notices) and did not involve any unauthorized disclosure of personally identifiable information. Corrective actions were taken to prevent future occurrences.

Four incidents involved "Notice Triggering" events (e.g., involving Security Breach Notices) and did involve the unauthorized disclosure of personally identifiable information. For these incidents, CalPERS offered each affected CalPERS member the opportunity to enroll in a credit monitoring service at no cost to the member.

Another incident involved the infringement of the CalPERS domain name. For this incident, the registered domain owner of the CalPERS infringed domain website agreed to release domain name from his ownership. To prevent this type of error from occurring in the future, CalPERS will monitor the usage of the CalPERS name and logo on the Internet.

**Mail and Packages**

CalPERS staff developed and implemented a policy pertaining to the delivery and receipt of personal packages at CalPERS headquarters to ensure a higher level of safety and security at the facility.

To enhance the security and accountability of parcels and envelopes received via express mail carriers, CalPERS also modified the existing incoming express mail tracking log information to include the requirement of a manager or supervisor's signature, verifying that they agree with both the package count and the time the parcels or envelopes were delivered by Central Receiving staff to the mailroom counter.

**Periodic Security Assessment Project**

In FY 2012-2013, the Periodic Security Assessment (PSA) Project developed a standardized process that will identify information systems security vulnerabilities and mitigation strategies to address identified risks. The new process also establishes a framework to assess technical security compliance on a periodic basis.

**United States Government Configuration Baseline**

CalPERS staff is working to bring CalPERS computer workstations into compliance with the United States Government Configuration Baseline (USGCB) initiative. Workstations with Windows 7 desktops and the Internet

# Legislation and Regulations

Explorer web browser will comply with an established and widely used security configuration standard. This project will also establish an ongoing process to implement future changes to the USGCB framework. Of the 566 USGCB controls, 79 percent were applicable to CalPERS and were used to create a new CalPERS Windows Configuration Baseline (CPWCB). CalPERS compliance with the new CPWCB is currently 93 percent.

# Legislation and Regulations

The CalPERS governance framework is comprised of a wide range of laws, regulations, policies, and external guidance. CalPERS seeks amendments and regulations where necessary to support our business goals.

CalPERS also devotes considerable attention to monitoring and evaluating changes to our governance framework to help ensure that staff are aware of amendments and new requirements and that such changes are appropriately implemented.

At the close of each legislative session, CalPERS compiles a list of all newly enacted legislation and monitors implementation progress.

CalPERS successfully lobbied for the passage and enactment of the following CalPERS Board-sponsored state legislative proposals:

- CalPERS Wellness and Risk Adjustment Programs – AB 2142[4] (Chapter 445, Stats. 2012) authorizes CalPERS to develop and administer wellness and risk adjustment programs based on rules and regulations established by the Board.
- CalPERS 2012 Omnibus Bill – SB 987[5] (Chapter 833, Stats. 2012) makes minor policy and technical changes to the Public Employees' Retirement Law (PERL).

Additionally, CalPERS staff appeared before the Joint Legislative Conference Committee on Public Employee Pensions to provide information and analysis to lawmakers as they developed their report, which was enacted in AB 340 (Chapter 296, Stats. 2012). AB 340 (Public Employees' Pension Reform Act) extensively changes public employee retirement benefits for the State and most local government employees and employers.

CalPERS staff also provided support to lawmakers in the form of comments on regulations associated with federal healthcare and financial market reform and supported efforts aimed at preventing the dismantling of the finance industry changes enacted by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

### Health

CalPERS promulgated regulations implementing AB 2142 (Chapter 445, Statutes of 2012), which allows risk adjustment and premium offsets for participation in health promotion and disease prevention programs (2 CCR[2] 599.500 and amendments to 2 CCR 599.508). CalPERS implemented the risk adjustment portions of the law and regulations by issuing risk-adjusted 2014 health plan rates.

CalPERS also amended 2 CCR 599.500 – 502 and 599.508, providing CalPERS with the flexibility to offer Medicare supplement health plans from the same or different carriers that provide basic coverage to CalPERS members. These regulatory changes enable CalPERS to consider opportunities to be part of a larger pool of enrollees and reduce administrative costs associated with maintaining a supplemental equivalent for each basic plan option.

CalPERS amended 2 CCR 599.506, which authorizes the Board to provide amnesty for employees and annuitants who voluntarily terminated their ineligible dependent(s) enrollment in a CalPERS health benefits plan on or before June 30, 2013. The amnesty period encouraged health plan members to voluntarily comply with CalPERS enrollment requirements.

Pursuant to 42 CFR 423[6], CalPERS also implemented the Employer Group Waiver Plan for over 130,000 self-funded Medicare members, resulting in predicted savings of $60 million annually in Medicare Part D drug costs.

*Affordable Care Act (ACA)*

In FY 2012-13, CalPERS continued to actively track, assess and implement requirements of the Affordable Care Act and related federal regulations. CalPERS developed a business process to implement the Patient-Centered Outcomes Research Institute (PCORI) annual fee, pursuant to Affordable Care Act (ACA) regulations 26 CFR 40[6], 26 CFR 46 and 26 CFR 602. CalPERS partnered with California Department of Human Resource and State Controller's Office to identify implementation impacts and to implement changes related to Employer Shared Responsibility regulations, pursuant to ACA regulations at 26 CFR 1, 26 CFR 54, and 26 CFR 301 (2013).

CalPERS staff maintained the monthly enrollment reports on the health care plans and total covered lives required to comply with ACA-related taxes and fees, including requirements at 26 CFR 40, 26 CFR 46 and 26 CFR 602.

As part of outreach efforts to help improve contracting agency compliance with ACA-related laws and regulations, CalPERS participated on numerous panels and gave presentations related to federal and State healthcare market reform efforts. Staff also drafted Circular Letters to employers providing guidance and direction for complying with ACA provisions.

**Pension**

*Internal Revenue Code (IRC) Sections 414(d) Compliance*

The Internal Revenue Service (IRS) issued Advance Notice of Proposed Rulemaking Regarding Definition of a Governmental Plan. These regulations clarify which organizations qualify as governmental plans, affecting future eligibility for new contracting agencies.

In order to position ourselves to comply with the regulations when they take effect, CalPERS staff established preliminary eligibility verification and tracking systems that will allow us to accommodate whatever definitions are ultimately established.

In particular, CalPERS staff created a database to record how all prospective agencies have met the eligibility requirements, as informed by the IRS Advance Guidance. Staff is reviewing new contracting employers and has established a denial and appeals process for new agencies that do not meet the legal parameters to contract with CalPERS.

In addition, CalPERS informs prospective employers of the legal requirements to contract with CalPERS and assures them that CalPERS is an IRC-compliant[3] trust administrator.

*Public Employees' Pension Reform Act (PEPRA)*

CalPERS extensively reviewed, tested and implemented the requirements of PEPRA, including updating procedures and systems, and training staff to ensure that PEPRA rules and regulations were being followed appropriately. Staff revised publications and developed staff and employer communications, including revisions to six member publications.

Two new risk pools were created and approved by the CalPERS Board to accommodate the four new reduced retirement benefit formulas and increased retirement age provisions for new members hired after January 2013.

CalPERS also promulgated two regulatory packages related to PEPRA, describing CalPERS scope of authority and defining and clarifying definitions, calculations, and compensation.

CalPERS staff also contributed several amendments to SB[5] 220, the CalPERS-sponsored PEPRA conformity bill for the Public Employees' Retirement Law (PERL), and SB 13, the PEPRA urgency legislation.

**Notes:**

1 GC = Government Code
2 CCR = California Code of Regulations
3 IRC = Internal Revenue Code
4 AB = Assembly Bill
5 SB = Senate Bill
6 CFR = Code of Federal Regulations
7 SAM = State Administrative Manual

# APPENDICES

# Appendix A

## COMPLIANCE TRAINING

Just as CalPERS provides compliance training to employers and members, we also require staff to complete several mandatory courses of training to guide their compliance efforts by informing them of their compliance obligations.

The following compliance-related training was provided in 2012-13:

| Course Title | Summary | Source of Mandate | Staff Required to Take Training | Frequency of Training | Staff Compliant with Training Mandate As of 6/30/12 | | |
|---|---|---|---|---|---|---|---|
| | | | | | # of staff required to take training | # of staff completed training | % of staff compliant with mandate |
| Contracts Delegated Authority Training | Contracts delegated authority training is required for any position being given delegated authority to sign contracts on behalf of CalPERS. | Board Direction | CEA level and above | Within 90 days of start date and biennially thereafter | 13 | 10 | 76.9% |
| CalPERS Ethics Training | Familiarizes staff with Form 700 reporting obligations, gift limits and other ethical requirements. | GC § 11146.1 | Form 700 filers | Biennial | 728 | 663 | 91.1% |
| Health Insurance Portability and Accountability Act (HIPAA) | Familiarizes staff with basic information security principles and requirements pertaining to CalPERS business operations | HIPAA administrative training policy | All CalPERS staff, all contractors and consultants | Within 90 days of start date and annually thereafter | 2,526 | 2,524 | 99.9% |
| Information Security Awareness | Familiarizes staff with basic information security principles and requirements pertaining to CalPERS business operations. | Awareness and Training Policy | All staff, including Executive staff, students, contractors, retired annuitants | Within 90 days of start date and annually thereafter | 2521 | 2517 | 99.8% |
| LEADER | Introductory training for new supervisors and managers.<br>Includes:<br>Role of Leader, Effective Communication<br>Employee Relations, Health & Safety<br>Employee Performance, Selection Services<br>Personnel Transaction, Recognition<br>CalPERS Fundamentals<br>Communicate Write (no longer offered)<br>EEO and Ethics<br>Change Management<br>Intro to Coaching<br>Time Management, Delegation | GC § 19995.4 | New supervisors and managers | Once within probationary period or within 12 months of supervisory appointment | 98 | 85 | 86.7% |

| Course Title | Summary | Source of Mandate | Staff Required to Take Training | Frequency of Training | Staff Compliant with Training Mandate As of 6/30/12 | | |
|---|---|---|---|---|---|---|---|
| | | | | | # of staff required to take training | # of staff completed training | % of staff compliant with mandate |
| New Employee Orientation (NEO) | Includes:<br>CalPERS training policy<br>Conflict of Interest/ Incompatible Activities<br>EAP<br>Ergonomics<br>Disability awareness<br>HIPAA<br>Information Security Awareness<br>IIPP<br>Sexual Harassment Prevention | New Employee Orientation Attendance Policy (effective 7/1/11) | All new-to-CalPERS employees | Within 90 days of start date | 356 | 343 | 96.3% |
| Sexual Harassment Prevention Training | Provides staff with tools to recognize, avoid and address potentially sexually harassing situations. | CalPERS Harassment Prevention Policy, revised March 2013<br>GC § 12950.1 | All Supervisors and managers.<br>CalPERS policy requires all employees to take the training within 90 days of hire and every other year, including students and retired annuitants. | All new supervisors or managers within six months of start and every other year thereafter<br>All non-supervisory employees within 90 days of start<br>All staff must complete biennially | 502 | 496 | 98.8% |
| Working Values: Ethical Decision-Making | Provides staff with tools and strategies for identifying and appropriately responding to ethical dilemmas. | CalPERS 2011-12 Business Plan<br>CEO Direction | Mandatory | Annual | 2,280 | 2,270 | 99.6% |

# Appendix B

## MANDATED LICENSES AND CERTIFICATIONS

Some State employment classifications require the possession and maintenance of specified licenses and certifications integral to the performance of staff's duties in these roles. The chart below shows the positions at CalPERS that are subject to this requirement and the number of CalPERS staff employed in each classification. In addition to meeting the State's minimum requirements for employment, CalPERS employs a wide range of experts who possess and maintain licenses and certifications demonstrating important professional competencies and accomplishments pertaining to their CalPERS duties.

| Division | Classification | License / Certificate Required | # of Staff |
|---|---|---|---|
| LEGO | Attorney Series (I, III, IV) | California State Bar Membership | 25 |
| ACTO | Pension Actuary Class Series | Associate of the Society of Actuaries | 16 |
| BPPP | Nurse Consultant Class Series | Active valid license as a registered nurse in California. | 1 |
| BPPP | Pharmaceutical Consultant | Valid Certification of Registration in Pharmacy issued by the California State Board of Pharmacy | 1 |
| BPPP | Medical Consultant Class Series | Possession of the legal requirements for the practice of medicine in California as determined by the California Board of Medical Quality Assurance or the California Board of Osteopathic Examiners | 1 |

# Appendix C

## MANDATED REPORTS

CalPERS is required to submit the reports below to the Legislative Counsel's Office, consistent with state law. An up-to-date record of submitted reports can be obtained from the Legislative Counsel's website at: http://www.agencyreports.ca.gov/.

| Report Title and Summary | Mandate Source | Due |
|---|---|---|
| **Annual Health Premiums Report 'aka' 100 Day Report**<br>Report describing the methods the CalPERS Board of Administration employed to moderate annual health premium increases, including a discussion of actions that the board plans to take, if any, to attempt to reduce the rate of annual premium growth. | 1900-015-0822 of Section 2 of the Budget Act of 2012 | Annually, within 100 days of adoption of annual health premium increases or decreases |
| **Audit of Financial Statements**<br>Independent audit of Public Employees' Retirement System financial statements. | GC § 20228 | Annual |
| **Chief Investment Officer's Quarterly Report**<br>Report of Public Employees' Retirement System's assets. | GC § 20235 | Quarterly |
| **Comprehensive Annual Financial Report**<br>Report of financial statements and investments of Public Employees' Retirement System Board for the Fiscal Year. | GC § 20232 | As soon as practicable after close of each fiscal year |
| **Contract Investment Services**<br>Report on the nature, duration and cost of investment contract services used by Public Employees' Retirement System. | GC § 20208 | Annually in April |
| **Final Expenditures Reports**<br>Expenditures and performance workload data provided to the CalPERS Board of Administration in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of Public Employees' Retirement System expenditures, payable from the following funds: | Section 2 of the Budget Act of 2012 | Proposed budget for 2013-14 due no later than 5/15/2013<br>Final report due no later than 10/1/2013 |
| Judges' Retirement Fund | 1900-015-0815 | |
| Legislators' Retirement Fund | 1900-015-0820 | |
| Public Employees' Health Care Fund | 1900-015-0822 | |
| Public Employees' Retirement Fund | 1900-015-0830 | |
| Annuitants' Health Care Coverage Fund | 1900-015-0833 | |
| Replacement Benefit Custodial Fund | 1900-015-0849 | |
| Judges' Retirement System II Fund | 1900-015-0884 | |
| **Health Benefit Plans**<br>Report on success or failure of each health benefit plan. | GC § 22866 | Annually on November 1 |
| **Health Benefits Positions**<br>Program improvements and savings in the CalPERS Health Benefits Division resulting from the two limited-term positions authorized in the Budget Act of 2011. | 1900-001-0950 of Section 2 of the Budget Act of 2012 | 9/13/2012 |

| Report Title and Summary | Mandate Source | Due |
|---|---|---|
| **Holocaust Era**<br>Report on investments of the state and its pension funds in companies doing business in California, and affiliates of those companies, that owe compensation to victims of World War II slave and forced labor from 1929 to 1945. | Section 3 of Chapter 216 of the Statutes of 1999 | unspecified |
| **Information Technology Projects**<br>Reports on information technology projects that are submitted to the Board of Administration of the Public Employees' Retirement System. | 1900-015-0830 of Section 2 of the Budget Act of 2012 | On an informational basis commencing July 1, 2012 |
| **Investment Advisor Report**<br>Findings, determinations and description of type, quantity and yield of Public Employees' Retirement System investments substituted for residential realty investments. | GC § 20194 | Within 20 days following conclusion of fiscal year |
| **Iran Report**<br>Report on investments in companies with specified business operations in Iran, a summary of those business operations, and the sale or transfer of those investments, and an annual calculation of any costs or investment losses or other financial results incurred in compliance with the provisions of this section. | GC § 7513.7 | Annual – on or before January 1st |
| **Legislator's Retirement System Actuarial Valuation**<br>Report on rate of contributions for Legislators' Retirement Fund. | GC § 9358.1 | Annual |
| **Northern Ireland Report**<br>Report on extent to which United States and international corporations operating in Northern Ireland, in which assets of the State Teachers' Retirement System and the Public Employees' Retirement System are invested, adhere, in compliance with the law applicable in Northern Ireland, to the principles of nondiscrimination in employment and freedom of workplace opportunity. | GC § 7513.5 | Annual – on or before March 1st |
| **Placement Agent Activity**<br>Report on the use of placement agents in connection with investments made by the Public Employees' Retirement System and the State Teachers' Retirement System. | Section 9 of Chapter 668 of the Statutes of 2010 | Not later than August 1, 2012 |
| **State Contribution Rates Actuarial Valuation**<br>Report on the investment return assumptions, amortization periods, and discount rates for state employees and employers. | GC § 20229 | Annual |
| **Sudan Report**<br>Report on any investments in a company with business operations in Sudan, a summary of those business operations, and the sale or transfer of investments in those companies. | GC § 7513.6 | Annual – on or before January 1st |

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**NOTE:** For a glossary of frequently used acronyms that appear in this index, please see page 242.

## Glossary of Acronyms

**CalPERS:** California Public Employees' Retirement System
**CERBTF:** California Employers' Retiree Benefit Trust Fund
**CRF:** Contingency Reserve Fund
**HCF:** Health Care Fund
**IRC 457:** Public Agency Deferred Compensation Program
**JRF:** Judges' Retirement Fund
**JRS:** Judges' Retirement System
**LRF:** Legislators' Retirement Fund
**LRS:** Legislators' Retirement System
**OASI:** Old Age & Survivors' Insurance Revolving Fund
**PERF:** Public Employees' Retirement Fund
**PERS:** Public Employees' Retirement System
**RBF:** Replacement Benefit Fund
**SIP:** Supplemental Income Plans
**SPOFF:** State Peace Officers' and Firefighters' Defined Contribution Plan Fund
**SCPF:** Supplemental Contributions Program Fund

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2014.1.1