



# Financial Circular Letter

California Public Employees' Retirement System  
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June 20, 2017

Circular Letter: 200-033-17  
Distribution: VI

**To:** All Contracting Public Agencies

**Subject:** Change in Contribution Billing Process for All Non-Pooled Plans

**Purpose** The purpose of this Circular Letter is to inform you of the change to the billing process for required contributions for all non-pooled plans as of the most recent valuation. Currently, all contributions are collected as a rate expressed as a percentage of payroll.

Beginning with fiscal year (FY) 2017-18, employer contributions will be split in two separate accounts receivable types: normal cost and unfunded accrued liability (UAL). The normal cost portion will be billed as a percentage of payroll. The UAL will be billed as a set dollar amount that is found in your annual actuarial valuation report.

**Lump Sum Payment Option** For the UAL, an annual lump sum prepayment option is available. This lump sum is a discounted amount compared to the sum of the twelve monthly payments. If you choose this option for FY 2017-18, payment of the annual amount is due prior to July 31, 2017. You will not receive an invoice for this option.

**Monthly Payment Option** If the lump sum UAL prepayment amount is not received by CalPERS prior to July 31, 2017, the default payment option will be twelve monthly installments. You will receive monthly invoices for this option. The monthly invoice must be paid in a timely manner and in full to avoid late interest.

**Resources** The Annual Lump Sum Prepayment Option and the Monthly Employer Dollar UAL Payment amounts can be found on page 4, of the June 30, 2015 valuation report, which also includes details of the required employer contribution.

Reports are available on the CalPERS website under **Actuarial Reports**. You can also log in to my|CalPERS to access your valuation report.

To access your agency's invoice through my|CalPERS follow the instructions in the my|CalPERS student guide.

Employers' use of electronic funds transfer (EFT) is mandatory, effective July 1, 2017. It will significantly reduce the risk of delinquency. The Electronic Funds Transfer Authorization process guide is available on our website. You may set up your EFT account by logging into the my|CalPERS system.

CalPERS reserves all rights and remedies to collect contributions if not paid in a timely manner. This includes, without limitation, the right to recover costs and attorneys' fees associated with the collection of past due payments. In addition, any failure to provide a delinquency notice or my|CalPERS notation, or any discrepancy between a delinquency notice or my|CalPERS notation and applicable law, does not affect the rights of CalPERS to collect payment to which it is entitled.

**Questions**

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

Kristin Montgomery  
Controller  
Financial Reporting and Accounting Services