



# Actuarial Circular Letter

**California Public Employees' Retirement System**  
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**June 15, 2017**

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**To: All Public Agency Employers**

**Subject: Public Agency 1959 Survivor Monthly Premiums for Fiscal Year 2017-18**

**Purpose** The purpose of this Circular Letter is to inform you that the CalPERS Board of Administration approved required premiums for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, and Indexed Level pools of the 1959 Survivor Benefit Program on April 19, 2017. The 1959 Survivor Benefit Program is an employer contract provision that provides monthly benefits for eligible survivors of participating members who die while actively employed. This circular letter pertains to only those public agencies that contract for the 1959 Survivor Benefit Program.

**Required Premiums** The required monthly premiums for Fiscal Year 2017-18 are detailed in the chart below, by the various benefit levels:

<b>Level/Pool</b>	<b>Employee Premiums</b>	<b>Employer Premiums</b>
1 <sup>st</sup>	\$2.00	None
2 <sup>nd</sup>	\$2.00	None
3 <sup>rd</sup>	\$2.00	None
4 <sup>th</sup>	\$2.00	\$5.20
Indexed	\$3.50	\$3.50

**Payroll Reporting for Employee Premiums** Beginning with the payroll period that includes July 1, 2017 the required employee premium for the Indexed Level of Benefits is \$3.50 per member, per month (or \$1.62 per bi-weekly pay period). The required employee premium for all other benefit levels continues to be \$2.00 per member, per month (or \$0.93 per bi-weekly pay period). Please be sure to share this Circular Letter with those responsible for payroll reporting.

**Employer  
Premiums**

In prior years, invoices for employer premiums posted to my|CalPERS in January. Beginning in Fiscal Year 2017-18, invoices for employers who contracted for the 4<sup>th</sup> or Indexed Level of 1959 Survivor Benefits effective prior to June 30, 2012 will be posted to my|CalPERS in June. The invoices will reflect the annual lump sum amount of the required employer premium due for Fiscal Year 2017-18.

The required premiums vary annually due to investment returns and mortality gains and losses experienced by the pools. A good indicator of the potential for changes in the required premiums is the funding status of the pools. Currently all pools are funded at more than 100 percent. As the funded ratio declines it is more likely that the pool will require employer premiums. The funded ratio of the pools based on market value of assets are detailed below:

<b>Level/Pool</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
1 <sup>st</sup>	1,603.0%	1,687.9%	1,736.4%
2 <sup>nd</sup>	421.9%	428.0%	449.7%
3 <sup>rd</sup>	366.6%	380.0%	389.1%
4 <sup>th</sup>	106.6%	113.6%	119.4%
Indexed	117.7%	127.3%	129.9%

**Payable Monthly  
Benefit**

The monthly benefit payable to survivors in the Indexed Level increases by 2 percent each calendar year. Benefit amounts are \$700, \$1,400, and \$2,100 for 1, 2 or 3 eligible survivors respectively for calendar year 2017. Benefit amounts will increase to \$714, \$1,428 and \$2,142 for 1, 2, or 3 eligible survivors respectively for calendar year 2018. For information about other benefit levels visit the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) and search for [1959 Survivor Benefit Program](#).

**Accessing the  
Valuation Report**

View the full 1959 Survivor Benefit Program Actuarial [Valuation](#) for more information.

**Questions**

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

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