



California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442
www.calpers.ca.gov

Actuarial

Circular Letter

June 6, 2022

Circular Letter: 200-041-22

Distribution: VI

To: All Public Agency Employers
Subject: 2022-23 Public Agency 1959 Survivor Monthly Premiums

Purpose

The purpose of this Circular Letter is to inform you of required premiums to be collected for fiscal year (FY) 2022-23. The California Public Employees' Retirement System Board of Administration approved normal costs and required premiums for the 1959 Survivor Benefit Program on April 19, 2022. The 1959 Survivor Benefit Program is an employer contract provision that provides monthly benefits for eligible survivors of participating members who die, while actively employed. This Circular Letter pertains only to those public agencies that contract for the 1959 Survivor Benefit Program.

Billing for Employer Premiums

Employer invoices for FY 2022-23 will be posted to myCalPERS in June 2023 and will be based on the actual number of active member months.

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

Payroll Reporting for Employee Premiums

Beginning with the payroll period that includes July 1, 2022, the required employee premium for the Indexed Level of benefits is \$2 per member, per month (or \$0.93 per bi-weekly pay period). The required employee premium for all other benefit levels continues to be \$2 per member, per month (or \$0.93 per bi-weekly pay period). Share this information with those responsible for payroll reporting.

Required Premiums

FY 2022-23

The required employee and employer costs for FY 2022-23 are detailed in the chart below, by the various benefit levels. The invoices for the annual employer cost for FY 2022-23 will be posted to myCalPERS in June 2023.

Level/Pool	Employee Premiums	Employer Cost Per Member Per Month	
		Employer Premium (if contracted on or before 7/1/17)	Employer Normal Cost (if contracted after 7/1/17)
1st	\$2.00	None	N/A
2nd	\$2.00	None	N/A
3rd	\$2.00	None	N/A
4th	\$2.00	\$2.40	\$5.10
Indexed	\$2.00	\$0.50	\$7.20

FY 2021-22

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

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

Funded Status

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

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

Level/Pool	2021	2020	2019
1st	2,492.7%	1,965.1%	1,827.6%
2nd	725.4%	556.6%	506.2%
3rd	504.2%	414.3%	396.9%
4th	121.9%	107.0%	105.3%
Indexed	160.5%	138.4%	134.7%

Payable Monthly Benefit

The monthly benefit payable to survivors in the Indexed Level increases by 2% each calendar year. Shown below are the benefits payable for 2022 and 2023.

Indexed Level	1 Survivor	2 Survivors	3 or More Survivors
Monthly Benefit Payable 2022	\$773	\$1,546	\$2,319
Monthly Benefit Payable 2023	\$788	\$1,577	\$2,365

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

Valuation Report

Access the [1959 Survivor Benefit Program 2021 Actuarial Valuation \(PDF\)](#) on the CalPERS website.

Questions

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

Scott Terando, Chief Actuary
Actuarial Office