



P.O. Box 942709
 Sacramento, CA 94229-2709
888 CalPERS (or **888-225-7377**)
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Circular Letter

TO: ALL PUBLIC AGENCIES

SUBJECT: Public Agency 1959 Survivor Employer Contribution for fiscal year 2004-2005

On May 18, 2004, the California Public Employees' Retirement System's Board of Administration approved the Public Agency 3rd, 4th, and Indexed Level Pool Employer rates for the 1959 Survivor Pre-retirement death benefit. This benefit pays a monthly amount to the survivor(s) of a member who dies while actively working for a Public Agency that contracts for this benefit. This benefit applies only to active employees not covered by Social Security.

The Employer contribution rates, in effect for fiscal year 2004-2005 are as follows:

Pool Name	Employer Contribution (per member, per month)	Funded Ratio of the Pool
3rd Level Pool:	\$0.00	295.9%
4th Level Pool:	\$0.00	139.0%
Indexed Level Pool:	\$0.00	188.6%

The Employee contribution rate for each pool remains at \$2.00 per member, per month for fiscal year 2004-2005.

Although the Employer costs for all Public Agency 1959 Survivor pools are \$0.00 for fiscal year 2004-2005, the actual cost of the benefit will vary from year to year due to investment returns and mortality gains and losses experienced by the pool. An indication of when future employer contributions may be required is to examine the funded ratio of the pool. As a pool's funded ratio approaches 100%, the higher the likelihood the pool will require employer contributions.

Ron Seeling, Chief Actuary
 Actuarial and Employer Services Division

California Public Employees' Retirement System
 Lincoln Plaza - 400 P Street - Sacramento, CA 95814