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Circular Letter

TO: ALL SCHOOL AGENCIES

SUBJECT: School 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 School 5th 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 School agency that does not participate in the Federal Social Security program. **The Employer contribution rate, in effect for fiscal year 2004-2005, is \$0.00 per member, per month.**

The Employee contribution rate remains at \$2.00 per member per month. Be advised that section 21581 of the California Public Employees' Retirement Law states that when the total required premium goes above \$4.00 per member, per month, the Employer and Employee shall split the total cost evenly.

Currently the funded ratio of the School 5th Level Pool is 365.8% and the total required premium is not expected to exceed \$4.00 per member, per month for at least the next several years, based on current assumptions. The actual cost of the 1959 Survivor benefit to the Employer will vary from year to year due to investment returns and mortality gains and losses experienced by the pool.

Ron Seeling, Chief Actuary
Actuarial and Employer Services Division