California Public Employees' Retirement System

Schools Pool Actuarial Valuation

as of June 30, 2025

Required Contributions for Fiscal Year
July 1, 2026, through June 30, 2027



CalPERS

California Public Employees' Retirement System
A Component Unit of the State of California

Table of Contents

Actuarial Certification 1

Highlights and Executive Summary 2

Introduction 3
Purpose 3
Required Contribution Rates 4
Funded Status – Funding Policy Basis 5
Changes Since the Prior Year's Valuation 6
Subsequent Events 6
Projected Employer Contributions 7

Assets 8

Reconciliation of the Fair Value of Assets 9
Asset Allocation 10
CalPERS History of Investment Returns 11

Liabilities and Contributions 12

Development of Accrued and Unfunded Liabilities 13
Schedule of Amortization Bases 14
Gain/Loss Analysis 16
Reconciliation of Required Employer Contributions 17
Member Contribution Rates 18
Employer Contribution History 19
History of Funding Progress 21

Risk Analysis 22

Discount Rate Sensitivity 23
Mortality Rate Sensitivity 24
Maturity Measures 24
Maturity Measures History 25
Funded Status – Low-Default-Risk Basis 26

Supplementary Information 27

Normal Cost by Benefit Group 28
Summary of Valuation Data 29
Status of PEPRA Transition 30

Appendix A – Actuarial Methods and Assumptions 31

Appendix B – Principal Plan Provisions 41

Appendix C – Participant Data 46

Appendix D – Glossary 53

Actuarial Certification

It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles as well as the applicable Standards of Practice promulgated by the Actuarial Standards Board. While this report is intended to be complete, our office is available to answer questions as needed. All of the undersigned are actuaries who satisfy the *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* of the American Academy of Actuaries with regard to pensions. The actuaries responsible for this report and their respective responsibilities are as follows.

Actuarial Methods and Assumptions

It is our opinion that the assumptions and methods, as recommended by the Chief Actuary and adopted by the CalPERS Board of Administration, are internally consistent and reasonable for this plan.



Randall Dziubek, ASA, MAAA
Deputy Chief Actuary, Valuation Services, CalPERS



Fritzie Dorais, ASA, MAAA
Deputy Chief Actuary, Special Programs, CalPERS



Scott Terando, ASA, EA, MAAA, FCA, CFA
Chief Actuary, CalPERS

Actuarial Data and Schools Pool Results

The assumptions and methods in this report are the responsibility of the CalPERS Chief Actuary and Deputy Chief Actuaries named above. These were established pursuant to their responsibility for setting actuarial policy and are relied upon without independent assessment of the reasonableness of the assumptions and methods, as such an evaluation would have required substantial additional work beyond the scope of this assignment. To the best of our knowledge this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the Schools Pool and satisfies the actuarial valuation requirements of Government Code section 7504. This valuation and related validation work was performed by the CalPERS Actuarial Office. The valuation was based on the member and financial data as of June 30, 2025, provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced.



Kurt Schneider, MPA, ASA, EA, MAAA
Supervising Actuary, CalPERS



May Yu, ASA, MAAA
Senior Actuary, CalPERS

Highlights and Executive Summary

Introduction	3
Purpose	3
Required Contribution Rates	4
Funded Status – Funding Policy Basis	5
Changes Since the Prior Year's Valuation	6
Subsequent Events	6
Projected Employer Contributions	7

Highlights and Executive Summary

Introduction

This report presents the results of the June 30, 2025, actuarial valuation for the Schools Pool of the California Public Employees' Retirement System (CalPERS). This actuarial valuation determines the funded status as of June 30, 2025, and sets the minimum required contributions for fiscal year (FY) 2026-27.

The Schools Pool provides retirement benefits to classified employees of K-12 school districts, community college districts, county offices of education (except Los Angeles and San Diego counties), and charter schools (elective) in California. It generally does not cover certificated employees as they are covered by the California State Teachers' Retirement System (CalSTRS).

Purpose

This report documents the results of the actuarial valuation prepared by the CalPERS Actuarial Office using data as of June 30, 2025. The purpose of the valuation is to:

- Set forth the assets and accrued liabilities of the Schools Pool as of June 30, 2025;
- Determine the minimum required employer contributions for the Schools Pool for the FY July 1, 2026, through June 30, 2027;
- Determine the required member contribution rate for FY July 1, 2026, through June 30, 2027, for school employees subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA); and
- Provide actuarial information as of June 30, 2025, to the CalPERS Board of Administration (board) and other interested parties.

The pension funding information presented in this report should not be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement No. 68 for a Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

The measurements shown in this actuarial valuation may not be applicable for other purposes. An agency should contact a CalPERS actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by employers.

Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the guidance of the Actuarial Standards of Practice:

- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2025.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.
- A low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date.

Highlights and Executive Summary

Required Contribution Rates

Required Employer Contribution Rates

The actuarially determined required employer contributions for FY July 1, 2026, through June 30, 2027, are displayed in the table below. For comparison purposes, the prior fiscal year results are also displayed.

	Fiscal Year 2025-26	Fiscal Year 2026-27
1) Contribution as a Percentage of Payroll		
a) Total Normal Cost[1]	16.95%	17.28%
b) Offset due to Employee Contributions[2]	7.58%	7.62%
c) Employer Normal Cost [(1a) – (1b)]	9.37%	9.66%
d) Unfunded Liability Contribution	17.44%	16.74%
e) Required Employer Contribution Rate [(1c) + (1d)]	**26.81%**	**26.40%**
Projected Annual Payroll for Contribution Year	$21,449,571,628	$22,945,643,414
2) Expected Contribution in Dollars		
a) Total Normal Cost[1]	$3,635,702,391	$3,965,007,182
b) Expected Employee Contributions[2]	1,625,877,529	1,748,458,028
c) Employer Normal Cost [(2a) – (2b)]	2,009,824,862	2,216,549,154
d) Unfunded Liability Contribution	3,741,524,949	3,840,118,196
e) Estimated Total Employer Contribution [(2c) + (2d)]	**$5,751,349,811**	**$6,056,667,350**

[1] The Total Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see Normal Cost by Benefit Group.

[2] This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

The payroll used to calculate the expected dollar contribution is the payroll reported for the fiscal year ending on the valuation date projected forward two years using the annual payroll growth assumption in effect on the valuation date. For example, expected FY 2026-27 contributions are based on fiscal year 2024-25 reported payroll increased by 3.00% per year for two years. Actual contribution amounts will be based on actual payroll during the associated fiscal year and will differ from the expected contributions shown in the table above.

PEPRA Member Contribution Rate

The California Public Employees' Pension Reform Act of 2013 ("PEPRA") established new benefit formulas, final compensation period, and contribution requirements for "new" employees (generally those first hired into a CalPERS-covered position on or after January 1, 2013). In accordance with Government Code section 7522.30(b), "new members … shall have an initial contribution rate of at least 50% of the normal cost rate." The normal cost rate for the plan is dependent on the benefit levels, actuarial assumptions, and demographics of the plan, particularly members' entry age into the plan. Should the total normal cost rate of the plan change by more than 1% from the base total normal cost rate established for the plan, the new member rate shall be 50% of the new normal cost rate rounded to the nearest quarter percent.

The total normal cost of PEPRA members' benefits as measured in the June 30, 2025, actuarial valuation changed by less than 1% from when the rate was last changed. As a result, the PEPRA member contribution rate of 8.00% remains unchanged from fiscal year 2025-26 to fiscal year 2026-27. See Member Contribution Rates for more information.

Highlights and Executive Summary

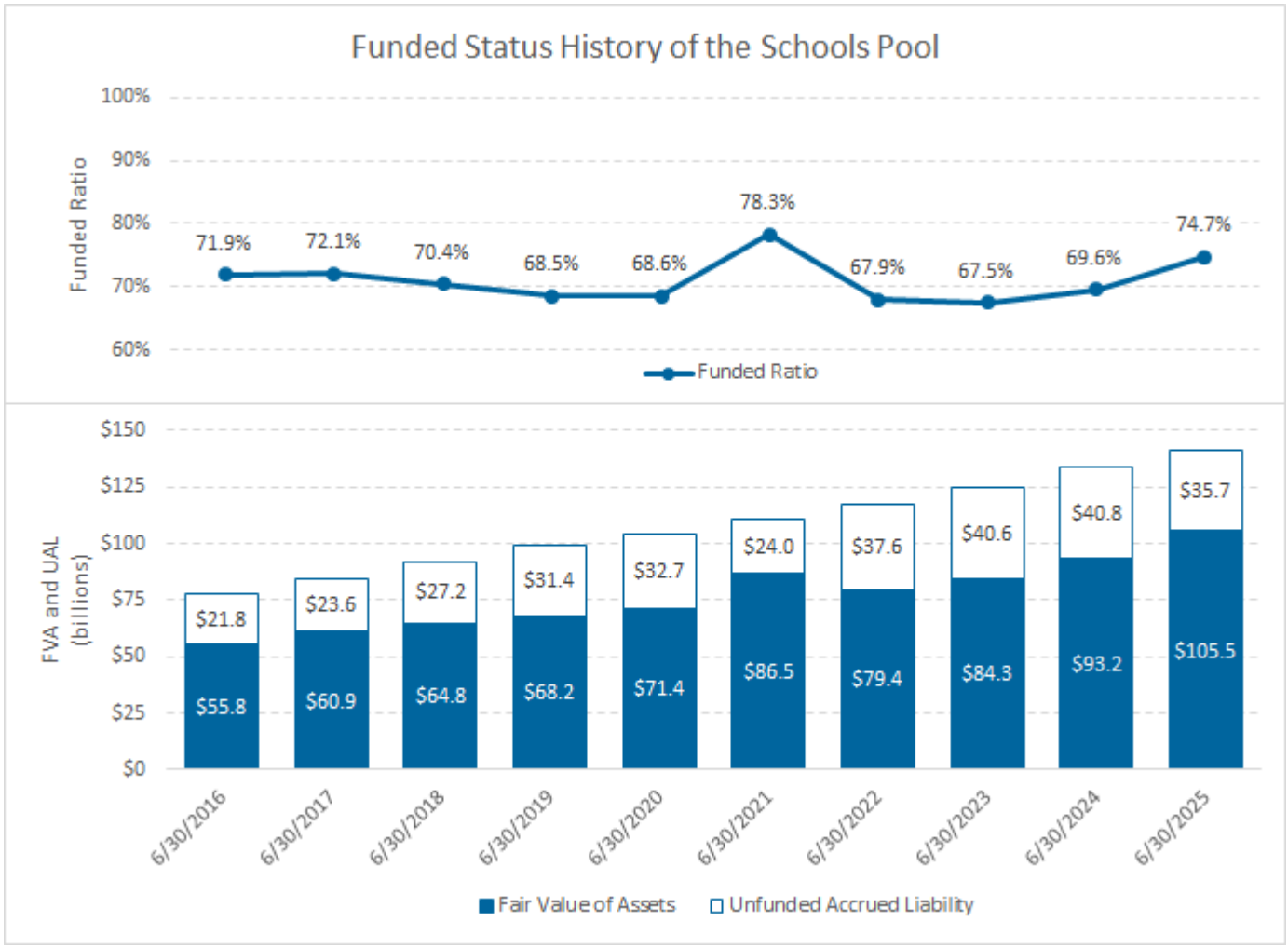
Funded Status – Funding Policy Basis

	June 30, 2024	June 30, 2025
1) Present Value of Benefits	$163,119,112,725	$173,577,481,486
2) Entry Age Accrued Liability	133,978,106,014	141,194,613,973
3) Fair Value of Assets	93,186,668,933	105,451,726,000
4) Unfunded Accrued Liability (UAL) [(2) - (3)]	$40,791,437,081	$35,742,887,973
5) Funded Ratio [(3) ÷ (2)]	**69.6%**	**74.7%**

The table above displays information on the current funded status of the Schools Pool under the funding policy. The funded status for this purpose is based on the assets relative to the funding target produced by the entry age actuarial cost method and actuarial assumptions adopted by the board. The actuarial cost method allocates the total expected cost of a member's projected benefit (**Present Value of Benefits**) to individual years of service (the **Normal Cost**). The value of the projected benefit that is not allocated to future service is referred to as the **Accrued Liability** and is the plan's funding target on the valuation date. The **Unfunded Accrued Liability** (UAL) equals the funding target minus the assets. The UAL is an absolute measure of funded status and can be viewed as employer debt. The **funded ratio** equals the assets divided by the funding target. The funded ratio is a relative measure of the funded status and allows for comparisons between plans of different sizes.

From June 30, 2024 to June 30, 2025 the funded ratio for the Schools Pool increased by 5.1%. This was primarily due to employer contributions towards the UAL and an investment gain, partially offset by a non-investment loss.

The graph below displays the funded status of the Schools Pool for the past ten years.



Highlights and Executive Summary

Changes Since the Prior Year's Valuation

Investment Policy and Discount Rate

On November 19, 2025, the board adopted changes to the CalPERS Total Fund Investment Policy, which provides the framework for the management of CalPERS assets. Consistent with that policy, the board also adopted a discount of 6.80% for use in this valuation, which is unchanged from the prior year's valuation.

Actuarial Methods and Other Assumptions

On November 19, 2025, the board adopted new actuarial assumptions based on the recommendations in the *November 2025 CalPERS Experience Study and Review of Actuarial Assumptions*. This study assessed various assumptions including retirement rates, termination rates, mortality rates, rates of salary increase, and inflation. New assumptions stemming from the study are incorporated in this actuarial valuation and affect required contributions for fiscal year 2026-27. Among the changes were an increase in the price inflation assumption from 2.30% to 2.50% per year, and an increase in the wage inflation assumption from 2.80% to 3.00% per year.

The net impact of these assumption changes on the required employer contribution rate in fiscal year 2026-27 is an increase of 0.53%, which accounts for the increase in normal cost and the increase in unfunded liability to be paid over 20 years.

Plan Assets

Plan assets are measured at fair value. In the prior year's actuarial valuation report the term "Market Value of Assets" was used to describe the asset value used for funding purposes. The Actuarial Office has used this term interchangeably with Fair Value of Assets. Effective with the June 30, 2025, valuation, CalPERS will exclusively use the term Fair Value of Assets in actuarial reports. This is a change in terminology and does not represent any change in methodology.

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation following the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective, even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to Appendix B for a summary of the plan provisions used in this valuation. The effect of any mandated benefit changes or plan amendments on the unfunded liability is shown in (Gain)/Loss Analysis and the effect on the employer contribution is shown in Reconciliation of Required Employer Contributions. It should be noted that no change in liability or contribution is shown for any plan changes already included in the prior year's valuation.

Subsequent Events

This actuarial valuation report reflects fund investment return through June 30, 2025, as well as statutory changes, regulatory changes and board actions through January 2026.

To the best of our knowledge, there have been no subsequent events that could materially affect current or future certifications rendered in this report.

Highlights and Executive Summary

Projected Employer Contributions

The table below shows the required and projected employer contributions (before cost sharing) for the next five fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with FY 2025-26 is assumed to be 6.80% per year, net of investment and administrative expenses. The projected normal cost percentages below reflect that the normal cost is expected to continue to decline over time as new employees are hired into lower cost benefit tiers. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

The actual investment return for fiscal year 2025-26 was not known at the time this projection was prepared, and the projections below are identical to those presented in Agenda Item 5e to the Finance & Administration Committee on April 13, 2026. Updated projections will be provided in a circular letter after preliminary return figures for fiscal year 2025-26 have been incorporated. The circular letter will also include a "scenario test" projecting contribution rates under various investment income returns.

	Actual	Projected				
Fiscal Year	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Employer Contribution Rate	26.40%	26.8%	25.9%	25.1%	24.0%	23.8%

Investment gains and losses are amortized using a 5-year ramp up. For more information, please see Amortization of Unfunded Actuarial Accrued Liability in Appendix A. This method phases in the impact of the change in UAL over a 5-year period in order to reduce employer cost volatility from year to year. As a result of this methodology, dramatic changes in the required employer contributions in any one year are less likely. However, required contributions can change gradually and significantly over the next five years. In years when there is a large investment loss, the relatively small amortization payments during the ramp-up period could result in contributions that are less than interest on the UAL (i.e., negative amortization) while the contribution impact of the increase in the UAL is phased in.

Assets

Reconciliation of the Fair Value of Assets 9

Asset Allocation 10

CalPERS History of Investment Returns 11

Assets

Reconciliation of the Fair Value of Assets

Plan assets are measured at fair value. In addition, CalPERS does not use an asset valuation method to smooth the effect of market volatility on asset values. All current, historical and projected asset values used in this report are the Fair Value of Assets.

1) Fair Value of Assets as of June 30, 2024 Including Receivables*	$93,186,668,933
2) Change in Receivables for Service Buybacks	(9,357,694)
3) Employer Contributions	5,739,305,474
4) Employee Contributions	1,609,282,890
5) Benefit Payments to Retirees and Beneficiaries	(6,188,197,347)
6) Refunds	(135,184,577)
7) Transfers	15,022
8) Service Credit Purchase (SCP) Payments and Interest	22,749,952
9) Administrative Expense	(78,006,393)
10) Miscellaneous Adjustments	0
11) Investment Return (Net of Investment Expenses)	11,304,449,741
12) Fair Value of Assets as of June 30, 2025 Including Receivables*	$105,451,726,000

Numbers may not add due to rounding.

* Note that the reserve against deficiency, established pursuant to Government Code section 20174, and the reserve for fiduciary self-insurance have been excluded from the assets used for funding purposes, since those assets are generally not available for the payment of benefits.

Assets

Asset Allocation

The asset allocation shown below reflects the allocation of the Public Employees' Retirement Fund (PERF) in its entirety on the valuation date. The assets for the Schools Pool are a subset of the PERF and are invested accordingly.

Asset Class	Allocation as of June 30, 2025
Public Equity	38.9%
Private Equity	17.7%
Income	30.3%
Real Assets	13.1%
Private Debt	3.8%
Total Fund	
Opportunistic	0.1%
Low Liquidity Enhanced Return	2.1%
Other	0.1%
Total Fund Financing	
Active	(2.3%)
Strategic	(3.8%)
Total Fund	**100.0%**

On November 19, 2025, the board adopted a Total Portfolio Approach, which does not specify a target for each asset classification. Instead, there is an equity-bonds Reference Portfolio that sets the market risk exposure, captures passive returns, and becomes the singular total fund performance benchmark. The Reference Portfolio adopted by the board is 75% equities and 25% bonds. Consistent with this framework, the discount rate is based on the Reference Portfolio and the associated active risk limit adopted by the board.

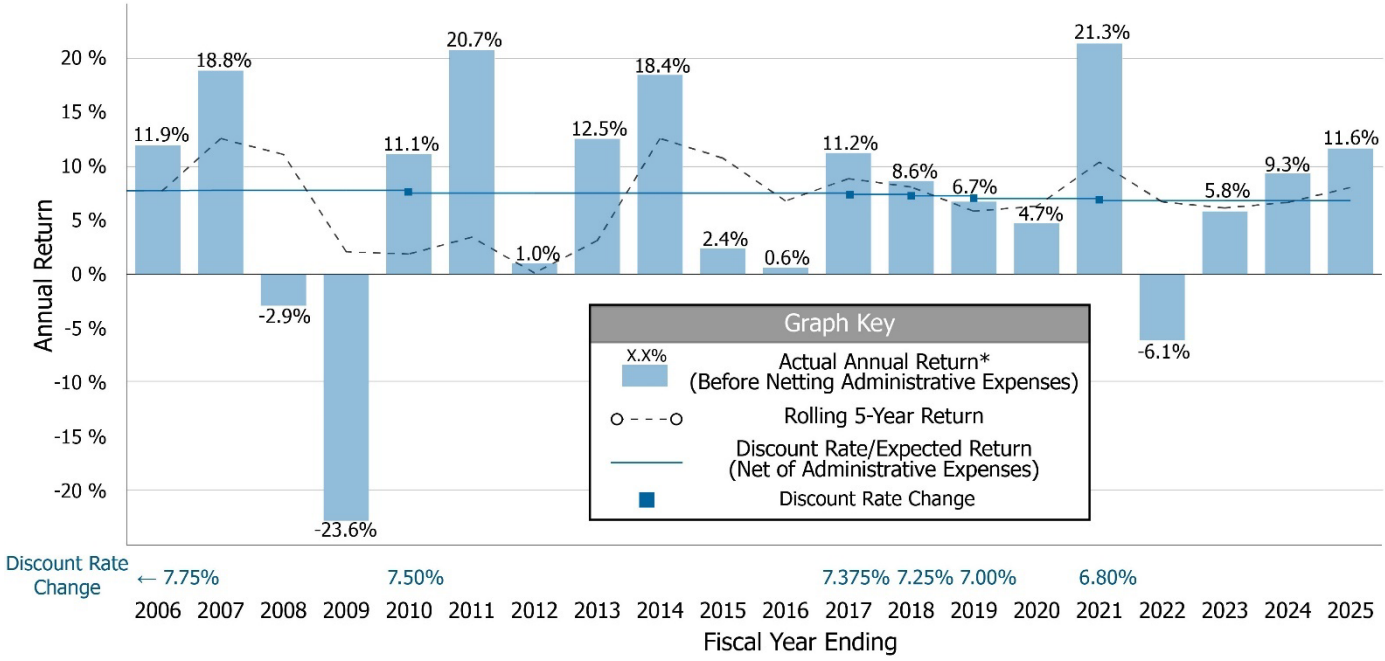
For more information on the portfolio as of the valuation date, see the Trust Level Review as of June 30, 2025, and the Investment Section of the CalPERS 2024-25 Annual Comprehensive Financial Report, which are available on the CalPERS website.

Assets

CalPERS History of Investment Returns

The following is a chart with the 20-year historical annual returns of the PERF for each fiscal year ending on June 30 as reported by the Investment Office. Investment returns reported are net of investment expenses but without reduction for administrative expenses. The assumed rate of return, however, is net of both investment and administrative expenses. Also, the Investment Office uses a three-month lag on private asset valuations for investment performance reporting purposes. This can lead to a timing difference in private asset influence on performance in the returns below and those used for financial reporting purposes. The investment gain or loss calculation in this report relies on final assets that have been audited and are appropriate for financial reporting. Because of these differences, the effective investment return for funding purposes in a single year can be higher or lower than the return reported by the Investment Office shown here.

History of Investment Returns (2006 through 2025)



* As reported by the Investment Office with a 3-month lag on private equity and real assets and without any reduction for administrative expenses.

The table below shows annualized investment returns of the PERF for various time periods ending on June 30, 2025. These returns are the annual rates that if compounded over the indicated number of years would equal the actual time-weighted investment performance of the PERF. It should be recognized that in any given year the rate of return is volatile, as the chart above illustrates, so when looking at investment returns, it is informative to look at returns over longer time horizons.

PERF Realized Rates of Return as of June 30, 2025

1-year	3-year	5-year	10-year	20-year	30-year
11.6%	8.9%	8.0%	7.1%	6.7%	7.6%

Liabilities and Contributions

Development of Accrued and Unfunded Liabilities	13
Schedule of Amortization Bases	14
Gain/Loss Analysis	16
Reconciliation of Required Employer Contributions	17
Member Contribution Rates	18
Employer Contribution History	19
History of Funding Progress	21

Liabilities and Contributions

Development of Accrued and Unfunded Liabilities

	June 30, 2024	June 30, 2025
1) Present Value of Projected Benefits		
a) Active Members	$88,701,649,081	$95,205,827,971
b) Transferred Members	1,300,985,874	1,438,307,160
c) Separated Members	4,664,494,750	4,695,358,068
d) Members and Beneficiaries Receiving Payments	68,451,983,020	72,237,988,287
e) Total	**$163,119,112,725**	**$173,577,481,486**
2) Present Value of Future Employer Normal Costs	$15,392,679,106	$17,279,355,223
3) Present Value of Future Employee Contributions	$13,748,327,605	$15,103,512,290
4) Entry Age Accrued Liability		
a) Active Members [(1a) – (2) – (3)]	$59,560,642,370	$62,822,960,458
b) Transferred Members (1b)	1,300,985,874	1,438,307,160
c) Separated Members (1c)	4,664,494,750	4,695,358,068
d) Members and Beneficiaries Receiving Payments (1d)	68,451,983,020	72,237,988,287
e) Total	**$133,978,106,014**	**$141,194,613,973**
5) Fair Value of Assets	$93,186,668,933	$105,451,726,000
6) Unfunded Accrued Liability (UAL) [(4e) – (5)]	$40,791,437,081	$35,742,887,973
7) Funded Ratio [(5) ÷ (4e)]	**69.6%**	**74.7%**

Liabilities and Contributions

Schedule of Amortization Bases

The schedule on the following page shows the development of payments on the amortization bases used to determine the employer contribution rate. Each row of the schedule gives a brief description of a base (or portion of the Unfunded Accrued Liability), the date the base was established, the balance of the base on the valuation date, and the number of years remaining in the amortization period. The schedule also shows the expected payment for the year immediately following the valuation date, the balance on the date a year after the valuation date, and the required payment for fiscal year 2026-27. Please refer to Appendix A for an explanation of how amortization periods are determined.

There is a one-year lag between the valuation date and the start of the contribution year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date (June 30, 2025).
- The required employer contributions determined by the valuation are for the fiscal year beginning one year after the valuation date (fiscal year 2026-27).

This one-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide employers with their required employer contribution rate before the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward one year from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the expected employer contribution for the fiscal year minus the expected Normal Cost for the year. The employer contribution for the first fiscal year is determined by the actuarial valuation from the prior year. The Normal Cost rate for all future fiscal years is assumed to be the same as the rate determined in the current valuation. Expected dollar amounts are determined by multiplying the Normal Cost rate by the expected payroll for the applicable fiscal year.

The total required UAL payment of $3,840,118,196 is the sum of the required payments for each individual UAL base as shown on the following page. One year of interest at 6.8% on the total UAL is $2,199,514,848. Therefore, after subtracting the portion of the UAL payment going toward interest, the remaining portion of $1,640,603,348 will result in a reduction in the UAL of that amount. An alternative metric that provides similar information about the FY 2026-27 required UAL payment is the number of years it would take that payment, if held constant, to pay off the existing UAL (note: actual required UAL payments will vary each year). An annual payment of $3,840,118,196 would pay off the current UAL in 13.4 years (ignoring any unexpected changes in UAL occurring after June 30, 2025).

Liabilities and Contributions

Schedule of Amortization Bases (continued)

Reason for Base	Date Established	Ramp Level 2026-27	Ramp Shape	Escalation Rate	Remaining Amort. Period	Balance 6/30/2025	Expected Payment 2025-26	Balance 6/30/2026	Expected Payment 2026-27	Payment as Percentage of Payroll
(Gain)/Loss	Various		No Ramp	2.80%	18	($332,599,490)	($24,957,770)	($329,423,876)	($25,656,587)	(0.11%)
Fresh Start	6/30/2004		No Ramp	2.80%	9	2,225,102,227	271,412,588	2,095,920,322	279,012,140	1.22%
Assumption Change	6/30/2009		No Ramp	2.80%	4	540,340,310	120,366,778	452,691,505	123,737,048	0.54%
(Gain)/Loss	6/30/2009		No Ramp	2.80%	14	801,801,341	71,189,808	782,753,376	73,183,123	0.32%
(Gain)/Loss	6/30/2010		No Ramp	2.80%	15	398,736,256	33,766,375	390,954,770	34,711,834	0.15%
Assumption Change	6/30/2011		No Ramp	2.80%	6	884,014,712	145,920,598	793,327,405	150,006,375	0.65%
(Gain)/Loss	6/30/2011		No Ramp	2.80%	16	(890,043,196)	(72,161,491)	(875,991,500)	(74,182,012)	(0.32%)
(Gain)/Loss	6/30/2014	100%	Up/Down	2.80%	19	4,243,111,882	330,955,485	4,189,620,571	340,222,239	1.48%
Assumption Change	6/30/2015	100%	Up/Down	2.80%	10	3,948,783,694	527,544,073	3,672,115,388	542,315,307	2.36%
(Gain)/Loss	6/30/2015	100%	Up/Down	2.80%	20	4,268,267,328	320,723,288	4,227,060,957	329,703,540	1.44%
(Gain)/Loss	6/30/2016	100%	Up/Down	2.80%	21	5,429,136,644	394,059,335	5,391,080,920	405,092,996	1.77%
Assumption Change	6/30/2017	100%	Up/Down	2.80%	12	1,413,018,552	159,951,009	1,343,803,906	164,429,637	0.72%
(Gain)/Loss	6/30/2017	100%	Up/Down	2.80%	22	(422,351,316)	(29,682,241)	(420,396,365)	(30,513,344)	(0.13%)
(Gain)/Loss	6/30/2018	100%	Up/Down	2.80%	23	(572,890,777)	(39,068,350)	(571,472,521)	(40,162,264)	(0.18%)
Method Change	6/30/2018	100%	Up/Down	2.80%	13	1,350,467,651	142,592,051	1,294,939,000	146,584,629	0.64%
Assumption Change - Demo	6/30/2018	100%	Up/Down	2.80%	13	1,137,459,402	120,101,114	1,090,689,243	123,463,945	0.54%
Assumption Change - Econ	6/30/2018	100%	Up/Down	2.80%	13	1,171,443,421	123,689,390	1,123,275,905	127,152,693	0.55%
Non-Investment (Gain)/Loss	6/30/2019		No Ramp	0.00%	14	253,386,969	26,581,222	243,147,162	26,581,222	0.12%
Investment (Gain)/Loss	6/30/2019	100%	Up Only	0.00%	14	580,509,192	60,897,543	557,049,808	60,897,544	0.27%
Assumption Change	6/30/2019	100%	Up/Down	2.80%	14	3,043,329,220	301,804,528	2,938,378,478	310,255,055	1.35%
Non-Investment (Gain)/Loss	6/30/2020		No Ramp	0.00%	15	(203,604,375)	(20,580,121)	(196,181,135)	(20,580,121)	(0.09%)
Investment (Gain)/Loss	6/30/2020	100%	Up Only	0.00%	15	1,926,169,423	194,695,222	1,855,942,947	194,695,223	0.85%
Non-Investment (Gain)/Loss	6/30/2021		No Ramp	0.00%	16	(922,950,170)	(90,211,243)	(892,482,797)	(90,211,242)	(0.39%)
Net Investment (Gain)	6/30/2021	100%	Up Only	0.00%	16	(9,660,100,734)	(769,923,917)	(9,521,316,753)	(962,404,896)	(4.19%)
Assumption Change	6/30/2021		No Ramp	0.00%	16	312,143,134	30,509,578	301,839,023	30,509,578	0.13%
Non-Investment (Gain)/Loss	6/30/2022		No Ramp	0.00%	17	1,415,145,654	134,172,405	1,372,716,314	134,172,405	0.58%
Investment (Gain)/Loss	6/30/2022	80%	Up Only	0.00%	17	14,148,318,542	850,689,336	14,231,267,088	1,134,252,447	4.94%
Non-Investment (Gain)/Loss	6/30/2023		No Ramp	0.00%	18	2,255,572,717	208,015,072	2,193,980,388	208,015,072	0.91%
Investment (Gain)/Loss	6/30/2023	60%	Up Only	0.00%	18	676,566,219	27,811,764	693,830,909	41,717,647	0.18%
Non-Investment (Gain)/Loss	6/30/2024		No Ramp	0.00%	19	2,678,455,821	240,856,268	2,611,680,109	240,856,268	1.05%
Investment (Gain)/Loss	6/30/2024	40%	Up Only	0.00%	19	(2,335,215,746)	(50,194,748)	(2,442,137,113)	(100,389,497)	(0.44%)
Non-Investment (Gain)/Loss	6/30/2025		No Ramp	0.00%	20	612,979,682	165,053,597	484,089,170	43,531,019	0.19%
Investment (Gain)/Loss	6/30/2025	20%	Up Only	0.00%	20	(4,859,063,855)	0	(5,189,480,197)	(111,546,290)	(0.49%)
Assumption Change	6/30/2025		No Ramp	0.00%	20	227,447,639	(94,928,460)	341,017,027	30,665,463	0.13%
Total						**$35,742,887,973**	**$3,811,650,086**	**$34,234,289,434**	**$3,840,118,196**	**16.74%**

Note: numbers may not add due to rounding.

Liabilities and Contributions

Gain/Loss Analysis

To calculate the cost requirements for the Schools Pool, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year, actual experience is compared to the expected experience based on the actuarial assumptions. This results in actuarial gains or losses, as displayed below.

1) Total (Gain)/Loss for the Year	
a) Unfunded Accrued Liability (UAL) as of June 30, 2024	$40,791,437,081
b) Expected Payment on the UAL during Fiscal Year 2024-25	3,680,646,338
c) Interest through June 30, 2025 [0.068 x (1a) – ((1.068) ^{½} – 1) x (1b)]	2,650,733,764
d) Expected UAL before all other changes [(1a) – (1b) + (1c)]	$39,761,524,507
e) Change due to Discount Rate change with Funding Risk Mitigation	0
f) Change due to all other Assumption Changes	227,447,639
g) Change due to Method Changes	0
h) Expected UAL After All Other Changes [(1d) + (1e) + (1f) + (1g)]	$39,988,972,146
i) Actual UAL as of June 30, 2025	35,742,887,973
j) Total (Gain)/Loss for Fiscal Year 2024-25 [(1i) – (1h)]	**($4,246,084,173)**
2) Contribution (Gain)/Loss for the Year	
a) Expected Contributions with interest (Employer and Employee)	$7,458,675,225
b) Actual Contributions with interest	7,594,331,439
c) Contribution (Gain)/Loss for Fiscal Year 2024-25 [(2a) – (2b)]	**($135,656,214)**
3) Investment (Gain)/Loss for the Year	
a) Fair Value of Assets as of June 30, 2024	$93,186,668,933
b) Prior Fiscal Year Receivables	(64,103,739)
c) Current Fiscal Year Receivables	54,746,045
d) Contributions Received	7,348,588,364
e) Benefits and Refunds Paid	(6,323,381,924)
f) Transfers, Service Credit Purchases, and Miscellaneous Adjustments	22,764,973
g) Expected Return [0.068 x (3a + 3b) + ((1.068)$^{1/2}$ – 1) x ((3d) + (3e) + (3f))]	6,367,379,493
h) Expected Assets as of June 30, 2025 [(3a) + (3b) + (3c) + (3d) + (3e) + (3f) + (3g)]	100,592,662,145
i) Actual Fair Value of Assets as of June 30, 2025	105,451,726,000
j) Investment (Gain)/Loss for Fiscal Year 2024-25 [(3h) – (3i)]	**($4,859,063,855)**
4) Non-Investment (Gain)/Loss for the Year	
a) Total (Gain)/Loss (1j)	($4,246,084,173)
b) Contribution (Gain)/Loss (2c)	(135,656,214)
c) Investment (Gain)/Loss (3j)	(4,859,063,855)
d) Liability (Gain)/Loss for Fiscal Year 2024-25 [(4a) – (4b) – (4c)]	748,635,896
e) Non-Investment (Gain)/Loss for Fiscal Year 2024-25 [(4b) + (4d)]	**$612,979,682**

Reconciliation of Required Employer Contributions

	Rate (Percentage of Payroll)	Estimated Dollars (millions)
Employer Normal Cost		
FY 2025-26 Employer Normal Cost Contribution	9.37%	$2,010
Effect of Change in Payroll	0.00%	140
Effect of Changes in Demographics	(0.17%)	(39)
Effect of Risk Mitigation	0.00%	0
Effect of Change in Assumptions	0.46%	106
Effect of Change in Member Contribution Rates	0.00%	0
FY 2026-27 Employer Normal Cost Contribution	9.66%	$2,217
Unfunded Liability Contribution		
FY 2025-26 Unfunded Liability Contribution	17.44%	$3,742
Effect of Progression of Amortization Bases	0.14%	136
Effect of Amortizing Prior Year's Bases over a (Larger)/Smaller than Expected Payroll	(0.61%)	0
Effect of Investment (Gain)/Loss	(0.49%)	(112)
Effect of Non-Investment (Gain)/Loss	0.19%	44
Effect of Change in Assumptions	0.07%	31
FY 2026-27 Unfunded Liability Contribution	16.74%	$3,840
Total Required Employer Contribution		
FY 2025-26 Total Required Employer Contribution	26.81%	$5,751
Effect of Progression of Amortization Bases and Change in Payroll	(0.47%)	276
Effect of Risk Mitigation	0.00%	0
Effect of Change in Assumptions	0.53%	136
Effect of (Gain)/Loss	(0.47%)	(107)
Effect of Change in Member Contribution Rates	0.00%	0
FY 2026-27 Total Required Employer Contribution	26.40%	$6,057

Note: numbers may not add due to rounding.

Member Contribution Rates

Classic Members

In accordance with Government Code section 20677, the Classic member contribution rate is 7%.

PEPRA Members

In accordance with Government Code section 7522.30, new members hired on or after January 1, 2013 ("PEPRA members") are required to contribute 50% of the total normal cost of their pension benefit.

The total normal cost of PEPRA members' benefits is remeasured annually as part of the actuarial valuation based on the active PEPRA population in the plan. If the total normal cost changes by more than 1% from the basis established for the plan, the member rate is revised to equal 50% of the new total normal cost rounded to the nearest quarter percent. The PEPRA member contribution rate for fiscal year 2025-26 of 8.00% was based on a total normal cost of 15.91% of payroll established by the June 30, 2021 actuarial valuation. In this valuation, the total normal cost for PEPRA members is 16.74% of payroll. Since the total normal cost did not change by more than 1% from when the member contribution rate was last changed, the PEPRA member contribution rate will remain 8.00% effective July 1, 2026.

The table below displays the determination of the PEPRA member contribution rate effective July 1, 2026.

	Basis for Current Rate		Rate Effective July 1, 2026			
Benefit Group	Total Normal Cost	Member Rate	Total Normal Cost	Change in Total Normal Cost	Adjustment Needed	Member Rate
Schools 2% at age 62 - 3 Year FAC	15.91%	8.00%	16.74%	0.83%	No	8.00%

Liabilities and Contributions

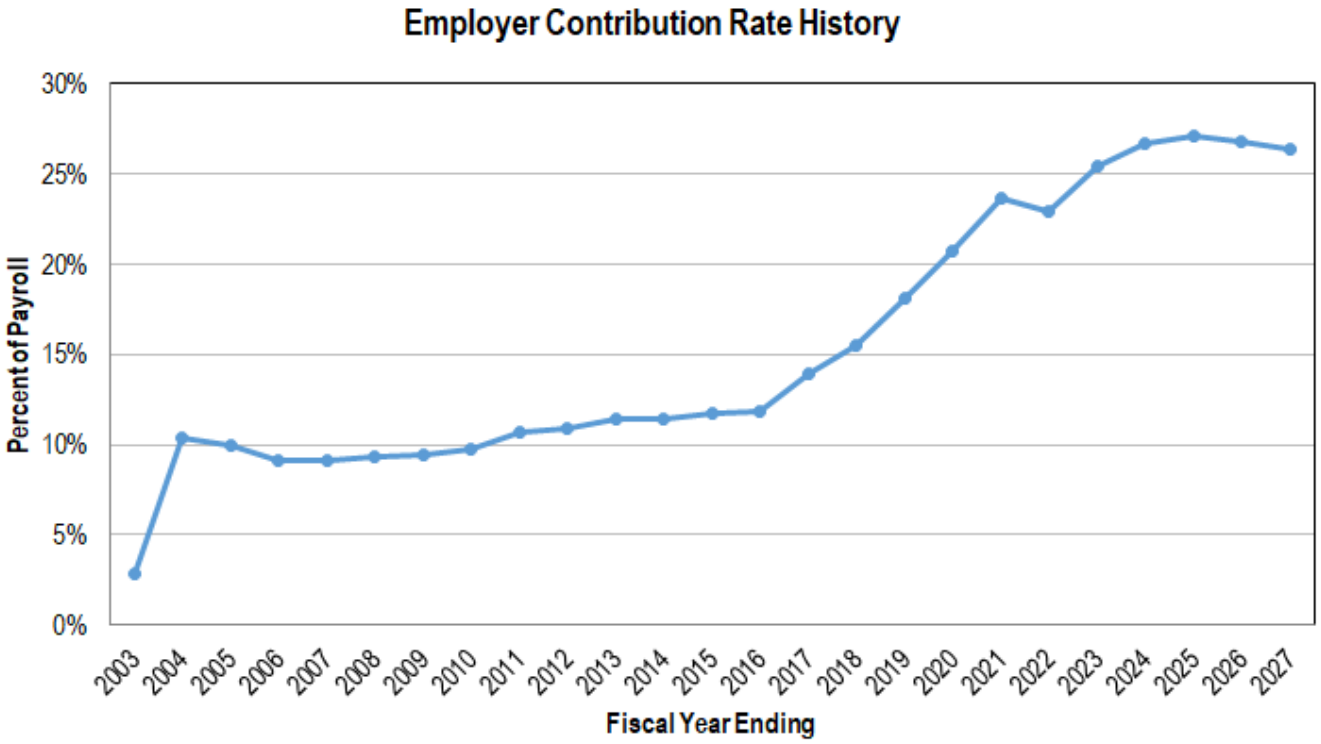
Employer Contribution History

The table below displays a 25-year history of employer contribution rates for the Schools Pool as determined by the annual actuarial valuation. In cases where the contribution rate changed during a fiscal year, the entry shown is the weighted average of the rates effective during the fiscal year.

Contribution Fiscal Year	Valuation Date	Employer Normal Cost Rate	Unfunded Liability Contribution Rate	Total Employer Contribution Rate
2026 - 2027	6/30/2025	9.66%	16.74%	26.40%
2025 - 2026	6/30/2024	9.37%	17.44%	26.81%
2024 - 2025	6/30/2023	9.58%	17.47%	27.05%
2023 - 2024	6/30/2022	9.77%	16.91%	26.68%
2022 - 2023	6/30/2021	9.82%	15.55%	25.37%
2021 - 2022	6/30/2020	9.32%	13.59%	22.91%
2020 - 2021	6/30/2019	9.47%	14.13%	23.60%
2019 - 2020	6/30/2018	8.992%	11.741%	20.733%
2018 - 2019	6/30/2017	8.739%	9.323%	18.062%
2017 - 2018	6/30/2016	8.103%	7.428%	15.531%
2016 - 2017	6/30/2015	8.242%	5.646%	13.888%
2015 - 2016	6/30/2014	7.621%	4.226%	11.847%
2014 - 2015	6/30/2013	7.814%	3.957%	11.771%
2013 - 2014	6/30/2012	7.313%	4.129%	11.442%
2012 - 2013	6/30/2011	7.415%	4.002%	11.417%
2011 - 2012	6/30/2010	7.132%	3.791%	10.923%
2010 - 2011	6/30/2009	7.173%	3.534%	10.707%
2009 - 2010	6/30/2008	7.410%	2.299%	9.709%
2008 - 2009	6/30/2007	7.414%	2.014%	9.428%
2007 - 2008	6/30/2006	7.421%	1.885%	9.306%
2006 - 2007	6/30/2005	7.398%	1.726%	9.124%
2005 - 2006	6/30/2004	7.399%	1.717%	9.116%
2004 - 2005	6/30/2003	7.393%	2.559%	9.952%
2003 - 2004	6/30/2002	9.396%	1.024%	10.420%
2002 - 2003	6/30/2001	9.329%	(6.435%)	2.894%

Employer Contribution History (continued)

The graph below displays a 25-year history of employer contribution rates for the Schools Pool as determined by the annual actuarial valuation. In cases where the contribution rate changed during a fiscal year, the entry shown is the weighted average of the rates effective during the fiscal year.



Liabilities and Contributions

History of Funding Progress

A 30-year history of funding status for the Schools Pool is displayed below. (Dollars in millions.)

Valuation Date	Actuarial Accrued Liability	Fair Value of Assets	Unfunded Liability/(Surplus)	Funded Ratio	Projected Payroll for Contribution Year	Unfunded Liability/(Surplus) as a Percentage of Payroll
6/30/2025	$141,195	$105,452	$35,743	74.7%	$22,946	155.8%
6/30/2024	133,978	93,187	40,791	69.6%	21,450	190.2%
6/30/2023	124,924	84,292	40,632	67.5%	19,055	213.2%
6/30/2022	116,982	79,386	37,596	67.9%	16,731	224.7%
6/30/2021	110,507	86,519	23,988	78.3%	15,181	158.0%
6/30/2020	104,062	71,400	32,662	68.6%	15,295	213.6%
6/30/2019	99,528	68,177	31,351	68.5%	14,844	211.2%
6/30/2018	92,071	64,846	27,225	70.4%	14,234	191.3%
6/30/2017	84,416	60,865	23,551	72.1%	13,683	172.1%
6/30/2016	77,544	55,785	21,759	71.9%	13,022	167.1%
6/30/2015	73,325	56,814	16,511	77.5%	12,098	136.5%
6/30/2014	65,600	56,838	8,761	86.6%	11,294	77.6%
6/30/2013	61,487	49,482	12,005	80.5%	10,424	115.2%
6/30/2012	59,439	44,854	14,585	75.5%	10,242	142.4%
6/30/2011	58,358	45,901	12,457	78.7%	10,540	118.2%
6/30/2010	55,307	38,435	16,872	69.5%	11,283	149.5%
6/30/2009	52,493	34,146	18,347	65.0%	11,110	165.1%
6/30/2008	48,538	45,548	2,990	93.8%	11,138	26.8%
6/30/2007	44,810	48,293	(3,483)	107.8%	10,250	(34.0%)
6/30/2006	41,409	40,852	556	98.7%	9,881	5.6%
6/30/2005	38,368	36,898	1,469	96.2%	9,223	15.9%
6/30/2004	35,933	32,828	3,104	91.4%	9,069	34.2%
6/30/2003	33,793	28,182	5,611	83.4%	9,079	61.8%
6/30/2002	31,271	27,690	3,581	88.5%	8,344	42.9%
6/30/2001	27,946	30,308	(2,361)	108.4%	7,912	(29.8%)
6/30/2000	25,474	33,295	(7,821)	130.7%	7,053	(110.9%)
6/30/1999	21,216	30,918	(9,702)	145.7%	5,961	(162.8%)
6/30/1998	19,499	27,874	(8,374)	142.9%	5,445	(153.8%)
6/30/1997	17,583	23,499	(5,916)	133.6%	4,907	(120.5%)
6/30/1996	17,572	19,706	(2,135)	112.1%	5,146	(41.5%)

Risk Analysis

Discount Rate Sensitivity	23
Mortality Rate Sensitivity	24
Maturity Measures	24
Maturity Measures History	25
Funded Status – Low-Default-Risk Basis	26

Risk Analysis

Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.3% and 2.5%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Displayed below are various valuation results as of June 30, 2025 assuming alternative discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternative discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the current assumption of 6.8%.

	Sensitivity to the Discount Rate Due to Varying the Real Rate of Return Assumption		
As of June 30, 2025	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	2.5%	2.5%	2.5%
Real Rate of Return	**3.3%**	**4.3%**	**5.3%**
a) Total Normal Cost	21.89%	17.28%	13.84%
b) Accrued Liability	$160,469,687,115	$141,194,613,973	$125,296,100,318
c) Fair Value of Assets	$105,451,726,000	$105,451,726,000	$105,451,726,000
d) Unfunded Accrued Liability/(Surplus) [(b) – (c)]	$55,017,961,115	$35,742,887,973	$19,844,374,318
e) Funded Ratio	65.7%	74.7%	84.2%

	Sensitivity to the Discount Rate Due to Varying the Price Inflation Assumption		
As of June 30, 2025	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	**5.8%**	**6.8%**	**7.8%**
Price Inflation	**1.5%**	**2.5%**	**3.5%**
Real Rate of Return	4.3%	4.3%	4.3%
a) Total Normal Cost	18.56%	17.28%	15.67%
b) Accrued Liability	$148,599,324,566	$141,194,613,973	$130,666,981,983
c) Fair Value of Assets	$105,451,726,000	$105,451,726,000	$105,451,726,000
d) Unfunded Accrued Liability/(Surplus) [(b) – (c)]	$43,147,598,566	$35,742,887,973	$25,215,255,983
e) Funded Ratio	71.0%	74.7%	80.7%

Risk Analysis

Mortality Rate Sensitivity

The table below displays the change in the June 30, 2025, plan costs and funded ratio under two different longevity scenarios, namely assuming rates of post-retirement mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2025. This type of analysis highlights the impact on the plan of a change in the mortality assumption.

	Sensitivity to the Post-Retirement Mortality Assumption		
As of June 30, 2025	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	17.55%	17.28%	17.02%
b) Accrued Liability	$144,359,492,169	$141,194,613,973	$138,295,685,614
c) Fair Value of Assets	$105,451,726,000	$105,451,726,000	$105,451,726,000
d) Unfunded Accrued Liability/(Surplus) [(b) – (c)]	$38,907,766,169	$35,742,887,973	$32,843,959,614
e) Funded Ratio	73.0%	74.7%	76.3%

Maturity Measures

As pension plans mature, they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the pension plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability. A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Ratio of Retiree Accrued Liability to Total Accrued Liability

	June 30, 2024			June 30, 2025		
	Retiree Accrued Liability	Total Accrued Liability	Ratio	Retiree Accrued Liability	Total Accrued Liability	Ratio
Schools Pool	68,451,983,020	133,978,106,014	51%	72,237,988,287	141,194,613,973	51%

Another measure of maturity CalPERS and its plans is the ratio of the number of actives to number of retirees, also called the support ratio. A pension plan in its infancy will have a high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above.

Support Ratio

	June 30, 2024			June 30, 2025		
Plan	Number of Actives	Number of Retirees	Support Ratio	Number of Actives	Number of Retirees	Support Ratio
Schools Pool	375,020	272,432	1.38	389,738	278,050	1.40

Risk Analysis

Maturity Measures (continued)

Volatility Ratios

The actuarial calculations supplied in this communication are based on various assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary increases, investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

Asset Volatility Ratio

Displayed in the table below is the asset volatility ratio (AVR), which is the ratio of assets to payroll. Plans that have a higher AVR experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with AVR of 8 may experience twice the contribution volatility due to investment return than a plan with AVR of 4. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as a plan matures.

Liability Volatility Ratio

Also displayed in the table below is the liability volatility ratio (LVR), which is the ratio of accrued liability to payroll. Plans that have a higher LVR experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with LVR of 8 is expected to have twice the contribution volatility of a plan with LVR of 4 when there is a change in accrued liability, such as when there is a change in actuarial assumptions. It should be noted that this ratio indicates a longer-term potential for contribution volatility, since the AVR, described above, will tend to move closer to the LVR as the funded ratio approaches 100%.

Contribution Volatility as of the Valuation Date

Fair Value of Assets without Receivables	Annual Covered Payroll	Asset Volatility Ratio	Accrued Liability	Liability Volatility Ratio
(1)	(2)	(1) ÷ (2)	(3)	(3) ÷ (2)
$105,396,979,955	$21,628,469,614	4.9	$141,194,613,973	6.5

Maturity Measures History

Valuation Date	Ratio of Retiree Accrued Liability to Total Accrued Liability	Support Ratio	Asset Volatility Ratio	Liability Volatility Ratio
06/30/2021	52%	1.25	6.0	7.7
06/30/2022	53%	1.28	5.0	7.4
06/30/2023	52%	1.34	4.7	6.9
06/30/2024	51%	1.38	4.6	6.6
06/30/2025	51%	1.40	4.9	6.5

Funded Status – Low-Default-Risk Basis

Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*, requires the disclosure of a low-default-risk obligation measure (LDROM) of benefit costs accrued as of the valuation date using a discount rate based on the yields of high-quality fixed income securities with cash flows that replicate expected benefit payments. Conceptually, this measure represents the level at which financial markets would value the accrued plan costs and would be approximately equal to the cost of a portfolio of low-default-risk bonds with similar financial characteristics to accrued plan costs.

As permitted in ASOP No. 4, the Actuarial Office uses the Entry Age Actuarial Cost Method to calculate the LDROM. This methodology is in line with the measure of "benefit entitlements" calculated by the Bureau of Economic Analysis and used by the Federal Reserve to report the indebtedness due to pensions of plan sponsors and, conversely, the household wealth due to pensions of plan members.

As shown below, the discount rate used for the LDROM is 5.58%, which is the Standard FTSE Pension Liability Index[1] discount rate as of June 30, 2025.

Selected Measures on a Low-Default-Risk Basis	June 30, 2025
Discount Rate	5.58%
1) Accrued Liability – Low-Default-Risk Basis (LDROM)	
a) Active Members	$77,417,585,379
b) Transferred Members	1,839,777,017
c) Separated Members	5,467,584,588
d) Members and Beneficiaries Receiving Payments	80,522,410,667
e) Total	$165,247,357,651
2) Fair Value of Assets	105,451,726,000
3) Unfunded Accrued Liability – Low-Default-Risk Basis [(1e) – (2)]	$59,795,631,651
4) Unfunded Accrued Liability – Funding Policy Basis	35,742,887,973
5) Present Value of Unearned Investment Risk Premium [(3) – (4)]	$24,052,743,678

The difference between the unfunded liabilities on a low-default-risk basis and on the funding policy basis represents the present value of the investment risk premium that must be earned in future years to keep future contributions for currently accrued plan costs at the levels anticipated by the funding policy.

Benefit security for members of the plan relies on a combination of the assets in the plan, the investment income generated from those assets, and the ability of the plan sponsor to make necessary future contributions. If future returns fall short of 6.8%, benefit security could be at risk without higher than currently anticipated future contributions.

The funded status on a low-default-risk basis is not appropriate for assessing the need for future contributions (see Funded Status – Funding Policy Basis).

1) This index is based on a yield curve of hypothetical AA-rated zero coupon corporate bonds whose maturities range from 6 months to 30 years. The index represents the single discount rate that would produce the same present value as discounting a standardized set of liability cash flows for a fully open pension plan using the yield curve. The liability cash flows are reasonably consistent with the pattern of benefits expected to be paid from the entire Public Employees' Retirement Fund for current and former plan members. A different index, hence, a different discount rate, may be needed to measure the LDROM for a subset of the fund, such as a single rate plan or a group of retirees.

Supplementary Information

Normal Cost by Benefit Group 28

Summary of Valuation Data 29

Status of PEPRA Transition 30

Supplementary Information

Normal Cost by Benefit Group

The normal cost is determined using the Entry Age cost method. The Total Normal Cost is the annual cost of service accrual for the fiscal year for active employees and can be viewed as the long-term contribution rate for the benefits provided. Generally, the normal cost for a benefit group subject to more generous benefit provisions will exceed the normal cost for a group with less generous benefits. However, based on the characteristics of the members (particularly when the number of actives is small), this may not be the case. Future measurements of the Total Normal Cost for each group may differ significantly from the current values due to such factors as changes in the demographics of the group, changes in economic and demographic assumptions, changes in plan benefits, or changes in applicable law.

Employer Normal Cost rates displayed below for individual benefit groups are illustrative only; employers pay the same normal cost rate for all active members (as shown in the Plan Total line). FAC means Final Average Compensation.

Benefit Group	Total Normal Cost	Employee Contribution[1]	Employer Normal Cost	Number of Actives	Payroll on June 30,2025
Schools 2% at age 62 – 3 Year FAC	16.74%	8.00%	8.74%	274,143	$13,326,991,545
Schools 2% at age 55 – 1 Year FAC	18.16%	7.00%	11.16%	115,595	$8,301,478,069
Plan Total	**17.28%**	**7.62%**	**9.66%**	**389,738**	**$21,628,469,614**

(1) Employee contribution rates are those in effect on the valuation date.

Supplementary Information

Summary of Valuation Data

	June 30, 2024	June 30, 2025
1. Active Members		
a) Count[1]	375,020	389,738
b) Average Attained Age	45.1	45.0
c) Average Entry Age to Rate Plan	35.8	35.6
d) Average Years of Credited Service	7.9	7.9
e) Average Annual Covered Payroll	$54,123	$55,495
f) Annual Covered Payroll	$20,297,025,341	$21,628,469,614
g) Projected Annual Payroll for Contribution Year	$21,449,571,628	$22,945,643,414
h) Present Value of Future Payroll	$179,597,037,917	$196,253,500,033
2. Transferred Members		
a) Count[1]	23,676	25,064
b) Average Attained Age	45.8	45.8
c) Average Years of Credited Service	3.1	3.1
d) Average Annual Covered Payroll	$76,896	$79,981
3. Separated Members		
a) Count[1,2]	266,410	280,326
b) Average Attained Age	45.3	45.3
c) Average Years of Credited Service	2.3	2.2
d) Average Annual Covered Payroll	$36,645	$37,760
4. Retired Members and Beneficiaries Receiving Payments		
a) Count[1]	272,432	278,050
b) Average Attained Age	73.5	73.7
c) Average Annual Benefits	$21,987	$22,825
d) Total Annual Benefits	$5,990,065,872	$6,346,410,977
5. Active to Retired Ratio [(1a) ÷ (4a)]	1.38	1.40

(1) Counts are of unique members included in the valuation. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

(2) Includes non-vested separated participants with employee contributions remaining in the plan.

Supplementary Information

Status of PEPRA Transition

The California Public Employees' Pension Reform Act of 2013 (PEPRA), which took effect in January 2013, changed CalPERS retirement benefits and placed pensionable compensation limits on new members joining CalPERS on or after January 1, 2013. One of the objectives of PEPRA was to improve the ability of employers to manage the costs of retirement benefits for their members. While such changes can reduce future benefit costs in a meaningful way, the full impact on employer contributions will not occur until all active members are subject to the rules and provisions of PEPRA. The table below illustrates the status of this transition as of June 30, 2025.

	Classic	PEPRA	PEPRA Percentage
Active Members			
Count	115,595	274,143	70.3%
Average Attained Age	53.6	40.6	
Average Entry Age	33.3	36.3	
Average Years of Credited Service	17.5	3.8	
Average Annual Covered Payroll	$71,815	$48,613	
Annual Covered Payroll	$8,301,478,069	$13,326,991,545	61.6%
Present Value of Future Payroll	$59,676,769,993	$136,576,730,040	69.6%
Transferred Members			
Count	13,757	11,307	45.1%
Separated Members			
Count	131,113	149,213	53.2%
Retirees and Beneficiaries Receiving Payments			
Count	272,492	5,558	2.0%
Average Annual Benefits	$23,129	$7,917	
Total Annual Benefits	$6,302,408,059	$44,002,918	0.7%
Accrued Liability			
Active Members	$48,915,165,976	$13,907,794,482	22.1%
Transferred Members	1,193,463,632	244,843,528	17.0%
Separated Members	3,695,903,115	999,454,953	21.3%
Retired Members and Beneficiaries	71,643,805,128	594,183,159	0.8%
Total	$125,448,337,851	$15,746,276,122	11.2%

Appendix A – Actuarial Methods and Assumptions

Actuarial Data

As stated in the Actuarial Certification, the data that serves as the basis for this valuation has been obtained from various CalPERS databases. We have reviewed the valuation data and believe that it is reasonable and appropriate in aggregate. We are unaware of any potential data issues that would have a material effect on the results of this valuation, except that data does not always contain the latest salary information for members now in reciprocal systems and does not recognize the potential for unusually large salary deviation in certain cases such as elected officials. Therefore, salary information in these cases may not be accurate. These situations are relatively infrequent, however, and generally do not have a material impact on the required employer contribution rate.

Actuarial Methods

Actuarial Cost Method

The actuarial cost method used in this valuation is the Entry Age Actuarial Cost Method. This method is used to calculate the required employer contribution and the PEPRA member contribution rate. Under this method, the cost of the projected benefits is allocated on an individual basis as a level percent of earnings for the individual between entry age and retirement age. The portion allocated to the year following the valuation date is the normal cost. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member's career.

The actuarial accrued liability for active members is then calculated as the present value of benefits minus the present value of future normal cost, or the portion of the total present value of benefits allocated to prior years. The actuarial accrued liability for members currently receiving benefits and for members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

Amortization of Unfunded Actuarial Accrued Liability

The excess of the total actuarial accrued liability over the assets is called the unfunded actuarial accrued liability (UAL). Funding requirements are determined by adding the normal cost and a payment toward the UAL. The UAL payment is equal to the sum of individual amortization payments, each representing a different source of UAL for a given measurement period.

Amortization payments are determined according to the CalPERS Actuarial Amortization Policy. The Board adopted a new policy effective for the June 30, 2019, actuarial valuation. The new policy applies prospectively only; amortization bases (sources of UAL) established prior to the June 30, 2019, valuation will continue to be amortized according to the prior policy.

Appendix A – Actuarial Methods and Assumptions

Actuarial Methods (continued)

Prior Policy (Bases Established on or after June 30, 2013, and prior to June 30, 2019)[1]

Amortization payments are determined as a level percentage of payroll whereby the payment increases each year at an escalation rate. Gains or losses are amortized over a fixed 30-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramp. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. Changes in unfunded accrued liability due to a Golden Handshake are amortized over a period of five years (20 years prior to June 30, 2014). A summary is displayed in the table below:

	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-Investment			
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate - Active Plans - Inactive Plans	3.00% 0%	3.00% 0%	3.00% 0%	3.00% 0%	3.00% 0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

The 5-year ramp up means that the payments in the first four years of the amortization period are 20%, 40%, 60%, and 80% of the "full" payment that begins in year five. The 5-year ramp down means that the reverse is true in the final four years of the amortization period.

Current Policy (Bases Established on or after June 30, 2019)[1]

Amortization payments are determined as a level dollar amount. Investment gains or losses are amortized over a fixed 20-year period with a 5-year ramp up at the beginning of the amortization period. Non-investment gains or losses are amortized over a fixed 20-year period with no ramps. All changes in liability due to plan amendments (other than golden handshakes) are amortized over a 20-year period with no ramps. Changes in actuarial assumptions or changes in actuarial methodology are amortized over a 20-year period with no ramps. Changes in unfunded accrued liability due to a Golden Handshake are amortized over a period of five years. A summary is displayed in the table below:

	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-Investment			
Amortization Period	20 Years	20 Years	20 Years	20 Years	5 Years
Escalation Rate	0%	0%	0%	0%	0%
Ramp Up	5	0	0	0	0
Ramp Down	0	0	0	0	0

The 5-year ramp up means that the payments in the first four years of the amortization period are 20%, 40%, 60% and 80% of the "full" payment which begins in year five.

[1] An exception for the Schools Pool is that the impact of the discount rate change from 7.25% to 7.00% in the June 30, 2019 valuation is amortized under the prior policy.

Appendix A – Actuarial Methods and Assumptions

Actuarial Methods (continued)

Exceptions for Inconsistencies

An exception to the amortization rules above is used whenever their application results in inconsistencies. In these cases, a "fresh start" approach is used. This means that the current unfunded actuarial liability is projected and amortized over a set number of years. For example, a fresh start is needed in the following situations:

- When a negative payment would be required on a positive unfunded actuarial liability; or
- When the payment would completely amortize the total unfunded liability in a very short time period, and results in a large change in the employer contribution requirement.

It should be noted that the actuary may determine that a fresh start is necessary under other circumstances. In all cases of a fresh start, the period is set by the actuary at what is deemed appropriate; however, the period will not be greater than 20 years.

Asset Valuation Method

The Actuarial Value of Assets is set equal to the Fair Value of Assets (previously referred to as the Market Value of Assets). Asset values include accounts receivable.

PEPRA Normal Cost Rate Methodology

Per Government Code section 7522.30(b), the "normal cost rate" shall mean the annual actuarially determined normal cost for the plan of retirement benefits provided to the new member and shall be established based on actuarial assumptions used to determine the liabilities and costs as part of the annual actuarial valuation. The plan of retirement benefits shall include any elements that would impact the actuarial determination of the normal cost, including, but not limited to, the retirement formula, eligibility and vesting criteria, ancillary benefit provisions, and any automatic cost-of-living adjustments as determined by the public retirement system.

For purposes of setting PEPRA member contribution rates for the Schools Pool, the total PEPRA normal cost is determined based solely on PEPRA membership of the Pool.

Appendix A – Actuarial Methods and Assumptions

Actuarial Assumptions

In 2025, CalPERS completed its most recent asset liability management study incorporating actuarial assumptions and strategic asset allocation. In November 2025, the board adopted changes to the asset allocation that increased the expected volatility of returns. The adopted asset allocation was expected to have a long-term blended return that continued to support a discount rate assumption of 6.80%. The board also approved several changes to the demographic assumptions that more closely aligned with actual experience.

For more details and additional rationale for the selection of the actuarial assumptions, please refer to the 2025 CalPERS Experience Study and Review of Actuarial Assumptions that can be found on the CalPERS website under: Forms and Publications. Click on "View All" and search for Experience Study.

All actuarial assumptions (except the discount rates and price inflation assumption used for the accrued liability on a termination basis and the interest rate used for the low-default-risk obligation measure) represent an estimate of future experience rather than observations of the estimates inherent in market data.

Economic Assumptions

Discount Rate

The prescribed discount rate assumption, adopted by the board on November 19, 2025, is 6.80% compounded annually (net of investment and administrative expenses) as of June 30, 2025. Following the adoption of the Total Portfolio Approach (TPA), the discount rate is no longer based on a traditional building-block method tied to fixed target allocations for individual major asset classes. Instead, the long-term expected rate of return on assets is determined using a holistic total-fund framework. Expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are derived from a board-adopted Reference Portfolio (comprising a 75% global equity and 25% bond mix) that sets the baseline market risk, combined with expected additional returns generated through active portfolio construction and asset classes outside of the reference portfolio. The current assumption has been reviewed for this valuation and is based on capital market assumptions and the total fund risk profile developed by the Investment Office in 2025.

Appendix A – Actuarial Methods and Assumptions

Economic Assumptions (continued)

Salary Increases

Annual increases vary by entry age and duration of service. A sample of assumed increases due to seniority, merit and promotion are displayed in the table below. Assumed wage inflation is combined with these factors to develop the total expected salary increases.

Duration of Service	Entry Age		
	20	30	40
0	0.00%	0.00%	0.00%
3	4.31%	3.65%	2.82%
5	3.66%	2.90%	2.07%
10	2.69%	1.76%	1.36%
15	2.06%	1.44%	1.08%
20	1.48%	1.03%	0.80%
25	1.13%	0.92%	0.67%
30	0.54%	0.51%	0.26%

Payroll Growth

2.80% compounded annually. This is used as the escalation rate of the amortization payments on level percent of payroll amortization bases, that is, on any amortization bases established prior to 2019 for plans that currently have active members.

Wage Inflation

3.00% compounded annually. This is used in projecting individual salary increases.

Price Inflation

2.50% compounded annually.

Appendix A – Actuarial Methods and Assumptions

Demographic Assumptions

Pre-Retirement Mortality and Disability

The table below displays sample pre-retirement mortality base rates as of 2017 as well as disability rates. To reflect future mortality improvement, mortality base rates are projected generationally to future years using 80% of the Society of Actuaries' Scale MP-2021. Rates vary by age and gender.

	Mortality		Disability	
Attained Age	Male	Female	Male	Female
20	0.00039	0.00014	0.00005	0.00005
25	0.00033	0.00013	0.00005	0.00005
30	0.00044	0.00019	0.00029	0.00029
35	0.00058	0.00029	0.00050	0.00050
40	0.00075	0.00039	0.00097	0.00097
45	0.00093	0.00054	0.00182	0.00182
50	0.00134	0.00081	0.00250	0.00250
55	0.00198	0.00123	0.00188	0.00188
60	0.00287	0.00179	0.00171	0.00171
65	0.00403	0.00250	0.00170	0.00170
70	0.00594	0.00404	0.00170	0.00170
75	0.00933	0.00688	0.00170	0.00170
80	0.01515	0.01149	0.00170	0.00170

Appendix A – Actuarial Methods and Assumptions

Demographic Assumptions (continued)

Post-Retirement Mortality

The table below displays sample post-retirement mortality base rates as of 2017. To reflect future mortality improvement, base rates are projected generationally to future years using 80% of the Society of Actuaries' Scale MP-2021. Rates vary by age, type of retirement, and gender.

	Healthy Recipients		Non-Industrial Disabled (Not Job-Related)		Industrial Disabled (Job-Related)	
Age	Male	Female	Male	Female	Male	Female
50	0.00266	0.00197	0.01701	0.01424	0.00430	0.00308
55	0.00390	0.00328	0.02210	0.01753	0.00621	0.00556
60	0.00578	0.00458	0.02708	0.01983	0.00944	0.00878
65	0.00857	0.00608	0.03334	0.02252	0.01394	0.01176
70	0.01333	0.00989	0.04001	0.02854	0.02163	0.01819
75	0.02391	0.01777	0.05376	0.04099	0.03446	0.03078
80	0.04371	0.03401	0.07936	0.06051	0.05853	0.05121
85	0.08274	0.06166	0.11561	0.09312	0.10137	0.07977
90	0.14539	0.11086	0.16608	0.14301	0.16584	0.12331
95	0.24664	0.20364	0.24664	0.20364	0.24664	0.20364
100	0.36198	0.31582	0.36198	0.31582	0.36198	0.31582
110	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000

Marital Status

For active members, 70% are assumed to be married upon retirement.

Age of Spouse

It is assumed that female spouses are 3 years younger than male spouses.

Separated Members

It is assumed that separated members refund immediately if non-vested. Separated members who are vested are assumed to retire at age 60.

Separated with Refund

Rates vary by entry age, service, and gender. Sample rates are displayed in the table below.

Duration of Service	Entry Age											
	20		25		30		35		40		45	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
0	0.19310	0.20472	0.18084	0.18852	0.16041	0.16151	0.13998	0.13451	0.13404	0.11670	0.10625	0.09890
1	0.18665	0.20468	0.17250	0.18625	0.14891	0.15554	0.12532	0.12482	0.11578	0.10743	0.10625	0.09005
2	0.16594	0.18704	0.15196	0.16905	0.12865	0.13905	0.10534	0.10905	0.09500	0.09400	0.08466	0.07895
3	0.13787	0.16009	0.12528	0.14407	0.10429	0.11737	0.08331	0.09067	0.07397	0.07882	0.06464	0.06696
4	0.10814	0.13007	0.09753	0.11672	0.07985	0.09447	0.06217	0.07222	0.05464	0.06353	0.04712	0.05483
5	0.08087	0.10105	0.07238	0.09046	0.05824	0.07282	0.04409	0.05518	0.03844	0.04911	0.03278	0.04304
10	0.02049	0.02476	0.01843	0.02198	0.01500	0.01736	0.01157	0.01273	0.00888	0.01029	0.00619	0.00785
15	0.00959	0.01360	0.00866	0.01178	0.00710	0.00875	0.00555	0.00572	0.00397	0.00440	0.00238	0.00308
20	0.00547	0.00700	0.00464	0.00594	0.00327	0.00418	0.00189	0.00242	0.00095	0.00121	0.00000	0.00000
25	0.00254	0.00390	0.00222	0.00332	0.00168	0.00234	0.00113	0.00137	0.00057	0.00068	0.00000	0.00000
30	0.00120	0.00191	0.00124	0.00169	0.00130	0.00133	0.00136	0.00096	0.00068	0.00048	0.00000	0.00000
35	0.00060	0.00096	0.00062	0.00085	0.00065	0.00066	0.00068	0.00048	0.00034	0.00024	0.00000	0.00000

Appendix A – Actuarial Methods and Assumptions

Demographic Assumptions (continued)

Separation with Vested Benefits

Rates vary by entry age, service, and gender. Sample rates are displayed in the table below.

Duration of Service	Entry Age									
	20		25		30		35		40	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
5	0.03850	0.04943	0.03850	0.04943	0.03643	0.04119	0.03436	0.03295	0.02969	0.02854
10	0.03262	0.04380	0.03262	0.04380	0.02812	0.03528	0.02361	0.02676	0.01994	0.02409
15	0.02216	0.02806	0.02216	0.02806	0.01893	0.02336	0.01570	0.01865	0.01284	0.01568
20	0.01624	0.01983	0.01624	0.01983	0.01247	0.01556	0.00869	0.01130	0.00000	0.00000
25	0.00943	0.01343	0.00943	0.01343	0.00790	0.01067	0.00000	0.00000	0.00000	0.00000
30	0.00613	0.00739	0.00613	0.00739	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	0.00375	0.00495	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

- When a member is eligible to retire, the separation with vested benefits probability is set to zero.
- After separation with vested benefits, a member is assumed to retire at age 60.

Appendix A – Actuarial Methods and Assumptions

Demographic Assumptions (continued)

Service Retirement

Retirement rates vary by age, service, and formula. Sample rates are displayed in the table below.

	Schools 2% at age 55						
	Duration of Service						
Age	5 years	10 years	15 years	20 years	25 years	30 years	35 years
50	0.003	0.004	0.005	0.007	0.009	0.009	0.010
51	0.002	0.005	0.007	0.008	0.009	0.010	0.011
52	0.006	0.006	0.008	0.009	0.011	0.012	0.013
53	0.006	0.008	0.011	0.011	0.014	0.014	0.015
54	0.007	0.009	0.012	0.015	0.018	0.020	0.022
55	0.011	0.021	0.032	0.049	0.064	0.084	0.119
56	0.011	0.023	0.034	0.050	0.067	0.089	0.109
57	0.015	0.023	0.035	0.051	0.061	0.080	0.100
58	0.021	0.029	0.039	0.055	0.073	0.096	0.120
59	0.028	0.034	0.044	0.064	0.081	0.101	0.129
60	0.021	0.042	0.059	0.085	0.105	0.135	0.160
61	0.029	0.049	0.067	0.094	0.115	0.148	0.170
62	0.065	0.095	0.120	0.165	0.193	0.238	0.245
63	0.061	0.101	0.133	0.183	0.211	0.260	0.289
64	0.086	0.109	0.129	0.171	0.189	0.226	0.236
65	0.172	0.166	0.199	0.228	0.251	0.276	0.292
66	0.214	0.204	0.242	0.277	0.302	0.319	0.334
67	0.158	0.176	0.230	0.268	0.289	0.294	0.297
68	0.169	0.163	0.196	0.225	0.248	0.263	0.276
69	0.148	0.161	0.200	0.230	0.241	0.234	0.237
70	0.162	0.197	0.252	0.300	0.274	0.283	0.287

	Schools 2% at age 62						
	Duration of Service						
Age	5 years	10 years	15 years	20 years	25 years	30 years	35 years
52	0.006	0.006	0.007	0.008	0.010	0.010	0.011
53	0.005	0.007	0.009	0.010	0.012	0.012	0.013
54	0.006	0.007	0.010	0.012	0.015	0.017	0.018
55	0.009	0.017	0.027	0.041	0.053	0.069	0.098
56	0.009	0.020	0.030	0.043	0.058	0.077	0.096
57	0.013	0.020	0.030	0.044	0.052	0.069	0.087
58	0.017	0.024	0.032	0.045	0.059	0.078	0.098
59	0.024	0.030	0.039	0.056	0.071	0.089	0.113
60	0.019	0.038	0.053	0.076	0.093	0.120	0.142
61	0.025	0.042	0.058	0.081	0.099	0.128	0.147
62	0.058	0.084	0.107	0.147	0.172	0.212	0.218
63	0.052	0.087	0.115	0.158	0.182	0.224	0.249
64	0.078	0.098	0.116	0.154	0.170	0.204	0.213
65	0.165	0.159	0.191	0.219	0.241	0.265	0.280
66	0.220	0.210	0.249	0.285	0.311	0.328	0.343
67	0.178	0.199	0.259	0.302	0.326	0.331	0.334
68	0.188	0.182	0.218	0.251	0.276	0.292	0.307
69	0.152	0.165	0.205	0.237	0.248	0.241	0.244
70	0.170	0.207	0.265	0.316	0.288	0.297	0.301

Miscellaneous Loading Factors

Credit for Unused Sick Leave

Total years of service is increased by 1% for employees with the Credit for Unused Sick Leave provision.

Norris Decision (Best Factors)

Employees hired prior to July 1, 1982 have projected benefit amounts increased in order to reflect the use of "Best Factors" in the calculation of optional benefit forms. This is due to a 1983 Supreme Court decision, known as the Norris Decision, which required males and females to be treated equally in the determination of benefit amounts. Consequently, anyone already employed at that time is given the best possible conversion factor when optional benefits are determined. No loading is necessary for employees hired after July 1, 1982.

Miscellaneous

Models

The valuation results are based on proprietary actuarial valuation models. The models are centralized and maintained by a specialized team to achieve a high degree of accuracy and consistency. The Actuarial Office is responsible for confirming the appropriateness of the inputs (such as participant data, actuarial methods and assumptions, and plan provisions) as well as performing tests and validating the reasonableness of the output. The results of our models are independently confirmed by parallel valuations performed by outside actuaries on a periodic basis using their models. In our professional judgment, our actuarial valuation models produce comprehensive pension funding information consistent with the purposes of the valuation and have no material limitations or known weaknesses.

Internal Revenue Code Section 415(b)

The limitations on benefits imposed by Internal Revenue Code section 415(b) are taken into account in this valuation. Each year the impact of any changes in this limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. This results in lower contributions for those employers contributing to the Replacement Benefit Fund and protects CalPERS from prefunding expected benefits in excess of limits imposed by federal tax law. The Section 415(b) dollar limit for the 2025 calendar year is $280,000.

Internal Revenue Code Section 401(a)(17)

The limitations on compensation imposed by Internal Revenue Code section 401(a)(17) are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The compensation limit for classic members for the 2025 calendar year is $350,000.

PEPRA Compensation Limits

The limitations on compensation for PEPRA members imposed by Government Code section 7522.10 are taken into account in this valuation. Each year, the impact of any changes in the compensation limitation other than assumed since the prior valuation is included and amortized as part of the non-investment gain or loss base. The PEPRA compensation limit for 2025 is $155,081 for members who participate in Social Security and $186,096 for those who do not. The limits are adjusted annually based on changes to the CPI for all urban consumers.

Appendix B – Principal Plan Provisions

The following is a description of the principal plan provisions used in calculating costs and liabilities. Many of the statements are general in nature and intended to provide an easily understood summary of the Public Employees' Retirement Law and the California Public Employees' Pension Reform Act of 2013. The law itself governs in all situations.

Service Retirement

Eligibility

Classic school members become eligible for Service Retirement upon attainment of age 50 with at least 5 years of credited service (total service across all CalPERS employers, and with certain other Retirement Systems with which CalPERS has reciprocity agreements). PEPRA school members become eligible for Service Retirement upon attainment of age 52 with at least 5 years of service.

Benefit

The Service Retirement benefit is a monthly allowance equal to the product of the *benefit factor, years of service, and final compensation*.

- The *benefit factor* comes from the **2% at age 55** benefit factor table for classic members, and from the **2% at age 62** *benefit factor* table for PEPRA members. Factors vary by the member's age at retirement. Displayed in the table below are the factors for retirement at whole year ages:

Retirement Age	2% at 55 Factor	2% at 62 Factor
50	1.100%	N/A
51	1.280%	N/A
52	1.460%	1.000%
53	1.640%	1.100%
54	1.820%	1.200%
55	2.000%	1.300%
56	2.064%	1.400%
57	2.126%	1.500%
58	2.188%	1.600%
59	2.250%	1.700%
60	2.314%	1.800%
61	2.376%	1.900%
62	2.438%	2.000%
63	2.500%	2.100%
64	2.500%	2.200%
65	2.500%	2.300%
66	2.500%	2.400%
67 & Up	2.500%	2.500%

- The *years of service* is the amount credited by CalPERS to a member while he or she is employed in this group (or for other periods that are recognized under the employer's contract with CalPERS). For a member who has earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, then added together for the total allowance. An agency may contract for an optional benefit where any unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave.

Service Retirement (continued)

- The *final compensation* for classic members is the monthly average of the member's highest 12 consecutive months' full-time equivalent monthly pay (no matter which CalPERS employer paid this compensation). For PEPRA members, final compensation is based on the monthly average of the member's highest 36 consecutive months' full-time equivalent monthly pay. PEPRA members have a limit on the annual compensation that can be used to calculate final compensation. The limits are adjusted annually based on changes to the CPI for all urban consumers.
- Employees in the Schools Pool may or may not be covered by Social Security. For employees with service prior to January 1, 2001, and covered by Social Security, monthly final compensation is offset by $133.33 (or by one-third if final compensation is less than $400). For PEPRA members, the final compensation is not offset.
- The Service Retirement benefit is not capped.

Vested Deferred Retirement

Eligibility for Deferred Status

CalPERS members become eligible for a deferred vested retirement benefit when they leave employment, keep their contribution account balance on deposit with CalPERS, **and** have earned at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements).

Eligibility to Start Receiving Benefits

Classic members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 50. PEPRA members become eligible to receive the deferred retirement benefit upon satisfying the eligibility requirements for deferred status and upon attainment of age 52.

Benefit

The vested deferred retirement benefit is the same as the service retirement benefit, where the benefit factor is based on the member's age at allowance commencement. For members who have earned service with multiple CalPERS employers, the benefit from each employer is calculated separately according to each employer's contract, and then added together for the total allowance.

Non-Industrial (Non-Job-Related) Disability Retirement

Eligibility

A CalPERS member is eligible for Non-Industrial Disability Retirement if he or she becomes *disabled* and has at least 5 years of credited service (total service across all CalPERS employers, and with certain other retirement systems with which CalPERS has reciprocity agreements). There is no special age requirement. *Disabled* means the member is unable to perform their job because of an illness or injury which is expected to be permanent or to last indefinitely. The illness or injury does not have to be job related. A CalPERS member must be actively employed by any CalPERS employer at the time of disability in order to be eligible for this benefit.

Benefit

The Non-Industrial Disability Retirement benefit is a monthly allowance equal to 1.8% of final compensation multiplied by *service*, which is determined as follows:

- *Service* is CalPERS credited service for members with less than 10 years of service or greater than 18.518 years of service; or
- *Service* is CalPERS credited service plus the additional number of years that the member would have worked until age 60 for members with at least 10 years but not more than 18.518 years of service. The maximum benefit in this case is 33 1/3% of final compensation.

Non-Industrial (Non-Job-Related) Disability Retirement (continued)

Members who are eligible for a larger service retirement benefit may choose to receive that benefit in lieu of a disability benefit. Members who are eligible to retire and who have attained the normal retirement age determined by their service retirement benefit formula will receive the same dollar amount for disability retirement as that payable for service retirement. For members who have earned service with multiple CalPERS employers, the benefit attributed to each employer is the total disability allowance multiplied by the ratio of service with a particular employer to the total CalPERS service.

Post-Retirement Death Benefit

Standard Lump Sum Payment

Upon the death of a retiree, a one-time lump sum payment of $2,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Form of Payment for Retirement Allowance

Generally, the retirement allowance is paid to the retiree in the form of an annuity for as long as they are alive. The retiree may choose to provide for a portion of their allowance to be paid to any designated beneficiary after the retiree's death. CalPERS provides for a variety of such benefit options, which the retiree pays for by taking a reduction in their retirement allowance. Such reduction takes into account the amount to be provided to the beneficiary and the probable duration of payments (based on the ages of the member and beneficiary) made subsequent to the member's death.

Improved Form of Payment (Post-Retirement Survivor Allowance)

For retirement allowances with respect to service subject to a modified Classic formula, 25% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. For retirement allowances with respect to service subject to a PEPRA formula or a full or supplemental Classic formula, 50% of the retirement allowance will automatically be continued to certain statutory beneficiaries upon the death of the retiree, without a reduction in the retiree's allowance. This additional benefit is referred to as post-retirement survivor allowance (PRSA) or simply as survivor continuance.

In other words, 25% or 50% of the allowance, the continuance portion, is paid to the retiree for as long as he or she is alive, and that same amount is continued to the retiree's spouse (or if no eligible spouse, to unmarried child(ren) until they attain age 18; or, if no eligible child(ren), to a qualifying dependent parent) for the rest of their lifetime. This benefit will not be discontinued in the event the spouse remarries.

The remaining 75% or 50% of the retirement allowance, which may be referred to as the option portion of the benefit, is paid to the retiree as an annuity for as long as he or she is alive. The retiree may choose to provide for some of this option portion to be paid to any designated beneficiary after the retiree's death. Benefit options applicable to the option portion are the same as those offered with the standard form. The reduction is calculated in the same manner but is applied only to the option portion.

Appendix B – Principal Plan Provisions

Pre-Retirement Death Benefits

Basic Death Benefit

Eligibility
An employee's beneficiary (or estate) may receive the basic death benefit if the member dies while actively employed. A CalPERS member must be actively employed with the CalPERS employer providing this benefit to be eligible for this benefit. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit.

Benefit
The basic death benefit is a lump sum in the amount of the member's accumulated contributions, where interest is credited annually at the greater of 6% or the prevailing discount rate through the date of death, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

1957 Survivor Benefit

Eligibility
An employee's *eligible survivor(s)* may receive the 1957 Survivor benefit if the member dies while actively employed, has attained at least age 50 for classic members and age 52 for PEPRA members, and has at least five years of credited service (total service across all CalPERS employers and with certain other Retirement Systems with which CalPERS has reciprocity agreements). A CalPERS member who is no longer actively employed with any CalPERS employer is not eligible for this benefit. An eligible survivor means the surviving spouse to whom the member was married at least one year before death or, if there is no eligible spouse, to the member's unmarried child(ren) under age 18. A member's survivor who is eligible for any other pre-retirement death benefit may choose to receive that benefit instead of the 1957 Survivor benefit.

Benefit
The 1957 Survivor benefit is a monthly allowance equal to one-half of the unmodified service retirement benefit that the member would have been entitled to receive if the member had retired on the date of their death. If the benefit is payable to the spouse, the benefit is discontinued upon the death of the spouse. If the benefit is payable to dependent child(ren), the benefit will be discontinued upon death or attainment of age 18, unless the child(ren) is disabled. The total amount paid will be at least equal to the basic death benefit.

1959 Survivor Benefits Program
This is a pre-retirement death benefit available only to members not covered by Social Security. This benefit is not included in the results presented in this valuation. More information on this benefit is available on the CalPERS website.

Appendix B – Principal Plan Provisions

Cost-of-Living Adjustments (COLA)

Retirement and survivor allowances are adjusted each year in May for cost of living, beginning the second calendar year after the year of retirement. The cost-of-living adjustment (COLA) is 2%. Annual adjustments are calculated by first determining the lesser of 1) 2% compounded from the end of the year of retirement or 2) actual rate of price inflation. The resulting increase is divided by the total increase provided in prior years. For any given year, the COLA adjustment may be less than 2% (when the rate of price inflation is low), may be greater than the rate of price inflation (when the rate of price inflation is low after several years of high price inflation), or may even be greater than 2% (when price inflation is high after several years of low price inflation).

Purchasing Power Protection Allowance (PPPA)

Retirement and survivor allowances are protected against price inflation by PPPA. PPPA benefits are cost-of-living adjustments that are intended to maintain an individual's allowance at 75% of the initial allowance at retirement adjusted for price inflation since retirement. The PPPA benefit will be coordinated with other cost-of-living adjustments provided under the plan. The total annual outlay for PPPA is limited to 1.1% of accumulated member contributions. If this amount of member contributions were insufficient to provide for PPPA payments, the 75% target would be proportionately reduced.

Employee Contributions

Each employee contributes toward their retirement as follows:

- The percentage contributed below the monthly compensation breakpoint is 0%.
- The percentage contributed above the monthly compensation breakpoint is 7% for classic members.
- The PEPRA member contribution rate is tied to normal cost and can change annually. See the Member Contribution Rates section for details.
- The monthly compensation breakpoint is $0.

Refund of Employee Contributions

If the member's service with the employer ends and the member does not satisfy the eligibility conditions for any of the retirement benefits above, the member may elect to receive a refund of their employee contributions, which are credited with 6% interest compounded annually.

Appendix C – Participant Data

Source of the Participant Data

The data was extracted from various databases within CalPERS and placed in a data warehouse. This data includes:

- Individual member and beneficiary information
- Employment and payroll information
- Accumulated contributions with interest
- Service information
- Benefit payment information
- Information about the various organizations which contract with CalPERS
- Detailed information about the plan provisions applicable to each group of members

Data Validation Test and Adjustments

Once the information is extracted from the various databases into the data warehouse, data exception queries are run against this data to identify anomalous results which can then be researched and either explained or corrected. This part of the process is intended to validate the participant data for all CalPERS plans. It is not specific to the Schools Pool.

Checks on the data included:

- A reconciliation of the membership of the plan
- Comparisons of various member statistics (average attained age, average entry age, average salary, etc.) for the plan with those from the prior valuation
- Comparison of current pension amounts for each retiree and beneficiary receiving payments in the plan with amounts from the prior valuation
- Checks for invalid ages and dates
- Reasonableness checks on various key data elements such as service and salary

As a result of these tests, a number of adjustments were made to the data. These included, but are not limited to, the following:

- Dates of hire and dates of plan entry were adjusted where necessary to be consistent with the service fields, the date of birth, and each other
- The annual earnings rate for most school members was overwritten with the annualized earnings based on their yearly contributions

Data Statement

The data does not contain information about reciprocal systems and hence salary information for terminated participants covered by reciprocal systems does not reflect actual reciprocal salaries. This is not expected to have a material impact on the employer contribution rate since terminated participants represent less than 4% of the total present value of benefits for all members. We are unaware of any other data issues that would have a material effect on the results of this valuation.

It is our opinion that, after the adjustments noted above, the participant data was sufficient and reliable for the purposes of the valuation.

Appendix C – Participant Data

Reconciliation of Participants

	Active	Transfer	Separated	Receiving	Total
As of June 30, 2024	**375,020**	**23,676**	**266,410**	**272,432**	**937,538**
First Year in Status	43,418	166	5,011	0	48,595
Rehire	6,534	(262)	(6,207)	(65)	0
Transfer	(1,340)	3,260	(1,912)	(8)	0
Terminations[1]	(23,500)	(922)	24,427	(5)	0
Retired	(8,714)	(791)	(2,148)	11,636	(17)
Ordinary Disabilities	(94)	(12)	(31)	143	6
Industrial Disabilities	(1)	(38)	(4)	54	11
Death with Beneficiary	(55)	(10)	(7)	124	52
Refunds of Contributions	(1,389)	(86)	(4,804)	0	(6,279)
Death without Beneficiary	(362)	(17)	(441)	(6,536)	(7,356)
Data Corrections[2]	221	100	32	275	628
As of June 30, 2025	**389,738**	**25,064**	**280,326**	**278,050**	**973,178**

(1) Includes non-vested separated participants with employee contributions left in the plan.
(2) May include the combining of data records into a single record.

Appendix C – Participant Data

Active Members

Distribution by Age and Service

Attained Age	Years of Service at Valuation Date						Total	Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+		
15 – 24	20,918	42	0	0	0	0	20,960	$731,605,489
25 – 29	32,054	2,790	48	0	0	0	34,892	$1,510,736,390
30 – 34	30,299	11,241	1,538	14	0	0	43,092	$2,193,134,050
35 – 39	26,711	13,220	5,560	1,301	36	0	46,828	$2,584,789,860
40 – 44	24,845	12,271	6,723	4,602	1,549	70	50,060	$2,923,191,472
45 – 49	20,562	10,990	6,440	5,534	4,097	1,514	49,137	$2,974,502,908
50 – 54	16,269	10,539	6,727	5,619	4,742	4,069	47,964	$2,954,461,872
55 – 59	11,972	9,196	6,922	6,085	4,782	5,373	44,330	$2,717,399,073
60 – 64	7,385	6,745	5,608	5,255	4,078	4,692	33,763	$2,023,009,346
65 and Over	4,608	3,661	2,897	2,808	2,177	2,561	18,712	$1,015,639,149
Total	**195,623**	**80,695**	**42,463**	**31,218**	**21,461**	**18,279**	**389,738**	**$21,628,469,614**

Counts are of unique members included in the valuation. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

Average Annual Salaries by Age and Service

Attained Age	Years of Service at Valuation Date						Average Salary
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+	
15 – 24	$34,859	$57,746	$0	$0	$0	$0	$34,905
25 – 29	42,045	57,279	67,040	0	0	0	43,298
30 – 34	45,645	61,924	73,381	84,611	0	0	50,894
35 – 39	45,025	63,936	76,749	82,073	94,316	0	55,198
40 – 44	43,423	64,101	76,422	85,337	92,984	103,189	58,394
45 – 49	42,337	61,347	71,362	80,438	92,151	97,427	60,535
50 – 54	42,405	57,325	66,075	75,732	85,576	94,520	61,597
55 – 59	41,425	54,199	61,799	70,108	79,446	90,966	61,299
60 – 64	39,237	52,132	57,727	65,253	75,562	86,709	59,918
65 and Over	33,669	47,250	53,457	61,314	70,923	80,467	54,277
All Ages	**$42,135**	**$59,378**	**$67,518**	**$74,093**	**$82,625**	**$89,775**	**$55,495**

Appendix C – Participant Data

Transferred and Separated Participants

Distribution by Age and Service – Transfers to Other CalPERS Plans

Attained Age	Years of Service at Valuation Date						Total	Average Salary
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+		
15 – 24	245	0	0	0	0	0	245	$52,818
25 – 29	1,387	13	0	0	0	0	1,400	61,115
30 – 34	2,655	274	8	0	0	0	2,937	70,487
35 – 39	3,090	512	77	7	0	0	3,686	73,639
40 – 44	3,074	589	145	62	11	0	3,881	81,443
45 – 49	3,033	615	208	99	25	2	3,982	88,866
50 – 54	2,471	576	232	101	38	10	3,428	90,534
55 – 59	1,832	472	197	101	36	14	2,652	85,062
60 – 64	1,348	354	127	56	27	5	1,917	79,542
65 and Over	705	159	50	16	4	2	936	74,082
Total	**19,840**	**3,564**	**1,044**	**442**	**141**	**33**	**25,064**	**$79,981**

Counts are of unique members included in the valuation. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

Distribution by Age and Service – Separated Participants with Funds on Deposit

Attained Age	Years of Service at Valuation Date						Total	Average Salary
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25+		
15 – 24	8,838	0	0	0	0	0	8,838	$39,672
25 – 29	25,116	252	1	0	0	0	25,369	39,429
30 – 34	35,007	1,904	42	0	0	0	36,953	38,879
35 – 39	34,325	3,377	458	58	0	0	38,218	38,990
40 – 44	32,511	4,067	1,014	262	24	0	37,877	38,955
45 – 49	28,374	3,735	1,292	477	147	18	34,043	38,753
50 – 54	23,590	3,605	1,273	564	225	58	29,315	38,045
55 – 59	20,307	3,269	1,045	408	140	61	25,228	36,533
60 – 64	17,719	2,540	831	285	106	48	21,523	34,668
65 and Over	20,485	1,668	489	176	84	64	22,962	31,775
Total	**246,272**	**24,417**	**6,445**	**2,230**	**726**	**249**	**280,326**	**$37,760**

Counts are of unique members included in the valuation. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

Appendix C – Participant Data

Retired Members and Beneficiaries

Distribution of Retirees and Beneficiaries by Age and Retirement Type

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	0	0	0	6	6	176	188
30 – 34	0	2	7	1	0	189	199
35 – 39	0	10	9	0	2	283	304
40 – 44	0	55	41	6	1	377	480
45 – 49	0	151	70	11	0	426	658
50 – 54	1,181	387	124	44	1	537	2,274
55 – 59	8,503	766	165	90	0	849	10,373
60 – 64	26,967	1,263	170	180	4	1,601	30,185
65 – 69	50,017	1,681	168	248	4	2,599	54,717
70 – 74	54,679	1,764	178	211	0	3,994	60,826
75 – 79	45,311	1,465	144	176	2	5,158	52,256
80 – 84	26,808	1,098	69	91	1	4,869	32,936
85 and Over	24,290	860	26	67	5	7,406	32,654
Total	**237,756**	**9,502**	**1,171**	**1,131**	**26**	**28,464**	**278,050**

Counts are of unique members included in the valuation. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

Distribution of Average Annual Allowance Amounts by Age and Retirement Type

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	$0	$0	$0	$9,157	$186	$6,931	$6,787
30 – 34	0	8,644	199	7,491	0	7,371	7,132
35 – 39	0	7,957	272	0	781	7,130	6,912
40 – 44	0	12,652	588	10,109	4	9,044	8,729
45 – 49	0	14,384	997	20,402	0	9,858	10,131
50 – 54	10,643	15,681	1,432	11,094	2,748	11,936	11,309
55 – 59	24,048	14,851	3,547	13,537	0	12,710	22,023
60 – 64	27,999	14,446	3,846	12,529	7,185	14,429	26,481
65 – 69	26,838	14,725	2,502	13,013	1,285	15,046	25,766
70 – 74	25,046	14,439	3,205	10,493	0	16,018	24,031
75 – 79	23,699	13,905	3,270	10,491	731	15,759	22,539
80 – 84	22,123	13,216	2,628	8,355	4,148	14,757	20,658
85 and Over	18,097	11,501	3,394	8,399	1,076	13,149	16,767
All Ages	**$24,354**	**$14,065**	**$2,772**	**$11,423**	**$1,934**	**$14,269**	**$22,825**

Appendix C – Participant Data

Retired Members and Beneficiaries (continued)

Distribution by Years Retired and Retirement Type

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Years	60,322	660	229	300	8	10,373	71,892
5 – 9	56,276	879	214	252	3	6,813	64,437
10 – 14	44,258	1,567	179	201	1	4,653	50,859
15 – 19	33,137	1,352	136	193	1	2,941	37,760
20 – 24	23,827	1,806	184	116	2	1,829	27,764
25 – 29	11,647	1,691	89	40	1	1,011	14,479
30 and Over	8,289	1,547	140	29	10	844	10,859
Total	**237,756**	**9,502**	**1,171**	**1,131**	**26**	**28,464**	**278,050**

Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

Average Annual Allowance Amounts by Years Retired and Retirement Type

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Years	$28,067	$16,806	$3,520	$13,233	$3,743	$15,667	$26,032
5 – 9	26,228	15,065	3,134	12,602	974	14,916	24,748
10 – 14	23,646	14,804	3,160	11,185	5	13,765	22,348
15 – 19	23,412	15,112	3,139	10,579	1,009	12,948	22,160
20 – 24	21,889	15,073	3,066	7,981	502	11,960	20,607
25 – 29	15,542	12,539	1,145	7,532	4,148	10,277	14,712
30 and Over	11,638	11,158	790	8,869	1,127	9,023	11,209
All Ages	**$24,354**	**$14,065**	**$2,772**	**$11,423**	**$1,934**	**$14,269**	**$22,825**

Appendix C – Participant Data

Retired Members and Beneficiaries (continued)

Number Counts and Benefits – by Year of Retirement

Year Retired	Total Retirements	Total Benefits	Average Benefits
2025*	6,816	$165,808,122	$24,326
2024	13,667	392,325,705	28,706
2023	12,885	330,032,308	25,614
2022	14,500	358,824,855	24,747
2021	15,812	398,267,727	25,188
2020	14,163	355,677,713	25,113
2019	13,712	343,083,819	25,021
2018	13,207	326,994,908	24,759
2017	13,519	347,344,512	25,693
2016	11,609	278,181,898	23,963
2015	11,435	266,337,830	23,291
2014	10,499	237,397,545	22,611
2013	10,019	216,188,856	21,578
2012	9,878	218,745,051	22,145
2011	9,477	212,346,986	22,407
2010	9,914	230,869,908	23,287
2009	8,880	210,763,934	23,735
2008	7,164	166,891,293	23,296
2007	6,880	152,032,814	22,098
2006	6,912	142,617,295	20,633
2005	6,748	136,409,074	20,215
2004	6,720	137,689,649	20,490
2003	6,683	145,290,506	21,740
2002	4,973	104,383,054	20,990
2001	4,259	88,051,378	20,674
2000	4,955	97,753,009	19,728
1999	2,735	37,903,387	13,859
1998	3,067	43,576,843	14,208
1997	2,532	33,850,464	13,369
1996 and Earlier	14,430	170,770,529	11,834
Total	**278,050**	**$6,346,410,972**	**$22,825**

* The figures for 2025 are for the first 6 months of the calendar year only.

Counts of members do not include alternate payees receiving benefits while the member is still working. Multiple records may exist for members with service in more than one benefit group. This does not result in double counting liabilities.

Appendix D – Glossary

Accrued Liability (Actuarial Accrued Liability)

The portion of the Present Value of Benefits allocated to prior years. It can also be expressed as the Present Value of Benefits minus the present value of future Normal Cost. Different actuarial cost methods and different assumptions will lead to different measures of Accrued Liability.

Actuarial Assumptions

Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include such things as mortality, disability, and retirement rates. Economic assumptions include discount rate, wage inflation, and price inflation.

Actuarial Methods

Procedures employed by actuaries to achieve certain funding goals of a pension plan. Actuarial methods include an actuarial cost method, an amortization policy, and an asset valuation method.

Actuarial Valuation

The determination as of a valuation date of the Normal Cost, Accrued Liability, and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change in plan provisions.

Actuary

A business professional proficient in mathematics and statistics who measures and manages risk. A public retirement system actuary in California performs actuarial valuations necessary to properly fund a pension plan and disclose its liabilities and must satisfy the qualification standards for actuaries issuing statements of actuarial opinion in the United States with regard to pensions.

Amortization Bases

Separate payment schedules for different portions of the Unfunded Accrued Liability (UAL). The total UAL of a rate plan can be segregated by cause. The impact of such individual causes on the UAL are quantified at the time of their occurrence, resulting in new amortization bases. Each base is separately amortized and paid for over a specific period of time. Generally, in an actuarial valuation, the separate bases consist of changes in UAL due to contract amendments, actuarial assumption changes, method changes, and/or experience gains and losses.

Amortization Period

The number of years required to pay off an Amortization Base.

Classic Member (under PEPRA)

A member who joined a public retirement system prior to January 1, 2013 and who is not defined as a new member under PEPRA. (See definition of New Member below.)

Discount Rate

The rate used to discount the expected future benefit payments to the valuation date to determine the Projected Value of Benefits. Different discount rates will produce different measures of the Projected Value of Benefits. The discount rate for funding purposes is based on the assumed long-term rate of return on plan assets, net of investment and administrative expenses. This rate is called the “actuarial interest rate” in Section 20014 of the California Public Employees’ Retirement Law.

Entry Age

The earliest age at which a plan member begins to accrue benefits under a defined benefit pension plan. In most cases, this is the age of the member on their date of hire.

Entry Age Actuarial Cost Method

An actuarial cost method that allocates the cost of the projected benefits on an individual basis as a level percent of earnings for the individual between entry age and retirement age. This method yields a total normal cost rate, expressed as a percentage of payroll, which is designed to remain level throughout the member’s career.

Fresh Start

A Fresh Start is when multiple amortization bases are combined into a single base and amortized over a new Amortization Period.

Appendix D – Glossary

Funded Ratio
Defined as the Fair Value of Assets divided by the Accrued Liability. Different actuarial cost methods and different assumptions will lead to different measures of Funded Ratio. The Funded Ratio with the Accrued Liability equal to the funding target is a measure of how well funded a rate plan is. A ratio greater than 100% means the rate plan has more assets than the funding target and the employer need only contribute the Normal Cost. A ratio less than 100% means assets are less than the funding target and contributions in addition to Normal Cost are required.

Funded Status
Any comparison of a particular measure of plan assets to a particular measure of pension obligations. The methods and assumptions used to calculate a funded status should be consistent with the purpose of the measurement.

Funding Target
The Accrued Liability measure upon which the funding requirements are based. The funding target is the Accrued Liability under the Entry Age Actuarial Cost Method using the assumptions adopted by the board.

GASB 68
Statement No. 68 of the Governmental Accounting Standards Board. The accounting standard governing a state or local governmental employer's accounting and financial reporting for pensions.

New Member (under PEPRA)
A new member includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is not subject to reciprocity with another public retirement system.

Normal Cost
The portion of the Present Value of Benefits allocated to the upcoming fiscal year for active employees. Different actuarial cost methods and different assumptions will lead to different measures of Normal Cost. The Normal Cost under the Entry Age Actuarial Cost Method, using the assumptions adopted by the board, plus the required amortization of the UAL, if any, make up the required contributions.

PEPRA
The California Public Employees' Pension Reform Act of 2013.

Present Value of Benefits (PVB)
The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for *current* members.

Unfunded Accrued Liability (UAL)
The Accrued Liability minus the Fair Value of Assets. If the UAL for a rate plan is positive, the employer is required to make contributions in excess of the Normal Cost.

Valuation Date
The date as of which the Accrued Liability and Fair Value of Assets are determined.

Actuarial Office
400 Q Street
Sacramento, CA 95811
TTY - (877) 249-7442
(888) 225-7377

Available online at the CalPERS Website



California Public Employees' Retirement System
A Component Unit of the State of California