

2014-15

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



Sound Decisions. Sustainable Growth.



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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

Prepared through the joint efforts of CalPERS' staff.

Available online at www.calpers.ca.gov



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

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We Are Proud to Serve Those Who Serve California

CORE VALUES

Quality - Respect - Accountability
Integrity - Openness - Balance

View our
Pension & Investment Beliefs
on pages 8-9



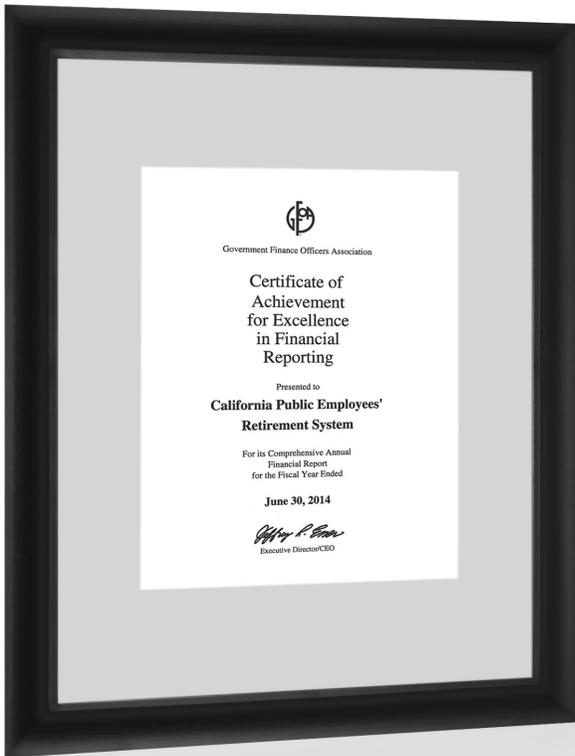
CalPERS pension payments
boosted California's economy by

\$**31**
BILLION

LARGEST Public
Pension Fund in the U.S.
(as of June 2014)

Introductory Section

PROFESSIONAL AWARDS



CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the nineteenth year that CalPERS has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements.



PUBLIC PENSION STANDARDS AWARD

The Public Pension Coordinating Council awarded a Public Pension Standards Award for Funding and Administration to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This is the thirteenth consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

CHIEF EXECUTIVE OFFICER'S LETTER OF TRANSMITTAL



Anne Stausboll
Chief Executive Officer

December 31, 2015

Members of the CalPERS Board of Administration:

I am pleased to present the CalPERS Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015.

During the fiscal year, we witnessed important progress in the areas of cost effectiveness, risk mitigation, innovation, and policy development.

At the end of the fiscal year our assets stood at more than \$301 billion. Over the past three and five years, the Public Employees' Retirement Fund (PERF) earned returns of 10.9 and 10.7 percent, respectively. For the first time since 2007, the PERF's three-year investment return exceeded our policy benchmark by 59 basis points and the five-year return by 34 basis points. This is an important milestone for the PERF, despite market volatility throughout the year and our net return of 2.4 percent.

The modest gain for the fiscal year was helped by the strong performance of CalPERS' real estate investments, approximately 10 percent of the PERF as of June 30, 2015. Investments in income-generating properties like office, industrial, and retail assets returned 12.4 percent, outperforming the PERF's real assets benchmark by 90 basis points.

Overall PERF returns and risks continue to be driven primarily by the large allocation to global equity that holds 51 percent of the PERF. Fixed income is the second largest asset class in the PERF at 26 percent and returned 1.3 percent, outperforming its benchmark return by 93 basis points as of June 30, 2015.

As part of our ongoing effort to reduce complexity and costs in our investment program, we eliminated the hedge fund program from our portfolio and continued to bring investment management in-house. We also recovered \$900 million from investment losses in mortgage-backed securities from legal settlements, and saved over \$90 million by reducing external investment management and consultant fees.

Risk management was also a focus during the year. Like public pension funds nationally, CalPERS is maturing. Where the ratio of active workers to retirees was over 2 to 1 just a decade ago, the ratio is now 1.3 workers to every retiree, and that downward trend is likely to continue until 20 years from now when the ratio of actives to retirees is expected to be less than one. Last fiscal year, we saw a 13 percent increase in state retirements over the previous year, and for the first time in the pension fund's history, we paid out more in retirement benefits than we took in contributions.

Together, our investment, finance, and actuarial teams developed a new policy to reduce risk and volatility in the PERF to ensure the long-term sustainability of the System. The policy's fundamental purpose is to lower the discount rate following a strong investment return, with periodic reviews that allow for ongoing monitoring. The policy will also significantly reduce the unfunded liability and risk in the System by lowering the volatility of investment returns. The Funding Risk Mitigation Policy was adopted by the Board of Administration in November 2015.

CHIEF EXECUTIVE OFFICER'S LETTER OF TRANSMITTAL (CONTINUED)

We also established a new Treasury Management Program. The primary goal of this program is to meet our funding obligations and pay for organizational expenses without interruption, regardless of market conditions.

Retirement benefits play a vital role in the state's economy. The most recent CalPERS Economic Impacts in California report shows that the retirement benefits paid during Fiscal Year 2013-14 generated \$30.9 billion in economic activity. This economic impact strengthens California's economy and demonstrates how benefits and investments stimulate business growth and increase tax revenues that support and create jobs for Californians.

In the health care market, we continued to hold our competitive edge with a 3 percent lower health care premium for 570,000 of our members. We are also projecting \$124 million in savings with the removal of ineligible persons from our CalPERS health plans and our new Medicare plan alternative that is available in all 58 counties of California.

We also expanded the Long-Term Care program with the launch of a new online application, a cost-of-care calculator, and a pilot program to ensure participants are able to transition successfully from hospital to home and not face re-hospitalization.

Additionally, the number of contracted employers who participate in the California Employers' Retiree Benefit Trust Fund (CERBTF) rose to 462 from 427 in the prior fiscal year. As a result, employer contributions increased by \$33 million or 2 percent in the optional program that pre-funds retiree health care obligations.

In customer service, we increased operational efficiencies with the implementation of customer flow management technology that reduced wait times for frequent services, allowed for more prescheduled appointments, and improved call wait times.

To enhance the customer experience for all of our members, employers, and stakeholders, CalPERS launched a new website that had the user in mind. The site offers multiple improvements including a new interface, upgraded search capability, and compatibility with mobile devices.

As CalPERS ends the third year of its 2012-17 Strategic Plan, we continue to chart a course that improves the long-term sustainability of the System; cultivates an innovative, high-performing organization; and enhances the effectiveness of our pension and health care benefit programs.

Management Responsibility for Financial Reporting

CalPERS' management prepared the financial statements in this CAFR for Fiscal Year 2014-15. Management is responsible for the integrity and fairness of the information presented, including data that, out of necessity, is based on estimates and judgments. The accounting policies used to prepare these financial statements conform to accounting principles generally accepted in the United States. Financial information presented throughout this annual report is consistent with these accounting principles.

CalPERS maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. In addition, our audit personnel provide a continuing review of the internal controls and operations of CalPERS, and the Chief of the Office of Audit Services regularly reports to the CalPERS Board of Administration's Risk and Audit Committee. The Committee reviews the audit findings and recommendations for improvements in internal control and operational efficiency, and it reviews the actions of management to implement such recommendations.

Our independent external auditors, Macias Gini & O'Connell LLP, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States, performing such tests and other procedures as they deem necessary to express opinions on the basic financial statements in their report to the Board. The external auditors also have full and unrestricted access to the Board to discuss their audit and related findings as to the integrity of the financial reporting and the adequacy of internal control systems.

Accounting System and Reports

Management is responsible for establishing and maintaining an internal control structure designed to ensure that CalPERS assets are protected from loss, theft or misuse, and that income is appropriately distributed. Responsibility for the accuracy, completeness, and fair presentation of the information, and all disclosures, rests with CalPERS. The basic financial statements have been prepared in accordance with accounting principles generally accepted in the

CHIEF EXECUTIVE OFFICER'S LETTER OF TRANSMITTAL (CONTINUED)

United States. The basic financial statements are presented in accordance with the guidelines of the Governmental Accounting Standards Board (GASB), including standards established by GASB Statement No. 67, *Financial Reporting for Defined Benefit Plans, an amendment of GASB Statement No. 25*; GASB Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*; GASB Statement No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans*; and other GASB statements as appropriate. GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A).

This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The CalPERS MD&A can be found immediately following the report of the independent auditors.

Funding

CalPERS' funded status of the PERF grew more than 6 percentage points to 76.3 percent from Fiscal Year 2013-14 to Fiscal Year 2014-15. This is a positive growth as we look at reducing risk and volatility in the System through our risk mitigation policy. The funded status as of June 30, 2015, is estimated to decrease to about 73.3 percent as a result of the investment return in Fiscal Year 2014-15. The PERF is the main trust fund from which nearly all CalPERS retirement benefits are paid. The Actuarial section contains a summary of CalPERS' unfunded actuarial accrued liabilities.

In Closing

CalPERS remains committed to ensuring the sustainability of the System, reducing costs, and enhancing customer service. As we faced another period of economic uncertainty, we remained committed to delivering a measured and well-balanced strategic approach that ensures quality health care and pension benefits to our members over the long term.

Our mission is aligned with our strategic plan that drives the objectives for current and future generations. As the number of retirements continues to grow each year, there are fewer active workers supporting each person in retirement. With this trend expected to continue, it is more important than ever to reduce risk and protect the System from investment volatility and changing demographics. Providing greater predictability and less volatility enables better planning and budgeting for our employers and stability for the System.

We are proud to serve the public employees who serve California.

Anne Stausboll
Chief Executive Officer

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ABOUT CalPERS

The California Public Employees' Retirement System (CalPERS or the System) is the nation's largest public pension fund with total net position in the Public Employees' Retirement Fund (PERF) of \$303 billion as of June 30, 2015.

Headquartered in Sacramento, CalPERS provides retirement benefit services to more than 1.8 million members and 3,007 school and public employers, and health benefit services to 1.4 million members and 1,153 school and public employers. The System also operates eight Regional Offices located in Fresno, Glendale, Orange, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek.

Led by a 13-member Board of Administration consisting of member-elected, appointed, and ex officio members, CalPERS membership consists of 1,206,354 active and inactive members and 613,410 retirees, beneficiaries, and survivors. Active death benefits are paid as a result of a member death prior to retirement from state, school, and public agencies.

Established by legislation in 1931, the System became operational in 1932 to provide a secure retirement to state employees. In 1939, new legislation allowed public agency and classified school employees to join CalPERS for retirement benefits. CalPERS began administering health benefits for state employees in 1962, and five years later, public agencies were able to join the health program on a contract basis.

Today CalPERS offers additional programs, including long-term care coverage and deferred compensation retirement savings plans.

OUR VISION

A trusted leader respected by our members and stakeholders for our integrity, innovation, and service.

MISSION

Provide responsible and efficient stewardship of the system to deliver promised retirement and health benefits while promoting wellness and retirement security for members and beneficiaries.

2012-17 STRATEGIC PLAN GOALS AND OBJECTIVES

Goal A: Improve long-term pension and health benefit sustainability

- Fund the System through an integrated view of pension assets and liabilities.
- Educate employers and other stakeholders to make informed decisions about retirement security and health care.
- Deliver target risk-adjusted investment returns.
- Ensure high-quality, accessible, and affordable health benefits.
- Create a lifestyle of wellness among members and employers.

Goal B: Cultivate a high-performing, risk-intelligent, and innovative organization

- Use a focused approach to generate, test, refine, and implement new ideas.
- Deliver superior end-to-end customer service that is adaptive to customer needs.
- Recruit, retain, develop, and empower a broad range of talents against organizational priorities.
- Actively manage business risks with an enterprise-wide view.

Goal C: Engage in state and national policy development to enhance the long-term sustainability and effectiveness of our programs

- Clarify and communicate CalPERS' perspective on pension, health, and financial markets.
- Provide education and engagement opportunities to shape policy agenda and expand impact.

ABOUT CalPERS (CONTINUED)

PENSION BELIEFS

In May 2014, the CalPERS Board of Administration adopted a set of 11 Pension Beliefs that articulate the pension fund's views on public pension design, funding, and administration.

Pension Belief 1

A retirement system must meet the needs of members and employers to be successful.

Pension Belief 2

Plan design should ensure that lifetime retirement benefits reflect each employee's years of service, age, and earnings and are adequate for full-career employees.

Pension Belief 3

Inadequate financial preparation for retirement is a growing national concern; therefore, all employees should have effective means to pursue retirement security.

Pension Belief 4

A retirement plan should include a defined benefit component, have professionally managed funds with a long-term horizon, and incorporate pooled investments and pooled risks.

Pension Belief 5

Funding policies should be applied in a fair, consistent manner, accommodate investment return fluctuations, and support rate stability.

Pension Belief 6

Pension benefits are deferred compensation and the responsibility for appropriate funding should be shared between employers and employees.

Pension Belief 7

Retirement system decisions must give precedence to the fiduciary duty owed to members but should also consider the interests of other stakeholders.

Pension Belief 8

Trustees, administrators and all other fiduciaries are accountable for their actions, and must transparently perform their duties to the highest ethical standards.

Pension Belief 9

Sound understanding and deployment of enterprise-wide risk management is essential to the ongoing success of a retirement system.

Pension Belief 10

A retirement system should offer innovative and flexible financial education that meets the needs of members and employers.

Pension Belief 11

As a leader, CalPERS should advocate for retirement security for America's workers and for the value of defined benefit plans.

ABOUT CalPERS (CONTINUED)

INVESTMENT BELIEFS

In September 2013, the CalPERS Board of Administration adopted a set of 10 Investment Beliefs intended to provide a basis for strategic management of the investment portfolio, and to inform organizational priorities.

Investment Belief 1

Liabilities must influence the asset structure.

Investment Belief 2

A long time investment horizon is a responsibility and an advantage.

Investment Belief 3

CalPERS investment decisions may reflect wider stakeholder views, provided they are consistent with its fiduciary duty to members and beneficiaries.

Investment Belief 4

Long-term value creation requires effective management of three forms of capital: financial, physical, and human.

Investment Belief 5

CalPERS must articulate its investment goals and performance measures and ensure clear accountability for their execution.

Investment Belief 6

Strategic asset allocation is the dominant determinant of portfolio risk and return.

Investment Belief 7

CalPERS will take risk only where we have a strong belief we will be rewarded for it.

Investment Belief 8

Costs matter and need to be effectively managed.

Investment Belief 9

Risk to CalPERS is multi-faceted and not fully captured through measures such as volatility or tracking error.

Investment Belief 10

Strong processes and teamwork and deep resources are needed to achieve CalPERS goals and objectives.

ABOUT CalPERS (CONTINUED)

CORE VALUES AND GUIDING BEHAVIORS

Quality

- Consider, understand, and manage risk
- Proactively explore policy and product opportunities to better serve our customers
- Seek to “do it right” the first time
- Strive to exceed customers’ needs and expectations through competence, innovation, and teamwork

Respect

- Are courteous, responsive, and professional
- Stay present in the moment and actively listens to understand others
- Treat every person with kindness and humility
- Value and recognize every individual for their unique skills, talents, and contributions

Accountability

- Find solutions that contribute to desired results
- Give and seeks clear expectations
- Make sound decisions from experience, good judgment, and collaboration
- Take ownership of, and responsibility for, actions, risks, and results, and uses outcomes as learning opportunities

Integrity

- Act in all endeavors with an ethical, honest mindset and in a professional manner
- Are truthful in all actions and communications
- Honor commitments, keep promises, and build trust

Openness

- Approaches every situation with good intentions
- Are receptive to new and diverse ideas
- Encourage a trusting environment by being genuine and transparent in our actions and communications
- Listen, cooperate, and share across the organization

Balance

- Embrace opportunities for personal and professional development
- Maintain focus on long-term goals while meeting short-term needs
- Support a healthy personal and professional balance
- Support an environment that is optimistic and enjoyable in which relationships can prosper across our organization and communities

ABOUT CalPERS (CONTINUED)

GUIDING PRINCIPLES

We perform our daily functions under the following Guiding Principles:

-
- Attracting, developing, and retaining a competent, creative, and highly motivated workforce.
 - Delivering retirement, health, and other benefits and services in an equal, accurate, courteous, professional, and prompt manner.
 - Designing and administering the highest quality, secure, and innovative programs.
 - Ensuring that all benefits are appropriately funded.
 - Maintaining public trust by being an ethical, sensitive, effective, and cost-efficient organization in service to employers and employees alike.
 - Obtaining the highest return on our investment portfolio to survive, prosper, and grow in a safe and prudent manner.
 - Providing meaningful information and education to all System constituents in a timely manner.
 - Sustaining our role as a respected leader in the public pension and benefits industry.

BOARD OF ADMINISTRATION



Rob Feckner, President
School Member Representative
Glazing Specialist
Napa Valley Unified School District
Term Ends: January 15, 2019



Richard Costigan
Ex Officio Member
State Personnel Board Representative



Henry Jones, Vice President
Retired Member Representative
Retired, Chief Financial Officer
Los Angeles Unified School District
Term Ends: January 15, 2020



Richard Gillihan
Ex Officio Member
Director
California Department of Human
Resources



Michael Bilbrey
All Member Representative
Bookstore Operations Coordinator
Citrus Community College
Term Ends: January 15, 2018



Dana Hollinger
Governor Appointee
Insurance Industry Representative
Principal, Dana Hollinger Group
Term Ends: January 15, 2017



John Chiang
Ex Officio Member
State Treasurer



JJ Jelincic
All Member Representative
Investment Officer III
CalPERS
Term Ends: January 15, 2018

BOARD OF ADMINISTRATION (CONTINUED)



Ron Lind

Appointed Jointly by the Senate Rules
Committee and the Speaker of the
Assembly
Public Representative
President Emeritus
United Food &
Commercial Workers, Local 5
Term Ends: January 15, 2016



Theresa Taylor

State Member Representative
Principal Compliance Representative
Franchise Tax Board
Term Ends: January 15, 2019



Priya Mathur

Public Agency Member
Representative
Principal Financial Analyst
Bay Area Rapid Transit
Term Ends: January 15, 2019



Betty Yee

Ex Officio Member
State Controller



Bill Slaton

Governor Appointee
Local Government Elected Official
Elected Member
Sacramento Municipal Utility District
Term Ends: January 15, 2019

ORGANIZATIONAL CHART – EXECUTIVE STAFF



Chief Executive Officer
Anne Stausboll



Financial Office
Chief Financial Officer
Cheryl Eason



Investment Office
Chief Investment Officer
Ted Eliopoulos



General Counsel Office
General Counsel
Matthew G. Jacobs



Actuarial Office
Chief Actuary
Alan W. Milligan



Operations and Technology
Deputy Executive Officer
Douglas Hoffner



Customer Services and Support
Deputy Executive Officer
Donna Lum



Benefit Programs Policy and Planning
Deputy Executive Officer Effective 09/01/15
Doug McKeever



External Affairs
Deputy Executive Officer Effective 10/19/15
Brad W. Pacheco

CONSULTANT & PROFESSIONAL SERVICES

Individual or Firm ¹	Individual or Firm ¹	Individual or Firm ¹
Advanced Systems Group, LLC	GovernmentJobs.com, Inc., DBA NEOGOV	Premier Alliance Group, Inc.
Aisitech, LLC	Grant Thornton LLP	President and Fellows of Harvard College
Ambire Consulting, Inc.	H&B Joint Venture	Princeton Solutions Group, Inc.
Andes Consulting, LLC	Health Management Systems, Inc. (HMS)	Providence Technology Group, Inc.
Anthem Blue Cross	Health Net of California	Pyramid Technical Consultants, Inc.
APCO Worldwide, Inc.	Heidrick & Struggles	Qualapps, Inc.
ATV Video Center, Inc.	Hewitt Associates LLC	Radian Solutions, LLC
Avenue Solutions	Hewitt EnnisKnupp, Inc.	Reed Smith, LLP
Baker Hostetler	HP Enterprise Services, LLC	Regents of the University of CA, Berkeley
Base 3 Consulting	Information Technology Software Professional	Regents of the University of CA, Davis
Beacon Consulting Group, Inc.	Informatix, Inc.	Ridgeway Partners, LLC
Bedrosian & Associates	Innovative Software Technologies, Inc.	Risk 2 Reputation
Belmonte Enterprises, LLC	International Customer Management Institute	Rosenberg and Kaplan, A Law Corporation
Blue Shield of California	J & K Court Reporting, LLC	Saba Software, Inc.
BluePath Health	JLynnConsulting, Inc.	Safeguard Web & Graphics
Borden Lee Consulting	K & L Gates LLP	Sage 2.0
Business Advantage Consulting, Inc.	Kath Straub and Associates, LLC	SAS International, Inc.
California Correctional Health Care Services	Katrina Kennedy Training	Shah & Associates, A Professional Law Co.
California Department of Health Care Services	KearnFord Application Systems Design	Sharp Health Plan
California Department of Human Resources	Kenera Consulting, Inc.	Shooting Star Solutions, LLC
Capio Group	Kiefer Consulting, Inc.	Sign Language Interpreting Service Agency
Capital Technology Associates	Klausner, Kaufman, Jensen & Levinson	Softsol Technologies, Inc.
Celer Systems, Inc.	Kong Consulting, Inc.	Sophus Consulting
Cheiron, Inc.	Korn/Ferry International	SRI Infotech, Inc.
CoachSource, LLC	KPMG LLP	State Controller's Office
Compliance11	Kronick, Moskovitz, Tiedemann & Girard	State Treasurer's Office
Cornerstone Fitness, Inc.	Landor Associates	Steptoe & Johnson, LLP
Cutter Associates, LLC	Law Office of Sima R. Salek	SymSoft Solutions, LLC
CVS Caremark	LCS Technologies, Inc.	T5 Consulting
Daniel J. Edelman, Inc.	Leading Resources, Inc. (LRI)	Take 1 Productions
Dee Hansford Consulting	Lussier Group	Technology Crest Corporation
Delegata Corporation	M Corp	TG Page Design Group
Delfino Madden O'Malley Coyle & Koewler LLP	Macias Gini & O'Connell, LLP	The Ballard Group, Inc.
Department of General Services/RR Donnelly	Martin & Chapman Co.	The Taylor Feldman Group, LLC
Department of Human Resources	Matrix Software Services	Thomson Reuters - West
Department of Justice	Maximus Federal Services, Inc.	Trinity Technology Group, Inc.
DLA Piper, LLP	MEDCO	Truven Health Analytics, Inc.
Dolamont Consulting, Inc.	Mellon Bank	United Health Actuarial Services, Inc.
Domain Experts Corporation	Mennemeier, Glassman & Stroud LLP	United Healthcare
Downey Brand, LLP	Mercer Health and Benefits	Univita
Drinker Biddle & Reath LLP	Michael Strategic Analysis	Vantage Consulting Group, Inc.
DSS Research	Milliman, Inc.	VanWrite Writing Consultants, LLC
Eagle Management Group, LLC, dba Matran	Mindstorm Creative, Inc.	Vasquez Benisek & Lindgren LLP
Eaton Interpreting Services, Inc.	Monarch Enterprises, Inc.	Viaspire
Elynview Corporation	Morgan Lewis & Bockius, LLP	Visionary Integration Professionals, LLC
Eclipse Corporation	Nexus IS, Inc.	Voya
Enterprise Networking Solutions, Inc.	Northeast Retirement Services	Weaver Schlenger Mazel LLP
Entisys Solutions, Inc.	NWN Corporation	Worktank
Equanim Technologies	Ogilvy Public Relations	
Essoft Infosystems, Inc.	Oliver Wyman Actuarial Consulting, Inc.	
Eterasys Consulting, Inc.	OnCore Consulting, LLC	
Felderstein Fitzgerald Willoughby & Pascuzzi LLP	Ope Technology, LLC	
FireEye, Inc. dba Mandiant	Pacific Business Group on Health	
FutureSense, Inc.	Pasanna Consulting Group, LLC	
Gordon & Silver, LLP	Paul Benefits Law Corporation	
Government Operations Agency	Performance Technology Partners, LLC	

(1) Additional information regarding investment professionals who provide services to the System can be found in the Financial Section: Other Supplementary Information.

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Financial Section

Independent Auditor's Report/MD&A

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Risk in Focus

Ensuring a pension for the next generation

Asset Liability Management

Developed and implemented risk mitigation strategies to improve soundness and sustainability of benefits

MD&A

FINANCIAL SUMMARY



Completion of our 3rd year of the 5-year Strategic Plan



Certified
Public
Accountants

Sacramento
Walnut Creek
Oakland
Los Angeles
Century City
Newport Beach
San Diego

INDEPENDENT AUDITOR'S REPORT

To the Board of Administration
California Public Employees' Retirement System
Sacramento, California

We have audited the accompanying financial statements of the fiduciary activities and the proprietary activities of the California Public Employees' Retirement System (the System), a component unit of the State of California, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the fiduciary activities and proprietary activities of the California Public Employees' Retirement System as of June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 7 to the basic financial statements, the total pension liabilities of the Public Employees' Retirement Fund Schools Cost-Sharing Defined Benefit Pension Plan and Public Agency Cost-Sharing Defined Benefit Pension Plan, based on the most recent actuarial valuations as of June 30, 2014 rolled forward to June 30, 2015, exceeded the plans' fiduciary net position by \$14.7 billion and \$6.9 billion, respectively. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 7.65 percent, which represents the long-term expected rate of return.

As discussed in Note 1 to the basic financial statements, actual contributions made by the State of California (State) to the closed Judges' Retirement Fund are made pursuant to State statute and were significantly less than the actuarially determined annual required contributions. State contributions were used to fund benefit payments of the current period. As such, the Judges' Retirement Fund does not retain the accumulated contributions of active members. Without the State contributions, the Judges' Retirement Fund will not be able to pay accumulated benefit payments due in fiscal year 2016. Management and legal counsel believe the State is legally required to provide the required contributions to fund the benefits. As discussed in Note 7 to the basic financial statements, the total pension liability of the Judges' Retirement Fund, based on the most recent actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015, exceeded the plan's fiduciary net position by \$3.5 billion.

As discussed in Note 8 to the basic financial statements, actuarial data presented for the California Employers' Retirement Benefit Trust Fund was derived from actuarial valuations performed by actuarial firms engaged by participating employers for their respective agent plan. Based on the most recent actuarial valuations of the California Employers' Retiree Benefit Trust Fund as of June 30, 2014, the actuarial accrued liability exceeded the actuarial value of assets by \$30.8 billion.

As discussed in Note 12 to the basic financial statements, the determination of the estimated liability for future policy benefits of the Public Employees' Long-Term Care Fund is very sensitive to the underlying actuarial assumptions, including a discount rate of 5.75 percent, morbidity, lapse rates, voluntary termination, conversion rates to fixed term policies, mortality, plan expenses, and rate increase.

Our opinions are not modified with respect to these matters.

Other Matters

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's financial statements for the fiscal year ended June 30, 2014, from which such partial information was derived.

We have previously audited the System's 2014 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the fiduciary activities and the proprietary activities in our report dated December 22, 2014. In our opinion, the partial comparative information presented herein as of and for the fiscal year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

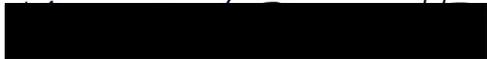
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedules of Changes in Net Pension Liability/(Asset) and Related Ratios, Schedules of Plan Contributions – Pension Plans, Schedule of Investment Returns, Schedule of Funding Progress – OPEB Trust Fund, Schedule of Employer Contributions – OPEB Trust Fund, and Schedule of Claims Development Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The other supplemental information and introductory, investment, actuarial, statistical, and compliance sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial, statistical, and compliance sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Sacramento, California
December 10, 2015

Management's Discussion & Analysis (Unaudited)

INTRODUCTION

This section presents Management's Discussion and Analysis of the California Public Employees' Retirement System's (CalPERS or the System) financial performance during the fiscal year ended June 30, 2015. It is a narrative overview and analysis that we present in conjunction with the Chief Executive Officer's Letter of Transmittal, included in the Introductory Section of this Comprehensive Annual Financial Report. It should also be read in conjunction with the Basic Financial Statements of CalPERS, as presented in this report.

In addition to historical information, the Management's Discussion and Analysis includes certain forward-looking statements, which involve certain risks and uncertainties. CalPERS' actual results, performance, and achievements may differ from the results, performance, and achievements expressed or implied in such forward-looking statements, due to a wide range of factors, including changes in interest rates, changes in the securities markets, general economic conditions, and legislative changes, as well as other factors.

CalPERS is primarily responsible for administering retirement and health benefits. CalPERS also administers long-term care benefits, a post-employment benefit fund for retiree health, and supplemental retirement savings plans.

MANAGEMENT DISCUSSION

Strategic Planning

CalPERS enters the fourth year of the 2012-17 Strategic Plan focusing on sustainability of the pension and health programs, enhancing customer service, and strengthening our internal organization. The 2015-17 Business Plan specifically focuses on key areas:

- Create asset liability management strategies that will encourage greater employer contributions and explore additional allocation options.
- Build effective risk review and decision processes within and across asset classes.
- Engage in health policy discussions with employers to improve health strategies.
- Assess cost effectiveness measures to identify cost saving and performance improvements.
- Enhance customer service by strengthening functionality, compliance, and business processes and increasing customer feedback opportunities.

- Maintain focus on enhancing the CalPERS workforce and reducing reliance on third-party consultants.
- Implement risk mitigation strategies to enhance management of security events and data loss prevention.

Compliance and Risk Management

Compliance awareness and risk management are integral to cultivating a high-performing, risk-intelligent, and innovative organization. To implement our governance, risk, and compliance practices, CalPERS has embraced an integrated assurance model to promote a multi-faceted approach to compliance awareness and accountability. This Three Lines of Defense approach promotes collaboration and an increased understanding of roles and responsibilities in ensuring compliance and detecting and preventing improper conduct. The Board of Administration and Executive Management provide direction and oversee the effectiveness of the organization's compliance practices using the Three Lines of Defense model.

- First Line of Defense – The first level of the control environment is the program areas that perform day-to-day risk management activity.
- Second Line of Defense – Oversight functions, such as Enterprise Compliance and Enterprise Risk Management, set direction, define policy, and provide assurance.
- Third Line of Defense – Internal and external audits are the third line of defense, offering an independent challenge to the levels of assurance provided by program areas and oversight functions.

Key Initiatives

With the focus on strategic planning and risk management, CalPERS continues to enhance its operations as follows:

- CalPERS continues its work on asset allocation and risk management through the Asset Liability Management (ALM) process. CalPERS' Investment Office, Actuarial Office, and Financial Office worked together to provide an integrated view of assets and liabilities so that financial risks to the System can be better understood, communicated, and managed. Additional information is described later in this section.

- CalPERS' Investment Office aims to enhance cost effectiveness of the investment program to improve net returns on assets. The strategy is to deliver more value for costs by reducing the reliance on external consultants, transitioning assets from external managers to internal management, and reduce external management fees paid. The base management fees paid to manage the portfolio have decreased by \$90 million over the past five fiscal years.
- CalPERS is continuing the multi-year project to integrate consideration of environmental, social, and governance (ESG) factors into investment processes, in support of the goal of achieving long-term, sustainable, risk-adjusted returns consistent with fiduciary duty. Grounded in the three forms of economic capital—financial, human, and physical—that drive long-term value creation, CalPERS has developed strategic themes (Alignment of Interest, Human Capital, and Climate Change). These themes frame the fund's ESG integration work. Specific initiatives in 2015 that further this effort are in the areas of proxy access, board diversity, engaging on climate risk, a project to measure carbon emissions across the global equity portfolio, and development of Sustainable Investment Practice Guidelines across all asset classes.
- CalPERS is currently in the process of developing alternative approaches for its current Medicare plan offerings. One of these new approaches would allow members to receive care from any willing Medicare provider across the country, and potentially reduce costs for members and employers. It would provide the same coverage as Medicare Parts A, B, and D, and includes a comprehensive national network of contracted health care providers.
- CalPERS continues to enhance customer service through several initiatives. The Employer Response Team was established to serve as the single point of contact for employers with critical and/or time-sensitive issues. CalPERS' education programs continue to be enhanced by the development and implementation of 14 new Health Business Rule computer based training modules, as well as the pilot of an instructor-led training module to 21 public agencies to assist business partners in complying with Public Employees' Medical and Hospital Care Act rules and regulations.
- The provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* (GASB 68), were effective during the year ended June 30, 2015. CalPERS produced GASB 68 accounting valuation reports for employers to implement GASB 68 within their financial statements. This also included engagement with CalPERS' external auditor to provide audit assurance of this information.
- Through workforce planning, we optimized the availability of critical talent to align staff with our business needs over the long term. The Workforce Strategic Plan (WSP) focuses on short- and long-range initiatives aligned with our annual business planning processes to recruit, develop, and retain a diverse, high-performing workforce. These efforts build on one of our greatest strengths—our employees. We have made attracting and retaining a well-qualified workforce an organizational priority. The WSP outlines strategies to:
 - Brand CalPERS as a destination employer to attract the best candidates.
 - Improve internal processes to make them more efficient.
 - Provide ongoing training and development opportunities to support employee growth.
 - Prepare high performers and potential successors for key leadership positions.
 - Manage in a consistent and measurable way so that employees are clear on what they are accountable for.
 - Support knowledge transfer processes at all levels to maintain business continuity and protect institutional memory.
- CalPERS recognizes that the protection of our members' information and privacy is of paramount importance, and we have developed a culture that supports this objective. Our protective measures are multidimensional and span people, process, and technology. They are based upon the "Cybersecurity Framework" released by the White House in February 2014. The "Cybersecurity Framework" core consists of five concurrent and continuous functions—Identify, Protect, Detect, Respond, and Recover. When considered together, these functions provide a high-level, strategic view of the lifecycle that CalPERS uses to manage cybersecurity risks. Some

highlights of the measures CalPERS takes to protect our members, business partners, and stakeholders from cybersecurity risks are:

- A CalPERS culture where management and staff actively support cybersecurity.
- Sophisticated technologies to identify, protect, and detect cyber attacks.
- Relationships with key external resources that include law enforcement, legal firms, and technical partners.
- Comprehensive plans for both responding and recovering from possible cyber incidents.

OVERVIEW OF THE FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

Management's Discussion and Analysis provides an introduction to and overview of the financial position, which comprises the following components: Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplemental Information. Collectively, this information presents the combined net position restricted for pension benefits, other post-employment benefits (OPEB), deferred compensation, and the unrestricted net position of the proprietary funds administered by CalPERS as of June 30, 2015. It also summarizes the combined changes in net position restricted for pension and other post-employment benefits, the changes in unrestricted net position, and the cash flows of the proprietary funds for the year then ended, along with disclosures about the net pension liabilities of the cost-sharing multiple-employer and single-employer defined benefit pension plans and an actuarial view on the funded status of the OPEB plan.

As a result of applying the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25* (GASB 67), there is a difference between the pension costs that must be reported in financial statements and pension contributions established as part of funding valuations. The Actuarial Section included in the report provides actuarial information that was derived for purposes of establishing the funding requirements of employers for which CalPERS administers retirement benefits.

The discount rate of 7.50 percent, net of administrative expenses of 15 basis points, is used in the Public Employees' Retirement Fund (PERF) for funding purposes. The discount rates used for funding purposes in the Legislators' Retirement Fund (LRF) and the Judges' Retirement Fund II (JRF II), also net of administrative expenses, are 5.75 percent and 7.00 percent, respectively. The financial reporting discount rate differs as it is not reduced for administrative expenses. The Judges' Retirement Fund (JRF) is 4.25 percent for funding reporting purposes. In addition, GASB 67 requires disclosure of the money-weighted rate of return (MWRR), which expresses investment performance, net of pension plan expense, adjusted for the changing amounts actually invested.

FINANCIAL HIGHLIGHTS

Major events and upcoming initiatives impacting the current Fiscal Year's financial statements include:

- Senate Bill 227 and Assembly Bill 611 were signed by the Governor in October 2013 and September 2014, respectively. Legislation terminated the State Peace Officers' and Firefighters' Defined Contribution Plan, effective June 1, 2014, upon obtaining the appropriate approvals from the Internal Revenue Service (IRS) in September 2014. The termination required distributions of participant's money in the State Peace Officers' and Firefighters' Defined Contribution Plan in accordance with state and federal law and designated the Supplemental Contributions Program Fund (SCPF) as the default plan for participants who did not make an affirmative election to take a distribution. As of June 30, 2015, some asset balances remained with the State Peace Officers' and Firefighters' Defined Contribution Fund (SPOFF) as reserves held for possible future legacy expenses, excess employer contributions to be discharged, and interest earned.
- Investments held by the various CalPERS funds were impacted by weaker market conditions in Fiscal Year 2014-15 as compared to the high returns seen in Fiscal Year 2013-14. Some funds still saw an increase to net position, but the rate of growth was significantly lower from the prior year.
- There was an increase in noncash collateral versus cash collateral in the securities lending program in Fiscal Year 2014-15 as compared to Fiscal Year 2013-14. In accordance with GASB Statement No. 28, *Accounting and*

Financial Reporting for Securities Lending Transactions, non-cash collateral is not reported in the financial statements as CalPERS cannot pledge or sell collateral security without borrow defaults. As such, all funds involved in securities lending transactions saw a decrease in balances for both securities lending collateral and securities lending obligations.

- CalPERS implemented its flex-funded health program in January 2014, which resulted in six months of flex-funded activity in Fiscal Year 2013-14. As the flex-funded program was fully implemented by July 1, 2014, the Health Care Fund (HCF) and Contingency Reserve Fund (CRF) saw a full year's worth of flex-funded activity in the Fiscal Year 2014-15.
- OPEB valuations dated on or after March 31, 2015, will be subject to revisions of the Actuarial Standards of Practice 6 (ASOP 6), which were adopted by the Actuarial Standards Board in May 2014. ASOP 6 requires actuarial (with limited exceptions) "age-adjusted" rates when calculating the employer OPEB liability. As a result, OPEB actuarial accrued liabilities for many employers, including those participating in the California Employers' Retiree Benefit Trust Program, could increase substantially if age adjusted rates are used.

BASIC FINANCIAL STATEMENTS

At June 30, 2015, financial statements are presented for the two types of funds administered by CalPERS: fiduciary funds, where CalPERS acts in a fiduciary capacity as a trustee or agent for others and is responsible for handling the assets placed under its control; and proprietary funds, where fees are charged for services provided and the focus is on determining financial position, operating and non-operating income, cash flows, and changes in net position.

Fiduciary Funds – includes the PERF A, PERF B, PERF C, LRF, JRF, JRF II, SPOFF, SCPF, Public Employees' Deferred Compensation Fund (DCF), the California Employers' Retiree Benefit Trust Fund (CERBTf), and Replacement Benefit Fund (RBF). Fiduciary funds are used to account for resources held for the benefit of CalPERS participants.

A Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are presented for the fiduciary funds as of and for the fiscal year ended June 30, 2015, along with comparative total information as of

and for the fiscal year ended June 30, 2014. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year-end, and the changes in those resources during the year.

Proprietary Funds – includes the combined HCF and CRF, and the Public Employees' Long-Term Care Fund (LTCF). A Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows are presented for the proprietary funds as of and for the fiscal year ended June 30, 2015, along with comparative total information as of and for the fiscal year ended June 30, 2014. These financial statements reflect the net position, changes in net position, and cash flows resulting from CalPERS business-type activities.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the information provided in the fund financial statements. Information available in the Notes to the Basic Financial Statements is described below:

Note 1 – provides a general description of CalPERS and a concise description of each of the funds administered by CalPERS. Information regarding employer and member participation in the pension plans and other post-employment benefit plans administered by CalPERS is also provided.

Note 2 – provides a summary of significant accounting policies, including the basis of accounting for each of the fund types, investment accounting policies, management's use of estimates, and other significant accounting policies.

Note 3 – provides information on cash and cash equivalents.

Note 4 – describes investments, including investing authority and investment risk categorizations.

Note 5 – provides information about securities lending.

Note 6 – provides information regarding derivatives.

Note 7 – provides information regarding the net pension liability and actuarial assumptions for the cost-sharing and single-employer plans reported in PERF B and C, LRF, JRF, and JRF II.

Note 8 – provides information regarding the funded status and actuarial assumptions for the CERBTf.

Note 9 – provides information about CalPERS participation in the State of California OPEB plan.

Note 10 – provides detailed information on the estimated claims liability of the HCF.

Note 11 – provides additional information about participating agencies and insurance premiums paid by the CRF.

Note 12 – provides information regarding the LTCF actuarial valuation and the estimated liability for future policy benefits.

Note 13 – provides information regarding the RBF, as well as applicable internal revenue and government codes.

Note 14 – provides information on commitments to fund partnerships.

Note 15 – provides information on potential contingencies of CalPERS.

Note 16 – provides information about future accounting pronouncements.

REQUIRED SUPPLEMENTARY INFORMATION

The Required Supplementary Information schedules include information about the changes in the net pension liability, employer contributions, actuarial assumptions used to calculate the net pension liability, historical trends, and other required supplementary information related to the System's cost-sharing multiple-employer and single-employer defined benefit pension plans as required by GASB 67.

The Schedule of Funding Progress for CERBTF contains actuarial information about the status of the plan from an ongoing, long-term perspective, showing whether there are sufficient assets to pay post-employment benefits when due. The Schedule of Employer Contributions for CERBTF contains historical trend information regarding the value of the total annual contributions employers must pay and the actual contributions made to meet this requirement.

The Schedule of Claims Development Information for the HCF provides earned revenues and expenses over the past 10 years.

OTHER SUPPLEMENTAL INFORMATION

Other schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, investment and other professional services expenses incurred, and changes in assets and liabilities for the agency fund.

FINANCIAL ANALYSIS

PUBLIC EMPLOYEES' RETIREMENT FUND (PERF)

The PERF is a trust fund established under section 20170 of the Public Employees' Retirement Law (PERL). The PERF provides retirement benefits to the State of California, schools, and other California public agency employees. PERF benefits are funded by member and employer contributions and by earnings on investments.

For accounting purposes only, the PERF is comprised of and reported as three separate entities. PERF A is comprised of agent multiple-employer plans, which includes the State of California and most public agencies rate plans with more than 100 active members. PERF B is a cost-sharing multiple-employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies with generally less than 100 active members.

Movements of member account asset balances occur between PERF A, PERF B, and PERF C, when employers have less than 100 members, or when there are other member accounting adjustments. These plan to plan resource movements are reported as a separate line item within the additions and deductions sections, respectively, of each plan's Statement of Changes in Fiduciary Net Position.

The PERF net position increased by \$1.0 billion or 0.3 percent compared to the prior year despite slow global economic growth and increased short-term market volatility. Additionally, securities lending collateral decreased \$6.5 billion or 37.6 percent and securities lending obligations decreased \$6.3 billion or 37.1 percent, as a result of an increase in the amount of noncash collateral provided in comparison to cash collateral.

Additions to PERF net position include employer and member contributions and investment income. Employer contribution rates increased between 1.0 percent and 7.6 percent for state, and 0.33 percent for schools, resulting in higher employer contributions of \$1.3 billion or 14.8 percent. In recent years, some member service credit purchase options were eliminated. Accordingly, member contributions declined \$50.7 million or 1.3 percent due to a decrease in service credit purchase elections. Net investment income is comprised of interest income, dividend income, and net appreciation or depreciation in fair value of investments, and is net of investment expenses. Although the PERF realized an investment gain for the Fiscal Year 2014-15, investment income decreased by \$38.9 billion or 85.5 percent. The modest gain for the Fiscal Year, despite challenging world

Management's Discussion & Analysis (Unaudited) (continued)

markets, was helped by strong performance by CalPERS' real estate investments, approximately 9.6 percent of the fund's investments as of June 30, 2015. Additionally, the PERF recognized a MWRR of 2.2 percent for Fiscal Year 2014-15 compared to 17.7 percent for Fiscal Year 2013-14.

Deductions to the PERF are comprised of benefit payments, refund of contributions to members and beneficiaries, and

costs of administering the PERF. Benefit payments are the primary expense of a retirement system. Retirement and survivor benefits increased \$1.2 billion or 6.5 percent primarily due to a rise in the number of retirees and beneficiaries from 586,959 as of June 30, 2014, to 611,078 as of June 30, 2015.

Net Position – PERF (Dollars in Thousands)

	PERF A	PERF B	PERF C			
	Agent	Cost-Sharing Schools	Cost-Sharing Public Agencies	2015 PERF Total	2014 PERF Total	Increase/ (Decrease)
ASSETS						
Cash, Cash Equivalents, & Receivables	\$2,476,519	\$510,687	\$207,708	\$3,194,914	\$2,893,301	\$301,613
Investments	219,644,563	56,663,341	24,812,497	301,120,401	301,483,905	(363,504)
Securities Lending Collateral	7,849,378	2,024,962	886,718	10,761,058	17,249,281	(6,488,223)
Capital Assets, Net, & Other Assets	515,525	132,967	58,165	706,657	701,798	4,859
Total Assets	\$230,485,985	\$59,331,957	\$25,965,088	\$315,783,030	\$322,328,285	(\$6,545,255)
LIABILITIES						
Retirement Benefits, Investment Settlement, & Other	\$1,693,014	\$397,002	\$172,442	\$2,262,458	\$3,477,363	(\$1,214,905)
Securities Lending Obligations	7,846,825	2,023,889	885,340	10,756,054	17,089,383	(6,333,329)
Total Liabilities	\$9,539,839	\$2,420,891	\$1,057,782	\$13,018,512	\$20,566,746	(\$7,548,234)
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	\$220,946,146	\$56,911,066	\$24,907,306	\$302,764,518	\$301,761,539	\$1,002,979

Changes in Net Position – PERF (Dollars in Thousands)

	PERF A	PERF B	PERF C			
	Agent	Cost-Sharing Schools	Cost-Sharing Public Agencies	2015 PERF Total	2014 PERF Total	Increase/ (Decrease)
ADDITIONS						
Member Contributions	\$2,672,201	\$773,580	\$278,529	\$3,724,310	\$3,775,038	(\$50,728)
Employer Contributions	7,896,921	1,323,090	859,456	10,079,467	8,777,602	1,301,865
Net Investment Income	4,791,175	1,249,049	537,905	6,578,129	45,471,821	(38,893,692)
Securities Lending & Other Income	91,360	23,316	10,192	124,868	126,223	(1,355)
Plan to Plan Resource Movement	404,295	26	65,367	469,688	—	469,688
Total Additions	\$15,855,952	\$3,369,061	\$1,751,449	\$20,976,462	\$58,150,684	(\$37,174,222)
DEDUCTIONS						
Retirement, Death, & Survivor Benefits	\$14,274,622	\$3,243,007	\$1,404,663	\$18,922,292	\$17,760,584	\$1,161,708
Refund of Contributions	130,456	91,074	19,093	240,623	236,968	3,655
Plan to Plan Resource Movement	65,254	71,486	332,948	469,688	—	469,688
Administrative Expenses	248,789	64,124	27,967	340,880	381,497	(40,617)
Total Deductions	\$14,719,121	\$3,469,691	\$1,784,671	\$19,973,483	\$18,379,049	\$1,594,434
INCREASE (DECREASE) IN NET POSITION	\$1,136,831	(\$100,630)	(\$33,222)	\$1,002,979	\$39,771,635	(\$38,768,656)
NET POSITION RESTRICTED FOR PENSION BENEFITS						
Beginning of Year	\$219,809,315	\$57,011,696	\$24,940,528	\$301,761,539	\$261,989,904	\$39,771,635
End of Year	\$220,946,146	\$56,911,066	\$24,907,306	\$302,764,518	\$301,761,539	\$1,002,979

OTHER DEFINED BENEFIT PLANS

LEGISLATORS' RETIREMENT FUND (LRF)

The LRF provides retirement benefits to California Legislators elected to office before November 7, 1990, and to constitutional, legislative, and statutory officers elected or appointed prior to January 1, 2013. The number of LRF members has been declining as eligible incumbent Legislators leave office and are replaced by those ineligible to participate in the LRF. Actuarially determined contributions will continue to be made by the State of California to supplement the existing assets until all benefit obligations have been fulfilled.

The net position of the LRF decreased by \$8.9 million or 6.8 percent compared to the prior year. Net investment loss was \$0.1 million, a decrease of \$15.5 million or 100.8 percent in the Fiscal Year 2014-15 primarily due to slow global economic growth and increased short-term market volatility. The LRF recognized a MWRR of negative 0.1 percent for Fiscal Year 2014-15 compared to 12.9 percent for Fiscal Year 2013-14. Securities lending collateral decreased \$5.1 million or 59.2 percent and securities lending obligations decreased \$5.0 million or 58.8 percent, as a result of an increase in the amount of noncash collateral provided in comparison to cash collateral.

Additions to LRF net position other than net investment income/(loss) are primarily employer and member contributions. The employer contribution rate was increased from 38.4 percent in the the prior year to 42.3 percent for the Fiscal Year 2014-15, resulting in a slight increase to employer contributions of \$25 thousand or 4.4 percent.

Deductions to the LRF are primarily comprised of benefit payments, refunds, and administrative expenses. Total deductions increased by \$1.6 million or 20.9 percent due to an increase of \$1.7 million in total refunds of contributions for Fiscal Year 2014-15.

JUDGES' RETIREMENT FUND (JRF)

The JRF provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges appointed or elected before November 9, 1994. The State of California does not pre-fund the benefits for this fund. The benefits are funded on a pay-as-you-go basis.

For the Fiscal Year 2014-15, employer, member, and state "balancing contributions" as a whole decreased \$11.1 million or 5.7 percent, primarily due to a decrease in the State General Fund contributions. In previous years, monthly State General Fund contributions exceeded monthly benefit payments to retired judges, which created a surplus cash balance in the JRF. In the current Fiscal Year, the General Fund contribution amount was reduced in order to decrease this surplus.

JUDGES' RETIREMENT FUND II (JRF II)

The JRF II provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges first appointed or elected on or after November 9, 1994.

The net position of the JRF II increased by \$70.3 million or 6.9 percent compared to the prior year. Securities lending collateral decreased \$32.6 million or 41.7 percent and securities lending obligations decreased \$31.9 million or 41.2 percent, as a result of an increase in the amount of noncash collateral provided in comparison to cash collateral.

Additions to JRF II net position restricted for benefits include employer and member contributions, as well as investment income/(loss). Member contributions increased \$1.8 million or 9.0 percent due to an annual salary adjustment, while employer contributions increased \$8.6 million or 15.1 percent due to a higher contribution rate. The number of active members who contribute increased from 1,396 as of June 30, 2014 to 1,470 as of June 30, 2015. For the Fiscal Year 2014-15, the fund had a net investment loss of \$2.9 million, a decrease of \$152.5 million or 101.9 percent. Similar to other funds, the decrease was largely due to slowed economic growth, as well as negative returns from global equity securities. Additionally, the JRF II recognized a MWRR of negative 0.2 percent for Fiscal Year 2014-15 compared to 18.3 percent for Fiscal Year 2013-14.

Deductions from the JRF II are comprised of benefit payments, refund of contributions to members and beneficiaries, and costs of administering the JRF II. Current year benefit payments increased \$5.2 million or 58.2 percent due to a higher number of benefit recipients from 73 in Fiscal Year 2013-14 to 107 in Fiscal Year 2014-15.

Net Position – Other Defined Benefit Plan Funds (Dollars in Thousands)

	LRF			JRF			JRF II		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)
ASSETS									
Cash, Cash Equivalents, & Receivables	\$150	\$632	(\$482)	\$2,434	\$3,002	(\$568)	\$7,321	\$10,984	(\$3,663)
Investments	122,222	130,553	(8,331)	39,734	55,087	(15,353)	1,077,748	1,002,770	74,978
Securities Lending Collateral	3,497	8,581	(5,084)	—	—	—	45,466	78,033	(32,567)
Total Assets	\$125,869	\$139,766	(\$13,897)	\$42,168	\$58,089	(\$15,921)	\$1,130,535	\$1,091,787	\$38,748
LIABILITIES									
Retirement Benefits, Investment Settlement, & Other	\$894	\$892	\$2	\$991	\$890	\$101	\$809	\$470	\$339
Securities Lending Obligations	3,506	8,520	(5,014)	—	—	—	45,584	77,478	(31,894)
Total Liabilities	\$4,400	\$9,412	(\$5,012)	\$991	\$890	\$101	\$46,393	\$77,948	(\$31,555)
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	\$121,469	\$130,354	(\$8,885)	\$41,177	\$57,199	(\$16,022)	\$1,084,142	\$1,013,839	\$70,303

Changes in Net Position – Other Defined Benefit Plan Funds (Dollars in Thousands)

	LRF			JRF			JRF II		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)
ADDITIONS									
Member Contributions	\$105	\$113	(\$8)	\$3,877	\$4,724	(\$847)	\$22,242	\$20,413	\$1,829
Employer Contributions	590	565	25	180,910	191,148	(10,238)	65,629	57,027	8,602
Net Investment Income/(Loss)	(125)	15,332	(15,457)	88	54	34	(2,863)	149,679	(152,542)
Securities Lending & Other Income	31	40	(9)	2,198	2,529	(331)	462	489	(27)
Total Additions	\$601	\$16,050	(\$15,449)	\$187,073	\$198,455	(\$11,382)	\$85,470	\$227,608	(\$142,138)
DEDUCTIONS									
Retirement, Death, & Survivor Benefits	\$7,393	\$7,482	(\$89)	\$201,734	\$193,925	\$7,809	\$14,024	\$8,865	\$5,159
Refund of Contributions	1,693	—	1,693	134	10	124	16	85	(\$69)
Administrative Expenses	400	362	38	1,227	1,141	86	1,127	785	\$342
Total Deductions	\$9,486	\$7,844	\$1,642	\$203,095	\$195,076	\$8,019	\$15,167	\$9,735	\$5,432
INCREASE (DECREASE) IN NET POSITION	(\$8,885)	\$8,206	(\$17,091)	(\$16,022)	\$3,379	(\$19,401)	\$70,303	\$217,873	(\$147,570)
NET POSITION RESTRICTED FOR PENSION BENEFITS									
Beginning of Year	\$130,354	\$122,148	\$8,206	\$57,199	\$53,820	\$3,379	\$1,013,839	\$795,966	\$217,873
End of Year	\$121,469	\$130,354	(\$8,885)	\$41,177	\$57,199	(\$16,022)	\$1,084,142	\$1,013,839	\$70,303

ASSET LIABILITY MANAGEMENT – DEFINED BENEFIT PLANS

CalPERS continues to assess asset allocation and risk management through the ALM process. CalPERS’ Investment Office, Actuarial Office, and Financial Office worked together to provide an integrated view of assets and liabilities so that financial risks to the System can be better understood, communicated, and managed.

To establish appropriate levels of risk, ALM is focused on investment and actuarial policies and key decision factors that could drive an optimum asset allocation while stabilizing employer rates and the volatility of those rates year to year. ALM is designed to improve the sustainability and soundness of the fund.

The CalPERS Board of Administration met in February and May of 2015 to continue discussions on ALM, which began in 2012. The goal is to achieve 100 percent funding at an acceptable level of risk. Reducing the risk in the funding of the System will involve tradeoffs between short- and long-term priorities.

At the May 2015 workshop, two mitigation strategies that could be used to reduce risk were presented. These strategies were based on the fundamental premise of lowering the discount rate and expected investment volatility following a strong investment return, including checkpoints over time that could trigger additional asset allocation changes and lowering of the discount rate if investment returns did not result in a sufficient reduction in volatility.

Following more stakeholder outreach, it is expected that CalPERS will present a formal policy on a strategy in the coming year that will be based on stakeholder response and direction from the Board.

Based on the ALM process, in February 2014 the Board adopted strategic asset allocation targets effective July 1, 2014. In June 2015, the Board adopted new interim targets for the PERF. The new target allocation weights are effective July 1, 2015, and will remain in use at the discretion of the Board and will be reviewed on an annual basis.

PERF Target Asset Allocation Changes

Asset Class	Current Target Allocation	New Target Allocation	Change
Global Equity	51%	51%	0%
Global Debt Securities	19%	20%	(1%)
Inflation Sensitive	6%	6%	0%
Private Equity	10%	10%	0%
Real Assets	12%	12%	0%
Liquidity	2%	1%	1%

FUNDING ANALYSIS – DEFINED BENEFIT PLANS

In February 2014, the CalPERS Board made important decisions regarding the funding of pension benefits at CalPERS. Specifically, the Board adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of investment returns while holding the PERF’s long-term assumed rate of return at 7.5 percent. The Board also adopted more significant changes to the actuarial assumptions, most importantly, the inclusion of future mortality improvements in the actuarial assumptions. Finally, the Board approved a financing method that determines when and how quickly these changes will impact employer contributions.

The actuarial assumptions adopted by the CalPERS Board are designed to ensure greater sustainability and soundness of the defined benefit plans, and will be better at predicting future experience resulting in more secure retirement benefits in the decades to come. The current experience study was completed and adopted by the Board in April 2014, and is based on demographic CalPERS data from 1997 to 2011. The study focused on recent patterns of termination, death, disability, retirement, and salary increases. For the LRF, JRF, JRF II, and state plans, the new assumptions were implemented in the June 30, 2013, valuation, setting the employer contribution rates for Fiscal Year 2014-15. These new assumptions will apply beginning with the June 30, 2015, valuation for the schools pool, setting the employer contribution rate for the Fiscal Year 2016-17. For public agencies, the new assumptions applied to the June 30, 2014, valuations, which set rates for the Fiscal Year 2016-17. Note that the net pension liabilities in this report incorporate the impact of the change in actuarial assumptions adopted by the Board.

In April 2013, the CalPERS Board approved new actuarial policies that included a rate-smoothing method with a 30-year fixed amortization period for gains and losses. The amortization has a five-year ramp-up of rates at the start and a five-year ramp-down at the end. Over time, the proposed methods are designed to improve funding levels and help to reduce overall funding level risk. These new policies were applied beginning with the June 30, 2014, valuation for the LRF, JRF, JRF II, state plans, and schools pool, setting employer contribution rates for the Fiscal Year 2015-16. For public agencies, the new policies applied in the June 30, 2013, valuations, setting rates for the Fiscal Year 2015-16.

The JRF is funded on a “pay-as-you-go” basis, where short-term investments, contributions received during the year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the plan does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in the Fiscal Year 2015-16.

As of June 30, 2014, the funded status of the PERF was 76.3 percent. The funded status as of June 30, 2015, is estimated to decrease to about 73.3 percent as a result of the investment return in Fiscal Year 2014-15. As of June 30, 2014, the funded status of the JRF II was 106.6 percent. The funded status as of June 30, 2015, is estimated to decrease to about 99.6 percent, mostly as a result of the investment return in Fiscal Year 2014-15. As of June 30, 2014, the funded status of the LRF was 117.1 percent. The funded status as of June 30, 2015, is estimated to decrease to about 111.0 percent, mostly as a result of the investment return in Fiscal Year 2014-15. All these funded statuses were calculated based on the market value of assets used in actuarial valuations that set funding requirements for employers.

Under the requirements of GASB 67, there is a difference between the pension costs that must be reported in financial statements and pension contributions established as part of funding valuations. The Actuarial Section included in the report provides actuarial information that was derived for purposes of establishing the funding requirements of employers for which CalPERS administers retirement benefits.

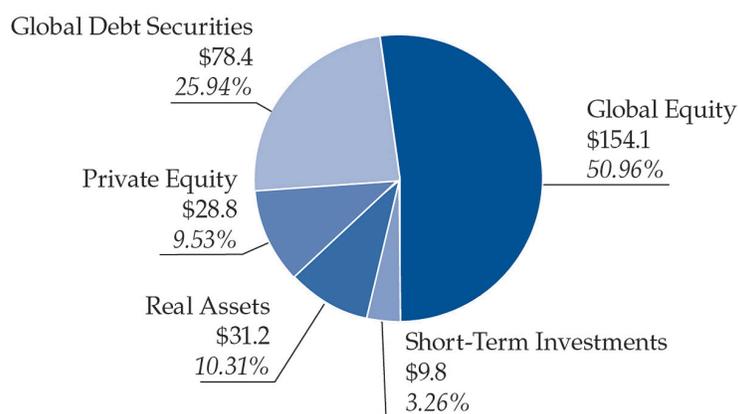
Assets used for GASB 67 financial reporting purposes are slightly greater than assets used for funding requirements as they include amounts for deficiency reserves, fiduciary self-insurance, and OPEB expenses, which creates differences in plan assets reported in the funding actuarial valuation report. We are required to report Plan Fiduciary Net Position as a Percentage of Total Pension Liability for the cost-sharing multiple employer plans, PERF B and PERF C, and for the single-employer pension plans, LRF, JRF, and JRF II. Similar to assets, the discount rate used in the PERF for financial reporting is different compared to the rate used for funding due to the treatment of administrative expenses. The financial reporting discount rate of 7.65 percent used in the PERF is not reduced for administrative expenses, which adds 15 basis

points to the funding discount rate of 7.50 percent. The LRF and JRF II use a discount rate for financial reporting purposes, gross of administrative expenses, of 6.00 percent and 7.15 percent, respectively. JRF uses 3.82 percent for financial reporting purposes. As of June 30, 2015, the Plan Fiduciary Net Position as a Percentage of Total Pension Liability is 79.4 percent for PERF B, 78.3 percent for PERF C, 113.8 percent for LRF, 1.2 percent for JRF, and 101.0 percent for JRF II.

INVESTMENTS – DEFINED BENEFIT PLANS

CalPERS’ general investment goals are broad in nature. The overall objective of CalPERS’ investment program is to provide members and beneficiaries with benefits as required by law. This will be accomplished through a carefully planned and executed long-term investment program that efficiently and effectively allocates and manages the assets of CalPERS. CalPERS’ investment policies have been designed to allow CalPERS to achieve a long-term total return. Prudent risk-taking is appropriate within the context of overall diversification to meet CalPERS’ long-term investment objectives. The assets of CalPERS will be broadly diversified to minimize the effect of short-term losses within any investment program.

The following chart illustrates the investment holdings (dollars in billions) in the defined benefit plans as of June 30, 2015:



DEFINED CONTRIBUTION PLANS

STATE PEACE OFFICERS' & FIREFIGHTERS' DEFINED CONTRIBUTION PLAN FUND (SPOFF)

Effective April 2011, the State suspended contributing on behalf of eligible rank-and-file positions, and effective May 2011, the State suspended contributing on behalf of eligible supervisors, management, and exempt positions. Senate Bill 227 and Assembly Bill 611 were signed by the Governor in October 2013 and September 2014, respectively. Legislation terminated the State Peace Officers' and Firefighters' Defined Contribution Plan, effective June 1, 2014, upon obtaining the appropriate approvals from the IRS in September 2014. The termination required distributions of participant's money in the State Peace Officers' and Firefighters' Defined Contribution Plan in accordance with state and federal law and designated the SCPF as the default plan for participants who did not make an affirmative election to take a distribution. As of June 30, 2015, some asset balances remained with the SPOFF as reserves held for possible future legacy expenses, excess employer contributions to be discharged, and interest earned.

The net position of the SPOFF decreased by \$517.0 million or 98.9 percent, which was mainly attributable to withdrawals and transfers from the fund. Participant withdrawals increased \$472.0 million, from \$37.6 million as of Fiscal Year 2013-14 to \$509.6 million as of Fiscal Year 2014-15 due to termination of the SPOFF. Additionally, the fund recognized a net investment loss of \$7.6 million prior to termination, which is a decrease of \$76.2 million due to unfavorable market conditions.

SUPPLEMENTAL CONTRIBUTIONS PROGRAM FUND (SCPF)

The SCPF was established effective January 1, 2000, to provide supplemental retirement benefits to members of CalPERS and is entirely member funded. The SCPF was designated as the default rollover plan for \$127.5 million in assets that were not withdrawn or transferred from the SPOFF as of March 16, 2015.

The net position of the SCPF increased to \$113.3 million or 550.9 percent due to the transfer of SPOFF assets into the fund. Member contributions increased by \$127.6 million, from \$0.2 million as of Fiscal Year 2013-14 to \$127.8 million as of Fiscal Year 2014-15.

SCPF deductions reflect withdrawals made by former SPOFF participants subsequent to the termination date. As such, participant withdrawals increased \$14.8 million, from \$1.0 million as of Fiscal Year 2013-14 to \$15.8 million as of Fiscal Year 2014-15.

PUBLIC EMPLOYEES' DEFERRED COMPENSATION FUND (DCF)

The DCF is available to public agencies and school districts within the State of California, and is established to provide a deferred compensation plan.

The net position of the DCF increased by \$52.8 million or 4.1 percent. Although overall net position increased in Fiscal Year 2014-15, there was a decreased rate of growth compared to the prior year. Total additions to the DCF decreased by \$156.2 million or 51.7 percent primarily due to a decrease in net investment income as a result of unfavorable market conditions.

Total deductions decreased by \$8.2 million or 8.1 percent due to a decrease in participant withdrawals from the plan.

Net Position – Defined Contribution Plan Funds (Dollars in Thousands)

	SPOFF			DCF			SCPF		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)	2015	2014	Increase
ASSETS									
Cash, Cash Equivalents, & Receivables	\$1,078	\$7	\$1,071	\$13,687	\$12,097	\$1,590	\$13	\$12	\$1
Investments	5,738	523,425	(517,687)	1,328,182	1,277,661	50,521	134,125	20,587	113,538
Total Assets	\$6,816	\$523,432	(\$516,616)	\$1,341,869	\$1,289,758	\$52,111	\$134,138	\$20,599	\$113,539
LIABILITIES									
Retirement Benefits, Investment Settlement, & Other	\$1,234	\$805	\$429	\$2,299	\$2,945	(\$646)	\$259	\$30	\$229
Total Liabilities	\$1,234	\$805	\$429	\$2,299	\$2,945	(\$646)	\$259	\$30	\$229
TOTAL NET POSITION RESTRICTED FOR PENSION BENEFITS	\$5,582	\$522,627	(\$517,045)	\$1,339,570	\$1,286,813	\$52,757	\$133,879	\$20,569	\$113,310

Changes in Net Position – Defined Contribution Plan Funds (Dollars in Thousands)

	SPOFF			DCF			SCPF		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)
ADDITIONS									
Member Contributions	\$81	\$103	(\$22)	\$106,272	\$131,900	(\$25,628)	\$127,833	\$160	\$127,673
Employer Contributions	802	43	759	783	698	85	—	—	—
Net Investment Income/(Loss)	(7,598)	68,597	(76,195)	32,735	164,384	(131,649)	1,058	2,077	(1,019)
Securities Lending & Other Income	865	1,683	(818)	6,260	5,258	1,002	305	111	194
Total Additions	(\$5,850)	\$70,426	(\$76,276)	\$146,050	\$302,240	(\$156,190)	\$129,196	\$2,348	\$126,848
DEDUCTIONS									
Administrative Expenses	\$1,601	\$1,556	\$45	\$4,320	\$4,101	\$219	\$135	\$62	\$73
Participant Withdrawals	509,594	37,585	472,009	88,973	97,388	(8,415)	15,751	1,013	14,738
Total Deductions	\$511,195	\$39,141	\$472,054	\$93,293	\$101,489	(\$8,196)	\$15,886	\$1,075	\$14,811
INCREASE (DECREASE) IN NET POSITION	(\$517,045)	\$31,285	(\$548,330)	\$52,757	\$200,751	(\$147,994)	\$113,310	\$1,273	\$112,037
NET POSITION RESTRICTED FOR PENSION BENEFITS									
Beginning of Year	\$522,627	\$491,342	\$31,285	\$1,286,813	\$1,086,062	\$200,751	\$20,569	\$19,296	\$1,273
End of Year	\$5,582	\$522,627	(\$517,045)	\$1,339,570	\$1,286,813	\$52,757	\$133,879	\$20,569	\$113,310

OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBTFF)

The CERBTFF is a trust for employers to pre-fund health, dental, and other non-pension benefits promised to employees when they retire. In May 2014, the Actuarial Standards Board adopted revisions to ASOP 6 to essentially eliminate the "community rating exemption." The effect of this change to the actuarial standard is that for any OPEB valuation dated on or after March 31, 2015, the actuary must use, with limited exceptions, the "age-adjusted" rates when calculating the employer OPEB actuarial accrued liability. For many employers, including the participating employers in the California Employers' Retiree Benefit Trust program, whose OPEB actuarial accrued liability is currently calculated based on a community-rated blended premium, their OPEB actuarial accrued liability could increase substantially.

Net position restricted for OPEB benefits on June 30, 2015, increased \$603.6 million or 15.5 percent primarily due to greater employer contributions from a rising number of participating employers, 427 in the prior year compared to 462 at June 30, 2015 (representing 466 OPEB plans). Securities lending collateral decreased \$11.3 million or 18.6 percent and securities lending obligations decreased \$10.7 million or 17.8 percent, as a result of an increase in the amount of noncash collateral provided in comparison to cash collateral.

Additions to the CERBTFF net position restricted for OPEB benefits are primarily made up of employer contributions and net investment income/(loss). Employer contributions increased \$33.0 million or 2.0 percent primarily due to the rise in participating employers. During the Fiscal Year 2014-15, the fund experienced a net investment loss of \$14.0 million, a decrease of \$529.5 million or 102.7 percent from prior fiscal year. The decrease resulted from slowed economic growth and negative investment returns on securities.

Deductions from the CERBTFF net position restricted for OPEB benefits increased \$78.7 million or 7.7 percent, due to additional employer participants in the trust. Deductions for administrative expenses totaled \$2.0 million. The amounts reported for contributions and reimbursements include \$1.0 billion for benefit payments made directly by employers to providers outside the trust, which are required to be reported in the CERBTFF in accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

The funded status as of June 30, 2014, the most recent actuarial valuation, is 10.8 percent and the actuarial accrued liabilities exceeded the actuarial value of assets by approximately \$30.8 billion.

Employers can select from three strategies to invest their assets. During Fiscal Year 2014-15, the conservative option, which is time-weighted, and the intermediate risk option had negative investment returns of less than 0.1 percent and 0.3 percent, respectively, while the growth option had a loss of 0.1 percent.

Net Position – Other Post-Employment Benefit Trust Fund (Dollars in Thousands)

	CERBTFF		
	2015	2014	Increase/ (Decrease)
ASSETS			
Cash, Cash Equivalents, & Receivables	\$55,039	\$107,598	(\$52,559)
Investments	4,473,719	3,810,731	662,988
Securities Lending Collateral	49,260	60,551	(11,291)
Total Assets	\$4,578,018	\$3,978,880	\$599,138
LIABILITIES			
Other Post-Employment Benefits, Investment Settlement, & Other	\$36,285	\$30,000	\$6,285
Securities Lending Obligations	49,389	60,120	(10,731)
Total Liabilities	\$85,674	\$90,120	(\$4,446)
TOTAL NET POSITION RESTRICTED FOR OPEB BENEFITS	\$4,492,344	\$3,888,760	\$603,584

Changes in Net Position – Other Post-Employment Benefit Trust Fund (Dollars in Thousands)

	CERBTFF		
	2015	2014	Increase/ (Decrease)
ADDITIONS			
Employer Contributions	\$1,714,060	\$1,681,053	\$33,007
Investment Income/(Loss)	(13,988)	515,507	(\$529,495)
Securities Lending & Other Income	4,932	4,483	449
Total Additions	\$1,705,004	\$2,201,043	(\$496,039)
DEDUCTIONS			
Administrative Expenses	\$2,044	\$1,786	\$258
Reimbursements	1,099,376	1,020,924	78,452
Total Deductions	\$1,101,420	\$1,022,710	\$78,710
DECREASE IN NET POSITION	\$603,584	\$1,178,333	(\$574,749)
NET POSITION RESTRICTED FOR OPEB BENEFITS			
Beginning of Year	\$3,888,760	\$2,710,427	\$1,178,333
End of Year	\$4,492,344	\$3,888,760	\$603,584

ENTERPRISE FUNDS

PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF) AND PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The HCF accounts for the activities of the CalPERS self-insured health care programs. Health premiums are collected from employers and members and used to directly pay for medical services and pharmaceutical usage. The CRF was established to fund administrative costs related to the CalPERS health care programs and to provide a contingency reserve for potential increases in future health care premium rates or health care benefit costs. The HCF and CRF statements and schedules are combined to give a better overview of the health programs administered by CalPERS.

In 2014, CalPERS implemented three improvements to its health program: expanded health plan offerings, made risk adjustments, and added flex-funding options to obtain greater transparency in health plan operations that reduce costs. Continuing the effort to offer more options to members in 2015, Anthem Blue Cross added an Exclusive Provider Organization health plan in Del Norte County, while UnitedHealthcare expanded its coverage area to San Joaquin and Solano counties.

CalPERS developed an alternative approach outside its current Medicare plan offerings. The option of a single, non-Kaiser Health Maintenance Organization (HMO) Medicare plan provided by one carrier has the potential to reduce costs for members and employers. The plan would allow members to receive care from any willing Medicare provider in California and across the country. It would provide the same coverage as Medicare Parts A, B, and D, and include a comprehensive national network of contracted health care providers.

In January 2014, a Wind-Down Agreement was signed between CalPERS and Blue Shield of California after the Agreement for Group Coverage expired. The Agreement required the establishment of an escrow account to handle post-termination rollover disbursement obligations. In 2014, both CalPERS and Blue Shield of California transferred funds into the escrow account per the Agreement. The escrow account is expected to remain open through December 2015 for final reconciliation and disbursement.

The net position of the HCF and CRF decreased \$164.1 million or 37.0 percent, due to an increase in claim and administrative expenses with the implementation of the flex-funded HMO plans.

Revenues related to the HCF and CRF include premiums collected from members and employers, federal subsidies, investment income (non-operating revenues), and administrative fees collected to administer the plans. Premiums collected increased \$850.0 million or 31.0 percent primarily due to a full year of flex-funded health program premiums in Fiscal Year 2014-15 in comparison to only six months in Fiscal Year 2013-14. Net investment income decreased \$8.2 million or 39.3 percent due to a decreased rate of return. Fees collected for administering the fund are determined as a percentage of total active and retired health premiums. These fees increased by \$1.8 million or 7.3 percent due to an increase in the administrative rate to 0.34 percent in Fiscal Year 2014-15 compared to 0.33 percent in Fiscal Year 2013-14.

Expenses are comprised of claims, investment fees, and costs incurred to oversee the plans. Similar to premiums collected, claims expense increased \$962.0 million or 39.3 percent, primarily due to a full year of flex-funded health program activity in Fiscal Year 2014-15. Costs incurred to administer the plans grew by \$179.8 million or 81.0 percent due to an increase in the Affordable Care Act (ACA) tax payments. ACA taxes are comprised of both annual fees billed to health insurance providers as well as reinsurance program fees owed to the Patient-Centered Outcomes Research Institute.

PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

The LTCF helps to provide financial protection to active participants from the high cost of eligible covered services caused by chronic illness, injury, or old age. Long-term care products reimburse the cost for covered personal care (activities of daily living) services such as bathing, dressing, toileting, transferring, continence, and eating, which are not typically covered by traditional health insurance or Medicare.

Long-term care participation is voluntary, and benefits are funded by member premiums and the LTCF investment income. The LTCF is continuously appropriated under the exclusive control of the Board for the exclusive benefit of participants in the program.

In 2014, the LTCF enhanced its website allowing for participants to apply online and make premium payments by credit card. Additionally, the preferred provider network was expanded to all of California, and the Transition Care Pilot (which seeks to reduce hospital readmission rates) was rolled out to 400 participants.

The three-year Stabilization and Open Application Period Project, which aims to stabilize and sustain the LTCF, closed at the end of December 2014. The Project's strategies included changing the investment asset allocation, reducing the discount rate, discontinuing the 5.0 percent rate increase in 2014, smoothing the 2015-16 rate increase of 85 percent over

two years, providing new policy conversion options in lieu of the 85 percent rate increase, and reopening the LTCF to new participants.

Unrestricted net position of the LTCF decreased by \$349.6 million or 45.8 percent, primarily due to a negative investment return as a result of slow economic growth.

The LTCF revenues to administer the plan include premiums collected from participants and investments income. Participation in the plan decreased by 2.6 percent due mainly to participant death but also coverage cancellations, non-payment of premiums, and exhaustion of benefits. This directly impacted the premium revenue, which decreased by \$14.2 million or 5.0 percent. Non-operating revenues are comprised of net appreciation or depreciation in fair value of investments and interest income. The investment loss for the year was \$36.6 million, a decrease of \$429.9 million or 109.3 percent from the prior year.

Total expenses are comprised of claims, changes in estimated future claims liabilities, and administrative costs to the program. The overall decrease in total expenses is primarily attributable to reduced expenses for estimated future liabilities.

Net Position – Enterprise Funds (Dollars in Thousands)

	HCF/CRF			LTCF		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)
ASSETS						
Current Assets & Receivables	\$1,119,915	\$1,005,480	\$114,435	\$23,963	\$18,912	\$5,051
Investments	420,753	410,262	10,491	4,110,434	4,148,188	(37,754)
Loan Receivable	4,500	13,500	(9,000)	—	—	—
Total Assets	\$1,545,168	\$1,429,242	\$115,926	\$4,134,397	\$4,167,100	(\$32,703)
LIABILITIES						
Insurance Premiums, Claims Payable, & Estimated Insurance Claims Due	\$1,148,284	\$835,777	\$312,507	\$301,759	\$274,757	\$27,002
Member & Employer Premium Payable	50,234	49,370	864	—	—	—
Other Liabilities	67,206	100,537	(33,331)	26,090	21,766	4,324
Estimated Liability for Future Policy Benefits	—	—	—	3,392,876	3,107,329	285,547
Total Liabilities	\$1,265,724	\$985,684	\$280,040	\$3,720,725	\$3,403,852	\$316,873
TOTAL UNRESTRICTED NET POSITION	\$279,444	\$443,558	(\$164,114)	\$413,672	\$763,248	(\$349,576)

Changes in Net Position – Enterprise Funds (Dollars in Thousands)

	HCF/CRF			LTCF		
	2015	2014	Increase/ (Decrease)	2015	2014	Increase/ (Decrease)
REVENUES						
Premiums	\$3,594,279	\$2,744,305	\$849,974	\$272,362	\$286,571	(\$14,209)
Federal Government Subsidies	36,077	43,900	(7,823)	—	—	—
Non-Operating Revenues (Loss)	12,653	20,846	(8,193)	(36,550)	393,354	(429,904)
Administrative Fees & Other	26,712	24,899	1,813	—	—	—
Securities Lending Income	—	15	(15)	—	—	—
Total Revenues	\$3,669,721	\$2,833,965	\$835,756	\$235,812	\$679,925	(\$444,113)
EXPENSES						
Claims Expense	\$3,411,618	\$2,449,655	\$961,963	\$248,785	\$225,691	\$23,094
Increase in Estimated Liabilities	20,484	173,796	(153,312)	310,565	345,547	(34,982)
Non-Operating Expenses	83	160	(77)	1,734	1,615	119
Administrative Expenses	401,650	221,878	179,772	24,304	22,946	1,358
Total Expenses	\$3,833,835	\$2,845,489	\$988,346	\$585,388	\$595,799	(\$10,411)
INCREASE (DECREASE) IN UNRESTRICTED NET POSITION	(\$164,114)	(\$11,524)	(\$152,590)	(\$349,576)	\$84,126	(\$433,702)
UNRESTRICTED NET POSITION						
Beginning of Year	\$443,558	\$455,082	(\$11,524)	\$763,248	\$679,122	\$84,126
End of Year	\$279,444	\$443,558	(\$164,114)	\$413,672	\$763,248	(\$349,576)

REQUESTS FOR INFORMATION

This Financial Report is designed to provide a general overview of CalPERS finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CalPERS Financial Office, P.O. Box 942703, Sacramento, CA, 94229-2703, or by calling **888 CalPERS** (or 888-225-7377).

Respectfully Submitted,

A black rectangular redaction box covering the signature of Cheryl Eason.

Cheryl Eason, MBA, CPA (Can), CGA, RPA, DMC
Chief Financial Officer

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\$19.4
BILLION

**Pension
Benefits**
paid to retirees
and beneficiaries

12

PENSION FUNDS

CERBTF • CRF • DCF • HCF • JRF
JRF II • LRF • LTCF • PERF
RBF • SCPF • SPOFF



Basic Financial Statements

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS

As of June 30, 2015, with Comparative Totals as of June 30, 2014 (Dollars in Thousands)

	Pension Trust Funds					
	PERF A	PERF B	PERF C			
	Agent	Schools Cost-Sharing	Public Agency Cost-Sharing	LRF	JRF	JRF II
ASSETS						
Cash & Cash Equivalents	\$522,073	\$134,655	\$58,904	\$0	\$1	\$1
Receivables						
Members	\$709,777	\$105,371	\$58,813	\$78	\$877	\$150
Employers	805,992	157,514	40,496	37	1,260	6,995
Investment Sales & Other	214,946	55,440	24,252	4	—	79
Interest & Dividends	165,799	42,764	18,707	—	15	6
Due from Other Funds	5,903	1,523	666	26	230	64
Other Program	52,029	13,420	5,870	5	51	26
Total Receivables	\$1,954,446	\$376,032	\$148,804	\$150	\$2,433	\$7,320
Investments, at Fair Value						
Short-Term Investments	\$7,148,861	\$1,844,245	\$807,582	\$761	\$39,734	\$8,309
Global Equity Securities	111,920,093	28,872,859	12,643,231	38,208	—	614,393
Global Debt Securities	56,814,314	14,656,811	6,418,119	83,253	—	455,046
Real Assets	22,747,425	5,868,322	2,569,699	—	—	—
Debt on Real Assets	—	—	—	—	—	—
Private Equity	21,013,870	5,421,104	2,373,866	—	—	—
Total Investments	\$219,644,563	\$56,663,341	\$24,812,497	\$122,222	\$39,734	\$1,077,748
Securities Lending Collateral	\$7,849,378	\$2,024,962	\$886,718	\$3,497	\$0	\$45,466
Capital Assets, Net & Other Assets	515,525	132,967	58,165	—	—	—
TOTAL ASSETS	\$230,485,985	\$59,331,957	\$25,965,088	\$125,869	\$42,168	\$1,130,535
LIABILITIES						
Retirement & Other Benefits	\$1,209,543	\$275,533	\$119,343	\$603	\$0	\$0
Investment Purchases & Other	237,715	61,313	26,821	1	—	18
Due to Members, Public Agencies, State, & Schools	4,375	—	—	4	24	1
Securities Lending Obligations	7,846,825	2,023,889	885,340	3,506	—	45,584
Due to Other Funds	5,483	1,414	619	54	107	384
Management Fees	—	—	—	—	—	—
Other Program	235,898	58,742	25,659	232	860	406
TOTAL LIABILITIES	\$9,539,839	\$2,420,891	\$1,057,782	\$4,400	\$991	\$46,393
NET POSITION – RESTRICTED FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS	\$220,946,146	\$56,911,066	\$24,907,306	\$121,469	\$41,177	\$1,084,142

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements (continued)

Pension Trust Funds			Other Post-Employment Benefit Trust Fund	Agency Fund	Totals	
SPOFF	DCF	SCPF	CERBTF	RBF	2015	2014
\$1	\$0	\$0	\$0	\$0	\$715,635	\$617,199
\$1,076	\$1,707	\$13	\$0	\$2	\$877,864	\$954,252
—	1,897	—	54,694	289	1,069,174	964,772
—	—	—	28	—	294,749	185,014
1	1	—	6	8	227,307	236,389
—	—	—	311	—	8,723	7,260
—	10,082	—	—	—	81,483	64,027
\$1,077	\$13,687	\$13	\$55,039	\$299	\$2,559,300	\$2,411,714
\$5,738	\$223,369	\$30,181	\$50,972	\$10,524	\$10,170,276	\$10,213,014
—	810,953	52,615	2,676,432	—	157,628,784	162,827,714
—	293,860	51,329	1,746,315	—	80,519,047	74,180,154
—	—	—	—	—	31,185,446	29,667,488
—	—	—	—	—	—	(87,134)
—	—	—	—	—	28,808,840	31,512,577
\$5,738	\$1,328,182	\$134,125	\$4,473,719	\$10,524	\$308,312,393	\$308,313,813
\$0	\$0	\$0	\$49,260	\$0	\$10,859,281	\$17,396,446
—	—	—	—	—	706,657	701,798
\$6,816	\$1,341,869	\$134,138	\$4,578,018	\$10,823	\$323,153,266	\$329,440,970
\$0	\$0	\$0	\$34,809	\$0	\$1,639,831	\$1,534,806
—	—	—	7	—	325,875	1,666,068
1,076	944	161	—	10,748	17,333	14,460
—	—	—	49,389	—	10,854,533	17,235,501
56	166	6	502	—	8,791	13,236
19	209	16	282	—	526	2,181
83	980	76	685	75	323,696	293,018
\$1,234	\$2,299	\$259	\$85,674	\$10,823	\$13,170,585	\$20,759,270
\$5,582	\$1,339,570	\$133,879	\$4,492,344	\$0	\$309,982,681	\$308,681,700

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2015, with Comparative Totals for the Fiscal Year Ended June 30, 2014 (Dollars in Thousands)

	Pension Trust Funds					
	PERF A	PERF B	PERF C			
	Agent	Schools Cost-Sharing	Public Agency Cost-Sharing	LRF	JRF	JRF II
ADDITIONS						
Retirement and OPEB Contributions						
Members	\$2,672,201	\$773,580	\$278,529	\$105	\$3,877	\$22,242
Employers	7,896,921	1,323,090	859,456	590	5,717	65,629
State of California General Fund	—	—	—	—	175,193	—
Employer Contributions Direct – OPEB	—	—	—	—	—	—
Employer Contributions Outside of Trust – OPEB	—	—	—	—	—	—
Total Retirement and OPEB Contribution	\$10,569,122	\$2,096,670	\$1,137,985	\$695	\$184,787	\$87,871
Investment Income						
Net Appreciation (Depreciation) in Fair Value of Investments	\$4,269,788	\$1,114,571	\$479,078	(\$72)	\$0	(\$2,432)
Interest & Amortization	(67,846)	(17,499)	(7,655)	1	90	22
Dividends	857,725	221,228	96,775	—	—	—
Real Assets	25,809	6,657	2,912	—	—	—
Private Equity	399,032	102,920	45,022	—	—	—
Other Investment Income	82,134	21,184	9,267	—	—	—
Less Investment Expenses:						
Real Assets	(16,844)	(4,345)	(1,901)	—	—	—
Management & Performance Fees	(606,561)	(156,447)	(68,437)	—	—	—
Other	(152,062)	(39,220)	(17,156)	(54)	(2)	(453)
Net Investment Income/(Loss)	\$4,791,175	\$1,249,049	\$537,905	(\$125)	\$88	(\$2,863)
Securities Lending Income	\$105,739	\$27,273	\$11,930	\$41	\$0	\$608
Securities Lending Expense	(24,510)	(6,322)	(2,765)	(10)	—	(146)
Net Securities Lending	\$81,229	\$20,951	\$9,165	\$31	\$0	\$462
Other Income	\$10,131	\$2,365	\$1,027	\$0	\$2,198	\$0
Plan to Plan Resource Movement	404,295	26	65,367	—	—	—
TOTAL ADDITIONS	\$15,855,952	\$3,369,061	\$1,751,449	\$601	\$187,073	\$85,470
DEDUCTIONS						
Retirement, Death, & Survivor Benefits	\$14,274,622	\$3,243,007	\$1,404,663	\$7,393	\$201,734	\$14,024
Refund of Contributions	130,456	91,074	19,093	1,693	134	16
Plan to Plan Resource Movement	65,254	71,486	332,948	—	—	—
Administrative Expenses	248,789	64,124	27,967	400	1,227	1,127
Participant Withdrawals	—	—	—	—	—	—
OPEB Reimbursements Direct	—	—	—	—	—	—
OPEB Reimbursements – Outside Trust	—	—	—	—	—	—
TOTAL DEDUCTIONS	\$14,719,121	\$3,469,691	\$1,784,671	\$9,486	\$203,095	\$15,167
INCREASE (DECREASE) IN NET POSITION	\$1,136,831	(\$100,630)	(\$33,222)	(\$8,885)	(\$16,022)	\$70,303
NET POSITION – RESTRICTED FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS						
Beginning of Year	\$219,809,315	\$57,011,696	\$24,940,528	\$130,354	\$57,199	\$1,013,839
End of year	\$220,946,146	\$56,911,066	\$24,907,306	\$121,469	\$41,177	\$1,084,142

The accompanying notes are an integral part of these financial statements.

Basic Financial Statements (continued)

Pension Trust Funds			Other Post-Employment Benefit Trust Fund	Totals	
SPOFF	DCF	SCPF	CERBTF	2015	2014
\$81	\$106,272	\$127,833	\$0	\$3,984,720	\$3,932,451
802	783	—	—	10,152,988	8,843,002
—	—	—	—	175,193	184,081
—	—	—	687,461	687,461	708,449
—	—	—	1,026,599	1,026,599	972,604
\$883	\$107,055	\$127,833	\$1,714,060	\$16,026,961	\$14,640,587
(\$7,922)	\$30,483	\$1,063	(\$12,420)	\$5,872,137	\$45,325,989
5	482	1	34	(92,365)	596,616
—	—	—	—	1,175,728	1,142,676
—	—	—	—	35,378	144,100
—	—	—	—	546,974	571,873
470	2,265	17	24	115,361	43,373
—	—	—	—	(23,090)	(91,662)
(135)	(428)	(18)	(875)	(832,901)	(1,153,227)
(16)	(67)	(5)	(751)	(209,786)	(192,287)
(\$7,598)	\$32,735	\$1,058	(\$13,988)	\$6,587,436	\$46,387,451
\$0	\$0	\$0	\$196	\$145,787	\$148,974
—	—	—	(54)	(33,807)	(29,687)
\$0	\$0	\$0	\$142	\$111,980	\$119,287
\$865	\$6,260	\$305	\$4,790	\$27,941	\$21,529
—	—	—	—	469,688	—
(\$5,850)	\$146,050	\$129,196	\$1,705,004	\$23,224,006	\$61,168,854
\$0	\$0	\$0	\$0	\$19,145,443	\$17,970,856
—	—	—	—	242,466	237,063
—	—	—	—	469,688	—
1,601	4,320	135	2,044	351,734	391,290
509,594	88,973	15,751	—	614,318	135,986
—	—	—	72,777	72,777	48,320
—	—	—	1,026,599	1,026,599	972,604
\$511,195	\$93,293	\$15,886	\$1,101,420	\$21,923,025	\$19,756,119
(\$517,045)	\$52,757	\$113,310	\$603,584	\$1,300,981	\$41,412,735
\$522,627	\$1,286,813	\$20,569	\$3,888,760	\$308,681,700	\$267,268,965
\$5,582	\$1,339,570	\$133,879	\$4,492,344	\$309,982,681	\$308,681,700

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

As of June 30, 2015, with Comparative Totals as of June 30, 2014 (Dollars in Thousands)

	Proprietary Funds		Totals	
	HCF/CRF	LTCF	2015	2014
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$1	\$2,442	\$2,443	\$353
Short-Term Investments	917,455	2	917,457	829,608
Receivables				
Members, Public Agencies, State, & Schools	\$25,407	\$338	\$25,745	\$48,677
Health Carriers & Pharmacy Benefit Managers	161,115	—	161,115	107,566
Interest & Dividends	653	—	653	454
Due from Other Funds	6,270	760	7,030	11,680
Investment Sales and Other	—	20,421	20,421	17,039
Short-Term Loan	9,000	—	9,000	9,000
Other Receivables	14	—	14	15
Total Receivables	\$202,459	\$21,519	\$223,978	\$194,431
Subtotal Current Assets	\$1,119,915	\$23,963	\$1,143,878	\$1,024,392
Noncurrent Assets				
Investments, at Fair Value				
Global Equity Securities	\$0	\$1,363,603	\$1,363,603	\$1,475,936
Global Debt Securities	420,753	2,746,831	3,167,584	3,082,514
Total Investments	\$420,753	\$4,110,434	\$4,531,187	\$4,558,450
Long-Term Loan Receivable	\$4,500	\$0	\$4,500	\$13,500
Subtotal Noncurrent Assets	\$425,253	\$4,110,434	\$4,535,687	\$4,571,950
TOTAL ASSETS	\$1,545,168	\$4,134,397	\$5,679,565	\$5,596,342
LIABILITIES				
Current Liabilities				
Claims Payable	\$327,662	\$19,773	\$347,435	\$263,794
Unearned Premiums	88,560	11,236	99,796	33,855
Member and Employer Premium Payable	50,234	—	50,234	49,370
Estimated Insurance Claims Due	410,163	270,750	680,913	635,410
Due to Carriers	321,899	—	321,899	177,475
Due to Other Funds	5,348	1,613	6,961	5,704
Due to State & Public Agencies	28,660	—	28,660	61,546
Investment Purchases & Other	—	20,421	20,421	17,039
Management Fees	15	755	770	1,069
Other	9,280	2,858	12,138	16,350
Total Current Liabilities	\$1,241,821	\$327,406	\$1,569,227	\$1,261,612
Long-Term Liabilities				
Estimated Liability for Future Policy Benefits	\$0	\$3,392,876	\$3,392,876	\$3,107,329
OPEB Obligation	23,903	443	24,346	20,595
Total Long-Term Liabilities	\$23,903	\$3,393,319	\$3,417,222	\$3,127,924
TOTAL LIABILITIES	\$1,265,724	\$3,720,725	\$4,986,449	\$4,389,536
TOTAL UNRESTRICTED NET POSITION	\$279,444	\$413,672	\$693,116	\$1,206,806

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015, with Comparative Totals for the Fiscal Year Ended June 30, 2014 (Dollars in Thousands)

	Proprietary Funds		Totals	
	HCF/CRF	LTCF	2015	2014
Operating Revenues				
Premiums	\$3,594,279	\$272,362	\$3,866,641	\$3,030,876
Federal Government Subsidies	36,077	—	36,077	43,900
Administrative Fees Earned	26,712	—	26,712	24,884
Other	—	—	—	15
Total Operating Revenues	\$3,657,068	\$272,362	\$3,929,430	\$3,099,675
Operating Expenses				
Claims Expense	\$3,411,618	\$248,785	\$3,660,403	\$2,675,346
Increase in Estimated Liabilities	20,484	310,565	331,049	519,343
Administrative Expenses	401,650	24,304	425,954	244,824
Total Operating Expenses	\$3,833,752	\$583,654	\$4,417,406	\$3,439,513
OPERATING LOSS	(\$176,684)	(\$311,292)	(\$487,976)	(\$339,838)
Non-Operating Revenues				
Net Appreciation (Depreciation) in Fair Value of Investments	\$7,665	(\$41,472)	(\$33,807)	\$407,935
Interest, Dividends, & Other Investment Income	4,988	4,922	9,910	6,265
Total Non-Operating Revenues (Loss)	\$12,653	(\$36,550)	(\$23,897)	\$414,200
Non-Operating Expenses				
Management Fees	\$61	\$1,517	\$1,578	\$1,427
Other Investment Expenses	22	217	239	345
Total Non-Operating Expenses	\$83	\$1,734	\$1,817	\$1,772
Securities Lending Income	—	—	—	\$15
Costs of Lending Securities	—	—	—	(\$3)
Net Securities Lending	\$0	\$0	\$0	\$12
NON-OPERATING INCOME (LOSS)	\$12,570	(\$38,284)	(\$25,714)	\$412,440
CHANGE IN UNRESTRICTED NET POSITION	(\$164,114)	(\$349,576)	(\$513,690)	\$72,602
TOTAL UNRESTRICTED NET POSITION				
Beginning of Year	\$443,558	\$763,248	\$1,206,806	\$1,134,204
End of Year	\$279,444	\$413,672	\$693,116	\$1,206,806

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015, with Comparative Totals for the Fiscal Year Ended June 30, 2014 (Dollars in Thousands)

	Proprietary Funds		Totals	
	HCF/CRF	LTCF	2015	2014
Cash Flows From Operating Activities				
Premiums Collected	\$3,629,953	\$272,012	\$3,901,965	\$2,886,601
Federal Government Subsidies	36,077	—	36,077	43,900
Claims Paid	(3,330,233)	(246,528)	(3,576,761)	(2,492,169)
Other (Payments) Receipts, Net	(249,850)	(22,542)	(272,392)	(197,958)
Net Cash Provided by Operating Activities	\$85,947	\$2,942	\$88,889	\$240,374
Cash Flows From Investing Activities				
Net Sales (Purchases) of Investments	(\$2,826)	(\$3,719)	(\$6,545)	(\$46,399)
Net Change in Short-Term Investments	(87,847)	(2)	(87,849)	(202,635)
Net Proceeds from Securities Lending	—	—	—	434
Interest & Dividends Received	1,867	1	1,868	1,291
Other Investment Receipts, Net	2,825	2,902	5,727	3,369
Net Cash Used for Investing Activities	(\$85,981)	(\$818)	(\$86,799)	(\$243,940)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(\$34)	\$2,124	\$2,090	(\$3,566)
Cash & Cash Equivalents, Beginning of Year	\$35	\$318	\$353	\$3,919
Cash & Cash Equivalents, End of Year	\$1	\$2,442	\$2,443	\$353
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities				
Operating Loss	(\$176,684)	(\$311,292)	(\$487,976)	(\$339,838)
Changes in Assets and Liabilities:				
Receivables:				
Members, Public Agencies, State, & Schools	23,009	(77)	22,932	(32,133)
Health Carriers & Pharmacy Benefit Managers	(53,549)	—	(53,549)	(78,865)
Due from Other Funds	4,116	535	4,651	(6,212)
Due from Federal Government	—	—	—	11,406
Loans	—	—	—	750
Other	9,001	—	9,001	9,009
Claims Payable	81,384	2,257	83,641	183,177
Unearned Premiums	66,214	(273)	65,941	(33,277)
Member and Employer Premium Payable	864	—	864	49,370
Estimated Insurance Claims Due	20,485	25,018	45,503	203,016
Estimated Liability for Future Policy Benefits	—	285,547	285,547	316,327
Due to Carriers	144,424	—	144,424	(43,292)
Due to State & Public Agencies	(32,886)	—	(32,886)	(7,777)
Due to Other Funds	569	688	1,257	1,000
OPEB Obligation	3,526	224	3,750	3,804
Other	(4,526)	315	(4,211)	3,909
Net Cash Provided by Operating Activities	\$85,947	\$2,942	\$88,889	\$240,374
Noncash Investing, Capital, & Financing Activities				
Noncash Change in Fair Value of Investments	\$7,660	(\$81,012)	(\$73,352)	\$298,997

The accompanying notes are an integral part of these financial statements.

Notes to the Basic Financial Statements

1. DESCRIPTION OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ORGANIZATION

The California Public Employees' Retirement System (CalPERS or the System) was established by legislation in 1931 for the purpose of providing a secure retirement to employees of the State of California (State). In 1939, new legislation allowed public agency and classified school employees to join CalPERS for retirement benefits. CalPERS began administering health benefits for state employees in 1962, and five years later, offered health benefits to public agencies on a contract basis.

CalPERS is governed by the Board of Administration (the Board), which consists of 13 members: two elected by CalPERS members, one elected by active state members, one elected by active CalPERS school members, one elected by active CalPERS public agency members, one elected by retired members of CalPERS, two appointed by the Governor, one public representative appointed jointly by the Speaker of the Assembly and Senate Rules Committee, and four ex officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personnel Board. The Board of Administration is responsible for the management and control of CalPERS, including the exclusive control of the administration and investment of the System.

CalPERS acts as the common investment and administrative agency for the following plans:

Plan Name	Type of Plan
Defined Benefit Pension Plans:	
Public Employees' Retirement Fund A	Agent multiple-employer
Public Employees' Retirement Fund B	Cost-sharing multiple-employer
Public Employees' Retirement Fund C	Cost-sharing multiple-employer
Legislators' Retirement Fund	Single-employer
Judges' Retirement Fund	Single-employer
Judges' Retirement Fund II	Single-employer
Defined Contribution Plans:	
State Peace Officers' & Firefighters' Defined Contribution Plan Fund	Single-employer (money purchase plan)
Public Employees' Deferred Compensation Fund	Multiple-employer (457 & 401K plan)
Supplemental Contributions Program Fund	Single-employer
Defined Benefit Other Post-Employment Benefit Plan:	
California Employers' Retiree Benefit Trust Fund	Agent multiple-employer

DEFINED BENEFIT PLANS

Below is a summary description of each defined benefit pension plan administered by CalPERS:

Public Employees' Retirement Fund (PERF) – The PERF was established in 1932 and provides retirement, death and disability benefits to its member employers, which include the State of California, non-teaching, non-certified employees in schools, and various other public agencies. The benefit provisions for the state and school employees are established by statute. The benefits for the public agencies are established by contract with the System, in accordance with the provisions of the Public Employees' Retirement Law.

For accounting purposes only, the PERF is comprised of and reported as three separate entities. PERF A is comprised of agent multiple-employer plans, which includes the State of California and most public agencies' rate plans with more than 100 active members. PERF B is a cost-sharing multiple-employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies' plans with generally less than 100 active members.

As of June 30, 2015, the PERF had the following participating employers:

Affiliated Employers for PERF

PERF Participants	2015
PERF A	
State	1
Public Agencies ¹	312
Total	313
PERF B	
School Districts and Charter Schools	1,423
PERF C	
Public Agencies ¹	1,318
Total Employers	3,054

(1) Each public agency employer may be counted in both PERF A and PERF C due to active contracts under both plans.

Legislators' Retirement Fund (LRF) – The LRF was established in 1947 and provides retirement, death, and disability benefits to members employed by the State of California. LRF members consist of State Legislators, Constitutional Officers, and Legislative Statutory Officers. The benefits for the LRF are established in accordance with the provisions of the Legislators' Retirement Law. In November 1990, Article IV, section 4.5 was added to the State Constitution, pursuant to the adoption of Proposition 140. This section effectively prohibited future legislators from earning state retirement

benefits for service in the Legislature on or after November 7, 1990, though it recognized vested pension benefits that had accrued before that date. Due to the effects of Proposition 140, there is one legislator eligible to participate in the Legislators’ Retirement Fund. The only active members in the fund are Constitutional Officers (including the Insurance Commissioner and members of the Board of Equalization) and Legislative Statutory Officers. The Public Employees’ Pension Reform Act of 2013 (PEPRA) closed the Legislators’ Retirement System to new participants effective January 1, 2013.

Judges’ Retirement Fund (JRF) – The JRF was established in 1937 and provides retirement, death, and disability benefits to members employed by the State of California. JRF members consist of judges working in the California Supreme Court, the Courts of Appeal, and the Superior Courts who were appointed or elected before November 9, 1994. The benefits for the JRF are established in accordance with the provisions of the Judges’ Retirement Law.

The JRF is funded on a “pay-as-you-go” basis, where short-term investments, contributions received during the year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the plan does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in the Fiscal Year 2015-16.

Judges’ Retirement Fund II (JRF II) – The JRF II was established in 1994 and provides retirement, death, and disability benefits to members employed by the State of California. JRF II’s members consist of judges working in the California Supreme Court, the Courts of Appeal, and the Superior Courts who were appointed or elected on or after November 9, 1994. The benefits for the JRF II are established in accordance with the provisions of the Judges’ Retirement System II Law.

Plan Membership

All employees in a covered class of employment who work on a half-time basis or more are eligible to participate in the retirement plans. The underlying data included in the following table reflects current categorizations of members and beneficiaries by rate plan.

As of June 30, 2015, membership in the defined benefit pension plans consisted of the following:

Benefit Recipients and Members in the PERF A, PERF B, PERF C, LRF, JRF, and JRF II

Plan	Retirees	Survivors & Beneficiaries	Members		Total
			Active	Inactive or Deferred	
PERF A Agent	327,050	52,330	474,589	171,093	1,025,062
PERF B Schools Cost-Sharing	173,248	23,804	345,495	143,982	686,529
PERF C Public Agency Cost-Sharing	30,517	4,129	48,629	20,833	104,108
Total PERF	530,815	80,263	868,713	335,908	1,815,699
LRF	117	130	9	13	269
JRF	1,384	594	232	9	2,219
JRF II	93	14	1,470	0	1,577
Total	532,409	81,001	870,424	335,930	1,819,764

Plan Benefits

The benefits for the defined benefit plans are based on members’ years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for state Second Tier members) of credited service. All non-state Second Tier members are eligible to receive cost-of-living (COLA) adjustments up to a maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies). State Second Tier members are eligible for a COLA of 3 percent fixed compounded annually.

Contributions

The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. In some circumstances, contributions are made by the employer to satisfy member contribution requirements. Employer paid member contributions are reported as member contributions in the Statement of Changes in Fiduciary Net Position. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump-sum contributions made when agencies first join the PERF, are credited with a market value adjustment in determining contribution rates. The cost of administering the CalPERS system is financed through contributions and investment earnings.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

PEPRA, which took effect in January 2013, changes the way CalPERS retirement and health benefits are applied, and places compensation limits on members with the most impact felt by new CalPERS members. Under PEPRA, new members include:

- (1) members first joining on or after January 1, 2013 with no prior membership in another California public retirement system;
- (2) members first joining before January 1, 2013 who are hired by a different CalPERS employer after January 1, 2013 and have a break in service greater than 6 months; and
- (3) members first joining on or after January 1, 2013, who are ineligible for reciprocity with another California public retirement system. All members that do not fall into the definitions above are considered Classic members and will retain existing benefit levels for future service with the same employer.

Required contribution rates for active plan members and employers as a percentage of payroll for the fiscal year ended June 30, 2015, were as follows:

Required Contribution Rates

	Employee Contribution Rates		Employer-Required Contribution Rates
	Classic	PEPRA	
PERFA — Agent			
State:			
Miscellaneous — First Tier	5% to 11%	6% to 11%	24.20%
Miscellaneous — Second Tier	3%	3%	23.51%
Industrial	5% to 11%	6% to 11%	17.29%
Safety	11%	9% to 11%	18.16%
Peace Officers and Firefighters	8% to 13%	11% to 13%	35.18%
California Highway Patrol	11.5%	11.5%	42.18%
Public Agency			
Miscellaneous	5% to 8%	6.25% to 7%	6.38% to 39.86%
Safety	7% to 9%	8% to 15%	11.14% to 50.84%
PERFB — Schools Cost-Sharing			
Classified School	7%	6%	11.77%
PERFC — Public Agency Cost-Sharing			
Public Agency (Pooled)			
Miscellaneous	2% to 8%	4% to 7.25%	3.8% to 53.96%
Safety	7% to 10.99%	9.5% to 15.25%	9.5% to 310.62%
LRF	4% or 8%	N/A	42.26% ¹
JRF	8%	N/A	N/A
JRF II	8%	15.25%	24.62%

(1) Minimum PEPRA employer required contribution rate.

DEFINED CONTRIBUTION PLANS

CalPERS administers two defined contribution plans and a deferred compensation plan to certain members as further described below:

State Peace Officers’ and Firefighters’ Defined Contribution Plan Fund (SPOFF) – The SPOFF was established in 1998 under section 401(a) of Title 26 of the United States Code. The SPOFF was a qualified money purchase pension plan intended to supplement the retirement benefits provided by the PERF to eligible peace officers and firefighters employed by the State of California. Contributions to the plan were funded entirely by the State of California. Contribution requirements are established and may be amended through a Memorandum of Understanding from the California Department of Human Resources.

Effective April 2011, the State suspended contributing on behalf of eligible rank-and-file positions, and effective May 2011, the State suspended contributing on behalf of

eligible supervisors, management, and exempt positions. Senate Bill 227 and Assembly Bill 611 were signed by the Governor in October 2013 and September 2014, respectively. Legislation terminated the State Peace Officers’ and Firefighters’ Defined Contribution Plan, effective June 1, 2014, upon obtaining the appropriate approvals from the Internal Revenue Service (IRS) in September 2014. The termination required distributions of participant’s money in the State Peace Officers’ and Firefighters’ Defined Contribution Plan in accordance with state and federal law and designated the Supplemental Contributions Program Fund (SCPF) as the default plan for participants who did not make an affirmative election to take a distribution. As of June 30, 2015, some asset balances remained with the SPOFF as reserves held for possible future legacy expenses, excess employer contributions to be discharged, and interest earned.

Public Employees’ Deferred Compensation Fund (DCF) – The DCF was established in 1990 by Government Code sections 21670 through 21685, granting the maximum tax-preferred retirement saving opportunities under sections 457 and 403(b), and other tax-preferred retirement saving arrangements under Title 26 of the United States Code. Currently, CalPERS offers a 457 deferred compensation plan under the DCF. The DCF is available to public agencies and school districts in the State of California on a voluntary basis. Members may contribute up to the limit established under the Internal Revenue Code (IRC), and may access their funds upon retirement, separation from employment, or other distributable events as allowed under the IRC.

Supplemental Contributions Program Fund (SCPF) – The SCPF was established on January 1, 2000, by Chapter 307 of the 1999 Statutes. SCPF is qualified under section 401(a) of Title 26 of the United States Code. The SCPF is currently available to State of California employees who are members of CalPERS, and participation is voluntary. Participant contributions are made on an after-tax basis and are separate from defined benefit contributions. Participants may contribute to a deferred compensation plan in conjunction with SCPF, subject to IRC section 415(c) limits. Distributions are allowed only at retirement or permanent separation from employment.

Additionally, the California State Legislature designated the SCPF as the default option for those SPOFF participants who did not make an affirmative election to request a distribution from their SPOFF account balance prior to the plan terminating.

As of June 30, 2015, membership in the defined contribution plans consisted of the following:

Members in SPOFF, DCF, and SCPF

Plan	Employers	Members
SPOFF	0	0
DCF	751	27,652
SCPF	1	9,017

OTHER ADMINISTRATIVE ACTIVITIES

CalPERS administers other activities as follows:

The California Employers’ Retiree Benefit Trust Fund (CERBTF) – The CERBTF was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBTF to save funds to pay future retiree and survivors health care and other post-employment benefits. Currently, the CERBTF has 462 participating employers. The CERBTF is more fully described in Note 8 to the financial statements.

Old Age & Survivors’ Insurance Revolving Fund (OASI) – The OASI was established to consolidate the collection and payment from California public agencies for employee and employer contributions under the provisions of the Federal Social Security regulations.

Federal legislation was enacted on October 21, 1986, which required direct remittance of Social Security contributions by individual public agencies to the IRS, and eliminated the intermediary collection and remittance of such contributions by individual public agencies to CalPERS. As such, effective January 1, 1987, the OASI stopped receiving contributions from public agencies. Subsequently, CalPERS, the Social Security Administration, and participating local agencies reached agreement on the proper amount of contributions, payments, and refunds. Since then, the OASI fund has been used to reimburse the PERF for OASI contract management and related services, as provided in Government Code section 22601. The residual balances are now being reported in the PERF A for accounting and financial reporting purposes.

Public Employees’ Health Care Fund (HCF) – The HCF was established under the Public Employees’ Medical and Hospital Care Act (PEMHCA) as of July 1, 1988, providing health insurance coverage to CalPERS members through a pooled risk plan. The HCF, which is presented with the Contingency Reserve Fund (CRF) for financial reporting purposes, is more fully described in Note 10 to the financial statements.

Public Employees' Contingency Reserve Fund (CRF) – The CRF was established in 1962 with the passage of PEMHCA, and provides a contingency reserve for items such as future rates or future benefits. The CRF, which is presented with the HCF for financial reporting purposes, is more fully described in Note 11 to the financial statements.

Public Employees' Long-Term Care Fund (LTCF) – The LTCF was established in 1995 as the Public Employees Long-Term Care Act (Public Employees' Retirement Law, Chapter 15). The LTCF provides self-insured long-term care plans to enrolled participants. The LTCF is described in more depth in Note 12 to the financial statements.

Replacement Benefit Fund (RBF) – The RBF was established by Chapter 938 of the 1995 State of California Statutes, providing replacement benefits to members of the defined benefit pension plans. The RBF is more fully described in Note 13 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The accompanying financial statements include all activities and funds administered by CalPERS. CalPERS is a component unit of the State of California for financial reporting purposes. CalPERS financial statements are included in fiduciary and proprietary funds in the State of California Comprehensive Annual Financial Report.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & BASIS OF PRESENTATION

The accompanying financial statements were prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, CalPERS, adheres to the reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accounts of CalPERS are organized and operated on the basis of funds. The Board has a fiduciary responsibility for the investments within both the fiduciary and proprietary funds. CalPERS has the following fund types as of June 30, 2015:

Fiduciary Funds – includes pension trust, other post-employment trust, and agency fund, and account for assets held by the government in a trustee capacity or as an agent on behalf of others. The pension trust funds, which include the PERF A, PERF B, PERF C, LRF, JRF, JRF II, SPOFF, DCF, SCPF, and CERBTF, are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Contributions to the pension trust funds are recognized in the period in which the contributions are due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The RBF is an agency fund and is custodial in nature, and does not measure the results of operations. Assets and liabilities are recorded using the accrual basis of accounting.

Proprietary Funds – includes the combined HCF and CRF and the LTCF. The HCF and CRF statements are combined to give a better overview of the health programs administered by CalPERS. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Operating revenues and expenses are distinguished from non-operating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF and CRF are derived from premiums, Federal Employer Group Waiver Plan (EGWP) subsidies, and administrative service fees. The principal operating revenue for the LTCF is premiums. Operating expenses include the cost of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating.

INVESTMENTS

State statutes and Board policies allow investments in government, domestic and international debt, domestic and international equities, mutual funds, private equity, real assets, and other investments. In February 2014, the Board approved strategic asset allocation changes effective July 1, 2014. Global Equity changed from 50 percent to 51 percent in the PERF, from 32 percent to 24 percent in the LRF, and from 63 percent to 50 percent in the JRF II. Private Equity changed from 14 percent to 10 percent in the PERF. Global Debt Securities changed from 17 percent to 19 percent in the PERF, from 42 percent to 39 percent in the LRF, and from 20 percent to 34 percent in the JRF II. Real Assets changed from 11 percent to 12 percent in the PERF. Liquidity changed from 4 percent to 2 percent in the PERF. Inflation Assets changed from 4 percent to 6 percent in the PERF, from 15 percent to 26 percent in the LRF, and from 6 percent to 5 percent in the JRF II.

The following table shows the Board-adopted target asset allocation policy for the defined benefit pension plans as of June 30, 2015:

Target Asset Allocation

Asset Class	PERF A	PERF B	PERF C	LRF	JRF	JRF II
Global Equity	51%	51%	51%	24%	—	50%
Private Equity	10%	10%	10%	—	—	—
Global Debt Securities	19%	19%	19%	39%	—	34%
Real Assets	12%	12%	12%	—	—	—
Liquidity	2%	2%	2%	—	100%	—
Inflation Assets	6%	6%	6%	26%	—	5%
REITs	—	—	—	8%	—	8%
Commodities	—	—	—	3%	—	3%
Total	100%	100%	100%	100%	100%	100%

Investments are reported at fair value using a variety of techniques. Global debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, foreign governments, corporations, and securitized offerings backed by residential and commercial mortgages, credit cards, auto and student loans, and direct loans for the asset-based lending program. Certain debt securities, such as U.S. government bonds, have an active market. These securities can typically be valued using the close or last traded price on a specific date. The majority of other debt securities is not as actively traded and is thus valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the asset type.

Domestic and international equity securities are actively traded on major stock exchanges or over the counter, thus fair value is obtained using values from these exchanges, which are based on trades of identical securities available daily on a last trade or official close basis. If such information is not available, other pre-established means are used to determine a price.

Purchases and sales of investments are recorded on the trade date. Interest income is recorded on the accrual basis, and any negative interest balances may result from amortization adjustments to the cost basis of fixed income securities.

Dividends are recorded on the ex-dividend date.

Real asset investments (Real Estate, Infrastructure, and Forestland) are held either directly, in separate accounts, as a limited partner, or in a joint venture or commingled fund. Properties owned directly, held in a separate account, or in a joint venture structure are subject to independent third-party appraisals performed in accordance with the Uniform Standards of Professional Appraisal Practice once every year, as directed by CalPERS. Investments in a commingled fund are long term and illiquid in nature. As a result, investors are subject to redemption restrictions, which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Limited partner interests in joint venture and commingled funds are valued by CalPERS using the net asset value (NAV) of the partnership. The investment holdings are valued by the general partners on a continuous basis, audited annually, and may be periodically appraised by an independent third-party, as directed by the general partners.

Private equity partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly basis, in accordance with financial reporting standards: United States Generally Accepted Accounting Principles, International Financial Reporting Standards, etc. Fair value of commingled equity funds and absolute return funds are based upon the NAV determined by the investment managers, subject to annual audit.

CalPERS' inflation-linked asset class is made up of two main asset types: commodities and inflation-linked bonds. The strategic objective is to prudently achieve long-term returns above inflation and diversify CalPERS investments, while the performance objective is to exceed the benchmark (net of all fees).

Commodities involve the trading of raw or unmanufactured products, which can be broken into hard and soft commodities. Hard commodities are generally natural resources that must be mined or extracted, while soft commodities are agricultural products or livestock. Commodities can be purchased as stock, mutual funds, index funds, or exchange-traded funds (ETFs) in commodities-related companies. Additionally, they can be traded by buying into futures contracts on the open market. The program includes investments such as futures contracts, forward contracts, swaps, structured notes, and options—direct investments in physical commodities are excluded. The program’s parameters include specifications to manage instrument risk exposure and commodity collateral, while minimizing liquidity risk, pricing risk, and sector risk.

Investment instruments included in the inflation-linked bond program investments include investment grade inflation-linked government bonds, U.S. inflation-linked bonds, and investment grade international inflation-linked bonds. The program’s parameters include specifications to minimize interest rate risk and currency risk.

A Real Estate Investment Trust (REIT) is a type of security that invests in real estate through property or mortgages. These investments often trade on major exchanges similar to stocks and offer investors a very liquid stake in real estate.

INTERNAL POOLED INVESTMENTS

CalPERS has established internal unitized investment pools whereby its plans can participate in the unitized pools. These internal investment pools are valued at NAV, which includes investment receivables, payables, interest, and dividend income. For financial reporting purposes, in accordance with GASB standards criteria, each fund participating in the unitized pool reports the fund’s pro rata share of participation in the pool. As such, unitized investment pool holdings do not report interest and dividends income on the Statement of Changes in Fiduciary Net Position or the Statement of Revenues, Expenses, and Changes in Net Position. This is because they are included in the calculation of the unit price of the unitized pools and ultimately flow through the net appreciation and depreciation in the fair value of investments.

CAPITAL ASSETS

Capital assets are defined as assets with an initial individual cost of \$5,000 or more, or \$1 million or more for intangible assets, and an estimated useful life in excess of one year. Capital assets consist of buildings, furniture, equipment, and intangible assets recorded at cost or, if donated, at their estimated fair value at the date of donation. Capital assets are depreciated over their estimated useful lives, ranging from one to five years for furniture and equipment, and 40 years for buildings, and determined on an asset-by-asset basis for intangible assets, using the straight-line method of depreciation.

LOANS RECEIVABLE

In August 2012, the HCF incurred loan receivables totaling \$36 million; the terms require monthly principal-only payments totaling \$750 thousand beginning January 2013 for 48 months. Loans receivable consist of \$4.5 million in long-term loans and \$9 million in short-term loans as of June 30, 2015.

CRF PAYABLE TO MEMBERS/EMPLOYERS PREMIUMS

The Blue Shield contract (2004-2013) set forth the methodology for determining monthly premiums. Each year, an elaborate accounting and reconciliation process determined any money owed or refunded, which would be rolled over to the following year’s premium. If Blue Shield had to refund money, the following year’s premium would be proportionally decreased. If CalPERS owed money, the following year’s premium would be proportionally increased. The contract expired on December 31, 2013, which included post-expiration roll overs from 2011, 2012, and 2013. The CRF payable to members/employers premiums reflects the rollover amounts from 2011, 2012, and some retroactive premiums after the expiration of the 2004-2013 contract. The 2013 rollover amounts are not yet known and therefore no accrual has been made in the accompanying financial statements.

INVESTMENT EXPENSES

Investment expenses presented within the accompanying financial statements consist of management and performance fees, real asset investment expenses, and other investment-related fees. Management and performance fees include internal and external management fees, performance fees, and incentive fees. Real asset investment expenses include partner insurance premiums, property management fees, leasing costs, bad debt expenses, repairs and maintenance, utilities, promotion and marketing, and general administrative expenses relating to directly held real asset investments. Other investment-related fees include expenses for shared investment-related administration, internal investment staff salaries, dividend tax withholding, certain trading fees, consultants, data analytics, certain other taxes, custody, appraisals, legal services, technology infrastructure, audits, and tax advisory services. These fees are disclosed within the Other Investment Expenses financial statement line item and detailed in the Investment Expenses Schedule in the Other Supplementary Information section.

The investment expenses do not include fees and costs for private equity, nor do they contain the commissions and fees paid to transact public securities. Partnership management fees for the private equity program are drawn from the committed capital and reported as an increase in the cost basis. These fees and costs are included within the NAV or public securities cost.

The investment fees and costs are presented for informational purposes within the unaudited Investment section of the Comprehensive Annual Financial Report in the following schedules: Schedule of Fees and Costs for Private Equity Partners, and the Schedule of Commissions and Fees. These costs are captured within the respective net asset values and net appreciation (depreciation) in the fair value of investments as reported in the Statement of Net Position for Fiduciary and Proprietary Funds.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

RISKS AND UNCERTAINTIES

CalPERS invests in securities that are exposed to a variety of risks, including interest rate, market, credit risk, and foreign currency risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the accompanying financial statements.

The total pension liabilities and net pension liabilities disclosed in the Notes to the Financial Statements for the cost-sharing multiple-employer and single-employer defined benefit pension plans are measured based on certain assumptions, including the long-term rate of return on pension investments, inflation rates, and employee demographics, all of which are subject to change. Other post-employment benefits (OPEB) plans disclose the actuarial accrued liability in the Notes to the Financial Statements, which is influenced by the assumed rate of return on OPEB investments, inflation rates, employee demographics and health care cost trend rates. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

RECLASSIFICATIONS

Certain reclassifications have been made to the comparative totals as of and for the fiscal year ended June 30, 2014, to conform to the presentation as of and for the fiscal year ended June 30, 2015.

COMPARATIVE TOTALS

The Basic Financial Statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the U.S. Accordingly, such information should be read in conjunction with CalPERS financial statements for the fiscal year ended June 30, 2014, from which the summarized information was derived.

TERMINATION OF PENSION PLANS

Public agency participation in the System may be terminated either due to a transfer of a public agency’s plan to another qualified system, as permitted by law, a public agency terminating its plan, or an involuntary termination by the Board. In the event that a public agency elects to transfer its plan, the assets of the plan and the related liability for benefits accrued are transferred to the other system. In the event that a public agency elects to terminate its plan or there is an involuntary termination of a plan by the Board, sufficient assets to cover the related liability for benefits accrued are retained by the PERF. Excess assets above those required, if any, are returned to the employer, while the employer is billed for any deficiency in required assets.

NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* (GASB 68), was effective in Fiscal Year 2014-15 and relates to reporting by governments that provide pension benefits to their employees. This statement establishes standards for measuring and recognizing net pension liabilities, deferred outflows and inflows of resources, and pension expenses by the reporting entities. This statement resulted in no impact to the CalPERS financial statements for the Fiscal Year 2014-15.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68* (GASB 71), was effective in Fiscal Year 2014-15. This statement addresses contributions made after an employer’s liability measurement date, which may not have been reported as deferred outflows of resources at transition under GASB 68. As a result, GASB 71 reduces the risk of an understatement of an employer’s beginning net position and expense in the initial period of implementation. It is required that the statement be applied simultaneously with the provisions of GASB 68. This statement resulted in no impact to the CalPERS financial statements for the Fiscal Year 2014-15.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of approximately \$0.7 billion at June 30, 2015, represent amounts held in the CalPERS general operating accounts with the State Treasury. The underlying investments at the State Treasurer’s Office are not individually identifiable by fund as CalPERS monies are pooled with the monies of other state agencies and invested.

4. INVESTMENTS

The following table presents a summary of CalPERS’ investments by type as of June 30, 2015, at fair value:

Investments at Fair Value (Dollars in Thousands)

Investment Type	Fair Value
Short-Term	\$11,087,733
Global Debt:	
Domestic Debt:	
Asset-Backed	\$6,868,421
Mortgages	861,013
Swaps	(180,188)
U.S. Corporate	54,079,147
U.S. Treasuries	12,831,878
International Debt Securities	9,226,360
Global Equity:	
Absolute Return Strategies	\$1,155,744
REITs	444,919
Domestic Equities	85,154,098
International Equities	72,237,626
Private Equity	28,808,840
Real Assets:	
Real Estate	\$26,732,475
Infrastructure	2,241,352
Forestland	2,211,619
Total	<u>\$313,761,037</u>

SHORT-TERM INVESTMENTS

Short-term investments consist of U.S. Treasury and government sponsored securities, money market funds, commercial paper, certificates of deposit, repurchase agreements, asset-backed securities, notes, and bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions.

DEPOSIT AND INVESTMENT RISK DISCLOSURES

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3* (GASB 40), CalPERS discloses investments of all CalPERS managed funds that are subject to certain risks: custodial credit risk, concentration of credit risk, interest rate risk, credit risk, and foreign currency risk.

Custodial Credit Risk

Custodial credit risk is the risk that in the event a depository institution or counterparty fails, the System would not be able to recover the value of its deposits, investments, or collateral securities. As of June 30, 2015, a portion of the System’s investments, other than posted collateral for Futures and Over-the-Counter instruments, is held in the System’s name and is not exposed to custodial credit risk. Where CalPERS trusts invest in commingled funds, the assets within the fund are held in the name of the trustee of the fund and not in CalPERS’ name. There are no general policies relating to the custodial credit risk.

Concentration of Credit Risk

Other than U.S. Government Securities, which are not subjected to the GASB 40 disclosure requirements, CalPERS does not have investments in any single issuer that represent 5 percent or more of fiduciary net position or total investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolios using the effective duration or option-adjusted methodology. Generally, CalPERS investment policies require the option-adjusted duration of the total fixed income portfolio to stay within 10 percent of the option-adjusted duration of its benchmark with the exception of the Global Fixed Income Program investment policy, which is allowed to stay within negative 50 percent to 10 percent of its benchmark. All individual portfolios are required to maintain a specified level of risk relative to their benchmark.

CalPERS invests in securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations, and commercial mortgage-backed securities, including securities backed by residential and commercial mortgage loans. The value, liquidity, and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market’s perception of the issuers and changes in interest rates.

The following table presents the weighted average effective duration for CalPERS investments subject to interest rate risk as of June 30, 2015:

CalPERS – Debt Securities Subject to Interest Rate Risk
(Dollars in Thousands)

Debt Security Type	Portfolio Weighted Average Effective Duration	Fair Value June 30, 2015	Percent of Debt Securities
U.S. Treasuries and Agencies:			
U.S. Treasury Notes	5.61%	\$14,103,510	17.4%
U.S. Treasury Bonds	16.43%	10,221,224	12.6%
U.S. Agencies	10.50%	1,224,995	1.5%
U.S. Treasury Strips	12.25%	57,385	0.1%
Corporate	9.85%	15,041,071	18.6%
Mortgages	4.05%	13,425,487	16.6%
Foreign Government Issues	9.12%	10,970,735	13.5%
Asset-Backed	7.61%	622,014	0.8%
Municipals	12.00%	9,466	0.0%
Commingled Fund	1.98%	970	0.0%
Swaps	19.29%	475	0.0%
No Effective Duration:			
Asset Backed	N/A	\$10,792,221	13.3%
Commercial Paper	N/A	2,955,676	3.7%
Commingled Fund	N/A	1,286,391	1.6%
Discount Notes	N/A	222,410	0.3%
Swaps	N/A	26,432	0.0%
Corporate Bond	N/A	20,494	0.0%
Mortgages	N/A	11,437	0.0%
Foreign Government Issues	N/A	4,804	0.0%
Total¹		\$80,997,197	100.0%

(1) This table represents the fair value of investments in the fixed portfolios excluding any equity holdings. The global debt securities reported in the statement of fiduciary net position and the statement of proprietary net position are reported at fair value for non-unitized investments and at net asset value for investments in the unitized pools, which includes accruals in the unitized portfolios.

CalPERS invests in the State Treasury pool and State Street Bank Global Advisors' (SSGA) short-term investment fund (STIF). These investments are included as part of the short-term investments in the financial statements. As of June 30, 2015, the pooled money investment account with the State Treasury totaled approximately \$2.6 billion, and the SSGA STIF totaled approximately \$12.6 billion. This value represents SSGA STIF investments in all portfolios. The short-term securities reported in the Statement of Fiduciary Net Position and the Statement of Proprietary Net Position are reported at fair value for non-unitized investments only. For unitized investments that may include short-term securities, its value is report at net asset value of the unitized pool as global equity or global debt securities. As of June 30, 2015, the weighted average maturity was 239 days for the State Treasury pool and 32 days for the SSGA short-term investment fund. The SSGA short-term investment fund is rated as P1. The State Treasury pool is not rated.

The LTCF, HCF, SCPF, and DCF invest in various SSGA funds, with weighted average maturities and credit ratings as of June 30, 2015, as follows:

CalPERS – SSGA Fund Weighted Average Maturity and Credit Risk (Dollars in Thousands)

SSGA Fund	Fair Value June 30, 2015	Credit Rating ¹	Weighted Average Maturity
U.S. Aggregate Bond Index	\$420,753	AA2	7.86
3-10 Year U.S. Agency Index	7,204	AA1	4.99
3-10 Year U.S. Credit Index	197,722	A3	6.19
3-10 Year U.S. Treasury Index	238,980	AAA	5.65
Long U.S. Agency Index	28,969	AA1	18.34
Long U.S. Credit Corporate Index	378,774	BAA1	23.88
Long U.S. Credit Non-Corporate Index	94,114	A3	24.17
Long U.S. Treasury Index	482,791	AAA	25.10
U.S. Asset-Backed/Comm Mort Backed Index	61,501	AA1	4.58
U.S. High Yield Bond Index	89,937	B1	6.44
U.S. Inflation Protected Bond Index	6,516	AAA	8.54
U.S. Mortgage Backed Index	683,952	AAA	7.07
U.S. Short-Term Govt/Credit Bond Index	39,426	AA2	1.92
U.S. Bond Index	305,769	AA2	7.87
U.S. Tips Index	247,992	AAA	8.61
Total	\$3,284,400		

(1) Credit rating reflects market value weight of all the rated securities held by the portfolio (excludes unrated securities) using the middle rating provided by either S&P, Moody's, and Fitch or lower if only two agency ratings are available.

The following table presents the weighted average duration for securities lending collateral subject to interest rate risk as of June 30, 2015:

CalPERS – Securities Lending Collateral Subject to Interest Rate Risk (Dollars in Thousands)

Security Type	Portfolio Weighted Average Effective Duration	Fair Value June 30, 2015	Percent of Securities Lending Collateral
Asset-Backed Securities	0.12%	\$863,224	12.1%
Commercial Paper	0.02%	\$456,978	6.4%
No Effective Duration:			
Commercial Paper	N/A	\$176,134	2.5%
Money Market Fund ¹	N/A	3,179,361	44.7%
Short-Term Investment Fund ²	N/A	2,443,584	34.3%
Total³		\$7,119,281	100.0%

(1) Money Market Fund is invested in U.S. Treasury securities with a weighted average maturity (to final maturity) of less than 1 day (0.40).

(2) Short-Term Investment Fund has a weighted average maturity (to final maturity) of 1 day.

(3) This figure does not include \$3,740,000 in repurchase agreements since it is not subject to GASB 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is \$10,859,281 for both fiduciary and proprietary fund types.

As of June 30, 2015, CalPERS investments included securities highly sensitive to interest rate fluctuations in that they are subject to early payment in a period of declining interest rates (i.e., collateralized and mortgage pass-through, etc.). The resulting reduction in expected total cash flows affects the fair value of these securities.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policies establish both general and specific risk measures for the fixed income portfolio. From the most general perspective, 88 percent of the total fixed income portfolio must be invested in investment-grade securities.

Investment-grade securities have low default probabilities and are rated at a minimum of BBB- by independent agencies (Moody's, Standard & Poor's, or Fitch). Each portfolio is required to maintain a specified risk level.

The following table is a summary of the ratings of CalPERS fixed income securities as of June 30, 2015:

CalPERS – Debt Security Investments Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value June 30, 2015	Fair Value as a Percent of Debt Security Investments
Aaa	\$10,866,907	13.4%
Aa1	2,734,400	3.4%
Aa2	1,233,980	1.5%
Aa3	591,705	0.7%
A1	1,493,328	1.9%
A2	1,236,162	1.5%
A3	2,532,744	3.1%
Baa1	2,389,898	3.0%
Baa2	6,618,276	8.2%
Baa3	1,980,087	2.5%
Ba1	860,344	1.1%
Ba2	635,274	0.8%
Ba3	668,840	0.8%
B1	897,082	1.1%
B2	576,772	0.7%
B3	347,781	0.4%
Caa1	258,003	0.3%
Caa2	130,136	0.2%
Caa3	38,656	0.0%
Ca	33,683	0.0%
C	5,538	0.0%
NA ¹	25,330,955	31.3%
NR ²	8,622,988	10.6%
NR ^{2,3}	10,913,658	13.5%
Total⁴	\$80,997,197	100.0%

(1) NA represents U.S. government securities that are not applicable to the GASB 40 disclosure requirements.
 (2) NR represents those securities that are not rated.
 (3) Although the financial markets have a perception that FNMA and FHLMC mortgage-backed securities have an implicit guarantee by the U.S. government, the credit agencies do not rate these securities.
 (4) This table represents the fair value of investments in the fixed income portfolios excluding any equity holdings. The global debt securities reported in the statement of fiduciary net position and the statement of proprietary net position are reported at fair value for non-unitized investments and at net asset value for investments in the unitized pools, which includes accruals in the unitized portfolios.

The following table is a summary of the ratings of the securities lending collateral subject to credit risk:

CalPERS – Securities Lending Collateral Subject to Credit Risk (Dollars in Thousands)

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Securities Lending Collateral
Aaa	\$1,447,474	20.3%
P-1	18,899	0.3%
P-2	614,213	8.6%
NR ^{1,2}	5,038,695	70.8%
Total³	\$7,119,281	100.0%

(1) NR represents those securities that are not rated.
 (2) This figure includes \$3,179,361 invested in a money market fund and a \$1,000,000 line of credit to Options Clearing Corp (OCC) invested in short term investments.
 (3) This figure does not include \$3,740,000 in repurchase agreements since it is not subject to GASB 40 disclosure. The fair value of the investments in the securities lending collateral portfolio is \$10,859,281 for both fiduciary and proprietary fund type.

Foreign Currency Risk

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international securities. The proportion of international stocks within the Global Equity portfolio is, at this time, roughly equal to their market capitalization weight in the Global Equity benchmark. For the global debt securities, 10 percent is targeted for investment in international securities. Real assets and private equity do not have a target allocation for international investments. Refer to the CalPERS International Investment Securities table for foreign currency risk disclosures.

RATE OF RETURN

The money-weighted rate of return (MWRR) expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Following is the annual MWRR, net of investment expense, for the fiscal year ended June 30, 2015, for each defined benefit pension plan:

Money-Weighted Rate of Return

Plan	Rate of Return (%)
PERF A Agent	2.2%
PERF B Schools Cost-Sharing	2.2%
PERF C Public Agency Cost-Sharing	2.2%
LRF	(0.1%)
JRF	0.2%
JRF II	(0.2%)

REAL ASSETS

Real assets, which include real estate, infrastructure, and forestland investments, are classified as investments in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25* (GASB 67). Certain real asset investments are leveraged in that partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. Real asset investments of approximately \$31.2 billion are reported at estimated fair value net of partnership related debt. Debt on Real Assets in the Statement of Fiduciary Net Position represents outstanding debt on direct real estate investments. At June 30, 2015, there was no outstanding debt on direct real estate investments; however, in a few partnerships, CalPERS still holds recourse debt totaling \$21.6 million.

5. SECURITIES LENDING

The State Constitution and the Board policies permit CalPERS to enter into securities lending transactions, which are collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future.

CalPERS has contracted with eSecLending, LLC (eSec) and State Street Bank & Trust (SSB) as third-party securities lending agents to loan domestic and international equity and debt securities. CalPERS receives both cash and noncash (i.e., securities) collateral. Domestic and international securities are collateralized at 102 percent and 105 percent, respectively, of the loaned securities market value. CalPERS cannot seize the collateral security without borrower defaults; as such, the collateral security or noncash collateral is not reported in CalPERS' financial statements in accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions* (GASB 28). Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the market value of the securities loaned. The securities loaned are priced daily by third-party sources, and margins are paid and received daily to maintain over-collateralized levels. Securities on loan can be recalled or returned by CalPERS or the borrower at any time. Since loans are terminable at will, loan durations do not generally match the duration of the investments made with the cash collateral. CalPERS may enter into term loan agreements, which are evaluated on an individual basis. On June 30, 2015, the fair value of the securities on loan was approximately \$14.9 billion. The securities on loan remain on CalPERS' Statement of Fiduciary Net Position in their respective investment categories. At June 30, 2015, cash collateral received totaling \$10.9 billion is reported as securities lending obligation, and the fair value of reinvested cash collateral totaling \$10.9 billion is reported as securities lending collateral on the Statement of Fiduciary Net Position. The changes in fair value of the reinvested cash collateral are reported as net appreciation/depreciation in fair value of investments on the Statement of Changes in Fiduciary Net Position.

The CalPERS Fixed Income unit manages the securities lending activity. Because the domestic and international debt and equity securities in the unitized pools are also used in the securities lending program, in accordance with GASB 28, the securities lending collateral, obligation, and the related income and costs are allocated to the pool owners (respective reporting funds) based on the funds' pro rata share of the pools' investments.

CalPERS securities lending reinvestment collateral guidelines prescribe that cash collateral received needs to be invested in short-term, high-credit quality securities. Currently, SSB, eSec, and CalPERS manage the collateral. For the fiscal year ended June 30, 2015, the collateral invested in CalPERS Internal Short-Term Pools had an aggregate weighted average maturity (to final maturity) of 245 days and duration of 18 days. SSB and eSec have a weighted average maturity (to final maturity) of 32 days.

CalPERS signed an agreement in January 2015 with Options Clearing Corporation (OCC) for CalPERS to provide OCC with on-demand liquidity by giving access to a line of credit in a segregated account over a one-year term. This account is controlled by CalPERS and invested in short-term securities when it is not in use. CalPERS will earn commitment fee revenue and short-term interest yield from this agreement. Upon a draw on the line of credit, OCC will provide U.S. Treasury securities as collateral (for a maximum duration of 30 days) that will be bi-lateral, marked to market daily, and administered by eSecLending.

6. DERIVATIVES

CalPERS holds investments in swaps, options, futures, rights, and warrants and enters into forward foreign currency exchange contracts. The fair value of options, futures, rights, and warrants is determined based upon quoted market prices. The fair value of derivative investments that are not exchange-traded, such as swaps, is determined by an external pricing service using various proprietary methods, based upon the type of derivative instrument. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the contract exchange rate and the exchange rate at the end of the reporting period.

Futures contracts are marked to market at the end of each trading day, and the settlement of gains or losses occurs on the following business day through the movement of variation margins. Over-the-counter derivatives, such as swaps, generally reset monthly and the settlement of gains or losses occurs the following business day. Currency forward contracts roll quarterly, updating the contract exchange rate.

With all over-the-counter derivatives, such as swaps and currency forwards, CalPERS is exposed to counterparty risk. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure, and monitoring procedures, in addition to adherence to industry standard International Swaps and Derivatives Association and Credit Support Annex agreements with all counterparties.

At June 30, 2015, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately \$197.5 million. The aggregate amount of cash collateral held by CalPERS on behalf of over-the-counter derivatives was approximately \$0.2 million.

CalPERS – Derivative Instruments Summary¹ (Dollars in Thousands)

Investment	Net Appreciation/ (Depreciation) in Fair Value for the Fiscal Year Ended June 30, 2015	Fair Value June 30, 2015		
		Classification	Amount	Notional (Dollars)
Commodity Futures Long	\$9,428	Equity Securities	\$0	\$0
Credit Default Swaps Bought	195	Debt Securities	—	—
Credit Default Swaps Written	(2,015)	Debt Securities	(643)	45,000
Currency Swaps	(5,792)	Debt Securities	4,505	167,333
Equity Swaps	1	Debt Securities	—	—
Fixed Income Futures Long	26,422	Equity Securities	—	839,183
Fixed Income Futures Short	(37,517)	Equity Securities	—	(1,231,136)
Fixed Income Options Bought	(127)	Equity Securities	211	30,975
Fixed Income Options Written	1,958	Equity Securities	(1,332)	(113,274)
Foreign Currency Futures Long	5,848	Equity Securities	—	43,047
Foreign Currency Options Bought	(56,602)	Equity Securities	850	155,575
Foreign Currency Options Written	59,181	Equity Securities	(971)	(172,631)
Futures Options Bought	8,098	Equity Securities	465	500
Futures Options Written	(10)	Equity Securities	—	—
FX Forwards	245,426	Investment Sales/Purchases	2,297	12,203,947
Index Futures Long	740,970	Equity Securities	—	11,638,105
Index Futures Short	(229,278)	Equity Securities	—	(874,512)
Index Options Bought	(6,264)	Equity Securities	561	297,000
Index Options Written	496	Equity Securities	(979)	(102,050)
Pay Fixed Interest Rate Swaps	(8,724)	Debt Securities	3,256	298,236
Receive Fixed Interest Rate Swaps	790	Debt Securities	(969)	170,330
Rights ²	(5,924)	Equity Securities	2,978	28,995
Total Return Bond Swaps	(24,273)	Debt Securities	20,758	4,297,149
Warrants ²	(12)	Equity Securities	7,893	7,601
Total	\$722,275		\$38,880	

(1) The information presented in this table is derived from CalPERS' June 30, 2015, accounting records and in some instances may reflect trades on a one-day lag basis.

(2) The notional amount of rights and warrants are expressed in units rather than dollars.

CalPERS – Derivative Instruments Subject to Interest Rate Risk (Dollars in Thousands)

Investment Type	Fair Value June 30, 2015	Investment Maturities (in years)			
		Under-1	1-5	6-10	10+
Credit Default Swaps Written	(\$643)	\$0	(\$643)	\$0	\$0
Currency Swaps	4,505	—	79	3,935	491
Fixed Income Options Bought	211	211	—	—	—
Fixed Income Options Written	(1,332)	(1,332)	—	—	—
Pay Fixed Interest Rate Swaps	3,256	—	(192)	1,476	1,972
Receive Fixed Interest Rate Swaps	(969)	—	(503)	(167)	(299)
Total Return Bond Swaps	20,758	20,758	—	—	—
Total	\$25,786	\$19,637	(\$1,259)	\$5,244	\$2,164

CalPERS – Derivative Instruments Highly Sensitive to Interest Rate Changes (Dollars in Thousands)

Investment Type	Reference Rate	Fair Value June 30, 2015	Notional
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 1.694%	\$937	\$29,720
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 0.764%	68	13,260
Interest Rate Swaps	Receive Variable 6-month LIBOR, Pay Fixed 3.000%	(898)	6,134
Interest Rate Swaps	Receive Variable 6-month EURIB, Pay Fixed 2.307%	(186)	4,568
Interest Rate Swaps	Receive Variable 12-month LIBOR, Pay Fixed 12.440%	56	8,692
Interest Rate Swaps	Receive Variable 6-month EURIB, Pay Fixed 0.750%	303	7,242
Interest Rate Swaps	Receive Variable 6-month EURIB, Pay Fixed 1.500%	918	16,936
Interest Rate Swaps	Receive Variable 6-month LIBOR, Pay Fixed 2.000%	998	62,593
Interest Rate Swaps	Receive Variable 6-month LIBOR, Pay Fixed 2.000%	422	5,504
Interest Rate Swaps	Receive Variable 12-month LIBOR, Pay Fixed 12.340%	177	18,671
Interest Rate Swaps	Receive Variable 12-month LIBOR, Pay Fixed 12.455%	113	19,315
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 1.500%	(260)	48,800
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 2.750%	178	3,700
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 2.500%	237	3,700
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 2.250%	193	49,400
Interest Rate Swaps	Receive Fixed 3.795%, Pay Variable 3-month BKBM	8	2,164
Interest Rate Swaps	Receive Fixed 6.600%, Pay Variable 1-month MTIE	(261)	22,644
Interest Rate Swaps	Receive Fixed 6.600%, Pay Variable 1-month MTIE	(29)	2,517
Interest Rate Swaps	Receive Fixed 5.610%, Pay Variable 1-month MTIE	(13)	3,658
Interest Rate Swaps	Receive Fixed 6.710%, Pay Variable 1-month MTIE	(4)	1,115
Interest Rate Swaps	Receive Fixed 5.630%, Pay Variable 1-month MTIE	(7)	1,128
Interest Rate Swaps	Receive Fixed 3.750%, Pay Variable 6-month BBSW	181	4,996
Interest Rate Swaps	Receive Fixed 5.620%, Pay Variable 1-month MTIE	(19)	2,231
Interest Rate Swaps	Receive Fixed 5.560%, Pay Variable 1-month MTIE	(4)	370
Interest Rate Swaps	Receive Fixed 7.380%, Pay Variable 1-month MTIE	26	421
Interest Rate Swaps	Receive Fixed 13.030%, Pay Variable 12-month LIBOR	(130)	16,096
Interest Rate Swaps	Receive Fixed 5.865%, Pay Variable 1-month MTIE	19	2,581
Interest Rate Swaps	Receive Fixed 1.023%, Pay Variable 3-month STIBO	(47)	964
Interest Rate Swaps	Receive Fixed 1.036%, Pay Variable 3-month STIBO	(54)	1,133
Interest Rate Swaps	Receive Fixed 1.013%, Pay Variable 3-month STIBO	(58)	1,169
Interest Rate Swaps	Receive Fixed 1.085%, Pay Variable 3-month STIBO	(93)	2,157
Interest Rate Swaps	Receive Fixed 1.080%, Pay Variable 3-month STIBO	(79)	1,820
Interest Rate Swaps	Receive Fixed 1.250%, Pay Variable 6-month LIBOR	(12)	4,903
Interest Rate Swaps	Receive Fixed 13.270%, Pay Variable 12-month LIBOR	(317)	43,459
Interest Rate Swaps	Receive Fixed 3.543%, Pay Variable 12-month UKRPI	(26)	1,887
Interest Rate Swaps	Receive Fixed 3.5373%, Pay Variable 12-month UKRPI	(25)	2,202
Interest Rate Swaps	Receive Fixed 3.310%, Pay Variable 12-month UKRPI	11	1,573
Interest Rate Swaps	Receive Fixed 3.311%, Pay Variable 12-month UKRPI	10	1,573
Interest Rate Swaps	Receive Fixed 3.495%, Pay Variable 12-month UKRPI	3	472
Interest Rate Swaps	Receive Fixed 3.313%, Pay Variable 12-month UKRPI	8	1,258
Interest Rate Swaps	Receive Fixed 3.493%, Pay Variable 12-month UKRPI	3	472
Interest Rate Swaps	Receive Fixed 3.503%, Pay Variable 12-month UKRPI	(3)	944
Interest Rate Swaps	Receive Fixed 13.815%, Pay Variable 12-month LIBOR	(57)	44,424
Subtotal – Interest Rate Swaps		\$2,287	\$468,566
Total Return Bond Swaps	Receive Fixed 0.000%, Pay Fixed 0.000%	(\$29,215)	\$145,170
Total Return Bond Swaps	Receive Fixed 0.000%, Pay Fixed 0.050%	(149)	131,162
Total Return Bond Swaps	Receive Fixed 0.000%, Pay Fixed 0.060%	2,818	194,056
Total Return Bond Swaps	Receive Fixed 0.000%, Pay Fixed 0.070%	17,718	1,262,775
Total Return Bond Swaps	Receive Fixed 0.000%, Pay Fixed 0.080%	27,248	1,896,991
Total Return Bond Swaps	Receive Fixed 0.000%, Pay Fixed 1.000%	4,790	297,619
Total Return Bond Swaps	Receive Fixed 0.080%, Pay Fixed 0.080%	(2,452)	369,376
Subtotal – Total Return Bond Swaps		\$20,758	\$4,297,149
TOTAL		\$23,045	\$4,765,715

CalPERS – Derivative Instruments Subject to Counterparty Credit Risk

Counterparty	Percentage of Net Exposure	S&P Ratings	Fitch Ratings	Moody's Ratings
Citibank N.A.	14.06%	A	A+	A1
HSBC Bank USA	11.70%	AA-	AA-	Aa3
Goldman Sachs + Co	10.02%	A-	A	A3
BNP Paribas SA	9.08%	A+	A+	A1
J.P. Morgan	7.85%	A	A+	A3
J.P. Morgan Chase Bank N.A.	6.32%	A+	AA-	Aa3
Bank of America N.A.	5.55%	A	A+	A1
Morgan Stanley Capital Services Inc	5.46%	A-	A	A3
Bank of Montreal	5.38%	A+	AA-	Aa3
Societe Generale	5.26%	A	A	A2
CIBC World Mkts Inc	3.62%	A+	AA-	Aa3
Macquarie Bank Limited London	3.47%	A	A	A2
Goldman Sachs International	2.79%	A-	A	A3
Westpac Banking Corporation	1.92%	AA-	AA-	Aa2
UBS AG	1.39%	A	A	A2
Morgan Stanley Bank N.A.	1.24%	A	A+	A1
Deutsche Bank CME	1.15%	BBB+	A	A3
Credit Suisse First Boston Corp	0.64%	A	A	A1
Morgan Stanley CME	0.61%	A-	A	A3
UBS AG London	0.52%	A	A	A2
Deutsche Bank AG	0.33%	BBB+	A	A3
J.P. Morgan Chase Bank N.A. London	0.27%	A+	AA-	Aa3
Credit Suisse International	0.22%	A	A	A1
Royal Bank of Canada	0.19%	AA-	AA	Aa3
State Street Bank London	0.19%	A+	AA-	A2
Barclays Bank PLC Wholesale	0.17%	A-	A	A2
Barclays Capital	0.11%	A-	A	A2
State Street Bank And Trust	0.11%	AA-	AA	A1
HSBC Bank PLC	0.11%	A	AA-	A1
Standard Chartered Bank	0.10%	A+	AA-	Aa2
Australia And New Zealand Banking Group	0.07%	AA-	AA-	Aa2
Northern Trust Company	0.05%	AA-	AA-	A2
Standard Chartered Bank London	0.04%	A+	AA-	Aa2
Deutsche Bank Securities	0.01%	BBB+	A	A3
TOTAL	100.00%			

CalPERS – International Investment Securities¹ – Fair Value at June 30, 2015 (U.S. Dollars in Thousands)

Currency	Cash	Equity	Debt Securities	Real Assets	Private Equity	Forward Contracts	Total
Australian Dollar	\$12,603	\$3,288,223	\$329,711	\$180,296	\$0	(\$8,338)	\$3,802,495
Brazilian Real	4,328	908,280	1,423,720	840,033	—	7,840	3,184,201
British Pound	40,625	10,013,320	1,905,964	391,829	200	(6,531)	12,345,407
Bulgarian Lev	—	—	—	188	—	—	188
Canadian Dollar	13,578	4,640,749	453,413	589,261	220,125	(5,225)	5,911,901
Chilean Peso	84	172,400	63,946	12,929	—	31	249,390
Chinese Yuan Renminbi	—	—	—	492,208	—	28	492,236
Colombian Peso	54	71,054	—	—	—	28	71,136
Czech Koruna	1,658	47,126	7,376	1,006	—	299	57,465
Danish Krone	490	985,048	24,432	—	—	442	1,010,412
Egyptian Pound	1,893	30,536	—	—	—	—	32,429
Euro Currency	131,693	15,642,868	2,364,833	219,438	2,457,826	(22,078)	20,794,580
Guatemala Quetzal	—	—	—	94,622	—	—	94,622
Hong Kong Dollar	5,033	4,841,328	—	60,911	—	—	4,907,272
Hungarian Forint	97	72,731	—	—	—	—	72,828
Indian Rupee	3,349	1,213,363	—	300,398	—	(41)	1,517,069
Indonesian Rupiah	1,975	365,356	6,164	—	—	(2)	373,493
Israeli Shekel	1,889	333,021	116,306	—	—	533	451,749
Japanese Yen	59,453	14,377,631	597,774	340,086	76,501	33,549	15,484,994
Malaysian Ringgit	480	423,842	27,371	94,428	—	(406)	545,715
Mexican Peso	34,433	539,138	617,944	107,956	—	9,544	1,309,015
Moroccan Dirham	27	1,598	—	—	—	—	1,625
New Taiwan Dollar	1,433	1,935,913	—	—	—	(30)	1,937,316
New Zealand Dollar	1,641	128,245	114,854	—	—	10,226	254,966
Norwegian Krone	1,644	442,731	51,843	—	—	(5,445)	490,773
Pakistan Rupee	36	70,220	—	—	—	—	70,256
Peruvian Noveau Sol	36	—	25,211	—	—	22	25,269
Phillipine Peso	86	261,227	—	1,055	—	—	262,368
Polish Zloty	990	202,030	198,719	—	—	(7,747)	393,992
Romanian Leu	672	—	35,961	—	—	226	36,859
Russian Ruble	730	—	232,701	425,316	—	4,121	662,868
Singapore Dollar	1,590	788,803	19,328	—	—	(168)	809,553
South African Rand	2,993	1,280,211	156,208	—	—	157	1,439,569
South Korean Won	939	2,470,396	—	—	—	(56)	2,471,279
Sri Lanka Rupee	3	—	—	—	—	—	3
Swedish Krona	890	1,740,745	175,283	52,354	—	(8,552)	1,960,720
Swiss Franc	8,027	4,128,187	84,904	5,310	—	(516)	4,225,912
Thailand Baht	620	441,527	33,472	—	—	(192)	475,427
Turkish Lira	2,897	447,118	158,922	—	—	578	609,515
UAE Dirham	93	61,659	—	—	—	—	61,752
TOTAL	\$339,062	\$72,366,624	\$9,226,360	\$4,209,624	\$2,754,652	\$2,297	\$88,898,619

(1) This table presents investment securities of all CalPERS managed funds, including derivative instruments that are subject to foreign currency risk.

7. EMPLOYERS' NET PENSION LIABILITY/(ASSET)

The components of the net pension liability of the PERF B, PERF C, LRF, JRF, and JRF II as of June 30, 2015, were as follows:

Net Pension Liability/(Asset) (Dollars in Thousands)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B:				
Schools Cost-Sharing Plan	\$71,651,164	\$56,911,066	\$14,740,098	79.4%
PERF C:				
Public Agencies Cost-Sharing Plan	31,800,055	24,907,306	6,892,749	78.3%
LRF:				
State of California	106,730	121,469	(14,739)	113.8%
JRF:				
State of California	3,532,394	41,177	3,491,217	1.2%
JRF II:				
State of California	1,073,788	1,084,142	(10,354)	101.0%

The total pension liability/(asset) was determined by actuarial valuations as of June 30 in various years, by fund, which were rolled forward to June 30 of the next year, using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions Used to Measure the Total Pension Liability¹

	PERF B Schools Cost-Sharing	PERF C Public Agency Cost-Sharing	LRF	JRF	JRF II
Inflation Rate	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service	3.00%	3.00%	3.00%
Mortality Rate Table ²	Derived using CalPERS membership data for all funds				
Period Upon Which Actuarial Experience Survey Assumptions Were Based	1997-2011	1997-2011	1997-2011	1997-2011	1997-2011
Post-Retirement Benefit Increase	2.00% until PPPA floor on purchasing power applies, 2.75% thereafter	Contract COLA up to 2.75% until PPPA floor on purchasing power applies, 2.75% thereafter	2.75%	3.00%	2.75%
Discount Rate	7.65% ³	7.65% ³	6.00% ⁴	3.82% ⁵	7.15% ⁶

(1) New assumptions for LRF, JRF, and JRF II were implemented in the June 30, 2013, valuation. For PERF B and PERF C the new assumptions applied to the June 30, 2015, and June 30, 2014, valuations respectively.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

(3) The discount rate increased to 7.65% in Fiscal Year 2014-15 as compared to 7.50% in Fiscal Year 2013-14.

(4) The discount rate increased to 6.00% in Fiscal Year 2014-15 as compared to 5.75% in Fiscal Year 2013-14.

(5) The discount rate decreased to 3.82% in Fiscal Year 2014-15 as compared to 4.25% in Fiscal Year 2013-14.

(6) The discount rate increased to 7.15% in Fiscal Year 2014-15 as compared to 7.00% in Fiscal Year 2013-14.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11-60 years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The tables below reflect long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

PERF – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	19.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)

(1) An expected inflation of 2.50% used for this period.
 (2) An expected inflation of 3.00% used for this period.

LRF – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	24.0%	5.25%	5.71%
Fixed Income	39.0%	1.79%	2.45%
TIPs	26.0%	1.00%	2.45%
Commodities	3.0%	0.34%	4.32%
REITs	8.0%	3.25%	7.88%

(1) An expected inflation of 2.50% used for this period.
 (2) An expected inflation of 3.00% used for this period.

JRF – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Cash	100.0%	(0.55%)	(1.05%)

(1) An expected inflation of 2.50% used for this period.
 (2) An expected inflation of 3.00% used for this period.

JRF II – Long-Term Expected Real Rates of Return by Asset Class

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	50.0%	5.25%	5.71%
Fixed Income	34.0%	1.79%	2.45%
TIPs	5.0%	1.00%	2.45%
Commodities	3.0%	0.34%	4.32%
REITs	8.0%	3.25%	7.88%

(1) An expected inflation of 2.50% used for this period.
 (2) An expected inflation of 3.00% used for this period.

DISCOUNT RATE

PERF B, PERF C, LRF, and JRF II

The discount rates used to measure the total pension liability/(asset) for the PERF B, PERF C, LRF, and JRF II were 7.65 percent, 7.65 percent, 6.00 percent, and 7.15 percent, respectively. To determine whether the municipal bond rate should be used in the calculation of a discount rate, the amortization and smoothing periods recently adopted by the Board were used. For the PERF B, a projection of expected benefit payments and contributions was performed to determine if the assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the PERF B.

For the PERF C, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the PERF C.

For the LRF, since the fair value of assets exceeded the present value of benefits, all benefit payments would be expected to be paid from the trust. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

For the JRF II, because of the proximity of the fair value of assets to total pension liabilities as of June 30, 2015, and June 30, 2014, and because all future normal cost payments and amortization payments are expected to be paid as due, all benefit payments would be expected to be paid from the trust. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods for projected benefit payments to determine the total pension asset.

JRF

The discount rate used to measure the total pension liability was 3.82 percent. The state funds the JRF benefit obligations using the pay-as-you-go method. Under the pay-as-you-go method, the pension plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments of current active and inactive employees. Therefore, a discount rate of 3.82 percent, which falls within a reasonable range of yields on 20-year tax-exempt General Obligation Municipal Bonds with an average rating of AA (as measured by the Bond Buyer 20-Bond GO Index) was applied to all periods of projected benefit payments to measure the total pension liability.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability/(asset) of the PERF B, PERF C, LRF, JRF, and JRF II calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (-100 basis points) or one percentage point higher (+100 basis points) than the current rate:

Sensitivity Analysis (Dollars in Thousands)

Discount Rate (assumed)

Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing Plan	\$71,651,164	\$56,911,066	\$14,740,098	79.4%
PERF C				
Public Agency Cost-Sharing Plan	31,800,055	24,907,306	6,892,749	78.3%
LRF				
State of California	106,730	121,469	(14,739)	113.8%
JRF				
State of California	3,532,394	41,177	3,491,217	1.2%
JRF II				
State of California	1,073,788	1,084,142	(10,354)	101.0%

Sensitivity Analysis (Dollars in Thousands)

Discount Rate -1%

Plan	Total Pension Liability (-1%)	Plan Fiduciary Net Position	Net Pension Liability/(Asset) (-1%)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing Plan	\$80,901,804	\$56,911,066	\$23,990,738	70.3%
PERF C				
Public Agency Cost-Sharing Plan	36,118,786	24,907,306	11,211,480	69.0%
LRF				
State of California	119,158	121,469	(2,311)	101.9%
JRF				
State of California	3,934,229	41,177	3,893,052	1.0%
JRF II				
State of California	1,216,083	1,084,142	131,941	89.2%

Sensitivity Analysis (Dollars in Thousands)

Discount Rate +1%

Plan	Total Pension Liability (+1%)	Plan Fiduciary Net Position	Net Pension Liability/(Asset) (+1%)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
PERF B				
Schools Cost-Sharing Plan	\$63,958,639	\$56,911,066	\$7,047,573	89.0%
PERF C				
Public Agency Cost-Sharing Plan	28,202,226	24,907,306	3,294,920	88.3%
LRF				
State of California	96,548	121,469	(24,921)	125.8%
JRF				
State of California	3,194,345	41,177	3,153,168	1.3%
JRF II				
State of California	961,722	1,084,142	(122,420)	112.7%

8. OTHER POST-EMPLOYMENT BENEFIT TRUST FUND

The CERBTF was established by Chapter 331 of the 1988 Statutes and initially funded in 2007. At June 30, 2015, 462 employers had elected to participate in the fund. The purpose of the fund is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. Contributions are voluntarily determined by the employer's own funding schedule, and there are no long-term contracts for contributions to the plan. The CERBTF is an agent multiple-employer plan as defined in GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer's participation in the fund terminates, all assets in the employer's prefunding account shall remain in the fund except as otherwise provided. Allowable termination disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board one of the following: 1) transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, or 2) the employer substantiates to the Board that all of the employer's obligations for the payment of post-employment benefits have been satisfied. From the most recent actuarial valuation reports, there were 214,149 active or inactive members and 114,860 retirees for the miscellaneous plan and 32,872 active or inactive members and 25,735 retirees for the safety plan.

Costs to administer the plan are determined through the Board-approved cost allocation plan, where actual direct and indirect costs of administering the System are assessed to each fund.

Actuarially determined contributions for the CERBTF are based on actuarial valuations that are conducted at least biennially by outside actuarial firms engaged by participating employers. Contributions to the CERBTF are elective and not required. OPEB valuations are prepared using actuarial assumptions and methods that comply with Actuarial Standards of Practice and with Governmental Accounting Standards and include an assumption for health care cost trend rates. The actuarial valuation estimates the cost of

future health and other post-employment benefit insurance premiums for current and retired participating employees. Employers with fewer than 100 plan members may use the alternative measurement method as permitted by GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

The total Fiscal Year 2014-15 actual OPEB employer contributions from 462 participating employers representing 466 OPEB plans was \$1.71 billion, compared to the average annual required contribution of 13.8 percent of covered payroll, or \$2.6 billion. This amount includes the \$687.5 million in contributions made to the CERBTF, plus an additional \$1.03 billion in retiree health care premiums paid by employers directly to providers, implicit rate subsidies, and other GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, compliant costs recognized by employers as contributions toward the Annual Required Contribution (ARC). CERBTF actuarial valuations are based upon plan benefits in effect at the time of the valuations, either defined by the employer or by the PEMHCA, for employers participating in that program.

OPEB valuations dated on or after March 31, 2015, will be subject to revisions of the Actuarial Standards of Practice 6 (ASOP 6), which was adopted by the Actuarial Standards Board in May 2014. ASOP 6 requires the actuary to use (with limited exceptions) "age-adjusted" rates when calculating the employer OPEB liability. As a result, OPEB actuarial accrued liabilities for many employers, including those participating in the California Employers' Retiree Benefit Trust program, could increase substantially.

The following represents the funded status of the post-employment health care fund as of June 30, 2014. These actuarial valuations involve estimates of the value and assumptions about the probability of events far into the future, and these amounts and assumptions are subject to continual revision as actual results are compared to past expectations. Calculations are based on the benefits provided under the terms of the plan in effect and the pattern of cost sharing between employees and the employer. The projection of benefits does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing. These actuarial calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility.

Funded Status of the CERBTFF¹

Fund	Actuarial Valuation Date	Actuarial Valuation of Assets (1)	Actuarial Accrued Liability (AAL) (Entry Age) (2)	Unfunded AAL (UAAL) (3) = (2) - (1)	Funded Ratio 4 = (1) / (2)	Annual Covered Payroll (5)	UAAL as a % of Covered Payroll (3) / (5)
CERBTFF ³	6/30/14 ²	\$3,737,096	\$34,572,376	\$30,835,280	10.8%	\$18,892,241	163.2%

(1) The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for OPEB benefits over time. Market value of asset information is included in the Schedule of Funding Progress as part of the Required Supplementary Information.

(2) The June 30, 2014, data represents the rolled forward and backward data based on the actuarial information from 449 OPEB valuations with the measurement date as of June 30, 2013, or later and 17 OPEB valuations with an earlier measurement date, applying methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

(3) In August 2012, the CalPERS Board removed requirements of specific assumption values and methods. For any OPEB valuation report with a measurement date after August 15, 2012, the OPEB assumption model allows the use of any actuarial cost method that complies with Actuarial Standards of Practice and with Governmental Accounting Standards. The Actuarial Accrued Liability (AAL) reported for the CERBTFF represents aggregated liabilities calculated under any allowable cost method.

Actuarial Information, Assumptions, and Methods Used in the Most Recent Actuarial Valuations and Actuarial Valuations used to Determine Annual Required Contributions

CERBTFF	
Funded Status & ARC Valuation Date	6/30/2013 ¹
Adoption Date	N/A
Actuarial Cost Method	Varies ²
Amortization Method	Varies ³
Amortization Approach	Varies ⁴
Remaining Amortization Period	Varies ⁵
Asset Valuation Method	Varies ⁶
Actuarial Assumptions:	
Net Investment Rate of Return	Varies ⁷
Projected Salary Increases	3.25% ⁸
Inflation Rate	3% ⁹
Post Retirement Benefit Increase	N/A
Health Care Cost Trend Rates:	
Select Period	0–10 Years
Initial Rate	4.00%–12.00%
Ultimate Rate	4.00%–6.00%

(1) The CERBTFF ARC for the fiscal year ended June 30, 2015, was primarily derived from OPEB valuations as of June 30, 2013.

(2) While the significant majority of the valuations utilized the Entry Age Normal or Projected Unit Credit actuarial cost method, other methods are allowed under the OPEB model.

(3) The employers used either a level dollar or level percentage of payroll for their amortization method.

(4) The employers were able to use both open and closed amortization approaches.

(5) For a significant majority of the valuations, the unfunded liability was amortized over 25 to 30 years; the remainder used periods that ranged between one year and 24 years.

(6) Most valuations used the current market value of assets and a few used the smoothed market value of assets.

(7) In March 2011, the Board increased the number of CERBTFF investment portfolios from one to three, and allowed a Margin for Adverse Deviation in the associated discount rate for OPEB valuations dated after June 15, 2011. The net investment rate of return shown in the table above reflects the expected returns of the three portfolios. Employers who expect to not fully fund the ARC in future years use a weighted rate of return that is blended with that employer's expected return on general unrestricted assets.

(8) While the significant majority of valuations utilized a 3.25% projected salary increase assumption, some valuations used a different rate.

(9) While the significant majority of valuations utilized a 3.00% inflation rate assumption, some valuations used a different rate.

9. OTHER POST-EMPLOYMENT BENEFITS (OPEB) OBLIGATION

The State of California, as an employer, provides retired state employees with certain post-employment benefits, such as health care and dental benefits, under a single-employer defined benefit plan. As a state agency, CalPERS is a component unit of the State and CalPERS participates in the state's plan as a single-employer plan. CalPERS' funding is based on the amount determined by the State on a pay-as-you-go basis. The State does not issue a stand-alone financial report for the OPEB plan.

To be eligible for these benefits, a First Tier plan state employee must retire on or after age 50 with at least five years of service, and a Second Tier plan employee must retire on or after attaining age 55 with at least 10 years of service. In addition, an employee must retire within 120 days of separation from employment to be eligible to receive these benefits.

CalPERS recognizes the cost of providing these benefits to retirees on a pay-as-you-go basis during the year, and at year-end CalPERS records its share of the net OPEB obligation as determined by the most recent State of California actuarial valuation report as of June 30, 2014, based on the pay-as-you-go funding scenario.

The costs of these benefits on a pay-as-you-go basis are reported in the administrative expense line item in the Statement of Changes in Fiduciary Net Position and Statement of Revenues, Expenses, and Changes in Net Position.

For the fiscal year ended June 30, 2015, the costs of these benefits were as follows for the respective funds:

OPEB Costs (Dollars in Thousands)

Fund	Amount
PERF A - Agent	\$20,717
PERF B - Schools Cost-Sharing	5,344
PERF C - Public Agency Cost-Sharing	2,337
LRF	25
JRF	96
JRF II	96
CERBTF	160
HCF/CRF	3,526
LTCF	224
DCF	90
SPOFF	37
SCPF	1
Total	\$32,653

CalPERS' net OPEB obligations as of June 30, 2015, were as follows for the respective funds:

Net OPEB Obligations (Dollars in Thousands)

Fund	Amount
PERF A - Agent	\$122,935
PERF B - Schools Cost-Sharing	31,900
PERF C - Public Agency Cost-Sharing	13,947
LRF	222
JRF	612
JRF II	406
CERBTF	685
HCF/CRF	23,903
LTCF	443
DCF	199
SPOFF	82
SCPF	3
Total	\$195,337

The net OPEB obligation is reported in other program liability in the Statement of Fiduciary Net Position, and is reported as OPEB Obligation in the Statement of Net Position-Proprietary Funds.

The actuarial report for OPEB, including a description of benefits, may be obtained by writing to the Office of State Controller, P.O. Box 942850, Sacramento, CA 94250-5872, or by visiting the State Controller's website at www.sco.ca.gov.

10. PUBLIC EMPLOYEES' HEALTH CARE FUND (HCF)

The HCF was established under the PEMHCA as of July 1, 1988. Health plan offerings include self-funded plans, PERS Choice, PERSCare, and PERS Select, and effective in 2014, flex-funded plans, Anthem Blue Cross, Blue Shield of California, Health Net, Sharp, and UnitedHealthcare. Health plans are available to entities that contract for health insurance coverage under PEMHCA based on zip codes, as prescribed by state law. Having members in large risk pools spreads the catastrophic claims over a larger base and minimizes administrative expenses. The self-funded plans retain all risk of loss of allowable health claims while the flex-funded plans share a percentage of the risk of loss. Members are not subject to a supplemental assessment in the event of deficiencies. Premium rates are set by the Board based on a trend analysis of the historic cost, utilization, demographics,

and administrative expenses of the HCF to provide for the claims incurred and the actuarially determined required level of reserves. The health plans rely on operating cash flows and investment income to fund health benefit payments. During the Fiscal Year 2014-15, the Board approved increases in member premiums to mitigate the impact of increasing costs associated with increases in provider pricing and increased benefit use. Management believes that the current sources of funding will be adequate to provide for benefits of the health plans.

Public agencies participating in the health plans are required to make monthly premium payments based on rates established annually by CalPERS. Employers' shares of premiums are determined by the public agency through benefit negotiations, subject to minimum share of premium levels established through PEMHCA. Public agency employee members pay the difference between the premium rate and the employers' share of premium.

Effective January 1, 2013, CalPERS partnered with its Pharmacy Benefit Manager (PBM) to provide a custom Medicare Part D prescription drug plan, EGWP, for those members participating in Medicare. Under the EGWP, CalPERS contracts for the prescription drug program through a PBM as the EGWP administrator, and the PBM manages all federal interaction. CalPERS made this change in an effort to provide prescription drug benefits in the most cost-efficient manner for CalPERS members. EGWP subsidies are comprised of direct subsidies, low income cost-sharing subsidies, low income premium subsidies, reinsurance subsidies, and coverage gap discounts. EGWP premium subsidies are reported as federal government subsidies; rebates and coverage gap discounts are reported as an offset to claims expense; and administrative fees are reported as administrative expenses.

The HCF establishes claim liabilities based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and of claims that have been "Incurred But Not Reported" (IBNR). The estimated medical claims liability was calculated by health plan partners, at June 30, 2015, using a variety of actuarial and statistical techniques and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The estimated claims liability of \$410.2 million is carried at its face amount, and no interest discount is assumed. The IBNR portion represents an estimate for claims that have been incurred prior to June 30, 2015, but have not been reported to the HCF. The total estimated claims at the end of the Fiscal Year 2014-15 also includes \$327.6 million, which is reported as claims payable liability in the Statement of Net Position.

ANTICIPATED INVESTMENT INCOME AND REINSURANCE

Anticipated investment income is included in the annual premium requirement for HCF members. Also, the HCF has not entered into any reinsurance or excess insurance agreements. CalPERS has entered into agreements with flex-funded health plan partners that limit HCF risk to a maximum aggregate monthly cost per member.

The following schedule represents changes in the aggregate estimated claims liabilities of the HCF for the fiscal years ended June 30, 2015, and June 30, 2014.

Changes in the Aggregate Estimated Claims Liabilities of the HCF (Dollars in Thousands)

Year Ended June 30	2015	2014
Total Estimated Claims at Beginning of Fiscal Year	\$635,956	\$281,248
Incurred Claims and Claim Adjustment Expenses		
Provision for Insured Events of Current Fiscal Year	\$3,715,653	\$2,748,821
Decrease in Provision for Insured Events of Prior Years	(283,551)	(125,370)
Total Incurred Claims and Claim Adjustment Expenses	\$3,432,102	\$2,623,451
Payments		
Claims and Claim Adjustment Expenses Attributable to Insured Events of Current Fiscal Year	\$2,977,828	\$2,112,865
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Year	352,405	155,878
Total Payments	\$3,330,233	\$2,268,743
Total Estimated Claims at End of Fiscal Year	\$737,825	\$635,956

11. PUBLIC EMPLOYEES' CONTINGENCY RESERVE FUND (CRF)

The CRF was established in 1962, with the passage of PEMHCA, to fund administrative costs related to the PEMHCA program, and as a contingency reserve for such items as increases in future rates or in future benefits. PEMHCA was expanded to include local public agency employees on a contract basis in 1967. The CRF is reimbursed by the State and contracting public agencies for costs incurred for administering the program. Activity in the CRF is reported in the HCF/CRF combined financial statement.

PEMHCA establishes eligibility rules for the following:

- Retirees and beneficiaries receiving health care benefits,
- Terminated plan members entitled to but not yet receiving benefits, and
- Active plan members.

The administrative fee is determined as a percentage of insurance premiums paid by the employers. The percentage of the insurance premiums paid for the fiscal year ended June 30, 2015, was 0.34 percent. Administrative rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative costs.

Public agency employers submit the provider-determined, Board-approved premiums to the CRF, which in turn remits the premiums to the respective health care provider, which includes the self-funded health program PERSCare, PERS Choice, PERS Select, and flex-funded plans.

At June 30, 2015, 1,153 public agencies participated in health insurance coverage under PEMHCA.

12. PUBLIC EMPLOYEES' LONG-TERM CARE FUND (LTCF)

The LTCF began offering self-insured Long-Term Care (LTC) plans in 1995. The LTCF provides LTC coverage to enrolled participants under the Public Employees' Retirement Law (PERL), Chapter 15. The LTC program contracts with a third-party service provider to administer the program. The LTCF is a voluntary member-paid program and is not funded or subsidized by the employers.

There are four LTC policy types:

- LTC 1: policies purchased from the program inception in 1995 through 2002.
- LTC 2: policies purchased from 2003 through 2004.
- LTC 3: policies purchased from 2005 through 2008.
- LTC 4: policies purchased effective December 2013 and forward through open application.

As of June 30, 2015, there are 136,253 active participants in the LTC 1, LTC 2, LTC 3, and LTC 4 policy types, of which 6,039 are receiving benefits.

The LTCF estimate of the funding level, to provide for the payment of future claim benefits, is projected based on actual enrolled participant levels. Participants in the Long-Term Care program with a lifetime benefit period or inflation protection will receive an 85 percent rate increase in 2015, which will be implemented over a two year period. As an alternative to avoid the rate increase, these participants were given the option to convert to another benefit coverage plan in the Fall of 2014 and Spring of 2015.

The LTCF establishes the liability for future policy benefits based on the present value of future benefits and expenses less the present value of future premiums. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 5.75 percent, morbidity, lapse rates, voluntary termination, conversion rates to fixed term policies, mortality, plan expenses and rate increase. In Fiscal Year 2014-15, the actual conversion rates were higher than expected. However, actual investment returns were approximately \$274 million lower than expected. The mortality assumptions remained the same as the previous year's assumptions while the morbidity assumptions were higher than the previous year's assumption, thus increasing projected claims.

Total LTCF assets as of June 30, 2015, were approximately \$4.1 billion. The annual premium for Fiscal Year 2014-15 was \$272.4 million, and the total benefits paid out in Fiscal Year 2014-15 were \$248.8 million. Since the program's inception in 1995 through June 30, 2015, the total benefits paid were approximately \$1.7 billion.

13. REPLACEMENT BENEFIT FUND (RBF)

The RBF was established as a custodial fund by Chapter 938 of the 1995 Statutes. Initially funded in 1998, it provides benefits to members of the PERF whose retirement allowance, based on the member's choice of retirement option, exceeds the IRC section 415(b) limits. IRC section 415(b) imposes a dollar limit on the annual retirement benefits an individual may receive from a qualified defined benefit pension plan.

The RBF is funded on a "pay-as-you-go" basis. That is, the employer is invoiced for amounts payable to its former employees in the calendar year and upon receipt of payment by the employers, CalPERS remits the replacement benefit to the retirees. Employer contributions must be in amounts equivalent to the benefits not paid from the PERF as a result of the limitations of IRC section 415(b) plus, if applicable, employer Federal Insurance Contributions Act taxes. CalPERS is responsible for calculating the applicable dollar limit under IRC section 415(b) and notifying the employer. At June 30, 2015, there were 684 retirees receiving replacement benefits.

Government Code section 7522.43 provides that a public retirement system may continue to administer a plan of replacement benefits for employees first hired prior to January 1, 2013, only. Section 7522.43 prohibits any employer from offering a plan of replacement benefits for employees hired on or after January 1, 2013.

14. COMMITMENTS TO FUND PARTNERSHIPS

At June 30, 2015, CalPERS' total capital commitments to fund partnerships was \$81.1 billion. Of this amount, \$25.1 billion remained unfunded and is not recorded on the CalPERS Statement of Fiduciary Net Position. Certain unfunded commitments for real assets are subjected to annual approval. The following table depicts the total commitments and unfunded commitments, respectively, by asset class.

Total Commitments and Unfunded Commitments to Fund Partnerships (Dollars in Thousands)

Asset Class	Total Commitments	Unfunded Commitments
Real Assets	\$24,684,285	\$10,941,291
Private Equity	56,162,111	14,129,116
Global Fixed Income	290,000	32,525
Total	\$81,136,396	\$25,102,932

15. CONTINGENCIES

CalPERS is a defendant in litigation involving investments, individual pension, and health benefit payments and participant eligibility issues arising from its normal activities. In the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the employer contribution rate. CalPERS is involved in litigation relating to various matters. During the fiscal year, specific cases arose that could potentially impact the future financial health of funds administered by CalPERS.

In the case of Robert M. Mallano, et al. v. John Chiang, Controller of the State of California (SCO), the Judges' Retirement System (JRS), and the Judges' Retirement System II (JRS II), JRS and JRS II were sued as part of a purported class action by all active and retired jurists in the State of California. The judges' primary contention is that they have not been paid salary increases required by applicable statutes over the past five years, and that JRS and JRS II must independently raise pension benefits to these retirees and beneficiaries based on the statutory salary mandates. JRS and JRS II in turn contend that they do not have statutory authority to increase benefits until the active judges have received an actual pay increase and JRS and JRS II receive an official Pay Letter from California Department of Human Resources to SCO authorizing an increase. JRS has been included in this suit because retired JRS judges receive increases to their retirement benefits when active judges receive salary increases. For JRS II, salary increases impact final compensation at retirement.

Trial in this case was set for September 30, 2015. All parties engaged in extensive discovery during the course of the summer. In March 2014, the court had ordered the parties to file their respective trial briefs, proposed statements of decision, and witness and exhibit lists by August 21, 2015. However, in early August, all parties stipulated to submitting the entire matter to the court on paper, in lieu of live testimony, since the case involved an issue of statutory construction only. All parties filed their respective briefs on August 21, 2015. Responsive briefs were filed in mid-September, and oral closing arguments were held on September 30, 2015. At that time, the court took the matter under submission.

Sanchez, Elma, et al. v. CalPERS is a putative class action lawsuit by members of the CalPERS Long-Term Care Plan against CalPERS and eight individual CalPERS Board

members. Plaintiffs claim that CalPERS breached its contract with the long-term care purchasers by allegedly promising that long-term care premiums would never increase during the lifetime of the purchaser, but then increasing the premiums, and by failing to continue the Inflation Prevention Benefit without an increase in premiums. Plaintiffs seek to recover all money paid for the long-term care coverage and rescission of the policies sold to the class members, as well as interest and attorneys' fees. CalPERS' demurrer to the complaint was overruled and the parties are engaged in discovery. The amount of potential loss or range of loss on these cases is not estimable at this time due to the many unknowns and complexities of litigation.

The operative complaint alleges a cause of action for breach of fiduciary duty against both CalPERS and the Board Defendants and four additional causes of action against CalPERS for breach of contract, breach of the implied covenant of good faith and fair dealing, rescission, and declaratory relief. Plaintiffs seek to certify a class consisting of California citizens who purchased LTC 1 and LTC 2 policies issued from 1995-2004 with lifetime coverage and built-in inflation protection, lifetime policies without inflation protection, as well as three-year and six-year policies with inflation protection from CalPERS.

CalPERS and the Board Defendants deny that the policies were intentionally or negligently underpriced, and assert that long-term care coverage was a new product with little actuarial data when the program started in 1995, making it difficult to accurately price. Premium increases were imposed across the entire long-term care industry as actuarial and claims data became available. CalPERS asserts that it timely informed policyholders about the need to impose premium increases and has managed the program and the Long-Term Care Trust Fund prudently and properly. CalPERS and the Board Defendants have also asserted a number of substantial legal defenses, including governmental immunity from the tort claims, and that the breach of contract claims are barred by the express language of the Evidence of Coverage and the applicable statute of limitations, among other things. In addition, CalPERS and the Board Defendants believe that class certification should be denied for a number of reasons, including the predominance of individual issues. The parties

are currently in the midst of discovery. Plaintiffs have filed their motion for class certification, which is set for hearing on November 23, 2015. CalPERS filed its opposition to class certification on October 19, 2015. Depending upon the outcome of the class certification motion, CalPERS and the Board Defendants may file a motion for summary judgment. No trial date has been set.

The amount of potential loss or range of loss on these cases is not estimable at this time due to the many unknowns and complexities.

Staniforth, et al. v. Judges Retirement System (JRS) is a petition for writ of mandate and complaint for declaratory relief filed against JRS on behalf of numerous retired judges and the heirs of deceased retired judges. Plaintiffs claim that for over three decades retired judges were not paid correctly under the holding in the California Supreme Court case of Olson v. Cory (1980) 27 Cal.3d 532. JRS' demurrer was sustained without leave to amend, and judgment was entered in favor of JRS in April 2013. Plaintiffs appealed the decision, and in May 2014, the Fourth District Court of Appeal affirmed the judgment in favor of JRS, but remanded the case as to 10 plaintiffs whom the Court of Appeal ruled should have been given an opportunity to amend their complaints to more clearly assert their claims. JRS filed a demurrer to the amended complaint of the 10 plaintiffs, and the hearing on the demurrer was held on February 20, 2015. On March 2, 2015, the trial court sustained the JRS' demurrer to the amended complaint on statute of limitations grounds. Plaintiffs' appeal of that ruling is currently pending before the Court of Appeal. CalPERS believes that the amount at issue on remand is less than \$1 million.

On April 1, 2015, the San Diego Superior Court entered judgment against the plaintiffs and sustained CalPERS' demurrer without leave to amend. In particular, the trial court ruled that Plaintiffs' pleading in its entirety and each of its causes of action were time-barred under Code of Civil Procedure section 337.5(b), which established a period of limitation of 10 years for an action on a judgment. On May 22, 2015, Plaintiffs filed a timely notice of appeal. CalPERS filed its opposition brief on September 9, 2015. The Court of Appeal has not yet set a date for oral argument.

16. FUTURE ACCOUNTING PRONOUNCEMENTS

CalPERS has not yet determined the impact on its financial statements related to the implementation of the standards listed below.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72), to be applied to fiscal periods beginning after June 15, 2015. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value for financial reporting purposes. Additionally, GASB 72 provides guidance on applying fair value to certain investments and disclosures related to all fair value measurements.

The requirements of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB 68 are effective for financial statements for fiscal years beginning after June 15, 2016. The requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this statement for pension plans that are within the scope of GASB 67 or for pensions that are within the scope of GASB 68 are effective for fiscal years beginning after June 15, 2015. The following issues are addressed:

- 1) information required to be presented as notes to 10-year schedules of required supplementary information (RSI) about investment-related factors,
- 2) accounting and reporting for separately financed specific liabilities of individual employers and non-employer contributing entities, and
- 3) timing of employer recognition of revenue for the support of non-employer contributing entities not in a special funding situation.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74), addresses reporting by OPEB plans that administer benefits on behalf of governments. This statement modifies note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, and requires disclosure about the annual money-weighted rate of return on plan investments. The provisions of GASB 74 will be effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75), addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This statement also requires new note disclosures describing the effect on the OPEB liability using a discount rate and health care cost trend rate that is one percent higher and lower than that assumed by the government. New RSI will include schedules showing causes of increases and decreases in the OPEB liability and the comparison of a government's actual OPEB contributions to its contribution requirements. GASB 75 will be effective for participating employers for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, supersedes GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB 76). The objective of this statement is to identify (in the context of the current governmental financial reporting environments) the hierarchy of generally accepted accounting principles. The requirements of GASB 76 are effective for fiscal years beginning after June 15, 2015.

Financial Section

Required Supplementary Information

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Required Supplementary Information

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS

PERF B – Two-Year Review (Dollars in Thousands)

	2015	2014
Total Pension Liability:		
Service Cost	\$1,624,993	\$1,576,667
Interest	5,152,519	4,820,116
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	1,132,907	—
Changes of Assumptions	(1,217,974)	—
Plan to Plan Liability Movement	(13,896)	—
Benefit Payments, Including Refunds of Member Contributions	(3,334,081)	(3,139,923)
Net Change in Total Pension Liability	\$3,344,468	\$3,256,860
Total Pension Liability – Beginning	\$68,306,696	\$65,049,836
Total Pension Liability – Ending (a)	\$71,651,164	\$68,306,696
Plan Fiduciary Net Position:		
Contributions – Employer	\$1,323,090	\$1,203,071
Contributions – Member	773,580	744,437
Total Net Investment Income	1,249,049	8,601,820
Other Miscellaneous Income	23,316	23,781
Benefit Payments, Including Refunds of Member Contributions	(3,334,081)	(3,139,923)
Net Plan to Plan Resource Movement	(71,460)	—
Administrative Expenses	(64,124)	(72,167)
Net Change in Plan Fiduciary Net Position	(\$100,630)	\$7,361,019
Plan Fiduciary Net Position – Beginning	\$57,011,696	\$49,650,677
Plan Fiduciary Net Position – Ending (b)	56,911,066	57,011,696
Net Pension Liability (a) - (b)	\$14,740,098	\$11,295,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.4%	83.5%
Covered-Employee Payroll ⁽¹⁾	\$10,964,872	\$10,120,248
Net Pension Liability as a Percentage of Covered-Employee Payroll	134.4%	111.6%

(1) GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Covered-employee payroll in the table above represents pensionable earnings provided by the employer to the plan.

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

PERF C – Two-Year Review (Dollars in Thousands)

	2015	2014
Total Pension Liability:		
Service Cost	\$698,416	\$713,731
Interest	2,285,565	2,169,786
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	103,327	—
Changes of Assumptions	(543,686)	—
Plan to Plan Liability Movement	(109,005)	—
Benefit Payments, Including Refunds of Member Contributions	(1,423,756)	(1,335,871)
Net Change in Total Pension Liability	\$1,010,861	\$1,547,646
Total Pension Liability – Beginning	\$30,789,194	\$29,241,548
Total Pension Liability – Ending (a)	\$31,800,055	\$30,789,194
Plan Fiduciary Net Position:		
Contributions – Employer	\$859,456	\$747,694
Contributions – Member	278,529	291,772
Total Net Investment Income	537,905	3,760,548
Other Miscellaneous Income	10,192	10,387
Benefit Payments, Including Refunds of Member Contributions	(1,423,756)	(1,335,871)
Net Plan to Plan Resource Movement	(267,581)	—
Administrative Expenses	(27,967)	(31,550)
Net Change in Plan Fiduciary Net Position	(\$33,222)	\$3,442,980
Plan Fiduciary Net Position – Beginning	\$24,940,528	\$21,497,548
Plan Fiduciary Net Position – Ending (b)	24,907,306	24,940,528
Net Pension Liability (a) - (b)	\$6,892,749	\$5,848,666
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.3%	81.0%
Covered-Employee Payroll ⁽¹⁾	\$3,356,312	\$3,248,018
Net Pension Liability as a Percentage of Covered-Employee Payroll	205.4%	180.1%

(1) GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Covered-employee payroll in the table above represents pensionable earnings provided by the employer to the plan.

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

LRF – Two-Year Review (Dollars in Thousands)

	2015	2014
Total Pension Liability:		
Service Cost	\$769	\$732
Interest	6,427	6,465
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	(4,246)	—
Changes of Assumptions	(2,655)	—
Benefit Payments, Including Refunds of Member Contributions	(9,086)	(7,482)
Net Change in Total Pension Liability	(\$8,791)	(\$285)
Total Pension Liability – Beginning	115,521	115,806
Total Pension Liability – Ending (a)	\$106,730	\$115,521
Plan Fiduciary Net Position:		
Contributions – Employer	\$590	\$565
Contributions – Member	105	113
Total Net Investment Income	(125)	15,332
Other Miscellaneous Income	31	40
Benefit Payments, Including Refunds of Member Contributions	(9,086)	(7,482)
Administrative Expenses	(400)	(362)
Net Change in Plan Fiduciary Net Position	(\$8,885)	\$8,206
Plan Fiduciary Net Position – Beginning	\$130,354	\$122,148
Plan Fiduciary Net Position – Ending (b)	121,469	130,354
Net Pension Asset (a) - (b)	(\$14,739)	(\$14,833)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	113.8%	112.8%
Covered-Employee Payroll ¹	\$1,545	\$1,470
Net Pension Asset as a Percentage of Covered-Employee Payroll	(954.0%)	(1009.0%)

(1) GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Covered-employee payroll in the table above represents pensionable earnings provided by the employer to the plan.

JRF – Two-Year Review (Dollars in Thousands)

	2015	2014
Total Pension Liability:		
Service Cost	\$25,372	\$27,581
Interest	127,074	140,256
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	57,568	—
Changes of Assumptions	167,036	—
Benefit Payments, Including Refunds of Member Contributions	(201,868)	(193,935)
Net Change in Total Pension Liability	\$175,182	(\$26,098)
Total Pension Liability – Beginning	3,357,212	3,383,310
Total Pension Liability – Ending (a)	\$3,532,394	\$3,357,212
Plan Fiduciary Net Position:		
Contributions – Employer	\$180,910	\$191,148
Contributions – Member	3,877	4,724
Total Net Investment Income	88	54
Other Miscellaneous Income	2,198	2,529
Benefit Payments, Including Refunds of Member Contributions	(201,868)	(193,935)
Administrative Expenses	(1,227)	(1,141)
Net Change in Plan Fiduciary Net Position	(\$16,022)	\$3,379
Plan Fiduciary Net Position – Beginning	\$57,199	\$53,820
Plan Fiduciary Net Position – Ending (b)	41,177	57,199
Net Pension Liability (a) - (b)	\$3,491,217	\$3,300,013
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	1.2%	1.7%
Covered-Employee Payroll ¹	\$41,378	\$54,649
Net Pension Liability as a Percentage of Covered-Employee Payroll	8437.4%	6038.6%

(1) GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Covered-employee payroll in the table above represents pensionable earnings provided by the employer to the plan.

SCHEDULES OF CHANGES IN NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS (CONTINUED)

JRF II – Two-Year Review (Dollars in Thousands)

	2015	2014
Total Pension Liability:		
Service Cost	\$81,679	\$78,670
Interest	70,389	61,044
Changes of Benefit Terms	—	—
Differences Between Expected and Actual Experience	(17,319)	—
Changes of Assumptions	(14,883)	—
Benefit Payments, Including Refunds of Member Contributions	(14,040)	(8,950)
Net Change in Total Pension Liability	\$105,826	\$130,764
Total Pension Liability – Beginning	967,962	837,198
Total Pension Liability – Ending (a)	\$1,073,788	\$967,962
Plan Fiduciary Net Position:		
Contributions – Employer	\$65,629	\$57,027
Contributions – Member	22,242	20,413
Total Net Investment Income	(2,863)	149,679
Other Miscellaneous Income	462	489
Benefit Payments, Including Refunds of Member Contributions	(14,040)	(8,950)
Administrative Expenses	(1,127)	(785)
Net Change in Plan Fiduciary Net Position	\$70,303	\$217,873
Plan Fiduciary Net Position – Beginning	\$1,013,839	\$795,966
Plan Fiduciary Net Position – Ending (b)	1,084,142	1,013,839
Net Pension Asset (a) - (b)	(\$10,354)	(\$45,877)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.0%	104.7%
Covered-Employee Payroll ¹	\$259,133	\$249,248
Net Pension Asset as a Percentage of Covered-Employee Payroll	(4.0%)	(18.4%)

(1) GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Covered-employee payroll in the table above represents pensionable earnings provided by the employer to the plan.

NOTES TO SCHEDULE

Changes in Benefit Terms

Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan’s annual valuation report.

Change of Assumptions and Methods

No changes have occurred to the actuarial assumptions since the CalPERS Board adopted new actuarial assumptions in February 2014. The most significant change to the actuarial assumptions that the Board adopted at that time was the inclusion of future mortality improvement. The actuarial assumptions adopted by the Board are designed to ensure greater sustainability and soundness of the defined benefit pension plans, and will be better at predicting future experience resulting in more secure retirement benefits in the decades to come. The current experience study was based on demographic CalPERS data for years 1997 to 2011. The study focused on recent patterns of termination, death, disability,

retirement and salary increases. These new assumptions were reflected in the total pension liabilities as of June 30, 2013. June 30, 2014, liabilities were rolled forward to June 30, 2015, using standard update procedures.

On April 17, 2013, the CalPERS Board of Administration approved a change to the CalPERS amortization and smoothing policies for LRF and JRF II. Prior to this change, CalPERS employed an amortization and smoothing policy, which spread investment returns over a 15-year period while experience gains and losses were amortized over a rolling 30-year period. CalPERS employs an amortization and smoothing policy that spreads rate increases or decreases over a 5-year period, and amortizes all experience gains and losses over a fixed 30-year period.

For JRF, the changes to actuarial methods include an increase in maximum benefit allowable for active members to 75 percent of pay from 65 percent of pay, the benefit payable for a termination changed from being equal to a retirement

SCHEDULES OF PLAN CONTRIBUTIONS – PENSION PLANS

benefit to one equal to a percent (generally 3.75 percent) times years of service, and the allocated service for the non-member spouse for Qualified Domestic Relations Order changed to full service for the member in order to determine both eligibility and the benefit multiplier.

The JRF is funded on a “pay-as-you-go” basis, where short-term investments, contributions received during the

year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the plan does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in the Fiscal Year 2015-16.

Two-Year Review (Dollars in Thousands)

	2015	2014
PERF B:		
Actuarially Determined Contribution	\$1,226,982	\$1,189,286
Contributions in Relation to the Actuarially Determined Contribution	1,226,982	1,189,286
Contribution Excess	—	—
Covered-Employee Payroll ¹	\$10,964,872	\$10,120,248
Contributions as a Percentage of Covered-Employee Payroll	11.2%	11.8%
PERF C:		
Actuarially Determined Contribution	\$785,861	\$732,142
Contributions in Relation to the Actuarially Determined Contribution	785,861	732,142
Contribution Excess	—	—
Covered-Employee Payroll ¹	\$3,356,312	\$3,248,018
Contributions as a Percentage of Covered-Employee Payroll	23.4%	22.5%
LRF:		
Actuarially Determined Contribution	\$260	\$33
Contributions in Relation to the Actuarially Determined Contribution ²	590	565
Contribution Excess	(\$330)	(\$532)
Covered-Employee Payroll ¹	\$1,545	\$1,470
Contributions as a Percentage of Covered-Employee Payroll	38.2%	38.4%
JRF:		
Actuarially Determined Contribution	\$1,884,555	\$1,569,630
Contributions in Relation to the Actuarially Determined Contribution	180,910	191,148
Contribution Deficiency	\$1,703,645	\$1,378,482
Covered-Employee Payroll ¹	\$41,378	\$54,649
Contributions as a Percentage of Covered-Employee Payroll	437.2%	349.8%
JRF II:		
Actuarially Determined Contribution	\$63,193	\$55,538
Contributions in Relation to the Actuarially Determined Contribution	63,193	55,538
Contribution Excess	—	—
Covered-Employee Payroll ¹	\$259,133	\$249,248
Contributions as a Percentage of Covered-Employee Payroll	24.4%	22.3%

(1) GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Covered-employee payroll in the table above represents pensionable earnings provided by the employer to the plan.

(2) Minimum PEPRAs employer required contribution rate.

Actuarial Assumptions and Methods Used to Set the 2014 and 2015 Actuarially Determined Contributions

	PERF B	PERF C	LRF	JRF	JRF II
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Dollar	Level Percentage of Payroll
Remaining Amortization Periods	19 years	17 years	30 years	2 years	54 years
Asset Valuation Method	Smoothing of Market Value	Smoothing of Market Value	Smoothing of Market Value	Market Value	Smoothing of Market Value
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies, Based on Entry Age and Service	Varies, Based on Entry Age and Service	3.00%	3.00%	3.00%
Investment Rate of Return	7.50%	7.50%	5.75%	4.25%	7.00%

SCHEDULE OF INVESTMENT RETURNS

Annual Money-Weighted Rate of Return, Net of Investment Expense – Two-Year Review

Plan	2015 Rate of Return (%)	2014 Rate of Return (%) ¹
PERF A		
Agent	2.2%	17.7%
PERF B		
Schools Cost-Sharing	2.2%	17.7%
PERF C		
Public Agency Cost-Sharing	2.2%	17.7%
LRF	(0.1%)	12.9%
JRF	0.2%	0.1%
JRF II	(0.2%)	18.3%

(1) The annual money-weighted rates of return for 2014 reflect subsequent calculation changes.

OTHER POST-EMPLOYMENT BENEFIT PLAN – CALIFORNIA EMPLOYERS’ RETIREE BENEFIT TRUST FUND (CERBTf)

Schedule of Funding Progress

The amounts previously reported as of June 30, 2009, in the Fiscal Year 2008-09 financial statements were revised to reflect the valuation results for new plan participants and to align the valuation dates of all plan participants. The revised data reflects the individual actuarial valuation of 258 participating employers in the CERBTf as of June 30, 2010, aligned to a measurement date of June 30, 2009, in compliance with GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent-Multiple Employer Plans*.

Beginning with reporting for the fiscal year ended June 30, 2011, valuation results from participating employers are aligned as of a single measurement date to comply with GASB Statement No. 57. Data is rolled forward or backward to that date by CalPERS staff, using methods allowed under Actuarial Standards of Practice and under U.S. Generally Accepted Accounting Principles.

Actuarial accrued liabilities (AAL) with a measurement date prior to August 2012 were based on the other post-employment benefits (OPEB) assumption model, which allowed only the Entry Age Normal or Projected Unit Credit actuarial cost method. In August 2012, the CalPERS Board removed requirements of specific assumption values and methods so that liabilities can be measured using any actuarial cost method that complies with Actuarial Standards of Practice and with government accounting standards.

OPEB valuations dated on or after March 31, 2015, will be subject to revisions of the Actuarial Standards of Practice 6 (ASOP 6), which was adopted by the Actuarial Standards Board in May 2014. ASOP 6 requires the actuary to use (with limited exceptions) “age-adjusted” rates when calculating the employer OPEB liability. As a result, OPEB actuarial accrued liabilities for many employers, including those participating in the CERBTf, could increase substantially.

Schedule of Funding Progress – OPEB Trust Fund (Dollars in Millions)

Actuarial Valuation Date	Actuarial Valuation of Assets (1)	Actuarial Accrued Liability (AAL) (Entry Age) (2)	Unfunded AAL (UAAL) (AVA Basis) (3) = (2) - (1)	Funded Ratio (Actuarial Value of Assets Basis) (4) = (1) / (2)	Annual Covered Payroll (5)	UAAL as a % of Covered Payroll (6) = (3) / (5)
6/30/14	\$3,737	\$34,572	\$30,835	10.8%	\$18,892	163.2%
6/30/13	2,669	31,716	29,047	8.4%	17,201	168.9%
6/30/12	2,072	17,612	15,540	11.8%	11,175	139.1%
6/30/11	1,818	15,522	13,704	11.7%	10,374	132.1%
6/30/10	1,287	14,288	13,001	9.0%	10,435	124.6%
6/30/09	873	10,462	9,589	8.3%	9,307	103.0%

OTHER POST-EMPLOYMENT BENEFIT PLAN – (CERBTF) (CONTINUED)

In the fiscal years ended 2010 and 2011, contributions made toward the annual required contribution excluded \$4.4 million and \$9.9 million, respectively, that were contributed to the CERBTF, but were treated as pre-existing assets for purposes of calculating the Annual Required Contribution.

The annual required contributions for the fiscal years ended June 30, 2011, 2012, and 2013 include amounts from some

employers who had not yet begun making contributions to the trust at the time of the respective reporting periods. Had the contributions been excluded, the reported annual required contributions for the fiscal years ended June 30, 2011, 2012, and 2013 would have been \$916.9 million, \$969.9 million, and \$1.1 billion, respectively, and the contributions made toward the annual required contributions would represent 73.0 percent, 70.3 percent, and 80.5 percent.

Schedule of Employer Contributions – OPEB Trust Fund

Year Ended June 30	Annual Required Contribution	% of Required Contribution Made ⁽¹⁾
2015	\$2,611,214,795	64.8%
2014	2,523,163,977	66.6%
2013	1,342,067,800	73.1%
2012	1,221,939,827	63.2%
2011	1,141,450,654	65.6%
2010	870,842,132	76.9%

(1) The required contributions made include retiree health premiums paid directly to health carriers, OPEB related administrative costs paid outside the CERBTF, and implicit rate subsidy.

PUBLIC EMPLOYEES' HEALTH CARE FUND

Schedule of Claims Development Information

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
1) Net Earned Required Premium and Investment Revenues	\$3,642,206	\$2,808,384	\$1,948,531	\$1,912,355	\$1,775,005	\$1,409,621	\$1,608,738	\$1,543,643	\$1,410,888	\$1,229,239
2) Unallocated Expenses	\$371,916	\$192,987	\$105,154	\$96,043	\$88,392	\$90,292	\$85,511	\$78,607	\$74,771	\$67,679
3) Estimated Incurred Claims and Expenses, End of Policy Year	\$3,715,653	\$2,748,821	\$1,921,957	\$1,816,245	\$1,792,599	\$1,654,214	\$1,530,264	\$1,385,438	\$1,268,239	\$1,202,409
4) Paid (Cumulative) as of:										
End of Policy Year	\$2,977,828	\$2,122,865	\$1,640,709	\$1,635,839	\$1,550,306	\$1,444,509	\$1,313,680	\$1,197,390	\$1,094,818	\$1,043,346
One Year Later	—	2,465,270	1,796,587	1,788,135	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Two Years Later	—	—	1,796,587	1,788,135	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Three Years Later	—	—	—	1,788,135	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Four Years Later	—	—	—	—	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Five Years Later	—	—	—	—	—	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Six Years Later	—	—	—	—	—	—	1,448,134	1,316,774	1,197,334	1,146,876
Seven Years Later	—	—	—	—	—	—	—	1,316,774	1,197,334	1,146,876
Eight Years Later	—	—	—	—	—	—	—	—	1,197,334	1,146,876
Nine Years Later	—	—	—	—	—	—	—	—	—	1,146,876
5) Re-Estimated Incurred Claims Expenses:										
End of Policy Year	\$3,715,653	\$2,748,821	\$1,921,957	\$1,816,245	\$1,792,599	\$1,654,214	\$1,530,264	\$1,385,438	\$1,268,239	\$1,202,409
One Year Later	—	2,465,270	1,796,587	1,788,135	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Two Years Later	—	—	1,796,587	1,788,135	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Three Years Later	—	—	—	1,788,135	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Four Years Later	—	—	—	—	1,698,615	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Five Years Later	—	—	—	—	—	1,589,771	1,448,134	1,316,774	1,197,334	1,146,876
Six Years Later	—	—	—	—	—	—	1,448,134	1,316,774	1,197,334	1,146,876
Seven Years Later	—	—	—	—	—	—	—	1,316,774	1,197,334	1,146,876
Eight Years Later	—	—	—	—	—	—	—	—	1,197,334	1,146,876
Nine Years Later	—	—	—	—	—	—	—	—	—	1,146,876
6) Decrease in Estimated Incurred Claims and Expenses From End of Policy Year	\$0	(\$283,551)	(\$125,370)	(\$28,110)	(\$93,984)	(\$64,443)	(\$82,130)	(\$68,664)	(\$70,906)	(\$55,533)

Rows 1 through 6 contain the following information:

- (1) This line shows the total earned premium revenues and investment revenues for each fiscal year.
- (2) This line shows other HCF operating costs, including overhead and claims expense not allocable to individual claims, for each fiscal year.
- (3) This line shows the HCFs incurred claims and allocated claim adjustment expenses (both paid and accrued) as reported at the end of the policy year. The policy year is the first year in which the triggering event under the contract occurred.
- (4) This section shows the cumulative amounts paid as of the end of each policy year and years succeeding the policy year.
- (5) This section shows re-estimated incurred claims as of the end of each policy year and years succeeding the policy year. Re-estimates are based on new information on new claims not previously reported.
- (6) This line compares the amount of the re-estimated incurred claims to the amount initially established (line 3), and shows whether the re-estimate is greater or less than projected. As data mature for individual policy years, the correlation between initial estimates and re-estimates is used to evaluate the accuracy of incurred claims currently recognized.

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Other Supplementary Information

ADMINISTRATIVE EXPENSE – ALL FUNDS (DOLLARS IN THOUSANDS)

	2015
PERSONNEL SERVICES	
Salaries & Wages	\$166,250
Employee Benefits	75,289
Total Personnel Services	\$241,539
CONSULTANT & PROFESSIONAL SERVICES	
State of California Agencies	\$7,456
External Consultants	54,046
Retiree Benefit Trust Management Fees	92
Deferred Compensation Management/Custody Fees	4,389
Health Plan Administrator Fees	270,454
Long-Term Care Administrator Fees	20,736
Total Consultant & Professional Services	\$357,173
OPERATING EXPENSES & EQUIPMENT	
General Expense	\$6,855
Software	3,122
Printing	1,138
Building	24,028
Postage	1,240
Communications	1,672
Data Processing Services	12,503
Travel	1,582
Training	1,749
Medical Examiners	2,085
Facilities Operation	4,217
Central Administrative Services	50,661
Administrative Hearings	800
Consolidated Data Center	63
Equipment	4,907
Total Operating Expenses & Equipment	\$116,622
OTHER EXPENSES & ADJUSTMENTS	
Depreciation Expense	\$18,293
Increase in Paid Absence Obligation	509
Amortization	1,901
Miscellaneous	41,651
Total Other Expenses & Adjustments	\$62,354
TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS	<u>\$777,688</u>

INVESTMENT EXPENSE

Investment Management Fees¹ (Dollars in Thousands)

	Fees		Fees
Absolute Return Strategy Managers		Strategic Investment Solutions, Inc.	\$440
Aspect Alternative Fund, LLC	\$297	Stux Capital Management	130
Black River Commodity Multi-Strategy Fund, LLC	(1)	T. Rowe Price Associates, Inc.	4,123
Black River CTF	770	Taiyo Cypress Fund	2,399
Black River Fixed Income Relative Value Opportunity Fund, Ltd.	3,260	Taiyo Fund	9,483
Breton Hill Eureka Fund, LP	928	The Boston Company Asset Management, LLC	330
Brookside Capital Partners Fund, LP	82	The Boston Consulting Group, Inc.	221
Canyon Value Realization Fund, LP	26	TOBAM	1,810
Chatham Eureka Fund, LP	5,237	Victoria 1522 Investments, LP	191
Deephaven Market Neutral, LLC	4	Wasatch Advisors, Inc.	2,566
Double Haven Eureka, LLC	1,553	Total Equity Managers	\$74,240
ERAAM Highbury Fund, LP	513		
Kylin Eureka Fund, LLLP	2,674	Fixed Income Managers	
Lansdowne Eureka Fund, LP	898	Alliance Bernstein, LP	\$378
Northwest Eureka Fund, LLLP	1,104	Baring International Investment Limited	376
OZ Domestic Partners II, LP	135	Columbia Management Investment Advisors	(319)
OZ Eureka Fund, LP	7,808	ING Investment Management Company	709
PAAMCO 1848 Fund, LP	1,041	Nomura Corporate Research & Asset Mgt.	872
PFM Diversified Eureka Fund	2,396	Pacific Investment Management Co.	592
Rock Creek 1848 Fund, LP	659	Rogge Global Partners	41
Symphony Eureka Fund, LP	1,501	State Street Global Advisors	1,940
Total Absolute Return Strategy Managers	\$30,885	Total Fixed Income Managers	\$4,589
Equity Managers		Real Asset Managers	
Alliance Bernstein, LP	\$840	301 Capitol Mall, LP	\$3
Arrowstreet Capital, LP	1,385	Aetos Capital Asia TE II, Ltd.	1,056
Ashmore Equities Investment Management	738	Aetos Capital Asia TE, LP	(9)
Baillie Gifford Overseas, Ltd.	1,241	AEW Senior Housing Company, LLC	147
Blum Strategic Partners III	599	AEW-SHP Managed Portfolio	89
Blum Strategic Partners IV	601	AGI Resmark Housing Fund, LLC	572
Cartica	4,556	AGI-TMG Housing Partners I, LLC	(256)
Dimensional Fund Advisors, LP	2,990	Alinda Infrastructure Fund I, LP	906
Fan Asset Management, LLC	175	Alinda Infrastructure Fund II, LP	1,390
First Quadrant, LP	2,646	American Value Partners Fund I, LP	530
FIS Group, Inc.	1,752	Apollo Real Estate Finance Corporation	373
Genesis Asset Managers, LLP	2,771	ARA Asia Dragon Fund	870
Goldman Sachs Asset Management	201	ARA Asia Dragon Fund II	562
Grantham, Mayo, Van Otterloo & Co., LLC	459	ARA China Long-Term Hold	2,327
Hermes Sourcecap Limited	1,975	AREA Real Estate Investment Fund V, LP	358
J.P. Morgan Investment Management, Inc.	669	BlackRock Asia Property Fund II, LP	482
Lazard Asset Management, LLC	3,114	BlackRock Europe Parallel Property Fund II, LP	(162)
Leading Edge Investment Advisors, LLC	3,772	Bridge Urban Infill Land Development, LLC (BUILD)	11
Legato Capital Management, LLC	1,651	Buchanan Urban Investors II, LLC	(79)
New Mountain Capital	3,887	CalEast Canada Limited Partnership	402
Nomura Asset Mgt. USA, Inc.	221	CalEast Industrial Investors, LLC	1,760
Piedmont Investment Advisors, LLC	108	CalEast Solstice, LLC	11,380
Progress, LLC	197	California Smart Growth Fund IV, LP	428
Progress Investment Management Company	716	CalSmart, LLC (Canyon)	83
Pyramis Global Advisors Trust Company	1,610	CalWest - CalPERS	497
Pzena Investment Management, LLC	1,109	Canyon Catalyst Fund, LLC	891
QS Investors, LLC	531	Canyon Johnson Urban Fund III	1,036
Quotient Investors, LLC	2,142	Carlyle Infrastructure Partners, LP	556
Redwood Investments, LLC	1,209	CBRE Strategic Partners Europe Fund III	156
Relational Investors	5,155	CBRE Strategic Partners UK Fund II	92
Research Affiliates, LLC	1,925	CBRE Strategic Partners UK Fund III	123
State Street Global Advisors	662	Centerline Urban Capital I, LLC	348
Strategic Investment Management, LP	940	CIM Fund III, LP	6,808

INVESTMENT EXPENSE (CONTINUED)

Investment Management Fees¹ (Dollars in Thousands) (continued)

	Fees		Fees
CIM Infrastructure Fund, LP	\$987	JER US Debt Co-Investment Vehicle, LP	(\$85)
CIM Urban Real Estate Fund, LP	2,645	KAREC California Development Program, LLC	923
CIM Urban REIT, LLC	(1,020)	KC 2011, LLC	2,192
CityView LA Urban Fund I, LP	352	KSC Affordable Housing Investment Fund, LLC	713
CUIP Properties, LLC	(27)	Land Management Company, LLC	1,756
DB Real Estate Global Opportunities IB, LP	(417)	LaSalle Asia Opportunity Fund III, LP	568
European Property Investors, LP	(247)	LaSalle French Fund II, LP	101
Fifth Street Properties	(3)	LaSalle Japan Logistics Fund II, LP	3
Fillmore East Fund, LP	58	Lincoln Timber, LP	3,645
Fortress Holiday Investment Fund, LP	632	Market Street Capital Partners, LP	295
Fortress Investment Fund IV (Fund A), LP	652	Meriwether Farms, LLC	1,069
Fortress Residential Investment Deutschland (Fund A)	30	Morgan Stanley Infrastructure Partners Fund II, LP	840
Fortress RIC Colinvestment Fund, LP	3	National Office Partners, LLC (CWP)	3,185
FSP - Base	2,372	Niam Nordic Investment Fund III	(20)
FSP - DT 2011	3,241	Niam Nordic Investment Fund IV	428
FSP - DT 2012 and Beyond	4,420	ORA Multifamily Investments I, LLC	3,065
GI Partners Fund II, LP	302	ORA Residential Investments I, LP	3,278
GI Partners Fund III, LP	2,594	Pacific Multifamily Investors, LLC	1,001
Global Infrastructure Partners II, LP (GIP II)	2,607	Pacific Vineyard Partners, LLC	556
Global Retail Investors, LLC	4,703	PLA Retail Fund I, LP	866
GRI - Base	894	PRECO Account Partnership III, LP	119
GRI - DT 2011	305	Rockpoint Real Estate Fund II, LP	73
Guggenheim Structured Real Estate III, LP	35	Rockpoint Real Estate Fund III, LP	400
Hampshire Partners Fund VI, LP	98	RREEF Global Opportunities Fund II, LLC	(208)
Harbert European Real Estate Fund II, LP	190	Savanna Real Estate Fund I, LP	169
Harbert Gulf Pacific Power, LLC (HGPP)	2,280	SDL Hospitality Co-Invest Fund, LP	(40)
Harbert Power Fund V, LP (HPFV)	390	Secured Capital Japan Real Estate Partners Asia, LP	1,503
HC Green Development Fund, LP	204	Secured Capital Japan Real Estate Partners II, LP	(599)
HC NOP Holdings, LP	88	Shea Capital I, LLC	307
HCB Interests II, LP	1,066	Shea Mountain House, LLC	201
HCB Interests, LP	(7)	Starwood Capital Hospitality Fund I-2, LP	(262)
HCB LTH	5,711	Starwood Capital Hospitality Fund II Global, LP	1,729
HCC Interests, LP	235	Stockbridge Hollywood Park Co-Investors, LP	562
HCM Holdings II, LP	472	Stockbridge Real Estate Fund II -B, LP	386
HCM Holdings, LP	27	Strategic Partners Value Enhancement Fund, LP	223
HCR LTH, LLC	3,426	Sun-Apollo India Real Estate Fund, LLC	260
Hearthstone Housing Partners II, LLC	1,638	Sylvanus, LLC	1,962
Hearthstone Housing Partners III, LLC	141	TechCore, LLC	4,253
Hearthstone Multi-State Residential Value-Added III	—	TPG Hospitality Investments IV, LLC	955
Hearthstone Path-of-Growth Fund, LLC	3,468	UBS International Infrastructure Fund II (B), LP	698
Hines European Development Fund II, LP	86	UBS International Infrastructure Fund II (C), LP	1,482
Hines European Development Fund, LP	188	UrbanAmerica, LP II	436
IHP Investment Fund I, LP	332	Whitney Ranch Venture, LLC	478
IHP Investment Fund II, LP	400	Windsor Realty Fund VII, LP	169
IHP Investment Fund III, LP	1,184	Xander Co-Investment	2,630
IL&FS India Realty Fund II, LLC	1,488	Xander JV Fund I (India Realty)	133
IL&FS India Realty Fund, LLC	486	Total Real Asset Managers	\$147,604
IMI - Base	10,987	Other Investment Management Fees	
IMI - DT 2011	944	Hamilton Lane Advisors, LLC	\$431
IMP - Base	2,477	Total Other Investment Management Fees	\$431
IMP - DT 2011	2,067	Total Management Fees	\$257,749
IMP - DT 2012 and Beyond	201		
Institutional Core Multifamily Investors	1,550		
Institutional Logistics Partners, LLC	1,248		
Institutional Multifamily Partners	3,292		
JER Europe Fund III, LP	1		

(1) Expenses and fees less than a thousand dollars are indicated by a dash.

INVESTMENT EXPENSE (CONTINUED)

Performance Fees^{1, 2} (Dollars in Thousands)

	Fees		Fees
Absolute Return Strategy Managers		FSP - DT 2012 and Beyond	\$39,112
Aspect Alternative Fund, LLC	\$1,116	GI Partners Fund III, LP	366
Black River Fixed Income Relative Value Opportunity Fund, Ltd.	1,691	Global Infrastructure Partners II, LP (GIP II)	8,212
Breton Hill Eureka Fund, LP	465	Global Innovation Partners, LLC	(15)
Brookside Capital Partners Fund, LP	525	Global Retail Investors, LLC	36,583
Chatham Eureka Fund, LP	5,397	GRI - Base	2,917
Double Haven Eureka, LLC	462	GRI - DT 2011	4,185
ERAAM Highbury Fund, LP	(515)	Harbert European Real Estate Fund II, LP	(452)
Kylin Eureka Fund, LLLP	3,486	Harbert Power Fund V, LP (HPFV)	53
Lansdowne Eureka Fund, LP	273	HC Green Development Fund, LP	310
Northwest Eureka Fund, LLLP	1,666	HCB Interests II, LP	10,272
OZ Domestic Partners II, LP	(114)	HCC Interests, LP	(368)
OZ Eureka Fund, LP	12,309	Hearthstone Housing Partners, LP	(42)
PFM Diversified Eureka Fund	5,402	Hearthstone Multi-State Residential Value-Added III	(19)
Rock Creek 1848 Fund, LP	(102)	Hearthstone-MSII Homebuilding Investors, LLC	(50)
Symphony Eureka Fund, LP	(272)	IMI - Base	16,482
Total Absolute Return Strategy Managers	<u>\$31,789</u>	IMP - Base	(449)
		IMP - DT 2011	6,302
		IMP - DT 2012 and Beyond	2,074
Equity Managers		Institutional Multifamily Partners	43,357
Arrowstreet Capital, LP	\$20,442	Ivy Investment Vehicle LDC (SWPM)	17,642
Baillie Gifford Overseas, Ltd.	7,881	National Office Partners, LLC (CWP)	31,768
Blum Strategic Partners II	(1)	ORA Multifamily Investments I, LLC	11,611
FIS Group, Inc.	292	ORA Residential Investments I, LP	24,840
Genesis Asset Managers, LLP	9,227	SDL Hospitality Co-Invest Fund, LP	(23,300)
J.P. Morgan Investment Management, Inc.	11,351	Secured Capital Japan Real Estate Partners II, LP	(977)
Lazard Asset Management, LLC	8,660	Starwood Capital Hospitality Fund II Global, LP	7,653
Leading Edge Investment Advisors, LLC	534	TechCore, LLC	14,214
Legato Capital Management, LLC	394	Total Real Asset Managers	<u>\$472,688</u>
New Mountain Capital	93		
Pyramis Global Advisors Trust Company	396	Total Performance Fees	<u>\$576,730</u>
Pzena Investment Management, LLC	1,877		
Research Affiliates, LLC	7,185	Total Management And Performance Fees	<u>\$834,479</u>
Strategic Investment Management, LP	1,476		
Total Equity Managers	<u>\$69,807</u>		
Fixed Income Managers			
Pacific Investment Management Co.	\$2,446		
Total Fixed Income Managers	<u>\$2,446</u>		
Real Asset Managers			
AEW-SHP Managed Portfolio	(\$150)		
AGI Resmark Housing Fund, LLC	2,522		
CalEast Canada Limited Partnership	2,088		
CalEast Solstice, LLC	68,401		
CalSmart, LLC (Canyon)	3,827		
Canyon Catalyst Fund, LLC	6,247		
Canyon Johnson Urban Fund III	9,520		
Centerline Urban Capital I, LLC	3,670		
CIM Fund III, LP	73,578		
CIM Infrastructure Fund, LP	14,841		
DB Real Estate Global Opportunities IA, LP	(93)		
DB Real Estate Global Opportunities IB, LP	34		
Fortress Residential Investment Deutschland (Fund A)	(2,054)		
FSP - Base	10,019		
FSP - DT 2011	27,957		

(1) Negative performance fees are due to the reversal of accruals caused by the fluctuation in market values.
(2) Expenses and fees less than a thousand dollars are indicated by a dash.

INVESTMENT EXPENSE (CONTINUED)

Other Investment Expenses^{1, 2} (Dollars in Thousands)

	Fees		Fees
Auditor Fees		The Regents of University of CA	\$164
Conrad, LLP	\$346	The Regents of University of CA, Davis	7
KNL Support Services	50	Townsend Holdings, LLC	100
KPM & Associates, LLP	132	Trinity Technology Group, Inc.	993
Total Auditor Fees	\$528	UBS Alternative & Quantitative Investment	1,598
		Voyager	—
Appraisal Fees		Wellington Management Company, LLP	450
Altus Group	\$5,416	Wilcox, Miller & Nelson	9
Total Appraisal Fees	\$5,416	Wilshire Associates, Inc.	3,145
		Total Investment Consultant Fees	\$18,102
Company Expense		Legal Fees	
Legato Capital Management, LLC	\$232	AlvaradoSmith, A Professional Corporation	\$1
Progress Investment Management Company	21	Berman DeValerio	120
Strategic Investment Management, LP	46	Chapman and Cutler, LLP	170
Total Company Expense	\$299	Cox, Castle & Nicholson, LLP	407
Investment Consultant Fees		Downey Brand, LLP	746
Altius Associates Limited	\$276	Felderstein, Fitzgerald, Willoughby, Pascuz	2
American Express	18	Foster, Pepper, PLLC	144
APCO Worldwide, Inc.	9	Glaser, Weil, Fink, Jacobs, Howard, Avchen & Shapiro, LLP	1
Bard Consulting, LLC	1,256	Hogan, Lovells US, LLP	192
Beacon Consulting Group, Inc.	61	Institutional Multifamily Partners, LLC	49
Callan Associates, Inc.	1,040	K & L Gates, LLP	1,568
Cambria Solutions, Inc.	331	Katten, Muchin, Rosenman, LLP	128
Cambridge Associates, LLC	86	Morgan, Lewis & Bockius, LLP	1,095
CoachSource, LLC	(19)	Pillsbury, Winthrop, Shaw, Pittman, LLP	832
Cogent Partners, LP	25	Skyport Legal Reimbursement	(549)
Courtland Partners, Ltd.	158	Soltman, Levitt, Flaherty & Wattles, LLP	68
Crosswater Realty Advisors, LLC	504	Zuber, Lawler & Del Duca, LLP	3
Cutter Associates, LLC	151	Total Legal Fees	\$4,977
Dee Hansford Consulting	19	Master Custodian Fees	
FTI Consulting, Inc.	320	State Street Bank And Trust Company	\$6,757
Garland Associates, Inc.	161	Total Master Custodian Fees	\$6,757
Green Street Advisors, Inc.	15	Fund Administration Fees	
Hamilton Lane Advisors, LLC	75	State Street Bank And Trust Company	\$5,700
Heidrick & Struggles	87	Total Fund Administration Fees	\$5,700
Kearnford Application Systems Design	81	Tax Advisory Fees	
KPMG, LLP	385	Ernst & Young, LLP	\$869
Le Plastrier Consulting Group, Inc.	(260)	Total Tax Advisory Fees	\$869
LP Capital Advisors, LLC	131	Technology Expenses	
Meketa Investment Group, Inc.	106	13D Research, Inc.	\$60
Mercer Investment Consulting, Inc.	262	Adobe Government at Carahsoft	5
MK Partners, Inc.	6	Albourne America, LLC	368
Mosaic Investment Advisors, Inc.	315	Altura Capital Group	25
Nichols Consulting	415	Argus Financial Software	1
Pacific Alternative Asset Mgmt Company	312	Axioma, Inc.	203
Pacific Community Ventures, Inc.	383	Barclays Capital	100
Pension Consulting Alliance, Inc.	1,979	Barra, Inc.	1,564
Propoint Technology, Inc.	1,400	BCA Research	249
Pyramid Technical Consultants, Inc.	280	BlackRock Financial Management, Inc.	8,513
RG & Associates	43	Bloomberg, LP	2,808
SAS International, Inc.	200	Business Entity Data B.V.	—
Stanfield Systems, Inc.	922	Cambridge Associates, LLC	245
Starting Point	36		
Strategic Investment Solutions, Inc.	60		
Technology Crest Corporation	6		
The Highlands Consulting Group, LLC	1		

INVESTMENT EXPENSE (CONTINUED)

Other Investment Expenses^{1, 2} (Dollars in Thousands) (continued)

	Fees		Fees
Candeal, Inc.	\$16	MRB Partners, Inc.	\$50
Capital Analytics II, LLC	1,312	MRI Software, LLC	245
Carahsoft Technology Corp.	100	MSCI, Inc.	353
CBRE, Inc.	50	NCREIF	—
Charles River Systems, Inc.	2,215	New York Stock Exchange	(43)
Compucom Systems, Inc.	34	Northfield Information Services, Inc.	120
Cornerstone Macro, LP	100	Omgeo	120
Cost Effectiveness Measurement, Inc.	70	Oxford Economics USA, Inc.	52
Costar Investment Analysis	320	Preqin Limited	38
Covenant Review, LLC	45	Principal Financial Advisors	—
Credit Suisse Customized Fund Investment	25	Principal Life Insurance Company-02210	586
Credit Suisse Securities (USA), LLC	75	Quantal International, Inc.	45
Creditsights	102	Radianz Americas, Inc.	167
Depository Trust Co.	1	RBS Smart Productions, Inc.	80
Dow Jones - Irwin	16	Real Capital Analytics, Inc.	116
Dow Jones & Company, Inc.	2	Reuters	11
Edgar Online, Inc.	5	Russel Investment Group	85
eFront Financial Solutions, Inc.	1,201	SNL Financial, LC	91
Egan-Jones Ratings Co.	17	Standard & Poor's Corporation	903
eMBS, Inc.	8	Stone & Kanto, LLC	2
Empirical Research Partners, LLC	400	Strategic Economic Decisions, Inc.	15
Equilar, Inc.	8	Style Research, Inc.	83
ERA Equity Research Associates, Inc.	1	Summit Financial Printing, LLC	12
Etrali North America, LLC	111	The Depository Trust & Clearing Corp.	11
Eurasia Group	132	The Mathworks, Inc.	111
Eurekahedge PTE, Ltd.	5	The World Markets Company, PLC	30
Euromoney Institutional Investor	31	Thomson - West	2
eVestment Alliance	54	Thomson Financial/Nelson	278
Factset Research Systems, Inc.	3,264	Thomson Reuters - West	67
Fan Asset Management, LLC	248	Thomson Reuters Scientific	67
Firstrain, Inc.	10	Toronto Stock Exchange	5
Fitch Ratings, Inc.	263	Trade Web	102
Fitch, Inc.	299	Trend Macrolytics, LLC	25
Frontline	—	William O'Neil & Company	27
FTSE	700	Worktank Enterprises, LLC	9
FX Alliance, Inc.	29	Yardeni Research, Inc.	15
Glass, Lewis & Co., LLC	84	Yield Book, Inc.	142
Global Ivnestor Collaboration Svcs., LLC	5	Zeno Consulting Group, LLC	49
GP Analytics	120	Total Technology Expenses	\$31,076
Green Street Advisors	95	Internal Investment Personnel and Administrative Expenses	
Hedge Fund Research, Inc.	4	Internal Investment Personnel and Administrative Expenses	\$62,635
IHS Global, Inc.	52	Total Internal Investment Personnel and Administrative Expenses	\$62,635
Institutional Shareholder Services, Inc.	168	Miscellaneous Investment Expense Fees	
Intex Solutions, Inc.	192	Miscellaneous Investment Expense Fees	\$231
Intralinks, Inc.	8	Transaction Fees	73,435
Ives Group, Inc.	13	Total Miscellaneous Investment Expense Fees	\$73,666
KPA Advisory Services, Ltd.	5	Total Other Investment Fees and Expenses	\$210,025
Lazard Asset Management, LLC	20	Total Investment Expenses - All Funds	\$1,044,504
London Stock Exchange PLC	20		
Macroeconomic Adviser, LLC	37		
Markit North America, Ltd.	250		
Microsoft Services	9		
MMG Technology Group, Inc.	5		
Moody's Analytics, Inc.	396		
Moody's Investors Service, Inc.	95		
Morningstar	17		

(1) Expenses and fees less than a thousand dollars are indicated by a dash.

(2) Negative expenses are due to market fluctuations, adjusting entries, and reimbursements.

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES – ALL FUNDS (DOLLARS IN THOUSANDS)

Individual or Firm	Fees	Nature of Services
Advanced Systems Group, LLC	\$40	Production/Equipment/Maintenance Services
Aisitech, LLC	383	Release Management/Quality Assurance/Configuration Management
Ambire Consulting, Inc.	207	Project Management Services
Andes Consulting, LLC	65	Project Management Services
Anthem Blue Cross	96,219	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation & Development, Wellness, Prevention & Disease Management Services
APCO Worldwide, Inc.	36	Media Training
ATV Video Center, Inc.	41	Video and Multimedia Production Services
Avenue Solutions	124	Management Analysis
Baker Hostetler	50	Legal Services
Base 3 Consulting	1,102	Application Development/Management Support Services
Beacon Consulting Group, Inc.	930	Investment Business Consulting
Bedrosian & Associates	30	Succession and Workforce Planning
Belmonte Enterprises, LLC	923	Application Development, Information Services, Project Management Services
Blue Shield of California	149,484	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation & Development, Wellness, Prevention & Disease Management Services
BluePath Health	32	Organizational and Leadership Development
Borden Lee Consulting	27	Operations and Strategic Business Planning
Business Advantage Consulting, Inc.	221	Disaster Recovery, Management Support Services
California Correctional Health Care Services	100	Management Support Services
California Department of Health Care Services	20	Annual Fee for Long-Term Care Policy & Partnership Services
California Department of Human Resources	100	Recruiting and Placement
Capio Group	997	Application Development, Management Support Services
Capital Technology Associates	210	Project Management Services
Celer Systems, Inc.	720	Application Development, Information Services, IT Architecture, IT Security, Management Support Services, Project Management Services
Cheiron, Inc.	41	Audit Services
CoachSource, LLC	36	Organizational and Leadership Development
Compliance11	132	Systems Analysis, Design, Implementation, Maintenance and Support
Cornerstone Fitness, Inc.	142	Employee Training and Development
Cutter Associates, LLC	190	Investment Business Consulting
CVS Caremark	10,897	Pharmacy Claims Administration, Account Management, Eligibility, Retail & Other Reporting Services
Daniel J. Edelman, Inc.	495	Media Training
Dee Hansford Consulting	50	Organizational and Leadership Development
Delegata Corporation	1,096	Business Transformation/Transition, Information Services, Project Management Services
Delfino Madden O'Malley Coyle & Koewler LLP	123	Legal Services
Department of General Services/RR Donnelly	349	Open Enrollment Printing, Mail Processing & Postage
Department of Human Resources	140	Election Forms for the Alternate Retirement Program Processing Services
Department of Justice	288	Legal and Investigative Services
DLA Piper, LLP	37	Legal Services
Dolamont Consulting, Inc.	212	Project Management Services, Release Management/Quality Assurance/Configuration Management
Domain Experts Corporation	219	Recruiting and Placement
Downey Brand, LLP	36	Legal Services
Drinker Biddle & Reath LLP	343	Legal Services
DSS Research	106	Medical Consulting Services
Eagle Management Group, LLC., dba Matran	91	Marketing Services
Eaton Interpreting Services, Inc.	117	Interpreting Services
Elynview Corporation	167	Database Administration
Enclipse Corporation	33	IT Architecture, Training Services
Enterprise Networking Solutions, Inc.	180	IT Architecture, Systems Analysis, Design, Implementation, Maintenance and Support
Entisys Solutions, Inc.	99	Systems Analysis, Design, Implementation, Maintenance and Support
Equanim Technologies	341	Management Support Services, Project Management Services, Project Oversight Services
Esoft Infosystems, Inc.	33	Information Services, Application Development, Database Administration
Eterasys Consulting, Inc.	280	Application Development, Database Administration
Felderstein Fitzgerald Willoughby & Pascuzzi LLP	119	Legal Services

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES – ALL FUNDS (DOLLARS IN THOUSANDS) (CONTINUED)

Individual or Firm	Fees	Nature of Services
FireEye, Inc., dba Mandiant	\$35	Management Support Services
FutureSense, Inc.	135	Performance Management and Program Evaluation
Gordon & Silver, LLP	37	Legal Services
Government Operations Agency	308	Operations and Strategic Business Planning
GovernmentJobs.com, Inc., dba NEOGOV	24	Recruiting and Placement
Grant Thornton LLP	1,055	Management Support Services, Operations and Strategic Business Planning, Performance Management and Program Evaluation, Project Oversight Services
H&B Joint Venture	911	Release Management/Quality Assurance/Configuration Management
Health Management Systems, Inc. (HMS)	417	Audit Services
Health Net of California	1,189	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation & Development, Wellness, Prevention & Disease Management Services
Heidrick & Struggles	301	Recruiting and Placement
Hewitt Associates LLC	450	Actuarial Consulting Services
Hewitt EnnisKnupp, Inc.	224	Board Governance
HP Enterprise Services, LLC	196	IT Architecture
Information Technology Software Professional	190	Information Services, Project Management Services, Architecture, Application Development & Content Management
Informatix, Inc.	121	Business Transformation/Transition, Management Support Services
Innovative Software Technologies, Inc.	203	Specialized IT Support Services for Actuarial Systems/Business
International Customer Management Institute	28	Employee Training and Development
J & K Court Reporting, LLC	56	Court Reporting Services
JLynnConsulting, Inc.	1,097	Application Development, Information Services
K & L Gates LLP	3,153	Legal Services
Kath Straub and Associates, LLC	110	User Experience Design, Strategy and Research
Katrina Kennedy Training	22	Employee Training and Development
KearnFord Application Systems Design	3,440	Information Services, Management Support Services, Project Management Services, Release Management/Quality Assurance/Configuration Management
Kenera Consulting, Inc.	243	Project Management Services
Kiefer Consulting, Inc.	141	Application Development, IT Architecture
Klausner, Kaufman, Jensen & Levinson	61	Legal Services
Kong Consulting, Inc.	533	Systems Analysis, Design, Implementation, Maintenance and Support
Korn/Ferry International	308	Recruiting and Placement
KPMG LLP	644	Management Analysis, Management Support Services, Performance Management and Program Evaluation
Kronick, Moskovitz, Tiedemann & Girard	80	Legal Services
Landor Associates	137	Marketing Services
Law Office of Sima R. Salek	34	Legal Services
LCS Technologies, Inc.	257	Application Development, Database Administration
Leading Resources, Inc. (LRI)	48	Employee Training and Development, Organizational Structure and Change Management
Lussier Group	383	Federal Legislative Representation
M Corp	482	Application Development, Business Process Re-engineering, Information Services, IT Architecture, Management Support Services, Project Management Services
Macias Gini & O'Connell LLP	2,814	Audit Services
Martin & Chapman Co.	60	Election Services
Matrix Software Services	186	Database Administration
Maximus Federal Services, Inc.	34	Medical Consulting Services
MEDCO	(92)	Pharmacy Claims Administration, Account Management, Eligibility, Retail & Other Reporting Services
Mellon Bank	329	Banking Services
Mennemeier, Glassman & Stroud LLP	27	Legal Services
Mercer Health and Benefits	1,364	Actuarial Consulting Services, Medical Consulting Services
Michael Strategic Analysis	78	Survey and Research Services
Milliman, Inc.	2,741	Actuarial Consulting Services, Project Management Services
Mindstorm Creative, Inc.	51	Video and Multimedia Production Services
Monarch Enterprises, Inc.	80	Application Development
Morgan Lewis & Bockius, LLP	38	Legal Services
Nexus IS, Inc.	(137)	Systems Analysis, Design, Implementation, Maintenance and Support

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES – ALL FUNDS (DOLLARS IN THOUSANDS) (CONTINUED)

Individual or Firm	Fees	Nature of Services
Northeast Retirement Services	\$92	Third-Party Member Record-Keeper
NWN Corporation	254	Release Management/Quality Assurance/Configuration Management
Ogilvy Public Relations	32	Crisis Communications Services, Marketing Services, Media Training, Survey and Research Services, Writing and Editorial Services
Oliver Wyman Actuarial Consulting, Inc.	56	Actuarial Consulting Services
OnCore Consulting, LLC	3,554	Application Development, Information Services, IT Architecture, Project Management Services, Systems Analysis, Design, Implementation, Maintenance and Support
Ope Technology, LLC	315	Release Management/Quality Assurance/Configuration Management
Pacific Business Group on Health	50	Application Development
Pasanna Consulting Group, LLC	781	Application Development, IT Architecture
Paul Benefits Law Corporation	54	Legal Services
Performance Technology Partners, LLC	648	Application Development, IT Security, Project Management Services
Premier Alliance Group, Inc.	40	Project Management Services
President and Fellows of Harvard College	45	Innovation and Development
Princeton Solutions Group, Inc.	242	Project Management Services
Providence Technology Group, Inc.	52	Training Services
Pyramid Technical Consultants, Inc.	403	IT Security, Project Management Services
Qualapps, Inc.	654	Application Development
Radian Solutions, LLC	374	Application Development, Information Services, Release Management/Quality Assurance/Configuration Management
Reed Smith, LLP	493	Legal Services
Regents of the University of CA, Berkeley	40	Research Initiative
Regents of the University of CA, Davis	250	Organizational and Leadership Development
Ridgeway Partners, LLC	217	Investment Business Consulting, Recruiting and Placement
Risk 2 Reputation	220	Management Analysis
Rosenberg and Kaplan, A Law Corporation	(21)	Legal Services
Saba Software, Inc.	78	Employee Training and Development
Safeguard Web & Graphics	883	Election Services
Sage 2.0	264	Information Services
SAS International, Inc.	180	Application Development, Systems Analysis, Design, Implementation, Maintenance and Support
Shah & Associates, A Professional Law Co.	111	Legal Services
Sharp Health Plan	2,143	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation & Development, Wellness, Prevention & Disease Management Services
Shooting Star Solutions, LLC	113	IT Security
Sign Language Interpreting Service Agency	47	Interpreting Services
Softsol Technologies, Inc.	944	Application Development, Information Services, IT Architecture, IT Security, Release Management/Quality Assurance/Configuration Management, Systems Analysis, Design, Implementation, Maintenance and Support, Technical Writing
Sophus Consulting	48	IT Consulting Services
SRI Infotech, Inc.	594	Application Development
State Controller's Office	10,187	Account Management, Medical Claims Administration, Performance Management and Program Evaluation, Other Post Employment Benefits Administrative Services
State Treasurer's Office	25	Wiring Services
Steptoe & Johnson, LLP	1,549	Legal Services
SymSoft Solutions, LLC	40	User Experience Design, Strategy and Research
T5 Consulting	1,290	Application Development, Business Intelligence and Reporting, Information Services, IT Architecture
Take 1 Productions	53	Video and Multimedia Production Services
Technology Crest Corporation	294	Application Development, Release Management/Quality Assurance/Configuration Management
TG Page Design Group	86	Video and Multimedia Production Services
The Ballard Group, Inc.	189	Release Management/Quality Assurance/Configuration Management
The Taylor Feldman Group, LLC	111	Project Management Services
Thomson Reuters - West	80	Electronic Legal Library Database
Trinity Technology Group, Inc.	2,769	Application Development, IT Architecture
Truven Health Analytics, Inc.	616	Project Management Services
United Health Actuarial Services, Inc.	324	Medical Consulting Services

CONSULTANT AND PROFESSIONAL SERVICES EXPENSES – ALL FUNDS (DOLLARS IN THOUSANDS) (CONTINUED)

Individual or Firm	Fees	Nature of Services
United Healthcare	\$5,994	Medical Claims Administration, Account Management, Behavioral, Provider Network, Audit, Innovation & Development, Wellness, Prevention & Disease Management Services
Univita	20,387	Medical Claims Administration, Eligibility, Retail & Other Reporting Services
Vantage Consulting Group, Inc.	508	Application Development, IT Architecture
VanWrite Writing Consultants, LLC	73	Employee Training and Development
Vasquez Benisek & Lindgren LLP	63	Legal Services
Viaspire	230	Marketing Services, Social Media Services, Writing and Editorial Services
Visionary Integration Professionals, LLC	143	Business Process Re-engineering
Voya	4,389	Third-Party Member Record-Keeper
Weaver Schlenger Mazel LLP	38	Legal Services
Worktank	236	Video and Multimedia Production Services, Web Event Services
Various	170	
Total Consultant and Professional Services Expenses	<u>\$357,173</u>	

STATEMENT OF CHANGES IN ASSETS & LIABILITIES – AGENCY FUND (DOLLARS IN THOUSANDS)

	RBF			Balance June 30, 2015
	Balance June 30, 2014	Additions	Deductions	
ASSETS				
Cash & Cash Equivalents	\$0	\$70,706	\$70,706	\$0
Employer & Member Receivables	1,275	35,351	36,335	291
Interests & Dividends Receivables	4	10	6	8
Due From Other Funds	1	—	1	—
Short-Term Investments	9,094	17,252	15,822	10,524
TOTAL ASSETS	\$10,374	\$123,319	\$122,870	\$10,823
LIABILITIES				
Due to Member, Public Agencies, State, & Schools	\$10,315	\$58,382	\$57,949	\$10,748
Due to Other Funds	1	8	9	—
Other Program	58	25	8	\$75
TOTAL LIABILITIES	\$10,374	\$58,415	\$57,966	\$10,823

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Achieved long-term returns in excess of the
7.5 percent actuarial discount rate

10.9%
Over 3 Years

10.7%
Over 5 Years

Public Employees' Retirement Fund

ESG

Environmental
Social Governance



Making Progress Towards
Sustainable Investment
& Operations

Investment Section

CHIEF INVESTMENT OFFICER'S LETTER

December 31, 2015

On behalf of CalPERS Investment Office, I am pleased to report on CalPERS' investment performance, operations, and initiatives for the one-year period ending on June 30, 2015. The CalPERS Public Employees' Retirement Fund (PERF) earned a time-weighted rate of return of 2.4 percent this fiscal year, with the ending market value of assets at \$301 billion.

Although the fiscal year return rate was not as strong as previous years, the three-year return of 10.9 percent and five-year return of 10.7 percent exceeded policy benchmarks by 59 and 34 basis points, respectively. This marks the first time since 2007 that the CalPERS portfolio has performed better than the benchmarks for these periods, and indicates the work undertaken over the past several years to restructure the investment portfolio and reduce costs and complexity is bearing fruit.

Fund performance this fiscal year was affected by the impact of tepid global economic growth and increased short-term market volatility. The strong performance of the U.S. dollar against most foreign currencies also limited returns in international investments. However, the overall performance was helped by the recent strength of CalPERS' Real Assets program, which made up 11 percent of the fund as of June 30, 2015. Investments in income-generating properties like office, industrial and retail assets, as well as infrastructure and forestland, returned 12.4 percent, outperforming the Pension Fund's real assets benchmark by 90 basis points.

Several significant accomplishments were achieved this year to ensure the long-term sustainability of our investment operations and portfolio. First, as guided by our Investment Beliefs, we have continued to examine the portfolio to ensure its efficient management, and to look for ways to reduce risk, complexity and costs. During the 2014-15 fiscal year this was witnessed by the elimination of CalPERS' hedge fund program, and through the diligent work to negotiate more favorable terms for CalPERS with our external managers. In the 2014-15 fiscal year we saved \$217 million from these and other efforts.

To continue these initiatives during the next five years, we announced our new Investment Office's 2020 Vision strategic plan. The significant element of the plan calls for the reduction of the number of external investment managers CalPERS uses, from the current approximately 200 to approximately 100 by the year 2020. We anticipate having fewer, but larger, commitments with the remaining managers. This will lead to better alignment of interests between CalPERS and its

managers and additional leverage to negotiate better terms, both potentially leading to improved performance.

CalPERS continues to make great strides in its work on environmental, social, and governance (ESG) issues. Significant progress was made this proxy season as we voted to improve the rights of shareowners by supporting proxy access proposals at 92 companies. In addition, CalPERS continued its ESG leadership role by signing the Montreal Carbon Pledge to map the carbon footprint of our equity investments, and through participation in the United Nation's Climate Change Conference.

CalPERS remains committed to our emerging manager programs and has nearly \$12 billion invested with more than 390 emerging managers. We announced a new commitment for what we are calling Transition managers – managers that are successful in our emerging manager programs, or managers new to CalPERS, but that are not yet ready for the size of a commitment normally given to a more established manager.

We continue to seek new opportunities through events such as the Emerging and Diverse Manager Day, and the 2014 Emerging and Diverse Manager Forum. In addition, we released our second annual report on the work we have completed to date as part of our Emerging Manager Five-Year Plan.

We continue to invest in California. CalPERS has \$26.6 billion invested in the state across all asset classes. These commitments support millions of local jobs, contribute to major infrastructure projects and support business expansion efforts.

CalPERS is a long-term investor. Our focus is the success and sustainability of our system over multiple decades. While the 2014-15 fiscal year did not produce a return in line with the high returns we have realized in previous fiscal years, we are proud of the success of our Real Assets program, and of the long-term progress of the fund, as measured by the three- and five-year performance numbers. We are reassured by our 20-year investment return of 7.76 percent – exceeding the 7.50 percent discount rate established by our Asset Liability Management (ALM) process.

Our Investment Office staff, the Board's pension consultant Wilshire Associates, and State Street Bank & Trust, our master custodian, compiled the investment data presented on the following pages.

Ted Eliopoulos
Chief Investment Officer

INVESTMENT PERFORMANCE – PUBLIC EMPLOYEES’ RETIREMENT FUND (PERF)

Summary of Investments – PERF – As of June 30, 2015 (Dollars in Thousands)

Category	Book Value	Fair Value	% of Investments at Fair Value
Cash and Short-Term Investment	\$9,803,696	\$9,800,688	3%
Global Equity	113,394,472	153,436,183	51%
Global Debt Securities	61,530,880	77,889,244	26%
Real Assets	22,177,008	31,185,446	11%
Private Equity	28,439,167	28,808,840	9%
TOTAL INVESTMENT VALUE	\$235,345,223	\$301,120,401	100%

PERF Portfolio Comparisons (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return	10-Year Return	Index ⁷	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Total Fund	2.4%	10.9%	10.7%	6.2%	Asset Allocation Policy Index ¹	2.5%	10.3%	10.4%	7.2%
					Trust Universe Comparison Service (TUCS)				
					Public Fund Median	2.8%	10.0%	10.4%	6.6%
					Wilshire Large Fund Universe Median	3.9%	11.0%	11.1%	6.9%
Public Equity	1.0%	14.5%	12.9%	6.6%	CalPERS FTSE Global All Cap Custom	1.3%	14.2%	12.5%	6.9%
					67% FTSE USTMI+33%				
Private Equity	8.9%	14.1%	14.4%	11.9%	FTSEAWEXUS+3%	11.1%	16.7%	15.0%	14.9%
Total Growth	2.2%	14.2%	13.1%	7.3%	Growth Benchmark²	2.9%	14.7%	13.2%	8.3%
					CalPERS TOT GBL FI INC Policy EX				
Global Fixed Income	1.3%	2.6%	5.4%	6.1%	Tobacco ³	0.4%	1.4%	4.6%	5.3%
Real Assets	12.4%	12.3%	11.8%	2.2%	Real Assets Benchmark ⁴	11.5%	11.0%	12.1%	8.7%
					75% BC TREAS 2-10YR+25%1 MO				
Liquidity	0.9%	0.2%	1.1%	2.1%	TBILL	1.7%	0.8%	1.5%	2.3%
Inflation ⁶	(11.5%)	(1.3%)	3.2%	—	Inflation Benchmark ⁵	(13.0%)	(2.3%)	1.9%	—
Absolute Return Strategies	7.3%	7.2%	5.1%	4.6%	1 yr Treasury Note + 5%	5.3%	5.3%	5.4%	7.0%

(1) The Asset Allocation Policy Index return equals the return for each asset class benchmark, weighted at the current target asset allocations.

(2) The benchmark is 84% and 16% Private Equity Benchmark.

(3) The benchmark is 90% Barclays Long Liabilities + 10% Barclays International Fixed Income.

(4) The benchmark is 83% Real Estate Benchmark (NCREIF ODCE (net), 8.5% Infrastructure Benchmark (CPI + 4%) and 8.5% Forestland Benchmark (NCREIF Timberland (Gross)).

(5) Inflation Benchmark: 75% ILB Benchmark and 25% Commodities Benchmark.

(6) Inception Date for Inflation Asset Class is 2007.

(7) Index benchmarks are as of June 30, 2015, and are subject to be updated based on changes within the fund portfolios.

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Asset Allocations – PERF

Asset Class ¹	Current Allocation ²	Current Interim Target Allocation ³	New Interim Target Allocation ⁴
Global Equity	53.8%	51.0%	51.0%
Private Equity	9.6%	10.0%	10.0%
Global Fixed Income	17.6%	19.0%	20.0%
Real Assets	10.5%	12.0%	12.0%
Liquidity	2.5%	2.0%	1.0%
Inflation Assets	5.2%	6.0%	6.0%
Absolute Return Strategies ⁵	0.4%	—	—
Total Plan Level ⁶	0.4%	—	—
TOTAL FUND	100.0%	100.0%	100.0%

(1) Differences between investment percentages above and the percentages on the Summary of Investments are due to differences in reporting methods.
 (2) The current allocation percentages differ from investment asset percentages presented in the MD&A and notes to the Basic Financial Statements as a result of different methodologies used for categorizing investment assets for investment purposes versus financial statement presentation purposes.
 (3) As of June 30, 2015.
 (4) Effective July 1, 2015.
 (5) These asset classes do not have targets because they are not components of the Total Fund Policy benchmark.
 (6) The Total Plan Level includes multi-asset class, transition, and plan level portfolios. These assets do not have targets because they are not components of the Total Fund Policy benchmark.

Portfolio of California Investments at Fair Value – PERF (Dollars in Millions)

	California Investments
Equity	
Domestic Equity	\$13,382
International Equity	48
TOTAL EQUITY	\$13,430
Fixed Income	
Global Fixed Income	\$2,734
TOTAL FIXED INCOME	\$2,734
Real Assets ¹	\$7,018
Private Equity ²	\$3,454
TOTAL CALIFORNIA INVESTMENTS	\$26,636

(1) Real Assets are as of March 31, 2015.
 (2) Private Equity as of March 31, 2015.

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Largest Stock Holdings at Fair Value – PERF (Dollars in Thousands)

Rank	Security Name	Shares	Fair Value
1	Apple	17,146,577	\$2,150,609
2	Exxon Mobil Corporation	12,685,265	1,055,414
3	Microsoft Corporation	22,594,343	997,540
4	Johnson & Johnson	17,378,077	977,343
5	Wells Fargo & Company	12,279,999	832,093
6	Chevron Corporation	8,302,160	809,129
7	Nestle SA Reg	28,597,733	759,842
8	General Electric Company	10,202,023	736,864
9	JP Morgan Chase & Company	19,891,946	666,977
10	Verizon Communications Incorporation	8,299,783	649,375

Largest Bond Holdings at Fair Value – PERF (Dollars in Thousands)

Rank	Bond	Interest Rate	Maturity Date	Par Value	Fair Value
1	United States Treasury	2.875%	5/15/2043	\$3,288,046	\$3,133,376
2	United States Treasury	0.625%	1/15/2024	2,164,654	2,204,570
3	United States Treasury	0.125%	7/15/2024	1,617,862	1,579,939
4	United States Treasury	2.125%	5/15/2025	1,333,265	1,308,787
5	Federal Home Loan Mortgage Corp.	3.500%	7/14/2045	963,879	991,590
6	Federal National Mortgage Association	3.500%	7/14/2045	831,131	856,520
7	United States Treasury	1.750%	4/30/2022	872,437	855,817
8	United States Treasury	5.250%	2/15/2029	625,858	817,589
9	United States Treasury	1.125%	1/15/2021	668,914	708,320
10	United States Treasury	3.125%	8/15/2044	581,476	582,273

A complete list of portfolio holdings is available upon request.

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Schedule of Commissions & Fees – PERF (Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission & Fees Amount	Broker	Number of Shares Traded	Base Commission & Fees Amount
Academy Securities, Inc.	1,231,801	\$25	CS First Boston (Hong Kong), Ltd	29,603,774	\$112
Agora Corde Titul E Val Mob	3,192,000	15	CSFB Australia Equities, Ltd.	1,546,619	13
Ambit Capital Private, Ltd.	346,366	8	CSI US Institutional Desk	625,522	15
Banco De Investimentos Credit	1,450,308	18	Daewoo Securities Company, Ltd.	523,037	73
Banco Itau SA	3,376,451	46	Daiwa SBCM Europe	3,930,800	48
Banco Pactual SA	1,109,060	21	Daiwa Securities (HK), Ltd.	46,429,538	166
Banco Santander Central Hispano	8,842,622	35	Daiwa Securities America, Inc.	52,765,346	124
Bank of New York Brussels	492,500	10	Daiwa Securities SMBC Cathy Company	121,420,781	93
Barclays Capital, Inc./LE	33,602,850	531	Davy Stockbrokers	325,298	10
Barclays Capital, Inc.	25,140,661	133	DBS Vickers (Hong Kong), Ltd.	15,621,385	38
Bloomberg Tradebook, LLC	739,887	13	Deutsche Bank AG London	29,920,862	245
BMO Capital Markets	1,789,968	51	Deutsche Bank Securities, Inc.	558,546,166	930
BNP Paribas Peregrine Securities	102,048	28	Deutsche Eq In Prvt LIM DB	7,520,445	97
BNP Paribas Prime Brokerage, Inc.	388,099	9	Deutsche Morgan Grenfell Secs	1,903,962	37
BNP Paribas Securities (Asia), Ltd.	36,918,900	67	Deutsche Securities Asia, Ltd.	94,464,662	185
BNP Paribas Securities India Private, Ltd.	819,267	10	Drexel Hamilton, LLC	787,283	16
BNP Paribas Securities Services	3,667,790	24	DSP Merrill Lynch, Ltd.	3,093,383	38
BNY Brokerage	11,612,886	134	Edelweiss Securities Pvt., Ltd.	2,063,657	44
BOCI Securities, Ltd.	3,505,800	25	Emkay Global Financial Services, Ltd.	4,802,411	112
Bradesco S.A CTVM	1,205,407	13	Enam Securities Pvt., Ltd.	454,203	15
Brean Capital, LLC	616,267	11	Exane SA	3,019,033	81
BTIG, LLC	10,344,562	145	Fidelity Clearing Canada	301,800	9
Canaccord Genuity, (Australia), Ltd	6,912,059	55	Financial Brokerage Group	1,008,637	20
Canaccord Genuity, Inc.	876,550	30	Frank Russel Sec/BroadCort CAP Clearing	281,984	10
Cantor Fitzgerald & Co.	2,988,726	73	Friedman Billings and Ramsey	1,272,978	34
Capital Institutional Svcs, Inc., Equities	363,457	12	G Trade Services, Ltd.	11,066,496	74
Celfin Capital SA Corredores De Bolsa	722,848	10	Goldman Sachs (Asia), LLC	13,995,971	31
Cheevers & Co., Inc.	509,027	16	Goldman Sachs (India)	64,550,598	66
China International Capital Corp.	11,555,826	48	Goldman Sachs and Company	504,824,874	1,025
CICC US Securities, Inc.	7,831,294	11	Goldman Sachs CME	460,181	830
Cimb-GK Securities Pte., Ltd.	1,145,600	8	Goldman Sachs Do Brasil Corretora	10,649,527	52
Citibank N.A. London	2,062,503	10	Goldman Sachs International	24,840,207	243
Citigroup Global Market Korea Secs., Ltd.	2,072,155	28	Great Pacific Securities, Inc.	6,127,103	93
Citigroup Global Markets CME	19,091	39	Guzman and Company	11,796,962	183
Citigroup Global Markets India	70,697,037	63	Hongkong and Shanghai Banking, Corp.	10,595,100	19
Citigroup Global Markets Taiwan	18,374,242	34	HSBC Bank, Plc	60,065,364	395
Citigroup Global Markets, Inc.	460,067,969	1,926	HSBC Securities (USA), Inc.	7,027,872,957	100
Citigroup Global Markets, Inc. Salomon Bro.	279,206	520	ICICI Brokerage Services, Ltd.	25,871,188	88
Citigroup Global Markets, Ltd.	59,048,908	374	India Infoline, Ltd.	2,127,085	46
CLSA Australia PTY, Ltd.	630,795	13	Instinet	40,678,835	533
CLSA Securities Korea, Ltd	52,023	13	Instinet Australia Clearing Svc., Pty. Ltd.	10,257,096	27
CLSA Singapore PTE, Ltd.	201,577,320	214	Instinet Pacific, Ltd.	189,093,603	283
Compass Point Research and Trading, LLC	534,525	19	Instinet Singapore Services PT	9,369,234	10
Convergex Execution Solutions, LLC	455,547	16	Instinet UK, Ltd.	175,329,898	913
Cowen and Company, LLC	1,266,673	36	Instinet, LLC	94,762,612	786
Craig - Hallum	478,852	14	Investment Technology Group, Inc.	8,835,618	88
Credit Lyonnais Securities (Asia)	166,611,498	246	Investment Technology Group, Ltd.	125,864,745	613
Credit Lyonnais Securities India	6,065,306	73	ISI Group, Inc.	758,093	24
Credit Suisse First Boston	6,775,000	26	ITG Australia, Ltd.	63,572,635	214
Credit Suisse First Boston (Europe)	126,020	13	ITG Canada	4,783,835	32
Credit Suisse First Boston SA CTVM	923,600	19	ITG Securities (HK), Ltd.	300,859,545	238
Credit Suisse Secs India Private, Ltd.	4,234,251	71	ITG, Inc.	18,954,519	229
Credit Suisse Securities (Europe), Ltd.	78,521,102	291	Jefferies and Company, Inc.	64,505,283	152
Credit Suisse Securities (USA), LLC	126,452,539	1,188	Jefferies International, Ltd.	65,448,830	75

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Schedule of Commissions & Fees – PERF (Dollars in Thousands) (continued)

Broker	Number of Shares Traded	Base Commission & Fees Amount	Broker	Number of Shares Traded	Base Commission & Fees Amount
JM Financial Institutional Securities, Pvt. Ltd.	450,529	\$13	Raymond James and Associates, Inc.	993,219	\$39
JMP Securities	626,455	22	RBC Capital Markets	6,773,477	124
Joh Berenberg Gossler and Company	286,576	14	RBC Dominion Securities, Inc.	12,819,961	171
Jones Trading Institutional Services, LLC	43,769,166	512	Redburn Partners, LLP	1,152,135	10
JP Morgan Chase Bank N.A London	2,852,988	30	Robert W. Baird Company, Inc.	985,963	35
JP Morgan Clearing Corp.	47,250,467	361	Robotti and Company, LLC	4,567,379	69
JP Morgan India Private, Ltd.	28,396,373	74	Rosenblatt Securities, LLC	16,996,268	219
JP Morgan Securities (Asia Pacific), Ltd.	327,980,156	226	Royal Bank of Canada Europe, Ltd.	5,156,652	79
JP Morgan Securities (Far East), Ltd. Seoul	406,975	34	Samsung Securities Co., Ltd.	173,151	45
JP Morgan Securities (Singapore)	33,271,256	23	Samuel A Ramirez and Company, Inc.	820,489	8
JP Morgan Securities Australia, Ltd.	7,880,437	26	Sanford C Bernstein Co., LLC	63,717,814	376
JP Morgan Securities, Inc.	289,842,875	901	Sanford C. Bernstein, Ltd.	41,234,623	215
JP Morgan Securities, PLC	141,553,438	492	Scotia Capital (USA), Inc.	507,570	12
Keefe Bruyette and Woods, Inc.	695,969	26	SG Americas Securities, LLC	10,071,591	49
Keybank Capital Markets, Inc.	324,533	12	SG Asia Securities (India), Pvt. Ltd.	51,557,337	205
Kim Eng Securities (Hong Kong), Ltd.	7,209,095	108	SG Securities (London), Ltd.	17,832,789	9
Knight Clearing Services, LLC	4,436,382	44	SG Securities Hong Kong	64,359,944	91
Knight Equity Markets, L.P	31,231,649	369	Shinhan Investment Corp.	616,747	49
Korea Investment and Securities Company, Ltd.	250,274	18	Sidoti and Company, LLC	375,014	14
Kotak Securities, Ltd.	3,528,370	98	Sinopac Securities, Corp.	17,494,714	19
Leerink Swann and Company	966,238	39	SJ Levinson and Sons, LLC	3,307,526	51
Liquidnet Asia, Ltd.	16,686,674	17	SMBC Nikko Securities (Honk Kong), Ltd.	6,145,702	66
Liquidnet, Inc.	11,314,161	168	Societe Generale London Branch	149,626,516	532
Loop Capital Markets, LLC	2,075,870	30	Standard Bank London, Ltd.	1,042,631	9
M. Ramsey King Securities, Inc.	15,628,469	240	State Steet Global Markets, LLC	1,073,465	16
Macquarie Bank, Ltd.	78,443,556	234	Stephens, Inc.	518,963	21
Macquarie Securities (India), Pvt. Ltd.	1,628,924	67	Sterne, Agee and Leach, Inc.	752,793	28
Macquarie Securities (USA), Inc.	898,122	18	Stifel Nicolaus and Co., Inc.	2,023,799	69
Macquarie Securities, Ltd.	4,085,600	26	Stuart Frankel and Co., Inc.	26,728,486	335
MasterLink Securities Corp., Ltd.	8,383,000	24	Suntrust Capital Markets, Inc.	224,859	9
Merrill Lynch International	390,320,055	1,068	Tera Menkul Degerler A.S.	11,999,840	38
Merrill Lynch Pierce Fenner and Smith	91,073,948	603	The Hongkong and Shanghai Bank	70,395	20
Mischler Financial Group, Inc, Equities	885,970	19	Topeka Capital Markets, Inc.	485,662	11
Mizuho Securities Asia, Ltd.	4,227,187	51	UBS Ag	41,905,769	174
Morgan Stanley and Company, Inc.	391,855,656	574	UBS, Ltd.	81,806,358	436
Morgan Stanley and Company International	52,573,307	154	UBS Securities Asia, Ltd.	777,941,360	533
Morgan Stanley and Company International Taipei Metro	31,507,929	100	UBS Securities Canada, Inc.	1,648,192	17
Morgan Stanley Dean Witter, Inc.	7,792,600	82	UBS Securities, Pte. Ltd.	77,860,108	73
Morgan Stanley India Company, Pvt. Ltd.	2,120,446	31	UBS Securities Pte. Ltd., Seoul	7,697,454	35
Motilal Oswal Securities, Ltd.	51,293,417	191	UBS Securities, LLC	13,486,392	215
National Financial Services, Corp.	851,902	13	UBS Warburg Australia Equities	1,293,047	17
National Financial Services, Corp.	216,368	8	UBS Warburg, LLC	1,718,545	31
Needham and Company	333,973	11	UOB Kay Hian Pte. Ltd.	7,687,035	27
North Land Securities, Inc.	211,177	8	Wedbush Morgan Securities, Inc.	330,070	10
North South Capital, LLC	10,840,460	153	Weeden and Company	21,439,433	252
Numis Securities, Inc.	494,420	10	Wells Fargo Prime Services, LLC	2,786,453	22
Oppenheimer and Co., Inc.	476,990	16	Wells Fargo Securities, LLC	16,404,554	220
OSK Asia Securities, Ltd.	1,748,900	19	William Blair and Company, LLC	1,338,162	46
Pacific Crest Securities	645,211	24	Woori Investment Securities	445,018	20
Parel	4,207,912	21	XP Investimentos CCTVM SA	1,219,054	10
Pavilion Global Markets, Ltd.	8,941,725	54	Yamner and Company, Inc.	876,319	9
Penserra Securities, LLC	25,594,146	344	Yuanta Securities Company, Ltd.	9,609,806	31
Pershing, LLC	17,842,764	226	Various ¹	82,214,386	510
Piper Jaffray	936,667	35	TOTAL	15,202,141,305	\$30,720

(1) Commissions and fees paid to brokers that totaled less than \$8,000 for the year are reported under the "Various" line item.

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Schedule of Fees & Costs for Private Equity Partners – PERF (Dollars in Thousands)

Fund Name	2014 Fees & Costs ¹	Fund Name	2014 Fees & Costs ¹
57 Stars Global Opportunities Fund II, LLC	\$8,603	Blackstone GTS Co-Invest, LP	\$7
57 Stars Global Opportunities Fund, LLC	6,931	Blackstone Mezzanine Partners, LP	13
Aberdare Ventures IV, LP	957	Blackstone Tactical Opportunitess Fund - C LP	11,117
Aberdere Ventures III, LP	120	Blackstone Tactical Opportunities Fund (RL Co-Invest), LP	899
Acon-Bastion Partners II, LP	782	Bridgepoint Europe II	2
Advent International GPE IV-A, LP	2	Bridgepoint Europe III D, LP	1,086
Advent International GPE V-D, LP	289	Bridgepoint Europe IV, LP	1,934
Advent International GPE VI-A, LP	5,020	Bridgepoint Europe V B1, LP	932
Advent International GPE VII-C, LP	9,072	Cadence Bancorp, LLC	71
Advent Latin America Private Equity Fund III-D, LP	262	California Asia Investors, LP	2,486
Advent Latin America Private Equity Fund IV-D, LP	1,986	California Emerging Ventures I, LLC	932
Advent Latin American Fund V-H LP	2,106	California Emerging Ventures II, LLC	1,803
Aisling Capital II, LP	829	California Emerging Ventures III, LLC	3,689
Aisling Capital III, LP	581	California Emerging Ventures IV, LLC	6,016
Alta BioPharma Partners II, LP	11	CalPERS Clean Energy & Technologies Fund, LLC	6,104
Alta V, LP	4	CalPERS Corporate Partners, LLC	1,393
APA Excelsior IV, LP	2	Capital Link Fund I, LP	6,063
Apollo Asia Opportunity Fund, LP	199	Capital Link Fund II, LP	6,193
Apollo Co-Investors (MHE), LP	56	Carlyle Acosta Coinvestment LP	14
Apollo Credit Opportunities Fund, LP	3,407	Carlyle Asia Growth Partners III, LP	885
Apollo European Principal Finance Fund, LP	1,111	Carlyle Asia Growth Partners IV, LP	2,516
Apollo Investment Fund IV, LP	11	Carlyle Asia Partners (PV II), LP	45
Apollo Investment Fund V, LP	154	Carlyle Asia Partners II, LP	1,498
Apollo Investment Fund VI, LP	861	Carlyle Asia Partners III, LP	2,666
Apollo Investment Fund VII, LP	2,436	Carlyle Europe Partners II, LP	118
Apollo Investment Fund VIII, LP	5,562	Carlyle Europe Partners III, LP	625
Apollo Special Opp. Managed Acct, LP	16,219	Carlyle Europe Technology Partners II, LP	1,354
ArLight Energy Partners Fund II, LP	25	Carlyle Global Financial Services Partners, LP	2,441
ArLight Energy Partners III, LP	1,333	Carlyle Japan International Partners II, LP	1,632
ArLight Energy Partners IV, LP	1,036	Carlyle Japan Partners, LP	11
Ares Corporate Opportunities Fund, LP	58	Carlyle MC Partners, LP	3
Ares Corporate Opportunities Fund II, LP	436	Carlyle Mexico Partners, LP	201
Ares Corporate Opportunities Fund III, LP	2,284	Carlyle Partners II, LP	3
Ares Special Situations Fund, LP	198	Carlyle Partners III, LP	18
Asia Alternatives Capital Partners, LP	2,594	Carlyle Partners IV, LP	554
Asia Alternatives Capital Partners II, LP	5	Carlyle Partners V, LP	2,580
Asia Recovery Co-Investment Fund, LP	13	Carlyle Partners VI, LP	5,784
Asia Recovery Fund, LP	11	Carlyle Realty Qualified Ptrs III, LP	25
Audax Credit Opportunities Fund, LP	109	Carlyle Strategic Partners II, LP	314
Audax Mezzanine Fund II, LP	244	Carlyle U.S. Growth Fund III, LP	803
Audax Private Equity Fund III, LP	514	Carlyle Venture Partners II, LP	22
Aurora Equity Partners III, LP	8	Carlyle/Riverstone Brazil Ethanol Co-Inv B	44
Avenue Asia Special Situations Fund IV, LP	1,241	Carlyle/Riverstone Global Energy and Power Fund II, LP	32
Avenue Europe Special Situations Fund, LP	69	Carlyle/Riverstone Global Energy and Power Fund III, LP	1,419
Avenue Special Situations Fund IV, LP	65	Carlyle/Riverstone Revewable Energy Infrastructure Fund I, LP	102
Avenue Special Situations Fund V, LP	34	Castlelake I, LP	70
Avenue Special Situations Fund VI (A), LP	1,445	CDH Fund V, LP	4,560
Bank of America CA Community Venture Fund, LP	1,100	Central Valley Fund II (SBIC), LP	431
Baring Vostok Private Equity Fund IV, LP	801	Cerberus CP Partners, LP	8,540
Birch Hill Equity Partners (US) III, LP	1,104	Cerberus Institutional Partners V, LP	8,637
Birch Hill Equity Partners (US) IV, LP	2,875	CHK Mid-Con Co-Invest Vehicle Royalty, LP	7
Blackstone Capital Partners IV, LP	48	CHK Mid Con Co-Invest Vehicle Preferred, LP	24
Blackstone Capital Partners V, LP	343	Chrysalis Ventures (Healthcare) III LP	315
Blackstone Capital Partners VI, LP	1,402	Clarus Lifesciences I, LP	805
Blackstone Communications Partners I, LP	14	Clarus Lifesciences II, LP	1,726
Blackstone - GSO Capital Solutions LP	1,423	Clearlake Capital Partners III, LP	383

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Schedule of Fees & Costs for Private Equity Partners – PERF (Dollars in Thousands) (continued)

Fund Name	2014 Fees & Costs ¹	Fund Name	2014 Fees & Costs ¹
Clearwater Capital Partners Fund II Holdings, LP	\$546	ICV Partners II, LP	\$21
Clearwater Capital Partners Fund I, LP	69	Insight Venture Partners V, LP	258
Clearwater Capital Partners Fund III, LP	3,217	Insight Venture Partners V Co-Invest	80
Clessidra Capital Partners	301	Insight Venture Partners VI, LP	943
Clessidra Capital Partners II, LP	2,351	Khosla Ventures III, LP	1,984
Coller International Partners III, LP	4	Khosla Ventures Seed, LP	1,430
Coller International Partners IV, LP	58	KKR 2006 Fund, LP	1,144
Coller International Partners V, LP	5,071	KKR Asian Fund II, LP	4,296
Craton Equity Investors I, LP	472	KKR Asian Fund, LP	134
CVC Capital Partners VI, LP	9,107	KKR European Fund II, LP	90
CVC Credit Strategic Investment A LP	192	KKR European Fund III, LP	114
CVC European Equity Partners, LP	124	KKR European Fund, LP	4
CVC European Equity Partners II, LP	54	KKR Millennium Fund, LP	4
CVC European Equity Partners III, LP	60	Kline Hawkes Pacific, LP	81
CVC European Equity Partners IV, LP	170	KM Corporate Partners Fund II, LP	1,866
CVC European Equity Partners Tandem Fund, LP	1,583	KPS Special Situations Fund III, LP	364
CVC European Equity Partners V, LP	1,827	Levine Leichtman Capital Partners Deep Value Fund, LP	341
Darby Coverging Europe Mezzanine Fund, LP	400	Levine Leichtman Capital Partners II, LP	8
DFJ Frontier Fund, LP	56	Levine Leichtman Capital Partners III, LP	28
EM Alternatives	2,597	Levine Leichtman Capital Partners IV, LP	623
ESP - Golden Bear Europe Fund, LP	8,787	Lexington Capital Partners II, LP	58
Essex Woodlands Health Ventures VIII, LP	1,676	Lexington Capital Partners III, LP	51
First Reserve Fund X, LP	79	Lexington Capital Partners IV, LP	71
First Reserve Fund XI, LP	4,311	Lexington Capital Partners V, LP	61
First Reserve Fund XII, LP	3,614	Lexington Middle Market Investors, LP	63
First Reserve Fund XIII, LP	1,776	Lime Rock Partners III, LP	14
FR AFG Co-Investment, LP	34	Lime Rock Partners IV, LP	471
Francisco Partners II, LP	1,222	Lime Rock Partners V, LP	1,391
Francisco Partners III, LP	1,396	Lion Capital Fund II, LP	1,444
Francisco Partners, LP	9	Lombard Asia III, LP	241
Garage California Entrepreneurs Fund, LP	48	Lombard Thailand Partners, LP	83
GCM Grosvenor DEM, LP. (fka CS DEM, LP)	1,335	Madison Dearborn Capital Partners IV, LP	23
GCM Grosvenor DEM II, LP	523	Madison Dearborn Capital Partners V, LP	1,417
Generation Capital Partners, LP	32	Magnum Capital, LP	68
Golden State Investment Fund LLC	4,562	MHR Institutional Partners II, LP	132
Golder, Thoma, Cressey & Rauner Fund IV	2	MHR Institutional Partners III, LP	2,784
Granite Global Ventures II, LP	59	New Mountain Partners II, LP	123
Granite Global Ventures III, LP	839	New Mountain Partners III, LP	2,634
Green Credit Investors, LP	8	Newbridge Asia III, LP	21
Green Equity Investors III, LP	32	Newbridge Asia IV, LP	1,222
Green Equity Investors IV, LP	40	NGEN II, LLC	8
Green Equity Investors V, LP	3,427	Nogales Investors Fund I, LP	30
GSO Capital Opportunities Fund II, LP	459	Oak Hill Capital Partners II, LP	304
GSO Capital Opportunities Fund, LP	149	Oak Hill Capital Partners III, LP	6,689
GSO Capital Solutions Fund II, LP	763	Oaktree Opportunities Fund VIII B, LP	3,669
GSO Energy Partners -C, LP	880	Onex Partners IV, LP	3,100
GSO Giant Co-Invest I, LP	5	Pacific Community Ventures Investments Partners II, LP	28
Health Evolution Investments, LLC (Series A)	44	PAG Asia I, LP	2,187
Health Evolution Investments, LLC (Series B)	201	Palladium Equity Partners III, LP	588
Health Evolution Management Co., LLC	2	Permira Europe I	10
Health Evolution Partners, LLC	14,774	Permira Europe III	33
Hellman & Friedman Capital Partners II, LP	2	Permira IV, LP	785
Hellman & Friedman Capital Partners V, LP	150	Permira V, LP	10,075
Hellman & Friedman Capital Partners VI, LP	1,588	Permira U.K. Venture IV	9
Hellman & Friedman Capital Partners VII, LP	4,869	Perseus-Soros Biopharmaceutical Fund, LP	17
Huntsman Gay Capital Partners, LP	1,634	Polish Enterprise Fund IV, LP	15

PUBLIC EMPLOYEES' RETIREMENT FUND (CONTINUED)

Schedule of Fees & Costs for Private Equity Partners – PERF (Dollars in Thousands) (continued)

Fund Name	2014 Fees & Costs ¹	Fund Name	2014 Fees & Costs ¹
Polish Enterprise Fund V, LP	\$323	TPG Asia V, LP	\$2,573
Polish Enterprise Fund VI, LP	1,680	TPG Biotechnology Partners II, LP	458
Providence Equity Partners V, LP	613	TPG Biotechnology Partners III, LP	932
Providence Equity Partners VI, LP	2,116	TPG Biotechnology Partners, LP	138
Rhone Capital III, LP	555	TPG Holding, LP	70
Riverstone Fieldwood Partners, LP	23	TPG Partners III, LP	23
Riverstone Global Energy and Power Fund V, LP	3,719	TPG Partners IV, LP	552
Riverstone/Carlyle Global Energy & Power Fund IV, LP	2,795	TPG Partners V, LP	1,753
Riverstone/Carlyle Renewable and Alternative Energy Fund II, LP	2,353	TPG Partners VI, LP	4,672
Riverwood Capital Partners, LP	741	TPG Star, LP	1,388
Sacramento Private Equity Partners	5,898	TPG Ventures, LP	144
SAIF Partners III, LP	1,482	Trident VI, LP	1,941
SAIF Partners IV, LP	2,457	Triton Fund IV, LP	1,443
Silver Lake Credit Fund, LP	15	Trius Co-Investment Limited Partnership	11
Silver Lake Group, LLC	127	VantagePoint CleanTech Partners, LP	40
Silver Lake Technology Investors Sumeru, LP	14	VantagePoint Venture Partners 2006 (Q), LP	127
Silver Lake Partners II, LP	154	Vicente Capital Partners Growth Equity Fund, LP	724
Silver Lake Partners III, LP	1,538	W Capital Partners II, LP	966
Silver Lake Partners IV, LP	4,934	W Capital Partners, LP	75
Silver Lake Sumeru Fund, LP	384	Wayzata Opportunities Fund II, LLC	1,743
Silver Lake Technology Investors III, LP	2	Wayzata Opportunities Fund, LLC	518
Silver Lake Technology Investors IV, LP	34	Wellspring Capital Partners V, LP	2,513
Spectrum Healthcare Fund, LLC	3,843	Welsh, Carson, Anderson & Stowe IX, LP	11
T3 Partners II, LP	116	Welsh, Carson, Anderson & Stowe VI, LP	3
Tailwind Capital Partners I, LP	432	Welsh, Carson, Anderson & Stowe VIII, LP	2
Tailwind Capital Partners II, LP	2,702	Welsh, Carson, Anderson & Stowe X, LP	347
Technology Partners Fund V, LP	18	Welsh, Carson, Anderson & Stowe XI, LP	1,030
Technology Partners Fund VI, LP	8	WLR Recovery Fund II, LP	10
The Resolute Fund II, LP	207	WLR Recovery Fund III, LP	581
Thomas H. Lee Equity Fund V, LP	46	WLR Recovery Fund IV, LP	120
Thomas H. Lee Equity Fund VI, LP	195	Yucaipa American Alliance Fund I, LP	2,046
TowerBrook Investors II, LP	1,700	Yucaipa American Alliance Fund II, LP	4,456
TowerBrook Investors III, LP	3,456	Yucaipa American Special Situations Fund I, LP	38
TowerBrook Investors IV, LP	4,254	Yucaipa Corporate Initiatives Fund I, LP	1,540
		Yucaipa Corporate Initiatives Fund II, LP	541
		TOTAL	\$414,137

(1) The information presented in this table is derived from December 31, 2014, K-1 Schedule reported to the Internal Revenue Service.

INVESTMENT PERFORMANCE – LEGISLATORS’ RETIREMENT FUND (LRF)

LRF Portfolio Comparisons (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	0.0%	6.1%	8.1%	Weighted Policy Benchmark	(0.4%)	5.6%	7.8%
Global Equity	1.3%	14.3%	13.0%	LRS Global Equity Benchmark	1.3%	14.2%	13.0%
Global Fixed Income	3.1%	3.3%	5.9%	Barclays Long Liability Index	2.2%	2.0%	5.1%
TIPS	(1.9%)	(0.8%)	3.2%	Barclays Long Liability Index TIPS	(1.7%)	(0.8%)	3.3%
REITs	0.4%	9.5%	—	CalPERS Custom REIT Index	0.4%	9.5%	—
Commodities	(36.9%)	(11.3%)	—	GSCI Total Return (Daily)	(36.8%)	(10.7%)	—

LRF Asset Allocation

Asset Class	Current Allocation	Current Year Target	Prior Year Target
Global Equity	23.6%	24.0%	32.0%
Global Fixed Income	39.2%	39.0%	42.0%
TIPS	26.3%	26.0%	15.0%
REITs	7.9%	8.0%	8.0%
Commodities	3.0%	3.0%	3.0%
Total Fund	100.0%	100.0%	100.0%

INVESTMENT PERFORMANCE – JUDGES’ RETIREMENT FUND II (JRF II)

JRF II Portfolio Comparisons (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	(0.1%)	9.9%	10.5%	Weighted Policy Benchmark	(0.3%)	9.6%	10.4%
Global Equity	1.3%	14.3%	12.9%	JRS II Global Equity Benchmark	1.3%	14.2%	12.8%
Global Fixed Income	3.0%	3.2%	5.9%	Barclays Long Liability Index	2.2%	2.0%	5.1%
TIPS	(1.9%)	(0.9%)	—	Barclays Long Liability TIPS	(1.7%)	(0.8%)	—
REITs	0.4%	9.5%	12.4%	CalPERS Custom REIT Index	0.4%	9.5%	12.4%
Commodities	(36.9%)	(11.3%)	—	GSCI Total Return (Daily)	(36.8%)	(10.7%)	—

JRF II Asset Allocation

Asset Class	Current Allocation	Current Year Target	Prior Year Target
Global Equity	49.6%	50.0%	63.0%
Global Fixed Income	34.4%	34.0%	20.0%
TIPS	5.1%	5.0%	6.0%
REITs	7.9%	8.0%	8.0%
Commodities	3.0%	3.0%	3.0%
Total Fund	100.0%	100.0%	100.0%

INVESTMENT PERFORMANCE – CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST FUND (CERBTF)

CERBTF Strategy 1 Portfolio Comparisons (Inception date is June 1, 2007) (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	(0.1%)	9.8%	10.6%	CERBT Strategy 1 Policy Benchmark	(0.6%)	9.4%	10.5%
Global Equity	1.1%	13.6%	13.0%	MSCI All Country World Index IMI (net)	0.8%	13.4%	12.8%
Global Fixed Income	3.1%	3.3%	5.9%	CalPERS Custom Long Liability	2.2%	2.0%	5.1%
TIPS	(1.9%)	(0.8%)	—	CalPERS TIPS	(1.7%)	(0.8%)	—
REITs	0.1%	8.9%	12.0%	FTSE EPRA/NAREIT Developed Liquid Index (net)	(0.6%)	8.3%	11.7%
Commodities	(36.7%)	(11.2%)	—	S&P GSCI Total Return Index	(36.8%)	(10.7%)	—

CERBTF Strategy 2 Portfolio Comparisons (Inception date is October 1, 2011) (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return ²	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	(0.3%)	7.8%	—	CERBT Strategy 2 Policy Benchmark	(0.7%)	7.5%	—
Global Equity	1.0%	13.9%	—	MSCI All Country World Index IMI (net)	0.8%	13.7%	—
Global Fixed Income	3.0%	3.3%	—	CalPERS Custom Long Liability	2.2%	2.0%	—
TIPS	(2.0%)	(0.9%)	—	CalPERS TIPS	(1.7%)	(0.8%)	—
REITs	0.0% ¹	8.8%	—	FTSE EPRA/NAREIT Developed Liquid Index (net)	(0.6%)	8.3%	—
Commodities	(36.6%)	(11.1%)	—	S&P GSCI Total Return Index	(36.8%)	(10.7%)	—

(1) This percentage is less than 0.1%

(2) Due to the inception date, the 5-Year Return is not calculated

CERBTF Strategy 3 Portfolio Comparisons (Inception date is January 1, 2012) (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return ¹	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	0.0%	5.9%	—	CERBT Strategy 3 Policy Benchmark	(0.6%)	5.4%	—
Global Equity	1.1%	13.9%	—	MSCI All Country World Index IMI (net)	0.8%	13.7%	—
Global Fixed Income	2.9%	3.2%	—	CalPERS Custom Long Liability	2.2%	2.0%	—
TIPS	(1.8%)	(0.8%)	—	CalPERS TIPS	(1.7%)	(0.8%)	—
REITs	0.1%	8.8%	—	FTSE EPRA/NAREIT Developed Liquid Index (net)	(0.6%)	8.3%	—
Commodities	(36.4%)	(11.1%)	—	S&P GSCI Total Return Index	(36.8%)	(10.7%)	—

(1) Due to the inception date, the 5-Year Return is not calculated

CERBTF Asset Allocation

Asset Class	Strategy 1		Strategy 2		Strategy 3	
	Current Allocation	Policy Target Allocation	Current Allocation	Policy Target Allocation	Current Allocation	Policy Target Allocation
Global Equity	56.1%	66.0%	39.4%	40.0%	23.0%	24.0%
Global Fixed Income	27.5%	18.0%	39.5%	39.0%	39.5%	39.0%
TIPS	5.1%	5.0%	10.1%	10.0%	26.3%	26.0%
REITs	7.9%	8.0%	7.9%	8.0%	7.7%	8.0%
Commodities	3.1%	3.0%	3.1%	3.0%	3.0%	3.0%
Cash Equivalents	0.3%	—	0.0% ¹	—	0.5%	—
Total Fund	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(1) This percentage is less than 0.1%

INVESTMENT PERFORMANCE – HEALTH CARE FUND (HCF)

HCF – Portfolio Comparisons (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	2.6%	2.7%	4.1%	Weighted Policy Benchmark	1.9%	1.8%	3.4%

HCF Asset Allocation

Asset Class	Current Allocation	Current Year Target
Global Fixed Income	100.0%	100.0%
Total Fund	100.0%	100.0%

INVESTMENT PERFORMANCE – LONG-TERM CARE FUND (LTCF)

LTCF Portfolio Comparisons (Time-Weighted Rates of Return)

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	(0.9%)	4.2%	7.1%	Weighted Policy Benchmark	(1.2%)	3.9%	6.9%
Global Equity	1.0%	13.5%	13.1%	MSCI All Country World Index (net) TUCS Equity Median	0.8%	13.4%	13.0%
Global Fixed Income	2.1%	2.3%	5.4%	Barclays Long Liability Index	2.2%	2.0%	5.1%
TIPS	(1.7%)	(0.8%)	3.3%	Barclays Long Liability TIPS	(1.7%)	(0.8%)	3.3%
REITs	0.0% ¹	8.8%	11.9%	FTSE EPRA/NAREIT Developed Liquid Index (Net) TUCS Real Estate Median	(0.6%)	8.3%	11.7%
Commodities	(36.7%)	(10.5%)	—	GSCI Total Return (Daily)	(36.8%)	(10.7%)	—

(1) This percentage is less than 0.1%

LTCF Asset Allocation

Asset Class	Current Allocation	Current Year Target	Prior Year Target
Global Equity	15.6%	15.0%	15.0%
Global Fixed Income	60.8%	61.0%	61.0%
TIPS	6.0%	6.0%	6.0%
REITs	11.8%	12.0%	12.0%
Commodities	5.8%	6.0%	6.0%
Total Fund	100.0%	100.0%	100.0%

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A STRONGER FOOTING FOR GENERATIONS

Demographic assumptions
show public employees
living longer



**POSITIVE
GROWTH**



CalPERS' funded status
grew by more than
6 percentage points
(2013-14)

Actuarial Section

ACTUARIAL CERTIFICATIONS

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

June 30, 2015

As authorized, the CalPERS actuarial staff performs annual actuarial valuations of the CalPERS state, schools, and public agency defined benefit pension plans; the latest such valuations are as of June 30, 2014.

The funding objective for each of these plans is to accumulate assets equal to 100 percent of the accrued liability as measured by the Entry Age Normal Cost Method in a manner that keeps contributions approximately level as a percentage of payroll. Unfunded actuarial liabilities or surplus assets (excess assets) are amortized pursuant to Board policy such that unfunded liabilities or surplus assets are amortized over periods not exceeding 30 years.

The valuations are based on the member and financial data as of the valuation date, extracted from the various CalPERS databases. Both the membership and financial data are subject to extensive tests for reasonableness.

Further, information has been provided by us for the completion of Exhibits A through H in the Actuarial Section of the CAFR.

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.

Chief Actuary, CalPERS

LEGISLATORS' RETIREMENT SYSTEM

February, 2015

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Legislators' Retirement System. This valuation is based on the member and financial data as of June 30, 2014 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. In our opinion, this valuation has been performed in accordance with generally accepted actuarial principles, and in accordance with the standards of practice prescribed by the Actuarial Standards Board. The assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employee's Retirement Law.

The undersigned are actuaries for CalPERS, who are members of the American Academy of Actuaries and the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

David Clement, A.S.A., M.A.A.A.

Enrolled Actuary

Senior Pension Actuary, CalPERS

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.

Chief Actuary, CalPERS

Note: Actuarial reports and supporting documents for the state, schools, local agencies and Legislators' Retirement System can be obtained on the CalPERS website, www.calpers.ca.gov.

ACTUARIAL CERTIFICATIONS

JUDGES' RETIREMENT SYSTEM

March, 2015

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System. This valuation is based on the member and financial data as of June 30, 2014 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles, in accordance with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

The undersigned are actuaries for CalPERS, who are members of the American Academy of Actuaries and the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Barbara Ware, F.S.A., M.A.A.A.

Enrolled Actuary

Senior Pension Actuary, CalPERS

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.

Chief Actuary, CalPERS

JUDGES' RETIREMENT SYSTEM II

February, 2015

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System II. This valuation is based on the member and financial data as of June 30, 2014 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. In our opinion, this valuation has been performed in accordance with generally accepted actuarial principles, and in accordance with the standards of practice prescribed by the Actuarial Standards Board. The assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employee's Retirement Law.

The undersigned are actuaries for CalPERS, who are members of the American Academy of Actuaries and the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Fritzie Archuleta, A.S.A., M.A.A.A.

Senior Pension Actuary, CalPERS

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.

Chief Actuary, CalPERS

Note: The actuarial report and supporting documents for the Judges' Retirement System and Judges' Retirement System II can be obtained on the CalPERS website, www.calpers.ca.gov.

ACTUARIAL METHODS & ASSUMPTIONS

ACTUARIAL METHODS

The ultimate cost that a retirement system such as CalPERS incurs is equal to benefits paid plus the expenses resulting from administration and financing. These costs are paid through contributions to the plan and investment earnings on the System's assets.

The actuarial valuations rely upon data extracted from central databases maintained by CalPERS. These databases are created from data supplied by the individual employers. The data was not audited by the actuarial staff, but appears to be reasonable for valuation purposes. Summary information regarding plan membership data for various groups is provided in Exhibits F through H.

Using each plan's schedule of benefits, member data described above, and a set of actuarial assumptions, the plan's actuary estimates the cost of the benefits to be paid. Then, using a particular actuarial funding method, the actuary allocates these costs to the fiscal years within the employee's career.

In the case of the CalPERS plans with pay-related benefits, the financial objective is to fund in a manner which keeps contribution rates approximately as a level percentage of payroll from generation to generation, while accumulating sufficient assets over each member's working career. The primary funding method used to accomplish this objective is the Entry Age Normal Cost Method. This method is used for all defined benefit pay-related plans within CalPERS, for the Legislators' Retirement System (LRS), for the Judges' Retirement System (JRS) and for the Judges' Retirement System II (JRS II). It is also used for the Indexed Level of 1959 Survivor Benefits.

For CalPERS non-pay-related plans, the financial objective is to produce annual costs that coincide with the value of benefits earned for that year. The Term Insurance Cost Method is used for the plans within the 1959 Survivor Program that are not indexed and for the State Group Term Life Insurance Program.

Annual actuarial valuations are performed each June 30, using these methods. This report contains information through the most recent valuation date of June 30, 2014. Progress in financing can be found in the Summary of Funding Progress, Exhibits A and B.

The discount rate of 7.50 percent, net of administrative expenses of 15 basis points, is used in the Public Employees' Retirement Fund (PERF) for funding purposes. The discount rates used for funding purposes in the Legislators' Retirement

Fund (LRF) and the Judges' Retirement Fund II (JRF II), also net of administrative expenses, are 5.75 percent and 7.00 percent, respectively. The financial reporting discount rate differs as it is not reduced for administrative expenses. The Judges' Retirement Fund (JRF) is 4.25 percent for funding reporting purposes.

Entry Age Normal Cost Method

Under the Entry Age Normal Cost Method, projected benefits are determined for all members. For active members, liabilities are spread in a manner that produces level annual costs as a percent of pay in each year from the age of hire (entry age) to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active members is then calculated as the portion of the total cost of the plan allocated to prior years.

The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for inactive 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. The excess of the total actuarial accrued liability over the value of plan assets is called the unfunded actuarial accrued liability.

The required contribution is then determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payroll.

In the CalPERS case, the unfunded liability is broken down into components, or bases, according to their date of origin and the cause that gave rise to that component. A component of the unfunded liability that arose due to a change in plan provisions or in actuarial methods or assumptions is separately tracked and amortized over a declining 20-year period. The amortization methods were adopted by the Board in April 2005.

The actuarial assumptions discussed in this section are used to determine projected benefits. The effect of differences between those assumptions and the actual experience of the plan is calculated each year when the annual actuarial valuation is performed. These differences are experience gains or losses.

In April 2013, the CalPERS Board approved new actuarial policies that are aimed at returning the System to fully funded status within 30 years. The new policies include a rate-

ACTUARIAL METHODS & ASSUMPTIONS (CONTINUED)

smoothing method with a 30-year fixed amortization period for gains and losses. The amortization would have a five-year ramp-up of rates at the start and a five-year ramp-down at the end. These new policies applied beginning with the June 30, 2014 valuation for the state and schools pool, setting employer contribution rates for the Fiscal Year 2015-16. For Public Agencies, the new policies applied in the June 30, 2013 valuations, setting rates for the Fiscal Year 2015-16.

A maximum 30-year amortization payment on the entire unfunded liability is enforced on the amortization methods described above. In addition, for those plans in which the amortization methods described above result in either mathematical inconsistencies or unreasonable actuarial results, all unfunded liability components are combined into a single base and amortized over a period of time, as determined by the CalPERS Chief Actuary. Note that for the purpose of deriving the actuarially determined contribution rate, there is a minimum employer contribution equal to normal cost, less 30-year amortization of surplus (negative unfunded liability), if any. Note that there is a requirement in state statute that employers always contribute an amount never less than normal cost.

Term Insurance Cost Method

The actuarial funding method for non-indexed levels of the 1959 Survivor Program is a modified Term Insurance Cost Method. Under this method, there is no actuarial accrued liability for active members; all liability is due to current beneficiaries. The normal cost is calculated as the amount needed to provide benefits to survivors of deaths expected in the next one-year period.

The Term Insurance Cost Method is also used for the State Group Term Life Insurance Program. The required contributions are calculated as one and one-half times the expected life insurance payments for the coming year less the current assets available to pay those benefits, but not less than zero. The Term Insurance Cost Method was adopted by the Board in November 1997.

Asset Valuation Method

As of April 2013, the Board decided to move away from using an actuarial value of assets for setting contribution requirements and use the market value of assets. This change was implemented in the June 30, 2013 actuarial valuations and is reflected in the information provided in this section for

the state plans, LRF, JRF and JRF II and local agencies. For the schools pool, the change to using the market value of assets was implemented in the June 30, 2014 actuarial valuation.

ACTUARIAL ASSUMPTIONS

The actuarial assumptions used in determining actuarial liabilities and required employer contributions include both economic and non-economic assumptions. These assumptions represent the actuary's best estimate of anticipated future experience and are reviewed in depth periodically.

Economic Assumptions

The economic assumptions include an assumed inflation assumption of 2.75 percent compounded annually. The inflation assumption is a component of assumed investment return, assumed wage growth, and assumed future post-retirement cost-of-living increases.

Based upon the asset allocation of the PERF, the assumed investment return (net of administrative and investment expenses) is 7.5 percent per year, compounded annually. Different asset allocations and lower assumed investment returns apply to LRF, JRF, and JRF II. The economic assumptions adopted by the Board in March 2012 are based on a review by the Actuarial Office and an economic assumptions study performed by an outside actuarial consultant.

The assumed investment returns for these three plans are 5.75 percent, 4.25 percent, and 7.0 percent respectively, net of administrative expenses. For plans within CalPERS, the overall payroll is assumed to increase 3.0 percent annually. This is based upon the 2.75 percent inflation assumption and a 0.25 percent per annum productivity increase assumption. The overall payroll growth assumption is used to project future payroll over which the unfunded liability is amortized.

For plans within CalPERS, the assumed growth in an individual employee's future pay is composed of the 2.75 percent inflation component, an additional 0.25 percent per annum productivity component, and an annual merit increase based on the member's length of service. The service-based merit increase in an individual's salary recognizes that larger salary increases tend to occur earlier in an employee's career. Pay increase assumptions for individual members are shown for sample lengths of service in Exhibit C.

Actuarial Methods & Assumptions (continued)

Non-Economic Assumptions

Non-economic assumptions for plans within the PERF are based upon the most recent CalPERS Experience Study (covering the period June 30, 1997 through June 30, 2011) that was completed and adopted by the Board in April 2014.

Post-retirement mortality tables are based on CalPERS' experience. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table. Sample life annuity values based on these tables are shown in Exhibit E.

CHANGES SINCE PRIOR VALUATION

Changes in Actuarial Methods

In April 2013, the CalPERS Board approved new actuarial policies that are aimed at returning the System to fully funded status within 30 years. The new policies include a rate-smoothing method with a 30-year fixed amortization period for gains and losses. The amortization would have a five-year ramp-up of rates at the start and a five-year ramp-down at the end. In addition to closing the funding gap in 30 years, the new method will also help avoid large increases in employer contribution rates in extreme years, while maintaining a reasonable level of change in normal years. Based on investment return simulations performed for the next 30 years, increasing contributions more rapidly in the short-term is expected to result in almost a 25 percent improvement in funded status over a 30-year period. These new policies applied beginning with the June 30, 2014 valuation for the State of California and schools pool, setting employer contribution rates for the Fiscal Year 2015-16. For Public Agencies, the new policies applied in the June 30, 2013 valuations, setting rates for the Fiscal Year 2015-16.

Changes in Actuarial Assumptions

In February 2014, the CalPERS Board made important decisions regarding the funding of pension benefits at CalPERS. Specifically, the Board adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of investment returns while holding the PERF's long-term assumed rate of return at 7.5 percent. The Board also adopted more significant changes to the actuarial assumptions, most importantly, the inclusion of future mortality improvements in the actuarial assumptions. Finally, the Board approved a financing method which determines when and how quickly these changes will impact employer contributions. The actuarial assumptions adopted by the CalPERS Board of Administration are designed to ensure greater sustainability and soundness of the pension fund, and will be better at predicting future experience, resulting in more secure retirement benefits in the decades to come. The current experience study was based on demographic CalPERS data for years 1997 to 2011. The study focused on recent patterns of termination, death, disability, retirement, and salary increases. For the state plans, the new assumptions were implemented in the June 30, 2013 valuation, setting the employer contribution rates for Fiscal Year 2014-15. These new assumptions will apply beginning with the June 30, 2015 valuation for the schools pool, setting employer contribution rate for the Fiscal Year 2016-17. For Public Agencies, the new assumptions applied in the June 30, 2014 valuations, setting rates for the Fiscal Year 2016-17. Note that all actuarial information included in this section is based on the new assumptions.

Changes in Plan Provisions

There were no changes in the plan provisions for the state plans, school pools, JRF, JRF II, and LRF. Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in Appendix B of the plan's annual valuation report.

SUMMARY OF FUNDING PROGRESS

UNFUNDED LIABILITY & FUNDED RATIOS

For the plans in CalPERS, unfunded actuarial accrued liabilities are the difference between Entry Age Normal Accrued Liabilities and the assets of the Fund. It is required that these unfunded liabilities be financed systematically over future years.

Because of inflation, comparing the dollar amounts of assets, benefits paid, member salaries, and unfunded actuarial accrued liabilities can be misleading. While no one or two measures can fully describe the financial condition of a plan, the ratio of a pension plan's actuarial value of assets to its liabilities provides a meaningful index. However, a better measure is the funded ratio based on the market value of assets. This is the true measure of a plan's ability to pay benefits. The higher this ratio, the stronger the plan and observation of this ratio over a period of years can give an indication as to the financial strength of the system. Both these measures are presented in Exhibit A. As stated earlier, beginning with the June 30, 2014 valuations, all plans will use an actuarial value of assets set equal to the market value of assets.

SOLVENCY TEST

Exhibit B, Funding Progress — Solvency Test, demonstrates System solvency as measured using the System's own assumptions and liability calculation methods.

INDEPENDENT REVIEW

To ensure the quality of its valuations, CalPERS contracts with independent consulting actuaries to review the valuations on an annual basis with the valuating broken into three groups, so that each group is reviewed on a triennial basis.

EXHIBIT A: FUNDING PROGRESS – UNFUNDED LIABILITY & FUNDED RATIOS (DOLLARS IN MILLIONS)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) (Entry Age) (2)	Unfunded AAL (UAAL)/ Surplus (AVA Basis) (3) = (2) - (1)	Funded Ratio (Actuarial Value of Assets Basis) (4) = (1) / (2)	Annual Covered Payroll (5)	UAAL/Surplus as a % of Covered Payroll (6) = (3) / (5)	Market Value of Assets (MVA) (7)	Unfunded AAL (UAAL)/ Surplus (MVA Basis) (8) = (2) - (7)	Funded Ratio (Market Value of Assets Basis) (9) = (7) / (2)
PERF									
06/30/14	\$301,257	\$394,726	\$93,469	76.3%	\$44,958	207.9%	\$301,257	\$93,469	76.3%
06/30/13	281,928	375,019	93,091	75.2%	42,575	218.7%	261,622	113,397	69.8%
06/30/12	282,991	340,429	57,438	83.1%	42,599	134.8%	236,800	103,629	69.6%
06/30/11	271,389	328,567	57,178	82.6%	43,901	130.2%	241,740	86,827	73.6%
06/30/10	257,070	308,343	51,273	83.4%	44,984	114.0%	201,632	106,711	65.4%
06/30/09	244,964	294,042	49,078	83.3%	45,100	108.8%	178,860	115,182	60.8%
06/30/08	233,272	268,324	35,052	86.9%	44,236	79.2%	238,041	30,283	88.7%
06/30/07	216,484	248,224	31,740	87.2%	40,864	77.7%	251,162	(2,938)	101.2%
06/30/06	199,033	228,131	29,098	87.2%	38,047	76.5%	211,188	16,943	92.6%
06/30/05	183,680	210,301	26,621	87.3%	36,045	73.9%	189,103	21,198	89.9%
LRF									
06/30/14	\$130	\$111	(\$19)	117.1%	\$2	(950.0%)	\$130	(\$19)	117.1%
06/30/13	123	116	(7)	106.0%	1	(700.0%)	122	(6)	105.2%
06/30/12	124	109	(15)	113.8%	2	(750.0%)	123	(14)	112.8%
06/30/11	126	109	(17)	115.6%	2	(850.0%)	124	(15)	113.8%
06/30/10	127	112	(15)	113.4%	2	(750.0%)	114	(2)	101.8%
06/30/09	134	112	(22)	119.6%	2	(1,100.0%)	112	—	100.0%
06/30/08	142	103	(39)	137.9%	2	(1,950.0%)	134	(31)	130.1%
06/30/07	142	102	(40)	139.2%	2	(2,000.0%)	142	(40)	139.2%
JRF									
06/30/14	\$57	\$3,415	\$3,358	1.7%	\$52	6457.7%	\$57	\$3,358	1.7%
06/30/13	54	3,383	3,329	1.6%	61	5,457.4%	54	3,329	1.6%
06/30/12	73	3,172	3,099	2.3%	69	4,491.3%	73	3,099	2.3%
06/30/11	54	3,297	3,243	1.6%	76	4,267.1%	54	3,243	1.6%
06/30/10	64	3,429	3,365	1.9%	86	3,912.8%	64	3,365	1.9%
06/30/09	41	3,583	3,542	1.1%	97	3,651.5%	41	3,542	1.1%
06/30/08	19	3,607	3,588	0.5%	111	3,232.4%	19	3,588	0.5%
06/30/07	12	2,714	2,702	0.4%	119	2,270.6%	12	2,702	0.4%
JRF II									
06/30/14	\$1,014	\$951	(\$63)	106.6%	\$252	(25.0%)	\$1,014	(\$63)	106.6%
06/30/13	779	837	58	93.1%	242	24.0%	796	41	95.1%
06/30/12	668	703	35	95.0%	231	15.2%	655	48	93.2%
06/30/11	561	610	49	92.0%	230	21.3%	576	34	94.4%
06/30/10	461	521	60	88.5%	213	28.2%	422	99	81.0%
06/30/09	379	451	72	84.0%	199	36.2%	316	135	70.1%
06/30/08	335	367	32	91.3%	175	18.3%	325	42	88.6%
06/30/07	268	295	27	90.8%	156	17.3%	291	4	98.6%
06/30/06	213	220	7	96.8%	125	5.6%	219	1	99.5%
06/30/05	168	178	10	94.4%	112	8.9%	172	6	96.6%
CERBT³									
06/30/14	\$3,737	\$34,745	\$31,008	10.8%	\$18,987	163.3%	\$3,886	\$30,859	11.2%
06/30/13	2,669	31,716	29,047	8.4%	17,201	168.9%	2,708	29,008	8.5%
06/30/12	2,072	17,612	15,540	11.8%	11,175	139.1%	2,077	15,535	11.8%
06/30/11	1,818	15,522	13,704	11.7%	10,374	132.1%	1,864	13,658	12.0%
06/30/10 ¹	1,287	14,288	13,001	9.0%	10,435	124.6%	1,287	13,001	9.0%
06/30/09 ²	873	10,462	9,589	8.3%	9,307	103.0%	845	9,617	8.1%
06/30/08	48	4,845	4,797	1.0%	5,092	94.2%	48	4,797	1.0%
06/30/07	11	24	13	45.8%	37	35.1%	11	13	45.8%

(1) Beginning with reporting for Fiscal Year 2010-11, valuation results from CERBT participating employers are aligned as of a single measurement date to comply with GASB Statement No. 57. Data is rolled forward or backwards to that date by CalPERS staff, using methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

(2) The amounts previously reported as of June 30, 2009 in the Fiscal Year 2008-09 financial statements were revised to reflect the valuation results for new plan participants and to align the valuation dates of all plan participants. The revised data reflects the individual actuarial valuations of 258 employers participating in the CERBT as of June 30, 2010, aligned to a measurement date of June 30, 2009 in compliance with GASB Statement No. 57.

(3) Actuarial Accrued Liabilities (AAL) with a measurement date prior to August 2012 were based on the OPEB assumption model, which allowed only the Entry Age Normal or Projected Unit Credit actuarial cost method. In August 2012, the CalPERS Board removed requirements of specific assumption values and methods so that liabilities can be measured using any actuarial cost method that complies with Actuarial Standards of Practice and with Governmental Accounting Standards.

EXHIBIT B: FUNDING PROGRESS – SOLVENCY TEST

The funding objective for a retirement system is to be able to pay long-term benefit promises through member contributions as a percent of salary that remains approximately level from year to year. In this way, members and employers pay their fair share for retirement services accrued in that year by the retirement system's members.

If a system follows level contribution rate financing principles, it will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one means of checking a system's funding progress. In a short-term solvency test, the plan's present assets (investments and cash) are compared

with 1) member contributions on deposit, 2) the liabilities for future benefits to persons who have retired or terminated, and 3) the liabilities for projected benefits for service already rendered by active members. In a system that employs level contribution rate financing, the liabilities for member contributions on deposit (liability 1) and the liabilities for future benefits to present retirees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time.

EXHIBIT B: FUNDING PROGRESS – SOLVENCY TEST (CONTINUED)

Valuation Date	Accrued Liability				Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Valuation Assets		
	Member Contributions ¹ (1)	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Total Accrued Liability (1) + (2) + (3)		(1)	(2)	(3)
PERF (Dollars in Millions)								
06/30/14	\$49,200	\$228,300	\$117,200	\$394,700	\$301,257	100.0%	100.0%	20.3%
06/30/13	46,300	203,700	125,000	375,000	281,900	100.0%	100.0%	25.5%
06/30/12	43,000	193,000	104,400	340,400	283,000	100.0%	100.0%	45.0%
06/30/11	42,300	179,100	107,200	328,600	271,400	100.0%	100.0%	46.7%
06/30/10	40,600	160,200	107,500	308,300	257,100	100.0%	100.0%	52.3%
06/30/09	39,100	146,800	108,200	294,100	245,000	100.0%	100.0%	54.6%
06/30/08	36,700	133,800	97,800	268,300	233,300	100.0%	100.0%	64.2%
06/30/07	34,100	123,000	91,200	248,300	216,500	100.0%	100.0%	65.2%
06/30/06	31,600	111,400	85,100	228,100	199,000	100.0%	100.0%	65.8%
06/30/05	31,300	103,000	76,000	210,300	183,700	100.0%	100.0%	65.0%
LRF (Dollars in Thousands)								
06/30/14	\$508	\$104,992	\$5,774	\$111,274	\$130,353	100.0%	100.0%	430.4%
06/30/13	351	110,313	5,142	115,806	123,201	100.0%	100.0%	243.8%
06/30/12	801	100,337	7,448	108,58	124,212	100.0%	100.0%	309.8%
06/30/11	1,608	99,305	8,064	108,977	125,646	100.0%	100.0%	306.7%
06/30/10	1,391	103,673	7,292	112,356	126,642	100.0%	100.0%	295.9%
06/30/09	1,047	105,002	5,849	111,898	134,195	100.0%	100.0%	481.2%
06/30/08	1,367	95,765	5,904	103,036	142,351	100.0%	100.0%	765.8%
06/30/07	1,365	95,661	4,546	101,572	141,603	100.0%	100.0%	980.6%
JRF (Dollars in Thousands)								
06/30/14	\$76,196	\$2,734,090	\$604,494	\$3,414,780	\$57,199	75.1%	0.0%	0.0%
06/30/13	84,692	2,691,326	607,292	3,383,310	53,820	64.0%	0.0%	0.0%
06/30/12	91,589	2,441,189	639,498	3,172,276	72,693	79.0%	0.0%	0.0%
06/30/11	94,320	2,494,653	707,565	3,296,538	54,383	58.0%	0.0%	0.0%
06/30/10	100,426	2,404,920	924,035	3,429,381	63,828	64.0%	0.0%	0.0%
06/30/09	105,851	1,949,177	1,527,964	3,582,992	41,390	39.0%	0.0%	0.0%
06/30/08	114,128	1,883,956	1,608,761	3,606,845	19,289	17.0%	0.0%	0.0%
06/30/07	118,940	1,773,682	821,019	2,713,641	11,672	10.0%	0.0%	0.0%
JRF II (Dollars in Thousands)								
06/30/14	\$285,683	\$79,563	\$585,396	\$950,642	\$1,013,840	100.0%	100.0%	110.8%
06/30/13	243,049	58,393	535,756	837,198	778,980	100.0%	100.0%	89.1%
06/30/12	223,897	41,142	437,693	702,732	667,557	100.0%	100.0%	92.0%
06/30/11	172,538	31,596	405,428	609,562	561,476	100.0%	100.0%	88.1%
06/30/10	136,179	14,430	370,078	520,687	461,071	100.0%	100.0%	83.9%
06/30/09	121,016	13,191	316,339	450,546	378,692	100.0%	100.0%	77.3%
06/30/08	107,497	10,610	248,407	366,514	334,903	100.0%	100.0%	87.3%
06/30/07	81,693	5,340	207,950	294,983	267,604	100.0%	100.0%	86.8%
06/30/06	65,048	5,710	149,376	220,134	212,904	100.0%	100.0%	95.2%
06/30/05	51,211	1,786	124,764	177,761	167,556	100.0%	100.0%	91.8%

(1) Includes accrued interest on member contributions.

EXHIBIT C: SAMPLE PAY INCREASE ASSUMPTIONS FOR INDIVIDUAL MEMBERS

Annual Percentage Increases by Duration of Service¹

Duration of Service	State Miscellaneous First & Second Tier			State Industrial First & Second Tier			State Safety		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	9.50%	8.60%	7.30%	10.00%	10.00%	9.20%	11.20%	10.00%	8.30%
3	7.50%	6.80%	5.60%	7.70%	7.40%	6.60%	6.50%	6.10%	5.60%
5	6.90%	6.20%	5.20%	7.00%	6.60%	5.80%	5.10%	4.90%	4.80%
10	5.20%	4.70%	4.10%	5.90%	5.30%	4.60%	3.60%	3.60%	3.60%
15	4.30%	4.10%	3.70%	5.00%	4.70%	4.30%	3.60%	3.50%	3.40%
20	3.80%	3.70%	3.50%	4.40%	4.30%	4.10%	3.60%	3.50%	3.20%
25	3.50%	3.50%	3.40%	3.90%	3.90%	3.80%	3.60%	3.50%	3.20%
30	3.50%	3.50%	3.40%	3.60%	3.60%	3.60%	3.60%	3.50%	3.20%

Duration of Service	State Peace Officer/Firefighter			California Highway Patrol			School		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	17.30%	18.20%	18.60%	8.00%	8.00%	8.00%	10.80%	9.60%	8.20%
3	9.70%	9.70%	9.40%	6.50%	6.50%	6.50%	7.50%	7.00%	6.20%
5	7.50%	7.20%	6.70%	5.40%	5.40%	5.40%	6.30%	6.00%	5.30%
10	4.20%	4.00%	3.70%	3.80%	3.80%	3.80%	4.50%	4.40%	4.10%
15	4.20%	4.00%	3.70%	3.80%	3.80%	3.80%	3.90%	3.80%	3.50%
20	4.20%	4.00%	3.70%	4.50%	4.50%	4.50%	3.60%	3.50%	3.20%
25	4.20%	4.00%	3.70%	4.50%	4.50%	4.50%	3.40%	3.40%	3.20%
30	4.20%	4.00%	3.70%	3.80%	3.80%	3.80%	3.40%	3.40%	3.20%

Duration of Service	Public Agency Miscellaneous			Public Agency Fire			Public Agency Police		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	14.20%	12.40%	9.80%	10.50%	10.50%	10.20%	10.90%	10.90%	10.90%
3	8.80%	8.00%	6.70%	8.00%	7.50%	6.00%	7.20%	7.00%	6.40%
5	7.00%	6.50%	5.60%	6.90%	6.20%	4.50%	5.90%	5.50%	4.80%
10	4.80%	4.60%	4.10%	5.10%	4.60%	3.50%	4.50%	4.20%	3.40%
15	4.30%	4.10%	3.60%	4.10%	3.90%	3.40%	4.10%	3.90%	3.30%
20	3.90%	3.70%	3.30%	3.70%	3.60%	3.30%	3.70%	3.60%	3.30%
25	3.60%	3.60%	3.30%	3.50%	3.50%	3.30%	3.50%	3.40%	3.30%
30	3.60%	3.60%	3.30%	3.50%	3.50%	3.30%	3.50%	3.40%	3.30%

Duration of Service	Public Agency County Peace Officer		
	Entry Age 20	Entry Age 30	Entry Age 40
0	12.90%	12.90%	12.90%
3	8.20%	7.70%	7.10%
5	6.60%	6.00%	5.30%
10	4.60%	4.20%	3.80%
15	4.10%	3.80%	3.60%
20	3.70%	3.60%	3.40%
25	3.50%	3.40%	3.30%
30	3.50%	3.40%	3.30%

(1) Increase includes the assumed inflation rate of 2.75 percent per year.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS

State Miscellaneous First and Second Tier – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement ³		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.01040	0.05560	N/A	N/A	0.00031	0.00020	0.00019	0.00039	N/A	N/A
25	0.00940	0.05040	N/A	N/A	0.00040	0.00023	0.00019	0.00039	N/A	N/A
30	0.00840	0.04520	N/A	N/A	0.00049	0.00025	0.00019	0.00046	N/A	N/A
35	0.00750	0.04000	N/A	N/A	0.00057	0.00035	0.00036	0.00096	N/A	N/A
40	0.00650	0.03490	N/A	N/A	0.00075	0.00050	0.00103	0.00206	N/A	N/A
45	0.00550	0.00000	N/A	N/A	0.00106	0.00071	0.00204	0.00346	N/A	N/A
50	0.00460	0.00000	0.00800	0.02400	0.00155	0.00100	0.00274	0.00415	N/A	N/A
55	0.00360	0.00000	0.04800	0.10800	0.00228	0.00138	0.00238	0.00325	N/A	N/A
56	0.00340	0.00000	0.03900	0.09000	0.00249	0.00148	0.00222	0.00295	N/A	N/A
57	0.00320	0.00000	0.04400	0.10000	0.00265	0.00157	0.00200	0.00277	N/A	N/A
58	0.00300	0.00000	0.04800	0.10800	0.00280	0.00166	0.00200	0.00264	N/A	N/A
59	0.00280	0.00000	0.05900	0.13000	0.00294	0.00174	0.00200	0.00257	N/A	N/A
60	0.00260	0.00000	0.07400	0.16300	0.00308	0.00182	0.00200	0.00256	N/A	N/A
61	0.00240	0.00000	0.08500	0.18600	0.00328	0.00196	0.00200	0.00256	N/A	N/A
62	0.00220	0.00000	0.13600	0.29500	0.00347	0.00208	0.00200	0.00256	N/A	N/A
63	0.00200	0.00000	0.13700	0.29600	0.00366	0.00225	0.00200	0.00256	N/A	N/A
64	0.00190	0.00000	0.11400	0.24600	0.00383	0.00241	0.00200	0.00256	N/A	N/A
65	0.00170	0.00000	0.14600	0.31600	0.00400	0.00257	0.00200	0.00256	N/A	N/A
70	0.00070	0.00000	0.12800	0.27800	0.00524	0.00367	0.00200	0.00256	N/A	N/A

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

(3) State Miscellaneous Tier 2 members have the right to convert their Tier 2 service to Tier 1 service provided that they make up the shortfall in their accumulated contributions with interest. The assumption is that all Tier 2 members will elect to convert to Tier 1 service.

State Industrial – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement ³		Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female
20	0.00950	0.04960	N/A	N/A	0.00031	0.00020	0.00043	0.00003	0.00015
25	0.00860	0.04490	N/A	N/A	0.00040	0.00023	0.00085	0.00007	0.00015
30	0.00770	0.04050	N/A	N/A	0.00049	0.00025	0.00136	0.00010	0.00015
35	0.00680	0.03560	N/A	N/A	0.00057	0.00035	0.00204	0.00012	0.00029
40	0.00590	0.03110	N/A	N/A	0.00075	0.00050	0.00315	0.00013	0.00029
45	0.00500	0.00000	N/A	N/A	0.00106	0.00071	0.00468	0.00014	0.00044
50	0.00420	0.00000	0.01100	0.03100	0.00155	0.00100	0.00621	0.00015	0.00044
55	0.00330	0.00000	0.05200	0.14100	0.00228	0.00138	0.00791	0.00016	0.00058
56	0.00310	0.00000	0.03700	0.10000	0.00249	0.00148	0.00816	0.00016	0.00058
57	0.00290	0.00000	0.03500	0.09400	0.00265	0.00157	0.00850	0.00016	0.00058
58	0.00270	0.00000	0.04600	0.12500	0.00280	0.00166	0.00867	0.00016	0.00058
59	0.00260	0.00000	0.05300	0.14600	0.00294	0.00174	0.00893	0.00017	0.00058
60	0.00240	0.00000	0.07000	0.19100	0.00308	0.00182	0.00918	0.00017	0.00058
61	0.00220	0.00000	0.07100	0.19500	0.00328	0.00196	0.00935	0.00017	0.00058
62	0.00210	0.00000	0.13900	0.37800	0.00347	0.00208	0.00952	0.00017	0.00058
63	0.00180	0.00000	0.11400	0.31200	0.00366	0.00225	0.00969	0.00017	0.00058
64	0.00170	0.00000	0.08700	0.23700	0.00383	0.00241	0.00986	0.00018	0.00058
65	0.00150	0.00000	0.15300	0.41600	0.00400	0.00257	0.01003	0.00018	0.00058
70	0.00060	0.00000	0.16300	0.44400	0.00524	0.00367	0.01003	0.00019	0.00058

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

California Highway Patrol – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.01290	20	0.00930	N/A	N/A	0.00031	0.00020	0.00014	0.00003	0.00026	
1	0.01240	25	0.00930	N/A	N/A	0.00040	0.00023	0.00014	0.00007	0.00058	
2	0.01210	30	0.00930	N/A	N/A	0.00049	0.00025	0.00014	0.00010	0.00114	
3	0.01160	35	0.00930	N/A	N/A	0.00057	0.00035	0.00014	0.00012	0.00204	
4	0.01130	40	0.00930	N/A	N/A	0.00075	0.00050	0.00014	0.00013	0.00337	
5	0.00400	45	0.00000	N/A	N/A	0.00106	0.00071	0.00028	0.00014	0.00527	
6	0.00380	50	0.00000	0.05000	0.14900	0.00155	0.00100	0.00028	0.00015	0.02023	
7	0.00360	55	0.00000	0.05000	0.14900	0.00228	0.00138	0.00028	0.00016	0.09011	
8	0.00340	56	0.00000	0.05100	0.15200	0.00249	0.00148	0.00028	0.00016	0.11848	
9	0.00310	57	0.00000	0.05100	0.15400	0.00265	0.00157	0.00028	0.00016	0.15516	
10	0.00290	58	0.00000	0.04900	0.14600	0.00280	0.00166	0.00028	0.00017	0.20240	
15	0.00190	59	0.00000	0.08800	0.26300	0.00294	0.00174	0.00028	0.00017	0.26302	
20	0.00110	60	0.00000	1.00000	1.00000	0.00308	0.00182	0.00028	0.00017	0.34051	
25	0.00060	61	0.00000	1.00000	1.00000	0.00328	0.00196	0.00028	0.00017	0.43917	
30	0.00030	62	0.00000	1.00000	1.00000	0.00347	0.00208	0.00028	0.00017	0.45622	
35	0.00030	63	0.00000	1.00000	1.00000	0.00366	0.00225	0.00028	0.00018	0.45659	
40	0.00030	64	0.00000	1.00000	1.00000	0.00383	0.00241	0.00028	0.00018	0.45696	
45	0.00030	65	0.00000	1.00000	1.00000	0.00400	0.00257	0.00028	0.00018	0.45733	
50	0.00000	70	0.00000	1.00000	1.00000	0.00524	0.00367	0.00028	0.00019	0.45918	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.
 (2) Years of service.

School – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02780	0.08160	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.02490	0.07330	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.02210	0.06490	N/A	N/A	0.00053	0.00036	0.00018	0.00010	N/A	N/A
35	0.01920	0.05660	N/A	N/A	0.00067	0.00046	0.00064	0.00038	N/A	N/A
40	0.01640	0.04820	N/A	N/A	0.00087	0.00065	0.00136	0.00094	N/A	N/A
45	0.01350	0.00000	N/A	N/A	0.00120	0.00093	0.00283	0.00171	N/A	N/A
50	0.01070	0.00000	0.00900	0.01600	0.00176	0.00126	0.00439	0.00299	N/A	N/A
55	0.00780	0.00000	0.04800	0.08800	0.00260	0.00176	0.00489	0.00335	N/A	N/A
56	0.00730	0.00000	0.03900	0.07200	0.00287	0.00194	0.00484	0.00323	N/A	N/A
57	0.00670	0.00000	0.04200	0.07800	0.00314	0.00212	0.00474	0.00305	N/A	N/A
58	0.00620	0.00000	0.05000	0.09200	0.00341	0.00230	0.00459	0.00283	N/A	N/A
59	0.00560	0.00000	0.05700	0.10500	0.00368	0.00248	0.00441	0.00260	N/A	N/A
60	0.00500	0.00000	0.07300	0.13400	0.00395	0.00266	0.00425	0.00239	N/A	N/A
61	0.00450	0.00000	0.09000	0.16600	0.00437	0.00297	0.00410	0.00219	N/A	N/A
62	0.00390	0.00000	0.15100	0.27800	0.00480	0.00327	0.00398	0.00201	N/A	N/A
63	0.00330	0.00000	0.13600	0.25100	0.00523	0.00358	0.00388	0.00182	N/A	N/A
64	0.00270	0.00000	0.13300	0.24400	0.00565	0.00389	0.00382	0.00164	N/A	N/A
65	0.00220	0.00000	0.18000	0.33100	0.00608	0.00419	0.00378	0.00146	N/A	N/A
70	0.00030	0.00000	0.13100	0.24100	0.00914	0.00649	0.00395	0.00075	N/A	N/A

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.
 (2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

State Safety – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.13130	20	0.03690	N/A	N/A	0.00031	0.00020	0.00036	0.00003	0.00002	
1	0.09670	25	0.03690	N/A	N/A	0.00040	0.00023	0.00054	0.00007	0.00076	
2	0.06220	30	0.03690	N/A	N/A	0.00049	0.00025	0.00063	0.00010	0.00170	
3	0.04610	35	0.03690	N/A	N/A	0.00057	0.00035	0.00072	0.00012	0.00264	
4	0.03740	40	0.03690	N/A	N/A	0.00075	0.00050	0.00072	0.00013	0.00360	
5	0.00800	45	0.00000	N/A	N/A	0.00106	0.00071	0.00108	0.00014	0.00457	
6	0.00750	50	0.00000	0.01200	0.03900	0.00155	0.00100	0.00216	0.00015	0.00557	
7	0.00710	55	0.00000	0.06800	0.13900	0.00228	0.00138	0.00306	0.00016	0.00658	
8	0.00660	56	0.00000	0.05600	0.11700	0.00249	0.00148	0.00324	0.00016	0.00679	
9	0.00620	57	0.00000	0.05400	0.11500	0.00265	0.00157	0.00342	0.00016	0.00700	
10	0.00580	58	0.00000	0.06200	0.12800	0.00280	0.00166	0.00351	0.00017	0.00720	
15	0.00390	59	0.00000	0.05900	0.12200	0.00294	0.00174	0.00369	0.00017	0.00741	
20	0.00250	60	0.00000	0.07300	0.14800	0.00308	0.00182	0.00387	0.00017	0.00762	
25	0.00130	61	0.00000	0.09000	0.17800	0.00328	0.00196	0.00396	0.00017	0.00783	
30	0.00090	62	0.00000	0.11500	0.22200	0.00347	0.00208	0.00414	0.00017	0.00805	
35	0.00090	63	0.00000	0.11700	0.22700	0.00366	0.00225	0.00432	0.00018	0.00826	
40	0.00090	64	0.00000	0.11300	0.21900	0.00383	0.00241	0.00441	0.00018	0.00847	
45	0.00090	65	0.00000	0.14800	0.28100	0.00400	0.00257	0.00459	0.00018	0.00869	
50	0.00000	70	0.00000	0.14300	0.27100	0.00524	0.00367	0.00459	0.00019	0.00978	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

State Peace Officer/Firefighter – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12170	20	0.01730	N/A	N/A	0.00031	0.00020	0.00010	0.00003	0.00039	
1	0.07790	25	0.01730	N/A	N/A	0.00040	0.00023	0.00010	0.00007	0.00087	
2	0.04310	30	0.01730	N/A	N/A	0.00049	0.00025	0.00010	0.00010	0.00167	
3	0.03530	35	0.01730	N/A	N/A	0.00057	0.00035	0.00020	0.00012	0.00289	
4	0.02750	40	0.01730	N/A	N/A	0.00075	0.00050	0.00040	0.00013	0.00464	
5	0.00560	45	0.00000	N/A	N/A	0.00106	0.00071	0.00060	0.00014	0.00706	
6	0.00520	50	0.00000	0.05200	0.14600	0.00155	0.00100	0.00098	0.00015	0.01027	
7	0.00490	55	0.00000	0.07800	0.21300	0.00228	0.00138	0.00143	0.00016	0.01442	
8	0.00460	56	0.00000	0.07400	0.20300	0.00249	0.00148	0.00150	0.00016	0.01538	
9	0.00420	57	0.00000	0.07100	0.19700	0.00265	0.00157	0.00158	0.00016	0.01638	
10	0.00390	58	0.00000	0.08100	0.22000	0.00280	0.00166	0.00165	0.00017	0.01742	
15	0.00250	59	0.00000	0.08900	0.23900	0.00294	0.00174	0.00180	0.00017	0.01852	
20	0.00150	60	0.00000	0.08800	0.24100	0.00308	0.00182	0.00188	0.00017	0.01966	
25	0.00060	61	0.00000	0.09100	0.24800	0.00328	0.00196	0.00195	0.00017	0.02085	
30	0.00030	62	0.00000	0.09900	0.26700	0.00347	0.00208	0.00203	0.00017	0.02209	
35	0.00030	63	0.00000	0.09100	0.24600	0.00366	0.00225	0.00218	0.00018	0.02339	
40	0.00030	64	0.00000	0.10700	0.28800	0.00383	0.00241	0.00225	0.00018	0.02474	
45	0.00030	65	0.00000	0.10300	0.27700	0.00400	0.00257	0.00233	0.00018	0.02614	
50	0.00000	70	0.00000	1.00000	1.00000	0.00524	0.00367	0.00233	0.00019	0.03403	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

Public Agency 2% at 55 Miscellaneous – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02120	0.06560	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.01930	0.05970	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.01740	0.05370	N/A	N/A	0.00053	0.00036	0.00021	0.00020	N/A	N/A
35	0.01550	0.04770	N/A	N/A	0.00067	0.00046	0.00063	0.00088	N/A	N/A
40	0.01360	0.04180	N/A	N/A	0.00087	0.00065	0.00145	0.00164	N/A	N/A
45	0.01160	0.00000	N/A	N/A	0.00120	0.00093	0.00252	0.00243	N/A	N/A
50	0.00970	0.00000	0.02000	0.03300	0.00176	0.00126	0.00331	0.00311	N/A	N/A
55	0.00780	0.00000	0.06400	0.10700	0.00260	0.00176	0.00366	0.00306	N/A	N/A
56	0.00740	0.00000	0.05700	0.09500	0.00287	0.00194	0.00371	0.00297	N/A	N/A
57	0.00700	0.00000	0.06100	0.10200	0.00314	0.00212	0.00375	0.00286	N/A	N/A
58	0.00660	0.00000	0.06600	0.11000	0.00341	0.00230	0.00378	0.00276	N/A	N/A
59	0.00620	0.00000	0.07600	0.12700	0.00368	0.00248	0.00379	0.00264	N/A	N/A
60	0.00590	0.00000	0.09200	0.15300	0.00395	0.00266	0.00377	0.00253	N/A	N/A
61	0.00550	0.00000	0.11300	0.18800	0.00437	0.00297	0.00373	0.00242	N/A	N/A
62	0.00510	0.00000	0.16200	0.27000	0.00480	0.00327	0.00366	0.00232	N/A	N/A
63	0.00470	0.00000	0.16400	0.27300	0.00523	0.00358	0.00356	0.00222	N/A	N/A
64	0.00440	0.00000	0.14800	0.24700	0.00565	0.00389	0.00342	0.00212	N/A	N/A
65	0.00390	0.00000	0.22100	0.36900	0.00608	0.00419	0.00325	0.00202	N/A	N/A
70	0.00200	0.00000	0.17600	0.29300	0.00914	0.00649	0.00279	0.00182	N/A	N/A

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

Public Agency 2.5% at 55 Miscellaneous – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02120	0.06560	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.01930	0.05970	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.01740	0.05370	N/A	N/A	0.00053	0.00036	0.00021	0.00020	N/A	N/A
35	0.01550	0.04770	N/A	N/A	0.00067	0.00046	0.00063	0.00088	N/A	N/A
40	0.01360	0.04180	N/A	N/A	0.00087	0.00065	0.00145	0.00164	N/A	N/A
45	0.01160	0.00000	N/A	N/A	0.00120	0.00093	0.00252	0.00243	N/A	N/A
50	0.00970	0.00000	0.03330	0.05460	0.00176	0.00126	0.00331	0.00311	N/A	N/A
55	0.00780	0.00000	0.11200	0.18400	0.00260	0.00176	0.00366	0.00306	N/A	N/A
56	0.00740	0.00000	0.07000	0.11500	0.00287	0.00194	0.00371	0.00297	N/A	N/A
57	0.00700	0.00000	0.07700	0.12650	0.00314	0.00212	0.00375	0.00286	N/A	N/A
58	0.00660	0.00000	0.09100	0.14950	0.00341	0.00230	0.00378	0.00276	N/A	N/A
59	0.00620	0.00000	0.10500	0.17250	0.00368	0.00248	0.00379	0.00264	N/A	N/A
60	0.00590	0.00000	0.11200	0.18400	0.00395	0.00266	0.00377	0.00253	N/A	N/A
61	0.00550	0.00000	0.10500	0.17250	0.00437	0.00297	0.00373	0.00242	N/A	N/A
62	0.00510	0.00000	0.15400	0.25300	0.00480	0.00327	0.00366	0.00232	N/A	N/A
63	0.00470	0.00000	0.13300	0.21850	0.00523	0.00358	0.00356	0.00222	N/A	N/A
64	0.00440	0.00000	0.13300	0.21850	0.00565	0.00389	0.00342	0.00212	N/A	N/A
65	0.00390	0.00000	0.18200	0.29900	0.00608	0.00419	0.00325	0.00202	N/A	N/A
70	0.00200	0.00000	0.15960	0.26220	0.00914	0.00649	0.00279	0.00182	N/A	N/A

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

Public Agency 2.7% at 55 Miscellaneous – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02120	0.06560	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.01930	0.05970	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.01740	0.05370	N/A	N/A	0.00053	0.00036	0.00021	0.00020	N/A	N/A
35	0.01550	0.04770	N/A	N/A	0.00067	0.00046	0.00063	0.00088	N/A	N/A
40	0.01360	0.04180	N/A	N/A	0.00087	0.00065	0.00145	0.00164	N/A	N/A
45	0.01160	0.00000	N/A	N/A	0.00120	0.00093	0.00252	0.00243	N/A	N/A
50	0.00970	0.00000	0.03500	0.05750	0.00176	0.00126	0.00331	0.00311	N/A	N/A
55	0.00780	0.00000	0.11550	0.18980	0.00260	0.00176	0.00366	0.00306	N/A	N/A
56	0.00740	0.00000	0.07700	0.12650	0.00287	0.00194	0.00371	0.00297	N/A	N/A
57	0.00700	0.00000	0.08050	0.13230	0.00314	0.00212	0.00375	0.00286	N/A	N/A
58	0.00660	0.00000	0.09450	0.15530	0.00341	0.00230	0.00378	0.00276	N/A	N/A
59	0.00620	0.00000	0.10500	0.17250	0.00368	0.00248	0.00379	0.00264	N/A	N/A
60	0.00590	0.00000	0.11200	0.18400	0.00395	0.00266	0.00377	0.00253	N/A	N/A
61	0.00550	0.00000	0.10850	0.17830	0.00437	0.00297	0.00373	0.00242	N/A	N/A
62	0.00510	0.00000	0.15750	0.25880	0.00480	0.00327	0.00366	0.00232	N/A	N/A
63	0.00470	0.00000	0.13650	0.22430	0.00523	0.00358	0.00356	0.00222	N/A	N/A
64	0.00440	0.00000	0.13650	0.22430	0.00565	0.00389	0.00342	0.00212	N/A	N/A
65	0.00390	0.00000	0.18550	0.30480	0.00608	0.00419	0.00325	0.00202	N/A	N/A
70	0.00200	0.00000	0.16380	0.26916	0.00914	0.00649	0.00279	0.00182	N/A	N/A

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

Public Agency 3% at 60 Miscellaneous – Probability of an active member leaving due to:

AGE ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02120	0.06560	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.01930	0.05970	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.01740	0.05370	N/A	N/A	0.00053	0.00036	0.00021	0.00020	N/A	N/A
35	0.01550	0.04770	N/A	N/A	0.00067	0.00046	0.00063	0.00088	N/A	N/A
40	0.01360	0.04180	N/A	N/A	0.00087	0.00065	0.00145	0.00164	N/A	N/A
45	0.01160	0.00000	N/A	N/A	0.00120	0.00093	0.00252	0.00243	N/A	N/A
50	0.00970	0.00000	0.03330	0.05460	0.00176	0.00126	0.00331	0.00311	N/A	N/A
55	0.00780	0.00000	0.10500	0.17250	0.00260	0.00176	0.00366	0.00306	N/A	N/A
56	0.00740	0.00000	0.07000	0.11500	0.00287	0.00194	0.00371	0.00297	N/A	N/A
57	0.00700	0.00000	0.07700	0.12650	0.00314	0.00212	0.00375	0.00286	N/A	N/A
58	0.00660	0.00000	0.09100	0.14950	0.00341	0.00230	0.00378	0.00276	N/A	N/A
59	0.00620	0.00000	0.10150	0.16680	0.00368	0.00248	0.00379	0.00264	N/A	N/A
60	0.00590	0.00000	0.11900	0.19550	0.00395	0.00266	0.00377	0.00253	N/A	N/A
61	0.00550	0.00000	0.11200	0.18400	0.00437	0.00297	0.00373	0.00242	N/A	N/A
62	0.00510	0.00000	0.16100	0.26450	0.00480	0.00327	0.00366	0.00232	N/A	N/A
63	0.00470	0.00000	0.14000	0.23000	0.00523	0.00358	0.00356	0.00222	N/A	N/A
64	0.00440	0.00000	0.14000	0.23000	0.00565	0.00389	0.00342	0.00212	N/A	N/A
65	0.00390	0.00000	0.18900	0.31050	0.00608	0.00419	0.00325	0.00202	N/A	N/A
70	0.00200	0.00000	0.16800	0.27600	0.00914	0.00649	0.00279	0.00182	N/A	N/A

(1) Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

Public Agency 2% at 50 Police – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.10130	20	0.01630	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00069	
1	0.06360	25	0.01630	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00322	
2	0.02710	30	0.01630	N/A	N/A	0.00053	0.00036	0.00020	0.00010	0.00644	
3	0.02580	35	0.01630	N/A	N/A	0.00067	0.00046	0.00030	0.00012	0.00966	
4	0.02450	40	0.01630	N/A	N/A	0.00087	0.00065	0.00040	0.00013	0.01288	
5	0.00860	45	0.00000	N/A	N/A	0.00120	0.00093	0.00050	0.00014	0.01610	
6	0.00790	50	0.00000	0.01380	0.02530	0.00176	0.00126	0.00080	0.00015	0.01921	
7	0.00720	55	0.00000	0.08990	0.16450	0.00260	0.00176	0.00130	0.00016	0.06682	
8	0.00660	56	0.00000	0.06380	0.11660	0.00287	0.00194	0.00150	0.00016	0.06682	
9	0.00590	57	0.00000	0.07110	0.13000	0.00314	0.00212	0.00160	0.00016	0.06682	
10	0.00530	58	0.00000	0.06280	0.11490	0.00341	0.00230	0.00180	0.00017	0.06682	
15	0.00270	59	0.00000	0.13960	0.17350	0.00368	0.00248	0.00200	0.00017	0.06682	
20	0.00170	60	0.00000	0.13960	0.17190	0.00395	0.00266	0.00200	0.00017	0.06682	
25	0.00120	61	0.00000	0.13960	0.17190	0.00437	0.00297	0.00200	0.00017	0.06682	
30	0.00090	62	0.00000	0.13960	0.17190	0.00480	0.00327	0.00200	0.00017	0.06682	
35	0.00090	63	0.00000	0.13960	0.17190	0.00523	0.00358	0.00200	0.00018	0.06682	
40	0.00090	64	0.00000	0.13960	0.17190	0.00565	0.00389	0.00200	0.00018	0.06682	
45	0.00090	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00200	0.00018	0.06682	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00200	0.00019	0.06682	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

Public Agency 2% at 50 Fire – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.07100	20	0.01620	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00024	
1	0.05540	25	0.01620	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00120	
2	0.03980	30	0.01620	N/A	N/A	0.00053	0.00036	0.00010	0.00010	0.00252	
3	0.02420	35	0.01620	N/A	N/A	0.00067	0.00046	0.00010	0.00012	0.00372	
4	0.02180	40	0.01620	N/A	N/A	0.00087	0.00065	0.00010	0.00013	0.00492	
5	0.00290	45	0.00000	N/A	N/A	0.00120	0.00093	0.00020	0.00014	0.00612	
6	0.00240	50	0.00000	0.00650	0.01010	0.00176	0.00126	0.00050	0.00015	0.00744	
7	0.00200	55	0.00000	0.08680	0.13360	0.00260	0.00176	0.00100	0.00016	0.07212	
8	0.00160	56	0.00000	0.07790	0.12000	0.00287	0.00194	0.00110	0.00016	0.07212	
9	0.00120	57	0.00000	0.09010	0.13870	0.00314	0.00212	0.00130	0.00016	0.07212	
10	0.00090	58	0.00000	0.07900	0.12170	0.00341	0.00230	0.00150	0.00017	0.07212	
15	0.00060	59	0.00000	0.07290	0.11230	0.00368	0.00248	0.00150	0.00017	0.07212	
20	0.00050	60	0.00000	0.11350	0.17470	0.00395	0.00266	0.00150	0.00017	0.07212	
25	0.00030	61	0.00000	0.11360	0.17490	0.00437	0.00297	0.00150	0.00017	0.07212	
30	0.00030	62	0.00000	0.11360	0.17490	0.00480	0.00327	0.00150	0.00017	0.07212	
35	0.00030	63	0.00000	0.11360	0.17490	0.00523	0.00358	0.00150	0.00018	0.07212	
40	0.00030	64	0.00000	0.11360	0.17490	0.00565	0.00389	0.00150	0.00018	0.07212	
45	0.00030	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00150	0.00018	0.07212	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00150	0.00019	0.07212	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

Public Agency 3% at 50 Police – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.10130	20	0.01630	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00069	
1	0.06360	25	0.01630	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00322	
2	0.02710	30	0.01630	N/A	N/A	0.00053	0.00036	0.00020	0.00010	0.00644	
3	0.02580	35	0.01630	N/A	N/A	0.00067	0.00046	0.00030	0.00012	0.00966	
4	0.02450	40	0.01630	N/A	N/A	0.00087	0.00065	0.00040	0.00013	0.01288	
5	0.00860	45	0.00000	N/A	N/A	0.00120	0.00093	0.00050	0.00014	0.01610	
6	0.00790	50	0.00000	0.07000	0.19300	0.00176	0.00126	0.00080	0.00015	0.01921	
7	0.00720	55	0.00000	0.09000	0.25000	0.00260	0.00176	0.00130	0.00016	0.02682	
8	0.00660	56	0.00000	0.06900	0.19100	0.00287	0.00194	0.00150	0.00016	0.06682	
9	0.00590	57	0.00000	0.08000	0.22300	0.00314	0.00212	0.00160	0.00016	0.06682	
10	0.00530	58	0.00000	0.08700	0.24200	0.00341	0.00230	0.00180	0.00017	0.06682	
15	0.00270	59	0.00000	0.09000	0.25100	0.00368	0.00248	0.00200	0.00017	0.06682	
20	0.00170	60	0.00000	0.13500	0.37650	0.00395	0.00266	0.00200	0.00017	0.06682	
25	0.00120	61	0.00000	0.09000	0.25100	0.00437	0.00297	0.00200	0.00017	0.06682	
30	0.00090	62	0.00000	0.11250	0.31375	0.00480	0.00327	0.00200	0.00017	0.06682	
35	0.00090	63	0.00000	0.09000	0.25100	0.00523	0.00358	0.00200	0.00018	0.06682	
40	0.00090	64	0.00000	0.09000	0.25100	0.00565	0.00389	0.00200	0.00018	0.06682	
45	0.00090	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00200	0.00018	0.06682	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00200	0.00019	0.06682	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

Public Agency 3% at 50 Fire – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.07100	20	0.01620	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00024	
1	0.05540	25	0.01620	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00120	
2	0.03980	30	0.01620	N/A	N/A	0.00053	0.00036	0.00010	0.00010	0.00252	
3	0.02420	35	0.01620	N/A	N/A	0.00067	0.00046	0.00010	0.00012	0.00372	
4	0.02180	40	0.01620	N/A	N/A	0.00087	0.00065	0.00010	0.00013	0.00492	
5	0.00290	45	0.00000	N/A	N/A	0.00120	0.00093	0.00020	0.00014	0.00612	
6	0.00240	50	0.00000	0.03400	0.06800	0.00176	0.00126	0.00050	0.00015	0.00744	
7	0.00200	55	0.00000	0.12700	0.25200	0.00260	0.00176	0.00100	0.00016	0.07212	
8	0.00160	56	0.00000	0.12100	0.24100	0.00287	0.00194	0.00110	0.00016	0.07212	
9	0.00120	57	0.00000	0.10100	0.20100	0.00314	0.00212	0.00130	0.00016	0.07212	
10	0.00090	58	0.00000	0.11800	0.23500	0.00341	0.00230	0.00150	0.00017	0.07212	
15	0.00060	59	0.00000	0.10000	0.19900	0.00368	0.00248	0.00150	0.00017	0.07212	
20	0.00050	60	0.00000	0.15000	0.29850	0.00395	0.00266	0.00150	0.00017	0.07212	
25	0.00030	61	0.00000	0.10000	0.19900	0.00437	0.00297	0.00150	0.00017	0.07212	
30	0.00030	62	0.00000	0.12500	0.24875	0.00480	0.00327	0.00150	0.00017	0.07212	
35	0.00030	63	0.00000	0.10000	0.19900	0.00523	0.00358	0.00150	0.00018	0.07212	
40	0.00030	64	0.00000	0.10000	0.19900	0.00565	0.00389	0.00150	0.00018	0.07212	
45	0.00030	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00150	0.00018	0.07212	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00150	0.00019	0.07212	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

Public Agency 3% at 55 Police – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.10130	20	0.01630	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00069	
1	0.06360	25	0.01630	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00322	
2	0.02710	30	0.01630	N/A	N/A	0.00053	0.00036	0.00020	0.00010	0.00644	
3	0.02580	35	0.01630	N/A	N/A	0.00067	0.00046	0.00030	0.00012	0.00966	
4	0.02450	40	0.01630	N/A	N/A	0.00087	0.00065	0.00040	0.00013	0.01288	
5	0.00860	45	0.00000	N/A	N/A	0.00120	0.00093	0.00050	0.00014	0.01610	
6	0.00790	50	0.00000	0.01900	0.04000	0.00176	0.00126	0.00080	0.00015	0.01921	
7	0.00720	55	0.00000	0.11600	0.24000	0.00260	0.00176	0.00130	0.00016	0.06682	
8	0.00660	56	0.00000	0.07600	0.15600	0.00287	0.00194	0.00150	0.00016	0.06682	
9	0.00590	57	0.00000	0.05800	0.12000	0.00314	0.00212	0.00160	0.00016	0.06682	
10	0.00530	58	0.00000	0.07600	0.15700	0.00341	0.00230	0.00180	0.00017	0.06682	
15	0.00270	59	0.00000	0.09400	0.19300	0.00368	0.00248	0.00200	0.00017	0.06682	
20	0.00170	60	0.00000	0.14100	0.28950	0.00395	0.00266	0.00200	0.00017	0.06682	
25	0.00120	61	0.00000	0.09400	0.19300	0.00437	0.00297	0.00200	0.00017	0.06682	
30	0.00090	62	0.00000	0.11750	0.24125	0.00480	0.00327	0.00200	0.00017	0.06682	
35	0.00090	63	0.00000	0.09400	0.19300	0.00523	0.00358	0.00200	0.00018	0.06682	
40	0.00090	64	0.00000	0.09400	0.19300	0.00565	0.00389	0.00200	0.00018	0.06682	
45	0.00090	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00200	0.00018	0.06682	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00200	0.00019	0.06682	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

Public Agency 3% at 55 Fire – Probability of an active member leaving due to:

YRS ²	Termination with Refund	AGE ¹	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ²	10 Years ²	25 Years ²	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.07100	20	0.01620	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00024	
1	0.05540	25	0.01620	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00120	
2	0.03980	30	0.01620	N/A	N/A	0.00053	0.00036	0.00010	0.00010	0.00252	
3	0.02420	35	0.01620	N/A	N/A	0.00067	0.00046	0.00010	0.00012	0.00372	
4	0.02180	40	0.01620	N/A	N/A	0.00087	0.00065	0.00010	0.00013	0.00492	
5	0.00290	45	0.00000	N/A	N/A	0.00120	0.00093	0.00020	0.00014	0.00612	
6	0.00240	50	0.00000	0.01200	0.02800	0.00176	0.00126	0.00050	0.00015	0.00744	
7	0.00200	55	0.00000	0.09200	0.21100	0.00260	0.00176	0.00100	0.00016	0.07212	
8	0.00160	56	0.00000	0.08100	0.18700	0.00287	0.00194	0.00110	0.00016	0.07212	
9	0.00120	57	0.00000	0.10000	0.23000	0.00314	0.00212	0.00130	0.00016	0.07212	
10	0.00090	58	0.00000	0.08100	0.18700	0.00341	0.00230	0.00150	0.00017	0.07212	
15	0.00060	59	0.00000	0.07800	0.17800	0.00368	0.00248	0.00150	0.00017	0.07212	
20	0.00050	60	0.00000	0.11700	0.26700	0.00395	0.00266	0.00150	0.00017	0.07212	
25	0.00030	61	0.00000	0.07800	0.17800	0.00437	0.00297	0.00150	0.00017	0.07212	
30	0.00030	62	0.00000	0.09750	0.22250	0.00480	0.00327	0.00150	0.00017	0.07212	
35	0.00030	63	0.00000	0.07800	0.17800	0.00523	0.00358	0.00150	0.00018	0.07212	
40	0.00030	64	0.00000	0.07800	0.17800	0.00565	0.00389	0.00150	0.00018	0.07212	
45	0.00030	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00150	0.00018	0.07212	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00150	0.00019	0.07212	

(1) Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

(2) Years of service.

EXHIBIT D: SAMPLE NON-ECONOMIC ASSUMPTIONS (CONTINUED)

Post-Retirement Mortality – Rates vary by age and gender. These rates are used for all plans.

AGE	Healthy Recipients		Non-Industrially Disability (Not Job Related)		Industrially Disability (Job Related)	
	Male	Female	Male	Female	Male	Female
50	0.00501	0.00466	0.01680	0.01158	0.00501	0.00466
55	0.00599	0.00416	0.01973	0.01149	0.00599	0.00416
60	0.00710	0.00436	0.02289	0.01235	0.00754	0.00518
65	0.00829	0.00588	0.02451	0.01607	0.01122	0.00838
70	0.01305	0.00993	0.02875	0.02211	0.01635	0.01395
75	0.02205	0.01722	0.03990	0.03037	0.02834	0.02319
80	0.03899	0.02902	0.06083	0.04725	0.04899	0.03910
85	0.06969	0.05243	0.09731	0.07762	0.07679	0.06251
90	0.12974	0.09887	0.14804	0.12890	0.12974	0.09887
95	0.22444	0.18489	0.22444	0.21746	0.22444	0.18489
100	0.32536	0.30017	0.32536	0.30017	0.32536	0.30017

EXHIBIT E: SINGLE LIFE RETIREMENT VALUES

Present value of \$1 monthly increasing 2 percent annually after two-year waiting period. Discount rate of 7.50 percent.

Age	Public Agencies and Schools						Age	State					
	Service Retirement		Non-Industrial Disability Retirement		Industrial Disability Retirement			Service Retirement		Non-Industrial Disability Retirement		Industrial Disability Retirement	
	Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	Male	Female
50	171.997	179.856	142.365	153.150	167.117	171.823	50	174.201	180.132	146.566	161.023	171.308	176.597
51	169.749	177.842	140.490	151.425	164.943	169.771	51	172.546	178.765	145.064	159.681	169.482	175.022
52	167.454	175.746	138.492	149.823	162.711	167.655	52	170.822	177.335	143.528	158.267	167.575	173.371
53	165.107	173.573	136.367	148.289	160.388	165.476	53	169.025	175.819	141.958	156.776	165.585	171.622
54	162.703	171.318	134.251	146.707	157.946	163.233	54	167.155	174.197	140.356	155.200	163.509	169.752
55	160.238	168.984	132.112	145.038	155.380	160.928	55	165.216	172.433	138.729	153.491	161.351	167.729
56	157.712	166.572	129.925	143.274	152.709	158.561	56	163.195	170.523	137.091	151.636	159.098	165.544
57	155.117	164.076	127.653	141.410	149.966	156.127	57	161.080	168.475	135.456	149.637	156.735	163.206
58	152.448	161.509	125.269	139.426	147.150	153.634	58	158.853	166.304	133.781	147.502	154.245	160.728
59	149.699	158.869	122.790	137.302	144.225	151.075	59	156.529	164.021	132.064	145.255	151.648	158.156
60	146.857	156.120	120.227	135.029	141.150	148.425	60	154.108	161.628	130.294	142.913	148.969	155.504
61	143.913	153.283	117.602	132.625	137.937	145.696	61	151.594	159.121	128.455	140.485	146.206	152.769
62	140.864	150.360	114.955	130.054	134.661	142.890	62	148.959	156.492	126.530	137.967	143.367	149.943
63	137.696	147.341	112.296	127.311	131.355	139.998	63	146.195	153.733	124.502	135.345	140.462	147.022
64	134.404	144.254	109.646	124.420	128.023	137.040	64	143.287	150.858	122.347	132.655	137.490	144.025
65	130.995	141.100	106.993	121.476	124.635	134.011	65	140.230	147.876	120.051	129.907	134.438	140.956
70	113.166	124.295	92.905	107.145	106.783	117.806	70	123.167	131.573	106.473	115.386	117.503	124.624
75	93.674	105.363	76.532	91.830	87.186	99.581	75	104.262	113.259	90.538	98.992	98.938	106.897
80	73.931	84.941	61.264	75.069	67.853	80.134	80	83.998	93.429	73.663	80.985	80.609	88.688
85	55.387	64.944	45.183	57.216	52.776	61.177	85	64.107	72.594	57.941	63.116	63.244	70.925
90	40.042	47.042	34.010	43.734	39.987	44.281	90	45.736	52.607	44.449	46.502	45.736	52.607
95	29.556	33.069	24.348	30.602	27.949	30.890	95	32.030	36.161	32.030	32.986	32.030	36.161
100	21.536	22.973	16.364	19.710	18.287	21.046	100	22.430	23.866	22.430	23.866	22.430	23.866

EXHIBIT F: HISTORY OF MEMBER SALARY DATA

Valuation Date	Number of Active Members	Annual Covered Payroll (In Millions)	Average Annual Salary	% Increase In Average Pay
6/30/14	772,817	44,958	58,174	2.8%
6/30/13	752,681	42,575	56,564	1.2%
6/30/12	762,459	42,599	55,871	(0.8%)
6/30/11	779,481	43,901	56,321	(0.6%)
6/30/10	794,138	44,984	56,645	2.2%
6/30/09	812,864	45,053	55,425	1.9%
6/30/08	813,474	44,236	54,379	5.5%
6/30/07	793,164	40,864	51,521	3.9%
6/30/06	767,127	38,047	49,597	4.0%
6/30/05	756,234	36,045	47,664	3.3%

EXHIBIT G: MEMBERS IN VALUATION

State Miscellaneous First Tier – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	1,958	3	—	—	—	—	1,961	\$65,557,761
25-29	7,371	1,393	38	—	—	—	8,802	382,331,803
30-34	7,455	5,134	1,129	61	—	—	13,779	727,885,040
35-39	5,584	5,424	3,795	849	73	—	15,725	940,426,427
40-44	4,706	5,284	5,346	2,498	865	93	18,792	1,212,514,270
45-49	4,142	4,607	5,529	3,159	2,968	1,446	21,851	1,466,546,736
50-54	3,774	4,406	5,559	3,468	3,844	5,624	26,675	1,828,461,171
55-59	3,146	3,665	4,713	3,016	3,143	7,155	24,838	1,716,207,000
60-64	1,907	2,544	2,977	1,931	1,987	4,020	15,366	1,078,407,986
65 & up	988	1,289	1,401	935	809	1,496	6,918	491,969,631
TOTAL	41,031	33,749	30,487	15,917	13,689	19,834	154,707	\$9,910,307,825

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

State Miscellaneous Second Tier – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	2	—	—	—	—	—	2	\$76,548
25-29	18	0	—	—	—	—	18	779,371
30-34	26	13	4	8	—	—	51	2,751,665
35-39	25	22	108	120	4	—	279	16,095,383
40-44	29	42	157	406	149	4	787	45,714,289
45-49	32	42	163	448	375	92	1,152	66,058,167
50-54	25	28	126	427	371	261	1,238	72,939,611
55-59	27	25	103	368	265	284	1,072	61,005,530
60-64	11	25	47	199	162	193	637	37,892,690
65 & up	13	11	30	97	70	64	285	16,933,435
Total	208	208	738	2,073	1,396	898	5,521	\$320,246,689

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

State Industrial First & Second Tier – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	145	4	—	—	—	—	149	\$4,864,639
25-29	615	171	2	—	—	—	788	31,396,752
30-34	601	482	69	1	—	—	1,153	52,000,768
35-39	481	481	198	44	1	—	1,205	59,863,551
40-44	468	462	300	148	51	3	1,432	75,998,557
45-49	465	524	321	188	111	35	1,644	88,849,743
50-54	415	514	340	235	168	134	1,806	100,537,431
55-59	254	402	218	227	120	100	1,321	73,749,207
60-64	152	215	140	105	54	40	706	40,752,544
65 & up	63	99	66	59	21	12	320	19,728,467
Total	3,659	3,354	1,654	1,007	526	324	10,524	\$547,741,659

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

EXHIBIT G: MEMBERS IN VALUATION (CONTINUED)

State Safety – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	299	3	—	—	—	—	302	\$13,525,491
25-29	1,359	279	5	—	—	—	1,643	90,535,569
30-34	1,549	833	95	1	—	—	2,478	150,862,613
35-39	1,361	1,203	326	24	—	—	2,914	206,630,338
40-44	1,245	1,406	528	162	15	—	3,356	258,950,455
45-49	1,144	1,368	708	331	85	15	3,651	273,632,455
50-54	988	1,425	814	525	229	110	4,091	315,872,343
55-59	791	1,199	858	504	220	90	3,662	290,858,549
60-64	403	832	527	416	130	64	2,372	207,677,370
65 & up	151	372	294	191	70	42	1,120	112,084,936
Total	9,290	8,920	4,155	2,154	749	321	25,589	\$1,920,630,119

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

California Highway Patrol – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	24	—	—	—	—	—	24	\$1,535,244
25-29	265	337	—	—	—	—	602	55,307,214
30-34	288	801	137	1	—	—	1,227	119,291,954
35-39	142	552	652	183	1	—	1,530	155,017,995
40-44	42	235	561	717	174	—	1,729	182,921,770
45-49	1	23	143	465	390	308	1,330	150,591,494
50-54	—	—	—	94	151	347	592	71,168,658
55-59	—	—	—	9	28	111	148	18,932,351
60-64	—	—	—	—	—	1	—	109,690
65 & up	—	—	—	—	—	—	—	—
Total	762	1,948	1,493	1,469	744	767	7,182	\$754,876,370

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

State Peace Officer/Firefighter – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	853	—	—	—	—	—	853	\$29,620,903
25-29	1,908	840	1	—	—	—	2,749	142,119,669
30-34	1,482	3,319	721	1	—	—	5,523	373,504,389
35-39	778	2,411	2,662	582	6	—	6,439	487,416,861
40-44	562	1,756	2,272	2,460	590	5	7,645	615,964,162
45-49	350	1,174	1,526	2,075	1,775	682	7,582	640,421,137
50-54	228	756	914	1,262	1,079	893	5,132	437,991,021
55-59	131	324	435	652	497	374	2,413	203,950,849
60-64	43	107	197	266	144	118	875	73,736,134
65 & up	11	26	45	60	33	32	207	17,479,124
Total	6,346	10,713	8,773	7,358	4,124	2,104	39,418	\$3,022,204,249

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

EXHIBIT G: MEMBERS IN VALUATION (CONTINUED)

School – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	7,797	50	—	—	—	—	7,847	\$191,701,289
25-29	16,456	3,142	41	—	—	—	19,639	550,996,286
30-34	13,441	8,649	2,269	67	—	—	24,426	831,163,925
35-39	11,241	8,665	5,698	1,617	36	—	27,257	1,010,785,840
40-44	12,080	9,028	6,610	3,655	862	47	32,282	1,207,842,822
45-49	12,667	10,693	7,914	4,815	2,413	1,216	39,718	1,500,439,039
50-54	11,752	12,339	10,399	6,559	3,577	3,906	48,532	1,901,065,282
55-59	8,295	10,533	10,313	7,614	4,240	5,310	46,305	1,847,761,151
60-64	4,319	6,259	6,654	5,326	3,238	3,600	29,396	1,163,584,340
65 & up	2,241	2,811	2,639	2,011	1,257	1,375	12,334	440,167,189
Total	100,289	72,169	52,537	31,664	15,623	15,454	287,736	\$10,645,507,163

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

Public Agency Miscellaneous – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	3,809	47	—	—	—	—	3,856	\$131,044,392
25-29	10,150	2,969	75	—	—	—	13,194	588,919,052
30-34	10,129	8,479	2,091	113	—	—	20,812	1,176,230,768
35-39	7,610	8,465	5,343	1,413	89	—	22,920	1,477,733,092
40-44	6,351	7,742	6,185	3,492	1,087	118	24,975	1,741,546,525
45-49	5,587	6,983	6,175	4,327	2,871	1,630	27,573	2,018,618,268
50-54	5,151	6,942	6,509	4,719	4,004	5,081	32,406	2,444,569,058
55-59	3,723	5,355	5,262	3,965	3,272	4,943	26,520	1,991,932,957
60-64	1,895	3,269	3,366	2,528	1,853	2,601	15,512	1,134,061,472
65 & up	849	1,414	1,405	1,086	700	918	6,372	437,998,790
Total	55,254	51,665	36,411	21,643	13,876	15,291	194,140	\$13,142,654,374

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

Public Agency Safety – By Attained Age & Years of Service – June 30, 2014

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date ¹						Total	Total Valuation Payroll
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 & up		
15-24	977	15	—	—	—	—	992	\$55,569,098
25-29	3,534	1,405	6	—	—	—	4,945	355,767,691
30-34	2,668	4,707	935	2	—	—	8,312	715,210,962
35-39	1,201	3,386	3,389	642	3	—	8,621	824,026,884
40-44	685	2,049	3,201	2,684	666	8	9,293	959,411,057
45-49	383	966	1,674	2,087	2,322	1,090	8,522	954,360,181
50-54	219	389	615	880	1,204	1,606	4,913	569,526,684
55-59	120	156	233	283	343	675	1,810	199,144,074
60-64	41	47	82	79	81	158	488	51,242,593
65 & up	14	12	9	21	21	27	104	9,843,258
Total	9,842	13,132	10,144	6,678	4,640	3,564	48,000	\$4,694,102,482

(1) Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double count of liabilities.

EXHIBIT H: SCHEDULE OF RETIREES & BENEFICIARIES ADDED TO/AND REMOVED FROM ROLLS

Year Ended	Added to Rolls		Removed from Rolls		Rolls – End of Year		% Increase/ Decrease in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
PERF								
6/30/15 ¹	43,501	\$1,333,700,350	18,731	\$399,466,572	620,700	\$19,357,057,778	5.1%	\$31,186
6/30/14 ²	36,000	1,229,596,000	17,358	393,057,000	595,930	18,422,824,000	6.8%	30,914
6/30/13 ²	39,121	1,434,115,000	17,310	379,821,000	577,288	17,242,387,000	6.9%	29,868
6/30/12 ²	39,729	1,286,891,000	19,412	381,443,000	555,477	16,126,912,000	7.3%	29,033
6/30/11 ²	40,596	1,318,290,000	17,298	319,210,000	535,160	15,032,305,000	9.3%	28,089
6/30/10 ²	37,566	1,265,188,000	17,323	299,011,000	511,862	13,751,737,000	10.0%	26,866
JRF								
6/30/15 ¹	102	\$9,011,281	84	\$7,820,995	1,872	\$187,958,286	0.6%	\$100,405
6/30/14 ²	55	6,608,000	68	6,696,000	1,854	186,768,000	2.4%	100,738
6/30/13 ²	49	6,082,000	74	7,383,000	1,867	182,464,000	(1.3%)	97,731
6/30/12 ²	75	7,365,000	67	5,804,000	1,892	184,952,000	1.7%	97,755
6/30/11 ²	104	9,536,000	69	6,037,000	1,884	181,834,000	2.4%	96,515
6/30/10 ²	129	12,425,000	72	6,622,000	1,849	177,572,000	3.2%	96,037
JRF II								
6/30/15 ¹	27	\$2,551,990	2	\$164,980	90	\$7,166,010	49.9%	\$79,622
6/30/14 ²	20	1,648,000	3	378,000	65	4,779,000	35.7%	73,523
6/30/13 ²	13	1,172,000	2	232,000	48	3,522,700	13.9%	73,390
6/30/12 ²	9	744,000	2	195,000	37	3,093,000	43.9%	83,595
6/30/11 ²	11	1,224,000	—	—	30	2,149,000	53.8%	71,633
6/30/10 ²	5	405,000	1	59,000	19	1,397,000	11.6%	73,526
LRF								
6/30/15 ¹	6	\$233,438	9	\$592,552	221	\$7,002,886	(4.9%)	\$31,687
6/30/14 ²	1	13,000	10	434,000	224	7,362,000	0.9%	32,866
6/30/13 ²	2	133,000	14	587,000	233	7,297,000	(5.0%)	31,318
6/30/12 ²	3	102,000	12	461,000	245	7,680,000	(2.4%)	31,347
6/30/11 ²	15	460,000	16	399,000	254	7,871,000	1.2%	30,988
6/30/10 ²	9	280,000	14	480,000	255	7,780,000	0.6%	30,510

(1) These total counts and allowances account for all payments types with the exception of one-time lump-sum payments.

(2) These total counts and allowances are for service, disability, and industrial retirement, special death, 1957 Survivor, Pre-Retirement Option 2, and 1959 Survivor beneficiaries and non-members.

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Pension fund income over the last 20 years (as of June 2015) shows that every dollar spent on public employee pensions comes from:



1.8

MILLION MEMBERS



- 1.2 million active & inactive members
- More than 600,000 retirees & beneficiaries

Statistical Section

INTRODUCTION

The Statistical section provides additional historical information to understand the economic condition of the California Public Employees' Retirement System.

The schedules presented contain information on financial trends, analysis, and additional analytical information on employees' membership data, retirement benefits, health

benefits, supplemental income, long-term care and public agency employers.

The information in this section is obtained from comprehensive annual financial reports for relevant years and other internal sources.

CHANGES IN FIDUCIARY NET POSITION – RETIREMENT PROGRAMS

PERF Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$3,724,310	\$3,775,038	\$3,896,078	\$3,598,437	\$3,600,089	\$3,378,867	\$3,882,355	\$3,512,075	\$3,262,699	\$3,080,879
Employer	10,079,467	8,777,602	8,123,833	7,772,913	7,465,397	6,955,049	6,912,376	7,242,802	6,442,384	6,095,029
Investment Income/(Loss)	6,578,129	45,471,821	30,284,807	(203,084)	43,904,425	25,567,295	(57,367,054)	(12,499,110)	40,748,261	22,041,265
Plan to Plan Resource Movement	469,688	—	—	—	—	—	—	—	—	—
Miscellaneous Income	124,868	126,223	7,176	7,070	3,011	10,234	3,155	6,202	9,119	—
TOTAL ADDITIONS	\$20,976,462	\$58,150,684	\$42,311,894	\$11,175,336	\$54,972,922	\$35,911,445	(\$46,569,168)	(\$1,738,031)	\$50,462,463	\$31,217,173
DEDUCTIONS										
Benefit Payments	\$18,922,292	\$17,760,584	\$16,635,263	\$15,356,696	\$14,242,258	\$12,972,457	\$11,831,836	\$10,884,417	\$10,070,555	\$9,236,073
Refund of Contributions	240,623	236,968	242,595	218,082	227,168	182,387	186,783	182,415	181,574	170,929
Administrative Expenses	340,880	381,497	426,077	380,404	357,779	278,036	427,809	402,340	278,453	250,251
Plan to Plan Resource Movement	469,688	—	—	—	—	—	—	—	—	—
TOTAL DEDUCTIONS	\$19,973,483	\$18,379,049	\$17,303,935	\$15,955,182	\$14,827,205	\$13,432,880	\$12,446,428	\$11,469,172	\$10,530,582	\$9,657,253
CHANGE IN NET POSITION	\$1,002,979	\$39,771,635	\$25,007,959	(\$4,779,846)	\$40,145,717	\$22,478,565	(\$59,015,596)	(\$13,207,203)	\$39,931,881	\$21,559,920
NET POSITION –RESTRICTED FOR PENSION BENEFITS										
Beginning of Year	\$301,761,539	\$261,989,904	\$236,981,945	\$241,761,791	\$201,616,074	\$179,137,509⁽¹⁾	\$237,915,479	\$251,122,682	\$211,190,801	\$189,630,881
End of year	\$302,764,518	\$301,761,539	\$261,989,904	\$236,981,945	\$241,761,791⁽¹⁾	\$201,616,074	\$178,899,883	\$237,915,479	\$251,122,682	\$211,190,801

(1) Due to the implementation of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, beginning balance was restated.

CHANGES IN FIDUCIARY NET POSITION – RETIREMENT PROGRAMS (CONTINUED)

LRF Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$105	\$113	\$31	\$0	\$3	\$17	\$69	\$14	\$129	\$160
Employer	590	565	80	—	—	—	—	—	—	—
Investment Income/(Loss)	(125)	15,332	6,974	7,761	17,667	17,793	(14,041)	223	16,530	3,808
Miscellaneous Income	31	40	—	—	—	—	—	—	—	—
TOTAL ADDITIONS	\$601	\$16,050	\$7,085	\$7,761	\$17,670	\$17,810	(\$13,972)	\$237	\$16,659	\$3,968
DEDUCTIONS										
Benefit Payments	\$7,393	\$7,482	\$7,548	\$7,659	\$7,382	\$11,082	\$7,706	\$7,621	\$7,666	\$7,314
Refund of Contributions	1,693	—	—	202	440	35	296	309	92	823
Administrative Expenses	400	362	418	347	408	4,444	358	397	323	295
TOTAL DEDUCTIONS	\$9,486	\$7,844	\$7,966	\$8,208	\$8,230	\$15,561	\$8,360	\$8,327	\$8,081	\$8,432
CHANGE IN NET POSITION NET POSITION-RESTRICTED FOR PENSION BENEFITS	(\$8,885)	\$8,206	(\$881)	(\$447)	\$9,440	\$2,249	(\$22,332)	(\$8,090)	\$8,578	(\$4,464)
Beginning of Year	\$130,354	\$122,148	\$123,029	\$123,476	\$114,036	\$111,787	\$134,119	\$142,209	\$133,631	\$138,095
End of year	\$121,469	\$130,354	\$122,148	\$123,029	\$123,476	\$114,036	\$111,787	\$134,119	\$142,209	\$133,631

JRF Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$3,877	\$4,724	\$4,909	\$5,796	\$6,658	\$7,361	\$8,597	\$9,569	\$10,398	\$10,315
Employer	180,910	191,148	161,945	196,402	167,302	185,389	190,510	163,206	131,372	120,576
Investment Income	88	54	76	80	184	332	410	384	1,186	959
Miscellaneous Income	2,198	2,529	2,694	2,877	3,216	3,486	3,574	3,827	2,591	2,874
TOTAL ADDITIONS	\$187,073	\$198,455	\$169,624	\$205,155	\$177,360	\$196,568	\$203,091	\$176,986	\$145,547	\$134,724
DEDUCTIONS										
Benefit Payments	\$201,734	\$193,925	\$187,084	\$185,428	\$185,119	\$178,861	\$174,902	\$168,304	\$151,059	\$133,588
Refund of Contributions	134	10	—	17	—	32	—	136	—	323
Administrative Expenses	1,227	1,141	1,413	1,163	1,188	968	1,049	973	701	171
TOTAL DEDUCTIONS	\$203,095	\$195,076	\$188,497	\$186,608	\$186,307	\$179,861	\$175,951	\$169,413	\$151,760	\$134,082
CHANGE IN NET POSITION NET POSITION – RESTRICTED FOR PENSION BENEFITS	(\$16,022)	\$3,379	(\$18,873)	\$18,547	(\$8,947)	\$16,707	\$27,140	\$7,573	(\$6,213)	\$642
Beginning of Year	\$57,199	\$53,820	\$72,693	\$54,146	\$63,093	\$46,386	\$19,246	\$11,673	\$17,886	\$17,244
End of year	\$41,177	\$57,199	\$53,820	\$72,693	\$54,146	\$63,093	\$46,386	\$19,246	\$11,673	\$17,886

CHANGES IN FIDUCIARY NET POSITION – RETIREMENT PROGRAMS (CONTINUED)

JRF II Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$22,242	\$20,413	\$18,819	\$18,757	\$18,589	\$16,178	\$15,400	\$13,808	\$11,694	\$9,584
Employer	65,629	57,027	54,025	53,711	53,863	42,589	39,514	36,761	27,062	24,069
Investment Income/(Loss)	(2,863)	149,679	79,214	13,947	91,596	50,801	(59,927)	(12,184)	35,427	15,474
Miscellaneous Income	462	489	—	—	—	—	—	—	—	—
TOTAL ADDITIONS	\$85,470	\$227,608	\$152,058	\$86,415	\$164,048	\$109,568	(\$5,013)	\$38,385	\$74,183	\$49,127
DEDUCTIONS										
Benefit Payments	\$14,024	\$8,865	\$10,518	\$3,536	\$2,236	\$1,392	\$1,252	\$964	\$1,005	\$859
Refund of Contributions	16	85	58	2,604	5,870	2,592	3,062	2,134	981	750
Administrative Expenses	1,127	785	899	725	716	494	578	597	451	406
TOTAL DEDUCTIONS	\$15,167	\$9,735	\$11,475	\$6,865	\$8,822	\$4,478	\$4,892	\$3,695	\$2,437	\$2,015
CHANGE IN NET POSITION NET POSITION – RESTRICTED FOR PENSION BENEFITS	\$70,303	\$217,873	\$140,583	\$79,550	\$155,226	\$105,090	(\$9,905)	\$34,690	\$71,746	\$47,112
Beginning of Year	\$1,013,839	\$795,966	\$655,383	\$575,833	\$420,607	\$315,517	\$325,422	\$290,732	\$218,986	\$171,874
End of year	\$1,084,142	\$1,013,839	\$795,966	\$655,383	\$575,833	\$420,607	\$315,517	\$325,422	\$290,732	\$218,986

SPOFF Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$81	\$103	\$169	\$69	\$0	\$0	\$0	\$0	\$0	\$0
Employer	802	43	105	92	39,066	52,219	53,114	51,475	48,948	8,933
Investment Income/(Loss)	(7,598)	68,597	53,165	(25)	88,035	37,643	(55,423)	(18,363)	37,813	16,517
Miscellaneous Income	865	1,683	—	—	7	3,431	—	—	—	—
TOTAL ADDITIONS	(\$5,850)	\$70,426	\$53,439	\$136	\$127,108	\$93,293	(\$2,309)	\$33,112	\$86,761	\$25,450
DEDUCTIONS										
Participant Withdrawals	\$509,594	\$37,585	\$34,417	\$24,640	\$30,949	\$22,743	\$12,922	\$11,626	\$10,828	\$6,578
Administrative Expenses	1,601	1,556	1,460	1,589	1,839	1,758	2,715	2,157	—	—
TOTAL DEDUCTIONS	\$511,195	\$39,141	\$35,877	\$26,229	\$32,788	\$24,501	\$15,637	\$13,783	\$10,828	\$6,578
CHANGE IN NET POSITION NET POSITION – RESTRICTED FOR PENSION BENEFITS	(\$517,045)	\$31,285	\$17,562	(\$26,093)	\$94,320	\$68,792	(\$17,946)	\$19,329	\$75,933	\$18,872
Beginning of Year	\$522,627	\$491,342	\$473,780	\$499,873	\$405,553	\$336,761	\$354,707	\$335,378	\$259,445	\$240,573
End of year	\$5,582	\$522,627	\$491,342	\$473,780	\$499,873	\$405,553	\$336,761	\$354,707	\$335,378	\$259,445

CHANGES IN FIDUCIARY NET POSITION – RETIREMENT PROGRAMS (CONTINUED)

DCF Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$106,272	\$131,900	\$99,977	\$104,333	\$89,531	\$108,436	\$247,484	\$125,952	\$104,956	\$123,161
Employer	783	698	455	80	84	84	87	53	—	—
Investment Income/(Loss)	32,735	164,384	114,471	4,872	151,932	72,951	(251,890)	(47,015)	80,167	36,245
Miscellaneous Income	6,260	5,258	—	225	214	858	113	39	14	8
TOTAL ADDITIONS	\$146,050	\$302,240	\$214,903	\$109,510	\$241,761	\$182,329	(\$4,206)	\$79,029	\$185,137	\$159,414
DEDUCTIONS										
Participant Withdrawals	\$88,973	\$97,388	\$82,587	\$73,025	\$93,844	\$46,418	\$34,753	\$47,942	\$42,647	\$62,078
Administrative Expenses	4,320	4,101	3,467	3,131	3,874	3,491	2,393	1,759	—	—
TOTAL DEDUCTIONS	\$93,293	\$101,489	\$86,054	\$76,156	\$97,718	\$49,909	\$37,146	\$49,701	\$42,647	\$62,078
CHANGE IN NET POSITION NET POSITION – RESTRICTED FOR PENSION BENEFITS	\$52,757	\$200,751	\$128,849	\$33,354	\$144,043	\$132,420	(\$41,352)	\$29,328	\$142,490	\$97,336
Beginning of Year	\$1,286,813	\$1,086,062	\$957,213¹	\$947,062	\$803,019	\$670,599	\$711,951	\$682,623	\$540,133	\$442,797
End of year	\$1,339,570	\$1,286,813	\$1,086,062	\$980,416	\$947,062	\$803,019	\$670,599	\$711,951	\$682,623	\$540,133

(1) Due to prior period adjustment, beginning balance was restated.

SCPF Changes in Fiduciary Net Position, as of June 30, 2015 – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ADDITIONS										
Member	\$127,833	\$160	\$164	\$208	\$285	\$536	\$483	\$713	\$457	\$634
Employer	—	—	—	—	—	—	—	—	—	—
Investment Income/(Loss)	1,058	2,077	2,051	3	3,610	1,884	(4,054)	(1,517)	3,619	1,782
Miscellaneous Income	305	111	—	—	—	33	—	—	389	—
TOTAL ADDITIONS	\$129,196	\$2,348	\$2,215	\$211	\$3,895	\$2,453	(\$3,571)	(\$804)	\$4,465	\$2,416
DEDUCTIONS										
Participant Withdrawals	\$15,751	\$1,013	\$1,448	\$1,219	\$2,113	\$1,624	\$671	\$870	\$1,918	\$2,078
Administrative Expenses	135	62	58	63	84	117	61	113	—	79
TOTAL DEDUCTIONS	\$15,886	\$1,075	\$1,506	\$1,282	\$2,197	\$1,741	\$732	\$983	\$1,918	\$2,157
CHANGE IN NET POSITION NET POSITION – RESTRICTED FOR PENSION BENEFITS	\$113,310	\$1,273	\$709	(\$1,071)	\$1,698	\$712	(\$4,303)	(\$1,787)	\$2,547	\$259
Beginning of Year	\$20,569	\$19,296	\$18,587	\$19,658	\$17,960	\$17,248	\$21,551	\$23,338	\$20,791	\$20,532
End of year	\$133,879	\$20,569	\$19,296	\$18,587	\$19,658	\$17,960	\$17,248	\$21,551	\$23,338	\$20,791

PUBLIC EMPLOYEES' RETIREMENT SYSTEM MEMBERSHIP & RETIREMENT DATA

The presentation of the following table has been modified to better align statistical data with current categorizations of members and beneficiaries by rate plan and current pension reform changes. This table will continue populating each subsequent year until 10 years of data is represented.

Public Employees' Retirement System – One-Year Review

	2015
ACTIVE & INACTIVE MEMBERS	
STATE MEMBERS	
State Miscellaneous – Classic	233,574
State Miscellaneous – PEPRA	29,009
State Safety – Classic	64,167
State Safety – PEPRA	11,054
Total State Members	337,804
PUBLIC AGENCY MEMBERS	
School Miscellaneous – Classic	422,114
School Miscellaneous – PEPRA	67,363
School Safety – Classic	334
School Safety – PEPRA	44
Public Agency – Miscellaneous – Classic	269,528
Public Agency – Miscellaneous – PEPRA	46,091
Public Agency – Safety – Classic	54,491
Public Agency – Safety – PEPRA	6,852
Total Public Agency Members	866,817
TOTAL ACTIVE & INACTIVE MEMBERS	1,204,621
BENEFIT RECIPIENTS	
Retired	
Classic	530,284
PEPRA	531
Survivors & Beneficiaries	
Classic	80,250
PEPRA	13
TOTAL BENEFIT RECIPIENTS¹	611,078
TOTAL MEMBERS AND BENEFIT RECIPIENTS	1,815,699

(1) This total includes payments to unique retirees, survivors, and beneficiaries who have received any monthly and/or lump-sum payments.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM MEMBERSHIP & RETIREMENT DATA (CONTINUED)

Public Employees' Retirement System – Nine-Year Review¹

	2014	2013	2012	2011	2010	2009	2008	2007	2006
ACTIVE & INACTIVE MEMBERS									
STATE MEMBERS									
Miscellaneous	236,552	227,291	228,667	223,251	224,084	224,966	222,806	219,101	214,721
University of California	44	44	45	49	56	81	93	103	111
Industrial	13,669	13,038	13,734	13,732	13,624	12,822	11,862	10,815	11,695
Alternative Retirement Plan	7,407	12,160	9,491	13,972	16,477	19,422	19,086	16,608	13,955
Highway Patrol	7,479	7,556	7,565	7,573	7,589	7,471	7,133	6,987	6,968
Safety	31,150	28,878	28,935	29,402	29,305	29,911	28,763	26,099	23,129
Peace Officer/Firefighter	45,346	45,116	47,162	48,243	49,437	51,260	51,371	48,722	46,605
Total State Members	341,647	334,083	335,599	336,222	340,572	345,933	341,114	328,435	317,184
PUBLIC AGENCY MEMBERS									
Schools	442,088	430,865	428,117	425,186	427,211	432,383	426,686	409,675	394,911
Cities	160,127	158,649	160,253	163,430	167,994	173,315	175,240	171,546	166,192
Counties	97,780	94,980	93,468	93,651	95,122	97,188	98,395	95,177	92,013
Districts & Other Public Agencies	87,372	85,660	85,003	84,937	85,145	85,578	84,698	82,067	78,595
Total Public Agency Members	787,367	770,154	766,841	767,204	775,472	788,464	785,019	758,465	731,711
TOTAL ACTIVE & INACTIVE MEMBERS	1,129,014	1,104,237	1,102,440	1,103,426	1,116,044	1,134,397	1,126,133	1,086,900	1,048,895
BENEFIT RECIPIENTS									
Service Retirement	505,031	486,625	464,601	450,263	428,821	408,428	393,328	380,162	367,737
Disability Retirement	44,242	43,857	43,626	43,347	43,090	43,074	42,813	42,965	42,383
Industrial Disability Retirement	37,686	36,493	35,495	34,733	33,951	33,453	32,757	32,081	31,157
Industrial Death	891	894	903	1,070	1,056	1,045	1,039	1,013	995
1957 Survivor Benefit	3,775	3,698	3,831	3,626	3,535	3,398	3,246	3,164	3,074
1959 Survivor Benefit	3,217	3,192	3,171	3,195	3,170	3,115	3,069	2,985	2,295
TOTAL BENEFIT RECIPIENTS	594,842	574,759	551,627	536,234	513,623	492,513	476,252	462,370	447,641
TOTAL MEMBERS	1,723,856	1,678,996	1,654,067	1,639,660	1,629,667	1,626,910	1,602,385	1,549,270	1,496,536

(1) Information presented using different categorization of members and beneficiaries.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA

PRIMARY BENEFITS

Benefits are paid according to the category of employment and the type of benefit coverage provided by an employer. A local agency's benefits may vary based upon statutory elections made by the employer.

The five categories of membership are:

- **Miscellaneous Members** – Staff, operational, supervisory, and all other eligible employees who are not in special membership categories.
- **Safety Members** – California Highway Patrol officers, police officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- **State Industrial Members** – Employees of the California Department of Corrections and Rehabilitation who have the same service retirement and other benefits as miscellaneous members, but who also have industrial death and disability benefits under certain limited circumstances.
- **State Peace Officer/Firefighter Members** – State employees who are involved in law enforcement, firefighting and fire suppression, public safety, protective services, or the management and supervision thereof, whose positions are defined as state peace officer/firefighter members in the Government Code or by the Department of Human Resources.
- **Public Employees' Pension Reform Act (PEPRA) Members** – New members who first became members of the CalPERS System on or after January 1, 2013 or were hired on or after January 1, 2013 by a new employer after a break in service longer than six months from previous eligible employment. If the new hire is not a new member, he or she is considered a classic member.

SERVICE RETIREMENT

State Miscellaneous & State Industrial Members – Classic

- **2 percent at 55** – A guarantee of 2 percent of final compensation at age 55 for each year of service credit.
- **2 percent at 60** – A guarantee of 2 percent of final compensation at age 60 for each year of service credit.

Retirement may begin at age 50 with a reduced benefit rate, or at age 55 or 60 with an increased benefit rate to age 63.

- **1.25 percent at 65** – A guarantee of 1.25 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55 with a reduced benefit rate.

State Miscellaneous & State Industrial Members – PEPRA

- **2 percent at 62** – A guarantee of 2 percent of final compensation at age 62 for each year of service credit. Retirement may begin at age 52 with a reduced benefit rate, or after age 62 with an increased benefit rate to age 67.
- **1.25 percent at 67** – A guarantee of 1.25 percent of final compensation at age 67 for each year of service credit. Retirement may begin at age 55 with a reduced benefit rate.

State Safety Members – Classic

- **2 percent at 55** – It provides 2 percent of final compensation for each year of service for retirement at age 55.
- **2.5 percent at 55** – It provides 2.5 percent of final compensation for each year of service for retirement at age 55.

The maximum allowance payable is 80 percent of final compensation. Retirement may begin at age 50 with a reduced benefit rate.

- **3 percent at 50** – It provides 3 percent of final compensation for each year of service for retirement at age 50.
- **3 percent at 55** – It provides 3 percent of final compensation for each year of service for retirement at age 55. Retirement may begin at age 50 with a reduced benefit rate.

The maximum allowance payable is 90 percent.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

State Safety Members – PEPRA

- **2 percent at 57** – It provides 2 percent of final compensation for each year of service for retirement at age 57.
- **2.5 percent at 57** – It provides 2.5 percent of final compensation for each year of service for retirement at age 57.
- **2.7 percent at 57** – It provides 2.7 percent of final compensation for each year of service for retirement at age 57.

Retirement may begin at age 50 with a reduced benefit rate.

School Members 2 Percent at 55 – Classic

A guarantee of 2 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.

School Members 2 Percent at 62 – PEPRA

A guarantee of 2 percent of final compensation at age 62 for each year of service credit. Retirement may begin at age 52 with a reduced benefit rate, or after age 62 with an increased benefit rate to age 67.

Local Miscellaneous Members – Classic

- **2 percent at 55** – A guarantee of 2 percent of final compensation at age 55 for each year of service credit.
- **2 percent at 60** – A guarantee of 2 percent of final compensation at age 60 for each year of service.

Retirement may begin at age 50 with a reduced benefit rate, or after age 55 or 60 with an increased benefit rate to age 63.

- **2.5 percent at 55** – A guarantee of 2.5 percent of final compensation at age 55 for each year of service credit.
- **2.7 percent at 55** – A guarantee of 2.7 percent of final compensation at age 55 for each year of service credit.
- **3 percent at 60** – A guarantee of 3 percent of final compensation at age 60 for each year or service credit.

Retirement may begin at age 50 with a reduced benefit rate.

- **1.5 percent at 65** – A guarantee of 1.5 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55 with a reduced benefit rate.

Local Miscellaneous Members 2 Percent at 62 – PEPRA

A guarantee of 2 percent of final compensation at age 62 for each year of service credit. Retirement may begin at age 52 with a reduced benefit rate, or after age 62 with an increased benefit rate to age 67.

Local Safety Members 2 Percent at 50 Formula

2 percent of final compensation for each year of service for retirement at age 50, with an increased benefit rate to age 55. The maximum allowance payable is 90 percent of final compensation.

Local Safety Members – Classic

- **2 percent at 50** – It provides 2 percent of final compensation for each year of service for retirement at age 50, with an increased benefit rate to age 55.
- **3 percent at 50** – It provides 3 percent of final compensation for each year of service for retirement at age 50.

The maximum allowance payable is 90 percent of final compensation.

- **2 percent at 55** – It provides 2 percent of final compensation for each year of service for retirement at age 55.
- **2.5 percent at 55** – It provides 2.5 percent of final compensation for each year of service retirement at age 55.
- **3 percent at 55** – It provides 3 percent of final compensation for each year of service for retirement at age 55.

Retirement may begin at age 50 with a reduced benefit rate. The maximum allowance payable is 90 percent of final compensation.

Local Safety Members – PEPRA

- **2 percent at 57** – It provides 2 percent of final compensation for each year of service for retirement at age 57.
- **2.5 percent at 57** – It provides 2.5 percent of final compensation for each year of service for retirement at age 57.
- **2.7 percent at 57** – It provides 2.7 percent of final compensation for each year of service for retirement at age 57.

Retirement may begin at age 50 with a reduced benefit rate.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

DISABILITY RETIREMENT

For Most Members

A monthly allowance of 1.8 percent of final compensation for each year of service, improved under certain conditions to 33.33 percent of final compensation, applicable to members with at least five years of service credit.

By Contract Amendment Only for Local Agencies

A monthly allowance of 30 percent of final compensation, plus an additional 1 percent for each year of service over five years to a maximum of 50 percent.

For State Second Tier Members

A monthly allowance of 1.125 percent of final compensation for each year of service, improved under certain conditions to 33.33 percent of final compensation, applicable to members with at least 10 years of service credit or five years if credited as of January 1, 1985.

For Certain Local Miscellaneous Second Tier Members

A monthly allowance of 1.35 percent of final compensation for each year of service, improved under certain conditions to 33.33 percent of final compensation, applicable to members with at least five years of service credit.

INDUSTRIAL DISABILITY RETIREMENT

For Most Members

A monthly allowance of 50 percent of final compensation, applicable to patrol members, state and local safety members, state peace officer/firefighter members, state industrial members, local miscellaneous members (by contract amendment only), and certain state miscellaneous members defined by law. The injury or illness must be job related and the member must be serving in one of these categories at the time the industrial disability occurs. California Highway Patrol members may be entitled to an enhanced benefit if specific qualifying factors are met.

By Contract Amendment Only for Local Agencies

A monthly allowance of 75 percent of final compensation, if found totally disabled.

By Contract Amendment Only for Local Agencies

A monthly allowance of 50 percent to 90 percent of final compensation, depending on the disability rating by the Workers' Compensation Appeals Board.

DEATH BENEFITS (BEFORE RETIREMENT)

STATE MEMBERS: LUMP SUM

Basic Death Benefit – State Members Only

Eligible to retire or not eligible to retire with 20 years

or more of State service credit – A return of member contributions plus interest (compounded annually) and a state-paid portion equal to six months' pay (50 percent of the member's earnable pay for the 12 months prior to the member's death).

Not eligible to retire with less than 20 years of state service

credit – A return of only the member contributions plus interest (compounded annually).

Insurance Benefit – State Members Only

Eligible to retire or not eligible to retire with 20 years or

more of state service credit – \$5,000 in a lump sum.

Not eligible to retire with less than 20 years of state service

credit – \$5,000 in a lump sum plus six months' pay (50 percent of annual compensation).

STATE MEMBERS – MONTHLY

Alternate Death Benefit⁽¹⁾ – For State Members in Bargaining Units Contracting for this Benefit, Who are Not Eligible to Retire, With 20 Years or More of State Service Credit

A monthly allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to pre-retirement Option 2W (if the beneficiary is a spouse or registered domestic partner), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had been old enough to retire. A spouse or registered domestic partner or minor child may receive continued health and dental insurance with the Alternate Death Benefit.

(1) The surviving spouse or registered domestic partner of other than a state member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a state member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

Pre-Retirement Option 2W Benefit¹ – For All State Members, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

1957 Survivor Benefit¹ – For All State Members, Not Married, or No Registered Domestic Partnership

For members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

1959 Survivor Benefit – State Members

A monthly benefit paid to survivors of deceased members who died prior to retirement. This benefit is similar to the Social Security Survivor Benefit and is paid in addition to any other applicable pre-retirement death benefit, except the Special Death Benefit.

Special Death Benefit¹ – Survivors of State, State Industrial, State Peace Officer/Firefighter Members, State Miscellaneous³

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse or registered domestic partner until death, or if no spouse, to natural or adopted unmarried children up to age 22. The monthly allowance is recalculated annually on October 1 based on the salary rates for employees who work in the position the member held at the time of death until such time as the member would have attained age 50.

Special Death Benefit² – Violent Death

Provides increased benefits (up to 75 percent of final compensation) based upon the number of surviving children, if the member's death is the result of external violence or physical force.

SCHOOL MEMBERS – LUMP SUM

Basic Death Benefit – School Members

Eligible to retire or not – A return of member contributions plus interest (compounded annually) and an employer-paid portion equal to one month's compensation earnable for each year of current service to a maximum of six months.

SCHOOL MEMBERS – MONTHLY

1957 Survivor Benefit¹ – School Members, Married, or Registered Domestic Partnership

For all members eligible to retire who are married or in a registered domestic partnership, a monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death.

1957 Survivor Benefit – For All School Members, Not Married, or No Registered Domestic Partnership

For members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

(1) The surviving spouse or registered domestic partner of other than a state member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a state member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

(2) The Special Death Benefit is payable if the member's death is job related.

(3) The survivor of a state or local miscellaneous member qualifies for the Special Death Benefit if the member was killed or fatally injured while performing their official duties.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

1959 Survivor Benefit – School Members

A monthly benefit paid to survivors of deceased members who died prior to retirement. This benefit is similar to the Social Security Survivor Benefit and is paid in addition to any other applicable pre-retirement death benefit, except the Special Death Benefit.

LOCAL AGENCY MEMBERS – LUMP SUM

Basic Death Benefit – Local Agency Members

Eligible to retire or not – A return of member contributions plus interest (compounded annually) and an employer-paid portion equal to one month's compensation earnable for each year of current service to a maximum of six months.

LOCAL AGENCY MEMBERS – MONTHLY

1957 Survivor Benefit¹ – Local Agency Members, Married, or Registered Domestic Partnership

For all members eligible to retire who are married or in a registered domestic partnership, a monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death.

1957 Survivor Benefit – For All Local Agency Members, Not Married, or No Registered Domestic Partnership

For members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

1959 Survivor Benefit – Local Agency Members Not Coordinated With Social Security by Contract Option Amendment

A monthly benefit paid to survivors of deceased members who died prior to retirement. This benefit is similar to the Social Security Survivor Benefit and is paid in addition to any other applicable pre-retirement death benefit, except the Special Death Benefit.

Alternate Death Benefit for Firefighters – Local Agencies by Contract With 20 Years or More of Total Service Credit

A monthly non-job-related allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to Pre-Retirement Option 2W (if the beneficiary is a spouse or registered domestic partner, even if the agency does not contract separately for the Pre-Retirement Option 2W benefit), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had either been old enough to retire (if the member died before reaching retirement age), or based on the member's actual age if the member was eligible to retire at the time of death. This benefit applies to all service credit earned by the member, including service that may have been earned with a local agency that does not contract for the Alternate Death Benefit, as long as the member was employed at the time of death by a local agency that provides this benefit in their contract.

Pre-Retirement Option 2W Benefit – Local Agencies by Contract, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

(1) The surviving spouse or registered domestic partner of other than a state member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a state member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

Special Death Benefit¹ – Survivors of Patrol, Local Safety & Local Miscellaneous by Contract Amendment³

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse or registered domestic partner until death, or if no spouse, to natural or adopted unmarried children up to age 22. The monthly allowance is recalculated annually on October 1 based on the salary rates for employees who work in the position the member held at the time of death until such time as the member would have attained age 50.

Special Death Benefit² – Violent Death

Provides increased benefits (up to 75 percent of final compensation) based upon the number of surviving children, if the member's death is the result of external violence or physical force.

COST-OF-LIVING ADJUSTMENTS

For All Members – Except State Second Tier

A maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies). **Note:** Does not apply to the Pre-Retirement 1959 Survivor Death Benefit.

For State Second Tier Members Only

A fixed 3 percent compounded annually.

SEPARATION FROM EMPLOYMENT/REFUNDS

At permanent separation from employment, members may either leave their contributions on deposit and defer retirement⁴ or terminate membership by electing to take a refund of member contributions plus interest (compounded annually). With a refund election, CalPERS is required to deduct federal withholding of 20 percent from the untaxed portion of the refund, unless the taxable portion is directly rolled over to a qualified plan or IRA.

(1) The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

(2) The Special Death Benefit is payable if the member's death is job related.

(3) The survivor of a State or local miscellaneous member qualifies for the Special Death Benefit if the member was killed or fatally injured while performing their official duties.

(4) A member who has less than the required amount of service credit may return to CalPERS-covered employment to obtain the minimum service credit required to be eligible for retirement

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

The presentation of the following table has been modified to better align statistical data with current categorizations of members and beneficiaries by rate plan and current pension reform changes. For accounting purposes only, the PERF is comprised of and reported as three separate entities. PERF A is comprised of agent multiple-employer plans, which includes State of California and most public agencies' rate plans with more than 100 active members. PERF B is a cost-sharing multiple-employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies' plans with generally less than 100 active members.

Benefit Recipients and Members by Employer Category – PERF

Employer/Category	Plan Type	Active	Inactive	Retired ¹	Survivors & Beneficiaries ²	Total
STATE						
Miscellaneous – Classic ³	PERF A	160,618	72,956	136,062	24,234	393,870
Miscellaneous – PEPRA ³	PERF A	26,485	2,524	51	1	29,061
Safety – Classic ⁴	PERF A	53,603	10,564	50,024	8,457	122,648
Safety – PEPRA ⁴	PERF A	10,253	801	7	—	11,061
TOTAL STATE		250,959	86,845	186,144	32,692	556,640
SCHOOL						
Miscellaneous – Classic	PERF B	283,216	138,898	173,030	23,801	618,945
Miscellaneous – PEPRA	PERF B	62,279	5,084	218	3	67,584
Safety – Classic	PERF C	274	60	183	27	544
Safety – PEPRA	PERF C	41	3	—	—	44
TOTAL SCHOOL		345,810	144,045	173,431	23,831	687,117
PUBLIC AGENCY						
Miscellaneous – Classic	PERF A	153,586	73,536	111,073	15,330	353,525
Miscellaneous – PEPRA	PERF A	33,680	4,929	167	1	38,777
Safety – Classic	PERF A	32,170	5,397	29,660	4,307	71,534
Safety – PEPRA	PERF A	4,194	386	6	—	4,586
Miscellaneous – Classic	PERF C	26,643	15,763	17,485	2,284	62,175
Miscellaneous – PEPRA	PERF C	6,582	900	56	8	7,546
Safety – Classic	PERF C	13,051	3,873	12,767	1,810	31,501
Safety – PEPRA	PERF C	2,038	234	26	—	2,298
TOTAL PUBLIC AGENCY		271,944	105,018	171,240	23,740	571,942
TOTAL BENEFIT RECIPIENTS AND MEMBERS		868,713	335,908	530,815	80,263	1,815,699

(1) The actual number of retirees is by the employer category from which they retired, regardless of whether they had service in other employer categories.

(2) The total includes those unique recipients receiving either a lump-sum, one-time only payment, and/or continuous payments.

(3) State Miscellaneous includes State Industrial.

(4) State Safety includes Highway Patrol and Peace Officer/Firefighter.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

Benefit and Refund Deductions from Fiduciary Net Position – Six-Year Review – PERF

Category	2015	2014	2013	2012	2011	2010
Service Retirement	\$16,399,932,312	\$15,318,518,965	\$14,304,469,220	\$13,100,533,228	\$12,078,836,537	\$10,886,413,443
Disability Retirement	599,845,301	575,825,287	560,645,818	566,771,017	557,833,490	540,419,698
Industrial Disability Retirement	1,695,674,147	1,583,017,137	1,494,486,150	1,425,569,675	1,349,369,869	1,276,846,198
PPPA Payments ¹	25,792,689	33,299,953	37,957,813	38,927,217	42,656,666	51,590,524
TOTAL	\$18,721,244,449	\$17,510,661,342	\$16,397,559,001	\$15,131,801,137	\$14,028,696,562	\$12,755,269,863
Basic Death Benefit/Group Term Life Insurance	\$25,652,204	\$26,528,315	\$45,181,888	\$43,730,806	\$41,224,228	\$42,385,815
1957 Survivor Benefit	92,157,432	87,564,961	83,210,337	77,780,450	74,103,991	69,745,915
1959 Survivor Benefit	33,886,098	33,699,064	34,606,918	32,855,386	33,355,374	33,158,971
Industrial Death Allowance	45,653,060	43,918,078	42,555,263	42,035,922	38,985,369	37,042,156
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	55,058,746	57,285,779	32,149,825	28,492,596	25,893,151	34,855,181
Adjustments ²	(51,360,036)	—	—	—	—	—
TOTAL	\$201,047,504	\$248,996,197	\$237,704,231	\$224,895,160	\$213,562,113	\$217,188,038
TOTAL RETIREMENT AND DEATH PAYMENTS	\$18,922,291,953	\$17,759,657,539	\$16,635,263,232	\$15,356,696,297	\$14,242,258,675	\$12,972,457,901
Refunds	\$240,623,206	\$237,893,870	\$242,595,215	\$218,082,685	\$227,167,877	\$182,387,623
GRAND TOTAL	\$19,162,915,159	\$17,997,551,409	\$16,877,858,447	\$15,574,778,982	\$14,469,426,552	\$13,154,845,524

(1) These payments were made from the Purchasing Power Protection Account, which is structured to maintain current benefit levels and to restore CalPERS allowances to 75 percent of their original purchasing power (80 percent for public agencies).

(2) Adjustment category added in FY 2015 to accommodate manual claims and overpayment recoveries.

PUBLIC EMPLOYEES' RETIREMENT FUND PROGRAM DATA (CONTINUED)

PERF Average Benefit Payments – As of June 30, 2015 – 10-Year Review

Retirement Effective Dates	Years of Service Credit						
	0-5	6-10	11-15	16-20	21-25	26-30	31+
2014-15							
Average Monthly Allowance ¹	\$634	\$1,034	\$1,591	\$2,313	\$3,264	\$5,026	\$5,370
Average Final Compensation	\$6,024	\$5,028	\$5,131	\$5,625	\$6,227	\$7,503	\$7,081
Number of Recipients ¹	1,510	5,240	5,908	5,277	5,020	5,534	5,168
2013-14							
Average Monthly Allowance ²	\$530	\$837	\$1,340	\$1,890	\$2,791	\$4,295	\$4,975
Average Final Compensation	\$5,923	\$4,680	\$4,782	\$5,041	\$5,643	\$6,680	\$6,720
Number of Recipients ²	880	5,029	5,707	4,890	5,013	5,085	5,808
2012-13							
Average Monthly Allowance ²	\$540	\$774	\$1,304	\$1,911	\$2,806	\$4,337	\$4,954
Average Final Compensation	\$6,098	\$4,537	\$4,758	\$5,127	\$5,651	\$6,692	\$6,686
Number of Recipients ²	774	5,053	5,864	4,958	5,664	5,557	6,861
2011-12							
Average Monthly Allowance ²	\$541	\$747	\$1,267	\$1,860	\$2,733	\$4,228	\$5,026
Average Final Compensation	\$6,104	\$4,442	\$4,679	\$5,037	\$5,722	\$6,587	\$6,700
Number of Recipients ²	763	4,688	5,628	4,735	5,746	5,163	6,726
2010-11							
Average Monthly Allowance ²	\$517	\$782	\$1,291	\$1,856	\$2,815	\$4,146	\$5,130
Average Final Compensation	\$6,442	\$4,508	\$4,739	\$4,927	\$5,606	\$6,500	\$6,741
Number of Recipients ²	713	4,322	5,128	4,607	5,993	5,243	7,572
2009-10							
Average Monthly Allowance ²	\$586	\$829	\$1,377	\$2,059	\$3,043	\$4,577	\$5,572
Average Final Compensation	\$6,806	\$4,460	\$4,760	\$5,153	\$5,819	\$6,738	\$7,076
Number of Recipients ²	878	4,172	4,322	4,208	5,596	5,322	7,092
2008-09							
Average Monthly Allowance ²	\$606	\$830	\$1,360	\$1,988	\$2,906	\$4,432	\$5,569
Average Final Compensation	\$6,519	\$4,378	\$4,680	\$4,982	\$5,641	\$6,574	\$7,013
Number of Recipients ²	680	3,796	3,598	3,681	4,157	3,977	5,801
2007-08							
Average Monthly Allowance ²	\$506	\$777	\$1,306	\$1,966	\$2,882	\$4,364	\$5,433
Average Final Compensation	\$6,138	\$4,358	\$4,518	\$4,970	\$5,587	\$6,472	\$6,864
Number of Recipients ²	727	3,620	3,371	3,652	3,765	3,458	4,883
2006-07							
Average Monthly Allowance ²	\$601	\$753	\$1,222	\$1,801	\$2,624	\$3,917	\$5,115
Average Final Compensation	\$6,125	\$4,294	\$4,356	\$4,632	\$5,182	\$5,925	\$6,539
Number of Recipients ²	648	3,943	3,536	4,059	3,738	3,606	4,467
2005-06							
Average Monthly Allowance ²	\$487	\$682	\$1,134	\$1,654	\$2,372	\$3,610	\$4,870
Average Final Compensation	\$6,040	\$4,012	\$4,144	\$4,405	\$4,858	\$5,689	\$6,294
Number of Recipients ²	560	3,624	3,788	4,462	3,807	3,650	5,249

(1) These averages and totals are for retired members and community property recipients.

(2) These averages and totals are for retired members, survivors, beneficiaries and community property recipients.

PUBLIC AGENCY EMPLOYERS

CONTRACTS SUMMARY

On June 30, 2015, 1,584 public agency contracts provided retirement, death, and survivor benefits for participants of 57 county offices of education; 4 school district offices; 450 cities and towns; 37 counties; the State of California; and 1,035 districts and other public agencies. The 57 county offices of education contracts provide benefits for 1,423 school districts and charter schools, bringing the total number of public agency employers to 3,007.

During the Fiscal Year 2014-15, 3 additional agencies contracted with CalPERS for retirement, death, and survivor benefits. The new contracting agencies are:

New Contracts

Effective Date	Public Agency	Misc. Member Formula	Safety Member Formula
09/27/14	Alpine Springs County Water District	2% @ 62	
01/01/15	Humboldt Bay Fire Joint Powers Authority	2% @ 62	2.7% @ 57
06/03/15	Sacramento Area Flood Control Agency (SAFCA)	2% @ 62	

Amendments

Public agency contracts vary depending upon the member categories covered, the formula the agency elects to provide, and the optional benefit provisions selected from the group of 41 benefits. These optional benefits may be provided at the time the original contract is established or they may be added later through the contract amendment process.

During Fiscal Year 2014-15, 50 contract amendments were completed. One contract amendment was completed to provide a different (lower) level of benefits for new hires.

Two Years of Additional Service Credit – “Golden Handshake”

Contracting agencies may amend their contracts to provide additional service credit if there are impending mandatory transfers, layoffs, or demotions. Eligible employees who retire within a 90- to 180-day window period established by the employer receive two years additional service credit. The county offices of education may also contract for this benefit when there is an impending curtailment of, or change, in the manner of performing services, and their best interest would be served by granting the additional service credit. Once the contract is amended, the employer may establish additional window periods.

In the Fiscal Year 2014-15, two public agencies amended their contracts to provide the two years of additional service credit and 12 additional window periods were established. The county offices of education established 19 additional window periods for the Golden Handshake benefit.

Popular Benefit Amendments

Benefit	Number of Amendments
Cost-Sharing	29
Pre-Retirement Option 2W Death Benefit	3
Two-Year Additional Service Credit	4

Mergers

- Humboldt No. 1 Fire Protection District of Humboldt County merged into Humboldt Bay Fire Joint Powers Authority effective January 1, 2015.

Terminations

- Coalinga-Huron Mosquito Abatement District, effective November 20, 2014.
- San Diego Rural Fire Protection District, effective June 30, 2015.

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Reciprocal Systems

Reciprocity is a valuable addition to the CalPERS benefit package. Its purpose is to encourage career public service, by allowing members to move between employers under different public retirement systems without losing their retirement and related benefits. The following retirement systems have reciprocity with CalPERS.

Counties Under the County Employees’ Retirement Law of 1937

- Alameda
- Contra Costa
- Fresno
- Imperial
- Kern
- Los Angeles
- Marin
- Mendocino
- Merced
- Orange
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Mateo
- Santa Barbara
- Sonoma
- Stanislaus
- Tulare
- Ventura

The University of California Retirement Plan (UCRP)

Reciprocal Public Retirement Systems

- Concord, City of
- Contra Costa Water District
- Costa Mesa, City of (safety only)
- East Bay Municipal Utility District
- East Bay Regional Park District (safety only)
- Fresno, City of
- Los Angeles City Employees’ Retirement Plan
- Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees’ Retirement Income Plan)
- Oakland, City of (non-safety only)
- Pasadena, City of (fire and police only)
- Sacramento, City of
- San Clemente, City of (non-safety only)
- San Diego, City of
- San Francisco, City and County of
- San Jose, City of
- San Luis Obispo, County of

Systems with Limited Reciprocity

- Judges’ Retirement System
- Judges’ Retirement System II
- Legislators’ Retirement System
- California State Teachers’ Retirement System

PARTICIPATING PUBLIC AGENCIES BY TYPE

The following tables are counts of active participants, excluding retirees, sorted by public agency. The 2013-14 Comprehensive Annual Financial Report (CAFR), included active and inactive participant information. In most cases, a participant is only counted once. A participant could be counted more than once if he/she were actively employed by more than one employer on the report effective date. An active member is currently employed by the State of California, a CalPERS contracting public agency, or a school district. Agencies that contract with CalPERS for retirement benefits and have zero participants were included.

For accounting purposes only, the PERF is comprised of and reported as three separate entities. PERF A is comprised of agent multiple-employer plans, which includes State of California and most public agencies rate plans with more than 100 active members. PERF B is a cost-sharing multiple-employer plan of school employers consisting of non-teaching and non-certified employees. PERF C is a cost-sharing multiple-employer plan of public agencies plans with generally fewer than 100 active members.

Largest Participating Employers – Current Year

Employer	2015
	Number of Employees
State of California	250,959
Los Angeles County Office of Education	48,278
Los Angeles Unified School District	28,905
San Diego County Office of Education	28,120
Orange County Office of Education	24,731
San Bernardino County Office of Education	21,698
County of Riverside	22,310
Riverside County Office of Education	20,838
All other	422,874
Total Covered Employees	868,713

Largest Participating Employers – Nine-Years Prior

Employer	2006
	Number of Employees ¹
State of California	310,672
Los Angeles County Office of Education	79,718
Los Angeles Unified School District	42,371
San Diego County Office of Education	27,015
Orange County Office of Education	22,395
County of Riverside	21,617
County of Santa Clara	20,283
All Other	503,661
Total Covered Employees	1,027,732

(1) Number of Employees includes active and inactive members.

PUBLIC AGENCY EMPLOYERS (CONTINUED)

County Offices of Education (57)

	PERF B Active		PERF B Active
Alameda	11,944	Nevada	825
Alpine	27	Orange	24,731
Amador	340	Placer	3,437
Butte	2,985	Plumas	415
Calaveras	517	Riverside	20,838
Colusa	436	Sacramento	13,600
Contra Costa	8,201	San Benito	658
Del Norte	292	San Bernardino	21,698
El Dorado	1,995	San Diego	28,120
Fresno	11,332	San Joaquin	7,570
Glenn	502	San Luis Obispo	2,779
Humboldt	2,502	San Mateo	6,046
Imperial	2,468	Santa Barbara	4,223
Inyo	306	Santa Clara	14,083
Kern	12,199	Santa Cruz	2,771
Kings	1,663	Shasta	2,765
Lake	710	Sierra	51
Lassen	470	Siskiyou	831
Los Angeles	48,278	Solano	3,482
Madera	1,595	Sonoma	4,763
Marin	1,954	Stanislaus	6,742
Mariposa	170	Sutter	1,109
Mendocino	1,578	Tehama	1,110
Merced	3,685	Trinity	302
Modoc	251	Tulare	6,808
Mono	206	Tuolumne	585
Monterey	4,983	Ventura	7,786
Napa	1,579	Yolo	1,874
		Yuba	1,174
		Total	314,344

Counties (37)

	Active		Total
	PERF A	PERF C	
Alpine	—	99	99
Amador	296	101	397
Butte	2,400	—	2,400
Calaveras	417	84	501
Colusa	309	60	369
Del Norte	439	39	478
El Dorado	1,872	—	1,872
Glenn	417	24	441
Humboldt	1,944	—	1,944
Inyo	343	39	382
Kings	1,465	—	1,465
Lake	973	—	973
Lassen	370	67	437
Madera	1,332	—	1,332
Mariposa	311	70	381
Modoc	211	20	231
Mono	200	85	285
Monterey	5,107	—	5,107
Napa	1,346	117	1,463
Nevada	756	66	822
Placer	2,620	—	2,620
Plumas	384	40	424
Riverside	22,310	—	22,310
San Benito	380	72	452
San Joaquin	—	—	—
Santa Clara	17,592	—	17,592
Santa Cruz	2,442	—	2,442
Shasta	1,918	—	1,918
Sierra	—	111	111
Siskiyou	670	—	670
Solano	3,035	—	3,035
Sutter	997	—	997
Tehama	823	—	823
Trinity	253	56	309
Tuolumne	572	122	694
Yolo	1,556	—	1,556
Yuba	870	—	870
Total	76,930	1,272	78,202

School District Offices¹ (4)

	Active			Total
	PERF A	PERF B	PERF C	
Los Angeles Unified School District	400	28,505	—	28,905
Los Angeles Community College District	—	2,646	1	2,647
Los Angeles County Office of Education	1,895	—	—	1,895
San Diego County Office of Education	797	—	—	797
Total	3,092	31,151	1	34,244

(1) Agencies that contract with CalPERS as public agencies and are not reflected elsewhere in this report.

PUBLIC AGENCY EMPLOYERS (CONTINUED)
 Cities & Towns (450)

City/Town	Active		Total	City/Town	Active		Total	City/Town	Active		Total
	PERF A	PERF C			PERF A	PERF C			PERF A	PERF C	
Adelanto	—	40	40	Calistoga	—	54	54	Dublin	—	92	92
Agoura Hills	—	36	36	Camarillo	135	—	135	Dunsmuir	—	9	9
Alameda	471	—	471	Campbell	164	40	204	East Palo Alto	—	99	99
Albany	—	79	79	Canyon Lake	—	3	3	Eastvale	—	12	12
Alhambra	475	—	475	Capitola	—	79	79	El Cajon	452	—	452
Aliso Viejo	—	20	20	Carlsbad	727	—	727	El Centro	187	93	280
Alturas	—	22	22	Carmel-By-The-Sea	—	68	68	El Cerrito	—	195	195
American Canyon	—	69	69	Carpinteria	—	33	33	El Monte	307	—	307
Anaheim	2,480	—	2,480	Carson	462	—	462	El Segundo	312	—	312
Anderson	—	62	62	Cathedral City	—	185	185	Elk Grove	—	308	308
Angels	—	47	47	Cerritos	293	—	293	Emeryville	—	39	39
Antioch	215	112	327	Chico	356	—	356	Encinitas	168	63	231
Apple Valley	—	119	119	Chino	366	102	468	Escalon	—	30	30
Arcadia	358	—	358	Chowchilla	—	68	68	Escondido	866	—	866
Arcata	—	118	118	Chula Vista	1,061	—	1,061	Etna	—	13	13
Arroyo Grande	—	93	93	Citrus Heights	—	215	215	Eureka	174	61	235
Artesia	—	32	32	Claremont	155	41	196	Exeter	—	47	47
Arvin	—	53	53	Clayton	—	32	32	Fairfax	—	38	38
Atascadero	—	148	148	Clearlake	—	49	49	Fairfield	613	—	613
Atherton	—	47	47	Cloverdale	—	48	48	Farmersville	—	36	36
Atwater	—	100	100	Clovis	624	—	624	Fillmore	—	37	37
Auburn	—	64	64	Coachella City	—	74	74	Firebaugh	—	37	37
Avalon	—	66	66	Coalinga	—	115	115	Folsom	440	—	440
Avenal	—	48	48	Colfax	—	5	5	Fontana	864	—	864
Azusa	275	66	341	Colma	—	43	43	Fort Bragg	—	65	65
Bakersfield	1,800	—	1,800	Colton	247	91	338	Fortuna	—	68	68
Baldwin Park	177	68	245	Colusa	—	35	35	Fountain Valley	—	222	222
Banning	121	26	147	Commerce	161	—	161	Fowler	—	29	29
Barstow	—	144	144	Compton	301	77	378	Fremont	897	—	897
Beaumont	—	146	146	Concord	421	—	421	Fullerton	690	—	690
Bell	—	113	113	Corcoran	—	67	67	Galt	134	35	169
Bell Gardens	—	193	193	Corning	—	48	48	Garden Grove	729	—	729
Bellflower	—	95	95	Corona	659	105	764	Gardena	419	97	516
Belmont	—	153	153	Coronado	219	73	292	Gilroy	258	—	258
Belvedere	—	22	22	Corte Madera	—	51	51	Glendale	2,023	—	2,023
Benicia	172	57	229	Costa Mesa	504	74	578	Glendora	183	53	236
Berkeley	1,390	—	1,390	Cotati	—	38	38	Goleta	—	52	52
Beverly Hills	894	—	894	Covina	184	62	246	Gonzales	—	41	41
Biggs	—	6	6	Crescent City	—	64	64	Grand Terrace	—	41	41
Bishop	—	36	36	Cudahy	—	21	21	Grass Valley	—	84	84
Blue Lake	—	10	10	Culver City	750	—	750	Greenfield	—	45	45
Blythe	—	68	68	Cupertino	172	—	172	Gridley	—	59	59
Bradbury	—	3	3	Cypress	104	48	152	Grover Beach	—	54	54
Brawley	—	143	143	Daly City	537	—	537	Guadalupe	—	31	31
Brea	328	—	328	Dana Point	—	68	68	Gustine	—	27	27
Brentwood	211	66	277	Davis	283	111	394	Half Moon Bay	—	19	19
Brisbane	—	95	95	Del Mar	—	56	56	Hanford	219	94	313
Buellton	—	22	22	Del Rey Oaks	—	12	12	Hawaiian Gardens	—	72	72
Buena Park	213	90	303	Delano	—	55	55	Hawthorne	262	100	362
Burbank	1,468	—	1,468	Desert Hot Springs	—	52	52	Hayward	988	—	988
Burlingame	192	39	231	Diamond Bar	—	55	55	Healdsburg	—	132	132
Calabasas	—	98	98	Dinuba	—	173	173	Hemet	338	—	338
Calexico	112	60	172	Dixon	—	100	100	Hercules	—	79	79
California City	—	107	107	Dos Palos	—	30	30	Hermosa Beach	—	171	171
Calimesa	—	10	10	Downey	503	—	503	Hesperia	—	115	115
Calipatria	—	14	14	Duarte	—	47	47	Hidden Hills	—	3	3

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Cities & Towns (continued)

City/Town	Active		Total	City/Town	Active		Total	City/Town	Active		Total
	PERF A	PERF C			PERF A	PERF C			PERF A	PERF C	
Highland	—	34	34	Los Banos	—	176	176	Pacific Grove	—	95	95
Hillsborough	—	83	83	Los Gatos	133	40	173	Pacifica	128	58	186
Hollister	—	164	164	Lynwood	142	—	142	Palm Desert	120	—	120
Hughson	—	21	21	Madera	211	58	269	Palm Springs	447	—	447
Huntington Beach	1,063	—	1,063	Malibu	—	65	65	Palmdale	178	—	178
Huntington Park	—	262	262	Mammoth Lakes	—	71	71	Palo Alto	1,082	—	1,082
Imperial	—	73	73	Manhattan Beach	257	94	351	Palos Verdes Estates	—	75	75
Imperial Beach	—	82	82	Manteca	263	103	366	Paradise	—	67	67
Indian Wells	—	33	33	Marina	—	92	92	Paramount	—	97	97
Indio	184	67	251	Martinez	—	45	45	Parlier	—	38	38
Industry	—	21	21	Marysville	—	87	87	Pasadena	1,787	—	1,787
Inglewood	658	—	658	Maywood	—	17	17	Paso Robles	117	60	177
Ione	—	17	17	Menifee	—	60	60	Patterson	—	108	108
Irvine	980	—	980	Menlo Park	199	45	244	Perris	—	71	71
Irwindale	—	82	82	Merced	441	—	441	Petaluma	331	—	331
Jackson	—	34	34	Mill Valley	—	186	186	Pico Rivera	127	—	127
Kerman	—	65	65	Millbrae	—	94	94	Piedmont	—	96	96
King City	—	32	32	Milpitas	384	—	384	Pinole	—	96	96
Kingsburg	—	56	56	Mission Viejo	157	—	157	Pismo Beach	—	125	125
La Canada Flintridge	—	35	35	Modesto	1,182	—	1,182	Pittsburg	183	82	265
La Habra	301	69	370	Monrovia	170	84	254	Placentia	—	131	131
La Habra Heights	—	16	16	Montague	—	6	6	Placerville	—	84	84
La Mesa	285	—	285	Montclair	132	71	203	Pleasant Hill	—	132	132
La Mirada	—	72	72	Monte Sereno	—	8	8	Pleasanton	437	79	516
La Palma	—	73	73	Montebello	500	—	500	Pomona	592	—	592
La Puente	—	26	26	Monterey	325	121	446	Port Hueneme	—	130	130
La Quinta	—	75	75	Monterey Park	368	—	368	Porterville	206	89	295
La Verne	—	178	178	Moorpark	—	64	64	Portola	—	13	13
Laguna Beach	165	94	259	Moraga	—	36	36	Portola Valley	—	11	11
Laguna Hills	—	47	47	Moreno Valley	320	—	320	Poway	170	51	221
Laguna Niguel	—	102	102	Morgan Hill	185	41	226	Rancho Cordova	—	71	71
Laguna Woods	—	11	11	Morro Bay	—	92	92	Rancho Cucamonga	526	—	526
Lake Elsinore	—	85	85	Mountain View	607	—	607	Rancho Mirage	—	84	84
Lake Forest	—	66	66	Mt. Shasta	—	33	33	Rancho Palos Verdes	—	93	93
Lakeport	—	46	46	Murrieta	—	251	251	Rancho Santa Margarita	—	26	26
Lakewood	308	—	308	Napa	543	—	543	Red Bluff	—	89	89
Lancaster	337	—	337	National City	313	—	313	Redding	782	—	782
Larkspur	—	61	61	Needles	—	47	47	Redlands	317	137	454
Lathrop	—	67	67	Nevada City	—	37	37	Redondo Beach	522	—	522
Lawndale	—	66	66	Newark	139	61	200	Redwood City	649	—	649
Lemon Grove	—	66	66	Newman	—	45	45	Reedley	—	112	112
Lemoore	—	129	129	Newport Beach	861	—	861	Rialto	361	—	361
Lincoln	—	163	163	Norco	—	57	57	Richmond	889	—	889
Lindsay	—	94	94	Norwalk	233	—	233	Ridgecrest	—	126	126
Live Oak	—	21	21	Novato	191	66	257	Rio Vista	—	48	48
Livermore	322	87	409	Oakdale	—	93	93	Ripon	—	24	24
Livingston	—	62	62	Oakland	3,896	—	3,896	Riverbank	—	62	62
Lodi	382	—	382	Oakley	—	43	43	Riverside	2,355	—	2,355
Loma Linda	—	82	82	Oceanside	1,027	—	1,027	Rocklin	162	89	251
Lomita	—	43	43	Ojai	—	38	38	Rohnert Park	154	75	229
Lompoc	304	76	380	Ontario	1,164	—	1,164	Rolling Hills	—	4	4
Long Beach	5,462	—	5,462	Orange	714	—	714	Rolling Hills Estates	—	19	19
Loomis	—	7	7	Orange Cove	—	51	51	Rosemead	—	64	64
Los Alamitos	—	52	52	Orland	—	35	35	Roseville	1,241	—	1,241
Los Altos	—	125	125	Oroville	—	111	111	Ross	—	18	18
Los Altos Hills	—	18	18	Oxnard	1,548	114	1,662	Sacramento	5,154	—	5,154

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Cities & Towns (continued)

City/Town	Active		Total	City/Town	Active		Total	City/Town	Active		Total
	PERF A	PERF C			PERF A	PERF C			PERF A	PERF C	
Salinas	396	89	485	Seaside	—	175	175	Twentynine Palms	—	36	36
San Anselmo	—	34	34	Sebastopol	—	51	51	Ukiah	151	52	203
San Bernardino	1,237	—	1,237	Selma	—	96	96	Union City	228	74	302
San Bruno	193	83	276	Shafter	—	179	179	Upland	294	—	294
San Buenaventura	705	—	705	Shasta Lake	—	47	47	Vacaville	510	—	510
San Carlos	—	79	79	Sierra Madre	—	90	90	Vallejo	481	—	481
San Clemente	180	6	186	Signal Hill	—	124	124	Vernon	278	—	278
San Dimas	—	81	81	Simi Valley	599	—	599	Victorville	392	1	393
San Fernando	—	125	125	Solana Beach	—	73	73	Villa Park	—	8	8
San Francisco ¹	1,076	3	1,079	Soledad	—	52	52	Visalia	610	—	610
San Gabriel	—	186	186	Solvang	—	34	34	Vista	226	80	306
San Jacinto	—	44	44	Sonoma	—	46	46	Walnut	—	51	51
San Joaquin	—	15	15	Sonora	—	43	43	Walnut Creek	358	79	437
San Jose	—	11	11	South El Monte	—	50	50	Wasco	—	64	64
San Leandro	287	92	379	South Gate	296	83	379	Waterford	—	15	15
San Luis Obispo	316	103	419	South Lake Tahoe	151	76	227	Watsonville	307	107	414
San Marcos	215	64	279	South Pasadena	—	164	164	Weed	—	25	25
San Marino	—	132	132	South San Francisco	477	—	477	West Covina	357	—	357
San Mateo	516	—	516	St. Helena	—	88	88	West Hollywood	219	—	219
San Pablo	—	148	148	Stanton	—	27	27	West Sacramento	336	126	462
San Ramon	234	63	297	Stockton	1,579	—	1,579	Westlake Village	—	15	15
Sand City	—	25	25	Suisun City	—	103	103	Westminster	141	85	226
Sanger	—	97	97	Sunnyvale	988	—	988	Whittier	386	—	386
Santa Ana	1,186	—	1,186	Susanville	—	82	82	Wildomar	—	16	16
Santa Barbara	1,101	97	1,198	Sutter Creek	—	14	14	Williams	—	35	35
Santa Clara	1,010	—	1,010	Taft	—	157	157	Willits	—	44	44
Santa Clarita	402	—	402	Tehachapi	—	54	54	Willows	—	31	31
Santa Cruz	746	146	892	Temecula	214	—	214	Windsor	—	106	106
Santa Fe Springs	109	53	162	Temple City	—	42	42	Winters	—	46	46
Santa Maria	431	181	612	Thousand Oaks	353	—	353	Woodlake	—	40	40
Santa Monica	2,361	—	2,361	Tiburon	—	38	38	Woodland	299	—	299
Santa Paula	—	145	145	Torrance	1,536	—	1,536	Woodside	—	18	18
Santa Rosa	1,307	—	1,307	Tracy	457	—	457	Yorba Linda	115	—	115
Santee	—	125	125	Truckee	—	104	104	Yountville	—	27	27
Saratoga	—	63	63	Tulare	238	115	353	Yreka	—	55	55
Sausalito	—	68	68	Tulelake	—	11	11	Yuba City	185	106	291
Scotts Valley	—	65	65	Turlock	252	123	375	Yucaipa	—	48	48
Seal Beach	—	102	102	Tustin	230	94	324	Yucca Valley	—	44	44
Total								105,887	24,690	130,577	

(1) San Francisco has both city and county employees; however it is listed only in the "total" count of the cities & towns category.

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (1,035)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Academic Senate for California Community Colleges	—	12	12	Avila Beach Community Services District	—	1	1
Access Services Incorporated	—	88	88	Aztec Shops, Ltd.	—	47	47
Agoura Hills and Calabasas Community Center	—	8	8	Baldwin Park Unified School District	—	12	12
Alameda Alliance for Health	226	—	226	Bard Water District	—	17	17
Alameda Corridor Transportation Authority	—	10	10	Bardsdale Cemetery District	—	3	3
Alameda County Fire Department	372	71	443	Barstow Cemetery District	—	4	4
Alameda County Law Library	—	10	10	Bay Area Air Quality Management District	312	—	312
Alameda County Mosquito Abatement District	—	14	14	Bay Area Water Supply and Conservation Agency	—	8	8
Alameda County Schools Insurance Group	—	2	2	Beach Cities Health District	—	69	69
Alameda County Transportation Commission	—	21	21	Bear Mountain Recreation and Park District	—	7	7
Alameda County Waste Management Authority	—	39	39	Bear Valley Community Services District	—	42	42
Alameda County Water District	234	—	234	Beaumont District Library	—	11	11
Albany Municipal Services Joint Powers Authority	—	24	24	Beaumont-Cherry Valley Recreation and Park District	—	17	17
Alhambra Redevelopment Agency	—	—	—	Beaumont-Cherry Valley Water District	—	30	30
Alliance of Schools for Cooperative Insurance Programs	—	32	32	Bella Vista Water District	—	25	25
Alpine Fire Protection District	—	16	16	Belmont Fire Protection District	—	22	22
Alpine Springs County Water District	—	6	6	Belmont-San Carlos Fire Department	—	2	2
Alta California Regional Center, Inc.	378	—	378	Belvedere-Tiburon Library Agency	—	20	20
Alta Irrigation District	—	23	23	Benicia City Housing Authority	—	6	6
Altadena Library District	—	20	20	Bennett Valley Fire Protection District	—	12	12
Amador County Transportation Commission	—	5	5	Berkeley Housing Authority	—	13	13
Amador Transit	—	26	26	BETA Healthcare Group Risk Management Authority	—	57	57
Amador Water Agency	—	44	44	Big Bear Area Regional Wastewater Agency	—	15	15
American Canyon Fire Protection District	—	17	17	Big Bear City Airport District	—	5	5
American River Flood Control District	—	9	9	Big Bear City Community Services District	—	59	59
Anderson Cemetery District	—	1	1	Big Bear City Municipal Water District	—	10	10
Anderson Fire Protection District	—	13	13	Bighorn-Desert View Water Agency	—	10	10
Angiola Water District	—	6	6	Black Gold Cooperative Library System	—	6	6
Antelope Valley Mosquito and Vector Control District	—	7	7	Blanchard/Santa Paula Public Library District	—	9	9
Antelope Valley Schools Transportation Agency	221	—	221	Blue Lake Fire Protection District	—	1	1
Antelope Valley Transit Authority	—	41	41	Bodega Bay Fire Protection District	—	13	13
Apple Valley Fire Protection District	—	52	52	Bolinas Community Public Utility District	—	4	4
Aptos/La Selva Fire Protection Agency	—	39	39	Bolinas Fire Protection District	—	2	2
Arbuckle-College City Fire Protection District	—	3	3	Bonita-Sunnyside Fire Protection District	—	14	14
Arcade Creek Recreation and Park District	—	5	5	Boron Community Services District	—	5	5
Arcata Fire Protection District	—	27	27	Borrego Springs Fire Protection District	—	16	16
Area 12 Agency on Aging	—	16	16	Borrego Water District	—	10	10
Armona Community Services District	—	—	—	Boulder Creek Fire Protection District	—	1	1
Aromas Water District	—	5	5	Branciforte Fire Protection District	—	4	4
Arrowbear Park County Water District	—	5	5	Brannan-Andrus Levee Maintenance District	—	2	2
Arroyo Grande District Cemetery	—	4	4	Broadmoor Police Protection District	—	11	11
Associated Students California State University San Bernardino	—	2	2	Brooktrails Township Community Services District	—	15	15
Associated Students Incorporated of California State University East Bay	—	6	6	Browns Valley Irrigation District	—	16	16
Associated Students Incorporated of California State University Stanislaus	—	5	5	Buena Park Library District	—	22	22
Associated Students of California State University, Chico	—	174	174	Burney Basin Mosquito Abatement District	—	1	1
Association of Bay Area Governments	—	68	68	Burney Fire District	—	7	7
Association of California Water Agencies	—	39	39	Burney Water District	—	6	6
Association of California Water Agencies – Joint Powers Insurance Authority	—	51	51	Butte County Air Quality Management District	—	10	10
Association of Monterey Bay Area Governments	—	15	15	Butte County Association of Governments	—	11	11
Atascadero Cemetery District	—	3	3	Butte County In-Home Supportive Services Public Authority	—	3	3
Auburn Area Recreation and Park District	—	43	43	Butte County Mosquito and Vector Control District	—	19	19
Auburn Public Cemetery District	—	5	5	Butte Local Agency Formation Commission	—	4	4
				Butte Schools Self-Funded Programs	—	3	3
				Butte-Glenn Community College District	—	5	5
				Byron-Bethany Irrigation District	—	8	8

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Cabrillo College Foundation	—	7	7	Castroville Community Services District	—	6	6
Cachuma Operation and Maintenance Board	—	10	10	Cawelo Water District	—	18	18
Cal Poly Corporation	296	—	296	Cayucos Sanitary District	—	5	5
Cal Poly Pomona Foundation, Inc.	—	225	225	Cayucos-Morro Bay Cemetery District	—	4	4
Calaveras Council of Governments	—	6	6	Centerville Community Services District	—	6	6
Calaveras County Water District	—	64	64	Central Basin Municipal Water District	—	20	20
Calaveras Public Utility District	—	8	8	Central Calaveras Fire and Rescue Protection District	—	4	4
California Association for Park and Recreation Indemnity	—	5	5	Central Coast Computing Authority	—	—	—
California Authority of Racing Fairs	—	6	6	Central Coast Water Authority	—	30	30
California Bear Credit Union	—	20	20	Central Contra Costa Solid Waste Authority	—	7	7
California Central Valley Flood Control Association	—	2	2	Central Contra Costa Transit Authority	269	—	269
California Fair Services Authority	—	29	29	Central County Fire Department	—	84	84
California Fairs Financing Authority	—	—	—	Central Fire Protection District of Santa Cruz County	—	54	54
California Firefighter's Joint Apprenticeship Committee	—	23	23	Central Marin Police Authority	—	66	66
California Interscholastic Federation, North Coast Section	—	7	7	Central Marin Sanitation Agency	—	42	42
California Interscholastic Federation, Central Coast Section	—	5	5	Central Sierra Child Support Agency	—	47	47
California Interscholastic Federation, Central Section	—	3	3	Central Sierra Planning Council	—	—	—
California Interscholastic Federation, Northern Section	—	1	1	Central Valley Regional Center, Inc.	386	—	386
California Interscholastic Federation, Sac-Joaquin Section	—	7	7	Central Water District	—	3	3
California Interscholastic Federation, San Diego Section	—	4	4	Chester Public Utility District	—	13	13
California Interscholastic Federation, Southern Section	—	16	16	Chico Area Recreation and Park District	—	71	71
California Interscholastic Federation, State Office	—	11	11	Children and Families Commission of San Luis Obispo County	—	4	4
California Joint Powers Insurance Authority	—	24	24	Chino Basin Water Conservation District	—	13	13
California Joint Powers Risk Management Authority	—	4	4	Chino Basin Watermaster	—	9	9
California Maritime Academy Foundation, Inc.	—	—	—	Chino Valley Independent Fire District	—	139	139
California Municipal Utilities Association	—	6	6	Citrus Heights Water District	—	31	31
California Pines Community Services District	—	15	15	Citrus Pest Control District No. 2 of Riverside County	—	1	1
California Redevelopment Association Foundation	—	4	4	City/County Association of Governments of San Mateo County	—	2	2
California School Boards Association	—	86	86	Clear Creek Community Services District	—	13	13
California Special Districts Association	—	23	23	Clearlake Oaks County Water District	—	14	14
California State and Federal Employees No. 20 Credit Union	—	6	6	Cloverdale Citrus Fair	—	3	3
California State University, East Bay Foundation, Inc.	—	3	3	Cloverdale Fire Protection District	—	6	6
California State University, Bakersfield Foundation	—	14	14	Clovis Cemetery District	—	11	11
California State University, Fresno Athletic Corporation	—	48	48	Coachella Valley Association of Governments	—	16	16
California State University, Stanislaus Auxiliary and Business Services	—	—	—	Coachella Valley Mosquito and Vector Control District	—	56	56
California State University-Fresno Association, Inc.	—	98	98	Coachella Valley Public Cemetery District	—	6	6
Callayomi County Water District	—	5	5	Coachella Valley Water District	576	—	576
Calleguas Municipal Water District	—	67	67	Coalinga/Huron Unified School District Library District	—	11	11
Camarillo Health Care District	—	24	24	Coalinga-Huron Cemetery District	—	6	6
Cambria Cemetery District	—	1	1	Coalinga-Huron Recreation and Park District	—	13	13
Cambria Community Healthcare District	—	31	31	Coast Life Support District	—	14	14
Cambria Community Services District	—	39	39	Coastal Developmental Services Fdn DBA Westside Regional Center	207	—	207
Cameron Park Community Services District	—	11	11	Coastside County Water District	—	19	19
Camrosa Water District	—	22	22	Coastside Fire Protection District	—	—	—
Capitol Area Development Authority	—	37	37	Colfax Cemetery District	—	3	3
Carmel Area Wastewater District	—	25	25	College of the Canyons Foundation	—	1	1
Carmel Highlands Fire Protection District of Monterey County	—	—	—	College Town	—	—	—
Carmel Regional Fire Ambulance Authority	—	1	1	Colusa County One-Stop Partnership	—	14	14
Carmichael Water District	—	24	24	Colusa Mosquito Abatement District	—	3	3
Carpinteria Sanitary District	—	17	17	Community College League of California	—	22	22
Carpinteria Valley Water District	—	28	28	Community Development Commission of Mendocino County	—	23	23
Casitas Municipal Water District	—	56	56	Community Development Commission of the County of Los Angeles	566	—	566
Castaic Lake Water Agency	—	109	109				
Castro Valley Sanitary District	—	21	21				

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Compton Creek Mosquito Abatement District	—	1	1	East Orange County Water District	—	9	9
Compton Unified School District	—	26	26	East Palo Alto Sanitary District	—	10	10
Conejo Recreation and Park District	153	—	153	East Quincy Services District	—	5	5
Consolidated Mosquito Abatement District	—	27	27	East San Gabriel Valley Human Services Consortium	—	6	6
Contra Costa Community College District	—	25	25	East Valley Water District	—	65	65
Contra Costa County Law Library	—	3	3	Eastern Municipal Water District	662	—	662
Contra Costa County Schools Insurance Group	—	31	31	Eastern Sierra Transit Authority	—	49	49
Contra Costa Transportation Authority	—	20	20	Ebbetts Pass Fire Protection District	—	26	26
Cooperative Organization for the Development of Employee Selection Procedures	—	6	6	El Dorado County Fire Protection District	—	77	77
Cooperative Personnel Services	206	—	206	El Dorado County Resource Conservation District	—	2	2
Copperopolis Fire Protection District	—	25	25	El Dorado County Transit Authority	—	70	70
Cordelia Fire Protection District of Solano County	—	4	4	El Dorado County Transportation Commission	—	6	6
Cordova Recreation and Park District	—	53	53	El Dorado Hills Community Services District	—	38	38
Corning Water District	—	3	3	El Dorado Hills County Water District	—	63	63
Costa Mesa Sanitary District	—	14	14	El Dorado Irrigation District	214	—	214
Cosumnes Community Services District	359	—	359	El Dorado Local Agency Formation Commission	—	3	3
Cottonwood Fire Protection District	—	3	3	Encina Wastewater Authority	—	68	68
Cottonwood Water District	—	3	3	Esparto Community Services District	—	4	4
CRA/LA, a Designated Local Authority	—	30	30	Esparto Fire Protection District	—	2	2
Crescent City Harbor District	—	9	9	Estero Municipal Improvement District	150	69	219
Crescenta Valley Water District	—	37	37	Exeter District Ambulance	—	29	29
Crestline Lake Arrowhead Water Agency	—	10	10	Exposition Metro Line Construction Authority	—	17	17
Crestline Village Water District	—	13	13	Fair Oaks Recreation & Park District	—	14	14
Crockett Community Services District	—	4	4	Fair Oaks Water District	—	29	29
CSAC Excess Insurance Authority	—	56	56	Fairfield-Suisun Sewer District	—	59	59
Cucamonga Valley Water District	123	—	123	Fall River Valley Community Services District	—	5	5
Cutler Public Utility District	—	4	4	Fallbrook Public Utility District	—	64	64
Cutler-Orosi Joint Powers Wastewater Authority	—	3	3	Far Northern Coordinating Council on Developmental Disabilities	177	—	177
Cuyama Valley Recreation District	—	2	2	Feather River Air Quality Management District	—	12	12
Dairy Council of California	—	40	40	Feather River Recreation and Park District	—	14	14
Daly City Redevelopment Agency	—	—	—	Feather Water District	—	3	3
Davis Cemetery District	—	5	5	Felton Fire Protection District	—	2	2
De Luz Community Services District	—	6	6	Fern Valley Water District	—	4	4
Del Norte County Library District	—	4	4	Florin County Water District	—	13	13
Del Paso Manor Water District	—	4	4	Florin Resource Conservation District Elk Grove Water District	—	39	39
Del Puerto Water District	—	5	5	Fontana Unified School District	—	18	18
Del Rey Community Services District	—	4	4	Foothill Municipal Water District	—	9	9
Delano Mosquito Abatement District	—	6	6	Foresthill Public Utility District	—	9	9
Delta Diablo	—	73	73	Forestville Fire Protection District	—	12	12
Delta Vector Control District	—	14	14	Forestville Water District	—	4	4
Denair Community Services District	—	7	7	Fort Bragg Fire Protection Authority	—	4	4
Desert Water Agency	—	82	82	Fort Ord Reuse Authority	—	15	15
Diablo Water District	—	13	13	Foundation for California Community Colleges	—	117	117
Diamond Springs/El Dorado Fire Protection District	—	26	26	Fresno City Housing Authority	124	—	124
Dixon Public Library District	—	10	10	Fresno County Housing Authority	116	—	116
Donald P. and Katherine B. Loker University Student Union, Inc.	—	13	13	Fresno County Law Library	—	3	3
Dougherty Regional Fire Authority	—	—	—	Fresno Westside Mosquito Abatement District	—	9	9
Downey Cemetery District	—	—	—	Fruitridge Fire Protection District	—	—	—
Dublin San Ramon Services District	—	107	107	Fullerton California State University Associated Students	—	57	57
Durham Mosquito Abatement District	—	1	1	Fulton-El Camino Recreation and Park District	—	9	9
East Bay Dischargers Authority	—	3	3	Garden Valley Fire Protection District	—	16	16
East Bay Regional Park District	621	71	692	Georgetown Divide Public Utility District	—	21	21
East Contra Costa Irrigation District	—	19	19	Georgetown Divide Resource Conservation District	—	2	2
East County Schools Federal Credit Union	—	15	15	Georgetown Fire Protection District	—	13	13

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Gilizer County Drainage District	—	3	3	Housing Authority of the City of San Luis Obispo	—	43	43
Glen Ellen Fire Protection District	—	14	14	Housing Authority of the City of South San Francisco	—	4	4
Glendale College, Associated Students of	—	2	2	Housing Authority of the County of Butte	—	34	34
Glendale Community College District	—	6	6	Housing Authority of the County of Kern	129	—	129
Glenn County Mosquito and Vector Control District	—	2	2	Housing Authority of the County of Santa Clara	124	—	124
Gold Coast Transit	201	—	201	Housing Authority of the County of Santa Cruz	—	57	57
Gold Ridge Fire Protection District	—	24	24	Hub Cities Consortium	—	25	25
Gold Ridge Resource Conservation District	—	6	6	Human Rights/Fair Housing Commission of the City and County of Sacramento	—	19	19
Golden Gate Bridge Highway and Transportation District	500	—	500	Humboldt Bay Fire Joint Powers Authority	—	120	120
Golden Hills Community Services District	—	15	15	Humboldt Bay Harbor Recreation and Conservation District	—	16	16
Golden Sierra Job Training Agency	—	19	19	Humboldt Bay Municipal Water District	—	32	32
Goleta Sanitary District	—	35	35	Humboldt Community Services District	—	21	21
Goleta Water District	—	70	70	Humboldt County Association of Governments	—	5	5
Goleta West Sanitary District	—	6	6	Humboldt State University Center Board of Directors	—	45	45
Granada Sanitary District	—	1	1	Humboldt Transit Authority	—	49	49
Great Basin Unified Air Pollution Control District	—	21	21	Humboldt Waste Management Authority	—	44	44
Greater Anaheim Special Education Local Plan Area	—	82	82	Idyllwild Fire Protection District	—	10	10
Greater Los Angeles County Vector Control District	—	68	68	Independent Cities Association, Inc.	—	—	—
Greater Vallejo Recreation District	—	69	69	Indian Wells Valley Water District	—	29	29
Green Valley County Water District	—	2	2	Inland Counties Regional Center, Inc.	620	—	620
Greenfield Fire Protection District	—	7	7	Inland Empire Health Plan	1,400	—	1,400
Gridley Biggs Cemetery District	—	4	4	Inland Empire Resource Conservation District	—	6	6
Grossmont Healthcare District	—	6	6	Inland Empire Utilities Agency	280	—	280
Grossmont-Cuyamaca Community College District Auxiliary Organization	—	52	52	Intelecom Intelligent Telecommunications	—	13	13
Groveland Community Services District	—	18	18	Intergovernmental Training and Development Center	—	7	7
Gualala Community Services District	—	4	4	Inverness Public Utility District	—	5	5
Hacienda La Puente Unified School District	—	6	6	Ironhouse Sanitary District	—	32	32
Hamilton Branch Fire Protection District	—	—	—	Irvine Child Care Project	—	—	—
Happy Camp Sanitary District	—	—	—	Irvine Ranch Water District	344	—	344
Happy Homestead Cemetery District	—	3	3	Isla Vista Recreation and Park District	—	9	9
Happy Valley Fire District	—	3	3	Jackson Valley Irrigation District	—	4	4
Hayward Area Recreation and Park District	130	—	130	Jamestown Sanitary District	—	4	4
Health Plan of San Joaquin	—	276	276	Janesville Fire Protection District	—	—	—
Heartland Communications Facility Authority	—	17	17	Joshua Basin Water District	—	21	21
Heber Public Utility District	—	16	16	June Lake Public Utility District	—	7	7
Helendale Community Services District	—	18	18	Jurupa Area Recreation and Park District	—	14	14
Helix Water District	147	—	147	Jurupa Community Services District	—	181	181
Henry Miller Reclamation District No. 2131	—	35	35	Kaweah Delta Water Conservation District	—	22	22
Herald Fire Protection District	—	5	5	Kelseyville Fire Protection District	—	40	40
Heritage Ranch Community Services District	—	8	8	Kensington Community Services District	—	10	10
Herlong Public Utility District	—	4	4	Kentfield Fire Protection District	—	18	18
Hesperia Fire Protection District	—	—	—	Kenwood Fire Protection District	—	5	5
Hesperia Water District	—	57	57	Kern County Council of Governments	—	22	22
Hidden Valley Lake Community Services District	—	13	13	Kern County Law Library	—	4	4
Hi-Desert Water District	—	40	40	Kern County Local Agency Formation Commission	—	2	2
Higgins Area Fire Protection District	—	21	21	Kern Health Systems	—	324	324
Hilton Creek Community Services District	—	2	2	Kern River Valley Cemetery District	—	2	2
Hopland Public Utility District	—	—	—	Kern-Tulare Water District	—	6	6
Housing Authority of the City of Alameda	—	48	48	Kettleman City Community Services District	—	4	4
Housing Authority of the City of Callexico	—	15	15	Kings County Area Public Transit Agency	—	8	8
Housing Authority of the City of Eureka	—	23	23	Kings County Association of Governments	—	6	6
Housing Authority of the City of Livermore	—	16	16	Kings County In-Home Supportive Services Public Authority	—	5	5
Housing Authority of the City of Los Angeles	723	—	723	Kings Mosquito Abatement District	—	16	16
Housing Authority of the City of Madera	—	25	25	Kings Waste and Recycling Authority	—	39	39
Housing Authority of the City of San Buenaventura	—	53	53				

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Kinneloa Irrigation District	—	4	4	Lower Lake County Waterworks District No. 1	—	5	5
Kirkwood Meadows Public Utility District	—	21	21	Lower Tule River Irrigation District	—	27	27
Konocti County Water District	—	10	10	Madera Cemetery District	—	19	19
La Branza Water District	—	—	—	Madera County Mosquito and Vector Control District	—	11	11
La Habra Heights County Water District	—	10	10	Main San Gabriel Basin Watermaster	—	9	9
La Puente Valley County Water District	—	14	14	Majestic Pines Community Services District	—	3	3
Laguna Beach County Water District	—	44	44	Mammoth Lakes Fire District	—	16	16
Lake Arrowhead Community Services District	—	51	51	Mammoth Lakes Mosquito Abatement District	—	—	—
Lake County Fire Protection District	—	42	42	Management of Emeryville Services Authority	—	117	117
Lake County Vector Control District	—	10	10	March Joint Powers Authority	—	14	14
Lake Don Pedro Community Services District	—	7	7	Marin Children and Families Commission	—	3	3
Lake Hemet Municipal Water District	—	54	54	Marin Community College District	—	8	8
Lake Oroville Area Public Utility District	—	8	8	Marin County Housing Authority	—	38	38
Lake Shastina Community Services District	—	11	11	Marin County In-Home Supportive Services Public Authority	—	4	4
Lake Valley Fire Protection District	—	61	61	Marin Healthcare District	—	—	—
Lakeport County Fire Protection District	—	21	21	Marin Municipal Water District	238	—	238
Lakeside Fire Protection District	—	55	55	Marina Coast Water District	—	35	35
Lakeside Water District	—	12	12	Marinwood Community Services District	—	20	20
Lamont Public Utility District	—	11	11	Mariposa Public Utility District	—	8	8
Las Gallinas Valley Sanitary District of Marin County	—	20	20	Maxwell Public Utility District	—	3	3
Las Virgenes Municipal Water District	109	—	109	McFarland Recreation and Park District	—	8	8
Lassen County Waterworks District No. 1	—	2	2	McKinleyville Community Services District	—	26	26
League of California Cities	—	71	71	McCloud Community Services District	—	8	8
Lee Lake Water District	—	10	10	Meeks Bay Fire Protection District	—	14	14
Leucadia Wastewater District	—	19	19	Meiners Oaks County Water District	—	4	4
Levee District No. 1 of Sutter County	—	3	3	Mendocino City Community Services District	—	5	5
Linda County Water District	—	11	11	Mendocino County Russian River Flood Control & Water Conservation Improvement District	—	1	1
Linda Fire Protection District	—	17	17	Mendocino Transit Authority	—	67	67
Linden-Peters Rural County Fire Protection District	—	12	12	Menlo Park Fire Protection District	—	108	108
Lindsay Strathmore Public Cemetery District	—	5	5	Merced County Housing Authority	—	33	33
Little Lake Fire Protection District	—	5	5	Merced County Mosquito Abatement District	—	15	15
Littlerock Creek Irrigation District	—	6	6	Merced Irrigation District	151	—	151
Live Oak Cemetery District	—	3	3	Mesa Water District	—	49	49
Livermore/Amador Valley Transit Authority	—	15	15	Metro Gold Line Foothill Extension Construction Authority	—	12	12
Local Agency Formation Commission of Monterey County	—	3	3	Metropolitan Transportation Commission	190	—	190
Local Agency Formation Commission of Solano County	—	1	1	Metropolitan Water District of Southern California	1,771	—	1,771
Local Government Services Authority, a Joint Powers Authority	—	41	41	Midpeninsula Regional Open Space District	—	125	125
Lompico County Water District	—	4	4	Mid-Peninsula Water District	—	19	19
Long Beach City College Associated Student Body Enterprises	—	1	1	Mid-Placer Public Schools Transportation Agency	—	38	38
Long Beach State University, Associated Students	—	72	72	Midway City Sanitary District	—	28	28
Long Beach State University, Forty-Niner Shops, Inc.	—	62	62	Midway Heights County Water District	—	4	4
Loomis Fire Protection District	—	14	14	Millview County Water District	—	4	4
Los Alamos Community Services District	—	4	4	Minter Field Airport District	—	11	11
Los Angeles County Area 'E' Civil Defense and Disaster Board	—	3	3	Mission Springs Water District	—	42	42
Los Angeles County Law Library	—	39	39	Mojave Air and Space Port	—	23	23
Los Angeles County Sanitation District No. 2	1,646	—	1,646	Mojave Water Agency	—	39	39
Los Angeles County West Vector Control District	—	33	33	Mokelumne Rural Fire District	—	7	7
Los Angeles Memorial Coliseum Commission	—	1	1	Monte Vista County Water District	—	32	32
Los Angeles Regionalized Insurance Services Authority	—	—	—	Montecito Fire Protection District	—	46	46
Los Gatos-Saratoga Department of Community Education and Recreation	—	40	40	Montecito Sanitary District of Santa Barbara County	—	16	16
Los Osos Community Services District	—	25	25	Montecito Water District	—	25	25
Lower Lake Cemetery District	—	2	2	Monterey Bay Unified Air Pollution Control District	—	33	33
				Monterey County Regional Fire Protection District	—	58	58
				Monterey County Water Resources Agency	—	36	36

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Monterey Peninsula Airport District	—	35	35	North Tahoe Fire Protection District	—	64	64
Monterey Peninsula Regional Park District	—	14	14	North Tahoe Public Utility District	—	47	47
Monterey Peninsula Water Management District	—	27	27	Northern California Power Agency	150	—	150
Monterey Regional Waste Management District	109	—	109	Northern California Special Districts Insurance Authority	—	1	1
Monterey Regional Water Pollution Control Agency	—	80	80	Northern Salinas Valley Mosquito Abatement District	—	9	9
Monterey-Salinas Transit District	238	—	238	Northern Sierra Air Quality Management District	—	6	6
Montezuma Fire Protection District	—	15	15	Northshore Fire Protection District	—	44	44
Morongo Basin Transit Authority	—	37	37	Northstar Community Services District	—	37	37
Mother Lode Job Training Agency	—	16	16	Northwest Mosquito and Vector Control District	—	20	20
Moulton-Niguel Water District	—	123	123	Novato Sanitary District	—	17	17
Mountains Recreation and Conservation Authority	—	135	135	Oakdale Irrigation District	—	71	71
Mountain-Valley Library System	—	—	—	Oakdale Rural Fire Protection District	—	—	—
Mt. View Sanitary District of Contra Costa County	—	13	13	Oakland City Housing Authority	301	32	333
Mt. San Antonio College Auxiliary Services	—	9	9	Oakland Unified School District	—	19	19
Municipal Pooling Authority	—	14	14	Oceano Community Services District	—	8	8
Municipal Water District of Orange County	—	28	28	Ojai Valley Sanitary District	—	19	19
Murphys Sanitary District	—	5	5	Olcese Water District	—	—	—
Murrieta Fire Protection District	—	51	51	Olivenhain Municipal Water District	—	85	85
Murrieta Valley Cemetery District	—	6	6	Omnitrans	662	—	662
Napa County Mosquito Abatement District	—	8	8	Ophir Hill Fire Protection District	—	12	12
Napa County Resource Conservation District	—	11	11	Orange County Health Authority	993	—	993
Napa County Transportation and Planning Agency	—	13	13	Orange County Transportation Authority	—	2	2
Napa Sanitation District	—	47	47	Orange County Vector Control District	—	64	64
National Orange Show	—	58	58	Orchard Dale Water District	—	9	9
Natomas Fire Protection District	—	—	—	Orland Cemetery District	—	3	3
Nevada Cemetery District	—	4	4	Oro Loma Sanitary District	—	45	45
Nevada County Consolidated Fire District	—	44	44	Orosi Public Utility District	—	4	4
Nevada County Local Agency Formation Commission	—	3	3	Oroville Cemetery District	—	7	7
Nevada County Resource Conservation District	—	3	3	Oroville Mosquito Abatement District	—	1	1
Nevada Irrigation District	208	—	208	Otay Water District	136	—	136
Nevada-Sierra Regional IHSS Public Authority	—	17	17	Oxnard Harbor District	—	29	29
Newcastle, Rocklin, Gold Hill Cemetery District	—	7	7	Pacific Fire Protection District	—	—	—
Newhall County Water District	—	31	31	Padre Dam Municipal Water District	129	—	129
Newport Beach City Employees Federal Credit Union	—	2	2	Pajaro Valley Fire Protection Agency	—	—	—
Niland Sanitary District	—	2	2	Pajaro Valley Public Cemetery District	—	7	7
Nipomo Community Services District	—	17	17	Pajaro Valley Water Management Agency	—	13	13
North Bay Cooperative Library System	—	3	3	Palm Ranch Irrigation District	—	5	5
North Bay Regional Center	200	—	200	Palmdale Water District	—	91	91
North Bay Schools Insurance Authority	—	26	26	Palo Verde Valley District Library	—	5	5
North Central Counties Consortium	—	5	5	Palos Verdes Library District	—	53	53
North Coast County Water District	—	19	19	Paradise Recreation and Park District	—	25	25
North Coast Railroad Authority	—	2	2	Pasadena City College Bookstore	—	7	7
North Coast Unified Air Quality Management District	—	14	14	Paso Robles City Housing Authority	—	8	8
North County Dispatch Joint Powers Authority	—	32	32	Patterson Irrigation District	—	13	13
North County Fire Protection District of Monterey County	—	38	38	Pauma Valley Community Services District	—	14	14
North County Fire Protection District of San Diego County	—	83	83	Peardale Chicago Park Fire Protection District	—	3	3
North County Transit District	149	—	149	Pebble Beach Community Services District	—	11	11
North Delta Water Agency	—	2	2	Peninsula Fire Protection District	—	13	13
North Kern Cemetery District	—	8	8	Peninsula Health Care District	—	2	2
North Kern Water Storage District	—	36	36	Peninsula Traffic Congestion Relief Alliance	—	10	10
North Kern-South Tulare Hospital District	191	—	191	Penn Valley Fire Protection District	—	16	16
North Los Angeles County Regional Center, Inc.	419	—	419	Personal Assistance Services Council	—	24	24
North Marin Water District	—	52	52	Phelan Pinon Hills Community Services District	—	24	24
North of the River Municipal Water District	—	—	—	Pico Water District	—	11	11
North of the River Recreation and Park District	150	—	150	Pine Cove Water District	—	5	5
North State Cooperative Library System	—	—	—	Pine Grove Mosquito Abatement District	—	1	1

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Pinedale County Water District	—	9	9	Regional Water Authority	—	6	6
Pioneer Cemetery District	—	3	3	Rescue Fire Protection District	—	12	12
Pixley Irrigation District	—	4	4	Resort Improvement District No. 1	—	14	14
Placer County Cemetery District No. 1	—	6	6	Resource Conservation District of the Santa Monica Mountains	—	16	16
Placer County Resource Conservation District	—	4	4	Richardson Bay Sanitary District	—	4	4
Placer County Transportation Planning Agency	—	7	7	Rincon Del Diablo Municipal Water District	—	24	24
Placer County Water Agency	201	—	201	Rincon Valley Fire Protection District	—	25	25
Placer Hills Fire Protection District	—	34	34	Rio Alto Water District	—	7	7
Placer Mosquito and Vector Control District	—	18	18	Rio Linda Elverta Community Water District	—	12	12
Planning and Service Area II Area Agency on Aging	—	10	10	Rio Vista-Montezuma Cemetery District	—	4	4
Pleasant Hill - Martinez Joint Facilities Agency	—	97	97	Riverbank City Housing Authority	—	2	2
Pleasant Hill Recreation and Park District	—	45	45	Riverside County Air Pollution Control District	—	—	—
Pleasant Valley County Water District	—	5	5	Riverside County Flood Control and Water Conservation District	236	—	236
Pleasant Valley Recreation and Park District	—	45	45	Riverside County Law Library	—	12	12
Plumas Eureka Community Services District	—	4	4	Riverside County Regional Park and Open Space District	—	170	170
Plumas Local Agency Formation Commission	—	—	—	Riverside County Transportation Commission	—	44	44
Pomerado Cemetery District	—	3	3	Riverside County Waste Resources Management District	—	25	25
Pomona Valley Transportation Authority	—	3	3	Riverside Transit Agency	422	—	422
Pomona, Calif State Polytechnic University, Associated Students, Inc.	—	61	61	Rosamond Community Services District	—	23	23
Port San Luis Harbor District	—	29	29	Rose Bowl Operating Company	—	31	31
Porter Vista Public Utility District	—	2	2	Rosedale-Rio Bravo Water Storage District	—	7	7
Porterville Irrigation District	—	2	2	Roseville Public Cemetery District	—	7	7
Porterville Public Cemetery District	—	11	11	Ross Valley Fire Department	—	38	38
Public Agency Risk Sharing Authority of California	—	5	5	Rowland Water District	—	25	25
Public Cemetery District No. 1 of Kern County	—	7	7	Rubidoux Community Services District	—	22	22
Public Entity Risk Management Authority	—	5	5	Running Springs Water District	—	41	41
Public Transportation Services Corporation	2,013	—	2,013	Russian River Fire Protection District	—	18	18
Pupil Transportation Cooperative	127	—	127	Sacramento Area Council of Governments	—	59	59
Purissima Hills Water District	—	8	8	Sacramento Area Flood Control Agency	—	24	24
Quartz Hill Water District	—	14	14	Sacramento City Housing Authority	188	—	188
Quincy Community Services District	—	8	8	Sacramento County Public Law Library	—	20	20
Rainbow Municipal Water District	—	48	48	Sacramento Metropolitan Air Quality Management District	—	97	97
Ramona Municipal Water District	—	51	51	Sacramento Metropolitan Cable Television Commission	—	8	8
Rancho Adobe Fire Protection District	—	34	34	Sacramento Metropolitan Fire District	596	125	721
Rancho California Water District	139	—	139	Sacramento Municipal Utility District	2,202	—	2,202
Rancho Cucamonga Fire Protection District	—	121	121	Sacramento Public Library Authority	347	—	347
Rancho Murieta Community Services District	—	38	38	Sacramento Regional Fire/EMS Communications Center	—	58	58
Rancho Santa Fe Fire Protection District	—	69	69	Sacramento Suburban Water District	—	61	61
Rancho Santiago Community College Associated Students	—	—	—	Sacramento Transportation Authority	—	4	4
Rancho Simi Recreation & Park District	224	—	224	Sacramento-Yolo Mosquito and Vector Control District	—	66	66
Reclamation District No. 1001	—	12	12	Salida Fire Protection District	—	12	12
Reclamation District No. 1660	—	—	—	Salinas Valley Solid Waste Authority	—	44	44
Reclamation District No. 833	—	2	2	Salton Community Services District	—	21	21
Reclamation District No. 999	—	4	4	Samoa Peninsula Fire Protection District	—	—	—
Reclamation District No. 1000	—	11	11	San Andreas Regional Center, Inc.	296	—	296
Reclamation District No. 3	—	2	2	San Andreas Sanitary District	—	7	7
Red Bluff Cemetery District	—	4	4	San Benito County Water District	—	20	20
Redwood Coast Regional Center	—	95	95	San Bernardino City Unified School District	—	27	27
Redwood Empire Municipal Insurance Fund	—	13	13	San Bernardino County Housing Authority	126	—	126
Redwood Empire School Insurance Group	—	23	23	San Bernardino County Transportation Authority	—	—	—
Reedley Cemetery District	—	5	5	San Bernardino Economic Development Agency	—	1	1
Regional Center of Orange County	450	—	450	San Bernardino Valley Municipal Water District	—	21	21
Regional Center of the East Bay	348	—	348	San Bernardino Valley Water Conservation District	—	6	6
Regional Council of Rural Counties	—	28	28	San Diego Association of Governments	346	—	346
Regional Housing Authority of Sutter and Nevada Counties	—	34	34				

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
San Diego County Law Library	—	18	18	Santa Clara County Law Library	—	3	3
San Diego County Water Authority	241	—	241	Santa Clara County Open Space Authority	—	27	27
San Diego Metropolitan Transit System	—	147	147	Santa Clara County Schools Insurance Group	—	4	4
San Diego Pooled Insurance Program Authority	—	1	1	Santa Clara Valley Transportation Authority	666	—	666
San Diego Rural Fire Protection District	—	—	—	Santa Clara Valley Water District	682	—	682
San Diego State University Associated Students	—	34	34	Santa Clarita Valley School Food Services Agency	—	102	102
San Diego Trolley, Inc.	555	—	555	Santa Cruz County Law Library	—	—	—
San Diego Unified School District	—	40	40	Santa Cruz County Regional Transportation Commission	—	15	15
San Dieguito Water District	—	24	24	Santa Cruz Local Agency Formation Commission	—	2	2
San Elijo Joint Powers Authority	—	21	21	Santa Cruz Metropolitan Transit District	346	—	346
San Francisco Bay Area Rapid Transit District	3,505	—	3,505	Santa Cruz Port District	—	39	39
San Francisco Bay Area Water Emergency Transportation Authority	—	12	12	Santa Cruz Regional 9-1-1	—	52	52
San Francisco City and County Housing Authority	179	—	179	Santa Fe Irrigation District	—	44	44
San Francisco City and County Redevelopment Agency	—	28	28	Santa Margarita Water District	154	—	154
San Francisco Community College District Bookstore Auxiliary	—	1	1	Santa Maria Public Airport District	—	12	12
San Francisco County Transportation Authority	—	38	38	Santa Monica Community College District	—	13	13
San Francisco Health Authority	—	303	303	Santa Nella County Water District	—	7	7
San Francisco Law Library	—	7	7	Santa Paula City Housing Authority	—	7	7
San Francisquito Creek Joint Powers Authority	—	3	3	Santa Ynez River Water Conservation District, Improvement District No. 1	—	16	16
San Gabriel County Water District	—	15	15	Sausalito-Marín City Sanitary District	—	13	13
San Gabriel Valley Council of Governments	—	25	25	School Risk And Insurance Management Group	—	9	9
San Gabriel Valley Mosquito and Vector Control District	—	32	32	Schools Excess Liability Fund	—	8	8
San Gabriel Valley Municipal Water District	—	8	8	Schools Insurance Authority	—	66	66
San Geronio Pass Water Agency	—	4	4	Scotts Valley Fire Protection District	—	28	28
San Jacinto Valley Cemetery District	—	10	10	Scotts Valley Water District	—	19	19
San Joaquin County Housing Authority	—	81	81	Selma Cemetery District	—	6	6
San Joaquin County IHSS Public Authority	—	8	8	Selma-Kingsburg-Fowler County Sanitation District	—	30	30
San Joaquin Delta Community College District	—	10	10	Serrano Water District	—	12	12
San Juan Water District	—	48	48	Sewer Authority Mid-Coastside	—	13	13
San Lorenzo Valley Water District	—	27	27	Sewerage Commission-Oroville Region	—	8	8
San Luis Obispo Cal Poly Associated Students, Inc.	—	79	79	Shafter Wasco Irrigation District	—	9	9
San Luis Obispo Council of Governments	—	20	20	Shasta Area Safety Communications Agency	—	41	41
San Luis Obispo Regional Transit Authority	—	9	9	Shasta Community Services District	—	6	6
San Luis Water District	—	13	13	Shasta Lake Fire Protection District	—	8	8
San Mateo County Harbor District	—	28	28	Shasta Local Agency Formation Commission	—	—	—
San Mateo County In-Home Supportive Services Public Authority	—	7	7	Shasta Mosquito and Vector Control District	—	14	14
San Mateo County Law Library	—	4	4	Shasta Regional Transportation Agency	—	8	8
San Mateo County Schools Insurance Group	—	5	5	Shasta Valley Cemetery District	—	2	2
San Mateo County Transit District	709	—	709	Shiloh Public Cemetery District	—	4	4
San Miguel Community Services District	—	5	5	Sierra Lakes County Water District	—	4	4
San Miguel Consolidated Fire Protection District	—	15	15	Sierra-Sacramento Valley Emergency Medical Services Agency	—	11	11
San Simeon Community Services District	—	—	—	Silicon Valley Animal Control Authority	—	16	16
Sanger Cemetery District	—	8	8	Silicon Valley Clean Water	—	79	79
Sanitary District No. 1 of Marin County	—	35	35	Silveyville Cemetery District	—	5	5
Sanitary District No. 5 of Marin County	—	8	8	Solano County Mosquito Abatement District	—	9	9
Santa Ana River Flood Protection Agency	—	—	—	Solano County Water Agency	—	13	13
Santa Ana Unified School District	—	34	34	Solano Irrigation District	—	90	90
Santa Ana Watershed Project Authority	—	24	24	Solano Transportation Authority	—	22	22
Santa Barbara County Law Library	—	2	2	Soledad Community Health Care District	—	—	—
Santa Barbara County Special Education Local Plan Area	—	11	11	Sonoma County Library	153	—	153
Santa Barbara Regional Health Authority	—	170	170	Sonoma Marin Area Rail Transit District	—	47	47
Santa Clara County Central Fire Protection District	232	65	297	Sonoma State Enterprises, Inc.	—	—	—
Santa Clara County Health Authority	—	145	145	Sonoma Student Union Corporation	—	—	—
				Soquel Creek Water District	—	45	45

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
South Bay Regional Public Communications Authority	—	59	59	Three Arch Bay Community Services District	—	—	—
South Central Los Angeles Regional Center for Developmentally Disabled Persons	255	—	255	Three Rivers Community Services District	—	1	1
South Coast Water District	—	94	94	Three Valleys Municipal Water District	—	25	25
South County Support Services Agency	—	41	41	Tiburon Fire Protection District	—	28	28
South Feather Water and Power Agency	—	60	60	Torrance City Redevelopment Agency	—	—	—
South Kern Cemetery District	—	4	4	Trabuco Canyon Water District	—	22	22
South Orange County Wastewater Authority	—	62	62	Tracy Rural County Fire Protection District	—	—	—
South Placer Fire District	—	46	46	Transbay Joint Powers Authority	—	15	15
South Placer Municipal Utility District	—	24	24	Transportation Agency for Monterey County	—	14	14
South San Joaquin Irrigation District	—	89	89	Treasure Island Development Authority	—	—	—
South San Luis Obispo County Sanitation District	—	11	11	Tri-City Mental Health Center	—	167	167
South Tahoe Public Utility District	—	108	108	Tri-Counties Association for the Developmentally Disabled	302	—	302
Southeast Area Social Services Funding Authority	—	58	58	Tri-County Schools Insurance Group	—	5	5
Southern California Association of Governments	137	—	137	Tri-Dam Project	—	24	24
Southern California Library Cooperative	—	4	4	Trindel Insurance Fund	—	14	14
Southern California Public Power Authority	—	14	14	Trinity County Waterworks District No. 1	—	2	2
Southern California Regional Rail Authority	229	—	229	Trinity Public Utilities District	—	24	24
Southern San Joaquin Municipal Utility District	—	13	13	Truckee Donner Public Utility District	—	67	67
Southern Sonoma County Resource Conservation District	—	—	—	Truckee Fire Protection District	—	47	47
Southwest Transportation Agency	—	44	44	Truckee Sanitary District	—	32	32
Special District Risk Management Authority	—	13	13	Truckee Tahoe Airport District	—	22	22
Squaw Valley Public Service District	—	29	29	Tulare Mosquito Abatement District	—	5	5
Stallion Springs Community Services District	—	12	12	Tulare Public Cemetery District	—	7	7
Stanislaus Consolidated Fire Protection District	—	78	78	Tuolumne Fire District	—	3	3
Stanislaus County Housing Authority	—	86	86	Tuolumne Utilities District	—	71	71
State and Federal Contractors Water Agency	—	6	6	Turlock Mosquito Abatement District	—	15	15
State Bar of California	536	—	536	Twain Harte Community Services District	—	15	15
State Water Contractors	—	9	9	Twentynine Palms Water District	—	24	24
Stege Sanitary District	—	12	12	Twin Rivers Unified School District	—	27	27
Stinson Beach County Water District	—	8	8	Ukiah Valley Fire District	—	6	6
Stockton East Water District	—	35	35	Union Public Utility District	—	7	7
Stockton Unified School District	—	26	26	Union Sanitary District	135	—	135
Strawberry Recreation District	—	6	6	United Water Conservation District	—	53	53
Student Union, San Bernardino, California State University	—	20	20	University Enterprises Corporation at CSUSB	—	125	125
Successor Agency to the Redevelopment Agency of the City of Fresno	—	3	3	University Enterprises, Inc.	166	—	166
Suisun Fairfield Rockville Cemetery District	—	12	12	University Student Union California State University Stanislaus	—	4	4
Suisun Fire Protection District	—	1	1	Upland City Housing Authority	—	10	10
Suisun Resource Conservation District	—	7	7	Upper San Gabriel Valley Municipal Water District	—	12	12
Summit Cemetery District	—	10	10	Vacaville Fire Protection District	—	5	5
Sunnyslope County Water District	—	18	18	Vacaville-Elmira Cemetery District	—	6	6
Susanville Sanitary District	—	9	9	Vallecitos Water District	—	121	121
Sutter Cemetery District	—	12	12	Vallejo Sanitation and Flood Control District	—	82	82
Sweetwater Authority	141	—	141	Valley Center Municipal Water District	—	61	61
Sweetwater Springs Water District	—	10	10	Valley County Water District	—	26	26
Sylvan Cemetery District	—	5	5	Valley Mountain Regional Center, Inc.	273	—	273
Tahoe City Public Utility District	—	51	51	Valley of the Moon Water District	—	11	11
Tahoe Resource Conservation District	—	28	28	Valley Sanitary District	—	27	27
Tahoe Transportation District	—	—	—	Valley Springs Public Utility District	—	3	3
Tahoe-Truckee Sanitation Agency	—	50	50	Valley-Wide Recreation and Park District	—	106	106
Tehachapi Valley Recreation and Park District	—	13	13	Vandenberg Village Community Services District	—	10	10
Tehachapi-Cummings County Water District	—	19	19	Ventura College Foundation	—	7	7
Tehama County Mosquito Abatement District	—	6	6	Ventura County Law Library	—	4	4
Templeton Community Services District	—	21	21	Ventura County Schools Business Services Authority	—	14	14
Thermalito Water and Sewer District	—	9	9	Ventura County Schools Self-Funding Authority	—	9	9
				Ventura County Transportation Commission	—	18	18

PUBLIC AGENCY EMPLOYERS (CONTINUED)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Other Public Agency	Active		Total	Other Public Agency	Active		Total
	PERF A	PERF C			PERF A	PERF C	
Ventura Port District	—	39	39	Western Municipal Water District	—	143	143
Ventura River County Water District	—	6	6	Western Riverside Council of Governments	—	19	19
Victor Valley Transit Authority	—	14	14	Westlands Water District	—	113	113
Victor Valley Wastewater Reclamation Authority	—	43	43	Westwood Community Services District	—	6	6
Visalia Public Cemetery District	—	5	5	Wheeler Ridge-Maricopa Water Storage District	—	47	47
Vista Irrigation District	—	93	93	Wildomar Cemetery District	—	—	—
Walnut Valley Water District	—	58	58	Willow County Water District	—	7	7
Wasco Recreation and Park District	—	5	5	Willow Creek Community Services District	—	6	6
Washington Colony Cemetery District	—	3	3	Willows Cemetery District	—	3	3
Water Employee Services Authority	178	—	178	Wilton Fire Protection District	—	1	1
Water Facilities Authority	—	8	8	Windsor Fire Protection District	—	17	17
Water Replenishment District of Southern California	—	32	32	Winterhaven Water District	—	1	1
Weaverville Community Services District	—	5	5	Winters Cemetery District	—	1	1
Weaverville Sanitary District	—	3	3	Winters Fire Protection District	—	—	—
West Almanor Community Services District	—	1	1	Winton Water and Sanitary District	—	9	9
West Basin Municipal Water District	—	43	43	Woodbridge Rural County Fire Protection District	—	30	30
West Bay Sanitary District	—	26	26	Woodlake Fire District	—	6	6
West Cities Communication Center	—	22	22	Woodside Fire Protection District	—	56	56
West Contra Costa Integrated Waste Management Authority	—	2	2	Yolo County Federal Credit Union	—	51	51
West Contra Costa Transportation Advisory Committee	—	5	5	Yolo County Housing Authority	—	39	39
West County Transportation Agency	—	114	114	Yolo County In-Home Supportive Services Public Authority	—	4	4
West County Wastewater District	—	55	55	Yolo County Public Agency Risk Management Insurance Authority	—	7	7
West End Communications Authority	—	—	—	Yolo County Transportation District	—	11	11
West Kern Water District	—	42	42	Yolo Emergency Communications Agency	—	43	43
West Stanislaus Irrigation District	—	16	16	Yolo-Solano Air Quality Management District	—	21	21
West Valley Mosquito and Vector Control District	—	15	15	Yorba Linda Water District	—	75	75
West Valley Sanitation District of Santa Clara County	—	31	31	Yuba Community College District	—	5	5
West Valley Water District	—	63	63	Yuba County Water Agency	—	50	50
West Valley-Mission Community College District	—	8	8	Yuba Sutter Transit Authority	—	5	5
Westborough Water District	—	5	5	Yucaipa Valley Water District	—	55	55
Western Contra Costa Transit Authority	—	7	7	Yuima Municipal Water District	—	10	10
Total				37,721 22,666 60,387			

LEGISLATORS' RETIREMENT SYSTEM MEMBERSHIP & RETIREMENT DATA

Legislators' Retirement System – 10-Year Review

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ACTIVE & INACTIVE MEMBERS										
Members of the Legislature	6	6	7	8	8	15	17	18	23	27
Constitutional Officers	14	17	17	19	20	17	18	18	19	15
Legislative Statutory Officers	2	4	4	4	4	4	4	4	4	4
TOTAL ACTIVE & INACTIVE MEMBERS	22	27	28	31	32	36	39	40	46	46
BENEFIT RECIPIENTS										
Members of the Legislature										
Service Retirement	221	225	226	200	210	214	221	222	228	227
Disability Retirement	8	7	7	9	9	9	9	11	11	6
Pre-Retirement Option 2	1	2	2	—	—	(1)	—	—	—	—
Refund of Contributions	1	—	—	—	—	—	—	—	—	—
Total Members of the Legislature	231	234	235	209	219	222	230	233	239	233
Constitutional Officers										
Service Retirement	12	11	10	26	26	25	21	21	22	22
Disability Retirement	1	1	1	1	1	1	1	1	1	1
Pre-Retirement Option 2	1	—	1	2	2	2	2	2	2	2
Total Constitutional Officers	14	12	12	29	29	28	24	24	25	25
Legislative Statutory Officers										
Service Retirement	1	1	1	5	5	5	5	5	5	5
Refund of Contributions	1	—	—	—	—	—	—	—	—	—
Total Legislative Statutory Officers	2	1	1	5						
TOTAL BENEFIT RECIPIENTS	247	247	248	243	253	255	259	262	269	263
TOTAL MEMBERS	269	274	276	274	285	291	298	302	315	309

LEGISLATORS' RETIREMENT SYSTEM PROGRAM DATA

PRIMARY BENEFITS

CalPERS has administered the Legislators' Retirement System (LRS) since its inception in 1947. The duties of the Board with respect to administering LRS are the same as CalPERS on such items as determining membership and benefit rights, making investments, crediting interest, and obtaining information necessary for administration. Benefits payable from LRS are financed through the State's contribution as an employer, member contributions, and interest earned on investments.

The CalPERS Board is authorized to establish actuarially determined rates. For Fiscal Year 2013-14, the Board approved an employer contribution rate of 38.38 percent. Effective January 1, 2013, Assembly Bill 340 added Government Code section 7522.52. Section 7522.52 requires that a public employer's contribution to a defined benefit plan, in combination with employee contributions to that defined benefit plan, shall not be less than the normal cost.

Member contributions to LRS are made by active members based on position and membership date. Active Legislative Members and Constitutional Officers contribute 4 percent of compensation if first elected before March 4, 1972, or 8 percent of compensation if first elected after March 4, 1972. The interest credited to member accounts is the net earnings rate of investments.

ASSEMBLY BILL 340 – PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA)

The California Legislature passed and the Governor signed the Public Employees' Pension Reform Act of 2013 (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 31, 2012. The financial impact will be gradually realized as total pension costs and the employer share of those costs decrease.

PEPRA amended the Legislators' Retirement Law, and prohibits any Constitutional Officer or Legislative Statutory Officer who takes office on or after January 1, 2013 from participating in LRS.

PROPOSITION 140

Proposition 140, the Political Reform Act of 1990, requires that Legislators (Senators and Members of the Assembly) first elected after November 7, 1990 participate in the federal Social Security program and in no other retirement system.

MEMBERSHIP

Members of the Legislature serving prior to November 7, 1990, elected Constitutional Officers, and Legislative Statutory Officers serving prior to January 1, 2013, were eligible for membership.

SERVICE RETIREMENT

Retirement Age

The retirement age is 60, with four or more years of service credit, or any age with 20 or more years. The retirement age for Legislative Statutory Officers is 55, or any age with 20 years or more of service credit.

Members of the Legislature Benefit Formula

The retirement formula consists of three separate formulas that are totaled together to provide the members with their allowance. The first part of the formula consists of 5 percent of the first \$500 of salary up to 15 years of service. The second part is 3 percent per year of the same \$500 of salary for years in excess of 15 years. And finally, total years of service is multiplied by 3 percent per year of their salary above \$500. In no case may members receive more than two-thirds of their salary.

Constitutional Officers' Benefit Formula

Five percent per year of service up to eight years (40 percent) of their highest salary. If the member has 24 or more years of service, the retirement allowance is 60 percent of their final salary.

Statutory Officers' Benefit Formula

Statutory Officers receive 3 percent per year of service, not to exceed 66 percent of final monthly compensation.

Early Retirement Options for Members of the Legislature & Constitutional Officers

Legislators and Constitutional Officers may retire before age 60 with 15 years of service. However, their retirement allowance is reduced by 2 percent for each year they retire before age 60.

DISABILITY RETIREMENT

Disability retirement uses the same formula as service retirement. There is no reduction if retirement is before age 60 for members of the Legislature.

LEGISLATORS' RETIREMENT SYSTEM PROGRAM DATA (CONTINUED)

DEATH BENEFITS (BEFORE RETIREMENT)

Not Eligible to Retire

One month's salary for each year of service, plus the return of the member's contributions with interest payable to a survivor.

Eligible to Retire

If the member has elected one of the optional settlements, the beneficiary will receive the benefit provided by the option selected, calculated as if the date of death had been the date of retirement. In lieu of this benefit, the beneficiary may elect an allowance of one-half the unmodified retirement allowance, payable until death or remarriage.

DEATH BENEFITS WHILE IN OFFICE

Beneficiaries receive a lump-sum benefit in an amount equal to the annual compensation of an LRS member during the 12 months preceding the member's death, regardless of whether the member was eligible to retire.

DEATH BENEFITS (AFTER RETIREMENT)

Members choose between one of four options. The level of survivor benefit is based on the option chosen, without a reduction in allowance for members of the Legislature. Constitutional Officers and Statutory Officers receive a reduced allowance based on their age at time of retirement and the option they choose. Beneficiaries also receive a \$600 lump sum payment.

COST-OF-LIVING ADJUSTMENTS (COLA)

The annual COLA is determined by the Consumer Price Index.

LRS Active & Inactive Members

Category	Active	Inactive	TOTAL
Members of the Legislature	1	5	6
Constitutional Officers	8	6	14
Legislative Statutory Officers	—	2	2
Total	9	13	22

LRS Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$7,237,298
Disability Retirement	111,766
Beneficiary Death Benefits	2,400
Beneficiary Death Benefits/Allowance	83,115
Adjustments ¹	1,651,850
Total	\$9,086,429

(1) Adjustment category added in FY 2015 to accommodate manual claims and overpayment recoveries.

LRS Benefit Recipients by Retirement Type

Category	Retired ¹	Survivors & Beneficiaries ¹	TOTAL
Members of Legislature			
Service Retirement	106	115	221
Disability Retirement	—	8	8
Pre-Retirement Option 2	—	1	1
Refund of Contributions ²	1	—	1
TOTAL MEMBERS OF LEGISLATURE	107	124	231
Constitutional Officers			
Service Retirement	9	3	12
Disability Retirement	—	1	1
Pre-Retirement Option 2	—	1	1
TOTAL CONSTITUTIONAL OFFICERS	9	5	14
Legislative Statutory Officers			
Service Retirement	—	1	1
Refund of Contributions ²	1	—	1
TOTAL LEGISLATIVE STATUTORY OFFICERS	1	1	2
TOTAL	117	130	247

(1) The actual number of benefit recipients is by the employer category from which they retired, regardless of whether they had service in other employer categories.

(2) Refund of Contributions represents a lump-sum payment to a non-vested legislator.

LEGISLATORS' RETIREMENT SYSTEM PROGRAM DATA (CONTINUED)

LRS Average Benefit Payments – As of June 30, 2015 – 10-Year Review

Retirement Effective Dates	Years of Service Credit						
	0-5	6-10	11-15	16-20	21-25	26-30	31+
2014-15							
Average Monthly Allowance ¹	\$0	\$2,458	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$7,921	\$0	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	1	—	—	—	—	—
2013-14							
Average Monthly Allowance ¹	\$1,074	\$552	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$2,342	\$780	\$0	\$0	\$0	\$0	\$0
Number of Recipients ¹	1	3	—	—	—	—	—
2012-13							
Average Monthly Allowance ¹	\$0	\$4,479	\$2,103	\$6,699	\$0	\$0	\$0
Average Final Compensation	\$0	\$13,008	\$4,375	\$8,812	\$0	\$0	\$0
Number of Recipients ¹	—	2	1	2	—	—	—
2011-12²							
Average Monthly Allowance ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	—	—	—	—	—	—
2010-11							
Average Monthly Allowance ¹	\$0	\$4,258	\$2,103	\$0	\$8,206	\$0	\$0
Average Final Compensation	\$0	\$6,481	\$4,375	\$0	\$9,215	\$0	\$0
Number of Recipients ¹	—	3	1	—	1	—	—
2009-10							
Average Monthly Allowance ¹	\$0	\$435	\$1,759	\$6,604	\$4,965	\$3,842	\$4,452
Average Final Compensation	\$0	\$1,600	\$0	\$13,767	\$0	\$0	\$0
Number of Recipients ¹	—	4	1	1	1	1	1
2008-09							
Average Monthly Allowance ¹	\$0	N/A	\$1,250	\$2,957	\$6,456	\$0	\$0
Average Final Compensation	\$0	\$0	\$0	\$0	\$9,684	\$0	\$0
Number of Recipients ¹	—	—	2	1	2	—	—
2007-08							
Average Monthly Allowance ¹	\$0	\$2,212	\$1,250	\$0	\$1,710	\$0	\$0
Average Final Compensation	\$0	\$7,858	\$0	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	2	3	—	2	—	—
2006-07							
Average Monthly Allowance ¹	\$0	\$2,134	\$310	\$5,717	\$4,921	\$0	\$0
Average Final Compensation	\$0	\$8,434	\$0	\$8,250	\$9,240	\$0	\$0
Number of Recipients ¹	—	6	9	1	2	—	—
2005-06							
Average Monthly Allowance ¹	\$704	\$441	\$2,011	\$1,042	\$4,404	\$0	\$0
Average Final Compensation	\$0	\$0	\$4,375	\$0	\$0	\$0	\$0
Number of Recipients ¹	2	4	2	1	3	—	—

(1) These averages and totals are for retired members and community property recipients.

(2) There were no retirements in FY 2011-12, thus no benefit amounts to report.

JUDGES' RETIREMENT SYSTEM MEMBERSHIP & RETIREMENT DATA

Judges' Retirement System – 10-Year Review

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
ACTIVE & DEFERRED MEMBERS										
Judges	241	285	325	431	466	528	620	682	756	825
TOTAL ACTIVE & DEFERRED MEMBERS	241	285	325	431	466	528	620	682	756	825
BENEFIT RECIPIENTS										
Service Retirement	1,193	1,157	1,151	654	655	648	641	619	610	607
Disability Retirement	100	100	50	46	46	46	48	47	52	50
Deferred Retirement	594	598	632	582	590	595	595	604	611	618
Optional Settlement Benefit	—	—	—	527	510	478	433	390	352	306
Industrial Disability Retired	1	1	—	—	—	—	—	—	—	—
Pre-Retirement Survivor	—	—	63	75	73	76	72	75	77	79
Pre-Retirement Death	62	66	—	—	—	—	—	—	—	—
Extended Service Incentive Program	28	—	—	—	—	—	—	—	—	—
TOTAL BENEFIT RECIPIENTS	1,978	1,922	1,896	1,884	1,874	1,843	1,789	1,735	1,702	1,660
TOTAL MEMBERS	2,219	2,207	2,221	2,315	2,340	2,371	2,409	2,417	2,458	2,485

JUDGES' RETIREMENT SYSTEM PROGRAM DATA

PRIMARY BENEFITS

The Judges' Retirement System (JRS) was established in 1937. The operational activities of the JRS were transferred from the State Controller's Office to CalPERS in 1979. Benefits payable through the JRS are financed by the General Fund, the payroll contributions of members, and the State's contribution as an employer. Both employer and members contribute at the rate of 8 percent of compensation.

MEMBERSHIP

The Judges' Retirement System provides retirement, disability, death, and survivor benefits for Supreme and Appellate Court Justices, Superior Court Judges, and beneficiaries. Health and dental benefits are provided to eligible retirees and beneficiaries of JRS under the Public Employees' Medical and Hospital Care Act (PEMHCA).

SERVICE RETIREMENT

Retirement Age

Members must be at least age 60 with 20 years of service, or age 70 with at least 10 years of service.

Retirement Benefit Formula

The retirement allowance is a percentage of the current salary of the last judicial office held and is increased proportionally with active judicial salaries. The allowance is based on a member's age and years of service as follows:

Age	Years of Service	Retirement Allowance
60-70	20	75%
66	18	65%
67	16	65%
68	14	65%
69	12	65%
70	10	65%

Judges can work as long as they want and receive their full pension of either 65 percent or 75 percent (depending on credited service).

Deferred Retirement

Judges are eligible for deferred retirement at any age if they have at least five years of service. However, judges are not paid the allowance until they reach the age they would be eligible for normal retirement if they had remained in office. A judge must be at least age 63, or age 60 with 20 years of service, to receive a retirement allowance. The allowance is

based on years of service multiplied by a percentage of the judge's final salary — varying from 2 percent for five years to 3.75 percent for 12 or more years of service. The maximum benefit they can receive is 75 percent of salary.

DISABILITY RETIREMENT (NON-WORK RELATED)

Judges must apply to the Commission on Judicial Performance to receive a disability retirement. There is no age requirement.

The service requirement is four years. The retirement allowance is 65 percent of the judge's final salary, or 75 percent of their final salary if the judge has 20 or more years of service.

DISABILITY RETIREMENT (WORK RELATED)

Judges receive the same amount for work related disability retirement as non-work related disability retirement. Any person becoming a judge between January 1, 1980 and December 31, 1988, must have at least two years of judicial service; or after January 1, 1989, must have four years of judicial service, unless the disability is a result of injury or disease arising out of and in the course of judicial service.

DEATH BENEFITS (BEFORE RETIREMENT)

Not Eligible to Retire

Spouses or registered domestic partners can receive 25 percent of a current active judge's salary for life or return of contributions plus one month's salary, for each year of service not to exceed six months; or the surviving spouse or registered domestic partner can elect a monthly allowance for life, if the judge had paid an extra \$2 per month and had 10 to 20 years of service. This allowance would be equal to 1.625 percent of the salary multiplied by the number of years of service.

Eligible to Retire

Spouses or registered domestic partners receive one-half of what the retirement allowance would have been if the judge had retired on date of death. At any time while in office, a judge may make an irrevocable election for their eligible surviving spouse or registered domestic partner to receive the maximum survivor benefit (Option 2) in the event of the judge's pre-retirement death. This benefit is only payable if a judge dies after 20 or more years of service.

JUDGES' RETIREMENT SYSTEM PROGRAM DATA (CONTINUED)
DEATH BENEFITS (AFTER RETIREMENT)

Spouses or registered domestic partners receive one-half of the retirement pension for life, if the member retired with the standard retirement benefit formula, or on disability.

Judges may elect to take a reduced retirement allowance in order to enhance the survivor benefits to their spouse, registered domestic partner, or a designated beneficiary.

COST-OF-LIVING ADJUSTMENTS

The allowance increases are based on the current salary of an active judge. Retirees receive the same increase as active judges.

JRS Active and Deferred Members

Category	Active	Deferred	TOTAL
Judges	232	9	241
Total	232	9	241

JRS Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$163,134,002
Disability Retirement	5,256,055
Beneficiary Death Benefits/Life Allowance	27,802,605
Extended Service Incentive Program	6,509,837
Adjustments ¹	(834,983)
TOTAL	\$201,867,516

(1) Adjustment category added in FY 2015 to accommodate manual claims and overpayment recoveries.

JRS Benefit Recipients by Retirement Type

Category	Retired ¹	Survivors & Beneficiaries ¹	Total
Service Retirement	889	304	1,193
Disability Retirement	41	59	100
Deferred Retirement	425	169	594
Industrial Disability Retirement	1	—	1
Pre-Retirement Death	—	62	62
Extended Service Incentive Program	28	—	28
TOTAL	1,384	594	1,978

(1) The actual number of benefit recipients is by the employer category from which they retired, regardless of whether they had service in other employer categories.

JUDGES' RETIREMENT SYSTEM PROGRAM DATA (CONTINUED)

JRS Average Benefit Payments – As of June 30, 2015 – 10-Year Review

Retirement Effective Dates	Years of Service Credit						
	0-5	6-10	11-15	16-20	21-25	26-30	31+
2014-15							
Average Monthly Allowance ¹	\$2,165	\$2,554	\$7,224	\$9,556	\$10,612	\$9,184	\$11,749
Average Final Compensation	\$15,292	\$15,292	\$16,516	\$15,469	\$15,341	\$15,746	\$16,217
Number of Recipients ¹	3	3	3	16	19	14	5
2013-14							
Average Monthly Allowance ¹	\$0	\$3,723	\$5,343	\$7,529	\$8,959	\$10,439	\$9,800
Average Final Compensation	\$0	\$12,142	\$9,432	\$10,218	\$7,426	\$10,581	\$3,776
Number of Recipients ¹	—	9	13	12	35	16	4
2012-13							
Average Monthly Allowance ¹	\$2,233	\$3,325	\$4,546	\$9,156	\$8,434	\$8,549	\$11,147
Average Final Compensation	\$14,899	\$7,049	\$3,044	\$1,752	\$974	\$1,655	\$0
Number of Recipients ¹	2	6	9	17	33	9	4
2011-12							
Average Monthly Allowance ¹	\$1,316	\$3,160	\$7,580	\$8,055	\$9,795	\$10,090	\$0
Average Final Compensation	\$14,899	\$15,473	\$17,879	\$15,114	\$15,042	\$15,168	\$0
Number of Recipients ¹	2	4	5	20	30	9	—
2010-11							
Average Monthly Allowance ¹	\$1,447	\$4,186	\$5,586	\$8,680	\$8,645	\$7,809	\$9,245
Average Final Compensation	\$14,899	\$14,899	\$14,899	\$14,899	\$14,382	\$17,299	\$17,018
Number of Recipients ¹	3	8	10	22	41	16	4
2009-10							
Average Monthly Allowance ¹	\$2,352	\$3,914	\$7,133	\$8,742	\$8,730	\$8,892	\$7,771
Average Final Compensation	\$15,974	\$15,290	\$15,042	\$14,947	\$15,042	\$15,437	\$14,899
Number of Recipients ¹	2	11	15	45	45	8	3
2008-09							
Average Monthly Allowance ¹	\$1,385	\$3,388	\$6,231	\$9,236	\$9,313	\$10,636	\$10,189
Average Final Compensation	\$14,899	\$15,114	\$15,095	\$15,071	\$15,412	\$14,193	\$14,899
Number of Recipients ¹	1	10	11	25	50	15	4
2007-08							
Average Monthly Allowance ¹	\$3,410	\$5,643	\$6,108	\$8,432	\$8,297	\$9,838	\$12,787
Average Final Compensation	\$14,899	\$14,899	\$15,186	\$14,899	\$15,069	\$14,899	\$17,050
Number of Recipients ¹	3	6	15	38	47	15	1
2006-07							
Average Monthly Allowance ¹	\$1,555	\$4,411	\$5,800	\$7,855	\$8,512	\$9,348	\$10,661
Average Final Compensation	\$14,304	\$13,984	\$13,884	\$13,854	\$14,134	\$13,824	\$14,304
Number of Recipients ¹	2	7	16	31	33	7	2
2005-06							
Average Monthly Allowance ¹	\$2,934	\$2,592	\$6,031	\$6,550	\$7,451	\$7,942	\$8,282
Average Final Compensation	\$13,327	\$12,485	\$12,724	\$12,510	\$12,723	\$12,727	\$12,558
Number of Recipients ¹	2	7	14	16	51	10	1

(1) These averages and totals are for retired members and community property recipients.

JUDGES' RETIREMENT SYSTEM II MEMBERSHIP & RETIREMENT DATA

Judges' Retirement System II – 10-Year Review

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Active Members										
Judges II – Classic	1,385	1,396	1,352	1,272	1,290	1,197	1,119	979	915	831
Judges II – PEPPRA ¹	85	—	—	—	—	—	—	—	—	—
Total Active & Inactive Members	1,470	1,396	1,352	1,272	1,290	1,197	1,119	979	915	831
Benefit Recipients										
Service Retirement	68	47	30	14	7	6	4	3	4	1
Disability Retirement	10	11	18	9	13	7	6	5	3	2
Optional Settlement Benefit	—	—	—	—	6	4	4	4	—	3
Pre-Retirement Survivor	—	—	2	13	2	2	1	2	2	7
Industrial Disability Retirement	4	3	—	—	—	—	—	—	—	—
Surviving Spouse 50% Allowance	6	6	—	—	—	—	—	—	—	—
Survivor Continuance	5	4	—	—	—	—	—	—	—	—
36-month Judge's Salary	2	2	2	1	2	—	—	—	—	—
Monetary Credit	11	—	—	—	—	—	—	—	—	—
Refund of Contribution	1	—	—	—	—	—	—	—	—	—
Total Benefit Recipients	107	73	52	37	30	19	15	14	9	13
Total Members	1,577	1,469	1,404	1,309	1,320	1,216	1,134	993	924	844

(1) Reporting for PEPPRA active members began with the 2014-15 CAFR.

JUDGES' RETIREMENT SYSTEM II PROGRAM DATA

PRIMARY BENEFITS

The Judges' Retirement System II (JRS II) was established in 1994 to create a fully funded, actuarially sound retirement system for judges appointed or elected on or after November 9, 1994. This system provides two different types of retirement benefits: a defined benefit plan or a cash balance (Monetary Credit) plan. The defined benefit plan provides a lifetime monthly retirement allowance of up to 75 percent of final compensation.

The Monetary Credit benefit provides a lump sum payment equal to 18 percent of the judge's monthly salary. The benefit payment is comprised of member contributions and a portion of employer contributions, plus interest.

ASSEMBLY BILL 340 – PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA)

The California Legislature passed and the Governor signed the Public Employees' Pension Reform Act of 2013 (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 31, 2012. The financial impact will be gradually realized as total pension costs and the employer share of those costs decrease.

The new law implemented new member contribution requirements for judges who meet the definition of a new member under PEPRA, effective January 1, 2013. The new requirements provide that all new PEPRA members must contribute to JRS II an amount equal to half of the normal cost.

MEMBERSHIP

The JRS II provides retirement, disability, death, and survivor benefits for Supreme and Appellate Court Justices, and Superior Court Judges, first appointed or elected after November 9, 1994, and their beneficiaries. Health and dental benefits are provided to eligible retirees and beneficiaries of JRS II under PEMHCA.

SERVICE RETIREMENT

Retirement Age

Judges must be at least age 65 with 20 years of service or age 70 with a minimum of five years of service to receive the defined benefit plan. Judges must have at least five years of service to receive the monetary credit plan.

RETIREMENT FORMULA

Defined Benefit Plan

This option provides a defined benefit of 3.75 percent of the highest 12-month average salary per year of service, up to 75 percent for judges reaching age 65 with at least 20 years of service. Optional settlements are available which reduce a judge's retirement allowance to provide a lifetime benefit for a surviving spouse upon death of the judge.

The Public Employees' Pension Reform Act of 2013 (Chapter 296, Stats. 2012) (PEPRA) also added Government Code section 7522.32, which for the purpose of determining the retirement benefits to be paid to a new member of a public retirement system, defines final compensation as the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months.

Monetary Credit Plan

This option provides for the Monetary Credits to be paid in a single lump sum, or the judge may elect to have the Monetary Credits paid as an annuity for his or her lifetime. To receive the lifetime annuity a judge must meet the minimum qualifications required under the defined benefit plan.

DISABILITY RETIREMENT (NON-WORK RELATED)

Judges who have five years of service and become permanently disabled because of a mental or physical disability may apply to the Commission on Judicial Performance for disability retirement.

An allowance is based on the judge's age and will be the amount equal to the lower of the following:

- The monthly benefit of 3.75 percent of the final compensation multiplied by the number of years of service the judge would have been credited had the judge continued to work until the age the judge would have first been eligible to retire, or
- 65 percent of the judge's average monthly salary during the 12 months preceding the retirement date.

DISABILITY RETIREMENT (WORK RELATED)

Judges receive 65 percent of their average monthly salary during the 12 months preceding their retirement date, regardless of age or length of service.

JUDGES' RETIREMENT SYSTEM II PROGRAM DATA (CONTINUED)

DEATH BENEFITS (BEFORE RETIREMENT)

Not Eligible to Retire

Spouses or registered domestic partners receive the judge's monetary credits or three times the annual salary at the time of death, whichever is greater.

Eligible for the Defined Benefit Plan

Spouses or registered domestic partners receive either the monthly retirement allowance equal to one-half of the judge's defined benefit plan allowance or the judge's monetary credits. Or if elected by the judge, the surviving spouse or registered domestic partner of a judge who dies after 20 or more years of service, will receive the maximum survivor benefit (Option 2).

JRS II Active Judges

Category	Active
Judges II – Classic	1,385
Judges II – PEPRA	85
TOTAL	1,470

JRS II Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$5,714,168
Disability Retirement	1,634,603
Beneficiary Death Benefits	—
Beneficiary Death Benefits/Life Allowance	307,144
Monetary Credit	6,831,264
Adjustments ¹	(446,574)
Total	\$14,040,605

(1) Adjustment category added in FY 2015 to accommodate manual claims and overpayment recoveries.

JRS II Benefit Recipients by Retirement Type

Category	Retired ¹	Survivors & Beneficiaries ¹	TOTAL
Service Retirement	67	1	68
Disability Retirement	10	—	10
Industrial Disability Retirement	4	—	4
Surviving Spouse 50% Allowance	—	6	6
Survivor Continuance	—	5	5
36-month Judge's Salary	—	2	2
Monetary Credit	11	—	11
Refund of Contribution ²	1	—	1
Total	93	14	107

(1) The actual number of benefit recipients is by the employer category from which they retired, regardless of whether they had service in other employer categories.

(2) Refund of Contribution represents a lump-sum payment to a non-vested judge.

DEATH BENEFITS (AFTER RETIREMENT)

Defined Benefit Plan

Spouses or registered domestic partners receive one-half of the retirement pension for life. Judges who retired under a service retirement may also elect an optional settlement to increase the monthly benefits to their eligible surviving spouse or registered domestic partner.

Monetary Credit Plan

If the judge elected to receive the monetary credit plan in a lump sum, there are no other benefits payable. If the judge elected to receive the Monetary Credits as a lifetime annuity, their surviving spouse or registered domestic partner will receive benefits based on the election made by the judge at retirement.

COST-OF-LIVING ADJUSTMENTS

The retirement allowance of retired judges who have elected the defined benefit plan will be adjusted every January after the judge has been retired six months. The adjustment is based on the United States city average of the Consumer Price Index for All Urban Consumers, as published by the United States Bureau of Statistics. This adjustment will not be less than 1 percent or more than 3 percent.

JUDGES' RETIREMENT SYSTEM II PROGRAM DATA (CONTINUED)

JRS II Average Benefit Payments – As of June 30, 2015 – 10-Year Review

Retirement Effective Dates	Years of Service Credit						
	0-5	6-10	11-15	16-20	21-25	26-30	31+
2014-15							
Average Monthly Allowance ¹	\$0	\$5,198	\$6,740	\$9,637	\$0	\$0	\$0
Average Final Compensation	\$0	\$15,149	\$15,225	\$15,253	\$0	\$0	\$0
Number of Recipients ¹	—	1	8	13	—	—	—
2013-14							
Average Monthly Allowance ¹	\$0	\$4,175	\$6,457	\$8,991	\$11,274	\$0	\$0
Average Final Compensation	\$0	\$11,205	\$14,949	\$14,942	\$15,032	\$0	\$0
Number of Recipients ¹	—	4	12	4	1	—	—
2012-13							
Average Monthly Allowance ¹	\$2,024	\$7,337	\$6,449	\$8,691	\$10,168	\$0	\$0
Average Final Compensation	\$14,899	\$14,899	\$14,899	\$14,899	\$14,899	\$0	\$0
Number of Recipients ¹	3	5	3	6	1	—	—
2011-12							
Average Monthly Allowance ¹	\$0	\$3,812	\$8,824	\$8,192	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,899	\$15,975	\$14,899	\$0	\$0	\$0
Number of Recipients ¹	—	3	2	4	—	—	—
2010-11							
Average Monthly Allowance ¹	\$0	\$11,423	\$8,150	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,899	\$14,899	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	3	6	1	1	—	—
2009-10							
Average Monthly Allowance ¹	\$0	\$9,684	\$6,025	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,899	\$15,437	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	1	4	—	—	—	—
2008-09							
Average Monthly Allowance ¹	\$14,899	\$4,476	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$14,899	\$15,975	\$0	\$0	\$0	\$0	\$0
Number of Recipients ¹	1	2	—	—	—	—	—
2007-08							
Average Monthly Allowance ¹	\$0	\$8,624	\$7,748	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,638	\$15,244	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	1	4	—	—	—	—
2006-07							
Average Monthly Allowance ¹	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	—	—	—	—	—	—
2005-06							
Average Monthly Allowance ¹	\$0	\$10,982	\$4,275	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$12,434	\$12,459	\$0	\$0	\$0	\$0
Number of Recipients ¹	—	3	3	—	—	—	—

(1) These averages and totals are for retired members and community property recipients.

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Saving for Retirement with Defined Contribution Plans

Deferred Compensation Program - public agencies & school districts
Supplemental Contributions Program - state employees & active judges

1.4

**MILLION LIVES
COVERED**

(Employees, Retirees,
and Dependents)

136,000+

Participants choosing CalPERS
Long-Term Care

Statistical Section: Other Programs

HEALTH CARE FUND/CONTINGENCY RESERVE FUND

Expenses & Revenues – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
OPERATING REVENUES										
Premiums	\$3,594,279	\$2,744,305	\$1,921,838	\$1,846,210	\$1,709,975	\$1,362,081	\$1,586,942	\$1,509,064	\$1,390,819	\$2,844,527
Federal Government Subsidies	36,077	43,900	22,375	—	—	—	—	—	—	—
Federal Government Reimbursements	—	—	17	32,710	42,583	—	—	—	—	—
Administrative Fees & Other	26,712	24,899	17,809	25,490	23,956	22,528	25,633	14,928	16,509	13,140
Total Operating Revenue	\$3,657,068	\$2,813,104	\$1,962,039	\$1,904,410	\$1,776,514	\$1,384,609	\$1,612,575	\$1,523,992	\$1,407,328	\$2,857,667
OPERATING EXPENSES										
Claims Expense	\$3,411,618	\$2,449,655	\$1,824,082	\$1,765,453	\$1,684,029	\$1,596,473	\$1,433,064	\$1,299,905	\$1,198,348	\$2,765,076
Increase (Decrease) in Estimated Liabilities	20,484	173,796	16,781	(37,222)	44,127	(24,389)	28,537	14,626	14,358	(340)
Administrative Expenses	401,650	221,878	132,556	124,116	115,839	117,357	112,799	103,504	95,625	84,035
Total Operating Expenses	\$3,833,752	\$2,845,329	\$1,973,419	\$1,852,347	\$1,843,995	\$1,689,441	\$1,574,400	\$1,418,035	\$1,308,331	\$2,848,771
OPERATING INCOME (LOSS)	(\$176,684)	(\$32,225)	(\$11,380)	\$52,063	(\$67,481)	(\$304,832)	\$38,175	\$105,957	\$98,997	\$8,896
NON-OPERATING REVENUES										
Investment Income	\$12,653	\$20,846	\$4,964	\$34,342	\$23,440	\$48,611	\$25,502	\$42,616	\$29,348	\$23,078
Total Non-Operating Revenues	\$12,653	\$20,846	\$4,964	\$34,342	\$23,440	\$48,611	\$25,502	\$42,616	\$29,348	\$23,078
NON-OPERATING EXPENSES										
Other Investment Expenses	\$83	\$157	\$87	\$76	—	—	—	—	—	—
Total Non-Operating Expenses	\$83	\$157	\$87	\$76	\$0	\$0	\$0	\$0	\$0	\$0
Securities Lending Income	\$0	\$15	\$41	\$54	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Lending Securities	—	(3)	(8)	(12)	—	—	—	—	—	—
Net Securities Lending	\$0	\$12	\$33	\$42	\$0	\$0	\$0	\$0	\$0	\$0
NON-OPERATING INCOME	\$12,570	\$20,701	\$4,910	\$34,308	\$23,440	\$48,611	\$25,502	\$42,616	\$29,348	\$23,078
CHANGE IN UNRESTRICTED NET POSITION	(\$164,114)	(\$11,524)	(\$6,470)	\$86,371	(\$44,041)	(\$256,221)	\$63,677	\$148,573	\$128,345	\$31,974
TOTAL UNRESTRICTED NET POSITION										
Beginning of Year	\$443,558	\$455,082	\$461,552	\$375,181	\$419,222	\$675,443	\$611,766	\$463,193	\$334,848	\$302,874
End of Year	\$279,444	\$443,558	\$455,082	\$461,552	\$375,181	\$419,222	\$675,443	\$611,766	\$463,193	\$334,848

LONG-TERM CARE FUND

Expenses & Revenues – 10-Year Review (Dollars in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
OPERATING REVENUES										
Premiums	\$272,362	\$286,571	\$307,812	\$313,466	\$314,099	\$285,948	\$296,529	\$299,489	\$241,495	\$243,690
Total Operating Revenues	\$272,362	\$286,571	\$307,812	\$313,466	\$314,099	\$285,948	\$296,529	\$299,489	\$241,495	\$243,690
OPERATING EXPENSES										
Claims Expense	\$248,785	\$225,691	\$198,185	\$174,896	\$156,118	\$133,042	\$116,191	\$101,349	\$87,324	\$78,007
Increase (Decrease) in Estimated Liabilities	310,565	345,547	(631,804)	1,063,318	(115,600)	(208,200)	469,800	(600,900)	487,800	219,400
Administrative Expenses	24,304	22,946	21,819	21,718	21,303	19,663	18,421	18,479	18,198	17,053
Total Operating Expenses	\$583,654	\$594,184	(\$411,800)	\$1,259,932	\$61,821	(\$55,495)	\$604,412	(\$481,072)	\$593,322	\$314,460
OPERATING INCOME (LOSS)	(\$311,292)	(\$307,613)	\$719,612	(\$946,466)	\$252,278	\$341,443	(\$307,883)	\$780,561	(\$351,827)	(\$70,770)
NON-OPERATING REVENUES										
Investment Income	(\$36,550)	\$393,354	\$119,607	\$114,947	\$537,156	\$351,745	(\$369,021)	(\$73,039)	\$281,068	\$121,703
Total Non-Operating Revenues	(\$36,550)	\$393,354	\$119,607	\$114,947	\$537,156	\$351,745	(\$369,021)	(\$73,039)	\$281,068	\$121,703
NON-OPERATING EXPENSES										
Other Investment Expenses	\$1,734	\$1,615	\$1,160	\$540	\$0	\$0	\$0	\$0	\$0	\$0
Total Non-Operating Expenses	\$1,734	\$1,615	\$1,160	\$540	\$0	\$0	\$0	\$0	\$0	\$0
Securities Lending Income	\$0	\$0	\$909	\$1,624	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Lending Securities	—	—	(120)	(274)	—	—	—	—	—	—
Net Securities Lending	\$0	\$0	\$789	\$1,350	\$0	\$0	\$0	\$0	\$0	\$0
NON-OPERATING INCOME (LOSS)	(\$38,284)	\$391,739	\$119,236	\$115,757	\$537,156	\$351,745	(\$369,021)	(\$73,039)	\$281,068	\$121,703
CHANGE IN UNRESTRICTED NET POSITION	(\$349,576)	\$84,126	\$838,848	(\$830,709)	\$789,434	\$693,188	(\$676,904)	\$707,522	(\$70,759)	\$50,933
TOTAL UNRESTRICTED NET POSITION										
Beginning of Year	\$763,248	\$679,122	(\$159,726)	\$670,983	(\$118,451)	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)
End of Year	\$413,672	\$763,248	\$679,122	(\$159,726)	\$670,983	(\$118,451)	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)

HEALTH BENEFITS PROGRAM DATA

Total Enrollments by Health Plan

	Basic			Medicare			Total Enrollments (Subs)
	Active	Retired	Total	Active	Retired	Total	
Anthem EPO	696	34	730	—	8	8	738
Anthem HMO Select	8,861	660	9,521	—	34	34	9,555
Anthem HMO Traditional	4,401	498	4,899	—	130	130	5,029
Blue Shield Access+	54,930	13,289	68,219	2	23,317	23,319	91,538
Blue Shield EPO	412	175	587	—	269	269	856
Blue Shield NetValue	49,608	8,807	58,415	—	5,569	5,569	63,984
CAHP	6,183	2,145	8,328	—	2,700	2,700	11,028
CCPOA	9,449	2,270	11,719	—	543	543	12,262
Health Net Salud y Mas	1,122	31	1,153	—	25	25	1,178
Health Net SmartCare	338	28	366	—	14	14	380
Kaiser	165,023	30,154	195,177	9	62,185	62,194	257,371
Kaiser/Out of State	7	286	293	—	1,289	1,289	1,582
PERS Choice	55,781	22,270	78,051	5	43,990	43,995	122,046
PERS Select	14,833	1,227	16,060	—	995	995	17,055
PERScare	9,163	4,407	13,570	2	39,873	39,875	53,445
Porac	6,288	2,524	8,812	—	1,287	1,287	10,099
Sharp	2,917	200	3,117	—	70	70	3,187
UnitedHealthcare	7,704	549	8,253	—	378	378	8,631
TOTAL	397,716	89,554	487,270	18	182,676	182,694	669,964

10-Year Enrollments

Members	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total Covered Lives	1,401,766	1,386,882	1,374,794	1,373,606	1,354,987	1,309,902	1,286,349	1,267,122	1,240,976	1,205,945
Subscribers	669,964	658,883	646,110	639,682	631,413	624,996	607,570	594,472	578,172	557,084

Basic & Supplemental Health Plan Total Enrollments

Medicare	Basic			Medicare			Total Enrollments (Subs) ¹
	Active	Retired	Total	Active	Retired	Total	
HMO	295,323	54,677	350,000	11	93,280	93,291	443,291
PPO	80,473	27,938	108,411	7	84,866	84,873	193,284
ASN	21,920	6,939	28,859	0	4,530	4,530	33,389
TOTAL	397,716	89,554	487,270	18	182,676	182,694	669,964

(1) Total Enrollments (Subs) shows health plan subscribers only, not the dependents. The total covered lives — 1,401,766 — is shown in the Five Year Enrollments table above.

Participating Public Agency Summary

	2015 ¹	2014 ¹
Counties	29	29
Cities	303	305
School Employers	154	150
Districts & Other Public Agencies	667	665
Total	1,153	1,149
Total Covered Lives	578,006	572,361

(1) Participating Public Agencies data was collected from year end enrollment, and includes agencies with at least one subscriber.

PARTICIPATING PUBLIC AGENCIES BY TYPE

Number of covered lives active, retired, and dependents for each public agency.

Counties (29)

County	Covered Lives	County	Covered Lives	County	Covered Lives	County	Covered Lives
Amador	310	Lassen	517	Placer	8,110	Solano	5,252
Butte	4,029	Madera	2,980	Plumas	364	Trinity	627
Colusa	495	Mariposa	992	Riverside	3,077	Tuolumne	1,088
Contra Costa	3,451	Modoc	396	San Benito	1,084	Yolo	3,821
Glenn	1,029	Mono	866	San Luis Obispo	4,607	Yuba	1,800
Humboldt	3,077	Monterey	11,080	Santa Cruz	6,103	Total Covered Lives	<u>77,915</u>
Inyo	1,164	Napa	3,691	Shasta	3,902		
Lake	126	Nevada	2,259	Siskiyou	1,618		

Cities (303)

City	Covered Lives	City	Covered Lives	City	Covered Lives	City	Covered Lives
Agoura Hills	124	Calistoga	91	Downey	1,159	Huntington Park	750
Alameda	1,703	Camarillo	339	Duarte	147	Imperial Beach	132
Albany	228	Campbell	322	Dublin	283	Indian Wells	143
Alhambra	968	Canyon Lake	4	Eastvale	13	Indio	729
Aliso Viejo	35	Capitola	135	El Cajon	616	Ione	34
American Canyon	172	Carlsbad	1,790	El Monte	940	Irwindale	385
Angels	116	Carmel-By-The-Sea	190	El Segundo	1,120	Jackson	102
Antioch	948	Carpinteria	111	Elk Grove	714	La Canada Flintridge	54
Arcadia	842	Carson	1,101	Emeryville	217	La Habra	624
Arroyo Grande	329	Cathedral City	663	Encinitas	592	La Habra Heights	21
Artesia	95	Cerritos	779	Etna	7	La Mesa	749
Atherton	139	Chino	670	Fairfax	58	La Mirada	316
Atwater	254	Chino Hills	203	Fillmore	49	La Palma	123
Auburn	179	Citrus Heights	453	Firebaugh	103	La Puente	117
Avalon	199	Clayton	66	Fort Jones	5	La Quinta	194
Avenal	18	Coachella City	159	Fountain Valley	790	Laguna Niguel	137
Azusa	571	Colma	169	Fremont	2,445	Laguna Woods	10
Baldwin Park	455	Colton	167	Fullerton	373	Lake Elsinore	277
Barstow	383	Colusa	58	Galt	265	Lake Forest	167
Bell	336	Commerce	653	Garden Grove	1,794	Lakewood	270
Bellflower	308	Compton	1,687	Gilroy	717	Larkspur	189
Belmont	311	Concord	1,665	Glendora	385	Lathrop	177
Belvedere	63	Corona	2,426	Goleta	87	Lawndale	90
Beverly Hills	2,608	Coronado	566	Grand Terrace	23	Lemon Grove	164
Biggs	22	Corte Madera	216	Grass Valley	286	Lemoore	197
Bishop	205	Costa Mesa	1,427	Grover Beach	174	Lincoln	478
Blythe	253	Covina	413	Guadalupe	63	Live Oak	61
Brawley	209	Crescent City	108	Half Moon Bay	29	Lodi	1,183
Brea	1,009	Cudahy	77	Hawaiian Gardens	250	Loma Linda	155
Brentwood	875	Culver City	2,294	Hawthorne	924	Lomita	98
Brisbane	252	Cupertino	480	Hayward	2,788	Lompoc	985
Buellton	33	Cypress	411	Hercules	140	Loomis	29
Buena Park	808	Daly City	1,166	Hesperia	214	Los Alamitos	156
Burbank	3,357	Dana Point	114	Hidden Hills	3	Los Altos	332
Burlingame	946	Davis	1,114	Highland	51	Los Altos Hills	57
Calabasas	242	Del Rey Oaks	23	Hillsborough	344	Los Banos	547
California City	111	Diamond Bar	109	Hollister	390	Los Gatos	483
Calimesa	1	Dixon	138	Huntington Beach	1,464	Lynwood	508

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Cities (continued)

City	Covered Lives	City	Covered Lives	City	Covered Lives	City	Covered Lives
Malibu	179	Palm Desert	473	San Dimas	161	Stanton	82
Mammoth Lakes	161	Palm Springs	819	San Fernando	477	Suisun City	182
Manhattan Beach	778	Palo Alto	3922	San Francisco	78	Sunnyvale	3053
Manteca	1095	Paradise	258	San Gabriel	475	Temecula	315
Marina	194	Paramount	264	San Jacinto	6	Temple City	114
Martinez	221	Pasadena	4,535	San Juan Capistrano	220	Thousand Oaks	1005
Maywood	50	Paso Robles	513	San Leandro	1114	Tiburon	75
Menifee	88	Patterson	332	San Luis Obispo	1032	Torrance	3,871
Menlo Park	654	Perris	249	San Marcos	256	Truckee	209
Millbrae	206	Petaluma	864	San Marino	227	Tulelake	9
Milpitas	1332	Pico Rivera	537	San Mateo	1624	Tustin	703
Mission Viejo	280	Piedmont	341	San Pablo	373	Twentynine Palms	55
Modesto	396	Pinole	319	San Rafael	1,222	Ukiah	11
Montague	11	Pismo Beach	213	San Ramon	691	Union City	615
Monte Sereno	8	Placentia	458	Sand City	34	Upland	639
Montebello	1246	Pomona	1842	Santa Ana	1930	Vacaville	2093
Monterey	1180	Port Hueneme	258	Santa Clara	1909	Vallejo	1832
Moorpark	182	Portola Valley	29	Santa Clarita	775	Villa Park	22
Moreno Valley	538	Rancho Cordova	137	Santa Cruz	2,154	Walnut	83
Morgan Hill	468	Rancho Mirage	262	Santa Fe Springs	843	Weed	47
Morro Bay	291	Rancho Santa Margarita	58	Santa Maria	920	West Covina	1187
Mountain View	796	Red Bluff	192	Santa Monica	732	West Hollywood	464
Mt. Shasta	38	Redlands	1508	Santa Paula	153	West Sacramento	792
Murrieta	836	Redwood City	1864	Santa Rosa	1191	Westlake Village	53
Napa	261	Rialto	971	Saratoga	146	Westminster	802
Newark	235	Richmond	2,833	Sausalito	191	Wildomar	29
Newport Beach	2036	Ridgecrest	152	Scotts Valley	213	Williams	50
Norco	260	Rio Vista	112	Seal Beach	290	Willows	92
Norwalk	734	Rocklin	786	Selma	323	Winters	79
Novato	335	Rolling Hills	17	Shasta Lake	138	Woodland	1076
Oakland	14290	Rolling Hills Estates	39	Sierra Madre	156	Woodside	47
Ojai	112	Rosemead	140	Signal Hill	359	Yorba Linda	256
Ontario	3509	Roseville	3734	Simi Valley	1667	Yountville	76
Orange	1,740	Ross	54	Solana Beach	125	Yreka	102
Orinda	70	Salinas	1,303	Solvang	76	Yuba City	221
Oxnard	2,248	San Anselmo	105	South El Monte	116	Yucaipa	85
Pacific Grove	165	San Carlos	219	South Gate	940	Yucca Valley	64
Pacifica	225	San Clemente	502	South Pasadena	385	Total Covered Lives	186,383

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Districts & Other Public Agencies (667)

District & Other Public Agency	Covered Lives	District & Other Public Agency	Covered Lives
Academic Senate for California Community Colleges	6	BETA Healthcare Group Risk Management Authority	149
Agoura Hills and Calabasas Community Center	14	Big Bear Area Regional Wastewater Agency	47
Alameda Corridor Transportation Authority	24	Big Bear City Airport District	22
Alameda County Fire Department	1,780	Big Bear City Community Services District	279
Alameda County Law Library	28	Black Gold Cooperative Library System	7
Alameda County Mosquito Abatement District	59	Blanchard/Santa Paula Public Library District	11
Alameda County Schools Insurance Group	4	Bonita-Sunnyside Fire Protection District	67
Alameda County Transportation Commission	73	Borrego Springs Fire Protection District	31
Alameda County Waste Management Authority	134	Boulder Creek Fire Protection District	7
Alameda County Water District	822	Branciforte Fire Protection District	15
Albany Municipal Services Joint Powers Authority	52	Brannan-Andrus Levee Maintenance District	6
Alhambra Redevelopment Agency	1	Buena Park Library District	43
Alliance of Schools for Cooperative Insurance Programs	58	Butte County Air Quality Management District	24
Alpine Fire Protection District	55	Butte County Association of Governments	40
Alpine Springs County Water District	8	Butte County In-Home Supportive Services Public Authority	7
Altadena Library District	36	Butte County Law Library	3
Amador County Superior Court	25	Butte County Superior Court	231
American Canyon Fire Protection District	64	Butte Local Agency Formation Commission	7
Anderson Cemetery District	3	Byron, Brentwood, Knightsen Union Cemetery District	7
Anderson Fire Protection District	39	Cal Poly Corporation	690
Antelope Valley Mosquito and Vector Control District	15	Calaveras County Superior Court	46
Antioch Charter Academy II	22	Calaveras County Water District	271
Apple Valley Fire Protection District	122	Calaveras Public Utility District	23
Aptos/La Selva Fire Protection Agency	143	California Authority of Racing Fairs	14
Arbuckle-College City Fire Protection District	4	California Bear Credit Union	50
Arcade Creek Recreation and Park District	7	California Dried Plum Board	11
Arcata Fire Protection District	88	California Fair Services Authority	99
Area 12 Agency on Aging	20	California Fairs Financing Authority	26
Arrowbear Park County Water District	21	California Interscholastic Federation, Northern Section	2
Arroyo Grande District Cemetery	6	California Interscholastic Federation, Southern Section	56
Associated Students California State University San Bernardino	10	California Joint Powers Insurance Authority	97
Associated Students Incorporated of California State University East Bay	12	California Joint Powers Risk Management Authority	9
Associated Students Incorporated of California State University Stanislaus	8	California Municipal Utilities Association	17
Associated Students, Inc.	2	California State and Federal Employees No. 20 Credit Union	13
Association of Bay Area Governments	213	California State University, East Bay Foundation, Inc.	77
Association of Monterey Bay Area Governments	17	California State University, Bakersfield Foundation	41
Atascadero Cemetery District	7	California State University, Dominguez Hills Foundation	118
Auburn Public Cemetery District	15	California State University, Fresno Athletic Corporation	99
Aztec Shops, Ltd.	156	California State University, Los Angeles – USU Board	48
Bardsdale Cemetery District	2	California State University, Stanislaus Auxiliary and Business Services	5
Bay Area Air Quality Management District	984	California State University-Fresno Association, Inc.	313
Bay Area Library and Information System	2	Calleguas Municipal Water District	247
Bay Area Water Supply and Conservation Agency	31	Camarillo Health Care District	38
Beach Cities Health District	90	Cambria Cemetery District	2
Bear Mountain Recreation and Park District	7	Cambria Community Healthcare District	29
Bear Valley Community Healthcare District	165	Cambria Community Services District	104
Beaumont District Library	12	Cameron Park Community Services District	23
Beaumont-Cherry Valley Recreation and Park District	12	Capistrano Bay Community Services District	4
Beaumont-Cherry Valley Water District	108	Capitol Area Development Authority	91
Bella Vista Water District	92	Carmel Highlands Fire Protection District of Monterey County	2
Belmont Fire Protection District	71	Carmichael Water District	101
Belmont-San Carlos Fire Department	71	Carpinteria Public Cemetery District	4
Belvedere-Tiburon Joint Recreation	3	Castaic Lake Water Agency	293
Belvedere-Tiburon Library Agency	13	Castro Valley County Fire Protection District	1
Benicia City Housing Authority	30	Castro Valley Sanitary District	74
Bennett Valley Fire Protection District	4	Castroville Community Services District	19

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Districts & Other Public Agencies (continued)

District & Other Public Agency	Covered Lives	District & Other Public Agency	Covered Lives
Cayucos Sanitary District	11	Del Norte Healthcare District	3
Cayucos-Morro Bay Cemetery District	8	Del Paso Manor Water District	14
Central Calaveras Fire and Rescue Protection District	5	Del Puerto Water District	24
Central Coast Water Authority	91	Del Rey Community Services District	6
Central Contra Costa Transit Authority	442	Delta Diablo	271
Central County Fire Department	312	Delta Vector Control District	32
Central Fire Protection District of Santa Cruz County	250	Denair Community Services District	18
Central Marin Police Authority	239	Desert Healthcare District	18
Central Marin Sanitation Agency	145	Diamond Springs/El Dorado Fire Protection District	88
Central Plumas Recreation and Park District	3	Dominguez Hills CSU Associated Students	13
Central Sierra Child Support Agency	76	Dominguez Hills CSU Associated Students – Child Development Center	6
Central Valley Regional Center, Inc.	607	Donald P. and Katherine B. Loker University Student Union, Inc.	22
Cesar Chavez Student Center, Inc.	14	Dougherty Regional Fire Authority	18
Channel Islands Beach Community Services District	18	Dublin San Ramon Services District	342
Chester Public Utility District	40	Dunnigan Water District	3
Children and Families Commission of San Luis Obispo County	2	Durham Mosquito Abatement District	1
Chino Basin Watermaster	19	East Bay Dischargers Authority	17
Chino Valley Independent Fire District	408	East Bay Regional Park District	1616
Chowchilla Cemetery District	5	East Contra Costa Fire Protection District	152
Citrus Pest Control District No. 2 of Riverside County	2	East Palo Alto Sanitary District	28
City/County Association of Governments of San Mateo County	4	East Quincy Services District	16
Clear Creek Community Services District	34	East Valley Water District	212
Coachella Valley Association of Governments	34	Eastern Municipal Water District	1563
Coachella Valley Mosquito and Vector Control District	153	Eastern Plumas Health Care District	273
Coachella Valley Public Cemetery District	28	Eastern Sierra Community Service District	14
Coalinga-Huron Recreation and Park District	12	Eastern Sierra Transit Authority	48
Coastal Animal Services Authority	9	Eden Township Healthcare District	1
Coastal Developmental Services Fdn DBA Westside Regional Center	410	El Dorado County Fire Protection District	316
Coastside Fire Protection District	55	El Dorado County Transit Authority	60
Colusa County Superior Court	29	El Dorado County Transportation Commission	12
Colusa Mosquito Abatement District	1	El Dorado Hills Community Services District	27
Community College League of California	32	El Dorado Hills County Water District	280
Conejo Recreation and Park District	195	El Dorado Irrigation District	888
Contra Costa County Housing Authority	134	Encina Wastewater Authority	183
Contra Costa County Law Library	8	Esparto Community Services District	4
Contra Costa County Schools Insurance Group	43	Estero Municipal Improvement District	525
Contra Costa Fire Protection District	1,699	Fair Oaks Cemetery District	5
Contra Costa Mosquito Vector Control Dist	77	Fair Oaks Recreation & Park District	43
Contra Costa Special Ed Local Plan Area	5	Fairfield-Suisun Sewer District	154
Contra Costa Transportation Authority	53	Fallbrook Healthcare District	1
Cordelia Fire Protection District of Solano County	5	Feather River Air Quality Management District	18
Corning Water District	2	Feather Water District	9
Costa Mesa Sanitary District	30	Felton Fire Protection District	5
Cosumnes Community Services District	994	Fern Valley Water District	11
Cottonwood Cemetery District	2	Florin County Water District	12
Cottonwood Fire Protection District	7	Foothill/Eastern Transportation Corridor Agency	262
CRA/LA, a Designated Local Authority	349	Forestville Water District	12
Crescent City Harbor District	23	Fort Bragg Fire Protection Authority	10
Crestline Lake Arrowhead Water Agency	38	Fort Ord Reuse Authority	32
Crestline Sanitation District	55	Fresno County Law Library	5
CSAC Excess Insurance Authority	134	Fresno Irrigation District	186
Cuyama Valley Recreation District	1	Fresno-Madera Area Agency on Aging	39
Dairy Council of California	62	Fullerton California State University Associated Students	182
Davis Cemetery District	9	Fulton El-Camino Recreation and Park District	22
Deer Springs Fire Protection District	6	Garden Valley Fire Protection District	13
Del Norte County Library District	1	Georgetown Fire Protection District	23

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Districts & Other Public Agencies (continued)

District & Other Public Agency	Covered Lives	District & Other Public Agency	Covered Lives
Gilsizer County Drainage District	8	Kern County Law Library	7
Glen Ellen Fire Protection District	9	Kern Regional Center	508
Glenn County Mosquito and Vector Control District	10	Kirkwood Meadows Public Utility District	55
Glenn County Superior Court	52	Lake Hemet Municipal Water District	159
Gold Coast Transit	378	Lake Valley Fire Protection District	74
Golden Sierra Job Training Agency	44	Lakeside Fire Protection District	209
Goleta Cemetery District	5	Las Gallinas Valley Sanitary District of Marin County	71
Goleta Sanitary District	121	Last Frontier Healthcare District	84
Goleta West Sanitary District	22	Lathrop-Manteca Fire Protection District	117
Great Basin Unified Air Pollution Control District	73	Leucadia Wastewater District	62
Greater Anaheim Special Education Local Plan Area	33	Levee District No. 1 of Sutter County	3
Greater Los Angeles County Vector Control District	220	Linda Fire Protection District	47
Greater Vallejo Recreation District	92	Linden-Peters Rural County Fire Protection District	33
Green Valley County Water District	2	Little Lake Fire Protection District	14
Greenfield Fire Protection District	19	Littlerock Creek Irrigation District	22
Gridley Biggs Cemetery District	11	Live Oak Cemetery District	2
Grossmont Healthcare District	27	Livermore/Amador Valley Transit Authority	56
Grossmont Schools Federal Credit Union	16	Local Agency Formation Commission of Monterey County	8
Hamilton Branch Fire Protection District	2	Local Agency Formation Commission of Solano County	1
Hamilton City Community Services District	1	Lompoc Cemetery District	13
Harbor Developmental Disabilities Foundation, Inc.	278	Lompoc Healthcare District	751
Heartland Communications Facility Authority	13	Los Angeles County Area 'E' Civil Defense and Disaster Board	2
Heritage Ranch Community Services District	38	Los Angeles County Law Library	110
Hesperia Fire Protection District	2	Los Angeles County Office of Education	6048
Hesperia Recreation And Park District	158	Los Angeles County Sanitation District No. 2	6,644
Hesperia Water District	94	Los Angeles County West Vector Control District	77
Hilton Creek Community Services District	3	Los Angeles Memorial Coliseum Commission	43
Housing Authority of the City of Alameda	104	Los Osos Community Services District	17
Housing Authority of the City of Eureka	26	Lower Tule River Irrigation District	70
Housing Authority of the City of Los Angeles	1,346	Madera Cemetery District	35
Housing Authority of the City of Madera	52	Majestic Pines Community Services District	7
Housing Authority of the City of South San Francisco	8	Mammoth Lakes Fire District	35
Housing Authority of the County of Kern	334	Management of Emeryville Services Authority	223
Housing Authority of the County of Santa Clara	360	March Joint Powers Authority	32
Housing Authority of the County of Santa Cruz	136	Marin Children and Families Commission	3
Hub Cities Consortium	29	Marin County Housing Authority	71
Humboldt County Association of Governments	2	Marin Municipal Water District	918
Humboldt County Superior Court	160	Marinwood Community Services District	74
Humboldt State University Center Board of Directors	126	Maxwell Public Utility District	3
Humboldt Transit Authority	130	McCloud Community Services District	26
Hydesville County Water District	1	Meadow Vista County Water District	10
Idyllwild Fire Protection District	25	Meeks Bay Fire Protection District	14
Inland Empire Utilities Agency	712	Meiners Oaks County Water District	5
Intelcom Intelligent Telecommunications	24	Mendocino County Russian River Flood Control & Water Conservation Improvement District	3
Inverness Public Utility District	14	Menlo Park Fire Protection District	351
Ironhouse Sanitary District	133	Merced County Housing Authority	63
Irvine Ranch Water District	970	Mesa Water District	132
Isla Vista Recreation and Park District	8	Metropolitan Transportation Commission	504
Jamestown Sanitary District	14	Metropolitan Water District of Southern California	7495
Jurupa Community Services District	410	Mid Carmel Valley Fire Protection District	5
Kanawha Water District	5	Midpeninsula Regional Open Space District	245
Kensington Community Services District	47	Midway City Sanitary District	116
Kensington Fire Protection District	16	Midway Heights County Water District	6
Kentfield Fire Protection District	66	Millville Masonic and Odd Fellows Cemetery District	1
Kenwood Fire Protection District	8	Mission Valley Regional Occupational Center/Program	33
Kern County Council of Governments	72		

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Districts & Other Public Agencies (continued)

District & Other Public Agency	Covered Lives	District & Other Public Agency	Covered Lives
Mojave Air and Space Port	90	Ojai Valley Sanitary District	60
Mojave Desert Air Quality Management	80	Ophir Hill Fire Protection District	3
Mojave Water Agency	92	Orange County Fire Authority	923
Monte Vista County Water District	63	Orange County Vector Control District	140
Montecito Fire Protection District	238	Oro Loma Sanitary District	174
Monterey Bay Unified Air Pollution Control District	61	Oroville Cemetery District	22
Monterey County Law Library	1	Oroville Mosquito Abatement District	5
Monterey County Regional Fire Protection District	233	Oxnard Harbor District	140
Monterey County Superior Court	385	Pacific Fire Protection District	16
Monterey County Water Resources Agency	100	Pajaro Valley Public Cemetery District	18
Monterey Peninsula Airport District	98	Palm Ranch Irrigation District	15
Monterey Peninsula Regional Park District	41	Palm Springs Cemetery District	9
Monterey-Salinas Transit District	492	Palm Springs Desert Resorts Convention and Visitors Authority	75
Moraga-Orinda Fire Protection District	313	Paradise Recreation and Park District	15
Morongo Basin Transit Authority	42	Paso Robles City Housing Authority	27
Mosquito and Vector Management District of Santa Barbara County	14	Peardale Chicago Park Fire Protection District	2
Moss Landing Harbor District	13	Peninsula Health Care District	4
Mother Lode Job Training Agency	45	Peninsula Library System	16
Mountain Valley Emergency Medical Services Agency	3	Peninsula Traffic Congestion Relief Alliance	17
Mt. View Sanitary District of Contra Costa County	53	Penn Valley Fire Protection District	25
Mt. San Antonio College Auxiliary Services	72	Phelan Pinon Hills Community Services District	49
Muir Beach Community Services District	1	Pine Cove Water District	10
Municipal Pooling Authority	39	Pine Grove Mosquito Abatement District	1
Murrieta Fire Protection District	195	Pinedale County Water District	23
Napa County Mosquito Abatement District	32	Pioneer Cemetery District	10
Napa County Superior Court	208	Pixley Irrigation District	22
Napa County Transportation and Planning Agency	18	Placer County Resource Conservation District	7
Napa Sanitation District	171	Placer County Transportation Planning Agency	28
Nevada Cemetery District	10	Placer County Water Agency	640
Nevada County Superior Court	116	Placer Hills Fire Protection District	13
Nevada Irrigation District	664	Placer Mosquito and Vector Control District	52
Nevada-Sierra Regional IHSS Public Authority	10	Planning and Service Area II Area Agency on Aging	7
Newport Beach City Employees Federal Credit Union	3	Pleasant Valley Recreation and Park District	80
Nipomo Community Services District	74	Plumas County Community Development Commission	31
North Bay Regional Center	324	Plumas Local Agency Formation Commission	2
North Bay Schools Insurance Authority	51	Pomerado Cemetery District	16
North Coast Railroad Authority	4	Pomona, Calif State Polytechnic University, Associated Students, Inc.	152
North Coast Unified Air Quality Management District	54	Port of Oakland	8
North County Fire Protection District of Monterey County	98	Port San Luis Harbor District	81
North County Fire Protection District of San Diego County	248	Princeton-Codora-Glenn Irrigation District	9
North County Regional Occupational Program Joint Powers Agency	5	Processing Strawberry Advisory Board	7
North County Transit District	365	Processing Tomato Advisory Board	11
North Los Angeles County Regional Center, Inc.	667	Provident Irrigation District	6
North Marin Water District	163	Public Agency Risk Sharing Authority of California	18
North Tahoe Fire Protection District	191	Public Entity Risk Management Authority	7
Northern California Power Agency	612	Pupil Transportation Cooperative	226
Northern California Special Districts Insurance Authority	4	Quincy Cemetery District	2
Northern Salinas Valley Mosquito Abatement District	27	Quincy Community Services District	17
Northern Sierra Air Quality Management District	15	Rainbow Municipal Water District	1
Northridge, CSU, Associated Students	93	Ramona Cemetery District	10
Northstar Community Services District	122	Rancho Cucamonga Fire Protection District	492
Northwest Mosquito and Vector Control District	38	Rancho Murieta Community Services District	70
Novato Fire Protection District	393	Rancho Simi Recreation & Park District	206
Novato Sanitary District	78	Reclamation District No. 833	8
Oakland City Housing Authority	988	Reclamation District No. 1000	40
Ocean Grove Charter School	144	Reclamation District No. 341	3

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Districts & Other Public Agencies (continued)

District & Other Public Agency	Covered Lives	District & Other Public Agency	Covered Lives
Reclamation District No. 70	16	San Juan Water District	199
Reclamation District No. 800	11	San Lorenzo Valley Water District	71
Reclamation District No. 1601	5	San Luis Obispo Air Pollution Control District	38
Reclamation District No. 900	5	San Luis Obispo Cal Poly Associated Students, Inc.	226
Redway Community Services District	7	San Luis Obispo Council of Governments	42
Regional Center of the East Bay	470	San Luis Obispo County Pension Trust	12
Regional Council of Rural Counties	40	San Luis Obispo Regional Transit Authority	21
Regional Housing Authority of Sutter and Nevada Counties	67	San Mateo County Schools Insurance Group	10
Regional Water Authority	20	San Mateo County Transit District	2004
Richardson Bay Sanitary District	19	San Miguel Community Services District	11
Rincon Del Diablo Municipal Water District	91	San Miguel Consolidated Fire Protection District	197
Rio Vista-Montezuma Cemetery District	5	San Ramon Valley Fire Protection District	809
Riverbank City Housing Authority	5	San Simeon Community Services District	2
Riverdale Public Utility District	5	Sanitary District No. 1 of Marin County	99
Riverside County Transportation Commission	124	Sanitary District No. 5 of Marin County	29
Rodeo-Hercules Fire Protection District	116	Santa Barbara County Association of Governments	38
Roseville Public Cemetery District	18	Santa Barbara County Law Library	3
Ross Valley Fire Department	141	Santa Clara County Health Authority	383
Rubidoux Community Services District	2	Santa Clara County Law Library	2
Sacramento Area Council of Governments	130	Santa Clara Valley Transportation Authority	1129
Sacramento Area Flood Control Agency	24	Santa Cruz County Regional Transportation Commission	43
Sacramento City Housing Authority	643	Santa Cruz County Superior Court	293
Sacramento County Public Law Library	31	Santa Cruz Local Agency Formation Commission	5
Sacramento Metropolitan Air Quality Management District	192	Santa Cruz Metropolitan Transit District	1187
Sacramento Metropolitan Cable Television Commission	14	Santa Cruz Port District	42
Sacramento Metropolitan Fire District	3403	Santa Cruz Regional 9-1-1	123
Sacramento Regional Fire/EMS Communications Center	128	Santa Fe Irrigation District	191
Sacramento Regional Transit District	2,472	Santa Maria Public Airport District	25
Sacramento Suburban Water District	192	Santa Paula City Housing Authority	17
Sacramento Transportation Authority	5	Saratoga Fire Protection District	19
Salinas Valley Solid Waste Authority	135	Sausalito-Marín City Sanitary District	60
Salton Community Services District	27	School Personnel Credit Union	6
San Andreas Regional Center, Inc.	382	Schools Excess Liability Fund	20
San Andreas Sanitary District	26	Scotts Valley Fire Protection District	100
San Benito County Water District	42	Selma Cemetery District	8
San Bernardino County Housing Authority	443	Selma-Kingsburg-Fowler County Sanitation District	90
San Bernardino County Law Library	6	Sequoia Healthcare District	6
San Bernardino Economic Development Agency	18	Shasta Area Safety Communications Agency	84
San Diego Association of Governments	715	Shasta County Superior Court	345
San Diego County Law Library	56	Shasta Mosquito and Vector Control District	40
San Diego State University Associated Students	58	Shasta Regional Transportation Agency	10
San Dieguito Water District	57	Shasta Valley Cemetery District	5
San Elijo Joint Powers Authority	48	Sierra Lakes County Water District	15
San Francisco Bay Area Rapid Transit District	11899	Sierra-Sacramento Valley Emergency Medical Services Agency	30
San Francisco Bay Area Water Emergency Transportation Authority	12	Silicon Valley Animal Control Authority	31
San Francisco City and County Housing Authority	538	Silicon Valley Clean Water	239
San Francisco City and County Redevelopment Agency	244	Silveyville Cemetery District	5
San Francisco Community College District Bookstore Auxiliary	29	Siskiyou County Superior Court	99
San Francisco County Transportation Authority	70	Smith River Community Services District	8
San Gabriel Valley Mosquito and Vector Control District	20	Solano County Mosquito Abatement District	31
San Geronio Pass Water Agency	15	Solano County Superior Court	389
San Jacinto Valley Cemetery District	22	Solano County Water Agency	23
San Joaquin County Housing Authority	243	Solano Transportation Authority	49
San Joaquin County Mosquito and Vector Control District	102	Sonoma Marin Area Rail Transit District	82
San Jose State University Foundation	577	Sonoma State Enterprises, Inc.	1
San Jose State University, Associated Students	86	Sonoma Student Union Corporation	5

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

Districts & Other Public Agencies (continued)

District & Other Public Agency	Covered Lives	District & Other Public Agency	Covered Lives
Soquel Creek Water District	156	Ukiah Valley Fire District	7
South Bay Regional Public Communications Authority	129	Union Public Utility District	17
South County Area Transit	2	Union Sanitary District	435
South Feather Water and Power Agency	218	United Water Conservation District	134
South Orange County Wastewater Authority	198	University Corporation	334
South Placer Fire District	130	University Glen Corporation	109
South Placer Municipal Utility District	100	University Student Union California State University Stanislaus	12
South San Luis Obispo County Sanitation District	37	Upland City Housing Authority	26
Southeast Area Social Services Funding Authority	17	Vacaville Fire Protection District	11
Southern California Association of Governments	287	Vacaville-Elmira Cemetery District	17
Southern California Library Cooperative	14	Vallejo Sanitation and Flood Control District	337
Southern California Public Power Authority	31	Valley County Water District	109
Southern California Regional Rail Authority	734	Valley Mountain Regional Center, Inc.	354
Southern Humboldt Community HealthCare District	58	Valley of the Moon Water District	34
Southern San Joaquin Municipal Utility District	61	Valley Sanitary District	65
Spartan Shops, Inc.	139	Valley-Wide Recreation and Park District	62
Squaw Valley Public Service District	64	Ventura County Law Library	9
State Assistance Fund for Enterprise, Business and Industrial Development	16	Ventura County Transportation Commission	59
Stanislaus County Housing Authority	163	Ventura Port District	82
State and Federal Contractors Water Agency	8	Ventura Regional Sanitation District	157
State Water Contractors	22	Veterans Home of California Post Fund	10
Stege Sanitary District	22	Victor Valley Wastewater Reclamation Authority	104
Stinson Beach County Water District	24	Water Facilities Authority	26
Stockton Port District	193	Weaverville Community Services District	18
Strawberry Recreation District	4	West Bay Sanitary District	73
Student Union of San Jose State University	60	West Cities Communication Center	36
Student Union, San Bernardino, California State University	50	West Contra Costa Healthcare District	5
Suisun Resource Conservation District	17	West Contra Costa Integrated Waste Management Authority	3
Summit Cemetery District	43	West Contra Costa Transportation Advisory Committee	18
Sunnyslope County Water District	33	West County Wastewater District	178
Superior Court of California County of San Luis Obispo	198	Western Canal Water District	34
Sutter Cemetery District	26	Western Riverside Council of Governments	42
Sweetwater Springs Water District	20	Westlands Water District	425
Sylvan Cemetery District	16	Wildomar Cemetery District	1
Tahoe City Public Utility District	145	Willow Creek Community Services District	9
Tahoe-Truckee Sanitation Agency	197	Willows Cemetery District	6
Temecula Public Cemetery District	3	Wilton Fire Protection District	2
Templeton Community Services District	52	Winterhaven Water District	1
Three Arch Bay Community Services District	1	Winters Cemetery District	5
Tiburon Fire Protection District	106	Winters Fire Protection District	2
Tower Foundation, San Jose State University	27	Woodside Fire Protection District	239
Trabuco Canyon Water District	83	Yolo County Housing Authority	88
Tracy Rural County Fire Protection District	2	Yolo County In-Home Supportive Services Public Authority	5
Transbay Joint Powers Authority	29	Yolo County Public Agency Risk Management Insurance Authority	23
Transportation Agency for Monterey County	16	Yolo County Superior Court	210
Tri-Counties Association for the Developmentally Disabled	589	Yolo County Transportation District	24
Trinity County Superior Court	16	Yolo Emergency Communications Agency	68
Truckee Fire Protection District	170	Yolo-Solano Air Quality Management District	81
Truckee Sanitary District	126	Yuba County Superior Court	89
Tulare County Housing Authority	92	Yuba County Water Agency	165
Tulare Mosquito Abatement District	21	Yuba Sutter Transit Authority	14
Tuolumne County Superior Court	46	Yuima Municipal Water District	1
Tuolumne Fire District	5		
Tuolumne Utilities District	291	Total Covered Lives	114,302
Turlock Mosquito Abatement District	30		
Twain Harte Community Services District	39		

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

School Employers (154)

School Employer Name	Covered Lives	School Employer Name	Covered Lives
Acalanes Union High School District	1,392	Las Lomitas Elementary School District	217
Alameda City Unified School District	1,226	Las Virgenes Unified School District	2,025
Albany City Unified School District	1,009	Liberty Union High School District	1,177
Alta-Dutch Flat Union Elementary School District	16	Little Lake City Elementary School District	896
Antioch Unified School District	2,616	Lodi Unified School District	3,720
Auburn Union Elementary School District	53	Los Altos Elementary School District	991
Baldy View Regional Occupational Program	82	Los Angeles Community College District	13,243
Bassett Unified School District	290	Los Gatos-Saratoga Joint Union High School District	748
Bayshore Preparatory Charter School	6	Los Nietos Elementary School District	392
Berryessa Union Elementary School District	1,352	Lowell Joint Elementary School District	623
Beverly Hills Unified School District	814	Lynwood Unified School District	2,837
Bonita Unified School District	1,251	Magnolia Elementary School District	979
Brisbane Elementary School District	97	Manteca Unified School District	43
Burbank Unified School District	2,767	Martinez Unified School District	860
Burlingame Elementary School District	319	Menlo Park City Elementary School District	456
Campbell Union Elementary School District	995	Metropolitan Education District	299
Campbell Union High School District	1,768	Mill Valley Elementary School District	688
Castaic Union Elementary School District	356	Millbrae Elementary School District	296
Centinela Valley Union High School District	1,212	Modesto City Elementary School District	3,081
Cerritos Community College District	1,863	Montebello Unified School District	7,037
Charter Learning Center	16	Moreland Elementary School District	753
Chatham Union Elementary School District	18	Morgan Hill Unified School District	1,091
Compton Unified School District	4,093	Mountain View Elementary School District	628
Connecting Waters	166	Mt. Baldy Joint School District	9
County School Service – Alameda County Schools	289	Mt. Diablo Unified School District	5,655
County School Service – Contra Costa County Schools	1,329	Mt. Pleasant Elementary School District	232
County School Service – Napa County Schools	289	Mt. San Antonio Community College District	2,574
County School Service – Sacramento County Schools	1,227	Napa Community College Dist	622
County School Service – San Mateo County Schools	781	Napa Valley Unified School District	2,144
County Superintendent of Schools Office – Riverside County Schools	3,503	Natomas Unified School District	708
Culver City Unified School District	1,145	New Haven Unified School District	1,415
Davis Joint Unified School District	1,037	Newark Unified School District	344
Death Valley Unified School District	23	Newhall Elementary School District	849
Duarte Unified School District	450	Newman-Crows Landing Unified School District	355
Dublin Unified School District	380	North Monterey County Unified School District	548
El Camino Community College District	2,162	North Orange County Community College District	3,040
El Dorado Union High School District	42	Norwalk-La Mirada Unified School District	4,010
El Rancho Unified School District	1,970	Office of Education – Inyo County	123
Empire Union Elementary School District	32	Ohlone Community College District	664
Fairfield-Suisun Child Care Center	1	Orange Unified School District	6,326
Fairfield-Suisun Unified School District	2,495	Orinda Union School District	437
Fillmore Unified School District	937	Pacifica School District	776
Foothill-De Anza Community College District	3,636	Palos Verdes Peninsula Unified School District	1,794
Fountain Valley Elementary School District	628	Paradise Elementary School District	18
Fremont Unified School District	2,704	Piedmont City Unified School District	4
Fremont Union High School District	590	Pittsburg Unified School District	1,985
Garvey Elementary School District	1,057	Pleasanton Unified School District	912
Gavilan Joint Community College District	547	Ravenswood City Elementary School District	479
Hayward Unified School District	1,690	Redwood City Elementary School District	1,237
Healdsburg Unified School District	147	Reed Union Elementary School District	332
Hillsborough City School District	261	Ridgecrest Charter School	51
Holtville Unified School District	2	Rio Hondo Community College District	1,434
Howell Mountain Elementary School District	16	River Delta Joint Unified School District	231
John Swett Unified School District	367	Riverbank Unified School District	339
Knightsen School District	37	Ross Elementary School District	108
Lakeside Joint Elementary School District	12	Ross Valley Elementary School District	328

PARTICIPATING PUBLIC AGENCIES BY TYPE (CONTINUED)

School Employers (continued)

School Employer Name	Covered Lives	School Employer Name	Covered Lives
Rowland Unified School District	2,481	South San Francisco Unified School District	1,336
San Bruno Park Elementary School District	389	South Sutter Charter School	203
San Carlos Elementary School District	373	South Whittier School District	628
San Leandro Unified School District	596	Southeast Los Angeles County Reg Occup Program	50
San Lorenzo Unified School District	1,027	Stanislaus County Office of Education	1
San Mateo County Community College District	2,746	Stockton Unified School District	7,763
San Mateo-Foster City School District	1,342	Temple City Unified School District	735
San Rafael City Elementary School District	631	Turlock Joint Unified School District	849
San Rafael City High School District	618	Twin Rivers Unified School District	4,892
Santa Clarita Community College District	453	Union Elementary School District	680
Santa Maria Joint Union High School District	931	Vacaville Unified School District	1,879
Santa Monica Community College District	2,353	Valle Lindo Elementary School District	143
Santa Monica-Malibu Unified School District	3,006	Vallejo City Unified School District	2,488
Saugus Union Elementary School District	1,121	Walnut Valley Unified School District	911
Sequoia Union High School District	2,503	West Contra Costa Unified School District	7,138
Sky Mountain Charter School	184	West Covina Unified School District	1,157
Solano Community College District	1,083	West Valley-Mission Community College District	1,061
Solano County Schools	432	Whittier City Elementary School District	1,204
Soledad Unified School District	680	William S. Hart Union High School District	4,341
Sonoma Valley Unified School District	1,031	Wiseburn Unified School District	302
South Coast Regional Occupational Program	46	Total Covered Lives	<u>199,406</u>
South Pasadena Unified School District	893		

DEFINED CONTRIBUTION PLANS

CalPERS administers a defined contribution plan and a deferred compensation plan to certain members to save for retirement.

These plans include:

- Deferred Compensation Program
- Supplemental Contributions Program

DEFERRED COMPENSATION PROGRAM

The Deferred Compensation Program is a way for participants to defer a portion of pre-tax salary into investments of an individual's choosing. It allows both the amount deferred and the amount earned on the investment to be protected from income tax until the money is distributed. The plan is intended to supplement the retirement benefit plans offered by CalPERS. All California public agencies and school employers may adopt the Program for the benefit of their employees.

The CalPERS Board designates the investment fund options made available to participants and provides the administrative functions of the Program. Assets are held in trust by the Board for the exclusive benefit of participating employees.

As of June 30, 2015, the Deferred Compensation Program was adopted by 751 California public agencies and school districts. For a full listing of the Program participating public agencies, please visit our public agency employer page at www.calpers.ca.gov.

SUPPLEMENTAL CONTRIBUTIONS PROGRAM

The Supplemental Contributions Program is available to State of California employees who are members of CalPERS, and active judges who are members of the Judges' Retirement System I or II. Participants may invest after-tax contributions through payroll deductions or cash contributions by check. Participant earnings grow tax-deferred until the Program participants begin to take withdrawals in retirement or upon separation from state employment.

Additionally, the California State Legislature designated the Supplemental Contributions Program Fund (SCPF) as the default option for those State Peace Officers' and Firefighters' Supplemental Plan (SPOFF) participants who did not make an affirmative election to request a distribution from their SPOFF account balance prior to the plan terminating.

STATE PEACE OFFICERS' AND FIREFIGHTERS' SUPPLEMENTAL PLAN (SPOFF)

SPOFF was an employer-provided retirement benefit negotiated between the State of California and certain employee groups. The contributions were invested by CalPERS and credited to each participant's account along with any net earnings. The balance of the account is available to SPOFF participants only at retirement or upon permanent separation from all state employment.

Effective April 2011, the State suspended contributing on behalf of eligible rank and file positions, and effective May 2011, the State suspended contributing on behalf of eligible supervisors, management, and exempt positions. Senate Bill No. 227 and Assembly Bill 611 were signed by the Governor in October 2013 and September 2014, respectively. Legislation terminated the State Peace Officers' and Firefighters' Defined Contribution Plan, effective June 1, 2014, upon obtaining the appropriate approvals from the Internal Revenue Service in September 2014. The termination required distributions of participant's money in the State Peace Officers' and Firefighters' Defined Contribution Plan in accordance with state and federal law and designated the SCPF as the default plan for participants who did not make an affirmative election to take a distribution. As of June 30, 2015, some asset balances remained with the SPOFF as reserves held for possible future legacy expenses, excess employer contributions to be discharged, and interest earned.

INVESTMENT FUND LINEUP

The Deferred Compensation Program and Supplemental Contributions Program for the Fiscal Year 2014-15 investment line-up allows participants to choose from ten target retirement date funds and six core funds.

The investment fund lineup includes:

Ten Target Retirement Date Funds

- Structured with five-year increments to allow participants to target their retirement date.
- Utilizes glide path strategy intended to reduce volatility risk as the member approaches retirement.

Six Core Funds

- Provides a broad range of asset class coverage to create a portfolio consistent with the participants' individual investment goals, time horizons, and risk tolerance.
- Spans the risk-return spectrum, without duplication.

LONG-TERM CARE (LTC) PROGRAM DATA

As of June 30, 2015, the total long-term care participant count decreased 2.6 percent to 136,253. This decrease may be attributable to the LTC program stabilization and sustainability measures and realized participant population attrition. Annual premiums as of June 30, 2015 were \$272.4 million.

Long-Term Care Program Data – Comprehensive Plans

Benefit Period	LTC 1 (1995-2002)		LTC 2 (2003-2004)		LTC 3 (2005-2008)		Total
	With Inflation	No Inflation	With Inflation	No Inflation	With Inflation	No Inflation	
Lifetime	23,371	7,251	1,422	821	1,145	1,074	35,084
10 Year	—	17,534	—	1,495	—	6	19,035
6 Year	2,617	16,430	31	1,347	3,265	3,565	27,255
3 Year	3,880	13,078	316	1,398	2,829	892	22,393
TOTAL	29,868	54,293	1,769	5,061	7,239	5,537	103,767

Long-Term Care Program Data – Facility Only Plans

Benefit Period	LTC 1 (1995-2002)		LTC 2 (2003-2004)		LTC 3 (2005-2008)		Total
	With Inflation	No Inflation	With Inflation	No Inflation	With Inflation	No Inflation	
Lifetime	3,793	1,788	161	81	179	147	6,149
10 Year	—	4,280	—	237	—	—	4,517
6 Year	507	4,800	14	247	224	855	6,647
3 Year	1,598	6,196	50	297	666	302	9,109
TOTAL	5,898	17,064	225	862	1,069	1,304	26,422

Partnership Plans with Inflation

Benefit Period	LTC 1 (1995-2002)	LTC 2 (2003-2004)	LTC 3 (2006-2008)	Total
2 Year	2,912	159	65	3,136
1 Year	1,768	81	38	1,887
6 Month	138	10	—	148
TOTAL	4,818	250	103	5,171

LTC 4¹ Comprehensive and Partnership Plans

Benefit Period	5% Compound Inflation	3% Compound Inflation	5% Simple Inflation	3% Simple Inflation	Benefit Increase Offer	No Inflation	Total
10 Year	12	10	1	101	24	8	156
6 Year	9	50	3	213	24	6	305
3 Year	25	69	10	272	31	13	420
2 Year	9	—	—	—	—	—	9
1 Year	3	—	—	—	—	—	3
TOTAL	58	129	14	586	79	27	893

(1) LTC 4 opened for enrollment in December 2013.

Seven-Year Historical Participant Counts

	2015	2014	2013	2012	2011	2010	2009
COVERED TOTAL LIVES	136,253	139,947	144,933	150,330	154,634	159,528	165,023

Compliance Section

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Completed more than 125 audits
of contracting public agencies

\$106 MILLION
in projected Savings
& Claims Cost Avoidance



**Commitment to strong
ethics, compliance and
risk management practices**

Implementing the
Three Lines of Defense Model:
1st - Program Area Management
2nd - Oversight
3rd - Internal and External Audits

Compliance Section

OVERVIEW

This year's report highlights activities and accomplishments for the fiscal year ending June 30, 2015 and outlines the organization's upcoming compliance initiatives. Compliance is embedded into CalPERS strategy, culture, and day-to-day business operations, and many of our activities and accomplishments directly support the organization's business plan.

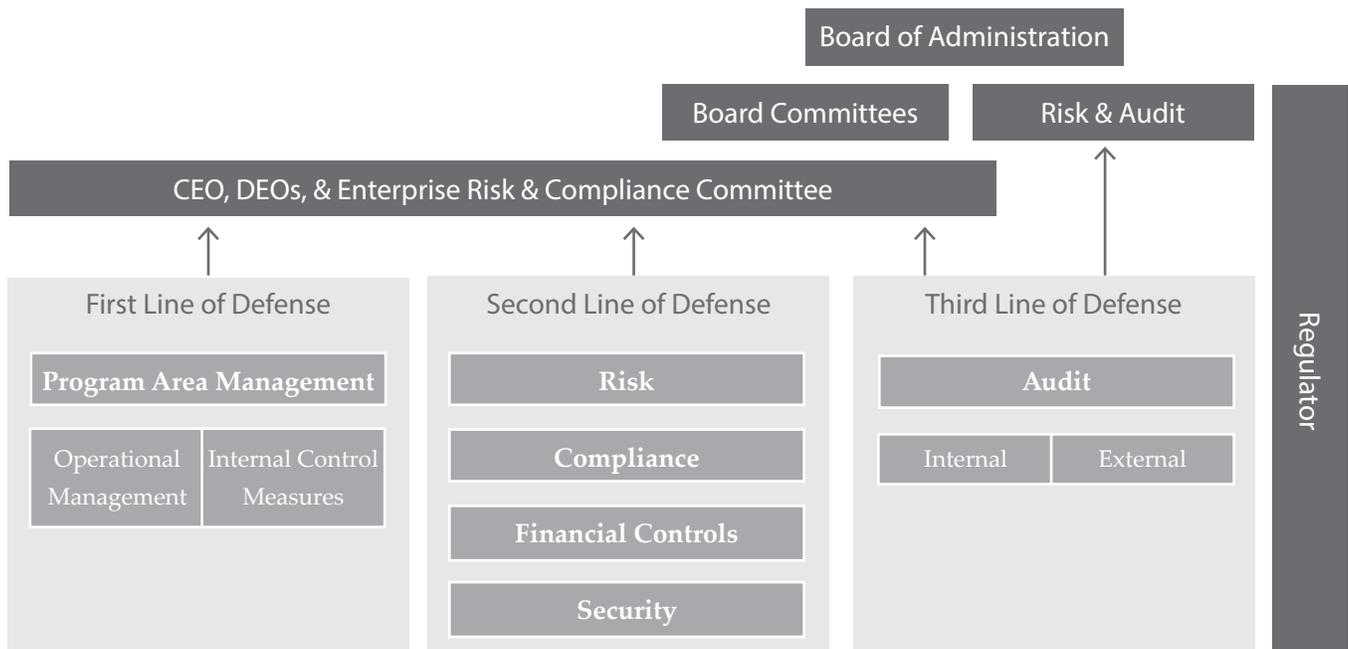
CalPERS' Board of Administration and executive management launched CalPERS' Compliance program in 2004 and continue to support strong ethics, compliance, and risk management practices. As the regulatory and compliance landscape has evolved over the past decade, CalPERS developed a new multi-year Enterprise Compliance Plan (Plan), building upon the already effective compliance practices in place. This Plan takes into account current industry trends along with management input in establishing compliance-focused priorities. As part of implementing the new Plan, CalPERS is developing frameworks and tools aimed at enhancing its control environment, addressing operating events, and improving the management of policies and delegations of authority. Additionally, the plan will focus on fostering a compliance-aware culture through communication, education, and training.

Compliance awareness and risk management are integral to cultivating a high-performing, risk-intelligent, and innovative organization. In order to implement our risk, compliance and internal control practices, CalPERS has embraced an integrated assurance model to promote a multi-faceted approach to compliance, risk and internal control awareness and accountability. These three lines of defense promote collaboration and an increased understanding of roles and responsibilities in ensuring compliance and detecting and preventing improper conduct.

The Board of Administration and executive management team provide direction and oversee the effectiveness of the organization's compliance practices using the Three Lines of Defense model.

- **First Line of Defense** – The first level of the control environment consists of the program areas which perform day-to-day risk management and compliance activity.
- **Second Line of Defense** – Oversight functions, such as Enterprise Compliance and Enterprise Risk Management, set direction, define policy, and provide assurance.
- **Third Line of Defense** – Internal and external audits are the third line of defense, offering an independent challenge to the levels of assurance provided by program areas and oversight functions.

INTEGRATED ASSURANCE MODEL: THE THREE LINES OF DEFENSE



FY 2014-15 HIGHLIGHTS

During Fiscal Year 2014-15, CalPERS focused on strengthening the organization's control environment, monitoring compliance with laws and policies, and improving governance practices and ethics programs. We focused on maturing the integrated assurance model, where the compliance, risk and audit functions collaborated to assess and prioritize the organization's top risks. This approach allowed each program to enhance their understanding of the control environment and further the development of each of their annual business plans.

FIRST LINE OF DEFENSE

CalPERS Pension and Health programs undertook a number of initiatives that help to ensure compliance within the legal and regulatory landscape. Program areas continued to develop and enhance policies, procedures, and processes to guide staff in effectively carrying out business operations while promoting a culture of effective internal controls and compliance.

PENSION ADMINISTRATION

In response to changes in the legal and regulatory environments, CalPERS implemented processes and controls to ensure compliance in the following areas:

- Developed external communications, updated member accounts, internal processes and system changes to comply with *State of California v. United States Department of Labor*, the court decision ending the transit workers' exemption from the Public Employees' Pension Reform Act (PEPRA).
- Implemented policy and procedural changes regarding charter school eligibility to participate in a governmental retirement plan based on recent Internal Revenue Service and Treasury Department guidance.
- Established new agency merger procedures to accurately and efficiently administer pension benefits and provide CalPERS business partners with merger guidelines to support compliance.

- Implemented CalPERS 2014 Omnibus Bill, AB 2472, which:
 - Clarified that state member eligibility for retirement at age 50 for service under both state First and Second Tier benefit formulas only applies to members who are not subject to the PEPRA of 2013 benefit formulas.
 - Allowed the use of the employer contribution rate in effect at the time the compensation is earned when making prior period adjustments.
 - Allowed members, including members of Judges' Retirement System I and Judges' Retirement System II, to make a change to their election of a survivor benefit option if CalPERS receives their request within 30 days of the issuance of their first retirement payment.

CalPERS Regional Offices developed and implemented document processing procedures and controls to ensure that no confidential member information is subject to unauthorized view, access, use, modification, disposal, loss, or theft.

HEALTH ADMINISTRATION

CalPERS continued the Dependent Eligibility Verification process, which validates that only eligible dependents are enrolled in CalPERS health plans. As of October 1, 2014, nearly 9,000 ineligible dependents were removed from coverage with a total estimated savings of \$106 million.

CalPERS provided oversight and monitoring of health plan contract requirements and processes for business partners, including receiving independent validation that over \$2.5 billion capitation and fee-for-service payments made in 2014 met flex-funded health plans' contract requirements.

CalPERS implemented a pilot expansion of its Quality Assurance Program to include employer and member electronic inquiries in addition to phone inquiries. This program supports compliance with information security and the Health Insurance Portability and Accountability Act (HIPAA) regulations through monitoring appropriate disclosure or non-disclosure of member account-specific information to ensure it is in alignment with security rules. It also ensures accuracy and uniformity of responses.

FIRST LINE OF DEFENSE (CONTINUED)

CalPERS ensured the implementation of Title 2 of the California Code of Regulations 599.518, Coverage: Member Health Appeals Process, which:

- Provided guidelines and clarity to ensure that members are given a full and fair review
- Protected CalPERS' authority in rendering final health appeal decisions

CalPERS continued to implement Affordable Care Act (ACA) compliance processes, including:

- Issued Circular Letter 600-020-14 to inform members of changes in health plans, health insurance, and ACA laws and regulations.
- Maintained ongoing partnership with California Department of Human Resources and State Controller's Office to identify impacts and implement changes related to Employer Shared Responsibility regulations pursuant to the ACA.

Additionally, to ensure HIPAA compliance, CalPERS:

- Monitored all new projects, requests for proposals, and vetted contracts for HIPAA compliance
- Reviewed and assessed all health plan partner incident notifications to determine if a breach had occurred and reported breach incidents were appropriately addressed
- Tracked the annual HIPAA Web-based training requirement for all staff and contractors

INTERNAL OPERATIONS

Financial Controls & Reporting

Financial transparency and accurate financial reporting establish a basis for Board oversight of CalPERS operations and are a critical component of our compliance with national and state accounting and reporting requirements and standards.

In Fiscal Year 2014-15, CalPERS produced over 3,000 annual government-mandated actuarial valuations that set employer contribution rates for state and public agencies, schools, Legislators' Retirement System, Judges' Retirement System I and II, and the 1959 Survivor Benefit Program.

CalPERS implemented changes under Government Code 22899, which streamlines the collection process for public

agency health premium billing. The changes include the standardization of collection letters and the method of assessing interest on delinquent accounts. This is part of an ongoing effort to standardize the collection process across all receivable types.

CalPERS implemented Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* (GASB 67), which included the determination of the number of plans to separately present in the basic financial statements as well as the classification of each plan as single-employer, agent multiple-employer, or cost-sharing multiple employer. GASB 67 developed the necessary notes to the financial statements and the supplementary schedules required by these changes, too. CalPERS also implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* (GASB 68), and worked with our external auditors to ensure compliance of these standards. CalPERS has conducted Employer Response Dialogue sessions across the State at all eight Regional Offices and produced two webinars to assist public employers in fulfilling their GASB 68 reporting requirements. These requirements improve transparency by placing the net pension liability of both the Fund and the employers' pension obligations in their financial statements.

CalPERS Special Programs Division continued to monitor GASB accounting standards and reviewed all 450 plus employers under contract with the California Employers' Retiree Benefit Trust program to ensure compliance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, reporting.

Board approval was received for the Treasury Management Policy to ensure the payment of member benefits and organizational expenses without interruption. The policy sets forth the responsibilities, structure, and approach to ensure the payment of member benefits and organizational obligations are provided without interruption, provide an integrated oversight structure, maintain appropriate coverage and reserve levels for programs and the enterprise, and manage enterprise liquidity risk.

FIRST LINE OF DEFENSE (CONTINUED)

Investment Office

Investment Compliance and Operational Risk serves as an embedded compliance function and assists the Investment Office staff by ensuring compliance with key policies, laws, and regulations that impact the Investment Office. In Fiscal Year 2014-15, CalPERS Investment Compliance and Operational Risk:

- Constructed the policy development strategic framework, recommended revision to total fund investment policy statements, and consolidated CalPERS-specific investment terms into a central glossary.
- Led the process to adopt the CalPERS External Investment Resource Conflict of Interest Regulation.
- Collaborated with the CalPERS Legal Office to obtain additional guidance from the Fair Political Practices Commission regarding travel payments.

Human Resources

CalPERS is committed to fair and equitable treatment and diversity of our employees and officers. CalPERS is required to establish an effective Equal Employment Opportunity (EEO) Program and provide EEO to all individuals in all its activities. By doing so, we fulfill our legal obligations and build a workplace that evaluates and rewards staff based on merit and accomplishment, resulting in improved outcomes throughout our operations.

CalPERS developed policy, processes, and procedures for monitoring the composition of oral panels in departmental examinations by the equal employment opportunity officer pursuant to Government Code section 19795, subdivision (a).

CalPERS conducted an Annual Workforce Analysis as required by Executive Order, Government Code, and California Code of Regulations, and submitted the report to the California Department of Human Resources. The purpose of the annual workforce analysis is to establish an effective EEO program and to provide EEO to all individuals in all our activities.

CalPERS implemented a new criminal history background check through LiveScan for all prospective CalPERS employees. This new pre-employment screening requirement is an industry best practice in financial, pension, and health organizations as well as in other state departments. It also reflects CalPERS' commitment to protect the interests of the state, members, constituents, employers, and employees. This enhanced pre-employment screening process seeks to achieve the following goals:

- Support increased security of CalPERS employees, information, and assets
- Support consistent hiring and screening practices
- Proactively reduce the risk of employee-related loss
- Mitigate the likelihood of an adverse incident(s) occurring within CalPERS that could jeopardize member, employer, and/or public confidence

CalPERS developed a Direct Deposit and Accounts Receivable policy and procedure, including roles and responsibilities for employees participating in Direct Deposit as well as the human resources personnel specialists, to ensure all CalPERS staff are knowledgeable about the eligibility requirements for participation in the Direct Deposit Program and the legal requirements related to recouping compensation of overpayments, should they occur.

Education and Training

CalPERS successfully implemented AB 1163, Retirement System Board Member Education and Training, which requires that:

- The CalPERS Board of Administration adopt an education policy for Board members that identifies appropriate topics and training opportunities related to pension fund administration and investments
- Each Board member receive at least 24 hours of education in each two-year period
- The Board posts its education policy and an annual report on Board member compliance on the CalPERS website.

To ensure members make informed retirement and health decisions, CalPERS staff provided retirement planning and health program education to more than 87,000 members through various methods, including instructor-led classes, webinars, computer-based trainings, and through our CalPERS Benefits Education Events.

FIRST LINE OF DEFENSE (CONTINUED)

To provide employers with the information they need to accurately administer their employee benefits in compliance with relevant laws, rules, and regulations, CalPERS:

- Conducted over 300 training classes for employers
- Published 15 updates to the Employer Reference Guides
- Maintained educational Web pages and issued a wide range of Circular Letters and periodic bulletins to improve employer knowledge about compliance requirements
- Developed and implemented 14 new Health Business Rule computer-based training modules
- Piloted an instructor-led training module to 21 public agencies to assist business partners in complying with Public Employees' Medical and Hospital Care Act rules and regulations

CalPERS provided educational workshops to employees about CalPERS policies regarding discrimination and harassment, as well as topics relating to protected classes and other diversity and inclusion subjects such as generational differences, gender identity, disability, and unconscious bias.

CalPERS conducted staff training sessions to support and enhance understanding and compliance with the Public Records Act (PRA) and introduce staff to the new Web submission PRA tool.

Additionally, CalPERS Investment Office staff completed 90 minutes of mandatory in-person compliance training in 2014 regarding applicable laws and policies.

Administration

CalPERS supported Sunshine Week 2015, a week dedicated to promoting transparent and open government. CalPERS used established social media channels to share the goals of Sunshine Week and to remind the public about steps we have taken to become more transparent.

Pursuant to the Governor's Executive Order B-18-12 and the January 2014 drought State of Emergency Declaration, CalPERS implemented sustainable building practices and energy and water efficiency improvements. The water saving measures alone resulted in a 30 percent reduction from January through December 2014 (saving more than 9 million gallons) compared to water usage in 2013.

CalPERS successfully implemented the new requisition system, eProcurement, which replaced WeBuy in order to strengthen controls around purchasing. In addition, enhancements were made to the PeopleSoft system to assist with capturing Small Business and Disabled Veteran

Business Enterprise (DVBE) participation information for annual reporting to the Department of General Services. This contributed to CalPERS being recognized as the Small Business and DVBE Advocate of the Year by the Department of General Services.

In compliance with Government Code Section 7299.4, CalPERS conducted a statewide language survey to determine the number of annual public contacts by native language, number of bilingual employees in public contact positions, and available options to serve language needs.

SECOND LINE OF DEFENSE

CalPERS Enterprise Compliance Division and Enterprise Risk Management Division partner and collaborate as the second line of defense in order to provide oversight, guidance, and monitoring of governance, risk, and compliance activities.

Through these efforts, the divisions are able to support the organization in mitigating strategic and operational risks along with strengthening the organization's control environment and promoting strong ethical business practices. To demonstrate this alignment, both divisions worked closely together to develop and implement their annual plans.

Internal Audits, while independent and considered the third line of defense, provided input in an effort to strengthen their understanding of risks and mitigation strategies underway, ultimately maximizing resources and enhancing governance practices.

COMPLIANCE

CalPERS Enterprise Compliance program is responsible for providing compliance monitoring and oversight of our operations in order to ensure the organization complies with all applicable laws, regulations, and policies. This approach supports a culture that prevents, detects, and corrects ethical and compliance related risks throughout the organization. This year, CalPERS reassessed the compliance program's mission and functions due to changes and complexities in laws, regulations, and standards, along with an evolving role for compliance within organizations.

The purpose of Enterprise Compliance is to ensure that CalPERS maintains compliance with the letter and spirit of all applicable laws, regulations and policies in partnership with program areas.

SECOND LINE OF DEFENSE (CONTINUED)

The mission of Enterprise Compliance is to define and oversee the CalPERS Compliance Program to:

- Promote a positive control environment
- Prevent, detect, and respond to issues of non-compliance
- Serve as a resource for guidance about compliance and ethical issues
- Ensure program and policies reinforce ethical decision-making
- Ensure that CalPERS meets its fiduciary, regulatory, and contractual obligations
- Create and maintain a culture of honesty and integrity
- Encourage a commitment to doing the right thing

To implement the mission, CalPERS established a new Compliance Plan aimed at building and enhancing compliance capabilities in order to mature the program, consistent with changes in the broader compliance landscape. The Compliance Plan identifies core elements for establishing an effective compliance and ethics program, which includes clarifying leadership roles and responsibilities, developing and implementing management tools and frameworks, and enhancing compliance awareness. This plan is focused on the following areas:

- Leadership and Governance – Establish program area compliance liaisons to strengthen compliance awareness and effectiveness throughout the organization.
- Standards and Codes – Improve the policy and delegation of authority framework, review lifecycle, and management practices.
- Risk Assessment and Priorities – Identify compliance priorities through the ongoing assessment of incidents and risks.
- Operating Events and Incident Management – Develop a standardized incident management resolution process.
- Monitoring and Testing – Align integrated assurance practices among risk, audit, legal, and compliance functions.
- Reporting and Disclosures – Enhance the compliance reporting to the Board of Administration and executive leadership.
- Education and Communication – Expand compliance awareness education and training in order to strengthen the culture of compliance controls.

Policy and Delegation Management

Enterprise Compliance also assumed responsibility for the enterprise-wide Policy and Delegation Management libraries and worked on a framework to promote clarity and improve policy management throughout the organization. This included:

- Development of an enterprise policy framework intended to promote clarity and improve policy management
- Socialization with key stakeholders
- Piloting and implementing the improved framework throughout the organization

Policies revised under the new framework include:

- CalPERS Board Governance Policy and Board Member Education Policy
- Staff Ethical Decision-Making Policy

Monitoring and Control

CalPERS maintained ongoing compliance with regulatory and investment policy requirements and continued activities to mitigate investment compliance risks, including:

- Performance of daily portfolio compliance monitoring of public market asset classes as well as forensic testing of public market asset class investment activities.
- Performance of a risk assessment of process, policies, and procedures to identify areas of improvement and established additional compliance processes and defined protocols that follow industry practices.

Reporting and Disclosures

As part of the Enterprise Compliance Program's monitoring, reporting, and disclosure responsibilities, it regularly produces several internal and external reports, including:

- Conflict of Interest Code – Form 700 Statement of Economic Interests
- Ethics Helpline and Citizen Complaint Act of 1997

Conflict of Interest Code – Form 700 Statement of Economic Interests

The Political Reform Act (Government Code section 81000 et seq.) requires CalPERS to adopt, and periodically update, a Conflict of Interest Code (Code) in order to designate positions required to file a Statement of Economic Interests – Form 700. In 2015, CalPERS revised the Code to: (1) update

SECOND LINE OF DEFENSE (CONTINUED)

the list of designated positions to remove working titles and only reflect state classifications; (2) organize disclosure categories at the agency level rather than at the division level; and (3) promote further transparency. This revised approach will simplify and streamline the administration and oversight process for the Code.

In accordance with the Political Reform Act, the Board, designated staff, and consultants are required to file Form 700, Statement of Economic Interests, annually disclosing their financial interests, overseen by the Fair Political Practices Commission (FPPC). Consistent with FPPC requirements, CalPERS' filing officer provided the oversight and monitoring of all filings.

The 2014 annual Form 700 filings were due March 1, 2015 for elected Board members and April 1, 2015 for all other filers. The Enterprise Compliance Division began notifying affected individuals in January 2015 and partnered with the Investment and Legal offices to provide communications, training, and office hours. Additionally, staff made a significant effort to encourage electronic filing, which ensures a more complete and accurate filing. As of April 1, 2015, 100 percent of CalPERS filers had completed their annual statements in a timely manner.

CalPERS' Personal Trading policy is intended to safeguard against trading with material non-public information. The Enterprise Compliance Division administers the Personal Trading policy via an automated platform, providing additional safeguards and reducing the risk of restricted trading. As of June 30, 2015, all CalPERS-covered persons had completed their Annual Attestations requirements.

Ethics Helpline and Citizen Complaint Act of 1997

CalPERS maintains and monitors a third-party hosted Ethics Helpline, allowing individuals internal or external to CalPERS to anonymously and securely report concerns about potential misconduct or inappropriate activities. By establishing processes and controls that support compliance and encourage reporting of unethical or inappropriate activities, CalPERS promotes a strong ethical culture. During Fiscal Year 2014-15, 103 ethics-related complaints were submitted to the CalPERS Ethics Helpline, of which 88 (85 percent) had been closed as of June 30, 2015.

RISK MANAGEMENT

The Enterprise Risk Management Division facilitates creating and maintaining a risk-intelligent culture at CalPERS by providing risk management training, conducting risk assessments, performing risk dashboard recalibration, and developing tools to assist staff in identifying, monitoring, and responding to organizational risks.

CalPERS periodically performs risk assessments to update our risk environment. A risk assessment is intended to provide management with a view of events that could impact the achievement of goals and objectives, and enhance decision-making. As one component of the risk management framework, risk assessments are performed to identify, analyze, evaluate, treat, communicate, and monitor risks on an ongoing basis. The process is a collaborative effort involving staff, management, and executive leadership.

The organization considers the internal and external environment, enterprise risk dashboard, recalibration results, observations from various risk assessment projects and audit findings as a foundation for its efforts. In Fiscal Year 2014-15, the level of risk intelligence continued to advance across the organization with an increased level of participation by management in updating risk registers supporting the enterprise risk dashboard. Management continued to increase their risk awareness and risk assessment capabilities.

The level of risk intelligence has increased across the organization as demonstrated by the increased level of participation of the Senior Leadership Council and completion of the risk registers supporting the enterprise risk dashboard. The Enterprise Risk Management process continues to mature with increased involvement of the division chiefs and oversight by the Enterprise Risk Management Committee.

The CalPERS Business Continuity General Plan has been updated in an effort to ensure the health and safety of all employees, minimize damage to facilities, equipment, and vital records, and minimize business disruption and financial loss. Main efforts of the Business Continuity General Plan are to restore critical business functions within a defined time frame, maintain CalPERS positive public image, and assure members, clients, and stakeholders that their interests are protected. Planning for business continuity allows crucial decisions to be made in a non-crisis environment. All of the various divisions within CalPERS reviewed and updated their Business Continuity Plans.

THIRD LINE OF DEFENSE

CalPERS maintains an effective audit program comprised of internal audits and contracting public agency reviews. CalPERS internal auditors perform assurance and consulting work consistent with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

AUDIT SERVICES

CalPERS' audit program provides assurance over the following activities:

- Internal audits cover retirement, health, investments, information technology, fiscal, operations support, and other internal areas. In Fiscal Year 2014-15, audits included global equity manager contract compliance, self-funded health plan administration compliance, health plan compliance, and external real estate manager contract compliance reviews.
- Public agency reviews assess contracting public agency compliance pertaining to their contracts with CalPERS and the accuracy of reported CalPERS membership and employee compensation information. In Fiscal Year 2014-15, CalPERS issued 85 public agency final reports and completed 40 limited scope reviews (38 of the reviews were related to validating member census data) for a total of 125 reviews. These reviews assist CalPERS in ensuring agencies are paying the correct contributions and members receive accurate retirement benefits.
- Financial Integrity and State Manager's Accountability Act of 1983 biennial review requirement, to assess internal accounting systems, administrative control and monitoring practices. In Fiscal Year 2014-15, CalPERS completed corrective action plans as required by the Department of Finance.

As of June 30, 2015, CalPERS is in compliance with the Board Audit Resolution Policy prohibiting unresolved internal audit findings more than one year old.

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GLOSSARY OF ACRONYMS

AAL: Actuarial Accrued Liability

ACA: Affordable Care Act

ALM: Asset Liability Management

ARC: Annual Required Contribution

ASOP 6: Actuarial Standards of Practice 6

CAFR: Comprehensive Annual Financial Report

CalPERS: California Public Employees' Retirement System

CERBTF: California Employers' Retiree Benefit Trust Fund

CODE: Conflict of Interest Code

COLA: Cost-of-Living Adjustments

CRF: Contingency Reserve Fund

DCF: Public Agency Deferred Compensation Fund

DVBE: Disabled Veteran Business Enterprise

EEO: Equal Employment Opportunity

EGWP: Federal Employer Group Waiver Plan

eSec: ESecLending LLC

ESG: Environmental, Social, and Governance

ETF: Exchange-Traded Fund

FPPC: Fair Political Practices Commission

GASB: Governmental Accounting Standards Board

GASB 28: GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*

GASB 40: GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an amendment of GASB Statement No. 3*

GASB 67: GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*

GASB 68: GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*

GASB 71: GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

GASB 72: GASB Statement No. 72, *Fair Value Measurement and Application*

GASB 74: GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

GASB 75: GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

GASB 76: GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

HCF: Health Care Fund

HIPPA: Health Insurance Portability and Accountability Act

HMO: Health Maintenance Organization

IBNR: Incurred But Not Replaced

IRC: Internal Revenue Code

IRS: Internal Revenue Service

JRF: Judges' Retirement Fund

JRF II: Judges' Retirement Fund II

JRS: Judges' Retirement System

JRS II: Judges' Retirement System II

LRF: Legislators' Retirement Fund

LRS: Legislators' Retirement System

LTC: Long-Term Care

LTCF: Long-Term Care Fund

MWRR: Money-Weighted Rate of Return

NAV: Net Asset Value

OASI: Old Age & Survivors' Insurance Revolving Fund

OCC: Options Clearing Corporation

OPEB: Other Post-Employment Benefits

PBM: Pharmacy Benefit Manager

PEMHCA: Public Employees' Medical and Hospital Care Act

PEPRA: Public Employees' Pension Reform Act

PERF: Public Employees' Retirement Fund

PERL: Public Employees' Retirement Law

PERS: Public Employees' Retirement System

PRA: Public Records Act

RBF: Replacement Benefit Fund

REIT: Real Estate Investment Trusts

SCPF: Supplemental Contributions Program Fund

SPOFF: State Peace Officers' and Firefighters' Defined Contribution Plan Fund

SSB: State Street Bank

SSGA: State Street Bank Global Advisors

STIF: Short-Term Investment Fund

System: The California Public Employees' Retirement System

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