

CalPERS Update

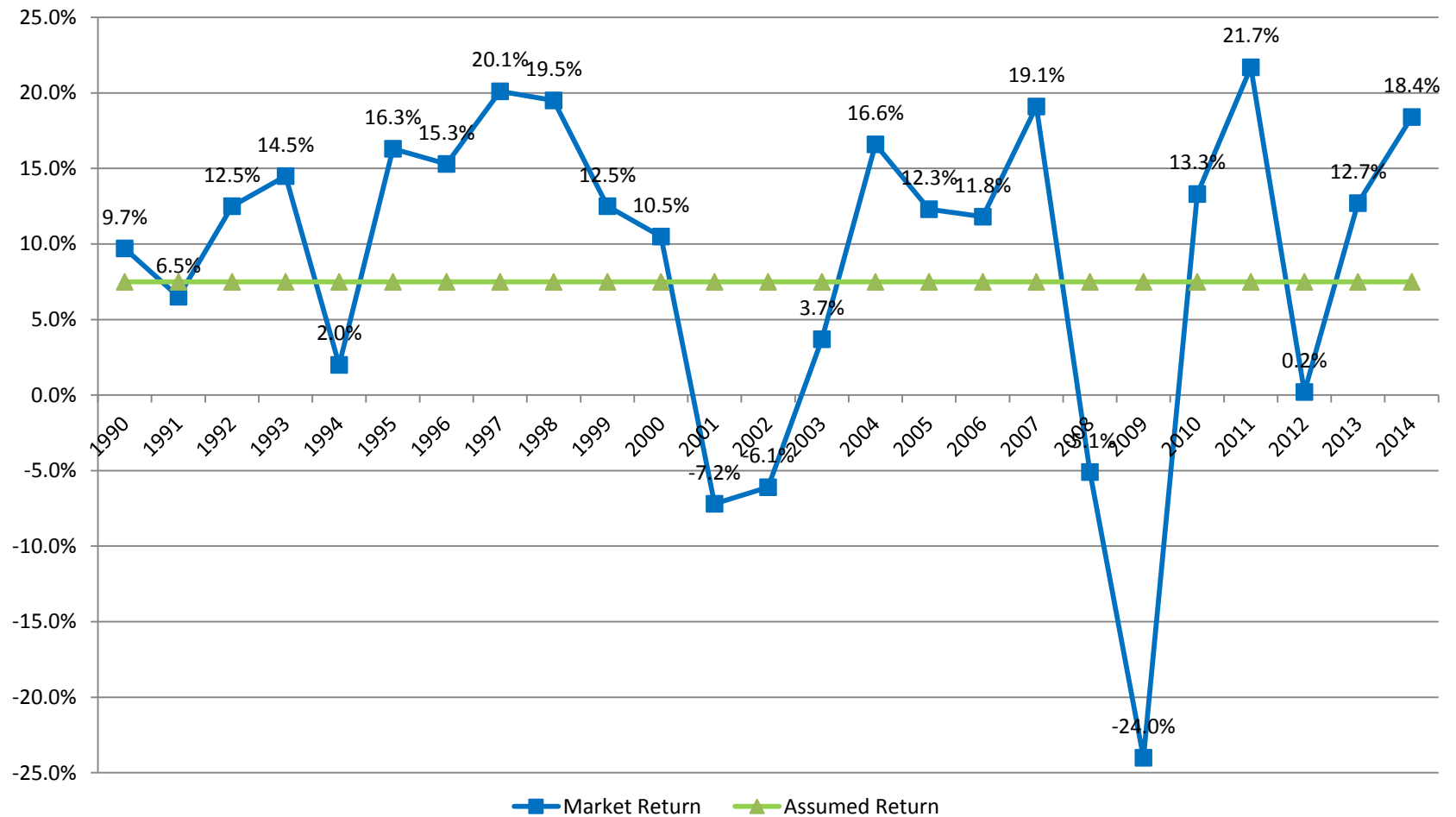
Moulton Niguel Water District
May 21, 2015

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Changes

- Policy Changes
 - Market valuation of assets
 - Fixed 30 year period
 - Rate Smoothing
- Risk Pool Changes
 - Reduced from 11 to 2 pools due to PEPRA
- Demographic Assumption Changes
 - Experience Study completed (salary, mortality, retirement, termination)
 - Mortality improvement assumption
 - 20 Year Projection approved by CalPERS Board in Feb 2014

Annual Investment Returns on the Public Employees Retirement Fund



Funded Status

As of June 30,	Tier 1		Tier 2		Tier 3	
	2012	2013	2012	2013	2012	2013
Liability	\$60,955,864	\$64,519,345	\$239,956	\$519,610	0	\$4,034
Assets	\$47,043,837	\$52,434,611	\$185,191	\$422,284	0	\$5,412
Unfunded Liability	\$13,912,027	\$12,084,734	\$54,765	\$97,326	0	(\$1,378)
Funded Ratio	77.2%	81.3%	77.2%	81.3%	0%	134.2%

Required Contributions – FY 2015-16

- Normal Cost – Cost of service earned in the coming year
- Unfunded Accrued Liability (UAL) – Amortized payments for outstanding liability

Plan	Tier 1	Tier 2	Tier 3 (PEPRA)	Totals
Benefit	2% @ 55	2% @ 55	2% @ 62	
Normal Cost*	\$583,863	\$142,591	\$24,256	\$750,710
UAL Payment**	\$539,377	\$1,946	(\$96)	\$541,227
Total Annual Contribution	\$1,123,240	\$144,537	\$24,160	\$1,291,937
15/16 Normal Cost Employer Rate	10.386%	9.454%	6.724%	

* Normal Cost may no longer be paid by a lump sum and must be paid through each payroll

** UAL Payment may be pre-paid or CalPERS will send a monthly invoice

Projected Rates – Reflecting Rate Smoothing

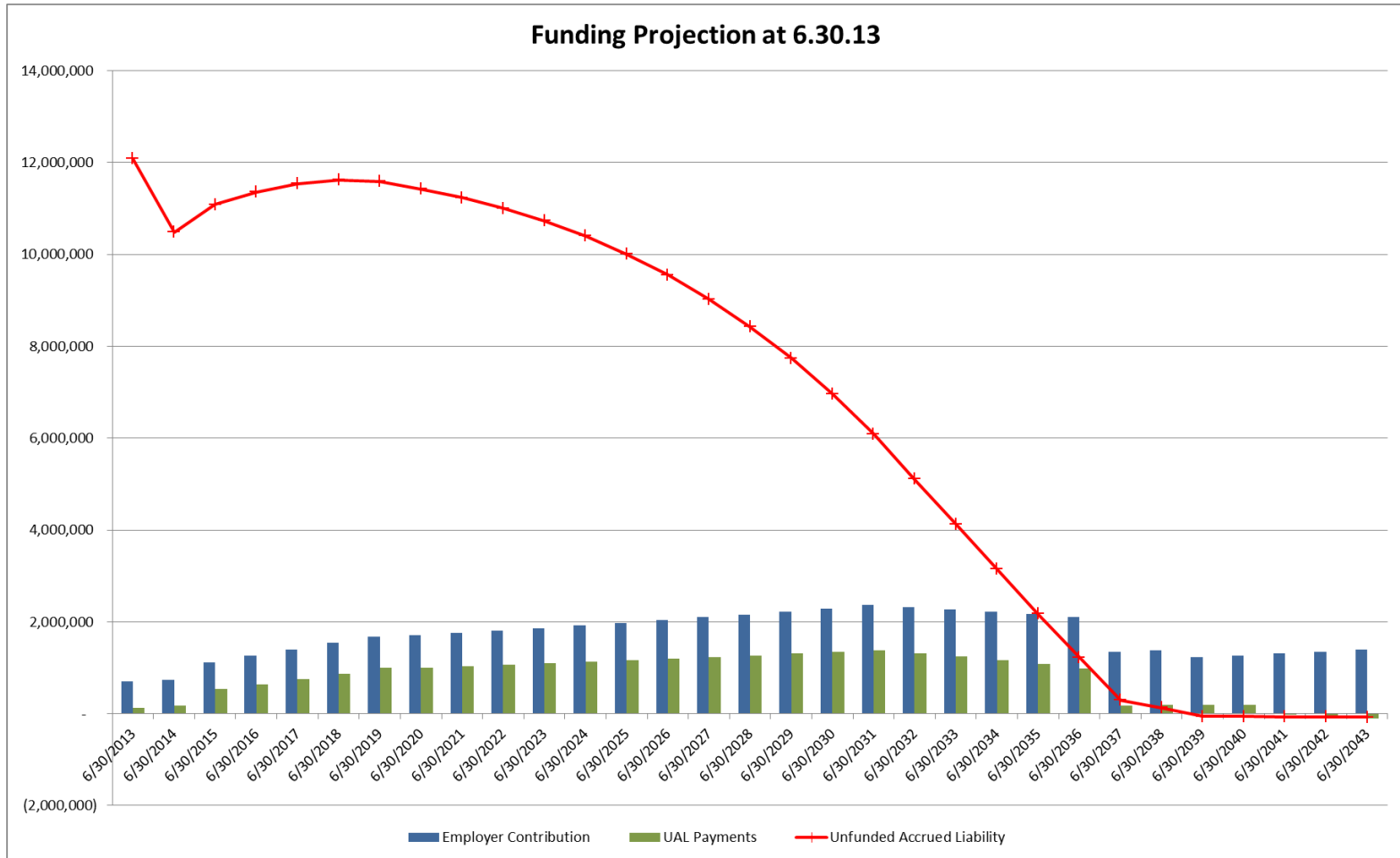
- Miscellaneous Plan – Tier 1

	New Rate	Projected Future Employer Contribution Rates				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Normal Cost %:	10.386%	10.8%	10.8%	10.8%	10.8%	10.8%
UAL \$	\$ 539,377	\$ 645,685	\$ 757,888	\$ 876,240	\$ 1,001,011	\$ 1,009,227

- Miscellaneous Plan – Tier 2

	New Rate	Projected Future Employer Contribution Rates				
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Normal Cost %:	9.454%	9.8%	9.8%	9.8%	9.8%	9.8%
UAL \$	\$ 1,946	\$ 2,052	\$ 2,162	\$ 2,277	\$ 2,396	\$ 2,520

Projected Unfunded Liability – Misc. Plan Tier 1



GASB - Effective Dates

- GASB 67 (amends GASB 25)
 - Fiscal Year beginning after June 15, 2013 for Plans
 - June 30, 2014 CAFR
- GASB 68 (amends GASB 27)
 - Fiscal Year beginning after June 15, 2014 for Employers
 - June 30, 2015 CAFR for most employers

GASB 68 – Highlights

- More extensive note disclosures and Required Supplementary Information (RSI)
 - General information about the plan and members
 - Assets
 - Classes of assets and long term expected real returns for each class
 - Target Allocation
 - Net Pension Liability
 - Sensitivity analysis: Discount Rate +/- 1%
 - 10 year Summary of Changes in Net Pension Liability
 - 10 Year Summary of Contributions

Questions?