

*Comprehensive Annual Financial Report
California Public Employees' Retirement System
Year Ended June 30, 2002*



Working for You

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*Comprehensive Annual Financial Report
California Public Employees' Retirement System
Year Ended June 30, 2002
James E. Burton, Chief Executive Officer*

Working for You

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

California Public Employees' Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

Introductory Section



CEO Letter of Transmittal

James E. Burton, Chief Executive Officer



December 14, 2002

Members of the CalPERS Board of Administration:

I am pleased to present the CalPERS Comprehensive Annual Financial Report (CAFR) and accompanying Operations Summary for the year ended June 30, 2002.

The 2001-02 fiscal year was indeed a challenging year. While we continued on the path directed by our Strategic and Annual Business Plans, we also rode the turbulence resulting from tragic events taking place around the world and in our own economy. We are very proud of the results we achieved, which are presented throughout the pages of this report. The hard work and commitment of our Board, senior management, and every staff person at CalPERS is reflected in the information included here.

While we were challenged in many ways during the year, what we discovered is that our dedication to providing quality customer service and being proactive in managing our benefit administration and asset programs, has provided a strong foundation that enabled us weather these storms, protect the funds we are entrusted with, and keep our focus on the long-term horizon.

I encourage you to review the information in this report. It provides information on all the programs administered by CalPERS: Public Employees' Retirement Fund (PERF), Legislators' Retirement Fund (LRF), Judges' Retirement Fund (JRF), Judges' Retirement Fund II (JRF II), Volunteer Firefighters' Length of Service Award Fund (VFF), State Peace Officers' and

CEO Letter of Transmittal (continued)

Firefighters' Defined Contribution Plan Fund (SPOFF), Health Care Fund (HCF), Contingency Reserve Fund (CRF), Old Age & Survivors' Insurance Revolving Fund (OASI), Replacement Benefit Fund (RBF), Supplemental Contributions Program Fund (SCPF), Long-Term Care Fund (LTCF), Deferred Compensation Fund (DCF), and Public Agency Deferred Compensation Program (IRC 457).

Beginning in 1932, the System began providing services to State employees. In 1939, public agencies and school districts were allowed to contract with CalPERS to provide retirement benefits for their employees. While primarily responsible for administering retirement, death, and health benefits, CalPERS also administers supplemental retirement savings plans and long-term care insurance. As a service to members and employers, a variety of educational workshops and seminars are also offered.

Management Responsibility for Financial Reporting

The CalPERS financial statements included in this CAFR for the 2001-02 fiscal year have been prepared by System management, which is responsible for the integrity and fairness of the data presented, including the many amounts that out of necessity must be based on estimates and judgments. The accounting policies followed in preparation of these financial statements conform with accounting principles generally accepted in the United States of America. Financial information presented throughout this Annual Report is consistent with these financial statements.

CalPERS has established and 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. In addition, internal 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 Finance Committee. The Committee reviews the audit findings and recommendations for improvements in internal control and operational efficiency and the actions of management to implement such recommendations.

Our independent external auditors, Deloitte & Touche LLP, have conducted an audit of the basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion 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 adequacy of internal control systems.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to CalPERS for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This was the sixth consecutive year that CalPERS has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

CEO Letter of Transmittal (continued)

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The Comprehensive Annual Financial Report

This report consists of five sections:

Introductory—contains this introduction letter and our organizational chart. Summary program information is contained in the accompanying 2002 Comprehensive Annual Financial Report Operations Summary;

Financial—presents management's responsibility for financial reporting and the independent auditors' opinion on the CalPERS basic financial statements, management's discussion and analysis, and sections on required supplemental schedules and supporting schedules;

Investment—summarizes and presents performance information for the PERF.

Actuarial—contains the certifications and results of the actuarial valuations as of June 30, 2001, the latest data available;

Statistical—contains significant membership and retirement data for CalPERS, Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, Volunteer Firefighters' Length of Service Award System, Health Benefits Program, Deferred Compensation Program, and Long-Term Care Program.

Accounting System & 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 income is equally 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 generally accepted accounting principles applied on a consistent basis as promulgated by the Governmental Accounting Standards Board (GASB) and its predecessor, the National Council on Governmental Accounting. The basic financial statements are presented in accordance with guidelines established by GASB Statement No. 25, *Financial Reporting for Defined Benefit Plans*, and GASB Statement No. 26, *Financial Reporting for Post Employment Health Care Plans Administered by Defined Benefit Plans*, GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other GASB statements as appropriate.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of 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.

CEO Letter of Transmittal (continued)

Investments

Proper funding and healthy long-term investment returns are essential to the financial soundness of CalPERS. The ratio of investment earnings to total revenue during the last 10 years is evidence of the System's continued solid financial management.

Asset Allocation

An integral part of the overall investment policy is the strategic asset allocation policy. This is designed to provide an optimal mix of asset classes with return expectations that reflect expected liabilities. This emphasizes a maximum diversification of the portfolio that protects the Fund from declines that a particular asset class may experience in a given period. Both traditional assets (cash, bonds, domestic stocks, domestic fixed income, and mortgages) and nontraditional assets (real estate, international stocks and fixed income, venture capital, timber investments, and leveraged buyouts) are incorporated into the mix.

Funding

The bottom line for a retirement system is its level of funding. If the funding level is adequate, the ratio of total accumulated assets to total liabilities will be larger and the need for contributions will be reduced. Also, an adequate funding level gives participants assurance that their pension benefits are secure.

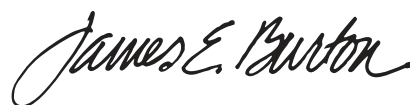
The historical level of funding for the PERF is good. As of June 30, 2001, the PERF is 111.9 percent funded. The advantages of a well-funded plan are that participants can see assets that are irrevocably committed to the payment of promised benefits, and employees and taxpayers can minimize their contributions in support of defined benefits. The required supplemental schedules to the basic financial statements and the actuarial section contain a summary of CalPERS unfunded actuarial accrued liabilities.

Investment returns are used to generate additional revenues and, ultimately, this allows CalPERS to reduce employer contribution rates, reducing pension costs to employers and taxpayers.

In Closing . . .

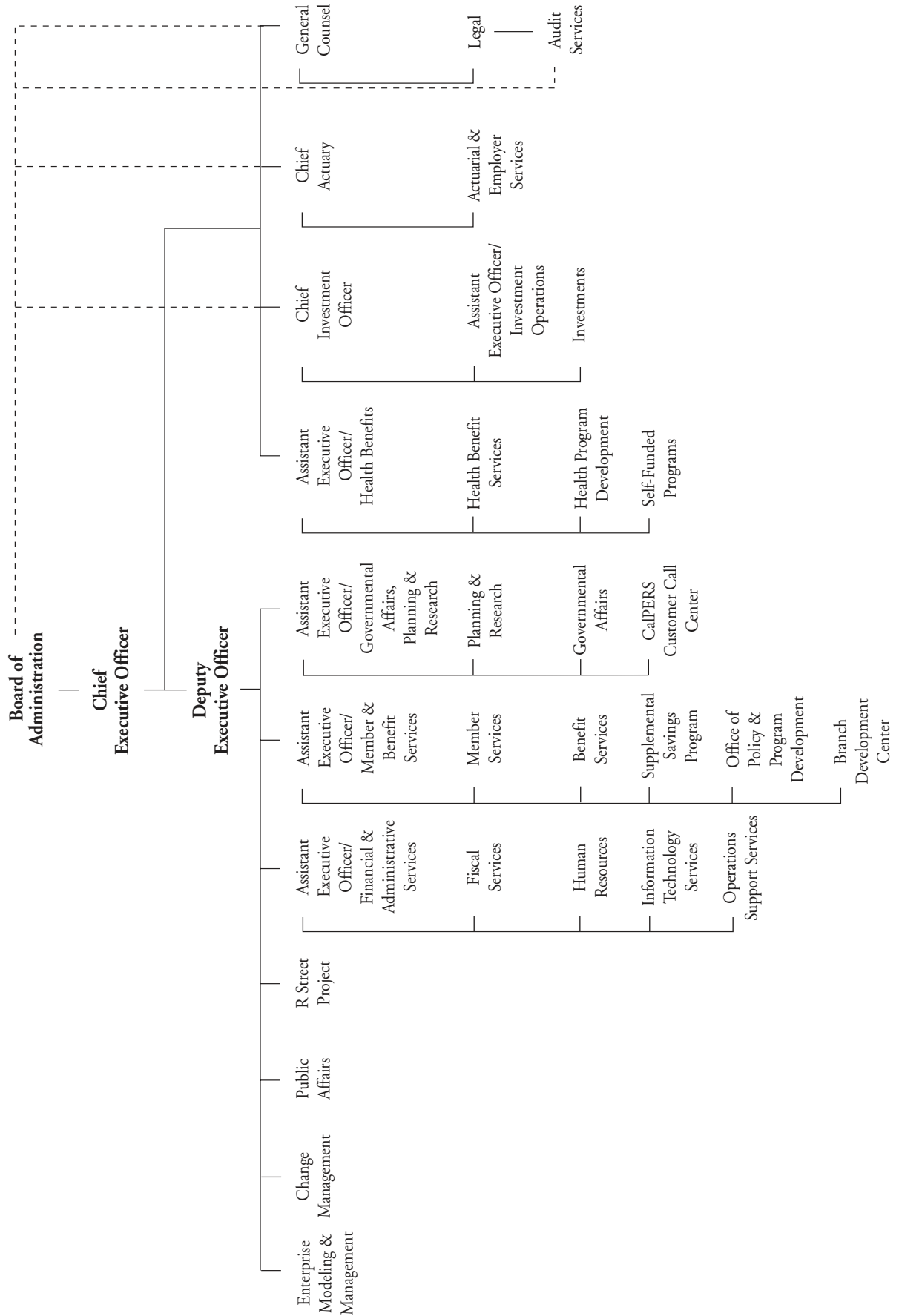
Our destination has not changed since CalPERS first began more than 70 years ago. We are driven to providing for the retirement and health security of our members, and are equipped to respond as needed to challenges during the next fiscal year and beyond.

For the 2002-03 fiscal year, CalPERS will be completing some new and ongoing initiatives that will result in even more improvements in the service we provide. Our organization will step up to the plate and help lead proactive reforms in both the health care marketplace and Corporate America. We will continue using innovation in investment decisions and rely on strong asset diversification strategy to protect assets and the future financial security of our members.



James E. Burton
Chief Executive Officer

CalPERS Organizational Chart



Financial Section



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Independent Auditors' Report

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

We have audited the accompanying statement of fiduciary net assets and the statement of net assets of the proprietary funds and the statement of changes in assets and liabilities of the agency fund of the California Public Employees' Retirement System (the "System"), a component unit of the State of California, as of June 30, 2002 and the related statement of changes in fiduciary net assets and the statement of revenues, expenses, and changes in fund net assets and of cash flows for the proprietary funds for the year then ended. These basic financial statements are the responsibility of the management of the System. Our responsibility is to express an opinion on these basic financial statements based on our audits. The basic financial statements of the System for the year ended June 30, 2001 were audited by other auditors whose report, dated October 12, 2001, expressed an unqualified opinion on those statements. The comparative totals as of and for the year ended June 30, 2001 presented in the basic financial statements are included for additional analysis only.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such basic financial statements present fairly, in all material respects, the fiduciary net assets of the fiduciary funds, the changes in assets and liabilities of the agency fund and the net assets of the proprietary funds of the System, as of June 30, 2002 and the related changes in fiduciary net assets and the operations and cash flows for the proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report of Independent Accountants (continued)

As described in Note 5 to the financial statements, actual contributions to the Judges' Retirement Fund made by the State of California were materially less than the actuarially determined annual required contribution. Additionally, current year contributions made by the State of California were used to pay current year benefits. Management and legal counsel believe that the State of California is legally required to provide funding sufficient to pay benefits when due.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in pages 56 through 63 is required by the GASB. The required supplemental information is the responsibility of the management of the System. Such information has been subjected to the auditing procedures applied in our audit of the 2002 basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2002 combined financial statements taken as a whole. The required supplemental information for the years ended June 30, 2001, 2000, 1999, 1998, and 1997 was audited by other auditors in connection with their audits of the respective financial statements, on which they expressed an unqualified opinion.

The supplemental information included on pages 66 through 70 is presented for the purpose of additional analysis and is not a required part of the 2002 basic financial statements of the System. Such additional information has not been subjected to the auditing procedures applied in our audit of the general purpose financial statements and, accordingly, we express no opinion on it.

Deloitte + Touche LLP
Jeff F. Jones

October 25, 2002

Management's Discussion and Analysis

This section presents management's discussion and analysis of the California Public Employees' Retirement System (CalPERS) financial performance during the fiscal year ended June 30, 2002, and is presented as a narrative overview and analysis in conjunction with the Chief Executive Officer's Letter of Transmittal included in the Introductory Section of the CalPERS Comprehensive Annual Financial Report. The Management's Discussion and Analysis should be read in conjunction with the basic financial statements of CalPERS, as presented in the Comprehensive Annual Financial Report.

In addition to the 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 materially 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, as well as administering supplemental retirement savings plans. CalPERS comprises a total of 14 funds, including five defined benefit pension plans, four defined contribution pension plans, four proprietary funds, and an agency fund. The Public Employees' Retirement Fund (PERF) is the primary fund administered by CalPERS.

Financial Highlights

Public Employees' Retirement Fund (PERF)

- The net assets of the PERF decreased by \$13.5 billion, or 8.6 percent. The decrease was primarily due to a continued decline in world equity markets.
- The PERF rate of return on investments of negative 6.1 percent on a market value basis was a slight improvement from last year's negative 7.2 percent rate of return. The negative return was due primarily to the continued decline in world equity markets.
- As of June 30, 2001, the date of the most recent actuarial valuation, the PERF is actuarially funded at 111.9 percent, which is less than the June 30, 2000 119.5 percent funded level. The funding level may continue to decrease if the market value of investments experiences additional declines.
- The PERF paid \$6.4 billion in retirement benefits to 381,746 annuitants during 2002, compared to \$5.8 billion paid to 369,278 annuitants during the 2001 fiscal year. Benefit payments increased primarily due to an increase in retirees and cost-of-living adjustments (COLA).
- The PERF received \$2.2 billion in employee contributions from 774,479 (excluding State Second Tier) members and \$801 million in employer contributions from 1,449 employers during fiscal year 2002, compared with \$1.8 billion and \$322 million in employee and employer contributions, respectively, in fiscal year 2001. Employee and employer contributions were \$400 million and \$479 million higher than the prior fiscal year because of higher actuarially determined employer contribution rates and salary growth.

Additional financial information related to the other pension funds administered by CalPERS is included in the Financial Analysis Section of the Management's Discussion and Analysis.

Health and Long-Term Care Programs

- The CalPERS self-funded health care program grew by \$56.7 million from operations, and unrestricted net assets increased \$64.1 million to \$69.8 million, due primarily to premium increases. This increase in unrestricted net assets mitigated last year's \$20.9 million decrease in unrestricted net assets.
- The assets of the CalPERS Long-Term Care Program grew by more than \$98.8 million during the 2002 fiscal year, an increase of 15.2 percent, as a result of membership growth and premiums received to advance fund claim requirements.

Critical Accounting Policies

CalPERS basic financial statements are prepared in accordance with accounting principles generally

Management's Discussion and Analysis

accepted in the United States of America (GAAP). CalPERS significant accounting policies are presented in Note 2 to the basic financial statements, which are included in this Comprehensive Annual Financial Report. CalPERS follows accounting policies to comply with various applicable laws and regulations and the guidelines as established by the Governmental Accounting Standards Board (GASB).

CalPERS most significant management accounting policies relate to the following:

Investments

All investments are reported at fair value. Many factors are considered in arriving at fair value. The fair value of investments in publicly held securities are generally based on actual market prices and quotations from major investment firms. In general, corporate bonds that do not have a published market price are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The CalPERS Investment Office securities analysts or outside experts determine the criteria to identify comparable securities based on the size, industry, and profitability of the company offering the securities and the term, rate, and dollar amount of the security.

Mortgages are valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The prevailing interest rates for mortgages are generally based on the 30-year Treasury note rate, which can be found in financial publications. Market interest rate changes impact the likelihood of refinancing activity, which impacts the value of the mortgage investments. Declining interest rates will cause the value of mortgage investments to decline.

The fair value of real estate investments, principally rental property subject to long-term net leases, is estimated based on independent appraisals. The appraisals are performed by CalPERS-approved appraisers who meet specific professional qualifications. Appraisals are estimates of current value and are based on three methods: the income approach, the cost approach, and the comparative sales approach. The three approaches are then compared and the appraiser determines the most appropriate valuation for the

property. The appraisal process involves a significant amount of judgment and changes in the real estate marketplace are not immediately taken into consideration, as the appraisals are performed annually.

Short-term investments are reported at fair value, when available, or at cost plus accrued interest, which approximates fair value when quoted market values are not available.

Alternative investments consist of investments in a variety of markets and industries through partnerships, co-investments, direct investments, and other investment vehicles. For these investments, and others where no readily ascertainable market value exists, management, in consultation with investment advisors, determined the fair values for the individual investments. Management takes into consideration factors such as the book value, based on audited financial statements, the current and projected income generated by the investment, and the cost of the investment. These estimates are by their nature subjective and based on judgment. Hedge funds are valued at fair value.

CalPERS, through outside investment managers, holds investments in futures and options and enters into forward foreign currency exchange contracts. The market value of futures, options, and forward foreign currency exchange contracts are determined based upon quoted market values.

CalPERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contract. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. Investment performance rates of return for asset classes and total funds are prepared using pre-audit asset data by Wilshire Associates. The returns are based solely on Wilshire Associates compilation and analysis of the data.

Actuarial Valuation

Actuarial valuations are used to determine the cost of pension benefits payable to the members of CalPERS who participate in the PERF, the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund

Management's Discussion and Analysis

(JRF), the Judges' Retirement Fund II (JRF II), and the Volunteer Firefighters' Length of Service Award Fund (VFF), as well as the related required contribution rates. The actuarial valuations include a number of significant assumptions including the actuarial valuation method used, the asset valuation method, the rate of return on the investment portfolio, rate of inflation, projected salary increases, post retirement benefits, and the life expectancy of members and beneficiaries. Significant actuarial assumptions used in the valuations are included in the Notes to the Required Supplemental Schedules on page 60.

Estimated Liabilities

The Public Employees' Health Care Fund (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 claims that have been incurred but not reported (IBNR). The estimated claims liability was calculated by the HCF's third-party administrator, 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 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 the fiscal year end, but have not been reported to the HCF.

An actuarial valuation 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 liability for future policy benefits was calculated by the Fund's independent actuary, using a variety of actuarial and statistical techniques.

The Public Employees' Long-Term Care Fund (LTCF) estimates the required funding level to provide for the payment of future claim benefits. This estimate is predicated upon participation levels that are expected to be achieved by the program. The LTCF establishes the current liability for future benefits based on the present value of such future benefits and expenses, less the present value of expected future premiums.

Overview of the Financial Statements

The Management's Discussion and Analysis provides an introduction to and overview of the CalPERS basic financial statements, which comprise the following components: 1) fund financial statements, 2) notes to the financial statements, 3) required supplementary information, and 4) other supplementary schedules. Collectively, this information presents the combined net assets held in trust for pension benefits and the combined unrestricted net assets for each of the funds administered by CalPERS as of June 30, 2002, and summarizes the combined changes in net assets held in trust for pension benefits, the combined changes in unrestricted net assets, and the cash flows of the proprietary funds for the year then ended, along with an actuarial view on the funding status of the defined benefit plans. The information available in each of these sections is briefly summarized as follows:

- 1) **Fund Financial Statements.** At June 30, 2002, financial statements are presented for the two types of funds administered by CalPERS: fiduciary funds and proprietary funds.
 - Fiduciary funds include pension trust funds. The defined benefit plans administered by CalPERS include the PERF, LRF, JRF, and JRF II. The defined contribution plans administered by CalPERS include the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), the Replacement Benefit Fund (RBF), and the Supplemental Contributions Program Fund (SCPF). The remaining fiduciary funds are the VFF, an awards system, and the Old Age & Survivors' Insurance Revolving Fund (OASI). The fiduciary funds are used to account for resources held for the benefit of CalPERS participants. A statement of fiduciary net assets and a statement of changes in fiduciary net assets are presented for the fiduciary funds as of June 30, 2002 and for the year then ended, along with comparative total information as of and for the year June 30, 2001. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries as of year end, as well as the changes in those resources during the year.

Management's Discussion and Analysis

- Proprietary funds include the following enterprise funds; the Public Employees' Health Care Fund (HCF), the Public Employees' Contingency Reserve Fund (CRF), the Public Employees' Long-Term Care Fund (LTCF), and the Public Employees' Deferred Compensation Fund (DCF). Proprietary funds are used to account for CalPERS business-type activities, where fees are charged to cover the costs of certain services, including long-term care, health care, and other benefits. A statement of net assets, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows are presented for the proprietary funds as of June 30, 2002 and for the year then ended, along with comparative total only information as of and for the year June 30, 2001. These financial statements reflect the net assets of, changes in net assets of, and cash flows from CalPERS business-type activities.

2) Notes to the Basic Financial Statements. The financial statement notes 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 financial statements is described below.

- Note 1 provides a general description of CalPERS, as well as a concise description of each of the funds administered by CalPERS. Information regarding employer and member participation in the pension 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, information regarding the implementation of new accounting pronouncements, and other significant accounting policies.
- Note 3 provides information on cash and cash equivalents.
- Note 4 describes investments, including investing authority, investment risk

categorizations, and additional information about cash, securities lending, and derivatives.

- Note 5 provides information about employer contributions to the pension funds administered by CalPERS.
 - Note 6 provides information on potential contingencies of CalPERS.
 - Note 7 provides detailed information on the estimated claims liability of the HCF.
 - Note 8 provides information regarding the LTCF June 30, 2002 actuarial valuation.
- 3) Required Supplementary Information.** Because of the long-term nature of a public defined benefit pension plan, financial statements for the past year alone cannot provide sufficient information to properly reflect the funded position of the plan. Therefore, in addition to the basic financial statements, two required schedules of historical trend information related to the defined benefit plans are presented as part of the Required Supplementary Information (RSI) section of the basic financial statements. These two schedules are the Required Supplemental Schedule of Funding Progress and the Required Supplemental Schedule of Employer Contributions. These two schedules are based on the actuarial valuations performed by CalPERS actuaries, and provide additional actuarial information that contributes to the understanding of the changes in the actuarial funding of and the funded status of these defined benefit plans over the last 10 years. The actuarial information is based upon assumptions made about future events at the time the valuations were performed, and, therefore, the amounts presented are necessarily estimates. Also included as part of the RSI is the Required Supplemental Schedule of Claims Development Information for the HCF.
- 4) Other Supplementary Schedules.** Other schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, as well as investment and other professional services expenses incurred.

Management's Discussion and Analysis

Financial Analysis of CalPERS Funds

PERF

Plan Net Assets

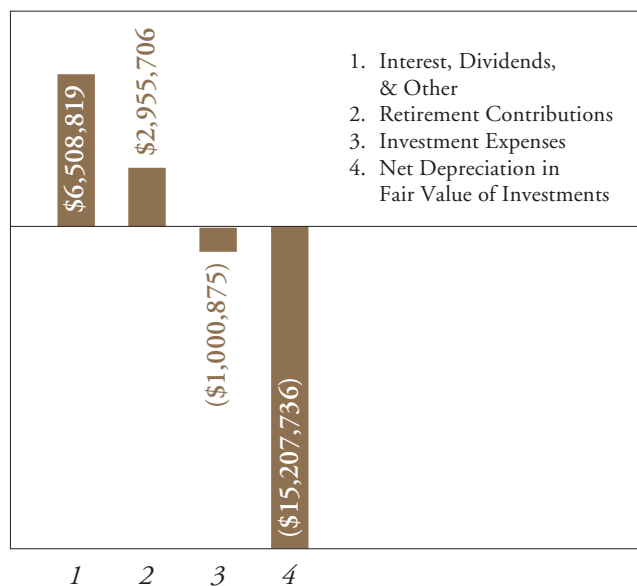
The PERF provides retirement benefits to State of California and other California public agency employees. PERF benefits are funded by member and employer contributions and by earnings on investments. The PERF net assets held in trust for benefits at June 30, 2002 were \$142.8 billion, a decrease of \$13.5 billion (8.6 percent) from \$156.3 billion at June 30, 2001.

Additions to PERF net assets held in trust for benefits include employer and member contributions, as well as investment income. For the 2002 fiscal year, employer and member contributions totaled \$3.0 billion, an increase of \$867.8 million (41.6 percent) from the 2001 fiscal year. The increase in required contributions was in response to declining investment earnings and recent benefit enhancements. The PERF recognized a net investment loss of \$9.7 billion for the 2002 fiscal year, compared with a net investment loss \$12.3 billion for the 2001 fiscal year. Investment losses were mainly due to the continued decline in world equity markets during 2002.

Deductions from PERF net assets held in trust for benefits consist primarily of retirement, death, and survivor benefits, refunds, and administrative expenses.

Additions — PERF

(Dollars in Thousands)



For the 2002 fiscal year, retirement, death, and survivor benefits totaled \$6.4 billion, an increase of \$638.1 million (11.0 percent) from the 2001 fiscal year. The increase in benefit payments was primarily a result of an increase in the number of retirees from 369,278 to 381,746 and COLA increases. For the 2002 fiscal year, the costs of administering the PERF benefits amounted to \$208.7 million, an increase of approximately \$24.8 million (13.5 percent) from the 2001 fiscal year.

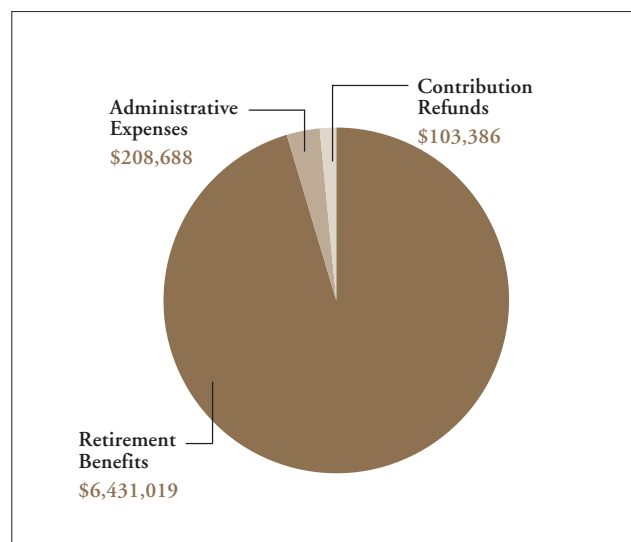
On a per member and beneficiary basis, the cost of administering PERF benefits during the 2002 fiscal year was approximately \$153 per individual, an increase of approximately \$10 per individual from the 2001 fiscal year.

An actuarial valuation of PERF assets and benefit obligations is performed annually. At June 30, 2001, the date of the most recent actuarial valuation, the funded status of the PERF decreased to 111.9 percent from 119.5 percent at June 30, 2000. The amount by which PERF actuarial assets exceeded actuarial benefit liabilities was \$18 billion at June 30, 2001, compared with \$26 billion at June 30, 2000. This decrease in funded status relates primarily to declining investment earnings and recent benefit enhancements.

Current year reduced earnings will affect future years' funded status and contribution rates using the CalPERS policy of actuarial asset smoothing.

Deductions — PERF

(Dollars in Thousands)



Management's Discussion and Analysis

Net Assets — PERF

(Dollars in Thousands)

	2002	2001	Total Percentage Change
Assets			
Cash, Cash Equivalents & Receivables	\$5,625,148	\$3,483,696	61.5 %
Investments	142,318,721	155,812,013	(8.7)
Securities Lending Collateral	14,098,951	14,307,037	(1.5)
Capital Assets & Other	123,820	113,970	8.6
Total Assets	\$162,166,640	\$173,716,716	(6.6%)
Liabilities			
Retirement Benefits in Process of Payment, Investment Settlement & Other	\$5,280,471	\$3,135,282	68.4 %
Liabilities to Brokers for Security Lending	14,098,951	14,307,037	(1.5)
Total Liabilities	\$19,379,422	\$17,442,319	11.1%
Total Net Assets	\$142,787,218	\$156,274,397	(8.6%)

Changes in Net Assets — PERF

(Dollars in Thousands)

	2002	2001	Total Percentage Change
Additions			
Member Contributions	\$2,154,742	\$1,766,256	22.0 %
Employer Contributions	800,964	321,619	149.0
Investment Income (Loss)	(9,704,478)	(12,255,822)	20.8
Other	4,686	7,481	(37.4)
Total Additions	(\$6,744,086)	(\$10,160,466)	33.6%
Deductions			
Retirement Benefits	\$6,431,019	\$5,792,949	11.0 %
Refund of Contributions	103,386	128,866	(19.8)
Administrative Expenses	208,688	183,866	13.5
Total Deductions	\$6,743,093	\$6,105,681	10.4%
Decrease in Net Assets	(\$13,487,179)	(\$16,266,147)	17.1%

Management's Discussion and Analysis

Investments

PERF investments, excluding securities lending collateral, totaled \$142.3 billion at June 30, 2002, which was \$13.5 billion (9.5 percent) less than the \$155.8 billion in total PERF investments at June 30, 2001.

At June 30, 2002, the PERF held \$80.2 billion in U.S. equity and international equity securities, a decrease of \$10.6 billion from \$90.8 billion at fiscal year end 2001. The decrease was mainly due to the continued decline in world equity markets during 2002. U.S. equity and international equity securities experienced returns of approximately negative 16.8 percent and negative 10.2 percent, respectively, for the 2002 fiscal year, compared to the negative 14.0 percent and negative 20.1 percent, respectively for fiscal year 2001.

CalPERS benchmark returns for fiscal year 2002 were negative 17.4 percent and negative 8.8 percent, respectively. CalPERS uses the Wilshire 2500 Index to provide a benchmark for the domestic equity investment returns, and the Financial Times Actuaries/IF Investable Index for international investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market decline.

At June 30, 2002, the PERF held \$40.1 billion in U.S. and international debt securities, a decrease of \$1.9 billion from \$42.0 billion at fiscal year end 2001. U.S. debt securities returned approximately 6.0 percent, and international debt securities returned approximately

15.2 percent for the 2002 fiscal year, compared to the 12.6 percent and negative 7.4 percent, respectively for fiscal year 2001. CalPERS benchmark returns were 8.8 percent and 15.8 percent, respectively. CalPERS uses the Salomon Brothers Large Pension Fund Index and the Salomon Brothers Non-U.S. Dollar World Government Index to provide a benchmark for fixed income investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment.

At June 30, 2002, the PERF held \$12.2 billion in real estate investments, a decrease of \$0.5 billion from \$12.7 billion at the 2001 fiscal year end. Real estate investments returned approximately 10.3 percent for the 2002 fiscal year, compared to 14.4 percent for fiscal year 2001.

CalPERS benchmark real estate return for fiscal year 2002 was 5.6 percent. CalPERS uses the NCREIF Property Index to provide a benchmark for our real estate investment returns.

At June 30, 2002, the PERF held \$6.6 billion in alternative investments, a decrease of \$0.6 billion from \$7.2 billion at the 2001 fiscal year end. Alternative investments experienced a negative return of approximately 7.1 percent for the 2002 fiscal year, compared to a negative 4.3 percent for fiscal year 2001. CalPERS benchmark alternative investment return goal was internally determined to be 15 percent.

At June 30, 2002, the PERF held \$3.2 billion in short-term investments, which was approximately the same

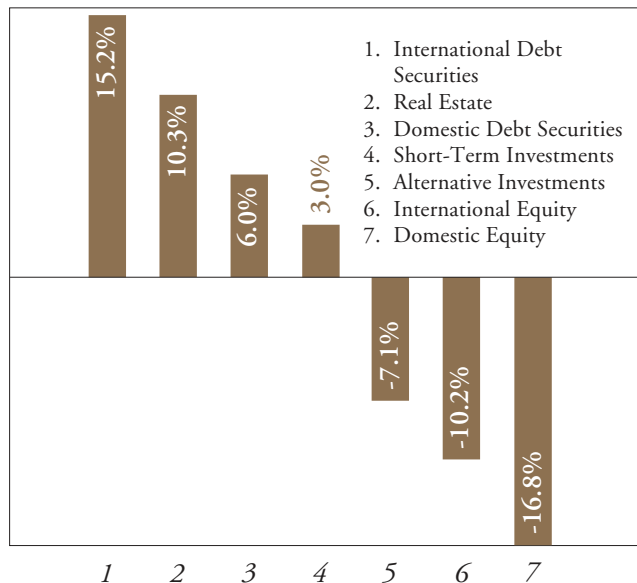
Investments — PERF

(Dollars in Billions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$3.2	2.2 %	3.0 %	6.7 %	N/A
Domestic Equity	53.8	37.8	(16.8)	(14.0)	(17.4 %)
International Equity	26.4	18.6	(10.2)	(20.1)	(8.8)
Domestic Debt Securities	34.6	24.3	6.0	12.6	8.8
International Debt Securities	5.5	3.9	15.2	(7.4)	15.8
Real Estate	12.2	8.6	10.3	14.4	5.6
Alternative Investments	6.6	4.6	(7.1)	(4.3)	15.0
Total	\$142.3	100 %	(6.1 %)	(7.2 %)	(5.9 %)

Management's Discussion and Analysis

Investment Returns — PERF



as of June 30, 2001. Short-term investments returned approximately 3.0 percent for the 2002 fiscal year, compared to 6.7 percent for fiscal year 2001. CalPERS does not use a benchmark for short-term investments.

The PERF earns additional investment income by lending investment securities. The borrowers provide collateral to the PERF that are valued in excess of the securities loaned. For the 2002 fiscal year, net securities lending income amounted to \$98.3 million, an increase of \$18.2 million (22.7 percent) from \$80.1 million during fiscal year 2001.

Other Defined Benefit Pension Plans

LRF

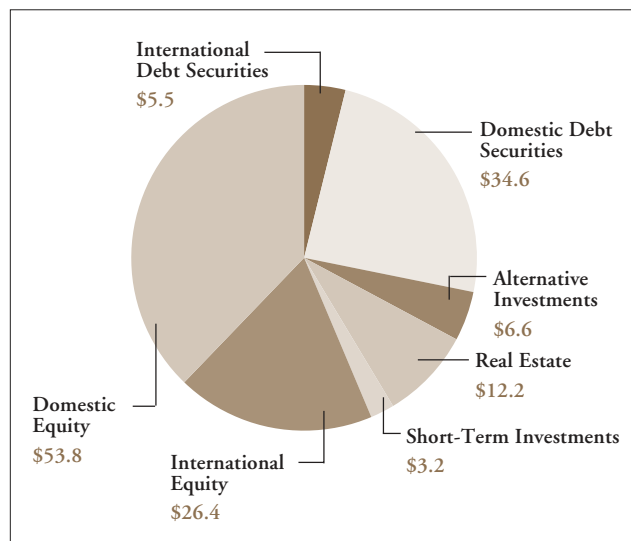
Plan Net Assets

The LRF provides retirement benefits to California legislators, constitutional officers, and statutory officers elected to office before November 7, 1990. The number of LRF members is declining as eligible incumbent legislators leave office and are replaced by those ineligible to participate in the LRF.

Investment Portfolio — PERF

At Market Value

(Dollars in Billions)



NOTE:

Excludes \$14.1 billion in securities lending collateral.

The LRF net assets held in trust for benefits at June 30, 2002 totaled \$128.0 million, a decrease of \$10.7 million (7.7 percent) from June 30, 2001.

Additions to LRF net assets held in trust for benefits were from investment income and contributions to repurchase military service credit. There were no actuarially determined annual required employer and member contributions for 2002. Net investment income decreased \$4.1 million (over 100 percent) to a net investment loss of \$3.8 million for the 2002 fiscal year, from a gain of \$281,000 for the 2001 fiscal year, due mainly to a continued decline in world equity markets during 2002.

Deductions in LRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2002 fiscal year, these benefits remained consistent with the 2001 fiscal year at approximately \$7 million, as the number of retirees and beneficiaries remained relatively consistent. On a per member and beneficiary basis, the cost of administering LRF benefits during the 2002 fiscal year was approximately \$745 per individual, an increase of approximately \$53 per individual from the 2001 fiscal year.

Management's Discussion and Analysis

An actuarial valuation of LRF assets and benefit obligations is performed annually using the aggregate cost method, which does not identify unfunded actuarial liabilities. Based on the most recent actuarial valuation, performed as of June 30, 2001, the active member contribution rate for the 2003 fiscal year remains at zero percent.

Investments

The LRF invests mainly in U.S. and international equity securities, as well as U.S. debt securities. LRF investments totaled \$128.0 million at June 30, 2002, which was \$11.0 million (7.9 percent) less than the \$139.0 million in total LRF investments at June 30, 2001, primarily as a result of the continued decline in world equity markets during 2002.

At June 30, 2002, the LRF held \$51.9 million in U.S. equity and international equity securities, a decrease of \$4.2 million from \$56.1 million at fiscal year end 2001. U.S. equity and international equity securities experienced returns of approximately negative 18.1 percent and negative 8.9 percent for fiscal year 2002, compared to the negative 15.1 percent and negative 23.6 percent for fiscal year 2001. CalPERS benchmark returns for the fiscal year 2002 were negative 18.1 percent and negative 9.2 percent. CalPERS uses the Custom S&P 500 Index and MSCI EAFE to provide a benchmark for the equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment and reflect the overall market decline.

At June 30, 2002, the LRF held \$76.1 million in U.S. debt securities, a decrease of \$6.7 million from \$82.8 million at fiscal year end 2001. U.S. debt

securities returned approximately 6.5 percent for fiscal year 2002, compared to 12.4 percent for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was 8.8 percent. CalPERS uses the Salomon Brothers Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market characteristics.

JRF

Plan Net Assets

The JRF provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges. The JRF net assets held in trust for benefits at June 30, 2002 totaled \$5.0 million, a decrease of \$27.4 million (84.6 percent) from June 30, 2001.

Additions to JRF net assets held in trust for benefits include employer, State of California, and member contributions, as well as investment income. For the 2002 fiscal year, employer, State, and member contributions decreased \$25.4 million (24.8 percent) to \$77.0 million, from \$102.4 million for the 2001 fiscal year, primarily as a result of a decrease in the State's contribution. For the 2002 fiscal year, net investment income decreased \$2.8 million (73.3 percent) from the 2001 fiscal year due mainly to lower average asset balances throughout the year.

Deductions in JRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2002 fiscal year, these benefits amounted to \$109.5 million, an increase of \$10.1 million (10.2 percent) from the 2001 fiscal year.

Investments — LRF

(Dollars in Millions)

	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Investment Class					
Domestic Equity	\$38.5	30.1 %	(18.1 %)	(15.1 %)	(18.1 %)
International Equity	13.4	10.5	(8.9)	(23.6)	(9.2)
Debt Securities	76.1	59.4	6.5	12.4	8.8
Total	\$128.0	100 %	(2.9 %)	0.2 %	(1.1 %)

Management's Discussion and Analysis

The increase in benefit payments was mainly a result of an increase in JRF retirees and beneficiaries.

On a per member and beneficiary basis, the cost of administering JRF benefits during 2002 was approximately \$151 per individual, an increase of approximately \$6 per individual from fiscal year 2001.

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 fund 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 2003.

Investments

The JRF invests only in short-term securities. Total JRF investments were \$929,000 at June 30, 2002, which was \$28.6 million (96.9 percent) less than the \$29.5 million in total JRF investments at June 30, 2001. Short-term investments returned approximately 3.0 percent for fiscal year 2002, compared to 6.7 percent for fiscal year 2001. The decrease in total JRF investments was primarily due to the decreased State contribution and the increase in benefit payments during 2002.

Net Assets — Other Defined Benefit Pension Plan Funds

(Dollars in Thousands)

	LRF		JRF		JRF II		VFF	
	2002	2001	2002	2001	2002	2001	2002	2001
Assets								
Cash, Cash Equivalents & Receivables	\$858	\$256	\$4,246	\$3,267	\$1,619	\$1,561	\$222	\$292
Investments	128,033	139,029	929	29,495	63,857	50,748	1,928	2,163
Total Assets	\$128,891	\$139,285	\$5,175	\$32,762	\$65,476	\$52,309	\$2,150	\$2,455
Total Liabilities	\$884	\$549	\$180	\$390	\$86	\$327	\$27	\$81
Total Net Assets	\$128,007	\$138,736	\$4,995	\$32,372	\$65,390	\$51,982	\$2,123	\$2,374

Changes in Net Assets — Other Defined Benefit Pension Plan Funds

(Dollars in Thousands)

	LRF		JRF		JRF II		VFF	
	2002	2001	2002	2001	2002	2001	2002	2001
Additions								
Member Contributions	\$14	\$33	\$11,714	\$11,377	\$5,291	\$4,197	\$—	\$—
Employer Contributions	—	—	65,320	91,019	12,487	9,754	94	194
Investment Income (Loss)	(3,781)	281	1,003	3,755	(3,871)	(2,863)	(200)	(111)
Other Income	—	—	4,521	4,509	—	—	—	—
Total Additions	(\$3,767)	\$314	\$82,558	\$110,660	\$13,907	\$11,088	(\$106)	\$83
Deductions								
Retirement Benefits	\$6,717	\$6,782	\$109,543	\$99,424	\$118	\$142	\$66	\$56
Refund of Contributions	—	169	—	—	91	34	—	—
Administrative Expenses	245	235	392	380	290	284	79	76
Total Deductions	\$6,962	\$7,186	\$109,935	\$99,804	\$499	\$460	\$145	\$132
(Decrease) Increase in Net Assets	(\$10,729)	(\$6,872)	(\$27,377)	\$10,856	\$13,408	\$10,628	(\$251)	(\$49)

Management's Discussion and Analysis

JRF II

Plan Net Assets

The JRF II provides retirement benefits to California Supreme and Appellate Court Justices, Superior Court Judges, and Municipal Court Judges first appointed or elected after November 9, 1994. The JRF II net assets held in trust for benefits at June 30, 2002 were \$65.4 million, an increase of \$13.4 million (25.8 percent) from June 30, 2001.

Additions to JRF II net assets held in trust for benefits include employer and member contributions, as well as investment income. Employer and member contributions increased \$3.8 million (27.4 percent), to \$17.8 million for the 2002 fiscal year, from \$14.0 million for the 2001 fiscal year, primarily as a result of a 14.9 percent increase in membership from 2001 to 2002. For the 2002 fiscal year, the JRF II experienced a net investment loss of \$3.9 million, a decrease in income of \$1.0 million (35.2 percent) from the 2001 fiscal year net investment loss of \$2.9 million, primarily due to the continued decline in world equity markets during 2002.

Deductions in JRF II net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2002 fiscal year, these benefits amounted to \$118,000, a decrease of \$24,000 (16.9 percent) from the 2001 fiscal year.

On a per member and beneficiary basis, the cost of administering JRF II benefits during fiscal year 2002 was approximately \$545 per individual, a decrease of approximately \$68 per individual from fiscal year 2001.

An actuarial valuation of the JRF II assets and benefit obligations is performed annually. At June 30, 2001, the date of the most recent actuarial valuation, the

funded status of JRF II decreased to 91.8 percent from 97.3 percent at June 30, 2000. At June 30, 2001, the JRF II actuarial benefit obligations exceeded its actuarial assets by approximately \$5.0 million, whereas the amount by which the JRF II actuarial benefit obligations exceeded its actuarial assets at June 30, 2000 was approximately \$1.0 million.

Investments

The JRF II invests mainly in U.S. and international equity securities, and U.S. debt securities. Total JRF II investments amounted to \$63.9 million at June 30, 2002, which was \$13.2 million (25.8 percent) more than the \$50.7 million at June 30, 2001. The increase in total JRF II investments was primarily due to the increase in contributions and membership during the 2002 fiscal year.

At June 30, 2002, the JRF II held \$37.0 million in U.S. equity and international equity securities, an increase of \$7.5 million from \$29.5 million at fiscal year end 2001. U.S. equity and international equity securities experienced returns of approximately negative 18.1 percent and negative 9.0 percent for fiscal year 2002, compared to the negative 15.3 percent and negative 23.4 percent for fiscal year 2001. CalPERS benchmark returns for fiscal year 2002 were negative 18.1 percent and negative 9.5 percent, respectively. CalPERS uses the Custom S&P 500 Index and MSCI EAFE to provide a benchmark for our equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market decline.

At June 30, 2002, the JRF II held \$25.1 million in U.S. debt securities, an increase of \$5.1 million from \$20.0 million at fiscal year end 2001. U.S. debt

Investments — JRF II

(Dollars in Millions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$1.8	2.8 %	3.0 %	6.7 %	N/A
Domestic Equity	24.4	38.2	(18.1)	(15.3)	(18.1 %)
International Equity	12.6	19.7	(9.0)	(23.4)	(9.5)
Debt Securities	25.1	39.3	6.5	12.4	8.8
Total	\$63.9	100 %	(6.4 %)	(6.2 %)	(5.6 %)

Management's Discussion and Analysis

securities returned approximately 6.5 percent for the 2002 fiscal year, compared to 12.4 percent for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was 8.8 percent. CalPERS uses the Salomon Brothers Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment.

At June 30, 2002, the JRF II held \$1.8 million in short-term investments, an increase of \$.5 million from \$1.3 million at fiscal year end 2001. Short-term investments returned approximately 3.0 percent for fiscal year 2002, compared to 6.7 percent for fiscal year 2001.

VFF

Plan Net Assets

The VFF provides monetary awards to volunteer firefighters. The VFF net assets held in trust for benefits at June 30, 2002 were \$2.1 million, a decrease of \$251,000 (10.6 percent), from \$2.4 million at June 30, 2001.

Contribution revenues totaled \$94,000 for the 2002 fiscal year, a decrease of 51.5 percent from the 2001 fiscal year. Net investment losses were \$200,000 for fiscal year 2002, a decrease in investment returns of 80.2 percent from the \$111,000 in net investment losses income for fiscal year 2001, primarily due to the continued decline in domestic equity markets.

Deductions from VFF net assets held in trust include award expenses of \$66,000 for fiscal year 2002, an increase of 17.9 percent from the 2001 fiscal year, primarily due to an increase in beneficiaries from 2001.

On a per member and beneficiary basis, the cost of administering the VFF benefits during fiscal year 2002 were approximately \$24 per individual, a decrease of approximately \$1 per individual from fiscal year 2001.

An actuarial valuation of the VFF assets and benefit obligations is performed annually. At June 20, 2001, the date of the most recent actuarial valuation, the funded status of the VFF increased to 115.6 percent from 100.3 percent at June 30, 2000. At June 30, 2001, the VFF actuarial benefit obligations exceeded its actuarial assets by \$341,189, whereas the amount by which the VFF actuarial assets exceeded its actuarial benefit obligations at June 30, 2000 was \$5,643.

Investments

The VFF invests mainly in U.S. equity securities and U.S. debt securities. Total VFF investments were \$1.9 million at June 30, 2002, which was \$235,000 (10.9 percent) less than the \$2.2 million at June 30, 2001. The decrease in total VFF investments was primarily due to the decrease in contributions and the increase in investment losses during fiscal year 2002.

At June 30, 2002, the VFF held \$1.2 million in U.S. equity securities, a decrease of \$154,000 from \$1.4 million at fiscal year end 2001. U.S. equity securities experienced returns of approximately negative 18.1 percent for fiscal year 2002, compared to a negative 15.3 percent for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was a negative 18.1 percent. CalPERS uses the Custom S&P 500 Index to provide a benchmark for our equity investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market decline.

At June 30, 2002, the VFF held \$725,000 in U.S. debt securities, a decrease of \$82,000 from \$807,000 at fiscal year end 2001. U.S. debt securities returned approximately 6.5 percent, for the 2002 fiscal year, compared to the 12.4 percent, for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was

Investments — VFF

(Dollars in Thousands)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Domestic Equity	\$1.2	63.2 %	(18.1 %)	(15.3 %)	(18.1 %)
Debt Securities	0.7	36.8	6.5	12.4	8.8
Total	\$1.9	100 %	(9.4 %)	(5.6 %)	(8.2 %)

Management's Discussion and Analysis

8.8 percent. CalPERS uses the Salomon Brothers Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment.

Defined Contribution Pension Plans

SPOFF

Plan Net Assets

The SPOFF provides supplemental retirement benefits to eligible safety employees. Net assets held in trust for pension benefits increased by \$23.5 million (31.3 percent), to \$98.7 million at June 30, 2002 from \$75.2 million at June 30, 2001.

Contribution revenues were \$34.2 million for fiscal year 2002, an increase of 2.8 percent from fiscal year 2001, primarily due to a 1.8 percent increase in participants. Net investment losses were \$7.3 million for fiscal year 2002, representing a decrease in investment returns of 45.2 percent from the \$4.0 million in net investment losses for the 2001 fiscal year, due mainly to the continued decline in domestic equity markets.

SPOFF benefit expenses were \$3.4 million for the 2002 fiscal year, an increase of \$1.5 million (78.9 percent) from the 2001 fiscal year, due primarily to the growth in benefit recipients in 2002.

Investments

The SPOFF invests mainly in domestic equity securities. Total SPOFF investments were \$98.7 million at June 30, 2002, which was \$23.5 million (31.3 percent) more than the \$75.2 million in total SPOFF investments at June 30, 2001. U.S. equity securities experienced returns of approximately negative 8.2 percent for fiscal year 2002, compared to negative 3.6 percent for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was negative 7.0 percent. CalPERS uses the Custom S&P 500 Index to provide a benchmark for our domestic equity investment return.

IRC 457

Plan Net Assets

The CalPERS Board is trustee for public agency participant assets in the IRC 457 deferred compensation program. Net assets held in trust for pension benefits at June 30, 2002 were \$226.6 million, an increase of \$31.4 million (16.1 percent), from \$195.2 million at June 30, 2001.

Additions to IRC 457 net assets consist of member contributions of \$64.2 million in fiscal year 2002 compared to \$67.4 million in 2001. The decrease is primarily due to a decreased participation. Net investment losses amounted to \$21.5 million for fiscal year 2002, representing a decline in investment returns of 38.6 percent from the \$15.5 million in net investment losses for fiscal year 2001, due mainly to the continued decline in world equity markets.

Deductions from the IRC 457 net assets consist primarily of participant withdrawals of \$10.4 million, a decrease of \$3.3 million over the prior fiscal year deductions of \$13.7 million. The decrease is due primarily to a decrease in retiree withdrawals.

Investments

The IRC 457 investments were \$226.5 million at June 30, 2002, which was \$31.4 million more than the \$195.1 million in total IRC 457 investments at June 30, 2001. IRC 457 asset allocation is participant directed. As a result, aggregate investment returns for each asset class is not available.

At June 30, 2002, the IRC 457 held \$158.0 million in U.S. equity and international equity securities, an increase of \$24.6 million from \$133.4 million at fiscal year end 2001.

At June 30, 2002, the IRC 457 held \$32.5 million in U.S. debt securities, an increase of \$13.2 million from \$19.3 million at fiscal year end 2001.

At June 30, 2002, the IRC 457 held \$36.0 million in short-term investments, a decrease of \$6.4 million from \$42.4 million at fiscal year end 2001.

Management's Discussion and Analysis

RBF

The RBF provides replacement retirement benefits to the small percentage of retired PERF members whose CalPERS retirement benefits earned are limited by Internal Revenue Code Section 415(b). Net assets held in trust for pension benefits decreased by \$25,000 (32.9 percent) to \$51,000 at June 30, 2002, from \$76,000 at June 30, 2001.

Contribution revenues were \$81,000 for the 2002 fiscal year, a decrease of 37.2 percent from the 2001 fiscal year, primarily due to a decrease in the number of retirees to five at June 30, 2002 from six at June 30, 2001.

The RBF paid benefits of \$107,000 for the 2002 fiscal year, a decrease of \$38,000 (26.2 percent) from fiscal year 2001, primarily due to fewer members being eligible.

Investments

The RBF invests only in short-term securities. Total RBF investments were \$45,000 at June 30, 2002, which was \$40,000 (47.1 percent) less than the \$85,000 in total RBF investments at June 30, 2001. Short-term investments returned approximately 2.9 percent for fiscal year 2002, compared to 5.7 percent for fiscal year 2001.

Net Assets — Defined Contribution Pension Plan Funds

(Dollars in Thousands)

	SPOFF		IRC 457		RBF		SCPF	
	2002	2001	2002	2001	2002	2001	2002	2001
Assets								
Cash, Cash Equivalents & Receivables	\$5	\$33	\$227	\$308	\$6	\$3	\$3	\$4
Investments	98,737	75,205	226,491	195,098	45	85	19,137	21,318
Total Assets	\$98,742	\$75,238	\$226,718	\$195,406	\$51	\$88	\$19,140	\$21,322
Total Liabilities	\$53	\$73	\$163	\$224	\$—	\$12	\$16	\$18
Total Net Assets	\$98,689	\$75,165	\$226,555	\$195,182	\$51	\$76	\$19,124	\$21,304

Changes in Net Assets — Defined Contribution Pension Funds

(Dollars in Thousands)

	SPOFF		IRC 457		RBF		SCPF	
	2002	2001	2002	2001	2002	2001	2002	2001
Additions								
Member Contributions	\$—	\$—	\$64,200	\$67,385	\$—	\$—	\$1,117	\$1,631
Employer Contributions	34,172	33,237	—	—	81	129	—	—
Investment Income (Loss)	(7,287)	(4,458)	(21,515)	(15,519)	1	4	(1,957)	(1,592)
Other Income	—	—	—	—	—	—	—	6
Total Additions	\$26,885	\$28,779	\$42,685	\$51,866	\$82	\$133	(\$840)	\$45
Deductions								
Retirement Benefits	\$3,361	\$1,879	\$—	\$—	\$107	\$145	\$—	\$—
Administrative Expenses	—	—	941	816	—	—	47	59
Participant Withdrawals	—	—	10,371	13,659	—	—	1,293	1,090
Total Deductions	\$3,361	\$1,879	\$11,312	\$14,475	\$107	\$145	\$1,340	\$1,149
Increase (Decrease) in Net Assets	\$23,524	\$26,900	\$31,373	\$37,391	(\$25)	(\$12)	(\$2,180)	(\$1,104)

Management's Discussion and Analysis

SCPF

The SCPF was established effective January 1, 2000 to provide supplemental retirement benefits to members of CalPERS and is entirely member funded. Net assets held in trust for pension benefits decreased by \$2.2 million (10.2 percent) to \$19.1 million at June 30, 2002, from \$21.3 million at June 30, 2001.

Contribution revenues were \$1.1 million for the 2002 fiscal year, a decrease of 31.5 percent from the 2001 fiscal year, primarily due to decrease in program participation. Net investment losses were \$2.0 million for fiscal year 2002, representing a decrease in investment returns of 22.9 percent from \$1.6 million in net investment losses for fiscal year 2001, primarily due to the continued decline in world equity markets.

For fiscal year 2002, participant withdrawals were \$1.3 million, an increase of \$203,000 (18.6 percent) from fiscal year 2001, primarily due to an increase in retirees.

Investments

The SCPF investments were \$19.1 million at June 30, 2002, which was \$2.2 million less than the \$21.3 million in total SCPF investments at June 30, 2001. The decrease was primarily due to the increase in participant withdrawals and increase in investment losses.

At June 30, 2002, the SCPF held \$13.6 million in U.S. equity and international equity securities, a decrease of \$1.3 million from \$14.9 million at fiscal year end 2001. U.S. equity and international equity securities experienced returns of approximately negative 18.1 percent and negative 9.0 percent for

fiscal year 2002, compared to the negative 15.3 percent and negative 24.1 percent for fiscal year 2001. CalPERS benchmark returns for fiscal year 2002 were negative 18.1 percent and negative 9.3 percent, respectively. CalPERS uses the Custom S&P 500 Index and MSCI EAFE to provide a benchmark for our equity investment returns.

At June 30, 2002, the SCPF held \$5.3 million in U.S. debt securities, a decrease of \$.8 million from \$6.1 million at fiscal year end 2001. U.S. debt securities returned approximately 6.5 percent for fiscal year 2002, compared to 12.4 percent for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was 6.9 percent. CalPERS uses Lehman Brothers 1-3 Year Gov/Credit as a benchmark for its domestic debt security investment returns.

At June 30, 2002, the SCPF held \$214,000 in short-term investments, a decrease of \$67,000 from \$281,000 at fiscal year end 2001. Short-term investments returned approximately 1.2 percent for fiscal year 2002, compared to 5.8 percent for fiscal year 2001.

Enterprise Funds

HCF

Plan Activity

The HCF accounts for the activities of the CalPERS self-insured health care programs and public agency payments and remittances to contracted health care providers.

The self-insured health care programs incurred claims expenses of \$622.1 million for the 2002 fiscal year, an increase of 12.9 percent from the 2001 fiscal year,

Investments — SCPF

(Dollars in Millions)

Investment Class	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Short-Term Investments	\$0.2	1.0 %	1.2 %	5.8 %	N/A
Domestic Equity	9.8	51.3	(18.1)	(15.3)	(18.1 %)
International Equity	3.8	19.9	(9.0)	(24.1)	(9.3)
Debt Securities	5.3	27.8	6.5	12.4	6.9
Total	\$19.1	100 %	(13.4 %)	(20.2 %)	(20.5 %)

Management's Discussion and Analysis

primarily due to enrollment growth, increases in provider pricing, and increased benefit utilization. Premium revenues were \$740.1 million for the 2002 fiscal year, an increase of 29.9 percent from the 2001 fiscal year, primarily as a result of premium rate increases and enrollment growth. Net investment income was \$7.4 million for the 2002 fiscal year, a decrease of 33.2 percent from the 2001 fiscal year. As a result of the above, unrestricted net assets increased by \$64.1 million, over 100 percent, to \$69.8 million at June 30, 2002, due primarily to the increase in premium rates.

Public agencies remitted \$739 million for payments to contracted health care providers in fiscal year 2002. This is a 13.1 percent increase of \$85 million over 2001, due to an increase in participating public agencies and premium rate increases ranging from 1.0 to 24.9 percent.

Investments

Investments of the HCF at June 30, 2002 and 2001 include only highly-liquid, short-term securities. Investments increased \$96.0 million from \$170.2 million at June 30, 2001 to \$266.2 million at June 30, 2002. The increase was due primarily to the increase in premium rates.

CRF

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. Administrative fees earned by the CRF were \$12.8 million for the 2002 fiscal year, an increase of 15.2 percent from 2001 fiscal year administrative fees of \$11.1 million, due mainly to the increase in health

care program premiums during the 2002 fiscal year. Net investment income was \$417,000 for the 2002 fiscal year, a decrease of 38.1 percent from the 2001 fiscal year, primarily due to a decrease in interest rates. Unrestricted net assets increased by \$561,000 (5.2 percent), to \$11.4 million at June 30, 2002.

Investments

Investments of the CRF at June 30, 2002 and 2001 included only highly-liquid, short-term securities, as investment balances are used to fund operating cash flows. Investments increased \$0.6 million from \$14.8 million at June 30, 2001 to \$15.4 million at June 30, 2002. The increase was due primarily to the increase in health care program premiums.

LTCF

The LTCF, which provides long-term care insurance to participating members, incurred claims expenses of \$31.5 million for the 2002 fiscal year, an increase of 74.1 percent from the 2001 fiscal year, due mainly to an increase in benefit utilization. Premium revenues were \$186.6 million for the 2002 fiscal year, an increase of 10.7 percent from the 2001 fiscal year, primarily due to a 12.2 percent increase in enrollment from 2001 to 2002. Net investment losses amounted to \$61.1 million for the 2002 fiscal year, a decrease in investment returns of 61.6 percent from the \$37.8 million in net investment losses for the 2001 fiscal year, due mainly to the continued decline in domestic equity markets. Unrestricted net assets decreased by \$143.2 million (120.6 percent), to a net deficit of \$261.9 million at June 30, 2002, due to the 2002 operating loss of \$82.1 million, which included an increase in the estimated liability for future policy benefits of \$222.6 million resulting from increased enrollment and increased benefit utilization. During

Investments — LTCF

(Dollars in Millions)

	Amount	Allocation	Current Year Return	Prior Year Return	Benchmark Return
Investment Class					
Domestic Equity	\$379.0	51.7 %	(18.1 %)	(15.3 %)	(18.1 %)
International Equity	75.0	10.2	(9.2)	(23.4)	(9.5)
Debt Securities	278.9	38.1	6.5	12.4	8.8
Total	\$732.9	100 %	(8.2 %)	(6.1 %)	(7.1 %)

Management's Discussion and Analysis

Net Assets — Enterprise Funds

(Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2002	2001	2002	2001	2002	2001	2002	2001
Assets								
Cash, Cash Equivalents & Receivables	\$5,293	\$13,131	\$504	\$1,022	\$15,869	\$1,263	\$196	\$110
Investments	266,197	170,194	15,368	14,772	732,955	648,716	2,948	1,651
Total Assets	\$271,490	\$183,325	\$15,872	\$15,794	\$748,824	\$649,979	\$3,144	\$1,761
Total Liabilities	\$201,641	\$177,592	\$4,494	\$4,977	\$1,010,687	\$768,679	\$3,076	\$1,576
Total Unrestricted Net Assets (Deficit)	\$69,849	\$5,733	\$11,378	\$10,817	(\$261,863)	(\$118,700)	\$68	\$185

Changes in Net Assets — Enterprise Funds

(Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2002	2001	2002	2001	2002	2001	2002	2001
Revenues								
Self Insurance Premiums	\$740,073	\$569,751	\$ —	\$ —	\$186,595	\$168,625	\$ —	\$ —
Health Care Premiums Collected	739,327	653,858	2,510	1,483	—	—	—	—
Investment Income (Loss)	7,418	11,100	417	674	(61,080)	(37,802)	46	76
Administrative Fees & Other	—	164	12,833	11,140	—	—	985	386
Total Revenues	\$1,486,818	\$1,234,873	\$15,760	\$13,297	\$125,515	\$130,823	\$1,031	\$462
Expenses								
Claims Expense	\$622,143	\$550,964	\$ —	\$ —	\$31,494	\$18,090	\$ —	\$ —
Increase in Estimated Liabilities	17,660	9,799	—	—	222,559	232,532	—	—
Health Premiums Remitted	739,327	653,858	2,510	1,483	—	—	—	—
Administrative Expenses	43,572	41,180	12,689	9,169	14,625	15,462	1,148	1,131
Total Expenses	\$1,422,702	\$1,255,801	\$15,199	\$10,652	\$268,678	\$266,084	\$1,148	\$1,131
Increase (Decrease) in Unrestricted Net Assets	\$64,116	(\$20,928)	\$561	\$2,645	(\$143,163)	(\$135,261)	(\$117)	(\$669)

Management's Discussion and Analysis

the 2002-03 fiscal year, the CalPERS Board is expected to review the plan design to mitigate the long-term effect of the decrease in net assets.

Investments

Total LTCF investments were \$732.9 million at June 30, 2002, which was \$84.2 million more than the \$648.7 million in total LTCF investments at June 30, 2001.

At June 30, 2002, the LTCF held \$454.0 million in U.S. equity and international equity securities, an increase of \$50.5 million from \$403.5 million at fiscal year end 2001. U.S. equity and international equity securities experienced returns of approximately negative 18.1 percent and negative 9.2 percent for the 2002 fiscal year, compared to the negative 15.3 percent and negative 23.4 percent for fiscal year 2001. CalPERS benchmark returns for fiscal year 2002 were negative 18.1 percent and negative 9.5 percent. CalPERS uses the Custom S&P 500 Index and MSCI EAFE to provide a benchmark for our equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

At June 30, 2002, the LTCF held \$278.9 million in U.S. debt securities, an increase of \$33.8 million from \$245.1 million at fiscal year end 2001. U.S. debt securities returned approximately 6.5 percent, compared to 12.4 percent for fiscal year 2001. CalPERS benchmark return for fiscal year 2002 was 8.8 percent. CalPERS uses the Salomon Brothers Large Pension Fund Index to provide a benchmark for our fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment, and reflects the overall market environment.

DCF

The DCF accounts for fees charged by CalPERS for managing three investment options of the State of California Savings Plus Program and certain investment portfolios of the IRC 457 public agency program, reported administrative and investment management revenues of \$985,000 for the 2002 fiscal year, an increase of 155.2 percent from the 2001 fiscal year. Administrative expenses of the DCF were \$1.1 million for the 2002 fiscal year, which was approximately the same as the 2001 fiscal year. Net investment income amounted to \$46,000 for the 2002 fiscal year, a decrease of 39.5 percent from the 2001 fiscal year, due mainly to lower interest rates from 2001 to 2002. Unrestricted net assets decreased by \$117,000 (63.2 percent) to \$68,000 at June 30, 2002.

Investments

Investments of the DCF at June 30, 2002 and 2001 included only highly-liquid, short-term securities. Investments increased \$1.3 million from \$1.7 million at June 30, 2001 to \$3.0 million at June 30, 2002. The increase was due primarily to the increase in the administrative expense liability.

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 Fiscal Services Division, P.O. Box 942703, Sacramento, CA 94229-2703.

Basic Financial Statements



Statement of Fiduciary Net Assets

As of June 30, 2002 (with Comparative Totals, as of June 30, 2001)

(Dollars in Thousands)

	Pension Trust Funds					
	PERF	LRF	JRF	JRF II	VFF	SPOFF
Assets						
Cash & Cash Equivalents	\$20,537	\$857	\$1,401	\$1	\$12	\$ —
Receivables						
Member, Public Agency,						
State & School	\$1,739,666	\$1	\$2,834	\$1,600	\$210	\$ —
Investment Settlement & Other	3,068,506	—	—	—	—	—
Interest & Dividends	785,863	—	11	18	—	5
Due from Other Funds	10,576	—	—	—	—	—
Total Receivables	\$5,604,611	\$1	\$2,845	\$1,618	\$210	\$5
Investments, at Fair Value						
Short-Term Investments:						
Domestic	\$2,651,350	\$26	\$929	\$1,766	\$6	\$139
International	508,917	—	—	—	—	—
Securities Lending Collateral	14,098,951	—	—	—	—	—
Equity Securities:						
Domestic	53,778,050	38,558	—	24,397	1,197	98,598
International	26,442,684	13,376	—	12,585	—	—
Debt Securities:						
Domestic	34,613,932	76,073	—	25,109	725	—
International	5,450,879	—	—	—	—	—
Real Estate Equities	12,260,151	—	—	—	—	—
Alternative Investments	6,612,758	—	—	—	—	—
Total Investments	\$156,417,672	\$128,033	\$929	\$63,857	\$1,928	\$98,737
Capital Assets, at Cost, Net of Accumulated Depreciation & Other Assets	\$123,820	\$ —	\$ —	\$ —	\$ —	\$ —
Total Assets	\$162,166,640	\$128,891	\$5,175	\$65,476	\$2,150	\$98,742
Liabilities						
Retirement & Other Benefits						
in Process of Payment	\$561,990	\$560	\$74	\$10	\$6	\$ —
Investment Settlement & Other	4,718,481	86	—	—	—	53
Estimated Insurance Claims						
Due to State of California & Public Agencies	—	—	—	—	—	—
Liabilities to Brokers for						
Securities Lending	14,098,951	—	—	—	—	—
Due to Other Funds	—	238	106	76	21	—
Total Liabilities	\$19,379,422	\$884	\$180	\$86	\$27	\$53
Net Assets Held in Trust for Pension Benefits (see Required Supplemental Schedule of Funding Progress)	\$142,787,218	\$128,007	\$4,995	\$65,390	\$2,123	\$98,689

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

Statement of Fiduciary Net Assets (continued)

As of June 30, 2002 (with Comparative Totals, as of June 30, 2001)

(Dollars in Thousands)

Pension Trust Funds			Agency Fund	Totals	
IRC 457	RBF	SCPF	OASI	2002	2001
\$ —	\$1	\$ —	\$6,365	\$29,174	\$31,884
\$ —	\$5	\$ —	\$ —	\$1,744,316	\$1,276,753
—	—	—	—	3,068,506	1,332,056
227	—	3	—	786,127	844,007
—	—	—	—	10,576	11,085
\$227	\$5	\$3	\$ —	\$5,609,525	\$3,463,901
\$36,043	\$45	\$214	\$ —	\$2,690,518	\$3,230,938
—	—	—	—	508,917	95,335
—	—	—	—	14,098,951	14,307,037
151,830	—	9,739	—	54,102,369	63,354,698
6,123	—	3,838	—	26,478,606	27,733,610
32,495	—	5,346	—	34,753,680	37,094,043
—	—	—	—	5,450,879	5,035,864
—	—	—	—	12,260,151	12,632,223
—	—	—	—	6,612,758	7,148,443
\$226,491	\$45	\$19,137	\$ —	\$156,956,829	\$170,632,191
\$ —	\$ —	\$ —	\$ —	\$123,820	\$113,970
\$226,718	\$51	\$19,140	\$6,365	\$162,719,348	\$174,241,946
\$ —	\$ —	\$ —	\$ —	\$562,640	\$169,867
163	—	16	20	4,718,819	2,966,105
—	—	—	6,272	6,272	6,345
—	—	—	—	14,098,951	14,307,037
—	—	—	73	514	1,004
\$163	\$ —	\$16	\$6,365	\$19,387,196	\$17,450,358
\$226,555	\$51	\$19,124	\$ —	\$143,332,152	\$156,791,588

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

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2002 (with Comparative Totals for the Year Ended June 30, 2001)

(Dollars in Thousands)

	Pension Trust Funds									Totals	
	PERF	LRF	JRF	JRF II	VFF	SPOFF	IRC 457	RBF	SCPF	2002	2001
Additions											
Retirement Contributions											
Members	\$2,154,742	\$14	\$11,714	\$5,291	\$—	\$—	\$64,200	\$—	\$1,117	\$2,237,078	\$1,850,879
Employers	800,964	—	13,461	12,487	94	34,172	—	81	—	861,259	378,202
Appropriation from the State of California General Fund	—	—	51,859	—	—	—	—	—	—	51,859	77,750
Total Retirement Contributions	\$2,955,706	\$14	\$77,034	\$17,778	\$94	\$34,172	\$64,200	\$81	\$1,117	\$3,150,196	\$2,306,831
Investment Income											
Net Depreciation in Fair Value of Investments	(\$15,207,736)	(\$3,801)	\$—	(\$3,938)	(\$200)	(\$6,754)	(\$22,656)	\$—	(\$1,964)	(\$15,247,049)	(\$17,740,594)
Interest, Dividends & Other Investment Income	6,405,825	20	1,003	67	—	18	1,141	1	7	6,408,082	6,441,357
Securities Lending Income	436,129	—	—	—	—	—	—	—	—	436,129	813,202
Less Investment Expenses:											
Costs of Lending Securities	(337,821)	—	—	—	—	—	—	—	—	(337,821)	(733,088)
Other	(1,000,875)	—	—	—	—	(551)	—	—	—	(1,001,426)	(1,057,202)
Net Investment (Loss) Income	(\$9,704,478)	(\$3,781)	\$1,003	(\$3,871)	(\$200)	(\$7,287)	(\$21,515)	\$1	(\$1,957)	(\$9,742,085)	(\$12,276,325)
Other Income	\$4,686	\$—	\$4,521	\$—	\$—	\$—	\$—	\$—	\$—	\$9,207	\$11,996
Total Additions	(\$6,744,086)	(\$3,767)	\$82,558	\$13,907	(\$106)	\$26,885	\$42,685	\$82	(\$840)	(\$6,582,682)	(\$9,957,498)
Deductions											
Retirement, Death & Survivor Benefits	\$6,431,019	\$6,717	\$109,543	\$118	\$66	\$3,361	\$—	\$107	\$—	\$6,550,931	\$5,901,377
Refund of Contributions	103,386	—	—	91	—	—	—	—	—	103,477	129,069
Administrative Expenses	208,688	245	392	290	79	—	941	—	47	210,682	185,716
Participant Withdrawals	—	—	—	—	—	—	10,371	—	1,293	11,664	14,749
Total Deductions	\$6,743,093	\$6,962	\$109,935	\$499	\$145	\$3,361	\$11,312	\$107	\$1,340	\$6,876,754	\$6,230,911
(Decrease) Increase in Net Assets	(\$13,487,179)	(\$10,729)	(\$27,377)	\$13,408	(\$251)	\$23,524	\$31,373	(\$25)	(\$2,180)	(\$13,459,436)	(\$16,188,409)
Net Assets Held in Trust for Pension Benefits											
Beginning of Year	\$156,274,397	\$138,736	\$32,372	\$51,982	\$2,374	\$75,165	\$195,182	\$76	\$21,304	\$156,791,588	\$172,979,997
End of Year	\$142,787,218	\$128,007	\$4,995	\$65,390	\$2,123	\$98,689	\$226,555	\$51	\$19,124	\$143,332,152	\$156,791,588

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

Statement of Changes in Assets and Liabilities — Agency Fund

For the Year Ended June 30, 2002

(Dollars in Thousands)

	OASI			Balance June 30, 2002
	Balance July 1, 2001	Additions	Deductions	
Assets				
Cash Held by State Treasurer	\$6,365	\$ —	\$ —	\$6,365
Total Assets	\$6,365	\$ —	\$ —	\$6,365
Liabilities				
Due to State of California General Fund	\$20	\$ —	\$ —	\$20
Contributions Due to Public Agencies	6,345	—	73	6,272
Due to Other Funds	—	73	—	73
Total Liabilities	\$6,365	\$73	\$73	\$6,365

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

Statement of Net Assets—Proprietary Funds

As of June 30, 2002 (with Comparative Totals, as of June 30, 2001)

(Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2002	2001
Assets						
Current Assets						
Cash & Cash Equivalents	\$111	\$13	\$1,109	\$ —	\$1,233	\$1,616
Receivables						
Member, Public Agency, State & School	2,319	—	14,755	—	17,074	9,975
Interest & Dividends	2,843	28	5	4	2,880	3,091
Due from Other Funds	20	463	—	—	483	739
Other	—	—	—	192	192	105
Total Receivables	\$5,182	\$491	\$14,760	\$196	\$20,629	\$13,910
Investments, at Fair Value						
Short-Term Investments:						
Domestic	\$239,831	\$15,368	\$62	\$2,948	\$258,209	\$146,882
Equity Securities:						
Domestic	—	—	379,006	—	379,006	337,240
International	—	—	74,978	—	74,978	66,270
Debt Securities:						
Domestic	26,366	—	278,909	—	305,275	284,941
Total Investments	\$266,197	\$15,368	\$732,955	\$2,948	\$1,017,468	\$835,333
Total Assets	\$271,490	\$15,872	\$748,824	\$3,144	\$1,039,330	\$850,859
Liabilities						
Current Liabilities						
Insurance Premiums & Claims						
in Process of Payment	\$77,416	\$ —	\$2,601	\$ —	\$80,017	\$69,494
Estimated Insurance Claims Due to the State & Public Agencies	121,531	—	—	—	121,531	103,871
Due to Other Funds	1,695	3,868	2,702	2,278	10,543	10,820
Other	999	626	22,384	798	24,807	8,198
Total Current Liabilities	\$201,641	\$4,494	\$27,687	\$3,076	\$236,898	\$192,383
Long-Term Liabilities						
Estimated Liability for Future Policy Benefits						
	\$ —	\$ —	\$983,000	\$ —	\$983,000	\$760,441
Total Long-Term Liabilities	\$ —	\$ —	\$983,000	\$ —	\$983,000	\$760,441
Total Liabilities	\$201,641	\$4,494	\$1,010,687	\$3,076	\$1,219,898	\$952,824
Total Unrestricted Net Assets (Deficit)	\$69,849	\$11,378	(\$261,863)	\$68	(\$180,568)	(\$101,965)

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds

For the Year Ended June 30, 2002 (with Comparative Totals for the Year Ended June 30, 2001)

(Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2002	2001
Operating Revenues						
Self-Insurance Premiums	\$740,073	\$ —	\$186,595	\$ —	\$926,668	\$738,376
Health Care Premiums Collected	739,327	2,510	—	—	741,837	655,341
Other	—	12,833	—	985	13,818	11,690
Total Operating Revenues	\$1,479,400	\$15,343	\$186,595	\$985	\$1,682,323	\$1,405,407
Operating Expenses						
Claims Expense	\$622,143	\$ —	\$31,494	\$ —	\$653,637	\$569,054
Increase in Estimated Liabilities	17,660	—	222,559	—	240,219	242,331
Health Care Premiums Remitted to Insurance Carriers	739,327	2,510	—	—	741,837	655,341
Administrative Expenses	43,572	12,689	14,625	1,148	72,034	66,942
Total Operating Expenses	\$1,422,702	\$15,199	\$268,678	\$1,148	\$1,707,727	\$1,533,668
Operating Income (Loss)	\$56,698	\$144	(\$82,083)	(\$163)	(\$25,404)	(\$128,261)
Non-Operating Revenues						
Net Depreciation in Fair Value of Investments	(\$143)	\$ —	(\$62,147)	\$ —	(\$62,290)	(\$37,296)
Interest, Dividends & Other Investment Income	7,561	417	1,067	46	9,091	11,344
Total Non-Operating Revenues	\$7,418	\$417	(\$61,080)	\$46	(\$53,199)	(\$25,952)
Change in Unrestricted Net Assets	\$64,116	\$561	(\$143,163)	(\$117)	(\$78,603)	(\$154,213)
Total Unrestricted Net Assets (Deficit)						
Beginning of Year	\$5,733	\$10,817	(\$118,700)	\$185	(\$101,965)	\$52,248
End of Year	\$69,849	\$11,378	(\$261,863)	\$68	(\$180,568)	(\$101,965)

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

Statement of Cash Flows—Proprietary Funds

For the Year Ended June 30, 2002 (with Comparative Totals for the Year Ended June 30, 2001)

(Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2002	2001
Cash Flows From Operating Activities						
Self-Insurance Premiums Collected	\$747,078	\$ —	\$172,491	\$ —	\$919,569	\$738,885
Health Care Premiums Collected	739,327	2,510	—	—	741,837	655,341
Claims Paid	(614,154)	—	(28,960)	—	(643,114)	(559,803)
Health Care Premiums Remitted	(739,327)	(2,510)	—	—	(741,837)	(655,341)
Other Receipts (Payments)	(45,192)	(63)	2,290	1,250	(41,715)	(49,765)
Net Cash Provided (Used) by Operating Activities	\$87,732	(\$63)	\$145,821	\$1,250	\$234,740	\$129,317
Cash Flows From Investing Activities						
Proceeds from Sales of Investments	\$11,328	\$ —	\$ —	\$ —	\$11,328	\$68,627
Purchases of Investments	—	—	(146,380)	—	(146,380)	(140,569)
Net Change in Short-Term Investments	(107,474)	(596)	(6)	(1,297)	(109,373)	(69,830)
Interest & Dividends Received	7,742	438	1,075	47	9,302	11,053
Net Cash Used by Investing Activities	(\$88,404)	(\$158)	(\$145,311)	(\$1,250)	(\$235,123)	(\$130,719)
Net (Decrease) Increase in Cash & Cash Equivalents	(\$672)	(\$221)	\$510	\$ —	(\$383)	(\$1,402)
Cash & Cash Equivalents, Beginning of Year	\$783	\$234	\$599	\$ —	\$1,616	\$3,018
Cash & Cash Equivalents, End of Year	\$111	\$13	\$1,109	\$ —	\$1,233	\$1,616
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$56,698	\$144	(\$82,083)	(\$163)	(\$25,404)	(\$128,261)
Changes in Assets & Liabilities:						
Receivables:						
Member, Public Agency, State & School	7,005	—	(14,104)	—	(7,099)	509
Due from Other Funds	(20)	276	—	—	256	(399)
Other	—	—	—	(87)	(87)	476
Insurance Premiums & Claims in Process of Payment	7,989	—	2,534	—	10,523	9,251
Estimated Insurance Claims Due to Health Care Providers	17,660	—	—	—	17,660	9,799
Liability for Future Policy Benefits Due to Other Funds	(1,970)	(670)	1,216	1,147	(277)	6,759
Other	370	187	15,699	353	16,609	(1,349)
Net Cash Provided (Used) by Operating Activities	\$87,732	(\$63)	\$145,821	\$1,250	\$234,740	\$129,317
Noncash Investing, Capital & Financing Activities:						
Noncash Change in Fair Value of Investments in Securities	(\$143)	\$ —	(\$62,147)	\$ —	(\$62,290)	(\$37,296)

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

Notes to the Basic Financial Statements

1. General Description of the Plan

General

The State Employees' Retirement System, the predecessor to the Public Employees' Retirement System of the State of California (CalPERS), or the "System", was created after voters approved a constitutional amendment authorizing legislation to establish a pension system for State employees. Such legislation became effective January 1, 1932. CalPERS has expanded to include, among others, employees of local agencies which elect to participate in the System. The Board of Administration (Board) of CalPERS administers a total of 14 funds, including five defined benefit retirement plans: the Public Employees' Retirement Fund (PERF), the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), the Judges' Retirement Fund II (JRF II), and the Volunteer Firefighters' Length of Service Award Fund (VFF); four defined contribution retirement plans: the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), the Replacement Benefit Fund (RBF), and the Supplemental Contributions Program Fund (SCPF); two health care plans: the Public Employees' Health Care Fund (HCF) and the Public Employees' Contingency Reserve Fund (CRF); and three other plans: the Public Employees' Long-Term Care Fund (LTCF), the Public Employees' Deferred Compensation Fund (DCF), and the Old Age & Survivors' Insurance Revolving Fund (OASI).

Reporting Entity

The basic financial statements of CalPERS include fund financial statements reporting the financial activities of all of the above funds and assets under trust. The CalPERS Board of Administration has plenary authority and fiduciary responsibility for the investment of monies and the administration of the System pursuant to the State Constitution, Article XVI, Section 17. CalPERS is a unit of the State of California State and Consumer Services Agency; however, CalPERS is not subject to administrative direction by any department, commission, board, bureau, or agency of the State. As such, CalPERS is

classified as a component unit of the State of California for financial reporting purposes, in accordance with the provisions of Governmental Accounting Standards Board Statement No. 14.

CalPERS financial statements are included in fiduciary and proprietary funds in the State of California Comprehensive Annual Financial Report.

Defined Benefit Pension Plans

The PERF, LRF, JRF, and JRF II are defined benefit pension plans which provide benefits based on members' years of service, age, final compensation, and benefit formula. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. California Government Code Section 50951 created the VFF as an award system that provides benefits based on members' years of service and age. VFF enrollment, receipt of an award, and service credit shall not be construed as a retirement, retirement allowance or benefit, or as retirement system service credit, respectively. However, for financial statement purposes, the VFF is classified as a defined benefit pension plan in accordance with accounting principles generally accepted in the United States of America.

The State of California and 1,448 public agencies and schools (representing more than 2,500 entities) contribute to the PERF, JRF, and JRF II, which are agent multi-employer defined benefit pension plans. CalPERS acts as the common investment and administrative agent for the member agencies, including schools (for classified employees). The LRF is a single-employer defined benefit pension plan for the State of California. The VFF is an agent multi-employer defined benefit pension plan with 57 participating fire departments. The VFF provides cities, counties, or districts that have fire departments with volunteer firefighting members the opportunity to offer such members an award for lifelong and faithful volunteer service.

Members of the PERF, LRF, JRF, and JRF II become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service. VFF members become vested after 10 years of credited service and are eligible to receive an award payment at age 60.

Notes to the Basic Financial Statements

The PERF was established in 1932, the LRF in 1947, the JRF in 1937, JRF II in 1994, and the VFF in 1980. As of June 30, 2002 and 2001, the number of affiliated employers for the PERF, LRF, JRF, JRF II, and VFF are as follows:

	2002	2001
Public Employees' Retirement Fund		
State	1	1
School	61	61
Public Agency	1,387	1,350
Total Employers—Public Employees' Retirement Fund	1,449	1,412
Legislators' Retirement Fund	1	1
Judges' Retirement Fund	59	59
Judges' Retirement Fund II	59	59
Volunteer Firefighters' Award Fund	57	57

As of June 30, 2002 and 2001, benefit recipients and members in the PERF, LRF, JRF, JRF II, and VFF consisted of the following:

	2002								
	PERF				LRF	JRF	JRF II	VFF	Total
	State	School	Public Agency	Total PERF					
Retirees	119,912	97,857	107,326	325,095	153	961	—	59	326,268
Survivors & Beneficiaries	23,323	15,874	17,454	56,651	110	515	1	—	57,277
Members:									
Active	250,900	293,330	251,555	795,785	28	1,028	531	950	798,322
Inactive	62,910	65,507	57,975	186,392	38	97	—	2,201	188,728
Total	457,045	472,568	434,310	1,363,923	329	2,601	532	3,210	1,370,595

	2001								
	PERF				LRF	JRF	JRF II	VFF	Total
	State	School	Public Agency	Total PERF					
Retirees	116,143	94,934	103,689	314,766	160	948	—	55	315,929
Survivors & Beneficiaries	22,482	15,297	16,733	54,512	112	501	1	—	55,126
Members:									
Active	235,272	280,955	235,853	752,080	28	1,062	462	3,000	756,632
Inactive	61,502	56,205	46,845	164,552	40	102	—	—	164,694
Total	435,399	447,391	403,120	1,285,910	340	2,613	463	3,055	1,292,381

Notes to the Basic Financial Statements

The membership consists of the following categories:

PERF

- **Safety**—includes California Highway Patrol, peace 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.
- **Schools**—includes non-teaching, non-certificated school employees.
- **State Industrial**—includes all employees of the Department of Corrections and the California Youth Authority who are not safety members.
- **General**—includes all other members, defined by statute as “miscellaneous” members.

LRF

- State Legislators
- Constitutional Officers
- Legislative Statutory Officers

JRF

- **Justices**—includes Supreme Court, Courts of Appeal, Superior Courts, Municipal Courts, and Justice Courts appointed or elected prior to November 9, 1994.

JRF II

- **Justices**—includes Supreme Court, Courts of Appeal, Superior Courts, Municipal Courts, and Justice Courts appointed or elected on or subsequent to November 9, 1994.

VFF

- Volunteer Firefighters

Financing

The benefits for the PERF, LRF, JRF, and JRF II are funded by contributions from members and employers, and earnings from investments. The benefits for the VFF are funded solely by contributions from employers and earnings from investments. Member and employer contributions for the PERF, LRF, JRF, and JRF II are a percentage of applicable member compensation. Member contribution rates for

the PERF, LRF, JRF, and JRF II are defined by law and depend on the respective employer’s benefit formulas. 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 Public Employees’ Retirement Fund, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of active plan members are based on a percentage of salary over a base compensation amount ranging from \$133 to \$863 monthly. For the fiscal year ended June 30, 2002, the required contribution rates for active plan members are as follows:

PERF

State Employees:

Miscellaneous & Industrial	5% or 6%
Miscellaneous & Industrial —Second Tier	0%
Safety	6% or 8%
California Highway Patrol	8%
Classified School Employees	7%
Public Agency Employees	7% to 9%
Peace Officers & Firefighters	8%

LRF	0%
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JRF	8%
------------	----

JRF II	8%
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VFF	Non-Contributory
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These contributions are deposited in a fund established for each entity for the purpose of creating actuarial reserves for future benefits.

All employees who work on a half-time basis or more are eligible to participate in the retirement plans. CalPERS administers several different retirement plans, each providing a monthly allowance based on age, years of credited service, the benefit formula, and highest average compensation over an established period of one year to three years. For the VFF, highest average compensation is not a consideration in determining a

Notes to the Basic Financial Statements

monthly allowance. All plans provide death and disability benefits except the VFF, which does not provide disability benefits. Within the PERF, 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. The benefits for the LRF are established in accordance with the provisions of the Legislators' Retirement Law. The benefits for the JRF are established in accordance with the provisions of the Judges' Retirement Law. The benefits for the JRF II are established in accordance with the provisions of the Judges' Retirement System II Law. The benefits for the VFF are established in accordance with the provisions of the Volunteer Firefighters' Length of Service Award Act.

In November 1990 the voters added Article IV, Section 4.5 to the State Constitution by adopting 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, the Legislators' Retirement Fund is in transition. The number of legislators eligible to participate in the LRF is declining as incumbent legislators leave office and are replaced by new legislators who are not eligible to participate in the program. Eventually, the only active members in the Fund will be approximately 16 constitutional officers (including the Insurance Commissioner and members of the Board of Equalization) and approximately four legislative statutory officers.

Costs of administering the Funds are financed through the contributions and investment earnings of the Funds.

In September 1999, Senate Bill 400 (S.B. 400), Chapter 555 of the 1999 Statutes, was signed into law by the Governor. S.B. 400, which became effective January 1, 2000, revises the statutes guiding the administration of the PERF and provides for enhanced benefits for State and school members of the PERF. Benefit enhancements include increased benefits for active State and school members, various one-time cost-

of-living adjustments to State and school retirees, and the opportunity for State Second Tier PERF members to elect participation in the First Tier.

Termination

Upon separation from the retirement plans, members' accumulated employee contributions are refundable with interest credited through the date of refund, as required by applicable laws. Withdrawal of such accumulated contributions results in forfeiture of the related vested benefits.

In the event that public agencies elect to terminate their contracts with the retirement plans, accumulated member and employer contributions, interest, and the related liability for benefits may be transferred to the employers. If amounts are not transferred to the employer, sufficient assets required to cover the related liability for benefits are retained in the retirement plans. Excess assets above those required, if any, are returned to the employer.

Defined Contribution Plans

The State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF) is a defined contribution pension plan established in 1998 by Chapter 820 of the 1998 Statutes. The plan is a qualified money purchase pension plan under Section 401(a) of Title 26 of the Internal Revenue Code, and is intended to supplement the retirement benefits provided by the PERF to eligible correctional officers employed by the State of California.

Contributions to the plan are funded entirely by the employer, with a contribution rate of 2 percent of the employee's base pay, not to exceed contribution limits established by the Internal Revenue Code. Contribution requirements are established and may be amended through a memorandum of understanding from the State of California Department of Personnel Administration. These contributions, as well as the participant's share of the net earnings of the Fund, are credited to the participant's account.

Notes to the Basic Financial Statements

The net earnings of the fund are allocated to the participant's account as of each valuation date, in the ratio that the participant's account balance bears to the aggregate of all participants' account balances. The benefit paid to participants will depend only on the amount contributed to participant's account and earnings on the value of the participant's account. Plan provisions are established and may be amended by statute. At June 30, 2002 and 2001, there were 32,943 and 32,358 participants, respectively.

The Public Agency Deferred Compensation Program (IRC 457) is an Internal Revenue Code Section 457(g) defined contribution plan administered by State Street Bank & Trust Company (acting as an agent of CalPERS) to provide benefits at retirement to public agency employees. Plan participation is voluntary to employees of participating public agencies, and contributions are separate from the defined benefit contributions made to CalPERS.

Members may contribute up to 25 percent of covered salary, to a maximum contribution of \$11,000 for the fiscal year ended June 30, 2002. The contribution requirements are established under the Internal Revenue Code. At June 30, 2002 and 2001, there were 12,729 and 10,472 participants, respectively, with account balances.

Members of the plan are allowed to change their contribution amount, transfer account balances among 13 investment options, or change the contribution percentages designated to each option on a daily basis. The 13 investment options are: Money Market Fund, Stable Fixed Income Fund, Bond Fund, S&P 500 Equity Index Fund, Active Large Cap Equity Fund, Russell 2000 Index Fund, Active Small Cap Equity Fund, International Equity Fund, Conservative Allocation Fund, Moderate Allocation Fund, Aggressive Allocation Fund, Certificate of Deposit, and the Self-Managed Options. Members may access their funds upon retirement, separation from employment, or other distributions as allowed under the Internal Revenue Code. The CalPERS Board of Administration has authorization under the Government Code of the State of California to establish plan provisions.

The Replacement Benefit Fund (RBF) was established by Chapter 938 of the 1995 Statutes and initially funded in 1998 to provide benefits to members of the PERF whose retirement benefit exceeds Internal Revenue Code 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, money collected from an employer during any calendar year must be paid to the retiree during that same year. Employer contributions must be in amounts "equivalent to" the benefits not paid as a result of the limitations of IRC Section 415(b). CalPERS calculates the member's retirement allowance based on the member's choice of retirement option. CalPERS also is responsible for calculating the applicable dollar limit under IRC Section 415(b), and setting the employer rates. At June 30, 2002 and 2001, there were five and six retirees, respectively, in the RBF.

The Supplemental Contributions Program Fund (SCPF) was established January 1, 2000 by Chapter 307 of the 1999 Statutes, as a separate trust fund for the Supplemental Contributions Program (Program), a defined contribution plan that provides supplemental benefits at retirement to members of CalPERS. The Program is a qualified plan under Section 401(a) of Title 26 of the United States Code, administered by CalPERS.

Currently, the Program is available only to State of California employees who are members of CalPERS. The Program is entirely member funded, and participation is voluntary. Participant contributions are made on an after-tax basis and are separate from the defined benefit contributions made to CalPERS. Participants may be able to contribute to a deferred compensation or 401(k) plan in conjunction with the Program, if the participant remains within the Internal Revenue Code Section 415(c) limits. Distributions are allowed only at retirement or permanent separation from employment. The CalPERS Board of Administration has authorization under the Government Code of the State of California to establish plan provisions. At June 30, 2002 and 2001, there were 1,122 and 1,199 participants in the SCPF, respectively.

Notes to the Basic Financial Statements

Other Funds Administered by CalPERS

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

Federal legislation was enacted on October 21, 1986, which requires direct remittance of Social Security contributions by individual public agencies and eliminates the intermediary collection and remittance of such contributions by individual public agencies and by State Social Security agencies, such as the OASI. As such, effective January 1, 1987, the OASI stopped receiving contributions from public agencies. The OASI has continued to operate in an agency capacity during the transition period. During the transition period, the OASI functions as an intermediary in the reconciliation of prior year payroll reporting with the federal government. As reconciliations are completed, amounts will be collected and remitted to the federal government or returned to local governments as refunds. If any liabilities are owed which the OASI cannot collect, the State of California or the appropriate public agency is responsible for payment.

The Public Employees' Health Care Fund (HCF) was established under the Public Employees' Medical and Hospital Care Act (PEMHCA) as of July 1, 1988. The self-funded plans, PERS Choice and PERSCare, are risk pools available to all entities that contract for health insurance coverage under PEMHCA. PERS Choice and PERSCare retain all the risk of loss of allowable health claims. Fund members are not subject to a supplemental assessment in the event of deficiencies. Premium rates for PERS Choice and PERSCare 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.

PERS Choice and PERSCare rely on operating cash flows and investment income to fund health benefit payments. During the 2002 fiscal year, the Board

continued to increase member premiums and modified the plans' benefit structures to mitigate the impact of increasing costs associated with rapid enrollment growth, increases in provider pricing, and increased benefit utilization. Management believes that the current sources of funding for PERS Choice and PERSCare will be adequate to provide for benefits of the plans.

PERS Choice and PERSCare provide a Basic health plan for active employees and retirees not eligible for both Parts A and B of Medicare and a supplemental plan for members who are eligible for Parts A and B of Medicare.

Public agencies participating in PERS Choice and PERSCare are required to make periodic premium payments based on rates as established by the Health Benefit Services Division of CalPERS. Plan members pay the difference between the premium rate and the employers' contribution. Administrative costs are financed by administrative fees billed to public agencies and through investment earnings.

Public agency employers whose employees do not elect PERS Choice and PERSCare submit the provider-determined, Board-approved premiums to the HCF which, in turn, submits the premiums to the respective provider.

At June 30, 2002 and 2001, 1,084 and 1,433 entities, respectively, participated in health insurance coverage under PEMHCA, including the self-funded plans. The total number of participating entities at June 30, 2002 decreased from the total number of participating entities at June 30, 2001 because at June 30, 2001 participating entities were tabulated by contract, whereas, at June 30, 2002, entities were tabulated by employer. The categories are as follows:

- public agency employees, annuitants, and their families;
- State and enrolled employees, annuitants, and their families;
- municipal, superior and appellate court judges, annuitants, and their families; and
- legislators, annuitants, and their families.

Notes to the Basic Financial Statements

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 Public Employees' Contingency Reserve Fund (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 from administering the program.

Administrative costs include direct costs of the program and a proportionate share of indirect costs allocated to the CRF by the PERF. The administrative allocation rate is determined as a percentage of insurance premiums paid by the employers. The administrative allocation rate for the year ended June 30, 2002 and 2001 was 0.5 percent. Contribution rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative costs.

The CRF also collects health care premiums from annuitants whose retirement allowances are not sufficient to pay their total contributions for the health care plans in which they are enrolled. The CRF remits these amounts to the Public Employees' Retirement Fund, which pays the appropriate health care plan.

The Public Employees' Long-Term Care Fund (LTCF) began providing self-insured long-term care plans in 1995. The LTCF operates by providing long-term care coverage to enrolled members under the Public Employees' Long-Term Care Act (PERL, Article 8). The Fund contracts with a third party to administer the program. Long-term care coverage is offered to all public employees (active or retired), their spouses, parents, parents-in-law, and siblings. The LTCF is a member-paid program with no contributions from employers. Premium rates are recommended to the Board by the program actuary and are set by the Board. Prospective enrollees apply directly to the program for long-term care coverage.

Twenty plan options are offered to eligible participants.

As of June 30, 2002, there are 165,128 enrollees and 1,626 participants receiving benefits. As of June 30, 2001, there were 147,169 enrollees and 1,199 participants receiving benefits.

The Public Employees' Retirement System Deferred Compensation Fund (DCF) accounts for fees earned by CalPERS for managing certain investments. Fees include: 1) management fees CalPERS has received under a contract with the State of California Department of Personnel Administration, sponsor of the State of California Savings Plus Program, for managing three investment portfolios; and 2) management fees CalPERS has received under contracts with various State of California public agencies for managing 13 investment portfolios of the Public Agency Deferred Compensation Program (IRC 457). The DCF was established by Chapter 1659 of the 1990 Statutes, which added Government Code Sections 21420-21429. Operation and initial funding of the DCF commenced July 1991. Administrative expenses incurred by the DCF represent the reimbursement to the PERF of actual administrative expenses incurred by the PERF on behalf of the DCF.

Financial statements for the three portfolios managed by CalPERS for the State of California Savings Plus Program may be obtained by contacting CalPERS.

2. Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of CalPERS are organized and operated on the basis of funds. CalPERS has the following fund types at June 30, 2002.

Fiduciary funds, including pension trust and agency funds, account for assets held by the government in a trustee capacity or as an agent on behalf of others. The pension trust funds (PERF, LRF, JRF, JRF II, VFF, SPOFF, IRC 457, RBF, and SCPF) are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions for the PERF, LRF, JRF, and JRF II are recognized in the period in which the contributions are due. Employer contributions for the PERF, LRF, JRF,

Notes to the Basic Financial Statements

JRF II, SPOFF, and RBF are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits under the defined benefit plans and refunds are recognized when due and payable in accordance with the terms of each plan. The agency fund (OASI) 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, including enterprise funds (LTFCF, DCF, HCF, and CRF) are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. CalPERS applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations, unless they conflict with or contradict GASB pronouncements.

Operating revenues and expenses are distinguished from nonoperating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF, CRF, LTFCF, and DCF are derived from self-insurance premiums and providing administrative services. Operating expenses include the cost of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

GASB Statement No. 34

In June 1999 the GASB issued Statement No. 34, *Basic Financial Statements—Management’s Discussion and Analysis—for State and Local Governments* (GASB 34). In June 2001 the GASB issued Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus*, which amended certain provisions of GASB 34. Although not required to implement GASB 34 until the 2001-02 fiscal year, CalPERS elected to early adopt the new pronouncement, as amended, for the year ended June 30, 2001. The adoption of GASB 34 required CalPERS to make several changes to the presentation of its basic financial statements, as well as requiring the presentation of CalPERS Management’s Discussion and Analysis (MD&A). The MD&A is considered to

be required supplementary information and precedes the financial statements.

The adoption of GASB 34 did not have an impact on the net assets of CalPERS funds.

Investments

As a result of Proposition 162 (State Constitution, Article XVI, Section 17), the CalPERS Board of Administration has plenary authority and fiduciary responsibility for the investment of monies. CalPERS invests in stocks, bonds, mortgages, real estate, alternative, and other investments. Alternative investments include two components: direct investments and partnerships. CalPERS maintains certain deposits, cash equivalents, and other investments with financial institutions.

All investments are reported at fair value. The fair values of investments in securities are generally based on published market prices and quotations from major investment firms. Many factors are considered in arriving at fair value. In general, corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Investments in certain restricted common stocks are valued at the quoted market price of the issuer’s unrestricted common stock, less an appropriate discount. Investments held in internal investment pools have been reported at fair value.

Mortgages are valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments, principally rental property subject to long-term net leases, is estimated based on independent appraisals. Short-term investments are reported at market value, when available, or at cost plus accrued interest, which approximates market value when market values are not available. For investments where no readily ascertainable market value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments.

There are certain market risks, credit risks, liquidity risks, foreign currency exchange risks, and event risks which may subject CalPERS to economic changes occurring in certain industries, sectors, or geographies.

Notes to the Basic Financial Statements

Derivatives

Under the State Constitution and statutory provisions governing CalPERS investment authority, CalPERS, through its outside investment managers, holds investments in futures and options and enters into forward foreign currency exchange contracts. Futures and options with fair values of approximately negative \$141,782,000 and \$143,775,000 are held for investment purposes at June 30, 2002 and 2001, respectively. Gains and losses on futures and options are determined based upon quoted market values and recorded in the Statement of Changes in Fiduciary Net Assets.

Forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign securities. At June 30, 2002 and 2001, CalPERS has approximately negative \$141,026,000 and \$142,309,000 net exposure to loss from forward foreign currency exchange transactions related to the approximately \$32 billion and \$33 billion international debt and equity portfolios, respectively.

CalPERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. CalPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. CalPERS anticipates that the counterparties will be able to satisfy their obligations under the contracts.

Capital Assets

Capital assets are defined by CalPERS as assets with an initial individual cost of \$5,000 or more, and an estimated useful life in excess of one year.

Capital assets held by the PERF, consisting of buildings, furniture, and equipment, are recorded at cost or, if donated, at their estimated fair market 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, using the straight-line method of depreciation.

The CalPERS Board of Administration has authorized approximately \$250,000,000 for the construction of additional headquarters space. As of June 30, 2002, \$38,140,547 has been disbursed for land acquisition, site preparation, and building construction.

Construction contract commitments for \$74,457,501, to be paid upon satisfactory completion of work, were pending on June 30, 2002.

Actuarial Valuation

The information included in the required supplemental schedules is based on the actuarial valuations performed as of June 30, 2001, which is the latest available information. Significant actuarial assumptions used in the valuations are included in the notes to the required supplemental schedules.

Reclassification of Prior Year Amounts

Certain amounts in the prior year comparative totals have been reclassified to conform with the current year presentation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets and net assets held in trust for pension benefits at June 30, 2002, and changes therein, IBNR, claims payable, and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

Cash and cash equivalents of approximately \$30,407,000 and \$33,500,000 in 2002 and 2001, respectively, represent amounts held in the CalPERS general operating accounts with the State Treasury. These monies are not individually identifiable by fund, as they are pooled with the monies of other State agencies and invested by the State Treasurer's Office.

Notes to the Basic Financial Statements

4. Investments

For the years ended June 30, 2002 and 2001, State Street Bank & Trust was the master custodian for significantly all of the securities of CalPERS, however, certain securities are held by Prime Broker and alternative investment managers. Real estate deeds of trust are held in the name of Limited Liability Corporations and Partnerships. The investments held by LRF, JRF II, VFF, SCPF, and LTCF have been commingled in three investment pools. Two of these investment pools are U.S. equity securities and U.S. debt securities, which are managed by CalPERS. The third pool is international equity securities, which is managed by State Street Bank & Trust. Each of the five funds has a different asset allocation based on Board-approved policy.

CalPERS investments are categorized on the following page to give an indication of the category risk level assumed by the System at June 30, 2002, as defined by GASB Statement No. 3. Category 1, the lowest risk, includes investments that are insured or registered or for which the securities are held by CalPERS or its agent in the name of CalPERS. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the name of CalPERS. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the name of CalPERS. Investment pools managed by other governments, alternative investments, real estate equity investments, and securities on loan are not categorized.

Securities Lending

The State Constitution and CalPERS Board policies permit CalPERS to use investments of the PERF to enter into securities lending transactions—loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. CalPERS has contracted with Boston Global Advisors (BGA),

Credit Suisse First Boston (CSFB), Metropolitan West-CalPERS (Met West-CalPERS) and Metropolitan West E-PERS (Met West-E-PERS) as third-party securities lending agents to lend domestic equity and debt securities for cash collateral of 102 percent and international debt and equity securities for cash collateral of 105 percent. Securities on loan at year-end are presented as not categorized in the following table. At June 30, 2002, management believes CalPERS has no credit risk exposure to borrowers because the amounts CalPERS owes the borrowers exceed the amounts the borrowers owe CalPERS. Contracts with the lending agents require them to indemnify CalPERS if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or if the borrowers fail to pay CalPERS for income distributions by the securities' issuers while the securities are on loan.

All securities loans can be terminated on demand by either CalPERS or the borrower, although the average term of the overall loans managed by BGA, CSFB, Met West-CalPERS, and Met West-E-PERS is 37 days, 19 days, 30 days, and 30 days, respectively. The cash collateral received on each security loan was invested, in accordance with CalPERS investment guidelines, in short-term investment funds which at June 30, 2002, had weighted average maturities of 91 days, 141 days, and 51 days for the CSFB, Met West-CalPERS, and Met West-E-PERS portfolios, respectively. Weighted average maturities for the BGA portfolio are not applicable. CalPERS is not permitted to pledge or sell collateral received unless the borrower defaults.

Real Estate

Real estate investments are classified as investments in accordance with GASB 25. Certain real estate investments are leveraged whereby partnerships have been established to purchase properties through a combination of contributions from CalPERS and other investors and through the acquisition of debt. Real estate equities of approximately \$12,260,151,000 is reported net of approximately \$4,927,719,000 in leveraged debt in the CalPERS real estate partnerships.

Notes to the Basic Financial Statements

The following table presents CalPERS investments by type, at June 30, 2002.

(Dollars in Thousands)

Investment Type	Category 1	Category 2	Category 3	Category Rating Not Required	Total
PERF					
Categorized					
Short-Term Investments:					
Commercial Paper & Banker's					
Acceptances	\$468,793	\$ —	\$ —	\$ —	\$468,793
International Currency	484,461	—	—	—	484,461
Securities Lending Collateral	14,098,951	—	—	—	14,098,951
Equity Securities	69,196,326	—	—	—	69,196,326
Debt Securities	37,484,438	—	—	—	37,484,438
Not Categorized					
Alternative Investments	\$ —	\$ —	\$ —	\$6,612,758	\$6,612,758
Pooled Investments	—	—	—	2,207,013	2,207,013
Real Estate Equity Investments	—	—	—	12,260,151	12,260,151
Investments Held by Broker-Dealers					
Under Securities Loans:					
Equity Securities	—	—	—	11,024,408	11,024,408
Debt Securities	—	—	—	2,580,373	2,580,373
Total Investments—PERF	\$121,732,969	\$ —	\$ —	\$34,684,703	\$156,417,672
All Other Funds					
Categorized					
Debt Securities	\$445,023	\$ —	\$ —	\$ —	\$445,023
Equity Securities	814,224	—	—	—	814,224
Not Categorized					
Deposits	\$ —	\$ —	\$ —	\$16,358	\$16,358
Pooled Investments	—	—	—	281,020	281,020
Total Investments—All Other Funds	\$1,259,247	\$ —	\$ —	\$297,378	\$1,556,625
Total Investments	\$122,992,216	\$ —	\$ —	\$34,982,081	\$157,974,297

Notes to the Basic Financial Statements

Net (depreciation) appreciation in the fair value of investments for the years ended June 30 was as follows.

(Dollars in Thousands)

	PERF		LRF		JRF II		VFF	
	2002	2001	2002	2001	2002	2001	2002	2001
Realized Gain (Loss) on Sale of Investments	\$593,187	\$6,311,755	(\$68)	\$14,278	(\$5,581)	(\$530)	\$107	\$64
(Depreciation) Appreciation in Fair Value of Investments	(15,800,923)	(24,026,836)	(3,733)	(14,014)	1,643	(2,411)	(307)	(176)
Net (Depreciation) Appreciation in Fair Value of Investments	(\$15,207,736)	(\$17,715,081)	(\$3,801)	\$264	(\$3,938)	(\$2,941)	(\$200)	(\$112)

Due to the types of investments held by the JRF, RBF, CRF, and DCF, there was no appreciation (depreciation) in fair value of investments in those funds for the years ended June 30, 2002 or 2001.

Notes to the Basic Financial Statements

SPOFF		IRC 457		SCPF		HCF		LTCF		Total	
2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
(\$206)	\$133	(\$3,146)	(\$538)	(\$1,484)	(\$134)	\$87	(\$154)	\$ —	\$ —	\$582,896	\$6,324,874
(6,548)	(4,304)	(19,510)	(15,878)	(480)	(2,003)	(230)	1,510	(62,147)	(38,652)	(15,892,235)	(24,102,764)
(\$6,754)	(\$4,171)	(\$22,656)	(\$16,416)	(\$1,964)	(\$2,137)	(\$143)	\$1,356	(\$62,147)	(\$38,652)	(\$15,309,339)	(\$17,777,890)

Notes to the Basic Financial Statements

5. Contributions & Reserves

Employer Contributions Actuarially Determined and Contributions Made

Employer contributions are calculated as a percentage of employer payroll. The payroll for employees covered by the PERF, LRF, JRF, and JRF II in 2002 was approximately \$32,587,643,000, \$3,292,000, \$150,630,000, and \$67,251,000 respectively.

The PERF and JRF II use a modified Entry Age Normal Actuarial Cost Method, which is a projected benefit cost method. That is, the method takes into account those benefits that are expected to be earned in the future, as well as those already accrued.

According to this cost method, the normal cost for an employee pension liability is the level amount which would fund the projected benefit if it were paid annually from date of employment until retirement. The Entry Age Normal Actuarial Cost Method used by the PERF and JRF II is modified by CalPERS so that the employers' total normal cost is expressed as a level percentage of payroll. The PERF and JRF II use the level percentage of payroll method to amortize any unfunded actuarial liabilities.

The VFF uses the Unit Credit Actuarial Cost Method as the basis for its valuation. The LRF and JRF use the Aggregate Actuarial Cost Method as the basis for their valuations.

The significant actuarial assumptions used in the 2001 valuations to compute the actuarially determined contribution requirements for the PERF, JRF II, and VFF are the same as those used to compute the actuarial accrued liability.

Assumptions used in the actuarial valuations are included in the Notes to Required Supplemental Schedules.

Restrictions on Net Assets Available for Benefits

Included in the Net Assets Held in Trust For Pension Benefits is a restricted reserve that, by law, is retained in the PERF and LRF as a reserve against deficiencies in interest earned, potential losses under investments, court-mandated costs, and actuarial losses resulting from terminations, mergers, or dissolutions of contracting agencies. This reserve cannot exceed 0.2 percent of total assets of the PERF and the LRF, and totaled approximately \$296,393,000 and \$319,000,000 as of June 30, 2002 and 2001, respectively.

PERF

Actuarial valuations of the PERF are performed annually. The last valuation was performed as of June 30, 2001, for the State, schools, and public agencies.

The total 2002 net retirement contributions for the PERF amounted to approximately \$2,955,706,000, of which \$800,964,000 (the actuarially determined annual required contribution) came from 1,449 employers and approximately \$2,154,742,000 came from more than 774,000 members (excluding State Second Tier). Normal cost is 9.887 percent of covered payroll, and amortization of over-funded liabilities is negative 7.209 percent of covered payroll. These figures are averages for all employers. The actual figures vary by each employer's plan.

LRF

The current contribution requirements of the LRF are based on actuarially determined rates promulgated as part of legislation passed in 1977.

Actuarial valuations of the LRF are required to be carried out at least every two years. The Board of Administration utilizes these actuarial valuations to make recommendations to the State for financing the Fund. For the fiscal year ending June 30, 2002, there was no statutory contribution required based on the June 30, 2000 valuation.

Notes to the Basic Financial Statements

JRF

Contributions made by the State of California to the JRF are made pursuant to State statute and are not actuarially determined; however, an actuarial valuation of the JRF assets and liabilities is performed every year and is used by CalPERS to make recommendations for financing the JRF.

The California law which states that on and after January 1, 2002, the JRF shall be funded and actuarially sound was amended in conjunction with the adoption of the Judges' Retirement System II Law, which, among other provisions, eliminated the requirement that the JRF be funded and actuarially sound. Recommendations to achieve the necessary level of contributions have been submitted by the CalPERS Board to the Legislature.

As of June 30, 2002, funding was provided from the following sources to meet benefit payment requirements:

- Member Contributions 8% of applicable member compensation
- Employer Contributions 8% of applicable member compensation
- Filing Fees Varying amounts depending on fee rate and number of filings.
- Investments Current yield on short-term investments.

- State of California "Balancing Contributions" An amount required by the Judges' Retirement Law, at least equal to the estimated benefits payable during the ensuing fiscal year less the sum of 1) the estimated member contributions during the ensuing fiscal year and; 2) net assets available for benefits at the beginning of the fiscal year.

Under the pay-as-you-go basis, short-term investments as well as contributions received during the year are used to make benefit payments. Management and legal counsel believe the State of California is legally required to provide these required contributions to fund the benefits.

For the year ended June 30, 2002, the actual contributions made by the State to the JRF were approximately \$65,320,000, which is significantly less than the actuarially determined annual required contribution of approximately \$163,773,000.

Because current contributions are used to make benefit payments, the fund does not retain the accumulated contributions of active members. The cumulative contributions of all currently active members since inception were approximately \$139,277,000 and \$130,229,000 at June 30, 2002 and 2001, respectively, which exceeded net assets held in trust for pension benefits by approximately \$134,282,000 and \$97,857,000 at June 30, 2002 and 2001, respectively.

Notes to the Basic Financial Statements

JRF II

Actuarial valuations for the JRF II are required to be carried out annually. The legislated State contribution rate will be adjusted periodically as part of the annual Budget Act in order to maintain or restore the actuarial soundness of the fund. The last actuarial valuation was performed as of June 30, 2001.

For the year ending June 30, 2002, the statutory employer contribution rate was 18.508 percent based on the June 30, 2000 actuarial valuation. Therefore, for the year ended June 30, 2002, the contributions made by the State to the fund were approximately \$12,487,000, which is greater than the actuarially determined required contributions of approximately \$11,147,000.

VFF

The current contribution requirements of the VFF are based on actuarially determined rates promulgated as part of the Volunteer Firefighters' Length of Service Award Act passed in 1979.

Actuarial valuations of the VFF are required to be carried out at least every two years. The last valuation was performed as of June 30, 2001. The Board of Administration utilizes these actuarial valuations to make recommendations for financing the fund.

Contributions for prior service credits are recognized as revenue by VFF at the time a contract with the participating agency is executed. The participating agency may elect to pay the contributions for prior service credits in a lump sum or over a period of up to 10 years.

6. Contingencies

CalPERS is a defendant in litigation involving individual benefit payment and participant eligibility issues and 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. Based upon consultation with legal counsel, management believes there will be no material adverse effect on the basic financial statements as a result of the ultimate outcome of these matters.

7. Health Care Fund

Basis for Estimated Liabilities

The Public Employees' Health Care Fund (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 claims liability was calculated by Blue Cross, the HCF's third-party administrator, at June 30, 2002, 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 \$121,531,000 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, 2002, but have not been reported to the HCF.

Anticipated Investment Income

Anticipated investment income is not included in the calculation of the annual premium requirement for HCF members.

Reinsurance

The HCF has not entered into any reinsurance or excess insurance agreements.

Notes to the Basic Financial Statements

The following represents changes in the aggregate estimated claims liabilities of the HCF for the years ended June 30:

(Dollars in Thousands)

	PERSCare/ PERS Choice	PERSCare/ PERS Choice
	2002	2001
Total Estimated Claims at Beginning of Fiscal Year	\$103,871	\$94,072
Incurred Claims & Claim Adjustment Expenses:		
Provision for Insured Events of the Current Fiscal Year	\$684,779	\$599,337
Decrease in Provision for Insured Events of Prior Years	(44,976)	(38,574)
Total Incurred Claims & Claim Adjustment Expenses	\$639,803	\$560,763
Payments:		
Claims & Claim Adjustment Expenses Attributable to Insured Events of the Current Year	\$563,248	\$495,466
Claims & Claim Adjustment Expenses Attributable to Insured Events of the Prior Fiscal Year	58,895	55,498
Total Payments	\$622,143	\$550,964
Total Estimated Claims at End of the Fiscal Year	\$121,531	\$103,871

8. Long-Term Care Fund

The Public Employees' Long-Term Care Fund (LTCF) estimate of the funding level to provide for the payment of future claim benefits is predicated upon participation levels that are expected to be achieved by the program. The premiums from the LTCF are recognized when due from policyholders.

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 liability for future policy benefits was calculated

by Tillinghast-Towers Perrin, the fund's independent actuary, using a variety of actuarial and statistical techniques as part of their actuarial review as of June 30, 2002. Certain key assumptions used in this calculation are a discount rate of 8 percent (the average rate of assumed investment yields in effect for the current year), morbidity, disability continuance, mortality, voluntary termination, and claims expense. The estimated liability for future policy benefits as of June 30, 2002, was \$983,000,000.

Required Supplemental Schedules



Required Supplemental Schedule of Funding Progress

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
PERF						
6/30/93	\$73,190	\$75,910	\$2,720	96.42 %	\$19,000	14.3%
6/30/94	77,850	80,530	2,680	96.67	19,900	13.5
6/30/95	83,775	87,673	3,898	95.55	20,800	18.7
6/30/96	94,230	96,838	2,608	97.30	22,322	11.7
6/30/97	108,566	97,925	(10,641)	110.90	22,504	(47.3)
6/30/98	128,830	106,938	(21,892)	120.50	24,672	(88.7)
6/30/99	148,605	115,748	(32,857)	128.39	27,636	(118.9)
6/30/00	162,439	135,970	(26,469)	119.47	28,098	(94.2)
6/30/01	166,860	149,155	(17,705) ²	111.87	30,802	(57.48)
LRF						
6/30/93	\$83.3	\$97.4	\$14.1	85.5 %	\$6.7	210.4%
6/30/94	85.3	99.6	14.3	85.6	5.0	286.0
6/30/95	88.5	101.6	13.1	87.1	4.9	267.3
6/30/96	94.2	105.2	11.0	89.5	4.8	229.2
6/30/97 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01 ¹	N/A	N/A	N/A	N/A	N/A	N/A

NOTES:

¹ Beginning with the June 30, 1997 actuarial valuation, actuarial valuations were performed using the Aggregate Cost Valuation Method, which does not identify unfunded actuarial liabilities. Prior to the June 30, 1997 valuation, actuarial valuations were performed using the Aggregate Entry Age Normal Cost Valuation Method.

² The Unfunded Actuarial Accrued Liability (net assets in excess of the total Actuarial Liability) of the PERF by major employer group from the June 30, 2001 valuation is as follows: 1) (\$2,409) for the State of California, 2) (\$4,559) for schools, and 3) (\$10,737) for public agencies.

Required Supplemental Schedule of Funding Progress (continued)

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
JRF						
6/30/93	\$23.3	\$1,403.5	\$1,380.2	1.7%	\$146.6	941.4%
6/30/94	14.9	1,289.7	1,274.8	1.2	150.0	849.9
6/30/95	9.3	1,406.0	1,396.7	0.7	156.8	890.1
6/30/96	12.5	1,460.1	1,447.6	0.9	153.8	941.0
6/30/97 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00 ¹	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01 ¹	N/A	N/A	N/A	N/A	N/A	N/A
JRF II						
6/30/95	\$.239	\$.071	(\$.168)	338.6%	\$.9	(18.7%)
6/30/96	2.388	2.813	.425	84.9	8.1	5.3
6/30/97	7.242	7.906	.664	91.6	15.4	4.3
6/30/98	15.120	15.043	(.077)	100.5	33.9	(0.2)
6/30/99	27.155	26.921	(.234)	100.9	40.0	(0.6)
6/30/00	40.503	41.619	1.116	97.3	43.0	2.6
6/30/01	55.955	60.933	4.979	91.8	61.5	8.1
VFF						
6/30/93	\$.691	\$.600	(\$.091)	115.2%	N/A	N/A
6/30/94	.799	.689	(.110)	116.0	N/A	N/A
6/30/95	.931	.815	(.116)	114.2	N/A	N/A
6/30/96	1.078	.934	(.144)	115.4	N/A	N/A
6/30/97	1.360	1.121	(.239)	121.3	N/A	N/A
6/30/98	1.678	1.500	(.178)	111.8	N/A	N/A
6/30/99	1.987	1.805	(.182)	110.1	N/A	N/A
6/30/00	2.302	2.296	(.006)	100.3	N/A	N/A
6/30/01	2.524	2.183	(.341)	115.6	N/A	N/A

Required Supplemental Schedule of Employer Contributions

Year Ended June 30	PERF Employer Contributions		LRF Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
1993	\$1,454,682,211 ¹	100 %	\$2,714,641	24.3 %
1994	1,518,539,347 ¹	100	2,498,313	23.4
1995	1,578,933,781 ¹	100	2,051,934	27.5
1996	1,850,103,438 ¹	100	2,014,826	28.3
1997	2,285,043,412 ¹	147 ²	1,933,367	127.8 ³
1998	2,289,526,403	100	2,022,421	33.4
1999	1,598,316,666	100	— ⁴	N/A
2000	362,614,344	100	— ⁴	N/A
2001	321,618,855	100	— ⁴	N/A
2002	800,964,553	100	— ⁴	N/A

NOTES:

¹ Employer contributions to the PERF are shown net of the reduction in actuarially determined contributions resulting from the usage of A.B. 702 credits of approximately \$323,000, \$410,000, \$642,000, \$200,405,000, and \$359,944,000 in 1997, 1996, 1995, 1994, and 1993, respectively.

² Includes \$1.2 billion payment resulting from a court ruling of the S.B. 240 lawsuit (*Board of Administration v. Wilson*) which was appealed by the State and denied review by the California Supreme Court in May 1997. The Annual Required Contribution for 1997 is not affected by this payment.

³ Includes additional contributions made in arrears. The Annual Required Contribution is not affected by this payment.

⁴ Based on the June 30, 2000, 1999, 1998, and 1997 actuarial valuations, the annual required contributions for the years ended June 30, 2002, 2001, 2000, and 1999 were \$0.

Required Supplemental Schedule of Employer Contributions (continued)

JRF Employer Contributions		JRF II Employer Contributions		VFF Employer Contributions	
Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
\$102,919,084	60.9%	\$ —	—%	\$72,313	100%
100,500,000	41.5	—	—	99,848	100
104,438,091	47.8	167,999	100	58,515	100
91,379,475	66.6	1,507,116	100	54,844	100
133,373,900	38.1	2,956,457	102.4	162,880	100
133,754,812	42.0	5,339,054	102.2	166,708	100
139,537,660	60.6	7,297,687	100.8	124,291	100
138,895,276	53.3	7,419,121	100.6	202,395	100
162,054,610	56.2	9,572,604	101.9	193,530	100
163,772,915	39.9	11,147,294	112.0	93,889	100

Notes to Required Supplemental Schedules

1. Actuarial Information

The information presented in the required supplemental schedules was determined as part of the actuarial valuations as of the dates indicated. Additional information as of the latest actuarial valuation is as follows:

	PERF	LRF	JRF	JRF II	VFF
Valuation Date	June 30, 2001	June 30, 2001	June 30, 2001	June 30, 2001	June 30, 2001
Actuarial Cost Method	Individual Entry Age Normal Cost	Aggregate Cost Method	Aggregate Cost Method	Aggregate Entry Age Normal Cost	Unit Credit
Amortization Method	Level Percentage of Payroll Closed	None ²	None ²	Level Percentage of Payroll Closed	None
Remaining Amortization Period	10 Years for Schools, Average of 31 Years for Public Agencies, and 6 to 20 Years for the State plans	None ²	None ²	Average of 13 Years	None
Asset Valuation Method	Smoothing of Market Value	Smoothing of Market Value	Market Value	Smoothing of Market Value	Smoothing of Market Value
Actuarial Assumptions:					
Net Investment Rate of Return	8.25%	7.5%	7.5%	7.75%	8.00%
Projected Salary Increases ¹	Varies, Based on Duration of Service	3.75%	3.75%	3.75%	None
Post Retirement Benefit Increase	State 2% or 3% Depending on System Varies 2% to 5% for Public Agencies	3.5%	3.75%	3.0%	None
¹ Includes Inflation at:	3.5%	3.5%	3.5%	3.5%	N/A

² The Aggregate Cost Method does not identify or separately amortize unfunded actuarial liabilities.

Required Supplemental Schedule of Claims Development Information

Public Employees' Health Care Fund

The table on the next page illustrates how the HCF earned revenues and investment income compare to related costs of loss and other expenses assumed by HCF as of the end of each of the years presented. The rows of the table are defined as follows:

- 1) This line shows the total of each fiscal year's earned contribution revenues and investment revenues.
- 2) This line shows each fiscal year's other operating costs of the HCF, including overhead and claims expense not allocable to individual claims.
- 3) This line shows the HCF's incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called *policy year*).
- 4) This section shows the cumulative amounts paid as of the end of successive years for each policy year.
- 5) This section shows how each policy year's incurred claims changed as of the end of successive years. This annual re-estimation results from new information received on known claims, as well as emergence of new claims not previously known.
- 6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

Required Supplemental Schedule of Claims Development Information

Public Employees' Health Care Fund—June 30, 2002

(Dollars in Thousands)

	Fiscal & Policy Year Ended				
	1993	1994	1995	1996	1997
1. Net Earned Required Contribution & Investment Revenues	\$327,235	\$336,490	\$339,018	\$340,907	\$340,596
2. Unallocated Expenses	\$19,410	\$26,330	\$22,202	\$27,031	\$29,796
3. Estimated Incurred Claims & Expenses, End of Policy Year	\$256,004	\$250,249	\$241,588	\$263,264	\$333,530
4. Paid (Cumulative) as of:					
End of Policy Year	\$184,453	\$171,039	\$171,950	\$187,679	\$262,248
One Year Later	237,423	220,470	218,480	236,082	312,932
Two Years Later	237,423	220,470	218,480	236,082	312,932
Three Years Later	237,423	220,470	218,480	236,082	312,932
Four Years Later	237,423	220,470	218,480	236,082	312,932
Five Years Later	237,423	220,470	218,480	236,082	312,932
Six Years Later	237,423	220,470	218,480	236,082	—
Seven Years Later	237,423	220,470	218,480	—	—
Eight Years Later	237,423	220,470	—	—	—
Nine Years Later	237,423	—	—	—	—
5. Re-estimated Incurred Claims & Expenses:					
End of Policy Year	\$256,004	\$250,249	\$241,588	\$263,264	\$333,530
One Year Later	237,423	220,470	218,480	236,082	312,932
Two Years Later	237,423	220,470	218,480	236,082	312,932
Three Years Later	237,423	220,470	218,480	236,082	312,932
Four Years Later	237,423	220,470	218,480	236,082	312,932
Five Years Later	237,423	220,470	218,480	236,082	312,932
Six Years Later	237,423	220,470	218,480	236,082	—
Seven Years Later	237,423	220,470	218,480	—	—
Eight Years Later	237,423	220,470	—	—	—
Nine Years Later	237,423	—	—	—	—
6. Decrease in Estimated Incurred Claims & Expenses From End of Policy Year	(\$18,581)	(\$29,779)	(\$23,108)	(\$27,182)	(\$20,598)

Supporting Schedules



Administrative Expenses—All Funds

(Dollars in Thousands)

Personnel Services	
Salaries & Wages	\$80,459
Employee Benefits	16,025
Total Personnel Services	\$96,484
Consultant & Professional Services	
State of California Agencies	\$2,610
External Consultants	70,821
Health Plan Administrator Fees	38,924
Deferred Compensation Management/Custody Fees	988
Long-Term Care Administrator Fees	13,409
Total Consultant & Professional Services	\$126,752
Operating Expenses & Equipment	
General Expense	\$5,173
Software	5,800
Printing	1,820
Postage	4,191
Communications	2,494
Data Processing Services	8,503
Travel	2,004
Training	1,400
Medical Examiners	705
Facilities Operation	11,658
Central Administrative Services	4,892
CSUS Foundation - Students	2,351
Administrative Hearings	184
Consolidated Data Center	954
Equipment	5,570
Total Operating Expenses & Equipment	\$57,699
Other Expenses & Adjustments	
Depreciation Expense	\$5,772
Increase in Paid Absence Obligation	464
Reimbursements	(2,037)
Prior Year & Other Adjustments	(2,418)
Total Other Expenses & Adjustments	\$1,781
Total Administrative Expenses — All Funds	\$282,716

Investment Expenses—All Funds

(Dollars in Thousands)

External Securities Management Fees & Other Fees

	Net Assets Managed at Fair Value	Fees
External Domestic Equity Managers		
Alliance Cap Mgt., L.P./Sanford C. Bernstein	\$902,360	\$711
Artisan Partners L.P.	608,738	283
Brown Capital Management	686,047	723
Dimensional Fund Advisors	1,283,641	538
Geewax, Terker & Company	633,849	663
Goldman Sachs Asset Management	662,386	421
Highland Capital Management, L.P.	45,059	240
ING Ghent Asset Management, LLC	185,026	270
J. P. Morgan	688,819	149
Oak Associates, Ltd.	671,767	825
Oppenheimer Capital	683,198	347
Osprey Partners Management, LLC	626,999	959
Pacific Investment Mgmt. Co., LLC	184,000	259
Progress Highcrest Investment, LLC	309,925	2,557
Putnam Advisory Company	675,881	422
Pzena Investment Managers, LLC	740,246	1,315
Relational Investors	590,578	2,233
Shenkman Capital Management, Inc.	192,653	295
Strategic Investment Group, LLC	817,377	2,305
Symphony (CalPERS Hedge Fund)	185,000	1,250
The Boston Company Asset Mgmt., LLC	598,431	668
State Street Global Advisors-SPOFF	98,737	551
Total External Domestic Equity Managers		\$17,984
Global Equity Managers		
Axa Rosenberg	\$667,217	\$863
Bailey Gifford Overseas Limited	608,806	982
Bank of Ireland	732,985	1,109
Blackrock International	283,007	272
Capital Guardian	591,320	568
GE Asset Management	571,129	478
Grantham, Mayo, Van Otterloo & Co., LLC	736,615	476
Mastholm Asset Management, LLC	574,678	822
Mercury Asset Management	600,856	184
Newport Pacific Management, Inc.	175,252	256
Nomura Asset Management U.S.A., Inc.	502,016	461
Oechsle International Advisors	674,299	355
Putnam Investments	601,789	915
Pyford International PLC	217,644	230
Schroder Capital Management Intl., Inc.	570,981	516
State Street Bank	1,034,378	763
Weiss Peck & Greer, LLC	573,727	637
Total Global Equity Managers		\$9,887

	Net Assets Managed at Fair Value	Fees
Global Fixed Income Managers		
Baring Asset Management	\$1,089,740	\$548
Bridgewater Associates	719,490	530
Credit Suisse (BEA) Associates	2,516	989
Julius Baer Investment Management, Inc.	1,154,263	579
Merrill Lynch/Mercury Asset Mgt. Intl., Ltd.	600,856	487
Nomura Corporate Research & Asset Mgt.	189,164	300
Rogge Global Partners	1,110,264	899
State Street Global Advisors	17,139,113	560
Wellington Management Company	1,061,043	709
Western Asset Global Management	548,534	255
Total Global Fixed Income Managers		\$5,856

Total External Securities Management Fees & Other Fees **\$33,727**

External Securities Management Performance Fees¹

External Domestic Equity Managers		
Alliance Cap Mgt., L.P./Sanford C. Bernstein		\$3,640
Artisan Partners L.P.		7,008
Geewax, Turker & Co.		628
Oak Associates, Ltd.		11,729
Oppenheimer Capital		1,903
Osprey Partners Management, LLC		1,633
Goldman Sachs Asset Management		153
Pzena Investment Managers, LLC		8,182
Relational Investors		15,529
Total External Domestic Equity Managers		\$50,405

Global Equity Managers		
Axa Rosenberg		\$1,545
Capital Guardian Trust		927
Grantham, Mayo, Van Otterloo & Co., LLC		4,657
Nomura Asset Management, USA, Inc.		1,755
Weiss, Peck & Greer, LLC		193
Total Global Equity Managers		\$9,077

Global Fixed Income Managers		
Baring Asset Management		\$500
Julius Baer Investment Management, Inc.		306
Wellington Management Company		79
Total Global Fixed Income Managers		\$885

Total External Securities Performance Fees **\$60,367**

Total External Securities Management Fees, Performance Fees & Other Fees **\$94,094**

NOTE:

¹ Net Assets at Market Value listed under Management Fees.

Investment Expenses—All Funds (continued)

(Dollars in Thousands)

Real Estate Managers, Advisors & Partners

	Net Assets Managed at Fair Value	Fees
Real Estate Advisors Asset Management Fees		
Andrew Miller Capital Advisors	\$726,030	\$2,035
Eastern Shopping Center	608,524	2,614
Lend Lease	(538)	458
Total Real Estate Advisors Asset Management Fees		\$5,107
Real Estate Partners Asset Management Fees		
AEW Capital Management	\$53,333	\$448
Buchanan Street Advisors, LP	24,352	87
Campbell Group	406,563	3,346
Capri Capital Management	3,008	2
CIM Urban Fund Group, LLC	2,217	1,875
CNL Net Lease Investors	138,622	526
CWP Capital Advisory, LLC	1,059,304	5,738
General Investment & Development	426,564	3,455
Global Innovation Partners	62,101	6,250
Great Eastern Timber Group	684,532	2,707
Hearthstone Housing Partners	17,522	935
Hines National Office Partnership	1,939,310	6,937
Infill Investments	30,226	104
Institutional Housing Partners	286,812	8,384
Johnson/MacFarlane	69,634	586
Kennedy Associates	65,049	258
LaSalle	745,649	4,456
Lend Lease (EQK)	196,040	1,032
MacFarlane/Weyerhaeuser	43,451	2,309
National Retail Partners	758,546	4,899
Newland Capital Advisors	145,855	636
Olympic Realty Advisors	53,646	3,321
Pical	13,968	270
Residential	27,759	2,885
RREEF	2,397,354	12,651
SSR	533,481	2,190
UBS Brinson	48,089	80
Wells Fargo Housing Fund	16,340	1,272
Total Real Estate Partners Asset Management Fees		\$77,639
Incentive Fees Real Estate Partners		\$103,620
Incentive Fees AIM Partnership Investment & Corporation Governance Limited Partnerships		\$1,618
Internal Mortgage Loan Fees		\$2,347
Total Real Estate Managers, Advisors & Partners		\$190,331

Other Investment Consultants

	Net Assets Managed at Fair Value	Fees
Consultants Fees		
Dimensional Fund Advisors		\$40
Hamilton Lane Advisors, Inc.		171
KPMG		3,465
McKinsey & Company, Inc.		272
Miller, J. Sanford		50
OTC		800
Pacific Corporate Group, Inc.		107
Pacific Corporate Finance		306
Pacific Gateway Group		98
PCA/Ernst & Young Kenneth Leventhal Company		891
Pension Consulting Alliance		198
PricewaterhouseCoopers		153
Project International		115
R.V. Kuhns & Associates		105
State Street-Private Edge		640
Strategic Investment Solutions		77
Thomas Weisel Partners		90
Wilshire Associates		1,167
Total Consultant Fees		\$8,745
Attorneys & Master Custodian Fees		
Paul, Hastings, Janofsky & Walker		\$274
McDonough, Holland & Allen		190
Pillsbury, Madison, Sutro		320
Hogan & Hartson		175
Foley & LA		25
Preston		450
Orrick		325
Christensen		159
State Street Bank & Trust Company		7,836
Total Attorney & Master Custodian Fees		\$9,754
Real Estate Partnerships Operating Expenses		
Administrative, Property Maintenance, Support & Other		\$680,501
Total Real Estate Partnerships Operating Expenses		\$680,501
Total Other Investment Consultants		\$699,000
Miscellaneous Investment Expense		\$18,001
Total Investment Expenses		\$1,001,426

Consultant and Professional Services Expenses—PERF

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Delegata	\$7,337	ACES Enhancement; eBusiness Initiative/MSS Maintenance Support
Tier Technologies, Inc.	4,309	Employer Contribution Reporting System
Synergy Consulting, Inc.	4,143	COMET Employer; Participant Integration Test & Interface Support
Unisys Corporation	3,982	Records Management Project
Covansys	3,548	REPIMS Advisor Interface; IAR Support for ITSD
Trinity Technology Group, Inc.	2,808	Health Business and Technical Support; EDI Technical Assistance
Deloitte Consulting	2,700	Straight Through Processing Project
Princeton Solutions Group, Inc.	2,586	COMET Project Architecture Extension/Maintenance
Moore Business Communications	2,055	Process Member Statements; Mass Mailing & Printing Services; Board Elections
Optical Imaging Solutions	1,884	Imaging Services
Oracle	1,874	Oracle NT Support; ACES II Project; Customer Contact Center
Jones, Day, Reavis & Pogue	1,860	Advise Board Staff; Alternative Investment Management
State Controller's Office	1,670	Warrant Processing; Tracking System; Payment of Expedites
Venturi	1,559	eBusiness/Silverstream Administrative Support; ITSD Data Center Support
Blackrock Financial Management, Inc.	1,400	Fixed Income Trading
Stealth Network Communication	1,339	Customer Contact Center; ACES High Availability Network Implementation
PricewaterhouseCoopers, LLP	1,246	Consulting Services; Audit of Financial Statements
ADSI, Inc.	1,159	Support of PeopleSoft Application Systems
Shooting Star Solutions, LLC	1,108	Technical Writer Support; Internet Strategic Governance
Gabriel, Roeder, Smith Company	997	Annual Valuation System; Proprietary Software Services
Business Advantage Consulting	958	Records Retention Project-Backfile Conversion Coordinator
Lance Jackson Enterprise	770	Benefit Equity II Systems Development; RIBS Legacy Support
Advanced Programming Institute	737	COMET System Data Administration & Data Modeling
IBM Corporation	685	Provide Technical & System Management Support for UNIX
Pillsbury Winthrop	675	Health Care Law Counsel; Outside Counsel for Real Estate
4th Revolution	644	Web Reengineering Project
Russbo, Inc.	625	Service Request Automation Implementation
Paul, Hastings, Janofsky, Walk	595	Outside Counsel for Real Estate
Ciber, Inc.	586	Consulting Services Provided by Speechworks
Information Technology SW Professional	580	Benefit Equity II Systems Development
Vienna, Gregor & Associates, Inc.	555	Federal Legislative Report
McDonough, Holland & Allen	510	Real Estate Outside Counsel; Health Care Law Counsel
Barra	500	Risk Management; Board Meeting Speaker Fees
Mara Consulting, Inc.	458	Benefit Equity System Development; Legacy Support & Enhancement
Preston, Gates & Ellis	450	Legal Service to Board
Spherion	446	COMET Service Requests; Legacy Support
Newton Partners, Inc.	442	PAM & IAR Functionality
Futures International, Inc.	405	Executive Search
Conrad & Associates	359	Real Estate Compliance Audit; Construction Audit
Deloitte & Touche	349	Quarterly Self-Funded Financial Review; Health Benefit Consulting Services
Regents of the University of California	326	Training Courses
Orrick, Herrington & Sutcliffe, LLP	325	Outside Counsel for AIM
Steptoe & Johnson, LLP	320	Tax Counsel
Verizon	317	Professional/Integration Services for the Customer Contact Center
R&G Associates, LLC	305	Image Server Interim Disaster Recovery Action Plan
Accountemps	299	Cashier Processing; Reconciliation; Enhanced EFT Program Participation
Engage Integrated Systems Technology	286	Passport Compliance Project
Roberta Reagan, Inc.	280	Service Level Improvement Project; Legacy Support
Wirestone	253	Web Reengineering Project
Department of Justice	251	Attorney General Legal Services
Jaykumar Maistry	244	Benefit Equity II Systems Development
Global Access	236	Oracle DBA Support
TEK Systems	231	Oracle DBA Support; Support for Annual Member Statements
Live Networking, Inc.	231	Customer Contact Center Network Technology Technical Support
Wright On-Line Systems	223	Oracle DBA Support
Compaq Computer Corporation	223	E-Service Architecture Service
Jadara Group	222	Enterprise Team Play Implementation

Consultant and Professional Services Expenses—PERF (continued)

(Dollars in Thousands)

Individual or Firm	Fee	Nature of Service
Roberta Almeida	222	SLIP II & Legacy Support
Pyramid Technical Consultants, LLC	209	Fixed Income Trade & Management System Implementation
Select Personnel Services	206	Provide Personnel Assistance
Crocker/Flanagan	200	Marketing & Communication Services
Sytech Solutions	198	Business Records Management Program Development; Data Imaging Services
Union Bank	182	Banking Services
Nolte and Associates, Inc.	181	R Street Project
Govsec. Inc.	180	Provide Information Security
PM/CM Services, Inc.	180	R Street Project; Construction Project Management
Sunrise Technologist, Inc.	179	Disaster Recovery Strategy Implementation Project
Interactive Data	176	COMET Project Support
Net.Works, Corporation	176	Windows XP Packaging Engagement Project
Hogan & Hartson	175	Securities Counsel; Legal Service Securities
Natoma Technologies	170	Staff Augmentation
Hilton Anaheim	170	Employer Conference 2001
Kenda Systems, Inc.	167	Multi-Rater Feedback Leadership Program
Alliance for Strategic Leadership	164	Multi-Rater Feedback Leadership Program
Syntegra USA	164	Provide Directory Architecture & Directory Developer Skills
Dee Hansford Consulting	160	All Staff Training
Christensen, Miller, Fink, Jacobs, Glaser, Weil & Shapiro	159	Alternative Investment Counsel; AIM Fund Counsel
William M. Mercer	153	Blue Shield Transition
Heidricks & Struggles	150	Chief Executive Officer Recruitment
State Personnel Board	145	Online Services
Office Workouts	125	Wellness Services
Firestar Productions	118	Video Services
Ed Friend, Inc.	115	Actuarial Audit Services
Breene Kerr Production/Video Transform	105	Video Production & Support Services
DDS Research	103	Member Satisfaction Survey
Insync Consulting & Education, LLC	100	CRS/AVS/SCBA Support; Legacy System Support
Jubilee Technologies	99	RIBS Legacy Support
City of Sacramento	94	Engineering Services for the Construction of R Street Project
Preferred Exhibitor Service, Inc.	93	Coordination Related to Labor & Shipping for Conferences/Events
Department of General Services	93	Web-Based Recruitment System for Retired Annuitants
County of Sacramento	92	Sewer Service
Pacific Gas and Electric	92	Gas Line Relocation for R Street Project
Watson Wyatt Worldwide	90	Provide Management Compensation Consulting Services to the Board
Martin & Chapman Company	84	Board Elections
Intersoft Systems and Programs, Inc.	83	CRJ400 Rewrite Project
International Network Consulting, Inc.	78	Employee Reserve Data; Clean-Up Programmer
Logicon Advanced Technology	77	System Architectural Analysis
Cooperative Personnel Services	75	Human Resources Project
Gartner Group	75	Annual Maintenance Renewal; Research & Advisory Program
Disaster Survival Planning Network, Inc.	70	Disaster Recovery Planning
Neo Design	70	Graphic Design Services
The Hay Group	70	Employee Survey
Gelb, Geoffrey B.	65	Provide Upgrades to REPIMS System
CJS Consulting, Inc.	64	Legacy System Support
Electronic Data Systems	63	Health Enrollment Project Assessment
Sacramento Municipal Utility District	61	Relocation of Utility Line on R Street
Group One Consultants, Inc.	61	Recruiting & Selection Consultant
The Hoyt Company	60	Transportation Services
SF Video, Inc.	60	Video Services
J. Moore Methods, Inc.	56	Customer Satisfaction Tracking Surveys
Stockman and Associates	52	Change Management Consultant
Other	1,357	
Total Consultant & Professional Services	\$73,431	

Investment Section



Chief Investment Officer's Letter



CalPERS
Investment Office
P.O. Box 2749
Sacramento, CA 95812-2749

June 30, 2002

On behalf of the Investment Office, I am pleased to present reports on the PERF Summary of Investments, portfolio of California Investments, and our investment performance for the year ended June 30, 2002. This data was compiled by our Investment Accounting staff, CalPERS pension consultant, Wilshire Associates, and our master custodian, State Street Bank & Trust. It is presented in accordance with statutes found in the Retirement Law. We voluntarily follow AIMR performance and ethics standards.

Our investment portfolio found shelter in an 10.3 percent real estate return this past fiscal year, reducing the Fund's average losses to 6.1 percent in a bear market. The pension fund has assets valued at \$143.4 billion as of June 30, 2002.

Our long-term performance fared better than other retirement systems. We earned a 5.3 percent annualized return for the 5-year period ended June 30, 2002, compared to the 5.1 percent return earned by other retirement systems. Our Fund earned a 9.3 percent annualized return for the 10-year period.

We know historically there will be periods of time when the markets aren't generous, we just don't always know when that will occur. As a result, in good times and in less favorable times, we take the prudent approach of not putting all of our eggs in one basket. Diversification of our investment portfolio is key to our success. Benefits remain secure as our assets exceed our liabilities.

At the end of the year, U.S. and international public equities represent approximately 57 percent of CalPERS assets. U.S. and international bond investments represent 29 percent, while real estate and private equity investments represented 9 percent and 5 percent of assets, respectively.

Of course, we continued to invest in the State of California, providing a strong economic boost for California's growth. At the end of the year, we had nearly \$23.4 billion invested in California entrepreneurial businesses, real estate, housing, and stocks and bonds in corporations that make California their home.

The year did bring with it challenges. Everyone—from the large institutional investor to individual investors—were impacted from not one, but many corporate crises during the year that created a crisis of confidence in American business. We believe it is important that corporate America embrace meaningful reform. CalPERS has taken a leadership role to act in concert with other shareholders to bring reform and investor confidence back to the financial markets.

Sincerely,

Mark J.P. Anson, Ph.D., CFA, CPA, Esq.
Chief Investment Officer

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

Investments—PERF

Summary of Investments

Category	Book Value	Market Value	% of Investments at Market Value
Cash Equivalents & Net Receivables/Payables			
Domestic Cash Equivalents	\$2,643,540,004	\$2,651,350,039	1.87%
International Cash Equivalents			
Cash Equivalents	\$24,409,426	\$24,455,857	0.02%
International Currency	459,415,850	484,461,069	0.34%
Total International Cash Equivalents	\$483,825,276	\$508,916,926	0.36%
Net Investment Receivables/Payables	(\$493,373,540)	(\$493,373,540)	-0.35%
Total Cash Equivalents & Net Receivables/Payables	\$2,633,991,740	\$2,666,893,425	1.88%
Fixed Income			
Domestic Fixed Income	\$35,174,395,548	\$34,613,931,865	24.41%
International Fixed Income	5,021,064,277	5,450,879,528	3.84%
Total Fixed Income	\$40,195,459,825	\$40,064,811,393	28.25%
Equity			
Domestic Equity	\$37,508,244,381	\$53,778,050,405	37.92%
International Equity	26,791,909,235	26,442,683,857	18.64%
Total Equity	\$64,300,153,616	\$80,220,734,262	56.56%
Alternative Investment Management Program			
Domestic	\$7,683,561,738	\$6,362,961,118	4.49%
International	291,094,976	249,796,806	0.18%
Total Alternative Investment Management Program	\$7,974,656,714	\$6,612,757,924	4.67%
Total Real Estate Programs	\$11,156,966,478	\$12,260,151,175	8.64%
Total Investment Value	\$126,261,228,373	\$141,825,348,179	100.00%

NOTE:

Differences between Total Investment Value in the Summary of Investments and Total Investments shown on page 30 are due to differences in reporting methods. In accordance with GASB Statement No. 28, the financial statements include Securities Lending Collateral as part of Total Investments, which is not included here. The Summary of Investments also includes Net Investment Receivables/Payables that are not reported on page 30 in Total Investments.

Investments—PERF

Investment Performance

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Fund based on performance calculations made by the Fund's custodian, State Street Bank & Trust. The 1-year, 3-year, 5-year, and 10-year time-weighted rates of return for the year ended June 30, 2002, are:

CalPERS Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	10-Year Return	Index	1-Year Return	3-Year Return	5-Year Return	10-Year Return
Total Fund	-6.1%	-1.2%	5.3%	9.3%	Asset Allocation Policy Index ¹	-5.9%	-1.3%	4.9%	8.8%
					Actuarial Rate	8.3%	8.3%	8.3%	8.4%
					Trust Universe Comparison Service (TUCS) Public Fund Median	-5.8%	-0.3%	5.2%	9.4%
					Trust Universe Comparison Service (TUCS) Public Fund Median > \$1 billion	-5.8%	-0.4%	5.1%	9.3%
Domestic Equity	-16.8%	-8.1%	3.9%	11.4%	PERS Wilshire 2500 Tobacco-Free Index	-17.4%	-8.9%	3.4%	11.1%
International Equity ²	-10.2%	-5.1%	-0.1%	6.6%	Custom FTSE All World Index	-8.8%	-5.7%	-0.7%	6.2%
Alternative Investments/ Private Equity	-7.1%	6.9%	12.8%	12.1%	Annual Hurdle Rate	15%	15%	15%	15%
Total Equity³	-14.1%	-6.2%	3.5%	10.3%					
Domestic Fixed Income	6.0%	7.4%	7.6%	8.1%	Salomon Smith Barney Large Pension Fund Index	8.8%	8.2%	7.9%	8.0%
International Fixed Income	15.2%	1.9%	2.6%	5.9%	Salomon Brothers Non-U.S. World Government Bond Index (Net Italy Tax)	15.8%	3.1%	3.0%	5.6%
Total Fixed Income	7.4%	6.7%	6.9%	7.8%					
Real Estate	10.3%	12.2%	11.9%	9.2%	NCREIF ⁴	5.6%	9.6%	11.8%	8.5%
Cash Equivalents	3.0%	5.2%	5.4%	5.3%	90-Day T-Bill	2.6%	4.6%	4.8%	4.8%

Additional information on CalPERS investment policies, operations, investment results, and detailed asset information can be found in the accompanying 2002 Operations Summary and on the CalPERS Web site.

NOTES:

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

² Includes currency overlay.

³ Includes alternative investments, domestic, international, and private equities.

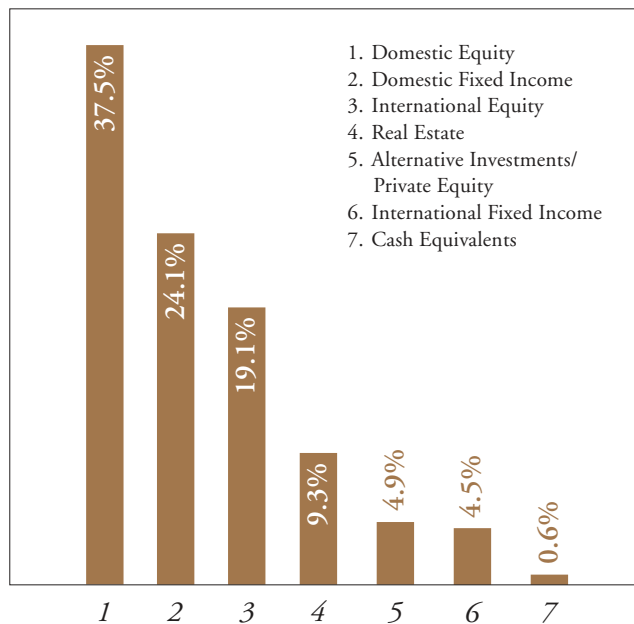
⁴ National Council of Real Estate Investment Fiduciaries, index on a quarter lag.

Investments—PERF

CalPERS Asset Allocation

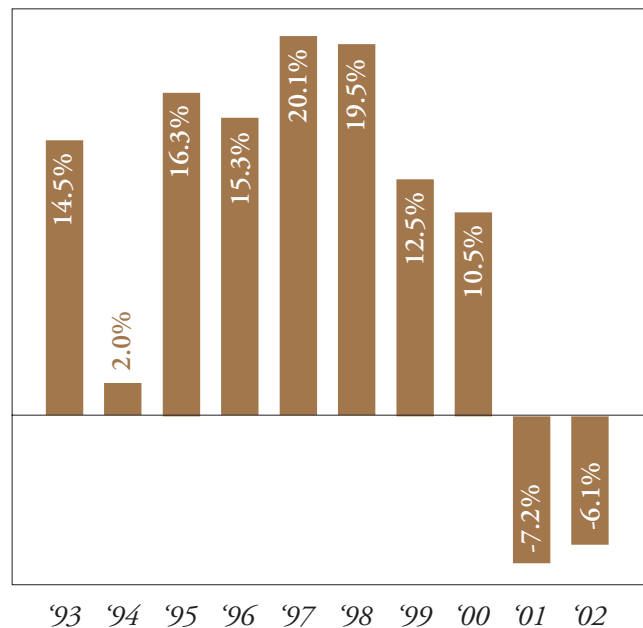
Asset Class	Market Value (\$ Billion)	Current Allocation	Current Target ¹	Previous Target
Cash Equivalents	\$0.9	0.6 %	0.0 %	1.0 %
Fixed Income				
Domestic	\$34.5	24.1 %	24.0 %	24.0
International	6.5	4.5	4.0	4.0
Total Fixed Income	\$41.0	28.6 %	28.0 %	28.0 %
Equity				
Domestic	\$53.8	37.5 %	39.0 %	41.0 %
International	27.4	19.1	19.0	20.0
Alternative Investments/Private Equity	7.0	4.9	6.0	4.0
Total Equity	\$88.2	61.5 %	64.0 %	65.0 %
Total Real Estate	\$13.3	9.3 %	8.0 %	6.0 %
Total Fund	\$143.4 ²	100.0 %	100.0 %	100.0 %

Investment Mix by Asset Class



Total Fund Performance

10-Year Review
One-Year Returns



NOTES:

¹ Target allocation approved by the CalPERS Board of Administration in May 2000.

² Differences between investment values above and the values on the Summary of Investments on page 73 are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

Investments—PERF

Portfolio of California Investments at Market Value

(Dollars in Millions)

Category	California Investments
Real Estate	
Real Estate Mortgages	
AFL-CIO Housing Investment Trust	\$2,575.8
California Community Mortgage Fund	41.2
Commercial (Whole Loans/Mortgage-Backed Securities)	171.0
Member Home Loan Program	1,750.0
ULLICO	66.1
Total Real Estate Mortgages	\$4,604.1
Real Estate Equity	
AFL-CIO Building Investment Trust	\$25.0
Catellus	295.8
CNL Net Lease Program	23.8
California Urban Real Estate Initiatives	
CIM	125.0
Kennedy	150.0
Bridge	100.0
RREEF	100.0
American City Vista II	40.0
Buchanan Street Partners	60.0
Capri Capital Partners	60.0
Institutional Housing Partners	40.0
AIM/Real Estate Technology Program	200.0
California Urban Investment Partners	200.0
Equity	3,241.0
Single Family Housing	632.3
Infill Investment Partners	100.0
Kennedy Urban	79.3
Senior Housing AEW	15.0
Senior Housing - Shattuck Hammond	25.0
Premier Pacific Vineyards	100.0
Total Real Estate Equity	\$5,612.2
Total Real Estate Mortgages & Equity	\$10,216.3
Equity	
Alternative Investment Management Program	\$1,639.8
Domestic Equity	6,985.6
Total Equity	\$8,625.4
Total Real Estate & Equity	\$18,841.7
Domestic Fixed Income	
Corporate Bonds	\$581.8
Member Home Loan Program - FNMA/GNMA	1,750.0
Mortgage Pass-Through CMOs	2,197.3
Total Domestic Fixed Income	\$4,529.1
Total Investments	\$23,370.8

Investments—PERF

Largest Stock Holdings (Market Value)¹

(Dollars in Thousands)

Rank	Company	Shares	Market Value
1	Microsoft Corporation	25,108,399	\$1,362,311
2	General Electric Company	44,161,393	1,282,887
3	Exxon Mobil Corporation	30,515,806	1,248,706
4	Wal-Mart Stores, Inc.	20,343,540	1,119,097
5	Pfizer, Inc.	29,788,864	1,042,610
6	Citigroup, Inc.	26,180,460	1,014,494
7	American International Group, Inc.	11,696,532	798,054
8	Johnson & Johnson	13,814,539	721,947
9	Coca-Cola Company	11,314,520	633,614
10	International Business Machines	8,415,190	605,895

Largest Bond Holdings (Market Value)¹

(Dollars in Thousands)

Rank	Company	Par Value	Market Value
1	United States Treasury Bond Strip Principal 0.00% due 11/21/2021	\$1,521,400	\$481,310
2	Deutsche Telekom International Finance BV 8.75% due 6/15/2030	443,000	405,912
3	United States Treasury Bonds 8.125% due 5/15/2021	284,650	367,170
4	United States Treasury Bonds 7.875% due 2/15/2021	284,000	358,509
5	United States Treasury Bonds 8.125% due 8/15/2019	235,000	301,044
6	United States Treasury Bonds 9.25% due 2/15/2016	213,900	293,896
7	Koninklijke (Royal) KPN NV 8.375% due 10/1/2030	284,750	277,426
8	British Telecommunications PLC 8.625% due 12/15/2030	252,000	273,065
9	United States Treasury Secured Strip Interest 0% due 2/15/2029	349,000	257,241
10	Federal National Mortgage Association 6.25% due 5/15/2029	253,500	254,724

NOTE:

¹ CalPERS no longer produces a separate Annual Investment Report. All the information previously included in that separate volume is now contained in this report and the accompanying Operations Summary. A complete listing of portfolio holdings is available on the CalPERS Web site at www.calpers.ca.gov

Investments—PERF

Schedule of Commissions & Fees

(Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission Fees & Amount	Broker	Number of Shares Traded	Base Commission Fees & Amount
Salomon Smith Barney, Inc.	270,132,327	\$2,676	Jefferies & Company	7,051,946	\$155
Goldman Sachs & Company	3,266,141,512	2,604	Weeden & Company	5,123,561	153
Merrill Lynch Pierce Fenner & Smith	8,580,236,813	2,393	Nutmeg Securities	5,561,606	149
Morgan Stanley Company	124,331,592	2,148	Boston Institutional Services	2,598,684	148
Credit Suisse First Boston	168,399,849	1,854	Klienwort Benson Sec Ltd.	6,937,952	148
Instinet	63,004,010	1,653	Warburg Dillon Read Asia	13,298,601	147
Investment Technology Group	58,725,958	1,557	HBSC Secs, Inc. James Capel	13,267,844	146
Lehman Brothers, Inc.	248,099,799	1,335	Abn Amro Securities LLC	4,916,512	140
Lynch Jones & Ryan, Inc.	27,190,809	1,102	UBS Painewebber, Inc.	4,004,675	132
Cantor Fitzgerald & Company	67,058,927	967	ISI Group, Inc.	3,001,185	131
Abel Noser Corporation	19,048,378	885	Societe Generale	864,603	129
Bear Stearns & Company, Inc.	48,435,122	853	Abn Amro Equities UK Ltd	18,048,360	129
UBS Warburg, LLC	69,557,043	790	Dresdner Kleinwort Benson N. America	6,720,682	126
Jefferies Company, Inc.	55,368,900	706	Abn Amro Securities USA, Inc.	8,163,728	125
J. P. Morgan Securities, Inc.	357,947,509	665	Capital Institutional Services	2,382,882	124
Deutsch Bank Securities	28,084,278	654	Baring Securities	25,107,075	117
Goldman Sachs International, London	60,603,303	643	Charles Schwab & Company	3,828,952	114
Merrill Lynch International	51,526,639	581	J. B. Were & Son (NZ) Ltd	7,725,749	111
Prudential Securities, Inc.	18,070,604	528	Nordea	4,405,636	110
Broadcort Capital	8,879,616	450	Socgen Crosby Secs	3,139,202	109
Warburg Securities	21,369,457	412	BNYESI Transition Management	3,558,585	106
UBS AG	70,001,416	394	CIBC World Markets, Inc.	2,416,221	105
Instinet U.K. Ltd	48,412,939	378	Credit Lyonnais Securities USA	28,464,968	104
Guzman & Company	10,229,880	362	Miller Tabak Hirsch	2,024,185	101
Morgan Grenfeld & Company Ltd.	25,522,198	347	Berliner Bank AG Germany	981,300	99
Credit Lyonnais Securities	26,353,663	345	Fox-Pitt Kelton Ltd.	2,181,279	98
Deutsche Banc Alex. Brown	15,900,301	342	J Cheuvreux	1,733,825	96
Morgan Stanley & Company International	30,613,953	338	UBS Bunting Warburg, Inc. Toro	2,814,381	94
Banque Paribas	9,489,524	336	First Tennessee Securities Corporation	2,024,350	94
Arnhold S Bleichroeder, Inc.	136,838,857	327	Great Pacific Securities Corporation	2,288,680	93
Nomura Securities International, Inc.	9,951,799	312	SBC Warburg London	7,219,514	91
HSBC Securities, Inc.	44,212,331	297	Sal Oppenheim Et Cie	557,895	90
Wilshire Associates, Inc.	5,834,187	294	Collins Stewart	4,817,694	83
Investment Tech Group, Inc.	14,512,098	289	Thomas Weisel Partners	4,208,200	79
J. P. Morgan Securities Limited	43,623,737	233	Exane S.A.	985,787	72
Lehman Brothers International, Inc.	12,255,766	230	McDonald & Co Securities, Inc.	1,407,685	72
Sanford Bernstein Company, LLC	5,780,114	228	Davenport & Co of Virginia, Inc.	1,436,574	72
Salomon Brothers, Inc. NY	21,227,045	225	Gerard Klauer Mattison & Company	1,672,950	71
Autranet, Inc.	3,666,330	214	Bear Stearns Securities Company	3,048,283	70
Robertson Stephens, Inc.	8,445,255	210	Barings Corporation	1,972,189	70
Neubergerand Berman	6,764,597	208	A. B. Wately, Inc.	2,930,479	70
Spear, Leeds & Kellogg	11,470,022	207	J & E Davy Stockbrokers	3,126,175	70
First Clearing Corporation	9,747,500	204	Hoare Govt Securities Ltd	8,356,845	67
HSBC Investment Bank Plc.	20,028,666	198	Weiss Peck & Greer LLC	2,841,500	67
UBS Warburg Hong Kong Ltd	8,522,441	194	Williams Capital Group	2,132,520	67
Banc America Sec LLC Montgomery Division	6,796,634	193	First Union Capital Markets	1,527,610	64
Sutro & Company, Inc.	7,146,842	193	Julius Bear Securities	1,105,977	64
Salomon Brothers International	23,455,078	187	TD Waterhouse	2,017,923	61
Fleet Boston Robertson Stephens	5,096,080	181	Daiwa Securities America	4,103,143	58
SG Cowen Securities Corporation	6,078,149	176	Sanders Morris Mundy	1,904,217	56
Enskilda Securities	6,318,432	175	Friedman Billings & Ramsey	1,744,000	52
Bridge Trading	3,861,857	174	Baird, Robert W & Company, Inc.	2,191,487	52
Standard & Poors Securities	3,394,607	172	Knight Securities	5,111,860	50
Warburg Dillon Read	4,977,790	167	Correspondent Services, Inc.	1,542,240	50
Credit Suisse First Boston Equities Europe	8,994,408	166	Momura Bank International	1,544,630	50
Credit Agri Indosuez Cheuvreux	14,073,279	166	Raymond James & Associates	1,388,461	50
Janney Montgomery Scott, Inc.	3,551,425	165	Deutsche Bank AG Frankfurt	920,600	48
Dresdner Kleinworth Wasserstein Sec. LLC	4,198,110	164	Fechtor Detwiler Company, Inc.	804,950	48
Jones & Associates	7,232,728	163	Fortis Bank	1,160,800	47
Nesbitt Burns	5,374,742	162	CS First Boston Hong Kong Ltd	1,521,890	46
Legg Mason Wood Walker, Inc.	4,913,450	158	William Blair & Company LLC	1,415,275	46
Factset Data Systems, Inc.	3,096,300	155	James Capel & Company	1,299,990	45

Investments—PERF

Schedule of Commissions & Fees

(Dollars in Thousands)

Broker	Number of Shares Traded	Base Commission Fees & Amount	Broker	Number of Shares Traded	Base Commission Fees & Amount
BMO Nesbitt Burns Corporation	892,200	\$45	National Investor Services, Inc.	421,400	\$21
Auerbach Grayson	948,013	45	L. B. West Panmure Secs, Inc.	462,010	21
BHF Securities Corporation	2,618,197	43	Investec Securities	1,935,473	21
Ahorro Corp Financiera S.A. A.V.B.	1,006,630	43	TIR Securities, Inc.	1,401,406	21
Veritas Securities	859,744	43	Pareto Funds	1,346,800	21
Wells Fargo Van Kasper LLC	1,018,550	43	Rochdale Sec Corporation	412,168	21
Berliner Bank Aktiengesellschaft	410,857	42	Nordea Securities Copenhagen	889,200	20
HSBC CCF Securities France	1,145,691	42	S. G. Securities LONDON Ltd	2,457,328	20
RBC Dain Rauscher, Inc.	1,087,525	42	Deutsche Bank AG London	2,165,518	20
Cantor Fitzgerald International	10,235,846	42	Magna Securities Corporation	688,700	20
BNY ESI & Company, Inc.	816,700	41	Mischler Financial	2,175,200	19
Investment Technology Group Ltd	10,575,094	40	Brockhouse & Cooper, Inc.	855,881	18
KBC Bank NV	1,032,800	39	Lombard, Odier & Cie	46,310	18
SBC Warburg Dillon Read Asia	10,776,000	39	Intermonte Sec Sim SPA	1,335,310	18
SG Securities Singapore PTE Ltd	14,665,000	38	S. G. Secs Central Clearing Reg Corporation	1,487,100	18
B-Trade Services LLC	1,575,952	37	Chevreur De Virieu Nordic AB	297,767	18
Cazenove, Inc.	4,817,470	37	Suntrust Capital Markets	394,098	17
Baring Securities Hong Kong	5,874,788	36	E-Trades, Inc.	610,740	17
Jackson Partners & Associates, Inc.	825,500	35	Commerzbank Capital Mrkts Corporation	307,850	17
SK International Securities	1,148,700	35	Credit Lyonnais Securities ASIA	182,730	17
J. B. Were Ltd	2,567,900	35	S. G. Securities Hong Kong	16,000	16
BOE Securities, Inc.	688,100	34	Goodbody Stockbrokers	1,561,074	16
J. B. Were & Son	2,517,745	34	Banque National De Paris NY	192,000	16
Dresdner Bank AG Hamburg	1,036,300	34	Jackson Securities	305,400	15
Neue Zurcher Bank	120,648	34	Credit Agri Indosuez NZ	21,600	15
Roberts & Ryan	769,400	34	Donaldson, Lufkin & Jenrette Sec	300,400	15
Deutsche Morgan Grenfell	2,394,258	34	Salomon Bros Hong Kong	729,000	15
ABN AMRO Hoare Govt	2,547,473	34	U. S. Bancorp Piper Jaffray, Inc.	488,875	14
Citibank-Merrill Lynch	1,021,676	33	BNP Paribas SA	204,361	14
Frank Russel Securities	651,615	33	E-Trade Securities Ltd Hong Kong	613,900	14
Burlington Capital Markets	2,269,479	32	CLSA Singapore Pte Ltd	892,000	14
Keefe Bruyette & Woods, Inc.	648,200	32	Pershing & Company	1,033,823	14
Collins Stewart & Company	1,825,000	32	ING Bank	139,000	13
ABN Amro Asia Ltd	5,632,776	32	Lazard Freres & Company	396,000	13
CSFB	1,052,200	31	USCC Santander	262,700	13
Dresdner Securities NY	598,900	31	Credit Agri Indosuez Cheuvreux	380,460	13
Interbiliare Securities Sim SPA	2,408,538	30	Pulse Trading LLC	426,906	13
RBC Dominion Securities, Inc.	862,828	29	Fidelity Capital Markets	395,900	12
Comminerz Bank AG	1,174,886	29	UBS AG London	8,729,830	12
UBS Australia Group Ltd	3,490,177	28	UBS Warburg Ltd Japan	1,348,177	12
Julius Baer Bank	494,332	28	Dain Rauscher, Inc.	552,860	12
Deutsche Bank AG New York	1,860,300	28	Bank of America	122,400	12
Deutsche Morgan Grenfeld London	2,650,626	28	Chevreur De Nordic A. B.	163,527	12
Precursor Group, Inc.	538,000	27	Skandinaviska Enskilda Banken NY	551,636	11
D. A. Davidson. & Company, Inc.	1,180,350	27	Bank of America International Ltd	101,722	11
Cazenove & Company	3,512,217	27	Wit Soundview Corporation	333,900	11
BNY Clearing Services LLC	673,900	26	Nordic Partners	255,700	11
UBS Securities, Inc.	3,472,538	26	BNP Capital Markets	240,000	11
BNP Paribas	458,700	24	CI Nordic Securities AB	284,500	11
Goldman Sachs International LTD	583,236	24	Bank Am Bellevue	37,675	11
Jonson Rice & Company	477,100	24	Weeden & Colp FBO Insearch Associates	222,500	11
C. L. King & Associates	581,050	24	JPP Euro Securities	90,000	11
Banco Inversion Madrid	1,785,770	24	W. I. Carr America Ltd	605,000	10
I. W. Indosuez Carr Securities	695,000	24	County Natwest Securities Ltd	442,992	10
Orkla Finans Fondsmegling AS	7,667,200	24	G. K. Goh Secs Hong Kong Ltd	548,000	10
Quaker Securities, Inc.	473,580	24	Herzog & Company, Inc.	249,728	10
Royal Bank of Canada	964,828	23	Samsung Securities Ltd	74,100	10
RABO Securities NV	884,329	23	ABG Securities, Inc.	396,082	10
Gardner Rich & Company	495,300	22	Herzog Heinz Geduld	365,386	10
UBS Warburg Sec LTD Taiwan	5,300,000	22	Various Brokers	105,739,365	1,131
KBC Security	310,200	22			
Instinet France SA	782,330	22			
			Total	14,894,971,237	\$44,709

Investments—JRF II

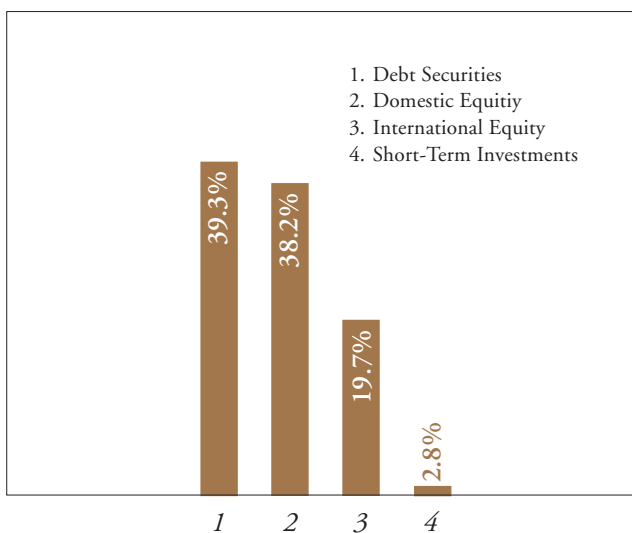
Investment Performance

Wilshire Associates, the Board's pension consultant, prepares a Quarterly Report of Investment Performance for the Judges' Retirement Fund II based on performance calculations made by the Fund's custodian, State Street Bank and Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2002 are:

JRF II Portfolio Comparisons

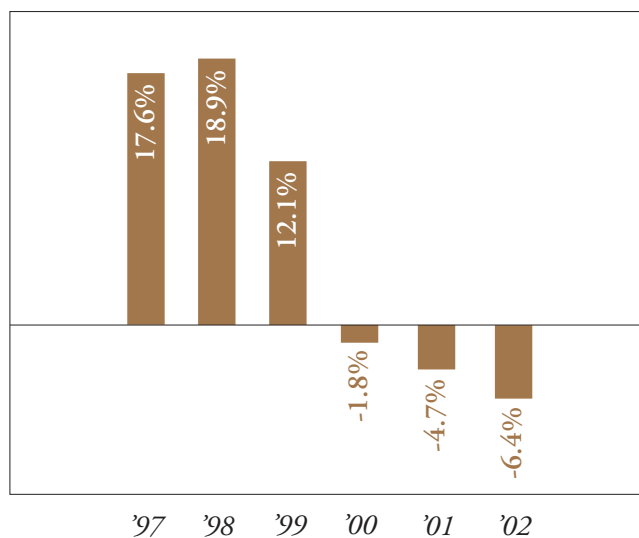
Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	-6.4%	-1.7%	4.5%	Weighted Policy Benchmark ¹	-5.6%	-1.5%	4.8%
				Actuarial Rate	7.8%	7.8%	8.5%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	-5.8%	-0.3%	5.2%
Domestic Equity	-18.1%	-9.4%	3.5%	Custom S&P 500 Index ³	-18.1%	-9.3%	3.6%
				TUCS Equity Median	-15.8%	-3.4%	5.8%
International Equity	-9.0%	-6.4%	-1.4%	MSCI EAFE	-9.5%	-6.8%	-1.6%
Fixed Income	6.5%	7.8%	7.6%	Lehman Aggregate Bond Index	8.6%	8.1%	7.6%
				Salomon LPF Index	8.8%	8.2%	7.9%
				TUCS Fixed Income Median	8.0%	7.9%	7.5%

Investment Mix by Class



Total Fund Performance

*Six-Year Review
One-Year Returns*



NOTES:

- ¹ The weighted policy benchmark returns for the JRF II are based on asset class index returns weighted by asset class policy targets.
- ² The Trust Universe Comparison Service (TUCS) is a universe of over 1,000 client portfolio returns, subdivided by client type and asset class.
- ³ A tobacco-free S&P 500 is used as the benchmark for the U.S. equity segments of the JRF II starting with the February 2001 performance.

Investments—LRF

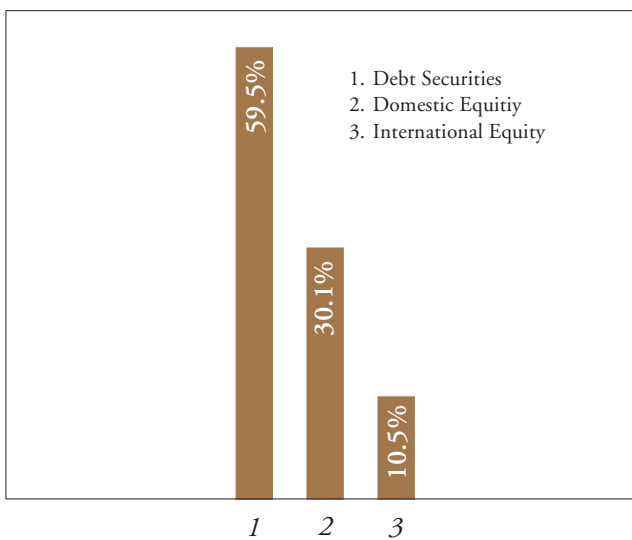
Investment Performance

Wilshire Associates, the Board’s pension consultant, prepares a Quarterly Report of Investment Performance for the Legislators’ Retirement Fund based on performance calculations made by the Fund’s custodian, State Street Bank and Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2002 are:

LRF Portfolio Comparisons

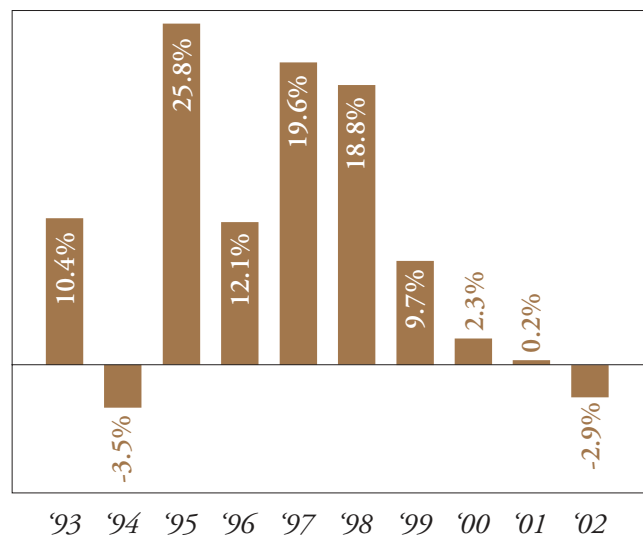
Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	-2.9%	1.4%	6.7%	Weighted Policy Benchmark ¹	-1.1%	-1.8%	7.0%
				Actuarial Rate	7.5%	7.5%	7.8%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	-5.8%	-0.3%	5.2%
Domestic Equity	-18.1%	-9.3%	3.6%	Custom S&P 500 Index ³	-18.1%	-9.3%	3.6%
				TUCS Equity Median	-15.8%	-3.4%	5.8%
International Equity	-8.9%	-6.5%	-1.3%	MSCI EAFE	-9.2%	-6.5%	-1.3%
Fixed Income	6.5%	7.8%	7.6%	Lehman Aggregate Bond Index	8.6%	8.1%	7.6%
				Salomon LPF Index	8.8%	8.2%	7.9%
				TUCS Fixed Income Median	8.0%	7.9%	7.5%

Investment Mix by Class



Total Fund Performance

10-Year Review One-Year Returns



NOTES:

¹ The weighted policy benchmark returns for the LRF are based on asset class index returns weighted by asset class policy targets.

² The Trust Universe Comparison Service (TUCS) is a universe of over 1,000 client portfolio returns, subdivided by client type and asset class.

³ A tobacco-free S&P 500 is used as the benchmark for the U.S. equity segments of the LRF starting with the February 2001 performance.

Investments—VFF

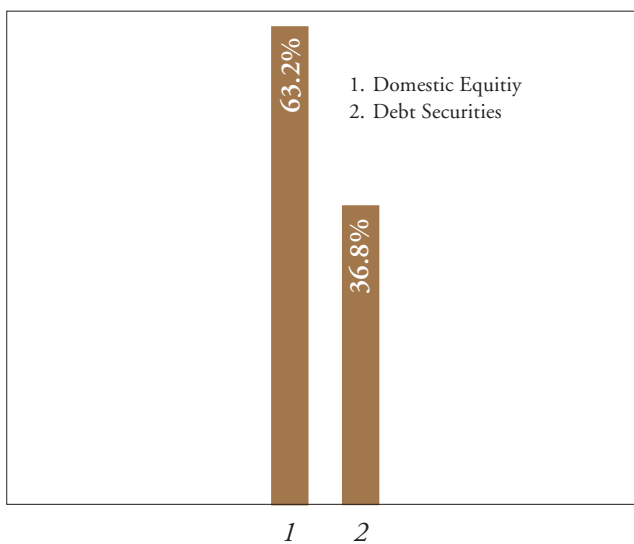
Investment Performance

Wilshire Associates, the Board’s pension consultant, prepares a Quarterly Report of Investment Performance for the Volunteer Firefighter’s Fund based on performance calculations made by the Fund’s custodian, State Street Bank and Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2002 are:

VFF Portfolio Comparisons

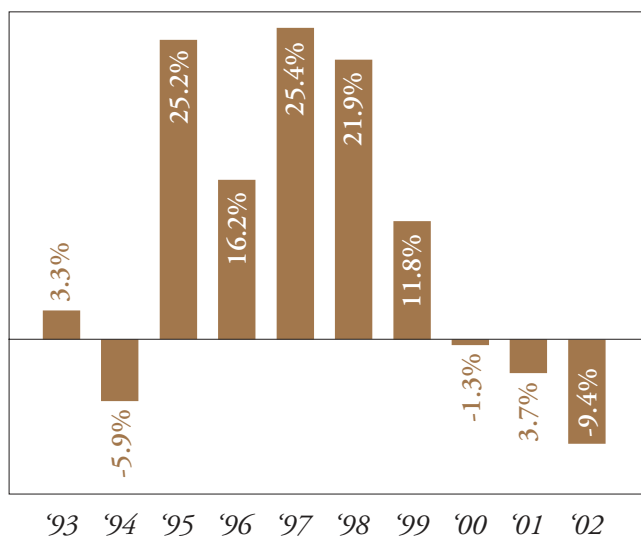
Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
Total Fund	-9.4%	-2.8%	5.5%	Weighted Policy Benchmark ¹	-8.2%	-2.6%	5.6%
				Actuarial Rate	8.0%	8.0%	8.0%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	-5.8%	-0.3%	5.2%
Domestic Equity	-18.1%	-9.3%	3.6%	Custom S&P 500 Index ³	-18.1%	-9.3%	3.6%
				TUCS Equity Median	-15.8%	-3.4%	5.8%
Fixed Income	6.5%	7.8%	7.6%	Lehman Aggregate Bond Index	8.6%	8.1%	7.6%
				Salomon LPF Index	8.8%	8.2%	7.9%
				TUCS Fixed Income Median	8.0%	7.9%	7.5%

Investment Mix by Class



Total Fund Performance

10-Year Review One-Year Returns



NOTES:

¹ The weighted policy benchmark returns for the VFF are based on asset class index returns weighted by asset class policy targets.

² The Trust Universe Comparison Service (TUCS) is a universe of over 1,000 client portfolio returns, subdivided by client type and asset class.

³ A tobacco-free S&P 500 is used as the benchmark for the U.S. equity segments of the VFF starting with the February 2001 performance.

Actuarial Section

Year Ended June 30, 2001





CalPERS
Actuarial and Employer Services Division
P.O. Box 942709
Sacramento, CA 94229-2709

September, 2002

**The Board of Administration of the California Public Employees'
Retirement System:**

As authorized, the CalPERS actuarial staff perform annual actuarial valuations of the CalPERS State, schools, and public agency plans; the latest such valuations are as of June 30, 2001.

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 the amortization payment is not less than that required to amortize the unfunded liability over 30 years.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the Financial Section by Governmental Accounting Standards Board Statement No. 25.

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 (i) the trend data schedules (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through G in the Actuarial Section of the CAFR.

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

CalPERS Actuarial Methods and 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 only is provided in Exhibits F and G.

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 the PERF and for JRS II. It is also used for the Indexed Level of 1959 Survivor Benefits. CalPERS uses the level dollar Aggregate Cost Method for those pay-related plans which are closed and declining in membership. This method is used for LRS and JRS.

For CalPERS non-pay-related plans, the financial objective is to produce annual costs that coincide with the value of benefits 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. The Unit Credit Cost Method is used for the VFF.

Annual actuarial valuations are performed each June 30 using these methods. This report contains information through the most recent valuation date of June 30, 2001. Progress in financing can be found in the Summary of Funding Progress, Exhibits A and B.

The actuarial assumptions and methods used for funding purposes meet the parameters set for disclosures presented in the financial section by Governmental Accounting Standards Board Statement No. 25.

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 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.

CalPERS Actuarial Methods and Assumptions

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 20 years.

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 actuarial gains or losses.

Actuarial gains and losses are separately tracked and offset against one another. Ten percent of the net unamortized gains and losses are included in the required amortization payment each year.

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.

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.

Unit Credit Cost Method

The Unit Credit Cost Method is used to value the VFF. Under this method, the actuarial accrued liability is the sum of the present value of accrued benefits of all participants. The normal cost is the present value of the benefits earned during the valuation year by all participants.

Aggregate Cost Method

The Aggregate Cost Method is used for the LRS and JRS systems. Under this method, the difference between the present value of projected benefits and the assets of the plan are allocated over a specified period of time as a level dollar amount. The amount allocated to the current fiscal year is called the normal cost. There is no actuarial accrued liability calculated using the Aggregate Cost Method.

CalPERS Actuarial Methods and Assumptions

Asset Valuation Method

Because wide swings in the Market Value of Assets might produce employer contribution rates that swing wildly from year to year, actuaries typically employ techniques which place a year-to-year value on assets in an attempt to smooth such swings.

At CalPERS the following asset-smoothing technique is used: first an Expected Value of Assets is computed by bringing forward the prior year's Actuarial Value of Assets and the contributions received and benefits paid during the year at the assumed actuarial rate of return. The Actuarial Value of Assets is then computed as the Expected Value of Assets plus one-third of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. The resulting actuarial value is then limited to be not less than 90 percent, nor more than 110 percent of the Market Value of Assets. This methodology is used in the valuations for all programs except the JRS, which uses an Actuarial Value of Assets equal to the Market Value of the Fund plus accrued interest.

There were no changes in methods since the prior year's actuarial valuation. However, the CalPERS Board adopted Resolution 01-03-BD on June 20, 2001. Under this resolution, the employer had the option of increasing the Actuarial Value of Assets by an amount equal to two times the increase in the Present Value of Projected Benefits due to a contract amendment based upon the June 30, 2000 annual actuarial valuation and, if adopted, a Resolution of Intention to amend the contract is filed with CalPERS no later than June 30, 2002. The employer had the option to choose not to take an increase in the Actuarial Value of Assets in determining its rate and allow the regular asset smoothing method to operate as it normally would. Alternatively, the employer was permitted to limit the Actuarial Value of Assets to 100 percent of Market Value of Assets if normal application of the resolution would otherwise exceed this limit. Under no circumstances could the Actuarial Value of Assets in excess of 110 percent of the Market Value of Assets be utilized in determining the employer's rate. The standard asset smoothing methodology will then be used in subsequent years.

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 3.5 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 for plans within the PERF, the assumed investment return (net of administrative and investment expenses) is 8.25 percent per year, compounded annually. Different asset allocations and lower assumed investment returns apply to LRS, JRS, JRS II, and VFF. The assumed investment returns for these four plans are 7.5 percent, 7.5 percent, 7.75 percent, and 8.0 percent, respectively.

For plans within the PERF, the overall payroll is assumed to increase 3.75 percent annually. This is based upon the 3.5 percent inflation assumption and a .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 the PERF, the assumed growth in an individual employee's future pay is composed of the 3.5 percent inflation component, an additional .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.

Independent Review

To ensure the quality of its valuations, CalPERS contracts independent consulting actuaries to review the valuations on a triennial basis.

Changes Since Prior Valuation

Non-Economic Assumptions

Non-economic assumptions for plans within the PERF are based upon demographic studies covering the period June 30, 1988 through June 30, 1992. The probabilities of service retirement, withdrawal from service, non-industrial disability, industrial disability, and death-in-service are shown for sample ages in Exhibit D. Individuals hired on or before June 30, 1982 are entitled to subsidized optional benefits. Certain valuation liabilities are increased to reflect this subsidy.

Post-retirement mortality tables are based upon 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.

The following changes were made beginning with the June 30, 2001 annual evaluation.

Changes in Actuarial Assumptions

For the VFF, the withdrawal assumption was changed to assign a probability of withdrawal in future years depending on the number of years of service. Also, inactives are assumed to acquire no more service. The current assumptions are more internally consistent and more accurately reflect the experience of the past several years.

Changes in Actuarial Methods

A 20-year Fresh Start was used for the State safety plan under the Board's adopted policy for Fresh Starts.

Changes in Plan Provision

For the schools plan, Assembly Bill 50 (Chapter 947, Statutes of 2000) increased the post-retirement lump-sum death benefit to \$2,000 for school members. Assembly Bill 2177 (Chapter 1030, Statutes of 2000) eliminated the employee contribution breakpoint and the benefit offset for all school members.

Assembly Bill 2621 (Chapter 1031, Statutes of 2000) modified the annual cost-of-living increases applied to the Special Death Benefit to equal the relative increases in compensation for the members' final job classifications. Senate Bill 1910 (Chapter 902, Statutes of 2000) modified the employee contribution breakpoint for POFF supervisors from \$238 to \$863.

For the State safety plan, the employee contribution rate remained at 6 percent. Last year's valuation used an 8 percent rate. For the peace officer and firefighter plan, the employee contribution rate for Bargaining Unit 6 remained at 8 percent. Last year's valuation used a 10 percent rate. These contribution rates are all consistent with the Public Employees' Retirement Law.

Changes Since Prior Valuation

Assembly Bill 616 (Chapter 782, Statutes of 2001) offered three new retirement benefit formulas to miscellaneous public agency members active as of June 30, 2001—2.5% of final pay times years of service at age 55, 2.7% at 55, and 3% at 60. Members under these formulas increase their contributions from 7 percent of pay to 8 percent.

For the VFF, Assembly Bill 197 (Chapter 331, Statutes of 2001) added a death benefit to the plan. The beneficiary of any member or award recipient who dies after the completion of 10 years of service will receive a lump-sum payment of \$3,000.

For the JRS, Senate Bill 857 (Chapter 988, Statutes of 2000) and Assembly Bill 1955 (Chapter 961, Statutes of 2000) became law, and effective as of January 1, 2001. Senate Bill 857 provided additional prospective benefits to a former spouse of a judge who retired or died prior to January 1, 2001, in the event of a dissolution or separation from the judge after retirement and prior to that date. Assembly Bill 1955 provided additional benefits for judges through the Extended Service Incentive Program. This new program is intended to encourage continued service by those judges who will have served on the bench at least 20 years and who attain the age of 60 or more.

Summary of Funding Progress

For plans in the PERF, 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 the plan, unfunded actuarial accrued liability dollars divided by member salary dollars provide a meaningful index. The smaller the ratio, the stronger the System. Observation of this relative index over a period of years will give an indication of the financial strength of the System. Such a measure is presented in Exhibit A. The JRS and LRS use the Aggregate Cost Method to determine annual plan costs. Under the Aggregate Cost Method, no accrued liabilities are calculated, so this exhibit is not appropriate for these Systems.

Exhibit B, Funding Progress—Solvency Test, demonstrates System solvency as measured under the Governmental Accounting Standards Board Statement No. 25. Again, as stated in the Summary of Funding Progress, the LRS and JRS use the Aggregate Cost Method; therefore, measuring System solvency under Exhibit B is not appropriate for these Systems.

Exhibit A—Unfunded Actuarial Accrued Liabilities (UAAL)

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets ¹	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1) ²	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
PERF						
6/30/92	\$63,400	\$69,460	\$6,060	91.28%	\$19,000	31.9%
6/30/93	73,190	75,910	2,720	96.42	19,000	14.3
6/30/94	77,850	80,530	2,680	96.67	19,900	13.5
6/30/95	83,775	87,673	3,898	95.55	20,800	18.7
6/30/96	94,230	96,838	2,608	97.30	22,322	11.7
6/30/97	108,566	97,925	(10,641)	110.90	22,504	(47.3)
6/30/98	128,830	106,938	(21,892)	120.50	24,672	(88.7)
6/30/99	148,605	115,748	(32,857)	128.39	27,636	(118.9)
6/30/00	162,439	135,970	(26,469)	119.47	28,098	(94.2)
6/30/01	166,860	149,155	(17,705)	111.87	30,802	(57.48)
LRF						
6/30/92	\$78.6	\$97.8	\$19.2	80.4%	\$6.2	309.7%
6/30/93	83.3	97.4	14.1	85.5	6.7	210.4
6/30/94	85.3	99.6	14.3	85.6	5.0	286.0
6/30/95	88.5	101.6	13.1	87.1	4.9	267.3
6/30/96	94.2	105.2	11.0	89.5	4.8	229.2
6/30/97	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A
JRF						
6/30/92	\$9.1	\$1,292.5	\$1,283.4	0.7%	\$146.5	876.0%
6/30/93	23.3	1,403.5	1,380.2	1.7	146.6	941.4
6/30/94	14.9	1,289.7	1,274.8	1.2	150.0	849.9
6/30/95	9.3	1,406.0	1,396.7	0.7	156.8	890.1
6/30/96	12.5	1,460.1	1,447.6	0.9	153.8	941.0
6/30/97	N/A	N/A	N/A	N/A	N/A	N/A
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A

Exhibit A—Unfunded Actuarial Accrued Liabilities (UAAL) (continued)

(Dollars in Millions)

Actuarial Valuation Date	(1) Actuarial Value of Assets ¹	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1) ²	(4) Funded Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
JRF II						
6/30/95	\$.239	\$.071	(\$.168)	338.6%	\$.9	(18.7%)
6/30/96	2.388	2.813	.425	84.9	8.1	5.3
6/30/97	7.242	7.906	.664	91.6	15.4	4.3
6/30/98	15.120	15.043	(.077)	100.5	33.9	(0.2)
6/30/99	27.155	26.921	(.234)	100.9	40.0	(0.6)
6/30/00	40.503	41.619	1.116	97.3	43.0	2.6
6/30/01	55.955	60.933	4.979	91.8	61.5	8.1
VFF						
6/30/92	\$.596	\$.528	(\$.068)	112.9%	N/A	N/A
6/30/93	.691	.600	(.091)	115.2	N/A	N/A
6/30/94	.799	.689	(.110)	116.0	N/A	N/A
6/30/95	.931	.815	(.116)	114.2	N/A	N/A
6/30/96	1.078	.934	(.144)	115.4	N/A	N/A
6/30/97	1.360	1.121	(.239)	121.3	N/A	N/A
6/30/98	1.678	1.500	(.178)	111.8	N/A	N/A
6/30/99	1.987	1.805	(.182)	110.1	N/A	N/A
6/30/00	2.302	2.296	(.006)	100.3	N/A	N/A
6/30/01	2.524	2.183	(.341)	115.6	N/A	N/A

NOTES:

¹ Includes employer surplus.

² The Unfunded Actuarial Accrued Liability/(Surplus) (net assets in excess of the total Actuarial Accrued Liability) of the PERF by major employer groups from the June 30, 2001 valuation is as follows: 1) (\$2,409) for the State of California, 2) (\$4,559) for schools, and 3) (\$10,737) for public agencies.

Supplemental Schedule of Differences

Reconciliation Between the Net Assets Held in Trust for Pension Benefits and the Net Assets Allocated to Fund the Pension Benefit Obligation or the Actuarial Liability—June 30, 2001

	PERF	LRF	JRF	JRF II	VFF
Net Assets Held in Trust for Pension Benefits Less:	\$156,274,396,751	\$138,736,000	\$32,372,000	\$51,982,000	\$2,374,000
Member Additional Contributions	829,988	—	—	—	—
Reserve for Post-Retirement Redeposit	37,310,208	—	—	—	—
Reserve for Disability Installment Payments	96,958	—	—	—	—
Reserve for Unclaimed Benefits	8,966,628	—	—	—	—
Reserve for Deficiencies	360,361,315	—	—	—	—
Reserve for Fiduciary Self-Insurance	20,000,000	—	—	—	—
Reserve for A.B. 702 Credits	450,291	—	—	—	—
Other Reserves	(188,456,890)	—	—	—	—
Difference Between Smoothed Market Value & Fair Value	(10,825,245,101)	(807,962)	(353)	(3,972,506)	(149,952)
Actuarial Value of Assets	\$166,860,083,354	\$139,543,962	\$32,372,353	\$55,954,506	\$2,523,952

Exhibit B—Funding Progress—Solvency Test

The funding objective for a retirement system is to be able to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of salaries earned by members. In this way, members and employers in each year 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 has been following the discipline of 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 illustrates the progress of funding liability of the PERF, JRS, JRS II, LRS, and VFF retirement systems.

Exhibit B—Funding Progress—Solvency Test

Valuation Date	Member Contributions (1) ¹	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Reported Assets		
					(1)	(2)	(3)
PERF							
<i>(Dollars in Billions)</i>							
6/30/92	\$12.68	\$29.25	\$27.53	\$63.4	100%	100%	78.0%
6/30/93	13.70	32.14	30.07	73.2	100	100	91.0
6/30/94	14.77	35.62	30.14	77.9	100	100	91.1
6/30/95	16.06	39.61	32.00	83.8	100	100	87.8
6/30/96	17.52	42.55	36.77	94.2	100	100	92.8
6/30/97	18.70	50.81	28.42	108.6	100	100	137.5
6/30/98	20.06	55.35	31.53	128.9	100	100	169.6
6/30/99	21.52	58.03	36.20	148.6	100	100	190.7
6/30/00	22.88	66.33	46.76	162.4	100	100	156.6
6/30/01	24.51	84.94	64.22	166.9	100	100	89.4

LRF

(Dollars in Millions)

6/30/92	\$5.9	\$59.6	\$32.3	\$78.6	100%	100%	40.6%
6/30/93	6.0	66.2	25.2	83.3	100	100	44.0
6/30/94	7.1	68.1	24.4	85.3	100	100	41.4
6/30/95	6.5	73.5	21.6	88.5	100	100	39.4
6/30/96	6.9	77.8	20.5	94.2	100	100	46.3
6/30/97	5.6	82.0	9.9	105.3	100	100	100.0
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A	N/A

JRF

(Dollars in Millions)

6/30/92	\$78.2	\$798.2	\$416.1	\$9.1	11.6%	0%	0%
6/30/93	84.3	768.0	551.2	23.3	27.6	0	0
6/30/94	91.5	701.1	497.1	14.9	16.3	0	0
6/30/95	96.5	785.3	524.2	9.3	9.6	0	0
6/30/96	102.0	821.8	536.3	12.5	12.3	0	0
6/30/97	105.4	938.9	619.3	6.1	5.8	0	0
6/30/98	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/99	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6/30/01	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE:

¹ Includes accrued interest on member contributions.

Exhibit B—Funding Progress—Solvency Test (continued)

Valuation Date	Member Contributions (1) ¹	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Reported Assets		
					(1)	(2)	(3)
JRF II							
<i>(Dollars in Millions)</i>							
6/30/95	\$0.075	\$ —	(\$0.004)	\$0.2	100%	100%	100.0%
6/30/96	0.698	—	2.115	2.4	100	100	79.9
6/30/97	1.877	0.273	5.757	7.2	100	100	87.7
6/30/98	3.979	0.378	10.686	15.1	100	100	100.7
6/30/99	6.509	0.195	20.217	27.2	100	100	101.2
6/30/00	9.680	0.292	31.647	40.5	100	100	96.5
6/30/01	13.817	0.167	46.949	56.0	100	100	89.4

VFF

(Dollars in Millions)

6/30/92	N/A	\$0.195	\$0.333	\$0.596	N/A	100%	120.4%
6/30/93	N/A	0.040	0.560	0.691	N/A	100	116.3
6/30/94	N/A	0.045	0.644	0.799	N/A	100	117.1
6/30/95	N/A	0.054	0.761	0.931	N/A	100	115.2
6/30/96	N/A	0.046	0.887	1.078	N/A	100	116.3
6/30/97	N/A	0.089	1.033	1.360	N/A	100	123.1
6/30/98	N/A	0.156	1.344	1.678	N/A	100	113.2
6/30/99	N/A	0.178	1.627	1.987	N/A	100	111.2
6/30/00	N/A	0.275	2.021	2.302	N/A	100	100.3
6/30/01	N/A	0.458	1.724	2.524	N/A	100	119.8

NOTE:

¹ Includes accrued interest on member contributions.

Exhibit C—Sample Pay Increase Assumptions for Individual Members

Annual Percentage Increases Vary by Duration of Service ¹

Duration of Service	State Miscellaneous First & Second Tier	State Industrial First & Second Tier	California Highway Patrol
5	8.45%	6.89%	8.71%
10	5.32	6.89	4.27
15	5.32	4.01	4.27
20	5.32	4.01	4.27
25	5.32	4.01	4.27
30	5.32	4.01	4.27
35	3.75	4.01	4.27
40	3.75	4.01	4.27

Duration of Service	State Safety & Peace Officer/Firefighter		
	Entry Under Age 25	Entry 25 & Over	Schools
5	18.38%	11.33%	5.84%
10	4.80	4.80	5.84
15	4.80	4.80	5.84
20	4.80	4.80	5.84
25	4.80	4.80	5.84
30	4.80	4.80	3.75
35	4.80	4.80	3.75
40	4.80	4.80	3.75

Duration of Service	Public Agency Miscellaneous	Public Agency Safety	
		Entry Under Age 40	Entry 40 & Over
5	6.36%	7.41%	4.27%
10	4.79	5.16	4.27
15	4.79	5.16	4.27
20	4.79	5.16	4.27
25	4.79	5.16	4.27
30	3.75	5.16	4.27
35	3.75	5.16	4.27
40	3.75	5.16	4.27

NOTE:

¹ Increase includes 3.5 percent inflation increase.

Exhibit D—Sample Non-Economic Assumptions

State Miscellaneous First Tier (Male)

Probability of Active Members Leaving Due To:

Age	Termination & Election of		Service Retirement		Non-Industrial	Non-Industrial	Industrial	Industrial
	Refund ¹	Deferred Benefit	10 Years	25 Years	Death	Disability	Death	Disability
15	0.06839	0.00000	N/A	N/A	0.00024	0.00000	N/A	N/A
20	0.04045	0.03278	N/A	N/A	0.00033	0.00189	N/A	N/A
25	0.02393	0.02631	N/A	N/A	0.00046	0.00205	N/A	N/A
30	0.01415	0.02112	N/A	N/A	0.00064	0.00223	N/A	N/A
35	0.00837	0.01695	N/A	N/A	0.00089	0.00243	N/A	N/A
40	0.00495	0.01360	N/A	N/A	0.00122	0.00264	N/A	N/A
45	0.00293	0.01092	N/A	N/A	0.00169	0.00287	N/A	N/A
50	0.00173	0.00000	0.0219	0.0306	0.00234	0.00312	N/A	N/A
55	0.00102	0.00000	0.0327	0.0458	0.00324	0.00339	N/A	N/A
56	0.00092	0.00000	0.0284	0.0399	0.00346	0.00345	N/A	N/A
57	0.00083	0.00000	0.0351	0.0492	0.00369	0.00351	N/A	N/A
58	0.00075	0.00000	0.0431	0.0604	0.00393	0.00357	N/A	N/A
59	0.00067	0.00000	0.0601	0.0843	0.00420	0.00363	N/A	N/A
60	0.00061	0.00000	0.0921	0.1290	0.00448	0.00369	N/A	N/A
61	0.00055	0.00000	0.1115	0.1563	0.00478	0.00375	N/A	N/A
62	0.00049	0.00000	0.2092	0.2931	0.00510	0.00381	N/A	N/A
63	0.00044	0.00000	0.2382	0.3337	0.00544	0.00388	N/A	N/A
64	0.00040	0.00000	0.1595	0.2236	0.00580	0.00394	N/A	N/A
65	0.00000	0.00000	0.1969	0.2759	0.00619	0.00401	N/A	N/A
70	0.00000	0.00000	0.0952	0.1334	0.00000	0.00000	N/A	N/A

State Miscellaneous First Tier (Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of		Service Retirement		Non-Industrial	Non-Industrial	Industrial	Industrial
	Refund ¹	Deferred Benefit	10 Years	25 Years	Death	Disability	Death	Disability
15	0.05605	0.00000	N/A	N/A	0.00015	0.00000	N/A	N/A
20	0.03579	0.04056	N/A	N/A	0.00021	0.00153	N/A	N/A
25	0.02286	0.03230	N/A	N/A	0.00030	0.00176	N/A	N/A
30	0.01460	0.02573	N/A	N/A	0.00041	0.00201	N/A	N/A
35	0.00932	0.02049	N/A	N/A	0.00058	0.00230	N/A	N/A
40	0.00595	0.01632	N/A	N/A	0.00080	0.00263	N/A	N/A
45	0.00380	0.01300	N/A	N/A	0.00111	0.00300	N/A	N/A
50	0.00243	0.00000	0.0302	0.0438	0.00155	0.00343	N/A	N/A
55	0.00155	0.00000	0.0475	0.0688	0.00216	0.00393	N/A	N/A
56	0.00142	0.00000	0.0470	0.0681	0.00231	0.00403	N/A	N/A
57	0.00130	0.00000	0.0519	0.0751	0.00246	0.00414	N/A	N/A
58	0.00118	0.00000	0.0641	0.0928	0.00263	0.00426	N/A	N/A
59	0.00108	0.00000	0.0804	0.1164	0.00281	0.00437	N/A	N/A
60	0.00099	0.00000	0.1141	0.1653	0.00300	0.00449	N/A	N/A
61	0.00091	0.00000	0.1286	0.1863	0.00321	0.00461	N/A	N/A
62	0.00083	0.00000	0.2139	0.3098	0.00343	0.00474	N/A	N/A
63	0.00076	0.00000	0.2398	0.3474	0.00366	0.00487	N/A	N/A
64	0.00069	0.00000	0.1973	0.2859	0.00391	0.00500	N/A	N/A
65	0.00000	0.00000	0.2562	0.3711	0.00418	0.00514	N/A	N/A
70	0.00000	0.00000	0.1333	0.1931	0.00000	0.00000	N/A	N/A

NOTE:

¹ These probabilities apply to those who terminate vested with at least five years of service and withdraw their contributions. Higher probabilities of termination and refund apply to those not yet vested.

Exhibit D—Sample Non-Economic Assumptions (continued)

State Miscellaneous Second Tier (Male)

Probability of Active Members Leaving Due To:

Age	Termination & Election of						
	Refund ¹	Deferred Benefit	Service Retirement ²	Non-Industrial Death	Non-Industrial Disability	Industrial Death	Industrial Disability
15	N/A	0.00000	N/A	0.00043	0.00000	N/A	N/A
20	N/A	0.00000	N/A	0.00055	0.00102	N/A	N/A
25	N/A	0.06629	N/A	0.00070	0.00136	N/A	N/A
30	N/A	0.05090	N/A	0.00088	0.00183	N/A	N/A
35	N/A	0.03909	N/A	0.00112	0.00245	N/A	N/A
40	N/A	0.03002	N/A	0.00142	0.00328	N/A	N/A
45	N/A	0.02306	N/A	0.00180	0.00439	N/A	N/A
50	N/A	0.01771	0.0320	0.00228	0.00587	N/A	N/A
55	N/A	0.00000	0.0369	0.00288	0.00786	N/A	N/A
56	N/A	0.00000	0.0237	0.00302	0.00834	N/A	N/A
57	N/A	0.00000	0.0185	0.00317	0.00884	N/A	N/A
58	N/A	0.00000	0.0376	0.00332	0.00937	N/A	N/A
59	N/A	0.00000	0.0417	0.00349	0.00993	N/A	N/A
60	N/A	0.00000	0.0198	0.00365	0.01053	N/A	N/A
61	N/A	0.00000	0.0846	0.00383	0.01116	N/A	N/A
62	N/A	0.00000	0.1395	0.00402	0.01183	N/A	N/A
63	N/A	0.00000	0.0769	0.00421	0.01254	N/A	N/A
64	N/A	0.00000	0.0691	0.00442	0.01330	N/A	N/A
65	N/A	0.00000	0.1638	0.00463	0.01410	N/A	N/A
70	N/A	0.00000	0.0762	0.00000	0.00000	N/A	N/A

State Miscellaneous Second Tier (Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of						
	Refund ¹	Deferred Benefit	Service Retirement ²	Non-Industrial Death	Non-Industrial Disability	Industrial Death	Industrial Disability
15	N/A	0.00000	N/A	0.00007	0.00000	N/A	N/A
20	N/A	0.00000	N/A	0.00011	0.00076	N/A	N/A
25	N/A	0.05565	N/A	0.00016	0.00107	N/A	N/A
30	N/A	0.03922	N/A	0.00023	0.00150	N/A	N/A
35	N/A	0.02970	N/A	0.00035	0.00212	N/A	N/A
40	N/A	0.02351	N/A	0.00051	0.00298	N/A	N/A
45	N/A	0.01910	N/A	0.00075	0.00420	N/A	N/A
50	N/A	0.01572	0.0260	0.00111	0.00591	N/A	N/A
55	N/A	0.00000	0.0417	0.00163	0.00833	N/A	N/A
56	N/A	0.00000	0.0352	0.00176	0.00892	N/A	N/A
57	N/A	0.00000	0.0505	0.00190	0.00955	N/A	N/A
58	N/A	0.00000	0.0477	0.00206	0.01022	N/A	N/A
59	N/A	0.00000	0.0274	0.00222	0.01095	N/A	N/A
60	N/A	0.00000	0.0524	0.00240	0.01172	N/A	N/A
61	N/A	0.00000	0.0629	0.00260	0.01256	N/A	N/A
62	N/A	0.00000	0.1345	0.00281	0.01344	N/A	N/A
63	N/A	0.00000	0.1186	0.00303	0.01440	N/A	N/A
64	N/A	0.00000	0.1178	0.00328	0.01542	N/A	N/A
65	N/A	0.00000	0.1859	0.00354	0.01651	N/A	N/A
70	N/A	0.00000	0.1071	0.00000	0.00000	N/A	N/A

NOTES:

¹ These probabilities apply to those who terminate vested with at least five years of service and withdraw their contributions. Higher probabilities of termination and refund apply to those not yet vested.

² These probabilities vary by age and gender only; there was insufficient data to generate retirement rates that varied by age and years of service.

Exhibit D—Sample Non-Economic Assumptions (continued)

State Safety (Male)

Probability of Active Members Leaving Due To:

Age	Termination & Election of		Service Retirement		Non-Industrial	Non-Industrial	Industrial	Industrial
	Refund ¹	Deferred Benefit	10 Years	25 Years	Death	Disability	Death	Disability
15	0.04851	0.00000	N/A	N/A	0.00043	0.00000	0.00036	0.00212
20	0.03260	0.01075	N/A	N/A	0.00050	0.00171	0.00045	0.00245
25	0.02191	0.00971	N/A	N/A	0.00062	0.00183	0.00056	0.00283
30	0.01472	0.00877	N/A	N/A	0.00081	0.00197	0.00070	0.00326
35	0.00989	0.00792	N/A	N/A	0.00112	0.00211	0.00088	0.00377
40	0.00665	0.00716	N/A	N/A	0.00163	0.00227	0.00109	0.00435
45	0.00447	0.00646	N/A	N/A	0.00292	0.00244	0.00136	0.00503
50	0.00300	0.00000	0.0350	0.0900	0.00529	0.00262	0.00169	0.00581
55	0.00202	0.00000	0.0486	0.1251	0.00852	0.00281	0.00211	0.00671
56	0.00186	0.00000	0.0414	0.1065	0.00926	0.00285	0.00221	0.00690
57	0.00172	0.00000	0.0431	0.1107	0.01004	0.00289	0.00231	0.00711
58	0.00159	0.00000	0.0451	0.1160	0.01089	0.00293	0.00241	0.00731
59	0.00147	0.00000	0.0559	0.1436	0.01192	0.00297	0.00252	0.00753
60	0.00000	0.00000	0.0687	0.1765	0.01312	0.00302	0.00263	0.00775
61	0.00000	0.00000	0.0933	0.2398	0.01444	0.00306	0.00275	0.00797
62	0.00000	0.00000	0.1120	0.2881	0.01586	0.00310	0.00287	0.00821
63	0.00000	0.00000	0.1018	0.2618	0.01741	0.00315	0.00300	0.00845
64	0.00000	0.00000	0.0955	0.2457	0.01919	0.00319	0.00314	0.00869
65	0.00000	0.00000	0.1617	0.4157	0.00000	0.00000	0.00000	0.00000
70	N/A	N/A	1.0000	1.0000	N/A	N/A	N/A	N/A

California Highway Patrol (Male and Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of		Service Retirement		Non-Industrial	Non-Industrial	Industrial	Industrial
	Refund ¹	Deferred Benefit	10 Years	25 Years	Death	Disability	Death	Disability
15	0.03307	0.00000	N/A	N/A	0.00065	0.00000	0.00014	0.00068
20	0.01653	0.00822	N/A	N/A	0.00073	0.00031	0.00020	0.00119
25	0.00826	0.00631	N/A	N/A	0.00082	0.00043	0.00027	0.00210
30	0.00413	0.00484	N/A	N/A	0.00091	0.00059	0.00038	0.00370
35	0.00206	0.00372	N/A	N/A	0.00103	0.00080	0.00053	0.00652
40	0.00103	0.00285	N/A	N/A	0.00115	0.00109	0.00073	0.01150
45	0.00052	0.00219	N/A	N/A	0.00129	0.00149	0.00102	0.02027
50	0.00026	0.00000	0.0003	0.0204	0.00145	0.00203	0.00142	0.03573
55	0.00000	0.00000	0.0019	0.1573	0.00162	0.00277	0.00197	0.06298
56	0.00000	0.00000	0.0016	0.1323	0.00166	0.00295	0.00211	0.07055
57	0.00000	0.00000	0.0018	0.1466	0.00170	0.00314	0.00225	0.07902
58	0.00000	0.00000	0.0016	0.1270	0.00174	0.00334	0.00240	0.08850
59	0.00000	0.00000	0.0048	0.3909	0.00178	0.00356	0.00257	0.09913
60	0.00000	0.00000	0.0073	0.5879	0.00000	0.00000	0.00000	0.00000

NOTE:

¹ These probabilities apply to those who terminate vested with at least five years of service and withdraw their contributions. Higher probabilities of termination and refund apply to those not yet vested.

Exhibit D—Sample Non-Economic Assumptions (continued)

School Employees (Male)

Probability of Active Members Leaving Due To:

Age	Termination & Election of		Service Retirement		Non-Industrial	Non-Industrial	Industrial	Industrial
	Refund ¹	Deferred Benefit	10 Years	25 Years	Death	Disability	Death	Disability
15	0.09998	0.00000	N/A	N/A	0.00037	0.00000	N/A	N/A
20	0.07267	0.01832	N/A	N/A	0.00049	0.00138	N/A	N/A
25	0.05282	0.01591	N/A	N/A	0.00065	0.00165	N/A	N/A
30	0.03840	0.01381	N/A	N/A	0.00086	0.00197	N/A	N/A
35	0.02791	0.01199	N/A	N/A	0.00114	0.00235	N/A	N/A
40	0.02029	0.01041	N/A	N/A	0.00150	0.00281	N/A	N/A
45	0.01475	0.00904	N/A	N/A	0.00199	0.00335	N/A	N/A
50	0.01072	0.00000	0.0165	0.0309	0.00264	0.00400	N/A	N/A
55	0.00779	0.00000	0.0284	0.0531	0.00349	0.00478	N/A	N/A
56	0.00731	0.00000	0.0347	0.0650	0.00369	0.00495	N/A	N/A
57	0.00686	0.00000	0.0288	0.0539	0.00390	0.00513	N/A	N/A
58	0.00643	0.00000	0.0377	0.0705	0.00413	0.00531	N/A	N/A
59	0.00604	0.00000	0.0607	0.1134	0.00437	0.00551	N/A	N/A
60	0.00566	0.00000	0.0904	0.1691	0.00462	0.00570	N/A	N/A
61	0.00531	0.00000	0.1235	0.2311	0.00489	0.00591	N/A	N/A
62	0.00498	0.00000	0.2510	0.4695	0.00517	0.00612	N/A	N/A
63	0.00468	0.00000	0.2065	0.3863	0.00547	0.00634	N/A	N/A
64	0.00439	0.00000	0.2078	0.3888	0.00579	0.00657	N/A	N/A
65	0.00000	0.00000	0.3008	0.5626	0.00612	0.00681	N/A	N/A
70	0.00000	0.00000	0.1583	0.2960	0.00000	0.00000	N/A	N/A

School Employees (Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of		Service Retirement		Non-Industrial	Non-Industrial	Industrial	Industrial
	Refund ¹	Deferred Benefit	10 Years	25 Years	Death	Disability	Death	Disability
15	0.12074	0.00000	N/A	N/A	0.00013	0.00000	N/A	N/A
20	0.08263	0.03801	N/A	N/A	0.00018	0.00028	N/A	N/A
25	0.05655	0.03132	N/A	N/A	0.00025	0.00036	N/A	N/A
30	0.03870	0.02580	N/A	N/A	0.00034	0.00047	N/A	N/A
35	0.02649	0.02125	N/A	N/A	0.00047	0.00062	N/A	N/A
40	0.01813	0.01751	N/A	N/A	0.00065	0.00081	N/A	N/A
45	0.01241	0.01442	N/A	N/A	0.00090	0.00105	N/A	N/A
50	0.00849	0.00000	0.0189	0.0294	0.00124	0.00138	N/A	N/A
55	0.00581	0.00000	0.0530	0.0824	0.00171	0.00180	N/A	N/A
56	0.00539	0.00000	0.0513	0.0796	0.00182	0.00190	N/A	N/A
57	0.00499	0.00000	0.0529	0.0821	0.00194	0.00201	N/A	N/A
58	0.00463	0.00000	0.0604	0.0937	0.00207	0.00212	N/A	N/A
59	0.00429	0.00000	0.0827	0.1283	0.00221	0.00223	N/A	N/A
60	0.00398	0.00000	0.1203	0.1867	0.00235	0.00236	N/A	N/A
61	0.00369	0.00000	0.1403	0.2177	0.00251	0.00249	N/A	N/A
62	0.00342	0.00000	0.2292	0.3558	0.00268	0.00262	N/A	N/A
63	0.00317	0.00000	0.2162	0.3357	0.00285	0.00277	N/A	N/A
64	0.00294	0.00000	0.2230	0.3463	0.00304	0.00292	N/A	N/A
65	0.00000	0.00000	0.3103	0.4817	0.00325	0.00308	N/A	N/A
70	0.00000	0.00000	0.2182	0.3387	0.00000	0.00000	N/A	N/A

NOTE:

¹ These probabilities apply to those who terminate vested with at least five years of service and withdraw their contributions. Higher probabilities of termination and refund apply to those not yet vested.

Exhibit D—Sample Non-Economic Assumptions (continued)

Public Agency Miscellaneous 2% at 60 (Male)

Probability of Active Members Leaving Due To:

Age	Termination & Election of Refund ¹	Deferred Benefit	Service Retirement ²	Non-Industrial Death	Non-Industrial Disability	Industrial Death	Industrial Disability
15	0.09319	0.00000	N/A	0.00019	0.00033	N/A	N/A
20	0.06393	0.02023	N/A	0.00027	0.00048	N/A	N/A
25	0.04386	0.01818	N/A	0.00039	0.00070	N/A	N/A
30	0.03009	0.01633	N/A	0.00055	0.00102	N/A	N/A
35	0.02064	0.01467	N/A	0.00078	0.00148	N/A	N/A
40	0.01416	0.01318	N/A	0.00110	0.00215	N/A	N/A
45	0.00971	0.01184	N/A	0.00155	0.00313	N/A	N/A
50	0.00666	0.01064	0.02654	0.00219	0.00456	N/A	N/A
55	0.00457	0.00956	0.04813	0.00310	0.00663	N/A	N/A
56	0.00424	0.00935	0.03957	0.00332	0.00715	N/A	N/A
57	0.00393	0.00916	0.04788	0.00356	0.00771	N/A	N/A
58	0.00365	0.00896	0.05500	0.00381	0.00000	N/A	N/A
59	0.00338	0.00877	0.06811	0.00409	0.00000	N/A	N/A
60	0.00314	0.00859	0.12807	0.00438	0.00000	N/A	N/A
61	0.00291	0.00840	0.12426	0.00469	0.00000	N/A	N/A
62	0.00270	0.00823	0.23818	0.00503	0.00000	N/A	N/A
63	0.00250	0.00805	0.21037	0.00539	0.00000	N/A	N/A
64	0.00232	0.00788	0.14311	0.00578	0.00000	N/A	N/A
65	0.00215	0.00771	0.24399	0.00619	0.00000	N/A	N/A
70	0.00000	0.00693	1.00000	0.00875	0.00000	N/A	N/A

Public Agency Miscellaneous 2% at 60 (Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of Refund ¹	Deferred Benefit	Service Retirement ²	Non-Industrial Death	Non-Industrial Disability	Industrial Death	Industrial Disability
15	0.11328	0.00000	N/A	0.00005	0.00022	N/A	N/A
20	0.07966	0.03299	N/A	0.00007	0.00032	N/A	N/A
25	0.05601	0.02910	N/A	0.00012	0.00047	N/A	N/A
30	0.03939	0.02567	N/A	0.00018	0.00069	N/A	N/A
35	0.02770	0.02264	N/A	0.00028	0.00102	N/A	N/A
40	0.01948	0.01997	N/A	0.00044	0.00150	N/A	N/A
45	0.01370	0.01762	N/A	0.00069	0.00220	N/A	N/A
50	0.00963	0.01554	0.03684	0.00108	0.00322	N/A	N/A
55	0.00677	0.01371	0.05390	0.00169	0.00473	N/A	N/A
56	0.00631	0.01337	0.04576	0.00185	0.00511	N/A	N/A
57	0.00588	0.01304	0.04213	0.00202	0.00551	N/A	N/A
58	0.00548	0.01271	0.06735	0.00221	0.00595	N/A	N/A
59	0.00511	0.01240	0.06523	0.00242	0.00000	N/A	N/A
60	0.00476	0.01209	0.09825	0.00264	0.00000	N/A	N/A
61	0.00444	0.01179	0.08696	0.00289	0.00000	N/A	N/A
62	0.00414	0.01150	0.18980	0.00316	0.00000	N/A	N/A
63	0.00386	0.01121	0.17706	0.00346	0.00000	N/A	N/A
64	0.00359	0.01094	0.12882	0.00378	0.00000	N/A	N/A
65	0.00335	0.01067	0.23837	0.00414	0.00000	N/A	N/A
70	0.00000	0.00941	1.00000	0.00647	0.00000	N/A	N/A

NOTES:

¹ These probabilities apply to those who terminate vested with at least five years of service and withdraw their contributions. Higher probabilities of termination and refund apply to those not yet vested.

² These probabilities vary by age and gender only; there was insufficient data to generate retirement rates that varied by age and years of service.

Exhibit D—Sample Non-Economic Assumptions (continued)

Public Agency Police 2% at 50 (Male and Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of Refund ¹	Deferred Benefit	Service Retirement ²	Non-Industrial Death	Non-Industrial Disability	Industrial Death	Industrial Disability
15	0.05382	0.00000	N/A	0.00014	0.00013	0.00008	0.00180
20	0.03226	0.01309	N/A	0.00017	0.00018	0.00011	0.00250
25	0.01934	0.01155	N/A	0.00020	0.00024	0.00014	0.00347
30	0.01159	0.01018	N/A	0.00023	0.00033	0.00018	0.00482
35	0.00695	0.00898	N/A	0.00028	0.00044	0.00023	0.00669
40	0.00417	0.00792	N/A	0.00033	0.00060	0.00029	0.00928
45	0.00250	0.00699	N/A	0.00039	0.00082	0.00038	0.01289
50	0.00150	0.00616	0.05857	0.00046	0.00112	0.00048	0.01789
55	0.00090	0.00544	0.18571	0.00054	0.00000	0.00062	0.02484
56	0.00000	0.00530	0.11855	0.00056	0.00000	0.00065	0.02652
57	0.00000	0.00517	0.07146	0.00058	0.00000	0.00068	0.02832
58	0.00000	0.00504	0.08968	0.00060	0.00000	0.00072	0.03024
59	0.00000	0.00492	0.08743	0.00062	0.00000	0.00076	0.03229
60	0.00000	0.00479	1.00000	0.00064	0.00000	0.00077	0.03448
61	0.00000	0.00000	1.00000	0.00074	0.00000	0.00090	0.00000
62	0.00000	0.00000	1.00000	0.00086	0.00000	0.00106	0.00000
63	0.00000	0.00000	1.00000	0.00099	0.00000	0.00123	0.00000
64	0.00000	0.00000	1.00000	0.00115	0.00000	0.00145	0.00000
65	0.00000	0.00000	1.00000	0.00134	0.00000	0.00170	0.00000
70	0.00000	0.00000	1.00000	0.00279	0.00000	0.00375	0.00000

Public Agency Fire 2% at 50 (Male and Female)

Probability of Active Members Leaving Due To:

Age	Termination & Election of Refund ¹	Deferred Benefit	Service Retirement ²	Non-Industrial Death	Non-Industrial Disability	Industrial Death	Industrial Disability
15	0.01853	0.00000	N/A	0.00014	0.00006	0.00008	0.00022
20	0.01109	0.00669	N/A	0.00017	0.00009	0.00011	0.00040
25	0.00663	0.00590	N/A	0.00020	0.00015	0.00014	0.00073
30	0.00397	0.00521	N/A	0.00023	0.00024	0.00018	0.00133
35	0.00238	0.00460	N/A	0.00028	0.00039	0.00023	0.00242
40	0.00142	0.00406	N/A	0.00033	0.00062	0.00029	0.00441
45	0.00085	0.00358	N/A	0.00039	0.00099	0.00038	0.00802
50	0.00051	0.00316	0.03673	0.00046	0.00158	0.00048	0.01460
55	0.00030	0.00279	0.22109	0.00054	0.00000	0.00062	0.02658
56	0.00000	0.00272	0.11305	0.00056	0.00000	0.00065	0.02997
57	0.00000	0.00265	0.09843	0.00058	0.00000	0.00068	0.03378
58	0.00000	0.00259	0.11843	0.00060	0.00000	0.00072	0.03808
59	0.00000	0.00252	0.10456	0.00062	0.00000	0.00076	0.04293
60	0.00000	0.00246	1.00000	0.00064	0.00000	0.00077	0.04839
61	0.00000	0.00000	1.00000	0.00074	0.00000	0.00090	0.00000
62	0.00000	0.00000	1.00000	0.00086	0.00000	0.00106	0.00000
63	0.00000	0.00000	1.00000	0.00099	0.00000	0.00123	0.00000
64	0.00000	0.00000	1.00000	0.00115	0.00000	0.00145	0.00000
65	0.00000	0.00000	1.00000	0.00134	0.00000	0.00170	0.00000
70	0.00000	0.00000	1.00000	0.00279	0.00000	0.00375	0.00000

NOTES:

¹ These probabilities apply to those who terminate vested with at least five years of service and withdraw their contributions. Higher probabilities of termination and refund apply to those not yet vested.

² These probabilities vary by age; there was insufficient data to generate retirement rates that varied by age and years of service.

Exhibit E—Single Life Retirement Values

Present Value of \$1 Monthly Increasing 2% Annually After Two-Year Waiting Period

Interest Rate of 8.25 Percent

Sample Attained Ages	Service Retirement		Non-Industrial Disability Retirement		Industrial Disability Retirement
	Male	Female	Male	Female	Male & Female
50	152.126	163.362	117.529	136.720	145.932
51	150.276	161.740	116.433	135.621	143.698
52	148.365	160.049	115.296	134.462	141.389
53	146.387	158.299	114.113	133.252	139.011
54	144.335	156.486	112.879	131.972	136.572
55	142.203	154.589	111.600	130.630	134.077
56	139.998	152.616	110.257	129.206	131.533
57	137.713	150.579	108.842	127.707	128.931
58	135.341	148.470	107.348	126.125	126.263
59	132.872	146.285	105.777	124.440	123.557
60	130.325	144.014	104.119	122.654	120.818
61	127.691	141.667	102.363	120.760	118.036
62	124.945	139.235	100.497	118.746	115.262
63	122.104	136.725	98.529	116.638	112.473
64	119.154	134.128	96.435	114.439	109.695
65	116.083	131.448	94.219	112.174	106.906
70	99.989	116.733	81.590	99.598	92.863
75	83.427	99.932	67.325	84.455	78.648
80	67.774	81.953	53.492	67.247	65.175
85	53.408	63.975	41.806	49.547	53.033
90	41.143	48.455	31.914	34.310	40.217
95	31.566	36.451	23.369	23.911	28.431
100	22.448	24.081	16.068	16.363	18.807

Exhibit F—History of Member Salary Data

Year	Number of Active Members	Annual Covered Payroll (in millions)	Average Annual Salary	% Increase In Average Pay
6/30/92	613,600	\$18,992	\$30,952	3.2%
6/30/93	610,084	19,022	31,180	0.7
6/30/94	618,910	19,919	32,184	3.2
6/30/95	619,695	23,559	38,017	18.1
6/30/96	631,166	22,876	36,245	(4.6)
6/30/97	584,735	21,712	37,131	2.4
6/30/98	620,643	22,174	35,727	(3.8)
6/30/99	668,700	25,324	37,870	6.0
6/30/00	707,585	28,098	39,709	4.9
6/30/01	738,959	30,802	41,683	5.0

Exhibit G—Members in Valuation

By Attained Age & Years of Service—June 30, 2001

State Miscellaneous First Tier (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	2,845	4	0	0	0	0	2,849	\$74,532,420
25-29	6,637	372	28	0	0	0	7,037	238,566,041
30-34	8,446	1,982	1,190	13	0	0	11,631	471,994,294
35-39	8,120	2,585	4,675	1,244	101	0	16,725	763,472,492
40-44	7,923	2,722	5,666	3,684	2,885	0	22,880	1,100,857,569
45-49	6,689	2,665	5,565	3,987	8,044	118	27,068	1,369,450,143
50-54	5,196	2,370	4,894	3,713	9,386	1,955	27,514	1,471,742,465
55-59	2,921	1,438	2,857	2,263	5,665	3,351	18,495	1,030,178,898
60-64	1,162	661	1,355	1,092	2,322	2,117	8,709	492,896,179
65 & Up	492	288	542	343	570	584	2,819	159,225,147
Total	50,431	15,087	26,772	16,339	28,973	8,125	145,727	\$7,172,915,648

State Miscellaneous Second Tier (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	572	6	0	0	0	0	578	\$14,368,833
25-29	1,849	464	12	0	0	0	2,325	78,288,564
30-34	1,898	1,546	388	5	0	0	3,837	147,175,424
35-39	1,590	1,501	972	190	16	0	4,269	173,183,801
40-44	1,385	1,271	902	393	335	0	4,286	176,441,403
45-49	1,029	999	772	341	692	13	3,846	164,655,114
50-54	772	746	522	240	695	141	3,116	138,281,575
55-59	392	411	282	105	288	185	1,663	73,315,753
60-64	195	208	133	51	104	104	795	35,208,499
65 & Up	103	119	76	22	17	45	382	16,267,224
Total	9,785	7,271	4,059	1,347	2,147	488	25,097	\$1,017,186,190

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 counting of liabilities.

Exhibit G—Members in Valuation (continued)

By Attained Age & Years of Service—June 30, 2001

State Industrial First & Second Tier (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	258	1	0	0	0	0	259	\$6,411,796
25-29	570	90	4	0	0	0	664	18,886,273
30-34	678	279	111	1	0	0	1,069	34,355,846
35-39	635	382	234	65	2	0	1,318	47,401,646
40-44	656	419	310	118	52	0	1,555	59,673,305
45-49	595	372	367	145	111	0	1,590	64,890,808
50-54	500	306	363	136	92	16	1,413	60,003,954
55-59	249	248	250	95	62	26	930	40,835,908
60-64	76	88	133	56	21	12	386	18,371,072
65 & Up	28	49	59	29	19	6	190	11,645,424
Total	4,245	2,234	1,831	645	359	60	9,374	\$362,476,032

State Safety (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	125	1	0	0	0	0	126	\$3,671,964
25-29	426	51	0	0	0	0	477	17,236,807
30-34	726	269	32	0	0	0	1,027	43,168,840
35-39	861	489	162	19	0	0	1,531	68,980,566
40-44	1,105	690	384	122	22	0	2,323	112,875,454
45-49	1,380	801	563	208	92	0	3,044	155,751,121
50-54	1,189	793	653	248	201	13	3,097	166,577,494
55-59	777	552	417	195	127	17	2,085	119,148,709
60-64	349	293	225	103	55	12	1,037	63,423,787
65 & Up	185	142	96	47	35	10	515	38,826,376
Total	7,123	4,081	2,532	942	532	52	15,262	\$789,661,118

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 counting of liabilities.

Exhibit G—Members in Valuation (continued)

By Attained Age & Years of Service—June 30, 2001

California Highway Patrol (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	128	0	0	0	0	0	128	\$6,250,798
25-29	512	286	0	0	0	0	798	43,867,575
30-34	447	686	200	0	0	0	1,333	77,319,840
35-39	61	369	708	171	3	0	1,312	81,881,399
40-44	3	67	329	605	195	0	1,199	78,690,179
45-49	0	50	35	344	496	2	927	63,199,331
50-54	0	37	1	55	413	132	638	45,908,261
55-59	0	11	0	4	82	233	330	24,718,625
60-64	0	1	0	0	3	8	12	950,235
65 & Up	0	0	0	0	0	0	0	0
Total	1,151	1,507	1,273	1,179	1,192	375	6,677	\$422,786,243

State Peace Officer/Firefighter

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	1,659	22	0	0	0	0	1,681	\$42,220,843
25-29	2,849	1,008	19	0	0	0	3,876	157,324,466
30-34	2,227	3,227	652	23	0	0	6,129	298,637,987
35-39	1,339	2,485	2,505	1,014	11	0	7,354	388,119,746
40-44	953	1,741	2,225	2,336	259	0	7,514	414,109,263
45-49	557	1,166	1,563	2,014	920	37	6,257	365,774,739
50-54	344	689	1,112	1,490	1,115	212	4,962	302,854,494
55-59	141	327	562	671	341	100	2,142	129,862,881
60-64	32	97	185	164	60	31	569	34,401,026
65 & Up	6	13	40	35	10	10	114	6,763,000
Total	10,107	10,775	8,863	7,747	2,716	390	40,598	\$2,140,068,445

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 counting of liabilities.

Exhibit G—Members in Valuation (continued)

By Attained Age & Years of Service—June 30, 2001

School Employees (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	10,319	70	0	0	0	0	10,389	\$212,526,579
25-29	14,418	2,547	47	0	0	0	17,012	393,815,952
30-34	13,635	5,006	1,922	48	0	0	20,611	535,900,677
35-39	15,797	6,082	4,540	1,774	91	0	28,284	774,675,384
40-44	19,268	8,517	6,255	3,375	2,203	0	39,618	1,107,331,041
45-49	17,818	10,318	8,864	4,594	5,189	37	46,820	1,343,928,900
50-54	12,250	8,851	9,937	5,968	6,890	993	44,889	1,364,246,786
55-59	6,486	4,852	6,473	5,030	7,006	1,360	31,207	968,927,604
60-64	2,909	2,355	3,032	2,417	4,476	971	16,160	480,186,616
65 & Up	1,286	1,186	1,298	861	1,640	461	6,732	169,070,905
Total	114,186	49,784	42,368	24,067	27,495	3,822	261,722	\$7,350,610,444

Public Agency Miscellaneous (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	6,869	41	0	0	0	1	6,911	\$174,562,454
25-29	11,591	1,303	61	0	0	0	12,955	443,083,859
30-34	13,040	3,787	1,940	63	0	0	18,830	749,590,154
35-39	12,406	5,157	5,669	1,592	122	0	24,946	1,096,713,139
40-44	12,399	5,664	7,196	3,658	1,755	0	30,672	1,425,310,203
45-49	10,921	5,443	7,211	4,455	4,518	31	32,579	1,585,421,650
50-54	8,794	4,650	6,263	4,228	5,982	728	30,645	1,557,665,210
55-59	4,516	2,610	3,557	2,419	3,449	967	17,518	885,282,802
60-64	1,754	1,152	1,616	1,134	1,331	427	7,414	355,848,980
65 & Up	811	518	509	331	446	108	2,723	107,343,114
Total	83,101	30,325	34,022	17,880	17,603	2,262	185,193	\$8,380,821,565

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 counting of liabilities.

Exhibit G—Members in Valuation (continued)

By Attained Age & Years of Service—June 30, 2001

Public Agency Safety (Male & Female)

Attained Age	Years of Service at Valuation Date						Total	Total Valuation Payroll (\$,000)
	0-4	5-9	10-14	15-19	20-29	30 & Up		
15-24	1,359	6	0	0	0	0	1,365	\$57,074,578
25-29	4,823	765	1	0	0	0	5,589	287,184,322
30-34	4,424	3,227	1,162	4	0	0	8,817	511,299,216
35-39	2,021	2,317	3,713	994	12	0	9,057	583,707,812
40-44	1,011	1,128	2,359	2,450	1,195	0	8,143	563,924,150
45-49	571	584	1,148	1,414	3,166	3	6,886	501,571,816
50-54	338	341	549	634	2,871	352	5,085	383,582,336
55-59	112	116	201	173	696	302	1,600	117,531,446
60-64	39	33	53	31	72	62	290	19,216,116
65 & Up	12	7	12	11	14	17	73	4,724,605
Total	14,710	8,524	9,198	5,711	8,026	736	46,905	\$3,029,816,397

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 counting of liabilities.

Actuarial Certifications—Other Systems

Judges' Retirement System

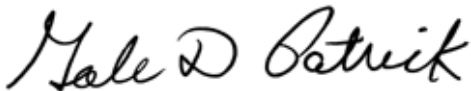
April, 2002

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System; the latest such valuation is as of June 30, 2001.

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, as of June 30, 2001. Based on the employee data provided by the CalPERS Judges', Legislators', and Volunteer Firefighters' Office, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods, as prescribed by the CalPERS Board of Administration, are reasonable for the System.

Further, information has been provided by us for the completion of (i) the trend data schedules (Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through G in the Actuarial Section of the CAFR.



Gale D. Patrick, F.S.A., M.A.A.A.
Enrolled Actuary
Senior Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Judges' Retirement System II

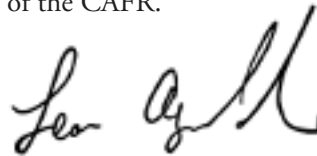
April, 2002

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Judges' Retirement System II; the latest such valuation is as of June 30, 2001.

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 CalPERS Judges' Retirement System II. Based on the employee data provided by the Judges' Retirement System administrative staff at CalPERS, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits plans as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for these plans.

Further, information has been provided by us for the completion of (i) the trend data schedules (Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through G in the Actuarial Section of the CAFR.



Leo Aguinaldo, A.S.A., M.A.A.A.
Associate Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Actuarial Certifications—Other Systems

Legislators' Retirement System

April, 2002

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Legislators' Retirement System; the latest such valuation is as of June 30, 2001.

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. Based on the employee data provided by the CalPERS Judges', Legislators', and Volunteer Firefighters' Office, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits plans as outlined in Appendix B, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for these plans.

Further, information has been provided by us for the completion of (i) the trend data schedules (Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through G in the Actuarial Section of the CAFR.



David Clement, A.S.A., E.A., M.A.A.A.
Associate Pension Actuary, CalPERS



Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Volunteer Firefighters' Length of Service Award System

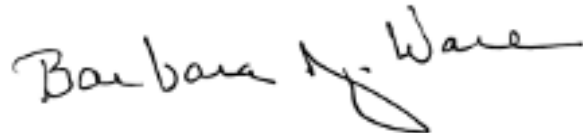
April, 2002

Actuarial Certification

As authorized by the CalPERS Board of Administration, we perform an annual actuarial valuation of the Volunteer Firefighters' Length of Service Award System; the latest such valuation is as of June 30, 2001.

To the best of our knowledge, this report is complete and accurate and contains sufficient information to disclose fully and fairly the funded condition of the Volunteer Firefighters' Length of Service Award System (VFLSAS). Based on the participant and expense data provided by the Manager of the Volunteer Firefighters' System, the statement of assets provided by the CalPERS Fiscal Services Division, and the provisions of the system as outlined in Exhibit 7, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for this plan.

Further, information has been provided by us for the completion of (i) the trend data schedules (Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through G in the Actuarial Section of the CAFR.



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Senior Pension Actuary, CalPERS

The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, Legislators' Retirement System, and the Volunteer Firefighters' Length of Service Award System can be obtained through the CalPERS Actuarial and Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

Statistical Section

Retirement Programs



CalPERS Program Data

Expenses by Type — 10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses ¹	Total
PERF				
2001/02	\$6,431,019,116	\$103,385,701	\$208,687,613	\$6,743,092,430
2000/01	5,792,948,968	128,865,380	183,865,981	6,105,680,329
1999/00	5,176,073,695	140,644,318	175,050,565	5,491,768,578
1998/99	4,776,869,300	160,841,290	145,814,177	5,083,524,767
1997/98	4,425,923,411	160,964,495	128,583,553	4,715,471,459
1996/97	4,097,295,852	153,688,959	108,257,064	4,359,241,875
1995/96	3,846,390,136	138,296,520	80,682,335	4,065,368,991
1994/95	3,557,486,924	130,668,331	67,697,488	3,755,852,743
1993/94	3,290,614,000	133,909,292	60,351,296	3,484,874,588
1992/93	3,027,692,539	124,366,251	50,169,681	3,202,228,471
LRF				
2001/02	\$6,716,646	\$ —	\$244,854	\$6,961,500
2000/01	6,782,467	169,520	234,926	7,186,913
1999/00	6,630,188	163,535	206,000	6,999,723
1998/99	6,855,856	175,155	203,580	7,234,591
1997/98	6,280,344	49,569	203,601	6,533,514
1996/97	6,010,347	479,747	255,234	6,745,328
1995/96	5,585,022	71,818	224,931	5,881,771
1994/95	5,380,690	279,193	156,098	5,815,981
1993/94	5,180,295	356,621	135,580	5,672,496
1992/93	4,956,622	19,028	190,070	5,165,720
JRF				
2001/02	\$109,543,399	\$ —	\$391,760	\$109,935,159
2000/01	99,423,624	—	379,818	99,803,442
1999/00	90,170,743	—	360,000	90,530,743
1998/99	82,503,531	49,456	354,000	82,906,987
1997/98	77,203,643	64,610	355,600	77,623,853
1996/97	74,445,877	641,840	354,000	75,441,717
1995/96	71,665,985	29,422	297,699	71,993,106
1994/95	68,248,989	467,920	239,443	68,956,352
1993/94	63,086,739	186,255	196,732	63,469,726
1992/93	59,877,108	208,828	286,000	60,371,936
JRF II				
2001/02	\$117,545	\$91,536	\$289,622	\$498,703
2000/01	142,234	34,369	283,767	460,370
1999/00	225,607	22,198	175,213	423,018
1998/99	192,697	—	172,000	364,697
1997/98	205,880	—	—	205,880
1996/97	18,736	—	—	18,736
1995/96	—	—	—	—
1994/95	—	—	—	—
VFF				
2001/02	\$66,413	\$ —	\$78,592	\$145,005
2000/01	55,785	—	76,218	132,003
1999/00	41,438	—	75,000	116,438
1998/99	27,015	—	10,000	37,015
1997/98	26,445	—	10,000	36,445
1996/97	11,903	—	9,990	21,893
1995/96	12,215	—	10,000	22,215
1994/95	12,380	—	962	13,342
1993/94	8,880	—	12,620	21,500
1992/93	4,860	—	24,075	28,935
SPOFF				
2001/02	\$3,361,147	\$ —	\$ —	\$3,361,147
2000/01	1,879,169	—	—	1,879,169
1999/00	—	—	—	—
1998/99	—	—	—	—

NOTE:

¹ Excludes investment advisor fees.

CalPERS Program Data

Income by Source — 10-Year Review

	Member Contributions	Employer Contributions	Investment Income ¹	Miscellaneous Income	Total
PERF					
2001/02	\$2,154,742,532	\$800,964,553	(\$9,704,478,936)	\$4,686,138	(\$6,744,085,713)
2000/01	1,766,256,113	321,618,826	(12,255,822,322)	7,480,923	(10,160,466,460)
1999/00	1,751,290,172	362,614,344	16,579,088,181	3,569,729	18,696,562,426
1998/99	1,522,507,527	1,598,316,666	17,621,490,197	1,036,725	20,743,351,115
1997/98	1,443,232,566	2,289,526,403	23,515,372,967	3,531,902	27,251,663,838
1996/97	1,379,743,571	1,986,282,287	20,147,569,883	308,296,547	23,821,892,288
1995/96	1,338,044,978	1,850,103,438	13,135,454,838	1,747,245	16,325,350,499
1994/95	1,290,624,208	1,578,933,781	12,502,185,919	2,342,343	15,374,086,251
1993/94	1,229,162,593	1,518,539,347	1,481,281,615	9,000,960	4,237,984,515
1992/93	1,183,545,532	1,454,682,211	9,649,572,002	3,359,011	12,291,158,756
LRF					
2001/02	\$14,161	\$ —	(\$3,781,146)	\$ —	(\$3,766,985)
2000/01	33,461	—	280,786	—	314,247
1999/00	178,860	339,351	9,788,721	—	10,306,932
1998/99	290,360	661,086	14,141,442	—	15,092,888
1997/98	312,546	674,777	22,924,284	58,708	23,970,315
1996/97	303,190	2,470,417	19,181,419	—	21,955,026
1995/96	422,381	575,032	13,299,421	—	14,296,534
1994/95	419,026	576,036	13,885,208	—	14,880,270
1993/94	444,540	596,331	(1,762,051)	—	(721,180)
1992/93	554,581	698,254	11,677,200	—	12,930,035
JRF					
2001/02	\$11,713,777	\$65,319,883	\$1,002,742	\$4,521,326	\$82,557,728
2000/01	11,377,068	91,019,008	3,754,582	4,509,380	110,660,038
1999/00	11,251,836	74,079,308	2,513,315	4,354,631	92,199,090
1998/99	11,098,731	84,352,990	1,776,583	4,121,354	101,349,658
1997/98	11,189,380	56,215,389	995,548	4,484,772	72,885,089
1996/97	11,837,184	56,361,102	1,266,708	—	69,464,994
1995/96	12,754,764	60,933,334	1,561,546	—	75,249,644
1994/95	12,389,358	49,725,805	1,274,102	—	63,389,265
1993/94	11,911,857	42,100,432	1,024,436	—	55,036,725
1992/93	11,461,805	62,243,640	943,544	—	74,648,989
JRF II					
2001/02	\$5,290,599	\$12,487,052	(\$3,870,979)	\$ —	\$13,906,672
2000/01	4,196,862	9,754,298	(2,863,230)	—	11,087,930
1999/00	3,209,544	7,460,518	2,734,601	—	13,404,663
1998/99	2,733,245	7,354,353	2,393,724	—	12,481,322
1997/98	1,948,588	5,455,217	1,803,800	—	9,207,605
1996/97	1,197,298	3,026,029	649,854	—	4,873,180
1995/96	626,033	1,507,116	15,247	—	2,148,396
1994/95	71,475	167,999	—	—	239,474
VFF					
2001/02	\$ —	\$93,889	(\$200,067)	\$ —	(\$106,178)
2000/01	—	193,530	(110,985)	—	82,545
1999/00	—	202,395	130,123	—	332,518
1998/99	—	50,916	257,919	—	308,835
1997/98	—	166,708	323,592	—	490,300
1996/97	—	162,880	244,392	—	407,272
1995/96	—	54,844	129,586	—	184,430
1994/95	—	58,515	117,289	—	175,804
1993/94	—	99,848	2,287	—	102,135
1992/93	—	72,313	41,500	651	114,464
SPOFF					
2001/02	\$ —	\$34,171,776	(\$7,286,207)	\$ —	\$26,885,569
2000/01	—	33,236,879	(4,457,441)	—	28,779,438
1999/00	—	30,011,229	2,205,566	—	32,216,795
1998/99	—	15,518,376	529,477	—	16,047,853

NOTE:

¹ Includes net appreciation or depreciation in fair value of investments, as restated, beginning in fiscal year 1992/93 with the adoption of GASB Statement No. 25.

CalPERS Program Data

Primary Benefits

Benefits are paid according to the category of employment and the type of benefit coverage provided by an employer. Local agencies have variations in benefits due to their specific contract obligations with CalPERS.

The four 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 Department of Corrections and the California Youth Authority 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 Personnel Administration.

Separation from Employment/Refunds

At permanent separation from employment, members may either leave their contributions on deposit and defer retirement¹ 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.

Service Retirement

State Miscellaneous and State Industrial Members (First Tier), School Members, and University Members 2 Percent at 55 Formula

Service Not Coordinated With Social Security—A guarantee of 2 percent of final compensation² at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate, or after age 55 to age 63 with an increased rate.

Service Coordinated With Social Security—Same basic benefit rate; however, there is a reduction of \$133.33 of final compensation.³

Local Miscellaneous Members 2 Percent at 60 Formula

Service Not Coordinated With Social Security—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 after age 60 to age 63 with an increased rate.

Service Coordinated With Social Security—Same basic benefit rate; however, there is a reduction of \$133.33 of final compensation.

NOTES:

¹ A member with less than the required amount of service credit must return to CalPERS-covered employment to obtain the minimum service credit required to be eligible for retirement.

² The term “final compensation” appears throughout this section. It means the average pay earned over the last three consecutive years of employment (or one year for State and school members or as a contract option for local members) unless the member elects a different period with a higher average.

³ School member final compensation for service on and after January 1, 2001 is not subject to reduction.

CalPERS Program Data

State Miscellaneous and State Industrial Members (Second Tier)

1.25 Percent at 65 Formula

A guarantee of 1.25 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55 or age 50, with a reduced benefit rate, if combined First Tier and Second Tier service.

Local Miscellaneous Members (Second Tier)

1.50 Percent at 65 Formula

A guarantee of 1.50 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55 or age 50, with a reduced benefit rate, if combined First Tier and Second Tier service.

Local Miscellaneous Members 2 Percent at 55 Formula

Service Not Coordinated With Social Security—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 to age 63 with an increased rate.

Service Coordinated With Social Security—Same basic benefit rate; however, there is a reduction of \$133.33 of final compensation.

Local Miscellaneous Members 2.5 Percent at 55 Formula

Service Not Coordinated With Social Security—A guarantee of 2.5 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.

Service Coordinated With Social Security—Same basic benefit rate; however, there is a reduction of \$133.33 of final compensation.

Local Miscellaneous Members 2.7 Percent at 55 Formula

Service Not Coordinated With Social Security—A guarantee of 2.7 percent of final compensation at age 55 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.

Service Coordinated With Social Security—Same basic benefit rate; however, there is a reduction of \$133.33 of final compensation.

Local Miscellaneous Members 3 Percent at 60 Formula

Service Not Coordinated With Social Security—A guarantee of 3 percent of final compensation at age 60 for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate.

Service Coordinated With Social Security—Same basic benefit rate; however, there is a reduction of \$133.33 of final compensation.

Local Safety Members 2 Percent at 50 Formula

2 percent of final compensation for each year of service for retirement at age 50, with improvements to age 55. The maximum allowance payable is 90 percent of final compensation.

Local Safety Members 2 Percent at 55 Formula

2 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent of final compensation. Retirement may begin at age 50 with a reduced benefit rate.

Local Safety Members ½ Pay at 55 Formula

This benefit is no longer available as a contract amendment. Only a small number of local agencies are still covered under this formula which guarantees one-half of final compensation at age 55 with 20 or more years of service credit. Retirement may begin at age 50 with a reduced benefit rate.

State Safety Members and Local Safety Members 2.5 Percent at 55 Formula

This benefit is no longer available as a contract amendment. 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 for State safety members and 90 percent for local safety members. Retirement may begin at age 50 with a reduced benefit rate.

CalPERS Program Data

State Patrol Members and Local Safety Members

3 Percent at 50 Formula

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 for State patrol members and local safety members.

State Peace Officer/Firefighter Members and Local Safety Members

3 Percent at 55 Formula

3 percent of final compensation for each year of service for retirement at age 55. The maximum allowance payable is 90 percent for State peace officer/firefighter members and local safety members.

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 33⅓ 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 33⅓ 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 Local Second Tier Members

A monthly allowance of 1.35 percent of final compensation for each year of service, improved under certain conditions to 33⅓ 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 member must be serving in one of these categories at the time the industrial disability occurs. If membership in the category began after January 1, 1980, the allowance cannot exceed the service retirement payable if the member's service had continued to age 55 for patrol, peace officer/firefighter, safety, or local safety members; age 63 if a miscellaneous or industrial member; or age 65 if a State or local Second Tier member. State members in certain bargaining units are eligible for 60 percent of final compensation if disabled for any job in State service and the injury occurred on or after January 1, 1993 and on or before December 31, 1999.

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)

Basic Death Benefit—All Members Except State Employees

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.

CalPERS Program Data

Basic Death Benefit—State Employees 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 Employees 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).

Alternate Death Benefit¹—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 until death, then to children under age 18. It is calculated similarly to pre-retirement Option 2 (if the beneficiary is a spouse), 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 minor child may receive continued health and dental insurance with the Alternate Death Benefit.

Alternate Death Benefit for Firefighters—Local Agency Employers Contracting for This Benefit, With 20 Years or More of Total Service Credit

A monthly non-job-related allowance payable to a surviving spouse until death, then to children under age 18. It is calculated similarly to pre-retirement Option 2 (if the beneficiary is a spouse, even if the agency does not contract separately for the pre-retirement Option 2 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 Optional Settlement 2 Benefit—Local Agencies by Contract, Married

A monthly allowance payable to the surviving spouse until death, equal to what the deceased member would have received had they retired on the date of their death and elected Optional Settlement 2W.

Pre-Retirement Optional Settlement 2 Benefit¹—For All State Members, Married

A monthly allowance payable to the surviving spouse until death, equal to what the deceased member would have received had they retired on the date of their death and elected Optional Settlement 2W.

1957 Survivor Benefit¹—Local Members, Married

For all married members eligible to retire, a monthly allowance payable to the surviving spouse 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 Benefit¹—All Members, Not Married

For all unmarried members eligible to retire with surviving minor children, 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.

NOTE:

¹ The surviving spouse of other than a State member, or guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse of a State member may elect the Basic Death Benefit or the Optional Settlement 2 Death Benefit.

CalPERS Program Data

1959 Survivor Benefit—State and School Members and by Contract Option, Local Agency Members Not Coordinated With Social Security

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 Patrol, State and Local Safety, State Industrial, and State Peace Officer/Firefighter Members, State Miscellaneous² and Local Miscellaneous by Contract Amendment²

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse 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 Benefit¹—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.

Death Benefits (After Retirement)

Basic Death Benefit—State Members Only

A \$2,000 lump sum payable in addition to any optional settlement elected.

Basic Death Benefit—Local and School Members

A \$500, \$600, \$2,000, \$3,000, \$4,000, or \$5,000 lump sum (depending on the employer contract) payable in addition to any optional settlement elected.

Survivor Continuance Benefit—State Members, School Members and, by Contract Option, Local Agency Members

Service Not Coordinated With Social Security—50 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.

Service Coordinated With Social Security—25 percent of the deceased member's unmodified retirement allowance amount will continue to an eligible survivor.

Optional Settlements

For All Members

All the disability and service retirement allowances discussed in this section are the highest (unmodified) allowances payable to a retired member. There are six optional settlements to allow a member to reduce their allowance to provide a benefit to a named beneficiary at the member's death. Under two of these options, if the beneficiary predeceases the member, the member's allowance will be increased to the higher (unmodified) amount.

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).

For State Second Tier Members Only

A fixed 3 percent compounded annually.

NOTES:

¹ The surviving spouse or beneficiary may be eligible for the Special Death Benefit if the member's death is job-related.

² 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.

CalPERS Program Data

Membership & Retirement Data

Three-Year Review

	2002	2001	2000
Active & Inactive Members			
State Members			
State Miscellaneous	227,522	219,095	208,227
University of California	258	281	347
State Industrial	10,997	11,390	10,960
California Highway Patrol	11,754	6,668	6,542
State Safety	17,478	16,390	15,521
Peace Officer/Firefighter (POF)	45,801	42,950	40,675
Total State Members	313,810	296,774	282,272
Contracting Public Agency Members			
Schools	358,837	337,160	316,862
Cities	154,871	144,557	136,705
Counties	87,887	80,743	74,921
Districts & Other Public Agencies	66,772	57,398	53,021
Total Public Agency Members	668,367	619,858	581,509
Total Members—Active & Inactive	982,177	916,632	863,781
Retired Members & Active Member Death Benefit Recipients			
Service	313,762	303,427	292,402
Disability	41,036	40,207	38,925
Industrial Disability	26,948	25,644	24,363
Industrial Death	931	928	914
1957 Survivor Benefit	2,714	2,625	2,568
1959 Survivor Benefit	2,735	2,709	2,656
Total Recipients	388,126¹	375,540	361,828

NOTE:

¹ This total differs from Total Benefit Recipients on page 120. Total Recipients shown here include Active Death Benefits paid as a result of a member death prior to retirement.

CalPERS Program Data

Active & Inactive Members

Employer/Category	Active	Inactive	Total
State Miscellaneous— First Tier	156,161	27,806	183,967
State Miscellaneous— Second Tier	19,542	24,013	43,555
State Industrial— First Tier	7,442	744	8,186
State Industrial— Second Tier	1,764	1,047	2,811
Highway Patrol	10,284	1,470	11,754
State Safety	14,844	2,634	17,478
Peace Officer/Firefighter	40,820	4,981	45,801
University of California ¹	43	215	258
Total State Members	250,900	62,910	313,810
School—Miscellaneous	292,905	65,362	358,267
School—Safety	425	145	570
Total School Members	293,330	65,507	358,837
Public Agency— Miscellaneous	204,018	51,351	255,369
Public Agency— Safety	47,537	6,624	54,161
Total Public Agency Members	251,555	57,975	309,530
Total Members	795,785	186,392	982,177

NOTES:

¹ The number of University of California members continues to decline since new employees must join the University of California Retirement System (UCRS).

² 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).

³ 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. The total includes only those recipients receiving a monthly allowance, and does not include recipients of one-time only payments.

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$5,023,585,476
Disability Retirement	395,028,004
Industrial Disability Retirement	700,349,277
PPPA Payments ²	82,516,981
Total	\$6,201,479,738
Basic Death Benefit/ Group Term Life Insurance	\$38,555,448
1957 Survivor Benefit	42,917,465
1959 Survivor Benefit	25,242,446
Industrial Death Allowance	23,117,626
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	99,706,393
Total	\$229,539,378
Grand Total	\$6,431,019,116

Benefit Recipients by Employer Category ³

Employer	Retired Members	Survivors & Beneficiaries	Total
State Miscellaneous— First Tier	91,711	19,314	111,025
State Miscellaneous— Second Tier	2,434	301	2,735
State Industrial— First Tier	2,947	498	3,445
State Industrial— Second Tier	100	6	106
Highway Patrol	4,911	801	5,712
State Safety	16,115	2,239	18,354
Peace Officer/ Firefighter	1,694	164	1,858
Total State	119,912	23,323	143,235
School—Miscellaneous	97,857	15,874	113,731
School—Safety	0	0	0
Total School	97,857	15,874	113,731
Public Agency— Miscellaneous	81,316	13,957	95,273
Public Agency—Safety	26,010	3,497	29,507
Total Public Agency	107,326	17,454	124,780
Total	325,095	56,651	381,746

CalPERS Program Data

Benefit Payments by Type

Six-Year Review

Category	2002	2001	2000	1999	1998	1997
Service Retirement	\$5,023,585,476	\$4,527,931,149	\$3,969,347,915	\$3,656,434,639	\$3,390,510,194	\$3,139,152,421
Disability Retirement	395,028,004	367,110,934	331,413,880	304,240,355	277,987,958	254,721,027
Industrial Disability Retirement	700,349,277	620,520,770	547,420,009	496,096,480	450,725,838	413,293,235
PPPA Payments	82,516,981	122,985,198	186,743,547	182,989,884	193,701,094	197,922,188
Total	\$6,201,479,738	\$5,638,548,051	\$5,034,925,351	\$4,639,761,358	\$4,312,925,084	\$4,005,088,871
Basic Death Benefit/ Group Term Life Insurance	\$38,555,448	\$39,833,188	\$42,270,500	\$36,875,983	\$37,431,073	\$32,393,565
1957 Survivor Benefit	42,917,465	39,475,959	38,318,792	31,734,005	31,909,007	29,997,145
1959 Survivor Benefit	25,242,446	24,292,309	23,934,323	12,410,800	11,536,209	10,862,301
Industrial Death Allowance	23,117,626	20,305,890	18,184,723	16,149,980	15,376,889	14,326,878
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	99,706,393	30,493,571	18,440,006	39,937,173	16,745,149	4,627,092
Total	\$229,539,378	\$154,400,917	\$141,148,344	\$137,107,941	\$112,998,327	\$92,206,981
Grand Total	\$6,431,019,116	\$5,792,948,968	\$5,176,073,695	\$4,776,869,299	\$4,425,923,411	\$4,097,295,852

CalPERS Program Data

Average Benefit Payments—as of June 30, 2001¹

Six-Year Review

Retirement Effective Dates	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2000/01							
Average Monthly Benefit	\$599	\$614	\$990	\$1,323	\$1,810	\$2,875	\$4,138
Average Final Monthly Salary ²	\$4,504	\$3,289	\$3,517	\$3,604	\$3,937	\$4,750	\$5,371
Number of Retirees	453	2,620	4,082	3,284	3,024	2,948	4,794
1999/00							
Average Monthly Benefit	\$478	\$568	\$921	\$1,221	\$1,705	\$2,515	\$3,710
Average Final Monthly Salary ²	\$4,028	\$3,227	\$3,397	\$3,480	\$3,831	\$4,460	\$5,026
Number of Retirees	403	2,229	3,222	2,442	2,402	2,074	2,903
1998/99							
Average Monthly Benefit	\$435	\$521	\$851	\$1,135	\$1,522	\$2,424	\$3,351
Average Final Monthly Salary ²	\$3,795	\$3,116	\$3,230	\$3,346	\$3,621	\$4,411	\$4,844
Number of Retirees	312	2,249	3,081	2,387	2,264	2,044	2,475
1997/98							
Average Monthly Benefit	\$574	\$514	\$823	\$1,085	\$1,613	\$2,529	\$3,401
Average Final Monthly Salary ²	\$3,017	\$2,911	\$3,085	\$3,143	\$3,524	\$4,320	\$4,687
Number of Retirees	239	1,713	2,220	1,872	1,830	1,630	2,111
1996/97							
Average Monthly Benefit	\$495	\$500	\$762	\$1,077	\$1,515	\$2,632	\$3,275
Average Final Monthly Salary ²	\$2,043	\$2,740	\$2,826	\$3,000	\$3,418	\$4,078	\$4,562
Number of Retirees	371	2,254	2,438	2,345	2,051	1,681	2,284
1995/96 ³							
Average Monthly Benefit	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average Final Monthly Salary ²	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Retirees	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTES:

¹ June 30, 2001 is the latest Average Benefit Payment information available.

² Average Final Monthly Salary is the average of all salaries earned by all retirees in the last year of employment prior to retirement.

³ Starting with the June 30, 2001 Comprehensive Annual Financial Report, CalPERS changed the mechanism for reporting this information. Data for 1995/96 is not available for reporting.

CalPERS Public Agency Employers

Contract Actions Summary

On June 30, 2002, 1,448 public agency contracts provided retirement, death, and survivor benefits for employees of 57 county superintendents of schools; four school district offices; 441 cities and towns; 36 counties; and 910 districts and other public agencies. The 57 county superintendents of schools contracts provide benefits for 1,071 school districts, bringing the total number of public agency employers to 2,519.

	Added	Merged	Terminated	Total
County Superintendents of Schools (for 1,071 school districts)	—	—	—	57
Los Angeles City Schools and Community College Districts	—	—	—	2
Los Angeles County Superintendents of Schools and San Diego County Superintendent of Schools	—	—	—	2
Cities/Towns	3	—	—	441
Counties	—	—	—	36
Districts and Other Public Agencies	33	-1	-1	910
Total Public Agency Contracts	36	-1	-1	1,448

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 approximately 63 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 the 2001-02 fiscal year, 694 benefit changes were made through 392 contract amendments. Of these changes, 46 were to provide the 2% at 55 formula for local miscellaneous members; six were to provide the 2% at 50 formula for safety members; 66 were to provide the 3% at 50 formula for local safety members; and 20 were to provide the 3% at 55 formula for safety members.

On January 1, 2002 legislation provided the following new benefit formulas for active local miscellaneous members: 3% at 60, 2.5% at 55, and 2.7% at 55.

Two Years of Additional Service Credit—The 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 schools 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 2001-02 fiscal year, eight public agencies amended their contracts to provide the two years of additional service credit and nine additional window periods were established. The County Offices of Education established 53 additional window periods for the Golden Handshake benefit.

Popular Benefit Amendments

2% at 50 Local Safety Formula	6 amendments
2% at 55 Local Misc. Formula	46 amendments
2.5% at 55 Local Misc. Formula	6 amendments
2.7% at 55 Local Misc. Formula	15 amendments
3% at 50 Local Safety Formula	66 amendments
3% at 55 Local Safety Formula	20 amendments
3% at 60 Local Misc. Formula	15 amendments
One Year Final Compensation	61 amendments
Two Years Additional Service Credit for Unused Sick Leave	8 amendments
Military Service Credit	26 amendments
1959 Survivor Benefits	57 amendments
Third Level	1 amendment
Fourth Level	35 amendments
Indexed Level	14 amendments

CalPERS Public Agency Employers

Mergers

The Redevelopment Agency of the City of Sacramento merged into Sacramento City Housing Authority, effective July 1, 2001.

The Lakeport County Fire Protection District was established from a merger of the fire function from the City of Lakeport, effective January 1, 2002.

Terminations

During the year, the San Jose University, Associated Students terminated their contract.

New Contracts

During the 2001-02 fiscal year, 36 additional agencies contracted with CalPERS for retirement, death, and survivor benefits. The new contracting agencies are:

Effective Date	Public Agency	Miscellaneous Member Formula	Safety Member Formula
7/01/01	Fontana Unified School District		3% at 50
7/01/01	LaHabra Heights County Water District	2% at 60	
7/01/01	Oakdale Irrigation District	2% at 60	
8/01/01	Copperopolis Fire Protection District	2% at 55	2% at 50
8/12/01	South Orange County Wastewater Authority	2% at 55	
8/25/01	Kern Health Systems	2% at 50	
9/01/01	Personal Assistance Services Council	2% at 55	
9/01/01	Marin Healthcare District	2% at 60	
9/02/01	Mendocino Transit Authority	2% at 60	
9/17/01	Mission Springs Water District	2% at 55	
10/01/01	Del Puerto Water District	2% at 55	
10/16/01	Elk Grove, City of	2% at 55	
12/16/01	Yuima Municipal Water District	2% at 55	
12/20/01	Sweetwater Springs Water District	2% at 60	
12/24/01	Placer County Mosquito Abatement District	2% at 55	
1/02/02	Lakeport County Fire Protection District	2% at 55	2% at 50
1/07/02	Millview County Water District	2% at 60	
1/28/02	Health Plan of San Joaquin	2% at 60	
2/02/02	Irvine, City of		3% at 50
2/11/02	Local and Sub-Regional Government Services Authority	2% at 55	
2/17/02	Suisun Resource Conservation District	2% at 55	
3/01/02	Crockett-Valone Sanitary District	2% at 60	
3/09/02	Parlier, City of	2% at 55	2% at 55
3/27/02	Jurupa Area Recreation and Park District	2% at 60	
4/07/02	Northern California Power Agency	2% at 60	
4/16/02	Florin Resource Conservation District/Elk Grove Water Works	2% at 55	
4/21/02	Beaumont-Cherry Valley Water District	2% at 55	
5/26/02	Marin Children and Families Commission	3% at 60	
6/01/02	Reclamation District No. 3	2% at 60	
6/16/02	Academic Senate for California Community Colleges	2% at 60	
6/17/02	Lower Lake County Waterworks District No. 1	2% at 60	
6/17/02	San Gabriel Valley Council of Governments	2% at 55	
6/22/02	Lake Shastina Community Services District	2% at 55	
6/22/02	Napa County Resource Conservation District	3% at 60	
6/29/02	Newcastle, Rocklin, Gold Hill Cemetery District	2% at 60	
6/29/02	South Central Los Angeles Regional Center for Developmentally Disabled Persons	3% at 60	

CalPERS Public Agency Employers

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	Sacramento
Contra Costa	San Bernardino
Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Mendocino	Stanislaus
Merced	Tulare
Orange	Ventura

The University of California Retirement Plan (UCRP)

Reciprocal Public Retirement Systems

California Administrative Services Authority
 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 Employees Retirement System
 Fresno Fire and Police Retirement System
 Long Beach Schools Business Management Authority
 Los Angeles, City of
 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
 Legislators' Retirement System
 California State Teachers' Retirement System

Participating Public Agencies by Type

Total number of CalPERS members for each agency follows its name.

County Superintendents of Schools

Alameda - 13,180	Orange - 26,228
Alpine - 32	Placer - 3,163
Amador - 228	Plumas - 407
Butte - 3,058	Riverside - 16,152
Calaveras - 522	Sacramento - 14,407
Colusa - 316	San Benito - 674
Contra Costa - 8,590	San Bernardino - 19,315
Del Norte - 209	San Diego - 31,105
El Dorado - 2,051	San Joaquin - 5,995
Fresno - 10,182	San Luis Obispo - 2,568
Glenn - 451	San Mateo - 6,623
Humboldt - 2,366	Santa Barbara - 4,671
Imperial - 2,632	Santa Clara - 16,877
Inyo - 288	Santa Cruz - 2,968
Kern - 9,500	Shasta - 2,299
Kings - 1,539	Sierra - 64
Lake - 961	Siskiyou - 807
Lassen - 471	Solano - 3,653
Los Angeles - 51,494	Sonoma - 5,150
Madera - 1,276	Stanislaus - 6,104
Marin - 2,432	Sutter - 596
Mariposa - 199	Tehama - 910
Mendocino - 1,708	Trinity - 281
Merced - 3,622	Tulare - 6,146
Modoc - 1,161	Tuolumne - 529
Mono - 214	Ventura - 8,043
Monterey - 5,625	Yolo - 1,769
Napa - 1,613	Yuba - 863
Nevada - 860	Total - 57

School District Offices

Los Angeles Unified School District - 40,869
 Los Angeles Community College District - 2,821
 Los Angeles County Office of Education - 3,574
 San Diego County Office of Education - 976

Total - 4

CalPERS Public Agency Employers

Counties

Alpine - 104	Kings - 1,702	Placer - 3,248	Siskiyou - 1,003
Amador - 644	Lake - 1,206	Plumas - 612	Solano - 3,810
Butte - 2,661	Lassen - 606	Riverside - 18,271	Sutter - 1,238
Calaveras - 594	Madera - 1,533	San Benito - 608	Tehama - 1,184
Colusa - 410	Mariposa - 380	San Francisco City & County ¹ - 1,487	Trinity - 697
Del Norte - 651	Modoc - 494	Santa Clara - 19,892	Tuolumne - 1,391
El Dorado - 2,390	Mono - 371	Santa Cruz - 3,519	Yolo - 2,304
Glenn - 669	Monterey - 5,872	Shasta - 2,397	Yuba - 1,211
Humboldt - 2,443	Napa - 1,647	Sierra - 151	
Inyo - 588	Nevada - 1,386		Total - 36

Cities

Adelanto - 15	Blythe - 124	Commerce - 186	Escondido - 1,070
Agoura Hills - 41	Bradbury - 2	Compton - 758	Etna - 7
Alameda - 807	Brawley - 170	Concord - 696	Eureka - 316
Albany - 106	Brea - 505	Corcoran - 86	Exeter - 16
Alhambra - 642	Brentwood - 258	Corning - 47	Fairfax - 61
Alturas - 30	Brisbane - 128	Corona - 914	Fairfield - 675
American Canyon - 70	Buellton - 20	Coronado - 333	Farmersville - 38
Anaheim - 3,033	Buena Park - 423	Corte Madera - 92	Fillmore - 51
Anderson - 67	Burbank - 1,631	Costa Mesa - 926	Firebaugh - 60
Angels - 40	Burlingame - 349	Cotati - 58	Folsom - 619
Antioch - 437	Calabasas - 97	Covina - 308	Fontana - 577
Apple Valley - 76	Calexico - 247	Crescent City - 81	Fort Bragg - 72
Arcadia - 407	California City - 114	Cudahy - 33	Fortuna - 71
Arcata - 132	Calimesa - 12	Culver City - 909	Fountain Valley - 301
Arroyo Grande - 114	Calipatria - 29	Cupertino - 203	Fowler - 29
Artesia - 57	Calistoga - 62	Cypress - 230	Fremont - 1,231
Arvin - 41	Camarillo - 167	Daly City - 806	Fullerton - 745
Atascadero - 161	Campbell - 222	Dana Point - 56	Galt - 180
Atherton - 88	Canyon Lake - 6	Davis - 542	Garden Grove - 866
Atwater - 149	Capitola - 103	Del Mar - 72	Gardena - 526
Auburn - 115	Carlsbad - 727	Del Rey Oaks - 12	Gilroy - 308
Avalon - 70	Carmel-By-The-Sea - 132	Desert Hot Springs - 65	Glendale - 2,333
Avenal - 38	Carpinteria - 48	Diamond Bar - 65	Glendora - 248
Azusa - 400	Carson - 407	Dinuba - 176	Gonzales - 46
Bakersfield - 1,456	Cathedral City - 245	Dixon - 117	Grand Terrace - 67
Baldwin Park - 635	Cerritos - 543	Dos Palos - 33	Grass Valley - 131
Banning - 190	Chico - 424	Downey - 547	Greenfield - 47
Barstow - 161	Chino - 469	Duarte - 66	Gridley - 54
Beaumont - 69	Chowchilla - 65	Dublin - 98	Grover Beach - 85
Bell - 154	Chula Vista - 1,280	Dunsmuir - 14	Guadalupe - 59
Bell Gardens - 170	Citrus Heights - 53	East Palo Alto - 53	Gustine - 24
Bellflower - 123	Claremont - 267	El Cajon - 740	Half Moon Bay - 76
Belmont - 195	Clayton - 38	El Centro - 326	Hanford - 266
Belvedere - 27	Clearlake - 68	El Cerrito - 194	Hawaiian Gardens - 92
Benicia - 288	Cloverdale - 58	El Monte - 527	Hawthorne - 546
Berkeley - 2,030	Clovis - 702	El Segundo - 431	Hayward - 1,095
Beverly Hills - 1,110	Coachella - 69	Elk Grove - 25	Healdsburg - 142
Biggs - 10	Colma - 54	Emeryville - 92	Hemet - 375
Bishop - 41	Colton - 457	Encinitas - 258	Hercules - 162
Blue Lake - 10	Colusa - 45	Escalon - 48	Hermosa Beach - 209

NOTE:

¹ This agency has both city and county employees and is listed in both areas; however, it is included only in the “total” count of the Cities category.

CalPERS Public Agency Employers

Cities

Hesperia - 104	Los Gatos - 254	Palm Springs - 577	San Dimas - 93
Hidden Hills - 5	Loyalton - 3	Palmdale - 363	San Fernando - 155
Highland - 39	Lynwood - 359	Palo Alto - 1,378	San Francisco City & County ¹ - 1,487
Hillsborough - 135	Madera - 292	Palos Verdes Estates - 87	San Gabriel - 164
Hollister - 210	Malibu - 70	Paradise - 114	San Jacinto - 105
Hughson - 37	Mammoth Lakes - 113	Paramount - 145	San Joaquin - 18
Huntington Beach - 1,256	Manhattan Beach - 324	Parlier - 29	San Jose - 12
Huntington Park - 233	Manteca - 370	Pasadena - 2,055	San Leandro - 545
Imperial - 43	Marina - 109	Paso Robles - 171	San Luis Obispo - 471
Imperial Beach - 88	Martinez - 56	Patterson - 72	San Marcos - 221
Indian Wells - 41	Marysville - 101	Perris - 74	San Marino - 125
Indio - 216	Maywood - 75	Petaluma - 406	San Mateo - 763
Industry - 44	Menlo Park - 364	Pico Rivera - 219	San Pablo - 161
Inglewood - 1,066	Merced - 473	Piedmont - 131	San Ramon - 244
Ione - 20	Mill Valley - 198	Pinole - 151	Sand City - 31
Irwindale - 83	Millbrae - 209	Pismo Beach - 111	Sanger - 133
Irvine - 139	Milpitas - 610	Pittsburg - 305	Santa Ana - 2,086
Jackson - 38	Mission Viejo - 151	Placentia - 166	Santa Barbara - 1,544
King City - 62	Modesto - 1,323	Placerville - 99	Santa Clara - 1,180
Kingsburg - 69	Monrovia - 344	Pleasant Hill - 185	Santa Clarita - 487
La Canada Flintridge - 30	Montague - 7	Pleasanton - 561	Santa Cruz - 1,108
La Habra - 508	Montclair - 284	Pomona - 836	Santa Fe Springs - 261
La Habra Heights - 21	Monte Sereno - 11	Port Hueneme - 165	Santa Maria - 541
La Mesa - 321	Montebello - 641	Porterville - 302	Santa Monica - 2,306
La Mirada - 116	Monterey - 620	Portola - 14	Santa Paula - 163
La Palma - 101	Monterey Park - 447	Portola Valley - 15	Santa Rosa - 1,449
La Puente - 52	Moorpark - 78	Poway - 273	Santee - 145
La Quinta - 95	Moraga - 31	Rancho Cucamonga - 438	Saratoga - 97
La Verne - 192	Moreno Valley - 479	Rancho Mirage - 93	Sausalito - 147
Laguna Beach - 298	Morgan Hill - 234	Rancho Palos Verdes - 112	Scotts Valley - 111
Laguna Hills - 39	Morro Bay - 142	Red Bluff - 127	Seal Beach - 132
Laguna Niguel - 95	Mountain View - 851	Redding - 916	Seaside - 188
Laguna Woods - 6	Mt. Shasta - 44	Redlands - 567	Sebastopol - 55
Lake Elsinore - 69	Murrieta - 142	Redondo Beach - 671	Selma - 149
Lake Forest - 59	Napa - 463	Redwood City - 855	Shafter - 134
Lakeport - 61	National City - 408	Reedley - 131	Shasta Lake - 52
Lakewood - 306	Needles - 184	Rialto - 415	Sierra Madre - 88
Lancaster - 445	Nevada City - 32	Richmond - 1,112	Signal Hill - 167
Larkspur - 72	Newark - 296	Ridgecrest - 145	Simi Valley - 734
Lathrop - 80	Newman - 47	Rio Vista - 48	Solana Beach - 82
Lawndale - 103	Newport Beach - 1,030	Ripon - 18	Soledad - 19
Lemon Grove - 76	Norco - 148	Riverbank - 68	Solvang - 42
Lemoore - 126	Norwalk - 285	Riverside - 2,350	Sonoma - 107
Lincoln - 126	Novato - 302	Rocklin - 326	Sonora - 54
Lindsay - 109	Oakdale - 104	Rohnert Park - 262	South El Monte - 83
Live Oak - 22	Oakland - 5,370	Rolling Hills - 5	South Gate - 427
Livermore - 605	Oakley - 14	Rolling Hills Estates - 44	South Lake Tahoe - 260
Livingston - 66	Oceanside - 1,179	Rosemead - 47	South Pasadena - 192
Lodi - 603	Ojai - 44	Roseville - 1,116	South San Francisco - 596
Loma Linda - 97	Ontario - 1,108	Ross - 19	St. Helena - 83
Lomita - 64	Orange - 829	Sacramento - 4,751	Stanton - 70
Lompoc - 466	Orange Cove - 14	Salinas - 530	Stockton - 2,173
Long Beach - 6,259	Orland - 39	San Anselmo - 93	Suisun City - 130
Loomis - 15	Oroville - 136	San Bernardino - 1,699	Sunnyvale - 1,240
Los Alamitos - 80	Oxnard - 2,074	San Bruno - 295	Susanville - 86
Los Altos - 189	Pacific Grove - 156	San Buenaventura - 838	Sutter Creek - 19
Los Altos Hills - 25	Pacifica - 297	San Carlos - 195	Taft - 154
Los Banos - 146	Palm Desert - 188	San Clemente - 58	

CalPERS Public Agency Employers

Cities

Tehachapi - 32	Ukiah - 202	Waterford - 18	Windsor - 73
Temecula - 175	Union City - 364	Watsonville - 428	Winters - 29
Temple City - 56	Upland - 342	Weed - 39	Woodlake - 46
Thousand Oaks - 523	Vacaville - 641	West Covina - 492	Woodland - 354
Tiburon - 53	Vallejo - 709	West Hollywood - 283	Woodside - 26
Torrance - 1,743	Vernon - 434	West Sacramento - 368	Yorba Linda - 135
Tracy - 509	Victorville - 466	Westlake Village - 19	Yountville - 29
Truckee - 90	Villa Park - 9	Westminster - 358	Yreka - 87
Tulare - 420	Visalia - 604	Westmorland - 7	Yuba City - 307
Tulelake - 13	Vista - 424	Whittier - 518	Yucaipa - 75
Turlock - 412	Walnut - 69	Williams - 26	Yucca Valley - 25
Tustin - 369	Walnut Creek - 571	Willits - 64	
Twenty-nine Palms - 47	Wasco - 61	Willows - 41	Total - 441

Districts & Other Public Agencies

Academic Senate for California Community Colleges - 5	Atascadero Cemetery District - 4
Access Services Incorporated - 86	Auburn Area Recreation and Park District - 54
Agoura Hills and Calabasas Community Center - 11	Auburn Public Cemetery District - 8
Alameda Alliance for Health - 153	Avila Beach Community Services District - 1
Alameda Corridor Transportation Authority - 22	Aztec Shops, Ltd., San Diego University - 97
Alameda County Congestion Management Agency - 13	Baldwin Park Unified School District - 10
Alameda County Fire Department - 238	Bard Water District - 16
Alameda County Law Library - 17	Bardsdale Cemetery District - 2
Alameda County Mosquito Abatement District - 14	Barstow Cemetery District - 5
Alameda County Schools Insurance Group - 8	Bay Area Air Quality Management District - 398
Alameda County Transportation Authority - 10	Bay Area Library and Information System - 4
Alameda County Waste Management Authority - 39	Beach Cities Health District - 87
Alameda County Water District - 240	Bear Mountain Recreation and Park District - 6
Albany Municipal Services Joint Powers Authority - 21	Bear Valley Community Services District - 43
Alhambra Redevelopment Agency - 7	Beaumont District Library - 5
Aliso Water Management Agency - 6	Beaumont-Cherry Valley Recreation and Park District - 6
Alliance of Schools for Cooperative Insurance Programs - 12	Beaumont-Cherry Valley Water District - 15
Alpine Fire Protection District - 23	Belvedere-Tiburon Library Agency - 17
Alta Irrigation District - 37	Ben Lomand Fire Protection District - 2
Altadena Library District - 19	Benicia City Housing Authority - 13
Amador Rapid Transit District - 36	Bennett Valley Fire Protection District - 3
Amador Water Agency - 55	Big Bear Area Regional Wastewater Agency - 18
American Canyon Fire District - 16	Big Bear City Airport District - 7
American River Flood Control District - 9	Big Bear City Community Services District - 69
Anderson Cemetery District - 2	Big Bear Municipal Water District - 18
Anderson Fire Protection District - 7	Bighorn-Desert View Water Agency - 2
Angiola Water District - 5	Black Gold Cooperative Library System - 20
Antelope Valley Mosquito and Vector Control District - 6	Blanchard/Santa Paula Public Library District - 10
Antelope Valley Schools Transportation Agency - 250	Bodega Bay Fire Protection District - 18
Antelope Valley Transit Authority - 9	Bolinas Community Public Utility District - 5
Apple Valley Fire Protection District - 60	Bonita-Sunnyside Fire Protection District - 15
Aptos/La Selva Fire Protection Agency - 42	Boron Community Services District - 3
Arbuckle-College City Fire Protection District - 4	Borrego Springs Fire Protection District - 14
Arcata Fire Protection District - 12	Borrego Water District - 13
Area 12 Agency On Aging - 27	Branciforte Fire Protection District - 3
Armona Community Services District - 4	Brannan-Andrus Levee Maintenance District - 1
Arrowbear Park County Water District - 7	Broadmoor Police Protection District - 20
Arroyo Grande District Cemetery - 6	Brooktrails Township Community Services District - 12
Associated Students California State University, San Bernardino - 2	Browns Valley Irrigation District - 10
Association of Bay Area Governments - 135	Buena Park Library District - 19
Association of California Water Agencies - 63	Burney Basin Mosquito Abatement District - 1
Association of California Water Agencies - Joint Powers Insurance - 48	Burney Fire District - 6

CalPERS Public Agency Employers

Districts & Other Public Agencies

- Burney Water District - 9
- Butte County Air Quality Management District - 12
- Butte County Mosquito and Vector Control District - 20
- Butte Schools Self-Funded Programs - 2
- Byron-Bethany Irrigation District - 11
- Cachuma Operations and Maintenance Board - 16
- Cal Poly Pomona Foundation, Inc. - 379
- Calaveras County Water District - 71
- Calaveras Public Utility District - 6
- California Association for Park and Recreation Insurance - 4
- California Authority of Racing Fairs - 24
- California Bear Credit Union - 64
- California Fair Services Authority - 54
- California Fairs Financing Authority - 42
- California Firefighter Joint Apprenticeship Committee - 29
- California Interscholastic Federation, Central Section - 3
- California Interscholastic Federation, Central Coast Section - 4
- California Interscholastic Federation, North Coast Section - 11
- California Interscholastic Federation, Northern Section - 2
- California Interscholastic Federation, Sac-Joaquin Section - 5
- California Interscholastic Federation, San Diego Section - 4
- California Interscholastic Federation, Southern Section - 16
- California Interscholastic Federation, State Office - 12
- California Joint Powers Insurance Authority - 19
- California Joint Powers Risk Management Authority - 5
- California Maritime Academy Foundation, Inc. - 3
- California Municipal Utilities Association - 4
- California Pines Community Services District - 6
- California School Boards Association - 144
- California State and Federal Employees No. 20 Credit Union - 14
- California State University, Bakersfield Foundation - 95
- California State University Foundation - 30
- California State University, Fresno Association, Inc. - 151
- California State University, Fresno Athletic Corporation - 113
- California State University, Sacramento Foundation - 237
- California State University, Stanislaus Auxiliary and Business Services - 73
- Callayomi County Water District - 3
- Calleguas Municipal Water District - 73
- Camarillo Health Care District - 51
- Cambria Cemetery District - 1
- Cambria Community Healthcare District - 9
- Cambria Community Services District - 28
- Cameron Park Community Services District - 15
- Camrosa Water District - 25
- Capitol Area Development Authority - 53
- Carmel Highlands Fire Protection District of Monterey County - 1
- Carmel Valley Fire Protection District - 10
- Carmichael Water District - 31
- Carpinteria Sanitary District - 15
- Carpinteria Valley Water District - 18
- Casitas Municipal Water District - 56
- Castaic Lake Water Agency - 83
- Castro Valley Sanitary District - 13
- Castroville Water District - 7
- Cawelo Water District - 20
- Cayucos Sanitary District - 6
- Cayucos-Morro Bay Cemetery District - 3
- Central Basin Municipal Water District - 67
- Central Calaveras Fire and Rescue Protection District - 3
- Central Coast Computing Authority - 9
- Central Coast Water Authority - 38
- Central Contra Costa Transit Authority - 423
- Central Fire Protection District of Santa Cruz County - 64
- Central Marin Sanitation Agency - 38
- Central Sierra Planning Council - 5
- Central Valley Regional Center, Inc. - 322
- Central Water District - 4
- Chester Fire Protection District - 1
- Chester Public Utility District - 4
- Chico Area Recreation and Park District - 53
- Chino Basin Watermaster - 9
- Chino Valley Independent Fire District - 130
- Citrus Heights Water District - 29
- Clear Creek Community Services District - 11
- Clearlake Oaks County Water District - 20
- Clearlake Oaks Fire Protection District - 4
- Cloverdale Citrus Fair - 6
- Cloverdale Fire Protection District - 4
- Clovis Cemetery District - 12
- Coachella Valley Association of Governments - 25
- Coachella Valley Mosquito Abatement District - 63
- Coachella Valley Public Cemetery District - 6
- Coachella Valley Water District - 469
- Coalinga-Huron Cemetery District - 2
- Coalinga-Huron Mosquito Abatement District - 0
- Coalinga-Huron Recreation and Park District - 23
- Coalinga-Huron Unified School District Library District - 9
- Coast Life Support District - 6
- Coastal Developmental Services Foundation - 193
- Coastal Municipal Water District - 0
- Coastside County Water District - 18
- College Town - 0
- Colusa Mosquito Abatement District - 4
- Community College League of California - 23
- Community Development Commission of Mendocino County - 37
- Community Development Commission of the City of National City - 37
- Compton Creek Mosquito Abatement District - 1
- Compton Unified School District - 34
- Conejo Recreation and Park District - 205
- Consolidated Mosquito Abatement District - 11
- Contra Costa County Law Library - 5
- Contra Costa County Schools Insurance Group - 51
- Contra Costa Transportation Authority - 19
- Cooperative Personnel Services - 151
- Copperopolis Fire Protection District - 6
- Cordelia Fire Protection District of Solano County - 5
- Corning Water District - 5
- Cottonwood Fire Protection District - 2
- Cottonwood Water District - 2
- Crescent City Harbor District - 20
- Crescenta Valley Water District - 32
- Crestline Lake Arrowhead Water Agency - 10

CalPERS Public Agency Employers

Districts & Other Public Agencies

- Crockett-Valone Sanitary District - 1
CSAC Excess Insurance Authority - 22
Cucamonga County Water District - 111
Cutler Public Utility District - 4
Cutler-Orosi Joint Powers Wastewater Authority - 4
Cuyama Valley Recreation District - 1
Dairy Council of California - 89
Daly City Redevelopment Agency - 0
Deer Springs Fire Protection District - 0
Del Norte County Library District - 5
Del Paso Manor Water District - 3
Del Puerto Water District - 4
Del Rey Community Services District - 3
Delano Mosquito Abatement District - 7
Delta Vector Control District - 16
Denair Community Services District - 4
Descanso Community Water District - 4
Desert Water Agency - 75
Diamond Springs/El Dorado Fire Protection District - 19
Dixon Unified School District Library District - 6
Donald P. and Katherine B. Loker University Student Union, Inc. - 12
Dougherty Regional Fire Authority - 6
Downey Cemetery District - 0
Dublin San Ramon Services District - 111
East Bay Dischargers Authority - 3
East Bay Regional Park District - 440
East Contra Costa Irrigation District - 20
East County Fire Protection District - 37
East Kern Airport District - 33
East Orange County Water District - 9
East Palo Alto Sanitary District - 11
East Quincy Services District - 5
East San Gabriel Valley Human Services Consortium - 97
East Valley Resource Conservation District - 12
East Valley Water District - 70
Eastern Municipal Water District - 577
Ebbetts Pass Fire Protection District - 17
El Dorado County Fire Protection District - 81
El Dorado County Transit Authority - 60
El Dorado Hills Community Services District - 35
El Dorado Hills County Water District - 44
El Dorado Irrigation District - 241
Elk Grove Community Services District - 281
Elsinore Valley Municipal Water District - 163
Encina Wastewater Authority - 76
Esparto Community Services District - 5
Estero Municipal Improvement District - 304
Fair Oaks Recreation and Park District - 45
Fair Oaks Water District - 36
Fairfield-Suisun Sewer District - 25
Fall River Mills Community Services District - 3
Fallbrook Public Utility District - 77
Feather River Air Quality Management District - 12
Feather River Recreation and Park District - 36
Feather Water District - 5
Felton Fire Protection District - 3
Fern Valley Water District - 5
Florin County Water District - 8
Florin Resource Conservation District/Elk Grove Water Works - 10
Fontana Unified School District - 11
Foothill Municipal Water District - 10
Forestville County Water District - 3
Forestville Fire Protection District - 4
Fort Bragg Fire Protection Authority - 6
Fort Ord Reuse Authority - 18
Forty-Niner Fire Protection District - 9
Fresno City Housing Authority - 162
Fresno County Housing Authority - 156
Fresno County Law Library - 6
Fresno Westside Mosquito Abatement District - 8
Fruitridge Fire Protection District - 0
Fullerton California State University Associated Students - 68
Fulton-El Camino Recreation and Parks District - 18
Galt Fire Protection District - 26
Garden Valley Fire Protection District - 3
Georgetown Divide Public Utility District - 22
Georgetown Fire Protection District - 14
Gilsizer County Drainage District - 6
Glen Ellen Fire Protection District - 5
Glendale College, Associated Students - 16
Glendale Community College District - 5
Glenn County Mosquito and Vector Control District - 2
Gold Ridge Fire Protection District - 3
Golden Gate Bridge Highway and Transportation District - 649
Golden Sierra Job Training Agency - 54
Goleta Sanitary District - 38
Goleta Water District - 71
Goleta West Sanitary District - 8
Great Basin Unified Air Pollution Control District - 30
Greater Anaheim Special Education Local Plan Area - 31
Greater Los Angeles County Vector Control District - 52
Greater Vallejo Recreation District - 46
Green Valley County Water District - 2
Gridley-Biggs Cemetery District - 5
Grossmont Healthcare District - 6
Grossmont Schools Federal Credit Union - 18
Groveland Community Services District - 27
Gualala Community Services District - 2
Halcumb Cemetery District - 1
Half Moon Bay Fire Protection District - 43
Hamilton Branch Fire Protection District - 3
Happy Camp Sanitary District - 2
Happy Homestead Cemetery District - 2
Happy Valley Fire Protection District - 2
Hayward Area Recreation and Park District - 181
Hayward California State University, Auxiliary Foundation, Inc. - 179
Health Plan of San Joaquin - 94
Heartland Communications Facility Authority - 28
Heber Public Utility District - 9
Helix Water District - 160
Henry Miller Reclamation District No. 2131 - 28
Herald Fire Protection District - 1
Heritage Ranch Community Services District - 11
Hesperia County Water District - 43

CalPERS Public Agency Employers

Districts & Other Public Agencies

Hesperia Fire Protection District - 58
Hi-Desert Water District - 43
Hidden Valley Lake Community Services District - 15
Higgins Area Fire Protection District - 26
Hilton Creek Community Services District - 2
Housing Authority of the City of Alameda - 18
Housing Authority of the City of Calexico - 26
Housing Authority of the City of Los Angeles - 1,412
Housing Authority of the County of Butte - 36
Housing Authority of the County of Santa Cruz - 82
Hub Cities Consortium - 69
Human Rights/Fair Housing Commission of the City and County of Sacramento - 27
Humboldt Bay Harbor Recreation and Conservation District - 18
Humboldt Bay Municipal Water District - 21
Humboldt Community Services District - 26
Humboldt County Association of Governments - 3
Humboldt No. 1 Fire Protection District - 23
Humboldt State College University Center - 71
Humboldt Transit Authority - 62
Idyllwild Fire Protection District - 8
Independent Cities Association, Inc. - 1
Indian Wells Valley Water District - 34
Inland Counties Regional Center, Inc. - 555
Inland Empire Health Plan - 303
Inland Empire Utilities Agency - 259
Inland Empire West Resource Conservation District - 5
Intelecom Intelligent Telecommunications - 45
Intergovernmental Training and Development Center - 9
Inverness Public Utility District - 4
Irvine Child Care Project - 0
Irvine Ranch Water District - 355
Isla Vista Recreation and Park District - 12
Jamestown Sanitary District - 3
Janesville Fire Protection District - 0
June Lake Public Utility District - 9
Jurupa Area Recreation and Park District - 7
Jurupa Community Services District - 55
Kaweah Delta Water Conservation District - 26
Kelseyville Fire Protection District - 13
Kensington Community Services District - 11
Kentfield Fire District - 14
Kenwood Fire Protection District - 2
Kern County Cemetery District No. 1 - 10
Kern County Council of Governments - 20
Kern County Housing Authority - 132
Kern County Law Library - 4
Kern County Local Agency Formation Commission - 2
Kern Health Systems - 89
Kettleman City Community Services District - 4
Kings County Waste Management Authority - 78
Kings Mosquito Abatement District - 13
Kinneloa Irrigation District - 3
Kirkwood Meadows Public Utilities District - 12
La Branza Water District - 0
LaHabra Heights County Water District - 9
La Puente Valley County Water District - 7
Laguna Beach County Water District - 45
Lake County Vector Control District - 7
Lake Don Pedro Community Services District - 7
Lake Shastina Community Services District - 11
Lake Valley Fire Protection District - 29
Lakeport County Fire Protection District - 8
Lakeshore Fire Protection District - 13
Lakeside Fire Protection District - 87
Lakeside Water District - 10
Lamont Public Utility District - 3
Las Gallinas Valley Sanitary District - 14
Las Virgenes Municipal Water District - 147
Lassen County Waterworks District No. 1 - 1
League of California Cities - 101
Leucadia County Water District - 24
Levee District No. 1 of Sutter County - 2
Linda County Water District - 10
Linda Fire Protection District - 11
Linden-Peters Rural County Fire Protection District - 10
Lindsay Strathmore Public Cemetery District - 5
Little Lake Fire Protection District - 4
Littlerock Creek Irrigation District - 7
Live Oak Cemetery District - 2
Livermore City Housing Authority - 14
Livermore/Amador Valley Transit Authority - 13
Local and Sub-Regional Government Services Authority - 9
Lompico County Water District - 3
Long Beach City College Associated Student Body Enterprises - 30
Long Beach State University, Associated Students - 70
Long Beach State University, Forty-Niner Shops, Inc. - 84
Los Alamos Community Services District - 5
Los Angeles City Community Redevelopment Agency - 264
Los Angeles County Area 'E' Civil Defense and Disaster Board - 1
Los Angeles County Community Development Commission - 1,166
Los Angeles County Housing Authority - 28
Los Angeles County Law Library - 58
Los Angeles County Sanitation District No. 2 - 2,058
Los Angeles County West Vector Control District - 36
Los Angeles Memorial Coliseum Commission - 42
Los Angeles Regionalized Insurance Services Authority - 1
Los Angeles to Pasadena Metro Blue Line Construction Authority - 14
Los Gatos-Saratoga Department of Community Education and Recreation - 45
Los Osos Community Services District - 27
Lower Lake County Waterworks District No. 1 - 5
Lower Lake Fire Protection District - 2
Lower Tule River Irrigation District - 29
Lucerne Recreation and Park District - 6
Madera Cemetery District - 19
Madera County Economic Development Commission - 2
Madera County Mosquito and Vector Control District - 12
Madera Housing Authority - 48
Main San Gabriel Basin Watermaster - 13
Majestic Pines Community Services District - 3
Mammoth Lakes Fire District - 6
Management of Emeryville Services Authority - 103

CalPERS Public Agency Employers

Districts & Other Public Agencies

March Joint Powers Authority - 12
Marin Children and Families Commission - 2
Marin County Housing Authority - 98
Marin County Sanitary District No. 1 - 22
Marin Healthcare District - 1
Marin Municipal Water District - 295
Marinwood Community Services District - 25
Mariposa Public Utility District - 6
Maxwell Public Utility District - 3
McCloud Community Services District - 11
McFarland Recreation and Park District - 7
McKinleyville Community Services District - 24
Meeks Bay Fire Protection District - 6
Meiners Oaks County Water District - 6
Mendocino City Community Services District - 5
Mendocino Transit Authority - 62
Menlo Park Fire Protection District - 113
Merced County Housing Authority - 82
Merced County Mosquito Abatement District - 13
Merced Irrigation District - 191
Merritt College Associated Students, Inc. - 1
Mesa Consolidated Water District - 67
Metropolitan Cooperative Library System - 29
Metropolitan Transportation Commission - 153
Metropolitan Water District of Southern California - 2,184
Mid City Development Corporation - 2
Mid-Peninsula Regional Open Space District - 103
Mid-Peninsula Water District - 23
Mid-Placer Public Schools Transportation Agency - 105
Midway City Sanitary District - 33
Millview County Water District - 4
Minter Field Airport District - 10
Mission Springs Water District - 38
Mojave Water Agency - 37
Mokelumne Rural Fire District - 9
Monte Vista County Water District - 44
Montecito Fire Protection District - 52
Montecito Sanitary District of Santa Barbara County - 15
Montecito Water District - 31
Monterey Bay Area Governments, Association of - 19
Monterey Bay Unified Air Pollution Control District - 44
Monterey County Water Resources Agency - 64
Monterey Peninsula Airport District - 58
Monterey Peninsula Regional Park District - 10
Monterey Peninsula Water Management District - 34
Monterey Regional Waste Management District - 105
Monterey Regional Water Pollution Control Agency - 89
Monterey-Salinas Transit - 305
Montezuma Fire Protection District - 9
Morongo Basin Transit Authority - 46
Mother Lode Job Training Agency - 46
Moulton-Niguel Water District - 121
Mountain View Sanitary District of Contra Costa County - 12
Mountains Recreation and Conservation Authority - 171
Mountain-Valley Library System - 5
Mt. San Antonio College Associated Students - 51
Murphys Sanitary District - 5
Murrieta County Water District - 22
Murrieta Fire Protection District - 34
Napa County Mosquito Abatement District - 5
Napa County Resource Conservation District - 10
Napa Sanitation District - 49
National Orange Show - 119
Natomas Fire Protection District - 0
Nevada Cemetery District - 3
Nevada County Consolidated Fire District - 41
Nevada County Local Agency Formation Commission - 2
Nevada Irrigation District - 183
Newcastle, Rocklin, Gold Hill Cemetery District - 5
Newhall County Water District - 44
Newport Beach City Employees Federal Credit Union - 6
Nice Community Services District - 6
Niland Fire District - 1
Niland Sanitary District - 1
Nipomo Community Services District - 8
North Bay Cooperative Library System - 14
North Bay Schools Insurance Authority - 18
North Central Counties Consortium - 12
North Coast County Water District - 21
North Coast Railroad Authority - 4
North Coast Unified Air Quality Management District - 7
North County Fire Protection District of Monterey County - 36
North County Fire Protection District of San Diego County - 74
North County Transit District - 731
North Kern Cemetery District - 9
North Kern Water Storage District - 24
North Los Angeles County Regional Center - 462
North Marin Water District - 68
North of the River Municipal Water District - 7
North State Cooperative Library System - 10
North Tahoe Fire Protection District - 53
Northern California Power Agency - 173
Northern California Special Districts Insurance Authority - 2
Northern Sierra Air Quality Management District - 10
Northridge Water District - 21
Northstar Community Services District - 19
Northwest Mosquito and Vector Control District - 21
Novato Sanitary District - 31
Oakdale Irrigation District - 63
Oakdale Rural Fire Protection District - 10
Oakland City Housing Authority - 393
Oakland Unified School District, School Police - 20
Oceano Community Services District - 9
Ojai Valley Sanitary District - 22
Olcese Water District - 1
Olivenhain Municipal Water District - 84
Omnitrans - 927
Ophir Hill Fire Protection District - 2
Orange County Health Authority (CALOPTIMA) - 454
Orange County Transportation Commission - 20
Orange Cove Fire Protection District of Fresno and Tulare Counties - 2
Orchard Dale County Water District - 9
Orland Cemetery District - 3
Oro Loma Sanitary District - 57
Orosi Public Utility District - 5

CalPERS Public Agency Employers

Districts & Other Public Agencies

Oroville Cemetery District - 8
Oroville Mosquito Abatement District - 1
Otay Water District - 216
Oxnard Drainage District No. 2 - 0
Oxnard Harbor District - 37
Pacific Fire Protection District - 2
Padre Dam Municipal Water District - 138
Pajaro Valley Fire Protection Agency - 0
Pajaro Valley Public Cemetery District - 7
Pajaro Valley Water Management Agency - 16
Palm Ranch Irrigation District - 4
Palmdale Water District - 89
Palo Verde Cemetery District - 10
Palo Verde Valley District Library - 5
Palos Verdes Library District - 50
Pasadena City College Bookstore - 14
Paso Robles City Housing Authority - 7
Patterson Irrigation District - 12
Pauma Valley Community Services District - 31
Peardale Chicago Park Fire Protection District - 2
Peninsula Fire Protection District - 8
Penn Valley Fire Protection District - 20
Personal Assistance Services Council - 15
Pico Water District - 17
Pine Cove Water District - 5
Pinedale County Water District - 6
Pioneer Cemetery District - 4
Pixley Irrigation District - 9
Placer Consolidated Fire Protection District - 28
Placer County Cemetery District No. 1 - 2
Placer County Mosquito Abatement District - 9
Placer County Resource Conservation District - 2
Placer County Transportation Commission - 10
Placer County Water Agency - 166
Placer Hills Fire Protection District - 10
Plain View Water District - 2
Planning and Service Area II Agency on Aging - 6
Pleasant Hill-Martinez Joint Facilities Agency - 156
Pleasant Hill Recreation and Park District - 59
Pleasant Valley County Water District - 6
Pleasant Valley Recreation and Park District - 90
Point Montara Fire Protection District - 0
Pomona Valley Transportation Authority - 3
Pomona, California State Polytechnic University, Associated Students - 49
Port San Luis Harbor District - 31
Porter Vista Public Utility District - 2
Porterville Irrigation District - 5
Porterville Public Cemetery District - 12
Provident Central Credit Union - 1
Public Agency Risk Sharing Authority of California - 5
Public Entity Risk Management Authority - 9
Public Transportation Services Corporation - 1,913
Pupil Transportation Cooperative - 168
Purissima Hills County Water District - 9
Quartz Hill Water District - 12
Quincy Community Services District - 15
Rag Gulch Water District - 7
Rainbow Municipal Water District - 46
Ramona Municipal Water District - 74
Rancho Adobe Fire Protection District - 21
Rancho California Water District - 141
Rancho Cucamonga Fire Protection District - 91
Rancho Murieta Community Services District - 45
Rancho Santa Fe Fire Protection District - 66
Rancho Santiago Community College Associated Students - 5
Rancho Simi Recreation and Park District - 172
Reclamation District No. 3 - 2
Reclamation District No. 833 - 3
Reclamation District No. 999 - 4
Reclamation District No. 1000 - 12
Reclamation District No. 1001 - 14
Reclamation District No. 1660 - 0
Red Bluff Cemetery District - 5
Redevelopment Agency of the City of Fresno - 4
Redwood Empire Municipal Insurance Fund - 14
Redwood Empire School Insurance Group - 16
Reedley Cemetery District - 8
Regional Council of Rural Counties - 64
Regional Water Authority - 3
Rescue Fire Protection District - 7
Resort Improvement District No. 1 - 13
Richardson Bay Sanitary District - 6
Rincon Del Diablo Municipal Water District - 27
Rincon Valley Fire Protection District - 35
Rio Alto Water District - 6
Rio Linda Elverta Community Water District - 14
Rio Vista Cemetery District - 3
Riverbank City Housing Authority - 2
Riverside County Air Pollution Control District - 2
Riverside County Citrus Pest Control District No. 2 - 6
Riverside County Flood Control and Water Conservation District - 211
Riverside County Law Library - 10
Riverside County Regional Park and Open Space District - 86
Riverside County Transportation Commission - 31
Riverside County Waste Resources Management District - 142
Riverside Transit Agency - 452
Riverview Water District - 9
Rockville Cemetery District - 4
Rose Bowl Operating Company - 23
Roseville Public Cemetery District - 10
Ross Valley Fire Service - 29
Rowland Water District - 25
Rubidoux Community Services District - 1
Running Springs Water District - 37
Russian River Fire Protection District - 12
Sacramento Area Council of Governments - 60
Sacramento City Housing Authority - 406
Sacramento County Law Library - 24
Sacramento Metropolitan Air Quality Management District - 93
Sacramento Metropolitan Cable Television Commission - 13
Sacramento Metropolitan Fire District - 694
Sacramento Municipal Utility District - 2,667
Sacramento Public Library Authority - 400

CalPERS Public Agency Employers

Districts & Other Public Agencies

Sacramento Regional Fire/EMS Communications Center - 74	San Pablo City Housing Authority - 7
Sacramento Transportation Authority - 5	San Simeon Community Services District - 4
Sacramento-Yolo Mosquito and Vector Control District - 62	Sanger Cemetery District - 6
Salida Fire Protection District - 8	Sanitary District No. 5 of Marin County - 10
Salinas Rural Fire District - 30	Santa Ana River Flood Protection Agency - 0
Salton Community Services District - 21	Santa Ana Watershed Project Authority - 31
Samoa Peninsula Fire Protection District - 0	Santa Barbara County Law Library - 3
San Andreas Regional Center, Inc. - 291	Santa Barbara County Special Education Local Plan Area - 92
San Andreas Sanitary District - 6	Santa Barbara Regional Health Authority - 156
San Benito County Water District - 32	Santa Clara County Central Fire Protection District - 282
San Bernardino County Housing Authority - 115	Santa Clara County Health Authority - 110
San Bernardino County Transportation Authority - 1	Santa Clara County Law Library - 5
San Bernardino Economic Development Agency - 31	Santa Clara County Schools Insurance Group - 7
San Bernardino Valley Municipal Water District - 24	Santa Clara County Traffic Authority - 3
San Bernardino Valley Water Conservation District - 13	Santa Clara Valley Transportation Authority - 1,011
San Bernardino, California State University, Foundation - 207	Santa Clara Valley Water District - 873
San Bernardino, California State University, Student Union - 13	Santa Clarita Valley School Food Services Agency - 112
San Diego Association of Governments - 109	Santa Cruz Consolidated Emergency Communications Center - 76
San Diego County Law Library - 50	Santa Cruz County Law Library - 3
San Diego County Water Authority - 279	Santa Cruz Local Agency Formation Commission - 2
San Diego Metropolitan Transit Development Board - 123	Santa Cruz Metropolitan Transit District - 405
San Diego Rural Fire Protection District - 24	Santa Fe Irrigation District - 54
San Diego State University, Associated Students - 24	Santa Margarita Water District - 155
San Diego Trolley, Inc. - 544	Santa Maria Public Airport District - 13
San Diego Unified School District - 48	Santa Nella County Water District - 8
San Dieguito Water District - 23	Santa Paula City Housing Authority - 11
San Elijo Joint Powers Authority - 21	Santa Rosa Community Services District - 6
San Francisco Bay Area Rapid Transit District - 4,014	Santa Ynez River Water Conservation District, Improvement District No. 1 - 14
San Francisco City and County Housing Authority - 412	Saratoga Fire Protection District - 31
San Francisco City and County Redevelopment Agency - 168	Sausalito-Marín City Sanitary District - 8
San Francisco Community College Bookstore Auxiliary - 18	School Risk and Insurance Management Group - 7
San Francisco County Law Library - 15	Schools Excess Liability Fund - 4
San Francisco County Transportation Authority - 21	Schools Insurance Authority - 63
San Francisco Health Authority - 86	Scotts Valley Fire Protection District - 27
San Gabriel County Water District - 21	Scotts Valley Water District - 15
San Gabriel Valley Council of Governments - 8	Selma Cemetery District - 6
San Gabriel Valley Mosquito and Vector Control District - 26	Selma-Kingsburg-Fowler County Sanitation District - 33
San Gabriel Valley Municipal Water District - 15	Serrano Water District - 11
San Geronio Pass Water Agency - 4	Sewer Authority Mid-Coastside - 19
San Jacinto Valley Cemetery District - 12	Sewerage Commission - Oroville Region - 9
San Joaquin County Housing Authority - 118	Shafter Wasco Irrigation District - 10
San Joaquin County (Local Health District) - 167	Shasta Area Safety Communications Agency - 64
San Joaquin Delta Community College District - 7	Shasta Community Services District - 4
San Juan Water District - 49	Shasta Lake Fire Protection District - 10
San Lorenzo Valley Water District - 30	Shasta Mosquito and Vector Control District - 14
San Luis Obispo - Cal Poly - Associated Students, Inc. - 98	Shasta Valley Cemetery District - 1
San Luis Obispo - Cal Poly Foundation - 382	Shiloh Public Cemetery District - 2
San Luis Obispo Council of Governments - 14	Sierra Lakes County Water District - 6
San Luis Obispo Regional Transit Authority - 10	Sierra-Sacramento Valley Emergency Medical Services Agency - 10
San Luis Water District - 17	Silveyville Cemetery District - 6
San Mateo County Harbor District - 48	Solano County Mosquito Abatement District - 9
San Mateo County In-Home Supportive Services Public Authority - 5	Solano County Water Agency - 7
San Mateo County Law Library - 3	Solano Irrigation District - 112
San Mateo County Schools Insurance Group - 13	Solano Transportation Authority - 14
San Mateo County Transit District - 946	Soledad Community Health Care District - 1
San Mateo Local Agency Formation Commission - 2	Sonoma County Library - 165
San Miguel Consolidated Fire Protection District - 105	

CalPERS Public Agency Employers

Districts & Other Public Agencies

Sonoma State Enterprises, Inc. - 20	Transportation Agency for Monterey County - 12
Sonoma Student Union Corporation - 11	Tri-City Mental Health Center - 446
Soquel Creek Water District - 45	Tri-Counties Association for the Developmentally Disabled - 308
South Bay Regional Public Communications Authority - 89	Tri-County Schools Insurance Group - 5
South Bayside System Authority - 74	Tri-Dam Housing and Personnel Agency - 24
South Central Los Angeles Regional Center for Developmentally Disabled Persons - 7	Trinity County Waterworks District No. 1 - 4
South Coast Area Transit - 167	Truckee Fire Protection District - 28
South Coast Water District - 71	Truckee Sanitary District - 42
South County Fire Protection Authority - 69	Truckee-Tahoe Airport District - 30
South East Regional Reclamation Authority - 14	Tulare Mosquito Abatement District - 5
South Kern Cemetery District - 5	Tulare Public Cemetery District - 11
South Lake County Fire Protection District - 5	Tuolumne Utilities District - 68
South Orange County Wastewater Authority - 63	Turlock Mosquito Abatement District - 13
South Placer Fire District - 55	Twentynine Palms Water District - 44
South Placer Municipal Utility District - 20	Twin Cities Police Authority - 53
South San Joaquin Irrigation District - 75	Ukiah Valley Fire District - 9
South San Luis Obispo County Sanitation District - 12	Union Public Utility District - 6
Southeast Area Social Services Funding Authority - 79	Union Sanitary District - 148
Southern California Association of Governments - 254	United Water Conservation District - 68
Southern California Public Power Authority - 7	Upland City Housing Authority - 30
Southern California Regional Rail Authority - 218	Upper San Gabriel Valley Municipal Water District - 13
Southern San Joaquin Municipal Utility District - 16	Vacaville Fire Protection District - 7
Southwest Transportation Agency - 88	Vacaville-Elmira Cemetery District - 15
Special District Risk Management Authority - 9	Vallecitos Water District - 95
Squaw Valley Public Service District - 26	Vallejo Sanitation and Flood Control District - 98
Stanislaus Consolidated Fire Protection District - 55	Valley Center Municipal Water District - 64
Stanislaus County Housing Authority - 94	Valley County Water District - 20
State Bar of California - 844	Valley Mountain Regional Center, Inc. - 364
State Water Contractors - 5	Valley of the Moon Water District - 22
Stege Sanitary District - 15	Valley Sanitary District - 18
Stinson Beach County Water District - 15	Valley Springs Public Utility District - 2
Stockton East Water District - 33	Valley-Wide Recreation and Park District - 77
Stockton Unified School District, School Police - 16	Vandenberg Village Community Services District - 11
Strawberry Recreation District - 15	Ventura County Law Library - 5
Suisun Fire Protection District - 2	Ventura County Schools Business Services Authority - 10
Suisun-Fairfield Cemetery District - 5	Ventura County Schools Self-Funding Authority - 7
Suisun Resource Conservation District - 6	Ventura County Transportation Commission - 24
Summit Cemetery District - 9	Ventura Port District - 43
Sunnyslope County Water District - 14	Ventura River County Water District - 5
Susanville Consolidated Sanitary District - 12	Veterans Home of California Post Fund - 27
Sutter Cemetery District - 11	Victor Valley Wastewater Reclamation Authority - 35
Sutter County Housing Authority - 31	Victor Valley Water District - 55
Sweetwater Authority - 155	Visalia Public Cemetery District - 10
Sweetwater Springs Water District - 10	Vista Irrigation District - 107
Sylvan Cemetery District - 4	Walnut Valley Water District - 60
Tahoe City Public Utility District - 67	Walton Fire Protection District - 1
Tahoe Transportation District - 0	Wasco Recreation and Park District - 5
Tahoe-Truckee Sanitation Agency - 74	Washington Colony Cemetery District - 3
Tehachapi Valley Recreation and Park District - 9	Water Facilities Authority - 7
Tehama County Mosquito Abatement District - 4	Water Replenishment District of Southern California - 39
Templeton Community Services District - 13	Weaverville Community Services District - 8
Three Arch Bay Community Services District - 1	Weaverville Fire Protection District - 1
Three Valleys Municipal Water District - 28	Weaverville Sanitary District - 2
Tiburon Fire Protection District - 27	West Almanor Community Services District - 2
Torrance City Redevelopment Agency - 0	West Basin Municipal Water District - 1
Trabuco Canyon Water District - 31	West Bay Sanitary District - 34
Tracy Rural County Fire Protection District - 1	West Cities Communication Center - 20

CalPERS Public Agency Employers

Districts & Other Public Agencies

West County Transportation Agency - 103	Winters Cemetery District - 3
West County Wastewater District - 59	Winters Fire Protection District - 6
West End Communications Authority - 1	Woodbridge Rural County Fire Protection District - 27
West San Bernardino County Water District - 56	Woodlake Fire District - 3
West Stanislaus Irrigation District - 20	Woodside Fire Protection District - 48
West Valley Sanitation District of Santa Clara County - 30	Yolo County Communications Emergency Services Agency - 44
West Valley-Mission Community College District - 9	Yolo County Federal Credit Union - 75
Western Municipal Water District - 100	Yolo County Housing Authority - 48
Western Riverside Council of Governments - 22	Yolo County Public Agency Risk Management Insurance Authority - 7
Westlands Water District - 129	Yolo County Transportation District - 10
Westwood Community Services District - 5	Yolo-Solano Air Quality Management District - 26
Wheeler Ridge-Maricopa Water Storage District - 47	Yorba Linda Water District - 70
Wildomar Cemetery District - 2	Yuba County Water Agency - 25
Willow Creek Community Services District - 5	Yuba Sutter Transit Authority - 4
Willows Cemetery District - 4	Yucaipa Valley Water District - 70
Wilton Fire Protection District - 2	Yuima Municipal Water District - 9
Windsor Fire Protection District - 13	
Winterhaven Water District - 2	
	<hr/>
	Total - 910

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, death, health, and dental benefits for Supreme and Appellate Court Justices, Superior Court Judges, Municipal Court Judges, and beneficiaries.

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). In addition, a surviving spouse benefit of at least one-half of the judge's allowance is provided.

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.

Judges' Retirement System Program Data

Disability Retirement (Work Related)

Judges receive the same amount as those for a non-work related disability. 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 can receive 25 percent of current active judges' 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 can elect a monthly allowance for life or until remarriage, 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 receive one-half of what the retirement allowance would have been if the judge had retired on date of death, or at any time while in office, a judge can make an irrevocable election for their eligible surviving spouse to receive the maximum survivor benefit (Option 2) in the event of the judge's pre-retirement death.

Death Benefits (After Retirement)

Spouses receive 50 percent of the retirement pension for life, or until remarriage, if the member retired with the standard retirement benefit formula, or on disability.

Judges who retire under Government Code Section 75033.5 may elect to take a reduced retirement allowance in order to enhance the survivor benefits to their spouse.

Cost-Of-Living Adjustments (COLA)

The allowance increases are based on the current salary of an active judge. Retirees receive the same increase as active judges.

Membership & Retirement Data

Three-Year Review

	2002	2001	2000
Active Judges & Former Judges on Deferred Retirement	1,125	1,164	1,241
Total Active & Deferred Members	1,125	1,164	1,241

Retired Members & Death Benefit Allowances

Service Retirement	601	598	576
Disability Retirement	52	55	57
Deferred Retirement	654	650	645
Optional Settlement	92	70	53
Pre-Retirement Survivor	77	76	78
Total Allowances	1,476	1,449	1,409

Active Members & Former Judges on Deferred Retirement

Active	1,028
Deferred Retirement	97
Total Active & Deferred Members	1,125

Benefit Recipients by Retirement Type

Category	Retired Judges	Survivors & Beneficiaries	Total
Service Retirement	312	289	601
Disability Retirement	52	—	52
Deferred Retirement	527	127	654
Optional Settlement	70	22	92
Pre-Retirement Survivor	N/A	77	77
Total	961	515	1,476

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$82,957,985
Disability Retirement	4,715,502
Beneficiary Death Benefits/Life Allowance	21,869,912
Total	\$109,543,399

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 a unique combination of two basic types of retirement benefits: a defined benefit plan and a monetary credit plan. The defined benefit plan provides a lifetime monthly retirement allowance of up to 75 percent of final compensation. The monetary credit plan allows for a refund of member contributions, a portion of the employer contributions, and interest. Members contribute at the rate of 8 percent of compensation.

Membership

The JRS II provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, Superior Court Judges, Municipal Court Judges, first appointed or elected after November 9, 1994, and their beneficiaries.

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.

Monetary Credit Plan

This option provides a cash payment in a single lump sum, or the member may elect to receive an annuity at retirement based on the accumulated contributions of the employee and the employer. To receive the annuity a judge must meet the minimum qualifications required under the defined benefit plan. Lifetime benefits are not provided under this 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 the judge's average monthly salary during the 12 months preceding the retirement date, regardless of age or length of service.

Judges' Retirement System II Program Data

Death Benefits (Before Retirement)

Eligible for the Defined Benefit Plan

Spouses receive either the monthly retirement allowance equal to one-half of the judge's "defined benefit" plan allowance or the judge's monetary credits. Recent legislation also allows a judge, at any time while in office, to make an irrevocable election for their eligible surviving spouse to receive the maximum survivor benefit (Option 2) in the event of the judge's pre-retirement death.

Eligible for the Monetary Credit Plan

Spouses receive the judge's monetary credits or three times the annual salary at the time of death, whichever is greater.

Death Benefits (After Retirement)

Defined Benefit Plan

The surviving spouse of a retired judge who elected an Optional Settlement in the Defined Benefit Plan receives one of four options:

- Option 1—return of unused accumulated contributions;
- Option 2-4—the Optional Settlement Benefit, the amount varies based on option chosen by the member.

Monetary Credit Plan

If the judge elected to receive the Monetary Credit Plan in a lump sum, there are no survivor benefits. If the judge elected Monetary Credit Plan in an annuity, the spouse receives the remaining funds at the time of the judge's death.

Cost-Of-Living Adjustments (COLA)

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.

Membership & Retirement Data

Three-Year Review

	2002	2001	2000
Active Judges	531	462	353
Total Members	531	462	353

Retired Members & Death Benefit Allowances

Service Retirement	—	—	—
Disability Retirement	—	—	—
Optional Settlement	—	—	—
Pre-Retirement Survivor	1	1	2
Total Allowances	1	1	2

Active Judges

Active	531
Total Members	531

Benefit Recipients by Retirement Type

Category	Retired Judges	Survivors & Beneficiaries	Total
Service Retirement	—	—	—
Disability Retirement	—	—	—
Optional Settlement	—	—	—
Pre-Retirement Survivor	N/A	1	1
Total	—	1	1

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$ —
Disability Retirement	—
Beneficiary Death Benefits	117,545
Beneficiary Death Benefits/Life Allowance	—
Total	\$117,545

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 the LRS are the same as for CalPERS on such items as determining membership and benefit rights, making investments, crediting interest, and obtaining information necessary for administration.

Benefits payable by the LRS are financed through member contributions, the State's contribution as an employer, and interest earned on investments. The employer statutory contribution rate was eliminated in January 2000, and the CalPERS Board is now authorized to establish actuarially determined rates.

When the actuarial value of the assets exceeds the present value of benefits, resulting in a 0 percent employer contribution rate, the Board may reduce the member contribution rates for the same fiscal year in which the State rate is 0 percent. For fiscal year 2002-03, the Board has determined that both the employer rate and the member rate will be 0 percent. Interest credited to the member's accounts is the net earnings rate of investments.

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 are eligible for benefits.

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 a member 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.

Legislators' Retirement System Program Data

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.

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, their 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. Beneficiaries also receive a \$600 lump sum payment.

Cost-Of-Living Adjustments (COLA)

The annual COLA is determined by the Consumer Price Index.

Legislators' Retirement System Program Data

Membership & Retirement Data

Three-Year Review

	2002	2001	2000
Active & Inactive Members			
Members of the Legislature	47	48	58
Constitutional Officers	15	16	18
Legislative Statutory Officers	4	4	4
Total Members	66	68	80
Retired Members & Death Benefit Allowances			
Members of the Legislature			
Service	219	223	213
Disability	7	8	9
Pre-Retirement Option 2	2	2	2
Total Members of the Legislature	228	233	224
Constitutional Officers			
Service	25	29	31
Disability	1	1	1
Pre-Retirement Option 2	2	2	2
Total Constitutional Officers	28	32	34
Legislative Statutory Officers			
Service	7	7	7
Disability	—	—	—
Pre-Retirement Option 2	—	—	—
Total Legislative Statutory Officers	7	7	7
Total Allowances	263	272	265

Legislators' Retirement System Program Data

Active & Inactive Members

Category	Active	Inactive	Total
Members of the Legislature	14	33	47
Constitutional Officers	10	5	15
Legislative Statutory Officers	4	—	4
Total Members	28	38	66

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$6,309,594
Disability Retirement	197,301
Beneficiary Death Benefits	600
Beneficiary Death Benefits/Allowance	209,151
Total	\$6,716,646

Benefit Recipients by Type

Category	Retired Members	Survivors & Beneficiaries	Total
Members of the Legislature			
Service Retirement	123	96	219
Disability Retirement	3	4	7
Pre-Retirement Option 2	—	2	2
Total Members of the Legislature	126	102	228
Constitutional Officers			
Service Retirement	22	3	25
Disability Retirement	1	—	1
Pre-Retirement Option 2	—	2	2
Total Constitutional Officers	23	5	28
Legislative Statutory Officers			
Service Retirement	4	3	7
Disability Retirement	—	—	—
Pre-Retirement Option 2	—	—	—
Total Legislative Statutory Officers	4	3	7
Total	153	110	263

Volunteer Firefighters' Length of Service Award System Program Data

Primary Benefits

The Volunteer Firefighters' Length of Service Award System, administered through CalPERS, was established in 1980 as a way for fire departments to offer their volunteers monetary acknowledgment for their service. A fire department contracts with CalPERS to handle the administration of length of service benefits to its volunteers who follow the program guidelines. All costs for the program are paid for by department contributions. There are no contributions from volunteers. An actuarial valuation is conducted at the start of the contract to determine the contributions required.

Service Awards

A volunteer member with 20 or more years of service credit will receive \$1,800 annually for life (paid in monthly installments). The minimum award a volunteer can receive is \$900 annually for life for 10 years of service.

Membership Data

Three-Year Review

	2002	2001	2000
Active/Inactive Firefighters	3,151	3,149	2,907
Firefighters Receiving Awards	59	55	37
Total Members	3,210	3,204	2,944

Active & Inactive Members

Active/Inactive Firefighters	3,151
Firefighters Receiving Awards	59
Total Members	3,210

Benefit Payments by Type

Category	Amount Paid
Award Payments	\$66,413

Volunteer Firefighters' Length of Service Award System Program Data

Participating Agencies

American Canyon Fire Protection District	North Central Fire Protection District
Bethel Island Fire Protection District	Olancha-Cartago Fire Department
Boulder Creek Fire Department	Orange County Fire Department
Cambria Fire Department	Palomar Mountain Volunteer Fire Department
Ceres Department of Public Safety	Placerville Fire Department, City of
Clearlake Oaks Fire Protection District	Pleasant Valley Fire Protection District
Coalinga Fire Department	Pollock Pines/Camino Volunteer Fire Association
Coloma-Lotus Volunteer Fire Association	Red Bluff Fire Department, City of
Columbia Fire Protection District	Ross Valley Fire Protection District
Corcoran Volunteer Fire Department	Sacramento Metropolitan Fire District
Cresten Volunteer Fire Department	Samoa Peninsula Fire Protection District
Diamond Springs Fire Department	San Juan Bautista Fire Department
El Dorado County Fire Protection District	San Mateo County Fire Department
Fairfield Volunteer Fire Department	San Ramon Valley Fire Protection District
Foothill Volunteer Fire Department	Scott Valley Fire Protection District
Fort Dick Fire Protection District	Sebastopol Fire Protection District
Georgetown Volunteer Fire Department	Shasta Lake Fire Protection District
Gonzales Volunteer Fire Department	Shingle Springs Fire Department
Grass Valley Fire Department	Sierra Madre Fire Department
Hammond Ranch Fire Company	St. Helena Volunteer Fire Department
Humboldt No. 1 Fire Department District	Susan River Fire Protection District
Idyllwild Fire Protection District	Templeton Community Service District - Fire Department
Julian Cuyamaca Fire Protection District	Town of Paradise Fire Department
Kentfield Fire Protection District	Truckee Fire Protection District
Kenwood Fire Protection District	Valley of the Moon Fire Protection District
Lakeshore Fire Protection District	Willow Creek Volunteer Fire Department
Latrobe Fire Protection District	Willows Fire Department
Marysville Fire Department	Woodland Fire Department
Mt. Laguna Volunteer Fire Department	

Total - 57

Other Programs



Health Benefits Program

Enrollments by Health Plan

	Basic			Supplemental			Total Enrollments
	Active	Retired	Total	Active	Retired	Total	
Blue Shield HMO	38,072	3,165	41,237	1	1,757	1,758	42,995
CAHP	5,566	2,201	7,767	0	1,369	1,369	9,136
CCPOA	2,661	456	3,117	0	85	85	3,202
Health Net	58,719	8,065	66,784	15	7,416	7,431	74,215
Health Plan of the Redwoods	3,428	701	4,129	0	690	690	4,819
Kaiser Permanente	132,553	22,810	155,363	32	30,693	30,725	186,088
Kaiser Out-of-State	32	457	489	0	612	612	1,101
PacifiCare of Arizona	0	43	43	0	112	112	155
PacifiCare of California	63,575	6,450	70,025	12	6,126	6,138	76,163
PacifiCare of Nevada	5	66	71	0	95	95	166
PERSCare	14,682	7,581	22,263	32	37,150	37,182	59,445
PERS Choice	64,489	15,031	79,520	10	9,657	9,667	89,187
PORAC	2,992	940	3,932	0	310	310	4,242
Universal Care	6,986	306	7,292	1	293	294	7,586
Western Health Advantage	1,869	102	1,971	0	197	197	2,168
Total	395,629	68,374	464,003	103	96,562	96,665	560,668

Five-Year Enrollments

	2002	2001	2000	1999	1998
Total Covered Lives—Employees, Annuitants, & Dependents	1,249,175	1,204,860	1,140,984	1,074,329	1,037,464
Total Prime Lives—Employees & Annuitants	560,668	536,208	504,478	472,345	454,180

Basic & Supplemental Health Plan Enrollments

Plan Type	Basic			Supplemental			Total Enrollments
	Active	Retired	Total	Active	Retired	Total	
PPO	79,171	29,176	108,347	42	46,807	46,849	155,196
Health Maintenance Association	305,239	35,601	340,840	61	47,991	48,052	388,892
	11,219	3,597	14,816	0	1,764	1,764	16,580
Total	395,629	68,374	464,003	103	96,562	96,665	560,668

Health Benefits Program

Participating Public Agency Summary

	2002	2001
Counties	27	26
Cities	295	290
Districts & Other Public Agencies	653	1,008
School Districts	109	109
Total	1,084¹	1,433

Participating Public Agencies by Type

Total number of CalPERS Health Benefits Program members for each agency follows its name.

Counties

Amador - 85	Placer - 2,806
Butte - 2,018	Riverside - 8,752
Calaveras - 469	San Benito - 241
Colusa - 362	San Luis Obispo - 1,790
Glenn - 505	Santa Cruz - 2,601
Humboldt - 1,783	Shasta - 821
Inyo - 483	Solano - 1,865
Lake - 799	Sutter - 778
Lassen - 371	Trinity - 560
Madera - 1,114	Tuolumne - 114
Mariposa - 405	Yolo - 1,661
Modoc - 23	Yuba - 811
Mono - 314	Total - 27
Monterey - 4,128	
Nevada - 1,204	

Cities

Alameda - 761	Auburn - 90
Albany - 95	Avalon - 62
Alhambra - 444	Avenal - 3
American Canyon - 44	Azusa - 265
Angels - 29	Baldwin Park - 248
Antioch - 354	Barstow - 219
Arcadia - 333	Bell - 134
Arroyo Grande - 116	Bellflower - 107
Artesia - 48	Belmont - 152
Atherton - 56	Belvedere - 24
Atwater - 128	Beverly Hills - 966

Cities

Biggs - 9	Del Rey Oaks - 11
Bishop - 69	Diamond Bar - 36
Blythe - 130	Dixon - 68
Brawley - 141	Duarte - 60
Brea - 408	Dublin - 86
Brentwood - 196	El Cajon - 518
Brisbane - 87	El Monte - 404
Buellton - 16	El Segundo - 466
Buena Park - 510	Elk Grove - 8
Burbank - 1,262	Emeryville - 130
Burlingame - 471	Encinitas - 208
Calabasas - 69	Etna - 6
California City - 65	Fairfax - 30
Calimesa - 1	Fairfield - 1
Camarillo - 128	Farmersville - 32
Campbell - 135	Folsom - 555
Canyon Lake - 3	Fort Jones - 3
Capitola - 66	Foster - Elected Officials - 0
Carlsbad - 341	Fountain Valley - 325
Carmel-By-The-Sea - 55	Fremont - 829
Carpinteria - 36	Fullerton - 122
Carson - 465	Garden Grove - 763
Cathedral City - 210	Gilroy - 234
Cerritos - 324	Glendora - 184
Chino - 223	Gonzales - 33
Chino Hills - 25	Grass Valley - 111
Citrus Heights - 29	Gridley - 46
Claremont - 170	Guadalupe - 36
Clayton - 23	Half Moon Bay - 42
Colma - 46	Hawthorne - 452
Colton - 144	Hayward - 1,159
Colusa - 37	Hercules - 68
Commerce - 261	Hesperia - 68
Compton - 856	Hidden Hills - 4
Concord - 554	Highland - 24
Corona - 855	Hillsborough - 184
Coronado - 223	Hollister - 88
Corte Madera - 85	Huntington Park - 329
Costa Mesa - 703	Imperial Beach - 51
Covina - 199	Indian Wells - 46
Crescent City - 56	Indio - 240
Cudahy - 30	Inglewood - 980
Culver City - 1,011	Ione - 15
Cupertino - 218	Irwindale - 111
Cypress - 203	Jackson - 37
Daly City - 635	King City - 59
Dana Point - 31	La Canada Flintridge - 23
Davis - 382	La Habra - 329

NOTE:

¹ The total number of participating public agencies for June 30, 2002 shows a decrease of 349 from 2001. During the year, CalPERS completed development of our COMET database system, which consolidates multiple employer contracts into one listing. Previously, each contract was shown as a separate employer.

Health Benefits Program

Cities

La Habra Heights - 16	Monterey - 362	Rialto - 441	Solvang - 33
La Mesa - 302	Monterey Park - 460	Richmond - 1,245	South El Monte - 46
La Mirada - 118	Moorpark - 55	Ridgecrest - 70	South Gate - 356
La Palma - 77	Moreno Valley - 226	Rio Vista - 53	South Pasadena - 237
La Puente - 48	Morgan Hill - 129	Riverbank - 42	Stanton - 57
Laguna Niguel - 52	Morro Bay - 74	Rocklin - 252	Suisun City - 65
Laguna Woods - 5	Mt. Shasta - 27	Rolling Hills - 6	Sunnyvale - 1,346
Lake Elsinore - 63	Murrieta - 121	Rolling Hills Estates - 33	Sutter Creek - 14
Lake Forest - 41	Napa - 83	Rosemead - 42	Temecula - 85
Lakeport - 10	Newark - 167	Roseville - 1,097	Temple City - 56
Lakewood - 119	Newport Beach - 685	Ross - 16	Thousand Oaks - 512
Larkspur - 89	Norco - 142	Salinas - 556	Tiburon - 39
Lathrop - 54	Norwalk - 358	San Anselmo - 72	Torrance - 1,599
Lawndale - 52	Novato - 166	San Bernardino - 1,686	Tracy - 198
Lemon Grove - 62	Oakdale - 65	San Buenaventura - 696	Tustin - 296
Lemoore - 94	Oakland - 6,359	San Carlos - 141	Twentynine Palms - 40
Lincoln - 123	Oceanside - 1,046	San Clemente - 179	Ukiah - 76
Live Oak - 13	Ojai - 46	San Dimas - 59	Union City - 46
Lodi - 531	Ontario - 1,160	San Fernando - 210	Upland - 286
Loma Linda - 63	Orange - 742	San Francisco City and County - 138	Vacaville - 638
Lomita - 54	Orland - 32	San Gabriel - 172	Vallejo - 913
Lompoc - 369	Oxnard - 676	San Juan Capistrano - 96	Villa Park - 12
Loomis - 10	Pacific Grove - 127	San Leandro - 531	Weed - 30
Los Alamitos - 75	Pacifica - 75	San Luis Obispo - 242	West Covina - 444
Los Altos - 149	Palm Desert - 151	San Marcos - 50	West Hollywood - 195
Los Altos Hills - 21	Palm Springs - 136	San Marino - 131	West Sacramento - 71
Los Banos - 167	Palmdale - 290	San Mateo - 877	Westlake Village - 7
Los Gatos - 184	Palo Alto - 1,601	San Pablo - 140	Westminster - 416
Lynwood - 283	Paradise - 118	San Rafael - 612	Williams - 22
Malibu - 46	Paramount - 130	Sand City - 6	Willows - 35
Mammoth Lakes - 74	Pasadena - 1,848	Santa Ana - 1,269	Winters - 17
Manhattan Beach - 275	Patterson - 38	Santa Clara - 1,044	Woodlake - 27
Manteca - 341	Perris - 71	Santa Clarita - 262	Woodland - 343
Marina - 70	Petaluma - 329	Santa Cruz - 893	Woodside - 14
Martinez - 58	Pico Rivera - 224	Santa Fe Springs - 355	Yorba Linda - 104
Marysville - 76	Piedmont - 102	Santa Maria - 355	Yountville - 22
Maywood - 70	Pinole - 130	Santa Monica - 1,801	Yreka - 44
Menlo Park - 299	Pismo Beach - 80	Santa Paula - 49	Yuba City - 232
Millbrae - 146	Pomona - 905	Santa Rosa - 362	Yucaipa - 42
Milpitas - 412	Port Hueneme - 39	Saratoga - 71	Yucca Valley - 49
Mission Viejo - 77	Portola Valley - 10	Seal Beach - 130	
Modesto - 151	Rancho Palos Verdes - 41	Shasta Lake - 45	
Monrovia - 258	Rancho Santa Margarita - 10	Sierra Madre - 70	
Montague - 5	Redlands - 492	Signal Hill - 158	
Monte Sereno - 4	Redwood City - 750	Solana Beach - 59	
Montebello - 515	Reedley - 118		

Total - 295

Health Benefits Program

Districts & Other Public Agencies

- Agoura Hills and Calabasas Community Center - 9
Alameda Corridor Transportation Authority - 17
Alameda County Congestion Management Agency - 6
Alameda County Fire Department - 291
Alameda County Law Library - 18
Alameda County Mosquito Abatement District - 28
Alameda County Transportation Authority - 9
Alameda County Waste Management Authority - 34
Alameda County Water District - 302
Albany Municipal Services Joint Powers Authority - 19
Alhambra Redevelopment Agency - 2
Aliso Water Management Agency - 0
Alliance of Schools for Cooperative Insurance Programs - 9
Alpine Springs County Water District - 2
Altadena Library District - 29
Amador Water Agency - 43
American Canyon Fire District - 14
Anderson Cemetery District - 2
Anderson Fire Protection District - 11
Antelope Valley Mosquito and Vector Control District - 7
Apple Valley Fire Protection District - 55
Apple Valley Recreation and Park District - 0
Aptos/La Selva Fire Protection Agency - 51
Arbuckle-College City Fire Protection District - 3
Arcade Water District - 30
Arcata Fire Protection District - 23
Area 12 Agency on Aging - 11
Arrowbear Park County Water District - 7
Arroyo Grande District Cemetery - 3
Associated Students California State University,
San Bernardino - 3
Association of Bay Area Governments - 67
Atascadero Cemetery District - 5
Auburn Public Cemetery District - 8
Aztec Shops, Ltd., San Diego University - 122
Banning-Cabazon Cemetery District - 3
Bardsdale Cemetery District - 2
Bay Area Air Quality Management District - 413
Bay Area Library and Information System - 2
Beach Cities Health District - 37
Bear Mountain Recreation and Park District - 4
Beaumont District Library - 5
Beaumont Public Cemetery District - 2
Beaumont-Cherry Valley Recreation and Park District - 1
Beaumont-Cherry Valley Water District - 13
Belvedere-Tiburon Joint Recreation - 3
Belvedere-Tiburon Library Agency - 9
Ben Lomond Fire Protection District - 3
Benicia City Housing Authority - 12
Big Bear Area Regional Wastewater Agency - 13
Big Bear City Airport District - 6
Big Bear City Community Services District - 74
Black Gold Cooperative Library System - 13
Blanchard/Santa Paula Public Library District - 10
Bodega Bay Fire Protection District - 14
Bonita-Sunnyside Fire Protection District - 23
Borrego Springs Fire Protection District - 18
Boulder Creek Fire Protection District - 2
Branciforte Fire Protection District - 6
Brannan-Andrus Levee Maintenance District - 2
Buena Park Library District - 26
Burney Cemetery District - 3
Butte County Air Quality Management District - 10
Butte County Law Library - 1
Cal Poly Pomona Foundation, Inc. - 259
Calaveras County Water District - 63
Calaveras Public Utility District - 3
California State L.A. University, Auxiliary Service - 192
California Administrative Services Authority - 73
California Authority of Racing Fairs - 9
California Bear Credit Union - 31
California Beef Council - 5
California Fair Services Authority - 35
California Fairs Financing Authority - 32
California Interscholastic Federation, Central Coast Section - 2
California Interscholastic Federation, North Coast Section - 5
California Interscholastic Federation, San Diego Section - 8
California Interscholastic Federation, Sac-Joaquin Section - 3
California Interscholastic Federation, Southern Section - 21
California Interscholastic Federation, State Office - 12
California Joint Powers Insurance Authority - 14
California Maritime Academy Foundation, Inc. - 0
California Municipal Utilities Association - 6
California Prune Board - 9
California State and Federal Employees No. 20 Credit
Union - 8
California State University, Bakersfield Foundation - 53
California State University, Fresno Association, Inc. - 179
California State University, Fullerton Foundation - 104
California State University, Long Beach Foundation - 331
California State University, Los Angeles - USU Board - 20
California State University, Stanislaus Auxiliary and
Business Services - 49
Calleguas Municipal Water District - 76
Camarillo Health Care District - 19
Cambria Cemetery District - 1
Cambria Community Healthcare District - 5
Cambria Community Services District - 38
Cameron Park Community Services District - 13
Capistrano Bay Community Services District - 6
Capitol Area Development Authority - 47
Carmel Highlands Fire Protection District of Monterey
County - 1
Carmel Valley Fire Protection District - 14
Carmel/Carmel Valley/Big Sur Ambulance - 10
Carpinteria Public Cemetery District - 1
Castaic Lake Water Agency - 71
Castro Valley County Fire Protection District - 25
Castro Valley Sanitary District - 22
Castroville Water District - 5

Health Benefits Program

Districts & Other Public Agencies

Cayucos Sanitary District - 6	Diamond Springs/El Dorado Fire Protection District - 21
Cayucos-Morro Bay Cemetery District - 1	Dixon Housing Authority - 0
Central Contra Costa Transit Authority - 287	Dominguez Hills CSU Associated Students - 3
Central Fire Protection District of Santa Cruz County - 90	Dominguez Hills CSU Associated Students - Child Development Center - 6
Central Marin Sanitation Agency - 38	Dominguez Hills Foundation, California State University - 62
Central Valley Fire Protection District - 0	Donald P. and Katherine B. Loker University Student Union, Inc. - 10
Central Valley Regional Center, Inc. - 309	Dougherty Regional Fire Authority - 16
Channel Islands Beach Community Services District - 8	Dublin San Ramon Services District - 113
Chico Area Recreation and Park District - 26	Dunnigan Water District - 2
Chino Basin Watermaster - 3	East Bay Dischargers Authority - 6
Chino Valley Independent Fire District - 112	East Diablo Fire District - 32
Chowchilla Cemetery District - 5	East Kern Airport District - 29
Christian Valley Park Community Services District - 0	East Palo Alto Sanitary District - 7
Clearlake Oaks County Water District - 0	East Valley Resource Conservation District - 0
Cloverdale Citrus Fair - 3	East Valley Water District - 65
Coachella Valley Association of Governments - 14	Eastern Municipal Water District - 546
Coachella Valley Public Cemetery District - 7	Eastern Plumas Health Care District - 105
Coalinga-Huron Recreation and Park District - 12	Eastern Sierra Community Services District - 5
Coastal Animal Services Authority - 5	Ebbetts Pass Fire Protection District - 14
Coastal Developmental Services Foundation - 174	El Camino Irrigation District - 3
Coastal Municipal Water District - 0	El Dorado County Fire Protection District - 87
Coastal San Luis Resource Conservation - 0	El Dorado Hills Community Services District - 10
Colusa Mosquito Abatement District - 4	El Dorado Hills County Water District - 47
Community College League of California - 17	El Dorado Irrigation District - 231
Compton Creek Mosquito Abatement District - 2	Elk Grove Community Services District - 162
Concord, City of - Retirement System - 57	Emeryville Redevelopment Agency - 1
Conejo Recreation and Park District - 81	Encinitas Fire Protection District - 28
Consolidated Area Housing Authority of Sutter County - 25	Encinitas Sanitary District - 1
Contra Costa County Law Library - 7	Esparto Community Services District - 0
Contra Costa County Schools Insurance Group - 20	Esterro Municipal Improvement District - 247
Contra Costa Fire Protection District - 532	Eureka Housing City Authority - 16
Contra Costa Mosquito Vector Control District - 26	Fair Oaks Cemetery District - 4
Contra Costa Special Education - Local Plan Area - 10	Fair Oaks Fire District - 20
Contra Costa Transportation Authority - 12	Fair Oaks Recreation and Park District - 17
Cooperative Personnel Services - 91	Fairfield-Suisun Sewer District - 19
Corning Water District - 5	Fall River Mills Community Services District - 3
Cottonwood Cemetery District - 2	Fallbrook Healthcare District - 6
Cottonwood Fire Protection District - 3	Feather River Air Quality Management District - 7
Crescent City Harbor District - 20	Feather Water District - 3
Crestline Lake Arrowhead Water Agency - 10	Felton Fire Protection District - 2
Crockett-Valona Sanitary District - 1	Fern Valley Water District - 4
CSAC Excess Insurance Authority - 16	Florin County Water District - 8
CSU Chico, Associated Students - 78	Foothill/Eastern Transportation Corridor Agency - 79
CSU Chico, Research Foundation - 116	Foresthill Public Utility District - 13
Cutler-Orosi Joint Powers Wastewater Authority - 0	Forestville Fire Protection District - 4
Cuyama Valley Recreation District - 0	Fort Bragg Fire Protection Authority - 4
Cypress Recreation and Park District - 1	Fort Ord Reuse Authority - 10
Dairy Council of California - 41	Forty-Niner Fire Protection District - 3
Davis Cemetery District - 3	Fresno City Housing Authority - 139
Deer Springs Fire Protection District - 2	Fresno County Housing Authority - 137
Del Mar Manor Water District - Directors - 1	Fresno County Law Library - 7
Del Norte Healthcare District - 5	Fresno Irrigation District - 2
Del Paso Manor Water District - 3	Fresno-Madera Area Agency on Aging - 35
Del Rey Community Services District - 5	
Denair Community Services District - 3	

Health Benefits Program

Districts & Other Public Agencies

Fruitridge Fire Protection District - 4	Jurupa Community Services District - 51
Fullerton California State University, Associated Students - 57	Kanawha Water District - 4
Fulton El-Camino Recreation and Park District - 18	Kensington Community Services District - 18
Georgetown Fire Protection District - 14	Kensington Fire Protection District - 10
Gilsizer County Drainage District - 3	Kentfield Fire District - 21
Glen Ellen Fire Protection District - 5	Kenwood Fire Protection District - 3
Glenn County Mosquito and Vector Control District - 2	Kern County Council of Governments - 20
Glenn-Colusa Irrigation District - 0	Kern County Housing Authority - 147
Golden Sierra Job Training Agency - 50	Kern County Law Library - 4
Goleta Cemetery District - 4	Kern Regional Center - 151
Goleta West Sanitary District - 12	Kingsburg Cemetery District - 6
Great Basin Unified Air Pollution Control District - 27	Kirkwood Meadows Public Utilities District - 13
Greater Anaheim Special Education Local Plan Area - 16	Lake Don Pedro Community Services District - 10
Greater Los Angeles County Vector Control District - 55	Lake Hemet Municipal Water District - 65
Gridley Biggs Cemetery District - 5	Lake Valley Fire Protection District - 27
Grossmont Healthcare District - 3	Lakeside Fire Protection District - 98
Grossmont Healthcare District - Board - 7	Las Gallinas Valley Sanitary District of Marin County - 25
Grossmont Schools Federal Credit Union - 17	Leucadia County Water District - 19
Guerneville Fire Protection District - Elected Officials - 0	Levee District No. 1 of Sutter County - 1
Halcumb Cemetery District - 2	Linda Fire Protection District - 10
Half Moon Bay Fire Protection District - 58	Linden-Peters Rural County Fire Protection District - 12
Hamilton Branch Fire Protection District - 1	Littlerock Creek Irrigation District - 6
Hamilton City Community Services District - 3	Live Oak Cemetery District - 2
Harbor Developmental Disabilities Foundation - 196	Livermore/Amador Valley Transit Authority - 13
Hayward California State University, Auxiliary Foundation, Inc. - 144	Local Agency Formation Commission of San Luis Obispo County - 1
Heartland Communications Facility Authority - 7	Lompoc Cemetery District - 6
Heritage Ranch Community Services District - 8	Long Beach State University, Associated Students - 43
Hesperia County Water District - 29	Long Beach State University, Forty-Niner Shops, Inc. - 86
Hesperia Fire Protection District - 43	Los Angeles County Area E Civil Defense and Disaster Board - 1
Hesperia Recreation and Park District - 30	Los Angeles County Housing Authority - 45
Hidden Valley Lake Community Services District - 10	Los Angeles County Law Library - 59
Higgins Area Fire Protection District - 13	Los Angeles County Sanitation District No. 2 - 2,354
Hilton Creek Community Services District - 2	Los Angeles County West Vector Control District - 30
Housing Authority of the City of Alameda - 0	Los Angeles Memorial Coliseum Commission - 43
Housing Authority of the City of Los Angeles - 864	Los Osos Community Services District - 14
Housing Authority of the County of Butte - 0	Lower Tule River Irrigation District - 37
Housing Authority of the County of Santa Cruz - 71	Lumberjack Enterprises, Inc. - 0
Hub Cities Consortium - 55	Madera Cemetery District - 25
Humboldt Bay Harbor Recreation and Conservation District - 13	Madera County Economic Development Commission - 0
Humboldt Bay Municipal Water District - 0	Majestic Pines Community Services District - 2
Humboldt County Association of Governments - 2	Mammoth Lakes Fire District - 6
Humboldt No. 1 Fire Protection District of Humboldt County - 17	Management of Emeryville Services Authority - 82
Humboldt State College University Center - 65	March Joint Powers Authority - 6
Humboldt Transit Authority - 35	Marin County Sanitary District No. 1 - 16
Idyllwild Fire Protection District - 15	Marin Municipal Water District - 341
Indian Valley Health Care District - 62	Marinwood Community Services District - 26
Inland Empire Utilities Agency - 194	Maxwell Public Utility District - 2
Inland Empire West Resource Conservation District - 2	McCloud Community Services District - 14
Intelcom Intelligent Telecommunications - 28	McKinleyville Community Services District - 0
Inverness Public Utility District - 7	Meadow Vista County Water District - 5
Ironhouse Sanitary District - 32	Mendocino Coast Hospital District - 220
Irvine Ranch Water District - 291	Menlo Park Fire Protection District - 126
Jamestown Sanitary District - 5	Merced County Housing Authority - 58
	Mesa Consolidated Water District - 62

Health Benefits Program

Districts & Other Public Agencies

Metropolitan Cooperative Library System - 16	Ojai Valley Sanitary District - 21
Metropolitan Transportation Commission - 141	Ophir Hill Fire Protection District - 2
Metropolitan Water District of Southern California - 2,869	Orange County Fire Authority - 267
Mid-Carmel Valley Fire Protection District - 15	Orange County Health Authority (CALOPTIMA) - 238
Midpeninsula Regional Open Space District - 63	Orinda Fire Protection District - 0
Midway City Sanitary District - 38	Orland Cemetery District - 0
Mission Valley Regional Occupation Program - 38	Orland-Artois Water District - 6
Mojave Desert Air Quality Management - 31	Oro Loma Sanitary District - 68
Mojave Water Agency - 32	Oroville Cemetery District - 8
Mokelumne Rural Fire District - 11	Oroville Mosquito Abatement District - 1
Monte Vista County Water District - 24	Oroville-Wyandotte Irrigation District - 72
Montecito Fire Protection District - 77	Oxnard Harbor District - 45
Monterey Bay Area Governments, Association of - 11	Pacific Fire Protection District - 15
Monterey Bay Unified Air Pollution Control District - 28	Pajaro Valley Fire Protection Agency - 0
Monterey Bay, CSU Foundation - 77	Pajaro Valley Public Cemetery District - 7
Monterey County Water Resources Agency - 52	Palm Ranch Irrigation District - 5
Monterey Peninsula Regional Park District - 10	Palm Springs Cemetery District - 4
Monterey-Salinas Transit - 175	Palo Verde Valley District Library - 2
Moraga Fire Protection District - 0	Paradise Cemetery District - 0
Moraga-Orinda Fire Protection District - 115	Paradise Recreation and Park District - 14
Morongo Basin Transit Authority - 20	Paso Robles City Housing Authority - 10
Moss Landing Harbor District - 8	Peardale Chicago Park Fire Protection District - 1
Mt. San Antonio College Auxiliary Services - 61	Peninsula Library System - 24
Mt. View Sanitary District of Contra Costa County - 12	Penn Valley Fire Protection District - 9
Muir Beach Community Services District - 2	Penryn Fire Protection District - 1
Murrieta County Water District - 14	Pine Cove Water District - 1
Murrieta Fire Protection District - 40	Pinedale County Water District - 9
Napa County Mosquito Abatement District - 8	Pioneer Cemetery District - 3
Napa Sanitation District - 61	Pixley Irrigation District - 12
Nevada Cemetery District - 3	Placer Consolidated Fire Protection District - 23
Nevada County Consolidated Fire District - 22	Placer County Cemetery District No. 1 - 3
Newport Beach City Employees Federal Credit Union - 5	Placer County Resource Conservation District - 1
Nipomo Community Services District - 9	Placer County Transportation Commission - 5
North Bay Schools Insurance Authority - 9	Placer County Water Agency - 183
North Coast Railroad Authority - 2	Planning and Service Area II Agency on Aging - 4
North Coast Unified Air Quality Management District - 9	Pleasant Valley Recreation and Park District - 39
North County Fire Protection District of Monterey County - 42	Point Montara Fire Protection District - 1
North County Fire Protection District of San Diego County - 64	Pomona, California State Polytechnic University, Associated Students, Inc. - 37
North County Transit District - 442	Port San Luis Harbor District - 24
North Delta Water District - 1	Princeton-Codora-Glenn Irrigation District - 6
North Los Angeles County Regional Center, Inc. - 330	Processing Strawberry Advisory Board - 4
North Marin Water District - 70	Processing Tomato Advisory Board - 5
North State Cooperative Library System - 9	Program Beta Risk Management Authority - 46
North Tahoe Fire Protection District - 48	Project D.A.Y. - 1
Northern California Power Agency - 191	Provident Irrigation District - 5
Northern California Special Districts Insurance Authority - 3	Public Agency Risk Sharing Authority of California - 5
Northern Sierra Air Quality Management District - 8	Public Entity Risk Management Authority - 5
Northridge Water District - 24	Quincy Cemetery District - 1
Northridge, California State University, Associated Students - 33	Rainbow Municipal Water District - Directors - 3
Northstar Community Services District - 20	Ramona Cemetery District - 6
Novato Fire Protection District - 133	Rancho Cucamonga Fire Protection District - 102
Novato Sanitary District - 34	Rancho Murieta Community Services District - 35
Oak Hill Cemetery District - 3	Rancho Simi Recreation and Park District - 79
Oakland City Housing Authority - 364	Reclamation District No. 70 - 7
Oceanside Small Craft Harbor District - 2	

Health Benefits Program

Districts & Other Public Agencies

Reclamation District No. 341 - 2	San Diego County Law Library - 42
Reclamation District No. 800 - 2	San Diego Metropolitan Transit Development Board - 86
Reclamation District No. 833 - 4	San Diego State University, Associated Students - 17
Reclamation District No. 900 - 9	San Diego Trolley, Inc. - 81
Reclamation District No. 1000 - 17	San Dieguito Water District - 29
Reclamation District No. 1001 - 16	San Elijo Joint Powers Authority - 12
Reclamation District No. 1601 - 3	San Francisco Bay Area Rapid Transit District - 4,064
Reclamation District No. 1660 - 1	San Francisco City and County Housing Authority - 276
Redway Community Services District - 5	San Francisco City and County Redevelopment Agency - 212
Regional Council of Rural Counties - 30	San Francisco Community College District Bookstore Auxiliary - 19
Regional Water Authority - 4	San Francisco County Transportation Authority - 13
Rescue Fire Protection District - 8	San Gabriel Valley Mosquito and Vector Control District - 10
Richardson Bay Sanitary District - 7	San Geronimo Pass Water Agency - 3
Rincon Del Diablo Municipal Water District - 31	San Jacinto Valley Cemetery District - 15
Rio Linda Elverta Community Water District - 12	San Joaquin County Housing Authority - 156
Riverbank City Housing Authority - 2	San Joaquin Hills Transportation Corridor Agency - 0
Riverdale Public Utility District - 1	San Jose State University, Foundation - 312
Riverside County Air Pollution Control District - 0	San Jose State University, Associated Students - 33
Riverside County Flood Control and Water Conservation District - 165	San Juan Water District - 53
Riverside County Housing Authority - 10	San Luis Obispo - Cal Poly, Associated Students, Inc. - 26
Riverside County Law Library - 6	San Luis Obispo - Cal Poly, Foundation - 201
Riverside County Regional Park and Open Space District - 39	San Luis Obispo Council of Governments - 8
Riverside County Transportation Commission - 29	San Luis Obispo County Pension Trust - 4
Riverside County Waste Resources Management District - 104	San Luis Obispo Regional Transit Authority - 4
Riverside Transit Agency - 327	San Marcos CSU Foundation - 40
Riverview Cemetery District - 5	San Marcos Fire Protection District - 8
Roseville Public Cemetery District - 10	San Mateo County Schools Insurance Group - 8
Ross Valley Fire Service - 46	San Mateo County Transit District - 809
Rubidoux Community Services District - 20	San Miguel Consolidated Fire Protection District - 156
Ruth Lake Community Services District - 1	San Miguel Community Services District - 2
Sacramento Area Council of Governments - 44	San Pablo City Housing Authority - 3
Sacramento City Housing Authority - 403	San Ramon Valley Fire Protection District - 234
Sacramento County Fire Protection District - 123	San Simeon Community Services District - 4
Sacramento County Public Law Library - 14	Sanitary District No. 5 of Marin County - 8
Sacramento Metropolitan Air Quality Management District - 57	Santa Barbara City Housing Authority - 67
Sacramento Metropolitan Cable Television Commission - 4	Santa Barbara County Association of Governments - 19
Sacramento Metropolitan Fire District - 822	Santa Barbara Coastal Vector Control District - 4
Sacramento Regional Fire/EMS Communications Center - 50	Santa Barbara County Law Library - 5
Sacramento Regional Transit District - 263	Santa Barbara Regional Health Authority - 82
Sacramento Transportation Authority - 3	Santa Clara County Health Authority - 83
Salida Fire Protection District - 6	Santa Clara County Law Library - 2
Salinas Rural Fire District - 50	Santa Cruz Consolidated Emergency Communications Center - 49
Salton Community Services District - 23	Santa Cruz County Law Library - 2
Samoa Peninsula Fire Protection District - 4	Santa Cruz Local Agency Formation Commission - 3
San Andreas Regional Center, Inc. - 239	Santa Cruz Metropolitan Transit District - 380
San Andreas Sanitary District - 5	Santa Fe Irrigation District - 66
San Benito County Water District - 16	Santa Maria Public Airport District - 8
San Bernardino County Housing Authority - 147	Santa Paula City Housing Authority - 13
San Bernardino County Law Library - 10	Santa Ynez River Water Conservation District, Improvement District No. 1 - 14
San Bernardino County Transportation Authority - 0	Saratoga Fire Protection District - 34
San Bernardino Economic Development Agency - 22	Sausalito-Marín City Sanitary District - 13
San Bernardino, California State University, Foundation - 122	School Personnel Credit Union - 13
San Bernardino, California State University, Student Union - 10	
San Diego Association of Governments - 72	

Health Benefits Program

Districts & Other Public Agencies

Schools Excess Liability Fund - 4	Three Arch Bay Community Services District - 2
Scotts Valley Fire Protection District - 34	Tiburon Fire Protection District - 30
Scotts Valley Water District - 18	Trabuco Canyon Water District - 29
Selma-Kingsburg-Fowler County Sanitation District - 33	Tracy Rural County Fire Protection District - 3
Sewer Authority Mid-Coastside - 15	Transportation Agency for Monterey County - 13
Shasta Area Safety Communications Agency - 42	Tri-Counties Association for the Developmentally Disabled - 217
Shasta Community Services District - 0	Truckee Fire Protection District - 38
Shasta Dam Area Public Utility District - 0	Tulare County Housing Authority - 50
Shasta Lake Fire Protection District - 13	Tulare Mosquito Abatement District - 6
Shasta Mosquito and Vector Control District - 20	Tuolumne Utilities District - 77
Shasta Valley Cemetery District - 2	Turlock Mosquito Abatement District - 17
Sierra Lakes County Water District - 8	Twain Harte Community Services District - 10
Sierra-Sacramento Valley Emergency Medical Services Agency - 5	Twin Cities Police Authority - 64
Smith River Community Services District - 4	Ukiah Valley Fire District - 6
Solano County Mosquito Abatement District - 13	Union Sanitary District - 165
Solano County Water Agency - 3	United Water Conservation District - 47
Solano Transportation Authority - 12	University Corporation - 87
Sonoma State Enterprises, Inc. - 2	Upland City Housing Authority - 22
Sonoma Student Union Corporation - 8	Vallejo Sanitation and Flood Control District - 105
Soquel Creek Water District - 44	Valley County Water District - 44
South Bay Regional Public Communications Authority - 56	Valley Mountain Regional Center, Inc. - 224
South Bayside System Authority - 64	Valley of the Moon Fire District - 22
South Coast Area Transit - 98	Valley of the Moon Water District - 12
South County Fire Protection Authority - 95	Valley Sanitary District - 15
South East Regional Reclamation Authority - 0	Valley-Wide Recreation and Park District - 21
South Kern Cemetery District - 1	Ventura County Law Library - 6
South Placer Fire District - 50	Ventura County Transportation Commission - 19
South Placer Municipal Utility District - 21	Ventura Port District - 27
South San Luis Obispo County Sanitation District - 8	Ventura Regional Sanitation District - 74
Southeast Area Social Services Funding Authority - 22	Veterans Home of California Post Fund - 12
Southern California Association of Governments - 176	Victor Valley Wastewater Reclamation Authority - 24
Southern California Public Power Authority - 5	Victor Valley Water District - 60
Southern California Regional Rail Authority - 175	Walton Fire Protection District - 1
Southern Humboldt Community HealthCare District - 63	Water Facilities Authority - 3
Southern Inyo Healthcare District - 61	Weaverville Fire Protection District - 1
Southern San Joaquin Municipal Utility District - 27	Weaverville Sanitary District - 3
Spartan Shops, Inc. - 135	West Bay Sanitary District - 25
Squaw Valley Public Service District - 19	West Cities Communication Center - 14
Stanislaus County Housing Authority - 116	West Cities Communication Center, Joint Powers Authority - 0
State Water Contractors - 4	West Contra Costa Healthcare District - 9
Stege Sanitary District - 9	West County Wastewater District - 56
Stinson Beach County Water District - 10	West Plainfield Fire Protection District - 0
Student Assistance Fund En., Business Ind. Dev. - 5	Western Riverside Council of Governments - 14
Student Union of San Jose State University - 26	Westlands Water District - 140
Summerland County Water District - 0	Wildomar Cemetery District - 2
Summit Cemetery District - 10	Willow Creek Community Services District - 2
Sunnyslope County Water District - 14	Willow Oak Fire District - 0
Susanville Consolidated Sanitary District - 9	Willows Cemetery District - 3
Sutter Cemetery District - 12	Wilton Fire Protection District - 1
Sutter-Yuba Mosquito and Vector Control District - 0	Winters Cemetery District - 3
Sylvan Cemetery District - 5	Winters Fire Protection District - 5
Tahoe City Public Utility District - 46	Woodbridge Rural County Fire Protection District - 24
Tahoe-Truckee Sanitation Agency - 69	Woodlake Fire District - 3
Temecula Public Cemetery District - 2	Woodside Fire Protection District - 70
Templeton Community Services District - 14	Yolo County Communications Emergency Services Agency - 31

Health Benefits Program

Districts & Other Public Agencies

Yolo County Housing Authority - 40
Yolo County Public Agency Risk Management Insurance
Authority - 6
Yolo County Transit Authority - 0

Yolo County Transportation District - 8
Yolo-Solano Air Quality Management District - 24
Yuba County Water Agency - 19
Yolo Sutter Transit Authority - 2

Total - 653

School Districts

Acalanes Union High School District - 564
Alta-Dutch Flat Union Elementary School District - 10
Arcadia Unified School District - 652
Aurora High - 9
Berryessa Union Elementary School District - 656
Beverly Hills Unified School District - 687
Bonita Unified School District - 575
Brisbane Elementary School District - 82
Burbank Unified School District - 1,648
Burlingame Elementary School District - 225
Byron Union School District - 69
Campbell Union High School District - 708
Castaic Union Elementary School District - 180
Centinela Valley Union High School District - 899
Cerritos Community College District - 924
Charter Learning Center - 7
Charter Oak Unified School District - 326
Chatom Union Elementary School District - 24
Compton Unified School District - 2,332
County School Service - 67
County School Service - Sacramento County Schools - 663
County School Service - San Mateo County Schools - 605
County School Service - Stanislaus County Schools - 392
County School Service - Trinity County Schools - 0
County Superintendent of Schools Office - 1,870
Cox Bar Elementary School District - 8
Culver City Unified School District - 709
Davis Joint Unified School District - 586
Dixie Elementary School District - 194
Duarte Unified School District - 358
El Camino Community College District - 1,032
El Monte Elementary School District - 1,045
El Segundo Unified School District - 255
Empire Union Elementary School District - 376
Fairfield-Suisun Unified School District - 1,379
Fillmore Unified School District - 360
Fremont Unified School District - 2,001
Garfield Charter School - 64
Garvey Elementary School District - 725
Gavilan Joint Community College District - 244
Hayward Unified School District - 1,715
Hickman Elementary School District - 69
Hillsborough City School District - 136
Holtville Unified School District - 4
John Swett Unified School District - 154

Knights Ferry Elementary School District - 11
Knightsen School District - 26
La Grange Elementary School District - 3
Laguna Salada Union Elementary School District - 376
Las Lomas Elementary School District - 127
Las Virgenes Unified School District - 892
Lawndale Elementary School District - 511
Liberty Union High School District - 111
Little Lake City Elementary School District - 447
Los Nietos Elementary School District - 220
Lowell Joint Elementary School District - 285
Magnolia Elementary School District - 584
Martinez Unified School District - 398
Menlo Park City Elementary School District - 250
Millbrae Elementary School District - 242
Modesto City Elementary School District - 2,660
Morgan Hill Unified School District - 630
Mt. Diablo Unified School District - 3,335
Mt. Pleasant Elementary School District - 186
Mt. San Antonio Community College District - 1,229
Napa Community College District - 357
Newman-Crows Landing Unified School District - 197
North Monterey County Unified School District - 535
North Orange County Community College District - 2,009
Ophir Elementary School District - 1
Orinda Union School District - 266
Palos Verdes Peninsula Unified School District - 1,042
Paradise Elementary School District - 16
Penryn Elementary School District - 12
Pleasant Valley Elementary School District - 751
Ravenswood City Elementary School District - 320
Redwood City Elementary School District - 983
Reed Union Elementary School District - 134
Rio Hondo Community College District - 660
Riverbank Elementary School District - 233
Ross Elementary School District - 52
Ross Valley Elementary School District - 201
Sacramento City Unified School District - 3,344
San Bruno Park Elementary School District - 297
San Carlos Elementary School District - 190
San Gabriel Elementary School District - 478
San Mateo County Community College District - 1,448
San Mateo Union High School District - 1,301
San Mateo-Foster City School District - 956
San Rafael City Elementary School District - 349

Health Benefits Program

School Districts

San Rafael City High School District - 280
Santa Monica Community College District - 1,093
Santa Monica-Malibu Unified School District - 1,372
Saugus Union Elementary School District - 519
South Pasadena Unified School District - 364
South San Francisco Unified School District - 1,175
South Whittier School District - 419
Temple City Unified School District - 351
Tri-Cities Regional Occupational Program - 36
Trinity Center Elementary School District - 0

Vacaville Unified School District - 688
Valle Lindo Elementary School District - 6
Vallejo City Unified School District - 1,876
Waterford Unified School District - 151
West Contra Costa Unified School District - 4,492
West Covina Unified School District - 873
Whittier City Elementary School District - 627
William S. Hart Union High School District - 1,371
Wiseburn Elementary School District - 158

Total - 109

Deferred Compensation Program

By saving for the future, CalPERS members can face the road to retirement with confidence. CalPERS helps by providing an important tool to meet future needs—the CalPERS 457 Deferred Compensation Program. As of June 30, 2002, this program was adopted by 414 public agencies.

During fiscal year 2001-02, membership grew to 12,729, up from 10,472. Assets increased from \$195.2 million to \$226.6 million, as a result of \$64.2 million in contributions, investment losses of \$21.5 million, and distributions and withdrawals paid to participants of \$10.4 million.

Designed with high standards of quality and service, the CalPERS 457 Deferred Compensation Program is a way to defer a portion of pre-tax salary into investments of an individual's own choosing. It is a deferred compensation program that allows both the amount deferred, and the amount earned on the investment, to be protected from income tax until the money is taken out during retirement. The program complements the retirement benefit plans offered by CalPERS.

State law enacted in 1990 allowed CalPERS to make the deferred compensation program available to all California public agencies. This includes counties, cities, special districts, and school districts. The CalPERS 457 Deferred Compensation Program meets all federal requirements of eligible deferred compensation plans organized under the Internal Revenue Code.

The program offers participants 13 investment options. Eight separate “core” funds have been created specifically for this program, or participants can choose from three lifestyle options that automatically invest their money in a conservative, moderate, or aggressive investment mix of core funds. All of these funds are managed by CalPERS staff and its professional investment managers, according to strict investment objectives and performance standards set by the CalPERS Board of Administration. In addition to the core funds, participants are offered two options to invest in federally-insured bank certificates of deposit or through a discount brokerage service that lets them select from more than 3,000 retail mutual funds through a self-managed account.

Participating Public Agency Summary

Counties	15
Cities	73
Community Service Districts	20
Fire Protection Districts	35
Health Agencies	5
Housing Authorities	8
Insurance Groups	11
Libraries	11
School Districts	69
Water Districts	53
Other Districts	79
Other Public Agencies	35
Total	414

The CalPERS Board controls the investment and administrative functions of the CalPERS 457 Deferred Compensation Program. The assets are held in trust by the Board for the exclusive benefit of participating employees, which adds security.

The program delivers its investments and services at low cost through a simple fee structure. There are no hidden costs or restrictions on investments. Total fees for administration and investment management of the core funds are less than 1 percent, half of what other programs typically charge. By paying less in fees, participants are able to invest more and earn returns building up their account over time.

Deferred compensation programs provide an immediate tax break and the advantage of the full earning power of a person's money. Because earnings automatically reinvest tax free, the savings potential grows significantly over time. The CalPERS 457 Deferred Compensation Program offers valuable trust protection public agency employees can count on to secure their retirement savings.

The financial statements for this program are in this report as part of the Financial Section and the accompanying notes and schedules.

Long-Term Care Program

The CalPERS Long-Term Care (LTC) Program provides financial protection to members from the high cost of extended care that may be caused by illness, injury, or the frailty of old age. Six out of every 10 people over the age of 65 will need such care. Unfortunately, these types of personal services are not covered by regular health insurance or Medicare.

The CalPERS LTC Program is a self-funded, not-for-profit, member-paid program that continues to add substantial membership on an annual basis. During fiscal year 2001-02, membership grew to 165,128 from 147,169 last year, and annual premiums were \$186.6 million, which increased from \$168.6 million for 2001. Additionally, the Program reserve grew to more than \$720 million, and \$31.5 million in benefits were paid on behalf of members, up from \$640 million and \$18.1 million, respectively.

Our LTC Program continues to be the largest and most respected long-term care program of its kind in the nation. Entering its seventh year, the CalPERS Long-Term Care Program is devoted to providing the best long-term care benefits with affordable premiums.

The financial statements for this program are in this report as part of the Financial Section and the accompanying notes and schedules.



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