

# Shaping Our Future:

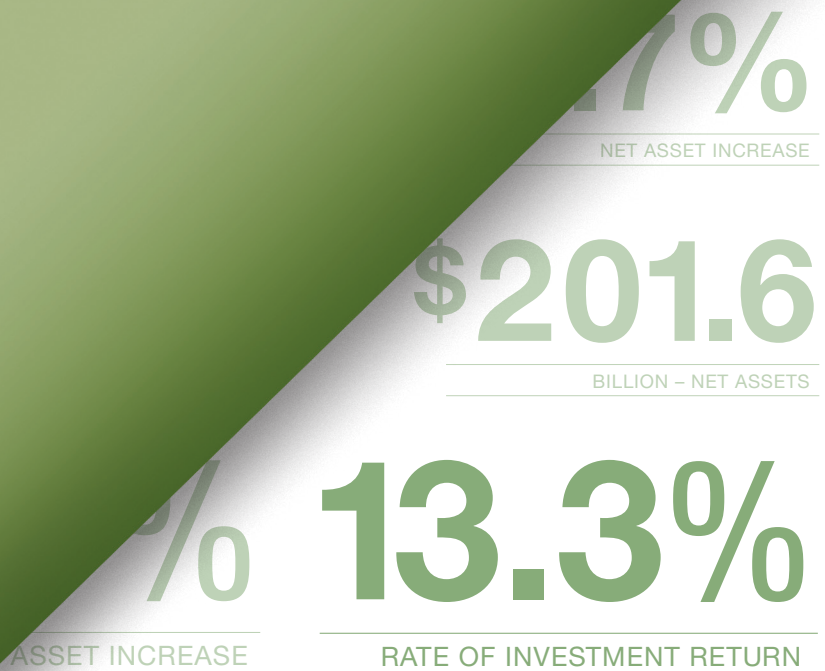
Ensuring Performance, Transparency and Accountability

## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2010

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

CalPERS



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## **Comprehensive Annual Financial Report** **Fiscal Year Ended June 30, 2010**

Prepared by the Fiscal Services Division, the Investment Office, the Actuarial and Employer Services Branch, the Office of Public Affairs, and several additional divisions and branches of the California Public Employees' Retirement System.

Available online at [www.calpers.ca.gov](http://www.calpers.ca.gov)

# CalPERS

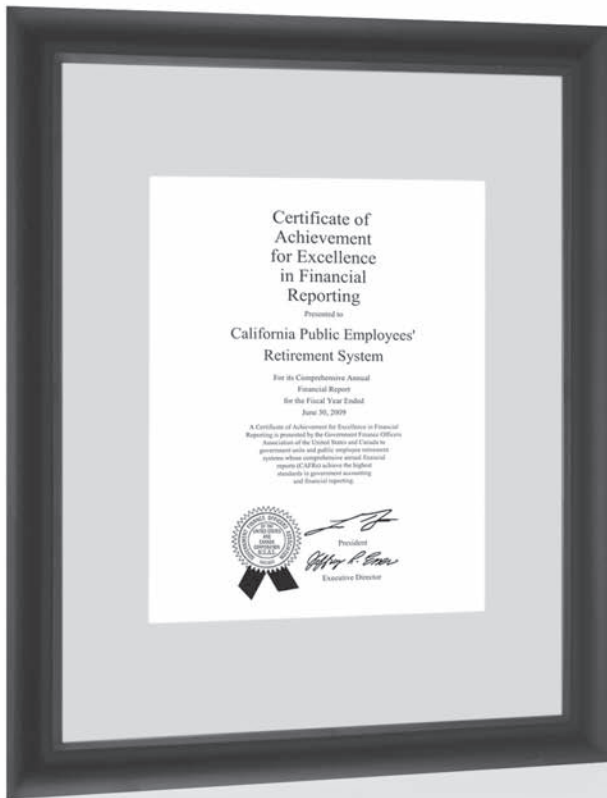
California Public Employees' Retirement System  
A Component Unit of the State of California

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# Professional Awards



## CERTIFICATE OF ACHIEVEMENT OF EXCELLENCE IN FINANCIAL REPORTING

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 our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the 14<sup>th</sup> 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 that satisfies both generally accepted accounting principles and applicable legal requirements. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements.



## PUBLIC PENSION STANDARDS AWARD

The Public Pension Coordinating Council (PPCC) awarded a Public Pension Standards Award for Funding and Administration to CalPERS for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This is the 9<sup>th</sup> consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

# Introductory Section

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# Chief Executive Officer's Letter of Transmittal



December 10, 2010

## 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, 2010.

CalPERS faced many challenges over the past 12 months. Those challenges prompted us to take a fresh look at the internal processes and fundamental values that will shape the future of CalPERS. As we conducted this re-examination, a key focus was a renewed commitment to transparency, accountability, and performance. During the year, we implemented a number of policies that underscore the importance of these principles in all our business activities. We also supported State legislation that strengthens the disclosure requirements of organizations seeking to do business with CalPERS.

We experienced our first investment gain in three years, with an investment return rate of 13.3 percent for the fiscal year ending June 30, 2010. This return marked the 17th time in the past 27 years that we have seen double-digit investment returns. As of June 30, 2010, the market value of our assets was \$201.6 billion.

The rebound in our investment portfolio was the result of many factors, including the stabilization in the financial industry, the increase in market liquidity, and the aggressive response of our Board and investment staff to harness opportunities in the market. We are continuing to apply the hard lessons of the financial crisis to a re-assessment of our investment policies, processes, and strategies. This includes developing more robust risk management practices, reviewing our asset allocation, and taking steps to better align our interests with those of our investment partners to ensure we are getting the best results for dollars spent.



Anne Stausboll  
*Chief Executive Officer*

CalPERS has been at the forefront of efforts to close federal regulatory gaps, obtain protection from system risk, and restrain the poor corporate governance practices that led to the financial crisis and recession. We are pleased that the "Restoring American Financial Stability Act of 2010" favorably addresses most of our 2010 Financial Market Reform Objectives. We will continue to use our voice as an investor to put an end to corruption and greed in the financial markets.

On the environmental front, we supported a vote by the U.S. Securities and Exchange Commission that requires public companies to disclose to investors any serious risks global warming might pose to their businesses.

During the year, we rounded out our executive leadership team. Alan Milligan was selected as our new Chief Actuary following the retirement of Dr. Ron Seeling after 16 years of service. Alan is a seasoned pension fund actuary with more than 20 years of public and private sector experience, including nearly 10 years with CalPERS. He has been with CalPERS since 2001 and served previously as Deputy Chief Actuary since August 2009.

Another key staff change was the appointment of Ann Boynton as Deputy Executive Officer of Benefits. Ann joined CalPERS from the legal and consulting firm Manatt, Phelps, and Phillips where she served as a managing director and worked on health care and health care information technology issues.



In the spring, we began to examine our organizational structure and processes, culture and core values, and business strategy and planning activities. We established *Our CalPERS: Shaping the Future*, an enterprise-wide initiative to restore confidence, rebuild trust, and enhance integrity and accountability in our organization. As part of *Shaping the Future*, we are re-examining how our organization is structured to ensure effective customer service, risk intelligence, and innovation. We also are strengthening our business planning, performance management, and budgeting.

*Our 2010-11 Business Plan focuses on three enterprise priorities: customer focus, sustainability, and building internal strength.*

Our 2010-11 Business Plan focuses on three enterprise priorities: customer focus, sustainability, and building internal strength. Together, *Shaping the Future* and the Business Plan will support our determination to rebuild trust and enhance transparency and accountability within our organization.

One of our key internal activities for the past few years has been integrating all of our information technology systems into a comprehensive Internet-based platform that provides 24/7 access. The new my|CalPERS has been an enormous undertaking, requiring thousands of employee hours.

Throughout the year, news reports about pension funds in general and CalPERS in particular created uncertainty among our members, employers, and business partners. The debate over pensions can be emotional because it is ultimately about people and their financial security. Our goal is to be a proactive educator and an honest broker of information — dispelling myths through a clear presentation of facts. To enable us to serve as a resource and educator, early in the fiscal year we launched a new website — *CalPERS Responds*. Through this site, we are providing information about emerging issues in pension security, investments, and national health care reform.

As government pensions became a significant public policy issue, in January and February 2010 we held two California Retirement Dialogue events, which were attended by a total of more than 465 interested individuals. The events provided an in-depth exploration of pension issues facing State and local government members and retirees.

To ensure accountability and transparency, our goal is to provide a unified, accurate, and timely message to members, employers, and stakeholders. Our newly created External Affairs Branch supports this goal. The branch is composed of the Office of Public Affairs, Governmental Affairs, and a new Office of Stakeholder Relations. The new office will represent the interests of CalPERS leadership before member and employer organizations.

As the fiscal year came to a close, we were ramping up our new Office of Enterprise Risk Management and Ethics Helpline. The creation of this office is one more way we are ensuring ethical conduct across our organization. In addition to enterprise risk intelligence, it brings together internal compliance operations, privacy and security, disaster recovery, and business continuity programs. The Ethics Helpline enables CalPERS to receive and address tips and information regarding possible wrongdoing, such as allegations of fraud, waste, abuse, conflicts of interests, and other misdeeds.

The 2011 health benefits package increases overall premiums by an average of 9.1 percent. The increase reflects higher costs anticipated by the health plans for hospital, medical, and prescription drug use next year. The increase is not the result of the enactment of federal health care reform.

As the debate over national health care reform unfolded over the past year, we kept our members and other stakeholders updated via a “CalPERS and Health Care Reform” section on our website. We believe the measures included in “America’s Affordable Health Choices Act of 2009” will improve health care delivery for our members and all Americans. Following enactment of the legislation, we established a Health Care Reform Project Implementation Team to analyze the impact the legislation will have on our Health Program.

## **Management Responsibility for Financial Reporting**

Our system management prepared the CalPERS financial statements included in this CAFR for the 2009-10 fiscal year. Management is responsible for the integrity and fairness of the information presented, including data that, out of necessity, is based on estimates and judgments. The accounting policies used to prepare these financial statements conform to accounting principles generally accepted in the United States. Financial information presented throughout this Annual Report is consistent with these financial statements.

CalPERS maintains a system of internal controls designed to provide reasonable assurance that assets are properly safeguarded, transactions are properly executed, and financial statements are reliable. 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, Macias Gini & O'Connell, 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 our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the 14th 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. A Certificate of Achievement is valid for a period of one year. 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 Public Pension Coordinating Council (PPCC) awarded a Public Pension Standards Award for Funding and Administration to CalPERS. This is the ninth consecutive year that CalPERS has achieved this prestigious award. In order to be awarded a Public Pension Standards Award, a public pension program must meet professional standards for plan design and administration as set forth in the Public Pension Standards. A Public Pension Standards Award is valid for a period of one year.

## **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 appropriately distributed. Responsibility for the accuracy, completeness, and fair presentation of the information and all disclosures rests with CalPERS. The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

This Letter of Transmittal is designed to complement the Management's Discussion & Analysis (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.

## **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 CalPERS continued solid financial management. See the Chief Investment Officer's letter, page 88, for a summary of our investment performance.

### **Asset Allocation**

An integral part of the overall investment policy is the strategic asset allocation policy. This policy is designed to provide an optimal mix of asset class investments which can best meet future pension obligations with the lowest risk possible and the lowest cost to taxpayers, employers, and employees. This approach emphasizes strong diversification among a range of investments, each of which offers the prospect of compelling, long-term returns. These investments include allocations to listed markets (money markets, bonds, global stocks, and commodities) as well as private markets (real estate, private equity, hedge funds, forestland, and infrastructure).

### **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.

As of June 30, 2009, the Public Employees' Retirement Fund (PERF) stood at 60.8 percent funded on a market value of assets basis and 83.3 percent funded on an actuarial value of assets basis. (Updated funded status for June 30, 2010 will be updated in the future CAFR.)

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.

*We are focused on ensuring quality service for our members and employers, and on pursuing ways to minimize employer pension costs in the long term.*

### **In Closing. . .**

We shape the future of CalPERS. We are committed to the fundamental ethics and common sense rules upon which CalPERS was built 78 years ago. This strong foundation will guide us as we work together to restore confidence in CalPERS through exemplary customer service and increased accountability and transparency. I want to thank and acknowledge all employees for their dedication to achieving our mission — providing financial and health security for our members.

We are focused on ensuring quality service for our members and employers, and on pursuing ways to minimize employer pension costs in the long term. And, we are determined to achieve the excellence that our members, employers, and business partners expect from us as the largest public pension fund in the United States.

Anne Stausboll  
*Chief Executive Officer*

# About CalPERS

---

The California Public Employees' Retirement System (CalPERS) is the nation's largest public pension fund with total net assets of \$205.0 billion as of June 30, 2010.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million people and 3,033 school and public employers. The System also operates eight Regional Offices located in Fresno, Glendale, Orange County, Sacramento, San Diego, San Bernardino, San Jose, and Walnut Creek.

Led by a 13-member Board of Administration, consisting of member-elected, appointed, and ex officio members, CalPERS membership consists of 1,116,044 active and inactive members and 513,623 retirees, beneficiaries, and survivors from State, school, and public agencies.

Established by legislation in 1931, the System became operational in 1932 for the purpose of providing a secure retirement to State employees. In 1939, new legislation allowed public agency and classified school employees to join the System for retirement benefits. CalPERS began administering health benefits for State employees in 1962, and five years later, public agencies joined the Health Program on a contract basis.

A defined benefit retirement plan, CalPERS provides benefits based on a member's years of service, age, and highest compensation. In addition, benefits are provided for disability and death. Today CalPERS offers additional programs, including long-term care insurance, a member home loan program, a deferred compensation retirement savings plan, and member education services.

## OUR MISSION

To advance the financial and health security for all who participate in the System. We will fulfill this mission by creating and maintaining an environment that produces responsiveness to all those we serve.

## VISION

Pride in Our Service, Confidence for Your Future.

## CORE VALUES

### Quality

Strive to meet internal and external customer's needs through innovation, competence, and teamwork. Seek to "do it right" the first time.

### Respect

Sensitive to the needs of others, both within and outside the organization. Courteous, considerate, responsive and professional.

### Integrity

In all endeavors, act in an ethical, honest and professional manner.

### Openness

Willing to listen to, and share information with others. Receptive to new ideas. Trusting.

### Accountability

Take ownership and responsibility for actions and their results. Accept both risks and rewards, trusting that good faith risks will not be punished.

**GOALS AND OBJECTIVES**

- We will be mission driven.
- We will sustain a high-performance work culture.
- We will make our programs, processes and strategic decisions understandable to our stakeholders and highly valued by our internal and external customers.
- We will use our resources effectively.
- We will continuously meet or exceed internal and external customer quality-of-service expectations.
- We will design, develop and deliver our programs and benefits to be innovative and market sensitive.
- We will have a positive public identity and relationship with our external customers and stakeholders.
- We will effectively organize and focus resources to primarily assure that sufficient funds are available to pay benefits and, secondarily, minimize and stabilize employer contributions.

# Board of Administration

---

**Rob Feckner, President**

Employee Member (elected by school members)  
Glazing Specialist,  
Napa Valley Unified School District  
*Term Ends: January 15, 2015*

**George Diehr, Vice President**

Employee Member (elected by State members)  
Professor, CSU San Mateo  
*Term Ends: January 15, 2015*

**John Chiang**

State Controller  
Ex Officio Member

**Patricia Clarey**

State Personnel Board Member (designated  
by the State Personnel Board)  
*Term Ends: Serves at the pleasure of the SPB*

**Dan Dunmoyer**

Official of Life Insurer<sup>1</sup>  
Senior Vice President,  
Legislative and Regulatory Affairs  
Farmers Insurance Groups of Companies and  
Zurich Financial Services  
*Term Ends: January 15, 2013*

**Debbie Endsley**

Director,  
Department of Personnel Administration  
Ex Officio Member

**JJ Jelincic**

Employee Member (elected by all members)  
Investment Officer III, CalPERS  
*Term Ends: January 15, 2014*

**Henry Jones**

Retired Member (elected by retirees)  
Retired, Chief Financial Officer,  
Los Angeles Unified School District  
*Term Ends: January 15, 2012*

**Bill Lockyer**

State Treasurer  
Ex Officio Member

**Priya Mathur**

Employee Member (elected by public agency members)  
Economist, Bay Area Rapid Transit  
*Term Ends: January 15, 2015*

**Louis F. Moret**

Public Representative<sup>2</sup>  
*Term Ends: January 15, 2012*

**Tony Oliveira**

Elected Official of Local Government<sup>1</sup>  
Kings County Supervisor  
*Term Ends: January 15, 2011*

**Vacant**

*(Kurato Shimada through August 2010)*  
Employee Member (elected by all members)  
*Term Ends: January 15, 2014*

<sup>1</sup> Governor appointee

<sup>2</sup> Appointed jointly by the Speaker of the Assembly  
and the Senate Rules Committee

# Executive Staff

---

**Anne Stausboll**  
Chief Executive Officer

**Stephen W. Kessler**  
Deputy Executive Officer,  
Operations

**Ann Boynton**  
Deputy Executive Officer,  
Benefits Administration  
*(Kathleen Hamilton through January 2010)*

**Patricia K. Macht**  
Director,  
External Affairs

**Larry Jensen**  
Chief Risk Officer, Interim  
Enterprise Risk Management

**Joseph A. Dear**  
Chief Investment Officer

**Janine Guillot**  
Chief Operating Investment Officer,  
Investment Operations  
*(Ken Marzion, Interim, through January 2010)*

**Peter H. Mixon**  
General Counsel

**Alan W. Milligan**  
Chief Actuary  
*(Ron Seeling through March 2010)*

**Dale Jablonsky**  
Assistant Executive Officer,  
Information Technology Services  
*(Teri Bennett through June 2010)*

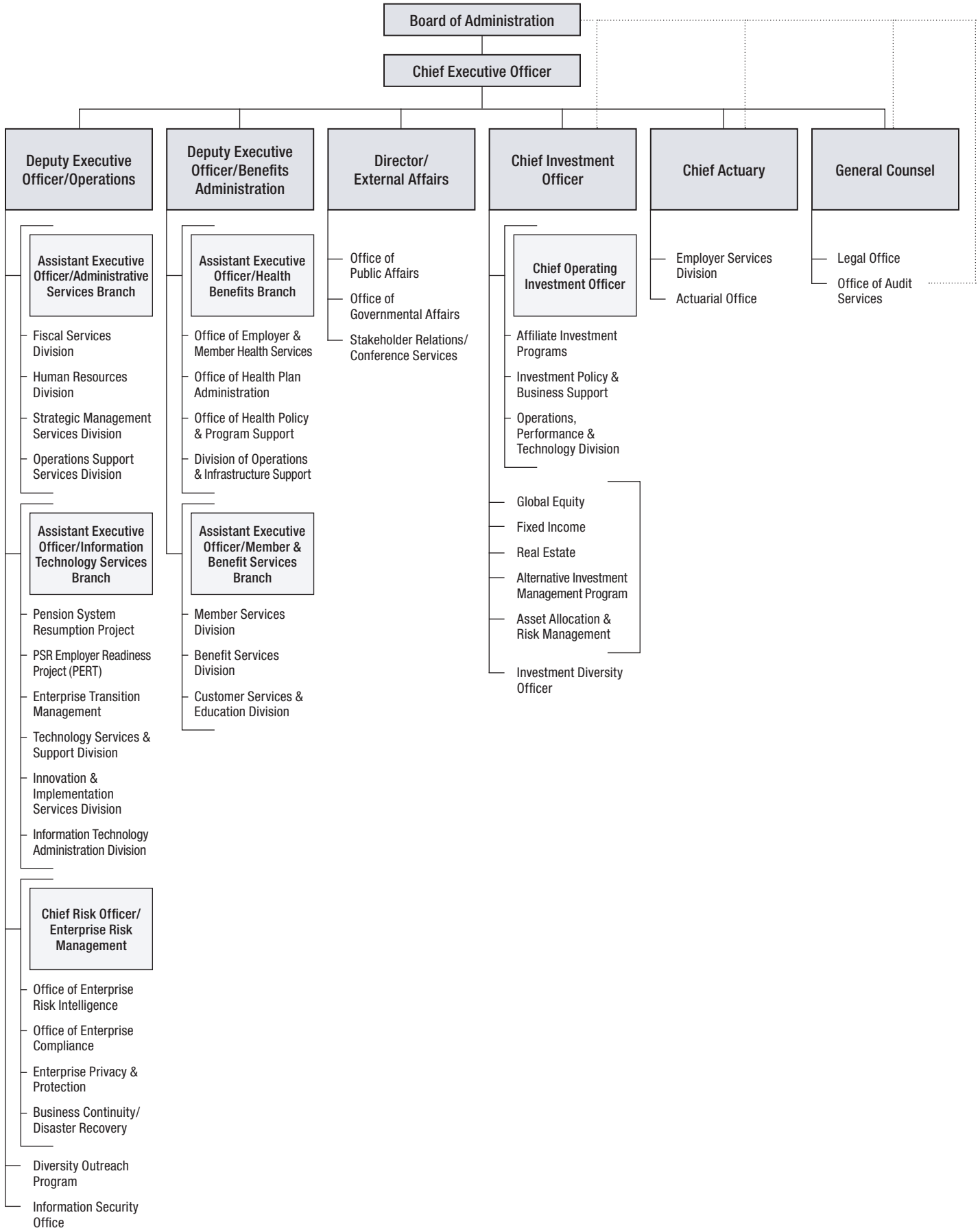
**Russell Fong**  
Assistant Executive Officer, Interim  
Administrative Services  
*(Larry Jensen through September 2010)*

**Donna Lum**  
Assistant Executive Officer,  
Member & Benefit Services

**Kathleen Billingsley**  
Assistant Executive Officer,  
Health Benefits  
*(Doug McKeever, Interim, through November 2010)*

**Sheri Hofer**  
Privacy and Security Officer,  
Enterprise Privacy & Protection

# Organizational Chart





# Consultant & Professional Services

Individual or Firm
Accenture, LLP
ACS Learning Services
Advanced Systems Group, LLC
Agreeya Solutions, LLC
Alexan International, Inc.
Ambire Consulting, Inc.
ATV Video Center, Inc.
Ballard Group, The
Base 3 Consulting
Bedrosian & Associates
Blackstone Technology Group
Buck Consultants, LLC
Business Advantage Consulting
California Department of Justice
California State Personnel Board
California State Teachers' Retirement System
Cambria Solutions, Inc.
Celer Systems, Inc.
Chisoft Consultant Services, LLC
Coach Source, LLC
Comac, An Iron Mountain Company
Comsys
Consortium of Business Continuity Professional, Inc.
Cooperative Personnel Services
Cornerstone Fitness, Inc.
Csidentity Corporation
CSUS, College of Continuing Education
Dee Hansford Consulting
Delegata
Department Of Personnel Administration
Dolamont Consulting, Inc.
DSS Research, Inc.
Eagle Management Group
Eaton Interpreting Services
Ed Friend, Inc.
EFI Actuaries
Enclipse Corporation
Equanim Technologies
Evergreen Systems, Inc.
Expressworks International, Inc.
Global Access, LLC
Health Management Associates
Hewlett-Packard
Highlands Consulting Group
Information Technology Software Professional
Informatix, Inc.
Innovative Software Technologies
Insight Technologies, Inc.
Intersoft Systems And Programs, Inc.
Intraform
J. A. Frasca And Associates
JLynnconsulting, Inc.
Katrina Kennedy Training
Kearnford Application Systems Design

Individual or Firm
Kenera Consulting, Inc.
Kleinfelder, Inc.
Kong Consulting, Inc.
KPMP, LLP
Landor
Liberty Consulting Team
Logic House, Ltd.
Lussier, Vienna, Gregor & Associates
Macias Gini, & O'Connell, LLP
Marks, Christina CPHT
Martin & Chapman Co.
Mckinsey & Company, Inc.
Medstat Group
Mercer Health And Benefits
Metavista Consulting Group
Michael Strategic Analysis
Milliman, Inc.
Mindstorm
Moore Wallace Business Communications Services
National Data Services
Nexlevel Information Technology, Inc.
North Highland Company
Oce North America, Inc.
Office Workouts
Ogilvy Public Relations
Pacific Business Group on Health
Pacific Satellite Connection, Inc.
Parent Video Production Pool - PAFO
Pasanna Consulting Group, LLC
Performance Technology Partners, LLC
Peters Shorthand Reporting Corporation
PM/CM Services, Inc.
Princeton Solutions Group, Inc.
Propoint Technology, Inc.
Prosci
Public Sector Consultants, Inc.
R & G Associates
Regents of the University of California
Results Group
Runyon, Saltzman & Einhorn, Inc.
Russbo, Inc.
Saba Software, Inc.
Saber Software, Inc.
Sapphire Technologies, Inc.
Sas International, Inc.
Segula Technologies
Senn-Delaney Leadership
Shooting Star Solutions, LLC
Sign Language Interpreting Service Agency
Softsol Resources, Inc.
Software Ag, Inc.
Sophus Consulting
Spherion Pacific Enterprises, LLC
Staff Tech, Inc.

## Consultant & Professional Services (continued)

---

Individual or Firm
Stanfield Systems, Inc.
State Controller's Office
Suzanne Stone Freelance Services
Take 1 Productions
Teampersona, Inc.
Technology Crest Corporation
Thomson Reuters
Trinity Technology Group, Inc.
Two Shea Consulting, Inc.

Individual or Firm
Vantage Consulting Group, Inc.
Vanwrite
Viaspire
Visionary Integration, LLC (VIP)
Watson Wyatt Worldwide
Western Blue
Wright On-Line Systems
Zyncor Consulting

# Financial Section

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# Independent Auditor's Report



**MACIAS GINI & O'CONNELL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

Sacramento  
3000 S Street, Suite 300  
Sacramento, CA 95816  
916.928.4600

Walnut Creek

Oakland

Los Angeles

Newport Beach

San Diego

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

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of fiduciary net assets of the fiduciary funds and the statement of net assets of the proprietary funds of the California Public Employees' Retirement System (the System or CalPERS), a component unit of the State of California, as of June 30, 2010, and the related statement of changes in fiduciary net assets of the fiduciary funds, and the statements of revenues, expenses and changes in net assets and cash flows of the proprietary funds for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the System's 2009 financial statements on which our report dated November 19, 2009, expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, the financial statements referred to above present fairly, in all material respects, the fiduciary net assets of the fiduciary funds and the net assets of proprietary funds of the California Public Employees' Retirement System as of June 30, 2010, and the changes in fiduciary net assets of the fiduciary funds and the changes in net assets and cash flows of the proprietary funds for the year then ended in conformity with the accounting principles generally accepted in the United States of America.

As described in Note 2, the System adopted the provisions of Governmental Accounting Standard Board Statements (GASBS) No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASBS No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASBS No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

As described in Note 5, actuarial data presented for the California Employers' Retirement Benefit Trust Fund was derived from actuarial valuations performed by actuarial firms engaged by participating employers. Actuarial valuations must comply with the CalPERS OPEB Assumption Model, which requires the use of specified actuarial methods and assumptions.

Also discussed in Note 5 to the financial statements, actual contributions made by the State of California to the Judges Retirement Fund were significantly less than the actuarially determined annual required contributions. State of California contributions were used to fund benefit payments of the current period. As such, the Judges Retirement Fund does not retain the accumulated contributions of active members. Management and legal counsel believe the State of California is legally required to provide contributions to fund benefits when due.

The California Employers' Long-Term Care Fund's net assets deficit totaled approximately \$118.5 million. As discussed in Note 9, the determination of the estimated liability for future policy benefits is very sensitive to the underlying actuarial assumptions.

As described in Note 10, based on the most recent actuarial valuation of the Public Employees' Retirement Fund as of June 30, 2009, the System's actuaries determined that, at June 30, 2009, the actuarial accrued obligation exceeded the actuarial value of its assets by \$49.1 billion. The most recent actuarial valuation does not reflect the impact of the remaining deferred fiscal year 2009 investment losses.

The Management's Discussion and Analysis, the Schedules of Funding Progress and the Schedules of Employer Contributions as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Maciel Gini & O'Connell LLP*

Certified Public Accountants

Sacramento, California

November 17, 2010

# Management's Discussion & Analysis

## INTRODUCTION

This section presents Management's Discussion and Analysis of the California Public Employees' Retirement System's (CalPERS or the System) financial performance during the fiscal year ended June 30, 2010. It is a narrative overview and analysis that we present in conjunction with the Chief Executive Officer's Letter of Transmittal, included in the Introductory Section of this Comprehensive Annual Financial Report. It should also be read in conjunction with the basic financial statements of CalPERS, as presented in this report.

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

CalPERS is primarily responsible for administering retirement benefits, health benefits, long-term care benefits, and supplemental retirement savings plans. CalPERS comprises a total of 15 funds, including four defined benefit pension funds, one other post-employment benefit fund, three defined contribution pension funds, four proprietary funds, and three agency funds. 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 increased by \$22.7 billion, or 12.7 percent. The increase was primarily due to a fourth quarter rally in global stock markets, and robust gains in fixed income and alternative investments. These gains were moderated by negative real estate returns. As a long-term investor, CalPERS must view investment performance across a multi-year horizon.
- The PERF net rate of return on investments was 13.3 percent on a fair value basis, approximately 5.6 percentage points more than the actuarially assumed 7.75 percent investment return.

- On June 15, 2009, the CalPERS board of Administration adopted a modification to the contribution rate smoothing policy. This new policy phased in the short-term impact of the fiscal year 2008-09 investment loss over three fiscal years, beginning in the 2010-11 fiscal year for State and School employers, and in the 2011-12 fiscal year for Public Agencies. An important aspect of this change in the smoothing method is that it prevents employer rates from increasing dramatically in subsequent fiscal years if the investment markets were to rebound in fiscal years 2009-10 or 2010-11.

In 2009-10, PERF investment return was 13.3 percent. As a result of this return, employer rates are still expected to increase but at a much slower pace. Most employer contribution rates (for fiscal year 2011-12 for the State and Schools and 2012-13 for Public Agencies) are not expected to increase by more than 1 percent of payroll as a result of the phase in of the 2008-09 investment loss. However, to the extent CalPERS earns its assumed 7.75 percent investment return in 2010-11, the employer rates (for fiscal year 2012-13 for the State and Schools and 2013-14 for Public Agencies) are expected to increase in most cases between 2 percent and 5 percent of payroll and potentially much more if CalPERS earns less than 7.75 percent. In order to help employers understand such risk, CalPERS is now providing an investment return sensitivity analysis in all its actuarial valuation reports.

- As of June 30, 2009, the date of the most recent actuarial valuation, the PERF was funded at 83.3 percent, based on the actuarial value of assets. A better measure of benefit security is the funded status on a market value of assets basis. On that basis, as a result of the negative 24.0 percent investment return in 2008-09, the funded status declined from 88.7 percent at June 30, 2008, to 60.8 percent at June 30, 2009.
- CalPERS has completed a demographic experience study and implemented new actuarial assumptions for use in the actuarial valuations for state, school, and public agency plans. These new assumptions are reflected in the actuarial valuation reports as of June 30, 2009. The new assumptions predict longer life expectancy for males, higher pay raises for long-term employees, and slightly earlier retirement ages for all plans except local safety members whose retirement ages are slightly later. These new assumptions predict future experience better than the

## Management's Discussion & Analysis (continued)

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current assumptions and provide improved funding for all plans.

- The PERF paid \$13.0 billion in retirement benefits to 505,862 annuitants during the 2009-10 fiscal year, compared to \$11.8 billion paid to 484,955 annuitants during the 2008-09 fiscal year. Benefit payments increased primarily due to an increase in the number of retirees and the average benefit amount, including cost-of-living adjustments (COLA).
- The total active and inactive membership was 1,116,044 at June 30, 2010. The PERF received \$3.4 billion in employee contributions from 804,294 active members and \$7.0 billion in employer contributions from 1,544 employers during the 2009-10 fiscal year, compared with \$3.9 billion and \$6.9 billion in employee and employer contributions respectively, in fiscal year 2008-09. The decrease of employee contributions is attributable to budgetary salary constraints experienced by all California governments in 2009-10.

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

### Other Post-Employment Benefits, Health and Long-Term Care Programs

- Contributions to the California Employers' Retiree Benefit Trust Fund (CERBTF) were \$674.4 million, with investment income of \$128.9 million. The net asset value of the CERBTF at June 30, 2010 was \$1.3 billion.
- CalPERS administers the PERSCare, PERS Choice, and PERS Select self-funded health care programs. Financial activity for these programs is accounted for through the Public Employees' System Health Care Fund. The CalPERS self-funded health care program incurred a loss of \$300.3 million from operations, and unrestricted net assets decreased by \$252.8 million to \$407.4 million. The decrease in net assets is attributable to a planned reduction of unrestricted reserves. At the beginning of the 2009-10 fiscal year unrestricted net assets exceeded the amount deemed necessary to fully fund current and anticipated claim expenses. A reduction in unrestricted net assets was achieved through the waiver of premiums for a limited period of time during the year.

- The unrestricted net assets of the CalPERS Long-Term Care Program amounted to a deficit of \$118.5 million at June 30, 2010. This amounts to an average deficit of \$742 for each of the 159,571 enrollees. The Long-Term Care Program collected \$285.9 million in premiums, and the approximate average annual premium per person was \$1,792. The deficit of \$118.5 million is a decrease of \$693.1 million from the deficit of \$811.6 million of June 30, 2009. The reduction of the fund deficit from the prior year is attributable to favorable investment returns since the June 30, 2009 valuation and approved premium rate increases effective July 1, 2010 which was reflected in the June 30, 2010 valuation. The impact of the investment returns and the premium rate increase was offset in part by the impact of the decrease in the investment rate of return assumption from 7.79 percent to 6.38 percent.

### Investments

During the 2009-10 fiscal year, the PERF net assets increased from \$178.9 billion to \$201.6 billion. The increase in assets was largely felt by our global equity investments which started the fiscal year with \$80.2 billion in assets and increased to \$91.9 billion. The 14.6 percent increase in global equity investments was due to a rebound of global financial markets. The markets rebounded as a result of a coordinated global stimulus provided by governments.

## 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: Fund Financial Statements, Notes to the Basic Financial Statements, Required Supplementary Information, and Other Supplemental Schedules. Collectively, this information presents the combined net assets held in trust for pension benefits, other post-employment benefits, and the combined unrestricted net assets for each of the other funds administered by CalPERS as of June 30, 2010. It also summarizes the combined changes in net assets held in trust for pension and other post-employment 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 funded status of the defined benefit pension and other post-employment plans. The

## Management's Discussion & Analysis (continued)

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information available in each of these sections is briefly summarized as follows.

### Fund Financial Statements

At June 30, 2010, financial statements are presented for the two types of funds administered by CalPERS: fiduciary funds, where CalPERS acts in a fiduciary capacity as a trustee or agent for others and is responsible for handling the assets placed under its control; and proprietary funds, where fees are charged for services provided and the focus is on determining financial position, operating and non-operating income, cash flows and changes in net assets.

**Fiduciary Funds** — include pension trust funds, one other post-employment defined benefit fund, and agency funds. The defined benefit plans administered by CalPERS include the PERF, LRF, JRF, JRF II, and the CERBTF. 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), and the Supplemental Contributions Program Fund (SCPF). The remaining fiduciary funds are the Old Age & Survivors' Insurance Revolving Fund (OASI), the Contingency Reserve Agency Fund (CRF), and the Replacement Benefit Fund (RBF). 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 and for the year ended June 30, 2010, along with comparative total information as of and for the year ended June 30, 2009. 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.

**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 net assets, and a statement of cash flows are presented for the proprietary funds as of and for the year ended June 30, 2010, along with comparative total information as of

and for the year ended June 30, 2009. These financial statements reflect the net assets, changes in net assets, and cash flows resulting from CalPERS business-type activities.

### Notes to the Basic Financial Statements

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the information provided in the fund financial statements. Information available in the notes to the 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, 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 and other post-employment benefit funds administered by CalPERS.

**Note 6** — provides information on commitments.

**Note 7** — provides information on potential contingencies of CalPERS.

**Note 8** — provides detailed information on the estimated claims liability of the HCF.

**Note 9** — provides information regarding the LTCF June 30, 2010 actuarial valuation.

**Note 10** — provides information regarding the funded status and actuarial assumptions for the PERF, LRF, JRF, JRF II, and CERBTF.

### Required Supplementary Information

Because of the long-term nature of public defined benefit pension and other post-employment benefit plans, financial statements for the past year alone cannot provide sufficient information to properly reflect the funding progress of the plans. Therefore, in addition to the basic financial statements, two required schedules of historical trend



## Management's Discussion & Analysis (continued)

information related to the defined benefit and other post-employment benefit plans are presented as part of the Required Supplementary Information (RSI) section of the basic financial statements. These two schedules are the Schedule of Funding Progress and the Schedule of Employer Contributions. These two schedules are based on the actuarial valuations for the pension plans performed by CalPERS actuaries and the other post-employment benefits sponsoring employers' actuaries, and provide additional actuarial information that contributes to the understanding of the changes in the actuarial funding and the funding progress of these defined benefit and other post-employment benefit plans over the past six 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 management's estimates. Also included as part of the RSI, is the Schedule of Claims Development Information for the HCF.

### Other Supplemental Schedules

Other schedules include detailed information on administrative expenses incurred by CalPERS-administered funds, as well as investment and other professional services expenses incurred, and schedules of changes for agency funds.

## FINANCIAL OVERVIEW OF CalPERS FUNDS

### Fiduciary Funds

Collectively, the net assets held in trust for all fiduciary funds were a total of \$204.7 billion at June 30, 2010, an increase of \$23.5 billion (13.0 percent) from \$181.2 billion at June 30, 2009.

Additions to net assets held in trust for benefits include employer and member contributions as well as investment income/loss. For the 2009-10 fiscal year, total additions were \$37.3 billion, an increase of \$83.2 billion from the 2008-09 fiscal year. Deductions consist primarily of retirement, death, and survivor benefits, refunds, administrative expenses, participant withdrawals, and OPEB reimbursements. For the 2009-10 fiscal year, total deductions were \$14.1 billion, an increase of \$1.2 billion (9.3 percent) from the 2008-09 fiscal year.

### Investments

Fiduciary fund investments, excluding securities lending collateral, totaled \$206.9 billion at June 30, 2010, which was \$20.9 billion (11.2 percent) more than \$186.0 billion at June 30, 2009. The increase was due primarily to healthy global equity market returns and robust gains in fixed income and alternative investments.

Total investments held by CalPERS fiduciary funds at June 30, 2010, compared to the 2008-09 fiscal year end, are as follows:

- \$9.8 billion in short-term domestic and international securities, a decrease of \$2.5 billion (20.3 percent) from \$12.3 billion. The decrease was primarily due to the sale of short-term investments. The proceeds were transferred to cash to meet liquidity needs.
- \$93.7 billion in domestic and international equity securities, an increase of \$12.2 billion (15.0 percent) from \$81.5 billion.
- \$54.3 billion in domestic and international debt securities, an increase of \$1.9 billion (3.6 percent) from \$52.4 billion. The increase was due primarily to lower yields of debt securities on treasury and non-treasury bonds.
- \$5.0 billion in Inflation Linked Asset Class (ILAC), an increase of \$0.6 billion (13.6 percent) from \$4.4 billion. The increase was due primarily to an increase in investments in the forest land portfolio and domestic U.S. Treasury Securities. The ILAC allocation is as follows:
  - \$1.5 billion in inflation-linked bonds, an increase of \$0.1 billion from \$1.4 billion.
  - \$0.4 billion in infrastructure, an increase of \$0.3 billion from \$0.1 billion.
  - \$2.4 billion in forestland, an increase of \$0.1 billion from \$2.3 billion.
  - \$0.7 billion in commodities, an increase of \$0.1 billion from \$0.6 billion.
- \$28.9 billion in real estate on a gross basis (property value). (The gross value equates to \$15.4 billion net of \$13.5 billion in related debt.) On a gross basis, the real estate decreased \$1.3 billion from \$30.2 billion gross at fiscal year end 2008-09. The decrease was due primarily to declines in the commercial real estate market values.
- \$28.7 billion in alternative investments, an increase of \$6.9 billion from \$21.8 billion.

### Proprietary Funds

CalPERS total unrestricted net assets for proprietary funds at June 30, 2010 were \$300.8 million, an increase of \$432.8 million from a negative of \$132.0 million at June 30, 2009. The increase was due primarily to a reduction in the estimated liability for future policy benefits in the Long-Term Care Fund and favorable investment returns.

Operating revenues consist of self insurance premiums, administrative fees, and other miscellaneous additions. For the 2009-10 fiscal year, total operating revenues were \$1.7 billion, a decrease of \$0.2 billion (10.5 percent) from the 2008-09 fiscal year. The decrease was due primarily to two months of premium holiday approved by the Board and given to members of the HCF in fiscal year 2009-10.

Operating expenses consist primarily of claims expense, increase/decrease in estimated liabilities, and administrative expenses. For the 2009-10 fiscal year, total expenses were \$1.6 billion, a decrease of \$0.6 billion (27.3 percent) from the 2008-09 fiscal year. The decrease in total expenses was due primarily to a reduction in the estimated liability for future policy benefits in the LTCF. The LTCF estimated liability for future policy benefits declined as a result of an actuarial valuation as of June 30, 2010 which reflects positive fiscal year 2009-10 investment returns and Board approved premium rate increases effective July 1, 2010 which were reflected in the June 30, 2010 valuation. The impact of these changes was offset in part by the impact of the decrease in the investment rate of return assumption from 7.79 percent to 6.38 percent. Non-operating revenues consist of net appreciation (depreciation) in the fair value of investments, interest, dividends and other investment income. Total non-operating revenues were \$400.4 million, an increase in revenues of \$743.8 million from the loss of \$343.4 million in fiscal year 2008-09. The increase was primarily due to positive investment results from a robust global equity market.

### Investments

Proprietary funds investments totaled \$3.2 billion at June 30, 2010, which were \$0.2 billion (6.7 percent) more than \$3.0 billion at June 30, 2009.

Total investments held by CalPERS proprietary funds, compared to the 2008-09 fiscal year end, are as follows:

- \$156.5 million in highly liquid, short-term domestic securities, a decrease of \$345.7 million from \$502.2 million.

- \$1.2 billion in domestic and international equity securities, an increase of \$0.2 billion from \$1.0 billion.
- \$1.7 billion in domestic debt securities, an increase of \$0.3 billion from \$1.4 billion.
- \$125.9 million in real estate, an increase of \$21.8 million from \$104.1 million.

## FINANCIAL ANALYSIS OF CalPERS FUNDS

### Public Employees' Retirement Fund (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, 2010 were \$201.6 billion, an increase of \$22.7 billion (12.7 percent) from \$178.9 billion at June 30, 2009.

Additions to PERF net assets held in trust for benefits include employer and member contributions, and investment gains. For the 2009-10 fiscal year, employer and member contributions totaled \$10.3 billion, a decrease of \$0.5 billion from the 2008-09 fiscal year due to salary reductions from budget constraints. The PERF recognized net investment income of \$25.6 billion for the 2009-10 fiscal year, compared with a net investment loss of \$57.4 billion for the 2008-09 fiscal year.

Deductions from PERF net assets held in trust for benefits in the 2009-10 fiscal year totaled \$13.4 billion, an increase of \$1.0 billion (8.0 percent) from the 2008-09 fiscal year. The increase in benefit payments was primarily a result of an increase in the number of beneficiaries from 484,955 to 505,862 and increases in average benefits, including COLA. The costs of administering the PERF benefits amounted to \$278.0 million, a decrease of approximately \$149.8 million (35.0 percent) from the 2008-09 fiscal year, due to a significant reduction of information technology expenses which are now being capitalized in accordance with newly adopted GASB Statement No. 51 and decreased personnel services and operating expenses due to mandatory furloughs.

On a per member and beneficiary basis, the cost of administering PERF benefits during the 2009-10 fiscal year was approximately \$171 per individual, a decrease of approximately \$93 per individual from the 2008-09 fiscal year.

## Management's Discussion & Analysis (continued)

At June 30, 2009, the date of the most recent actuarial valuation, the funded status of the PERF was 83.3 percent, which was a 3.6 percentage point decline from the funded status at June 30, 2008. The amount by which PERF actuarial benefit liabilities exceeded actuarial assets was \$49.1 billion at June 30, 2009, compared with a \$35.1 billion funding deficit at June 30, 2008. This increase relates primarily to the

application of new demographic assumptions adopted by the Board and the recognition of actuarial losses from prior fiscal years when the PERF incurred negative investment returns. Current year gains will affect future years' funded status and contribution rates using the CalPERS policy of actuarial asset smoothing.

### Net Assets — PERF (Dollars in Thousands)

	2010	2009	Total Percentage Change
<b>ASSETS</b>			
Cash, Cash Equivalents & Total Receivables	\$2,915,646	\$3,891,020	-25.1%
Investments	203,523,909	183,543,809	10.9%
Securities Lending Collateral	17,047,678	24,347,602	-30.0%
Capital Assets & Other	677,715	434,038	56.1%
<b>Total Assets</b>	<b>\$224,164,948</b>	<b>\$212,216,469</b>	<b>5.6%</b>
<b>LIABILITIES</b>			
Retirement Benefits in Process of Payment, Investment Settlement & Other	\$4,970,727	\$8,310,894	-40.2%
Securities Lending Obligations	17,578,147	25,005,692	-29.7%
<b>Total Liabilities</b>	<b>\$22,548,874</b>	<b>\$33,316,586</b>	<b>-32.3%</b>
<b>TOTAL NET ASSETS</b>	<b>\$201,616,074</b>	<b>\$178,899,883</b>	<b>12.7%</b>

### Changes in Net Assets — PERF (Dollars in Thousands)

	2010	2009	Total Percentage Change
<b>ADDITIONS</b>			
Member Contributions	\$3,378,867	\$3,882,355	-13.0%
Employer Contributions	6,955,049	6,912,376	0.6%
Investment Income (Losses)	25,567,295	(57,367,054)	144.6%
Other	10,234	3,155	224.4%
<b>Total Additions</b>	<b>\$35,911,445</b>	<b>(\$46,569,168)</b>	<b>177.1%</b>
<b>DEDUCTIONS</b>			
Retirement Benefits	\$12,972,457	\$11,831,836	9.6%
Refund of Contributions	182,387	186,783	-2.4%
Administrative Expenses	278,036	427,809	-35.0%
<b>Total Deductions</b>	<b>\$13,432,880</b>	<b>\$12,446,428</b>	<b>7.9%</b>
<b>(DECREASE) INCREASE IN NET ASSETS</b>	<b>\$22,478,565</b>	<b>(\$59,015,596)</b>	<b>138.1%</b>
<b>NET ASSETS</b>			
Beginning of year	\$178,899,883	\$237,915,479	-24.8%
Prior Period Adjustment	237,626	—	N/A
End of year	\$201,616,074	\$178,899,883	12.7%

## Management's Discussion & Analysis (continued)

### Additions — PERF (Dollars in Thousands)

A	\$3,378,867	
B	\$6,955,049	
C	\$25,577,529	

A. Member Contributions  
B. Employer Contributions  
C. Investment (Losses) Income & Other

### Deductions — PERF (Dollars in Thousands)

A	\$12,972,457	
B	\$182,387	
C	\$278,036	

A. Retirement Benefits  
B. Refund of Contributions  
C. Administrative Expenses

### Investments

PERF investments, excluding securities lending collateral, totaled \$203.5 billion at June 30, 2010, which was \$20.0 billion (10.9 percent) more than the \$183.5 billion in total PERF investments at June 30, 2009.

At June 30, 2010, the PERF held \$91.9 billion in domestic and international equity securities, an increase of \$11.7 billion from \$80.2 billion at 2008-09 fiscal year end.

In domestic and international debt securities, the PERF held \$53.4 billion at June 30, 2010, an increase of \$1.8 billion from \$51.6 billion at 2008-09 fiscal year end.

In real estate investments on a gross basis, the PERF held \$28.7 billion at June 30, 2010. The gross value of real estate investments equates to \$15.2 billion in real estate value, net of \$13.5 billion in real estate related debt. The real estate debt amounts to 47.0 percent of the total gross real estate fair value. On a gross basis, real estate investments decreased \$1.4 billion from the \$30.1 billion gross real estate investments at the 2008-09 fiscal year end.

Real estate investments are classified as investments in accordance with GASB Statement 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.

In addition, the Investment Policy for Equity Real Estate Leverage provides for the use of Credit Accommodations. These accommodations generally refer to a guarantee executed by CalPERS, whereby CalPERS agrees to pay the debt obligation of a real estate partnership entity in the event the entity fails to pay the debt obligation.

The \$13.5 billion in real estate debt is made up of \$10.7 billion in long-term mortgages payable and \$2.8 billion in other short-term liabilities.

At June 30, 2010, the Inflation Linked Asset Class (ILAC) held \$1.5 billion in inflation-linked bonds, \$0.4 billion in infrastructure, \$2.4 billion in forestland, and \$0.7 billion in commodities exposure.

In alternative investments, the PERF held \$28.7 billion at June 30, 2010, an increase of \$6.9 billion from \$21.8 billion at the 2008-09 fiscal year end.

In short-term investments, the PERF held \$9.3 billion at June 30, 2010, a decrease of \$2.7 billion from the \$12.0 billion at the 2008-09 fiscal year end.

The PERF earned other investment income of \$93.0 million for the 2009-10 fiscal year. Included in other investment income was income earned from securities litigation, sale of fractional shares, and other miscellaneous income.

The PERF earns additional investment income by lending investment securities. Borrowers pay a fee for the right to borrow securities, and then provide cash collateral to the PERF for 102 percent to 105 percent of the values of the securities borrowed for domestic and international securities, respectively. The over collateralization is an industry standard which minimizes counterparty risk and it ensures the PERF is made whole in the event the borrower fails to return the security. The PERF pays the borrower a rate for holding cash collateral, called a rebate. The PERF invests the majority of cash collateral in short-term, high credit quality fixed income securities. For the 2009-10 fiscal year, the total securities lending income amounted to \$934 million, compared to the total securities lending losses of \$1.2 billion in fiscal year 2008-09. The current year total securities lending income includes net income of \$141.5 million, which is reported in the statement of changes in fiduciary net assets as securities lending income and cost of lending securities. The total income amount also includes unrealized gains of \$127.6 million and realized gains of

## Management's Discussion & Analysis (continued)

\$664.9 million which are reported as net (depreciation) appreciation in fair value of investments on the financial statements.

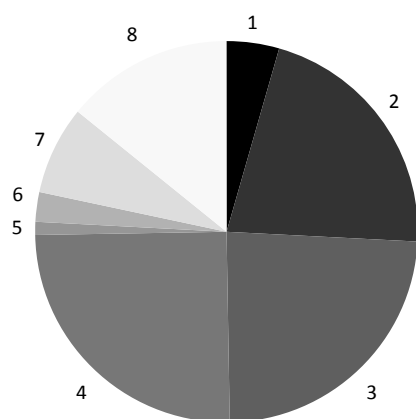
The increase in total securities lending income is primarily due to the recovery in the fair values of reinvested cash collateral.

CalPERS participates in Directed Brokerage-Commission Recapture arrangements. The CalPERS Directed Brokerage Program had a balance of

\$2.1 million at July 1, 2009. For fiscal year 2009-10, brokerage commissions that were rebated totaled \$0.7 million. Expenses in the amount of \$1.2 million were incurred to purchase analytical tools, advisory and other research materials.

The Directed Brokerage Program had a balance of approximately \$1.7 million at June 30, 2010. These amounts are recorded in the accompanying financial statements as of June 30, 2010.

### Investments — PERF (Dollars in Billions)



Investment Class	Amount	Percent of Investments
1 Short-Term Investments	\$9.3	4.6 %
2 Domestic Equity	43.0	21.1
3 International Equity	48.9	24.0
4 Domestic Debt	50.9	25.0
5 International Debt	2.5	1.2
6 Inflation Linked	5.0	2.5
7 Real Estate Equity	15.2	7.5
8 Alternative Investments	28.7	14.1
<b>TOTAL</b>	<b>\$203.5</b>	<b>100.0 %</b>

## OTHER DEFINED BENEFIT PENSION PLANS

### Legislators’ Retirement Fund (LRF)

#### Plan Net Assets

The LRF provides retirement benefits to California Legislators elected to office before November 7, 1990, and to all Constitutional and Statutory Officers. The number of LRF members is declining as eligible incumbent Legislators leave office and are replaced by those ineligible to participate in the LRF.

The LRF net assets held in trust for benefits at June 30, 2010 totaled \$114.0 million, an increase of \$2.2 million (2.0 percent) from June 30, 2009.

Additions to LRF net assets held in trust for benefits were from investment income and contributions to repurchase military and prior year service credit. There were no actuarially determined annual required employer and member contributions for 2010. Net investment income was \$17.8 million in the 2009-10 fiscal year compared to a net investment loss of \$14.0 million for the 2008-09 fiscal year.

Deductions from LRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2009-10 fiscal year, these benefits increased \$3.4 million (44.2 percent) to \$11.1 million from \$7.7 million in 2008-09. The increase was due to a one time court ordered interest payment to a beneficiary. On a per member and beneficiary basis, the cost of administering LRF benefits during the 2009-10 fiscal year was approximately \$15,271 per individual, an increase of approximately \$14,070 per individual from the 2008-09 fiscal year. The increase is due to the payment of legal settlement expenses.

An actuarial valuation of LRF assets and benefit obligations is performed annually using the aggregate cost method, which does not identify unfunded actuarial liabilities. However, the plan has been superfunded (actuarial value of assets have been greater than the present value of benefits) since June 30, 1997. Neither employer nor employee contributions have been necessary since July 1, 1998. In February 2000, the Board of Administration moved to set the member contribution rate of this system to 0 percent on an annual basis according to the superfunded status of this system.

#### Investments

The LRF invests mainly in domestic and international equity securities, as well as domestic debt securities.

Total investments were \$114.5 million at June 30, 2010, which was \$0.4 million (0.4 percent) more than the \$114.1 million in total LRF investments at June 30, 2009.

At June 30, 2010, the LRF held \$43.4 million in domestic and international equity securities, an increase of \$0.4 million from \$43.0 million at fiscal year end 2008-09.

The LRF held \$71.1 million in domestic debt securities, virtually no change from 2008-09 fiscal year end.

#### Investments — LRF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Domestic Equity	\$32.5	28.4 %
International Equity	10.9	9.5
Domestic Debt	71.1	62.1
<b>TOTAL</b>	<b>\$114.5</b>	<b>100.0 %</b>

### Judges’ Retirement Fund (JRF)

#### Plan Net Assets

The JRF provides retirement benefits to California Supreme and Appellate Court Justices and Superior Court Judges appointed or elected before November 9, 1994. The JRF net assets held in trust for benefits at June 30, 2010, totaled \$63.1 million, an increase of \$16.7 million from June 30, 2009.

Additions to JRF net assets held in trust for benefits include employer and member contributions, investment income, and State “Balancing Contributions” (see Note 5 of the *Notes to the Basic Financial Statements*). For the 2009-10 fiscal year, employer, member, and State “Balancing Contributions” decreased \$6.3 million (3.2 percent) to \$192.8 million, from \$199.1 million for the 2008-09 fiscal year, primarily due to decreased State and member contributions. State and member contributions are declining because the JRS is a closed system and membership is declining. The State “Balancing Contributions” decreased \$3.6 million (2.0 percent) to \$175.2 million for the 2009-10 fiscal year, compared to \$178.8 million for the 2008-09 fiscal year. The decrease in State “Balancing Contributions” was due to an excess of net assets balance carried forward from the prior year. The number of retirees increased from 1,789 in the 2008-09 fiscal year to 1,843 in the 2009-10 fiscal year.

Deductions from JRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2009-10 fiscal year, these benefits amounted

## Management's Discussion & Analysis (continued)

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to \$178.9 million, an increase of \$4.0 million (2.3 percent) from the 2008-09 fiscal year. The increase in benefit payments was mainly a result of a COLA and an increase in the number of retirees and beneficiaries.

On a per member and beneficiary basis, the cost of administering JRF benefits during 2009-10 was approximately \$408 per individual, a decrease of approximately \$27 per individual from fiscal year 2008-09 due to a decrease in the administrative budget.

The JRF is funded on a "pay-as-you-go" basis, where short-term investments, contributions received during the year, and a State General Fund augmentation are used to provide funding for benefit payments. This funding method is generally more expensive in the long term, as the plan does not have investment returns generated by a funded plan. Without the State General Fund augmentation, the JRF will not be able to pay the accumulated benefit payments due in fiscal year 2010-11.

### Investments

The JRF invests only in short-term securities. Total investments were \$61.4 million at June 30, 2010, which was \$17.1 million more than the \$44.3 million in total investments at June 30, 2009. The increase is due to the General Fund augmentation exceeding expected benefit increases.

## Judges' Retirement Fund II (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. Net assets held in trust for benefits at June 30, 2010 were \$420.6 million, an increase of \$105.1 million (33.3 percent) from June 30, 2009.

Additions to JRF II net assets held in trust for benefits include employer and member contributions, as well as investment income. Contributions increased \$3.9 million (7.1 percent), to \$58.8 million for the 2009-10 fiscal year, from \$54.9 million for the 2008-09 fiscal year, primarily as a result of a 7.0 percent increase in active membership from 2009 to 2010. For the 2009-10 fiscal year, the fund had a net investment income of \$50.8 million, compared with a net investment loss of \$59.9 million for 2008-09 fiscal year.

Deductions from JRF II net assets held in trust for benefits are primarily composed of retirement, death,

survivor benefits, and refunds of contributions. For the 2009-10 fiscal year, non-refund benefits increased to \$1.4 million due to an increase in retirees and beneficiaries. However, contribution refunds decreased \$0.5 million from \$3.1 million in the 2008-09 fiscal year to \$2.6 million in the 2009-10 fiscal year (16.1 percent), due to decreasing numbers of judges placing their accumulated contributions with private investment companies.

On a per member and beneficiary basis, the cost of administering JRF II benefits during fiscal year 2009-10 was approximately \$406 per individual, a decrease of approximately \$104 per individual from fiscal year 2008-09, due to increased membership and decreasing direct costs.

An actuarial valuation of the JRF II assets and benefit obligations is performed annually. At June 30, 2009, the date of the most recent actuarial valuation, the funded status decreased to 84.0 percent from 91.3 percent at June 30, 2008. At June 30, 2009, the actuarial accrued liabilities exceeded the actuarial value of assets by approximately \$71.9 million, while the amount by which the actuarial accrued liabilities exceeded the actuarial value of assets at June 30, 2008, were approximately \$31.6 million. This increase in the unfunded actuarial accrued liability at June 30, 2009 relates primarily to the application of new actuarial assumptions adopted by the Board.

### Investments

The JRF II invests mainly in short-term investments, domestic and international equity securities, domestic debt securities, and real estate equities. Total investments amounted to \$411.2 million at June 30, 2010, which was \$96.4 million (30.6 percent) more than the \$314.8 million at June 30, 2009. The increase was due primarily to significant market gains in domestic debt securities and robust global equity market returns.

At June 30, 2010, the JRF II held \$213.6 million in domestic and international equity securities, an increase of \$54.8 million from \$158.8 million at the 2008-09 fiscal year end.

In domestic debt securities, the JRF II held \$157.4 million at June 30, 2010, an increase of \$41.2 million from \$116.2 million at the 2008-09 fiscal year end.

In real estate investments, which are comprised of real estate investment trusts, the JRF II held \$39.9 million at June 30, 2010, an increase of \$10.3 million (34.8 percent) from the \$29.6 million at the 2008-09 fiscal year end as a result of a

## Management's Discussion & Analysis (continued)

reversal of market losses in the 2008-09 fiscal year. In short-term investments, the JRF II held \$0.3 million at

June 30, 2010, a decrease of \$9.9 million from \$10.2 million at the 2008-09 fiscal year end.

### Investments — JRF II (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$0.3	0.1 %
Domestic Equity	134.1	32.6
International Equity	79.5	19.3
Domestic Debt	157.4	38.3
Real Estate Equity	39.9	9.7
<b>TOTAL</b>	<b>\$411.2</b>	<b>100.0 %</b>

### Net Assets — Other Defined Benefit Pension Plan Funds (Dollars in Thousands)

	LRF		JRF		JRF II	
	2010	2009	2010	2009	2010	2009
<b>ASSETS</b>						
Cash, Cash Equivalents & Receivables	\$1,148	\$908	\$2,709	\$2,384	\$11,667	\$5,417
Investments	114,542	114,137	61,382	44,276	411,203	314,788
<b>Total Assets</b>	<b>\$115,690</b>	<b>\$115,045</b>	<b>\$64,091</b>	<b>\$46,660</b>	<b>\$422,870</b>	<b>\$320,205</b>
<b>Total Liabilities</b>	<b>\$1,654</b>	<b>\$3,258</b>	<b>\$998</b>	<b>\$274</b>	<b>\$2,263</b>	<b>\$4,688</b>
<b>TOTAL NET ASSETS</b>	<b>\$114,036</b>	<b>\$111,787</b>	<b>\$63,093</b>	<b>\$46,386</b>	<b>\$420,607</b>	<b>\$315,517</b>

### Changes in Net Assets — Other Defined Benefit Pension Plan Funds (Dollars in Thousands)

	LRF		JRF		JRF II	
	2010	2009	2010	2009	2010	2009
<b>ADDITIONS</b>						
Member Contributions	\$17	\$69	\$7,361	\$8,597	\$16,178	\$15,400
Employer Contributions	—	—	185,389	190,510	42,589	39,514
Investment Income (Losses)	17,793	(14,041)	332	410	50,801	(59,927)
Other Income	—	—	3,486	3,574	—	—
<b>Total Additions</b>	<b>\$17,810</b>	<b>(\$13,972)</b>	<b>\$196,568</b>	<b>\$203,091</b>	<b>\$109,568</b>	<b>(\$5,013)</b>
<b>DEDUCTIONS</b>						
Retirement Benefits	\$11,082	\$7,706	\$178,861	\$174,902	\$1,392	\$1,252
Refund of Contributions	35	296	32	—	2,592	3,062
Administrative Expenses	4,444	358	968	1,049	494	578
<b>Total Deductions</b>	<b>\$15,561</b>	<b>\$8,360</b>	<b>\$179,861</b>	<b>\$175,951</b>	<b>\$4,478</b>	<b>\$4,892</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$2,249</b>	<b>(\$22,332)</b>	<b>\$16,707</b>	<b>\$27,140</b>	<b>\$105,090</b>	<b>(\$9,905)</b>
<b>NET ASSETS</b>						
Beginning of Year	\$111,787	\$134,119	\$46,386	\$19,246	\$315,517	\$325,422
End of Year	\$114,036	\$111,787	\$63,093	\$46,386	\$420,607	\$315,517



## DEFINED CONTRIBUTION PENSION PLANS

### State Peace Officers' & Firefighters' Defined Contribution Plan Fund (SPOFF)

#### Plan Net Assets

The SPOFF provides supplemental retirement benefits to eligible safety employees. Net assets held in trust for pension benefits increased by \$68.8 million (20.4 percent) to \$405.6 million at June 30, 2010, from \$336.8 million at June 30, 2009.

Contributions were \$52.2 million for fiscal year 2009-10, a decrease of 1.7 percent from fiscal year 2008-09. The decrease was due to a reduction of participant earned wages. Net investment income was \$37.6 million for fiscal year 2009-10, compared to a loss of \$55.4 million for the 2008-09 fiscal year.

SPOFF participant withdrawals were \$22.7 million for the 2009-10 fiscal year, an increase of \$9.8 million (76.0 percent) from 2008-09 fiscal year, due primarily to the increase in the number of retired participants.

#### Investments

The SPOFF invests mainly in domestic equity and debt securities. Total investments were \$402.3 million at June 30, 2010, which was \$70.2 million (21.1 percent) more than the \$332.1 million at June 30, 2009.

#### Investments — SPOFF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$47.2	11.7 %
Domestic Equity	192.4	47.8
International Equity	61.3	15.2
Domestic Debt	89.8	22.3
Real Estate Equity	11.6	2.9
<b>TOTAL</b>	<b>\$402.3</b>	<b>100.0 %</b>

### Public Agency Deferred Compensation Plan (IRC 457)

#### Plan Net Assets

The CalPERS Board is the trustee for public agency participant assets in the IRC 457 deferred compensation program. Net assets held in trust for pension benefits at June 30, 2010, were \$803.0 million, an increase of \$132.4 million (19.7 percent), from \$670.6 million at June 30, 2009.

Additions to IRC 457 net assets consist of member contributions of \$108.4 million in fiscal year 2009-10, compared to \$247.5 million in 2008-09. The decrease is attributable to the reduction of wages by local governments within the state. Net investment income amounted to \$73.0 million for fiscal year 2009-10, compared to net investment loss of \$251.9 million for fiscal year 2008-09.

Deductions from the IRC 457 net assets consist primarily of participant withdrawals of \$46.4 million, an increase of \$11.6 million from the prior fiscal year of \$34.8 million.

#### Investments

The IRC 457 investments were \$800.5 million at June 30, 2010, which was \$133.2 million more than the \$667.3 million at June 30, 2009. The increase was primarily due to increased returns on global equities and domestic debt. The IRC 457 asset allocation is participant directed.

In domestic and international equity securities, the IRC 457 held \$442.4 million at June 30, 2010, an increase of \$91.4 million from \$351.0 million at fiscal year end 2008-09.

In domestic debt securities, the IRC 457 held \$317.6 million at June 30, 2010, an increase of \$36.6 million from \$281.0 million at fiscal year end 2008-09.

In short-term investments, the IRC 457 held \$34.3 million at June 30, 2010, an increase of \$4.4 million from \$29.9 million at fiscal year end 2008-09.

#### Investments — IRC 457 (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$34.3	4.3 %
Domestic Equity	374.0	46.7
International Equity	68.4	8.5
Domestic Debt	317.6	39.7
Real Estate Equity	6.2	0.8
<b>TOTAL</b>	<b>\$800.5</b>	<b>100.0 %</b>

### Supplemental Contributions Program Fund (SCPF)

The SCPF was established effective January 1, 2000, to provide supplemental retirement benefits to members of CalPERS and is entirely member funded. Net assets held in trust for pension benefits increased to \$18.0 million at June 30, 2010.

Contribution revenues were \$0.5 million for the 2009-10 fiscal year, unchanged from the 2008-09 fiscal year.

## Management's Discussion & Analysis (continued)

Net investment income was \$1.9 million for fiscal year 2009-10, compared to investment losses of \$4.1 million for fiscal year 2008-09.

For fiscal year 2009-10, participant withdrawals were \$1.6 million, an increase of \$0.9 million (128.6 percent) from fiscal year 2008-09.

### Investments

The SCPF investments were \$17.9 million at June 30, 2010, which was \$0.7 million more than the \$17.2 million in total investments at June 30, 2009.

At June 30, 2010, the SCPF held \$10.6 million in domestic and international equity securities, an increase of \$0.8 million from \$9.8 million at fiscal year end 2008-09.

In domestic debt securities, the SCPF held \$5.2 million at June 30, 2010, an increase of \$0.1 million from \$5.1 million at fiscal year end 2008-09.

In short-term investments, the SCPF held \$1.7 million at June 30, 2010, a decrease of \$0.2 million from \$1.9 million at fiscal year end 2008-09.

### Investments — SCPF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$1.7	9.5 %
Domestic Equity	8.1	45.3
International Equity	2.5	14.0
Domestic Debt	5.2	29.0
Real Estate Equity	0.4	2.2
<b>TOTAL</b>	<b>\$17.9</b>	<b>100.0 %</b>

### Net Assets — Defined Contribution Pension Plan Funds (Dollars in Thousands)

	SPOFF		IRC 457		SCPF	
	2010	2009	2010	2009	2010	2009
<b>ASSETS</b>						
Cash, Cash Equivalents & Receivables	\$4,313	\$4,666	\$4,844	\$5,490	\$21	\$56
Investments	402,335	332,108	800,516	667,332	17,992	17,198
<b>Total Assets</b>	<b>\$406,648</b>	<b>\$336,774</b>	<b>\$805,360</b>	<b>\$672,822</b>	<b>\$18,013</b>	<b>\$17,254</b>
<b>Total Liabilities</b>	<b>\$1,095</b>	<b>\$13</b>	<b>\$2,341</b>	<b>\$2,223</b>	<b>\$53</b>	<b>\$6</b>
<b>TOTAL NET ASSETS</b>	<b>\$405,553</b>	<b>\$336,761</b>	<b>\$803,019</b>	<b>\$670,599</b>	<b>\$17,960</b>	<b>\$17,248</b>

## Management's Discussion & Analysis (continued)

### Changes in Net Assets – Defined Contribution Pension Plan Funds (Dollars in Thousands)

	SPOFF		IRC 457		SCPF	
	2010	2009	2010	2009	2010	2009
<b>ADDITIONS</b>						
Member Contributions	\$0	\$0	\$108,436	\$247,484	\$536	\$483
Employer Contributions	52,219	53,114	84	87	—	—
Investment Income (Losses)	37,643	(55,423)	72,951	(251,890)	1,884	(4,054)
Transfer In	3,397	—	720	—	32	—
Other Income	34	—	138	113	1	—
<b>Total Additions</b>	<b>\$93,293</b>	<b>(\$2,309)</b>	<b>\$182,329</b>	<b>(\$4,206)</b>	<b>\$2,453</b>	<b>(\$3,571)</b>
<b>DEDUCTIONS</b>						
Administrative Expenses	\$1,758	\$2,715	\$3,491	\$2,393	\$117	\$61
Participant Withdrawals	22,743	12,922	46,418	34,753	1,624	671
<b>Total Deductions</b>	<b>\$24,501</b>	<b>\$15,637</b>	<b>\$49,909</b>	<b>\$37,146</b>	<b>\$1,741</b>	<b>\$732</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$68,792</b>	<b>(\$17,946)</b>	<b>\$132,420</b>	<b>(\$41,352)</b>	<b>\$712</b>	<b>(\$4,303)</b>
<b>NET ASSETS</b>						
Beginning of Year	\$336,761	\$354,707	\$670,599	\$711,951	\$17,248	\$21,551
End of Year	\$405,553	\$336,761	\$803,019	\$670,599	\$17,960	\$17,248

### OTHER POST-EMPLOYMENT BENEFIT FUND California Employers' Retiree Benefit Trust Fund (CERBTf)

#### Plan Net Assets

The CERBTf is a trust for the pre-funding by employers of health, dental, and other non-pension benefits promised to employees when they retire. Net assets held in trust for benefits on June 30, 2010 were \$1,287.2 million, an increase of \$438.3 million due primarily to an increase of participating public agencies from 196 in the 2008-09 fiscal year, to 258 at June 30, 2010.

Additions to the CERBTf net assets held in trust for OPEB benefits include employer contributions, which total \$674.4 million. During the 2009-10 fiscal year the fund earned a net investment income of \$128.9 million primarily due to equity market increases.

Deductions for OPEB reimbursements from the CERBTf net assets held in trust for benefits totaled \$354.6 million in 2009-10 fiscal year, an increase of \$108.6 million (44.1 percent) due to greater participation in the trust. Deductions for administrative expenses totaled \$0.8 million. The amounts reported for contributions and reimbursements include \$329.8 million for benefit payments

made directly by employers to providers outside of the trust, which are required to be reported in the CERBTf.

At June 30, 2009, the date of the most recent actuarial valuation, the funded status increased to 8.3 percent from 1.0 percent at June 30, 2008. At June 30, 2009, the actuarial accrued liabilities exceeded the actuarial value of assets by approximately \$9.6 billion.

#### Net Assets – Other Post-Employment Benefit Fund

(Dollars in Thousands)

	CERBTf	
	2010	2009
<b>ASSETS</b>		
Cash, Cash Equivalents & Receivables	\$10,392	\$12,096
Investments	1,289,746	847,594
<b>Total Assets</b>	<b>\$1,300,138</b>	<b>\$859,690</b>
<b>Total Liabilities</b>	<b>\$12,937</b>	<b>\$10,809</b>
<b>TOTAL NET ASSETS</b>	<b>\$1,287,201</b>	<b>\$848,881</b>

## Management's Discussion & Analysis (continued)

### Changes in Net Assets — Other Post-Employment

#### Benefit Fund (Dollars in Thousands)

	CERBTF	
	2010	2009
<b>ADDITIONS</b>		
Employer Contributions	\$674,406	\$595,632
Investment Income (Losses)	128,918	(143,800)
Other Income	—	—
<b>Total Additions</b>	<b>\$803,324</b>	<b>\$451,832</b>
<b>DEDUCTIONS</b>		
Administrative Expenses	\$822	\$543
Reimbursements	354,593	246,047
Transfer Out	9,589	—
<b>Total Deductions</b>	<b>\$365,004</b>	<b>\$246,590</b>
<b>INCREASE IN NET ASSETS</b>	<b>\$438,320</b>	<b>\$205,242</b>
<b>NET ASSETS</b>		
Beginning of Year	\$848,881	\$643,639
End of Year	\$1,287,201	\$848,881

#### Investments

At June 30, 2010, the CERBTF held \$70.7 million in short-term investments, a decrease of \$21.2 million (23.1 percent) from the \$91.9 million at June 30, 2009, \$760.4 million in domestic and international equity securities, an increase of \$286.5 million (60.5 percent) from the \$473.9 million held at June 30, 2009, \$338.9 million in domestic debt securities, an increase of \$129.5 million (61.8 percent) from the \$209.4 million at June 30, 2009, and \$119.7 million in real estate equities, an increase of \$47.4 million (65.5 percent) from the \$72.3 million held at June 30, 2009.

#### Investments — CERBTF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$70.7	5.5 %
Domestic Equity	414.3	32.1
International Equity	346.1	26.8
Domestic Debt	338.9	26.3
Real Estate Equity	119.7	9.3
<b>TOTAL</b>	<b>\$1,289.7</b>	<b>100.0 %</b>

## ENTERPRISE FUNDS

### Employees' Health Care Fund (HCF)

#### Plan Activity

The HCF accounts for the activities of the CalPERS self-insured health care programs.

The self-insured health care programs incurred claims expenses of \$1.6 billion for the 2009-10 fiscal year, an increase of 14.3 percent from the 2008-09 fiscal year, primarily due to increases in provider pricing, increased benefit utilization and enrollment growth. Premium revenues were \$1.4 billion for the 2009-10 fiscal year, a decrease of 12.5 percent from the 2008-09 fiscal year, primarily as a result of a temporary premium suspension by granting a two-month premium holiday. Net investment income was \$47.5 million for the 2009-10 fiscal year, an increase of 117.9 percent from the 2008-09 fiscal year due to an increase in unrealized gains from government bonds. Because of reduced premiums resulting from the premium holiday granted by the Board and increased claims expense, unrestricted net assets decreased by \$252.8 million (38.3 percent) to \$407.4 million at June 30, 2010.

#### Investments

Investments of the HCF include highly liquid, short-term and domestic debt securities. Investments decreased \$302.7 million from \$833.4 million at June 30, 2009, to \$530.7 million at June 30, 2010.

#### Investments — HCF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$98.0	18.5 %
Domestic Debt	432.7	81.5
<b>TOTAL</b>	<b>\$530.7</b>	<b>100.0 %</b>

### Public Employees' Contingency Reserve Fund (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 collected and related costs are accounted for in the CRF Proprietary Fund type.

Administrative fees earned by the CRF were \$22.4 million for the 2009-10 fiscal year, a decrease of 11.8 percent from 2008-09 fiscal year of \$25.4 million. The decrease was due to a

## Management's Discussion & Analysis (continued)

reduction in administrative fees rates, which decreased from 0.45 percent in 2008-09 fiscal year to 0.43 percent in 2009-10 fiscal year. In addition, during fiscal year 2009-10 the Board approved the PPO holiday and as a result the CRF did not receive administrative fees for two months. Net investment income was \$1.1 million for the 2009-10 fiscal year, a decrease of 70.3 percent from the 2008-09 fiscal year. Unrestricted net assets decreased by \$3.5 million (22.9 percent) to \$11.8 million at June 30, 2010.

Public agency health payments and remittances to contracted health care providers are reported in the CRF Agency Fund type. Public agencies remitted approximately \$1.8 billion for payments to contracted health care providers in fiscal year 2009-10.

### Investments

Investments of the CRF proprietary activity at June 30, 2010 and 2009 included only highly liquid, short-term securities, as investment balances are used to fund operating cash flows. Investments of the proprietary activities increased \$11.3 million from \$47.2 million at June 30, 2009, to \$58.5 million at June 30, 2010, primarily due to an increase in the number of enrollees in the Medicare Part D Program which resulted in higher subsidies from the Federal Government.

### Public Employees' Long-Term Care Fund (LTCF)

The LTCF, which provides long-term care insurance to participating members, incurred claims expenses of \$133.0 million for the 2009-10 fiscal year, an increase of 14.5 percent from the 2008-09 fiscal year, due mainly to an increase in benefit utilization. Premium revenues were \$285.9 million for the 2009-10 fiscal year, a decrease of 3.6 percent from the 2008-09 fiscal year due to decreased participation. Net investment income amounted to \$351.7 million for the 2009-10 fiscal year, an increase from the losses of \$369.0 million for the 2008-09 fiscal year. The unrestricted net deficits of the Long-Term Care Program decreased by \$693.2 million to \$118.4 million during the 2009-10 fiscal year. The reduction of the fund deficit from the prior year is attributable to the positive investment performance from a robust global equity market and Board approved premium rate increases effective July 1, 2010 which was reflected in the June 30, 2010 valuation. These changes were offset in part by the impact of the decrease in the

investment rate of return assumption from 7.79 percent to 6.38 percent.

### Investments

Total LTCF investments were \$2.6 billion at June 30, 2010, which was \$0.5 billion more than the \$2.1 billion in total investments at June 30, 2009.

At June 30, 2010, the LTCF held \$1.2 billion in domestic and international equity securities, an increase of \$0.2 billion from \$1.0 billion from fiscal year end 2008-09.

In domestic debt securities, the fund held \$1.3 billion at June 30, 2010, an increase of \$0.3 billion from \$1.0 billion at 2008-09 fiscal year end.

In real estate investments, the LTCF held \$125.9 million at June 30, 2010, an increase of \$21.8 million from \$104.1 million at 2008-09 fiscal year end.

### Investments — LTCF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Domestic Equity	\$722.0	27.7 %
International Equity	477.1	18.3
Domestic Debt	1,284.5	49.2
Real Estate Equity	125.9	4.8
<b>TOTAL</b>	<b>\$2,609.5</b>	<b>100.0 %</b>

## Management's Discussion & Analysis (continued)

### Net Assets — Enterprise Funds (Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>ASSETS</b>								
Cash, Cash Equivalents & Receivables	\$122,597	\$73,800	\$18,424	\$22,845	\$454	\$2,250	\$0	\$3
Investments	530,719	833,374	58,513	47,236	2,609,578	2,139,381	—	8,725
<b>Total Assets</b>	<b>\$653,316</b>	<b>\$907,174</b>	<b>\$76,937</b>	<b>\$70,081</b>	<b>\$2,610,032</b>	<b>\$2,141,631</b>	<b>\$0</b>	<b>\$8,728</b>
<b>Total Liabilities</b>	<b>\$245,899</b>	<b>\$247,002</b>	<b>\$65,132</b>	<b>\$54,810</b>	<b>\$2,728,483</b>	<b>\$2,953,270</b>	<b>\$0</b>	<b>\$4,579</b>
<b>TOTAL UNRESTRICTED NET ASSETS (DEFICIT)</b>	<b>\$407,417</b>	<b>\$660,172</b>	<b>\$11,805</b>	<b>\$15,271</b>	<b>(\$118,451)</b>	<b>(\$811,639)</b>	<b>\$0</b>	<b>\$4,149</b>

### Changes in Net Assets — Enterprise Funds (Dollars in Thousands)

	HCF		CRF		LTCF		DCF	
	2010	2009	2010	2009	2010	2009	2010	2009
<b>REVENUES</b>								
Self-Insurance Premiums	\$1,362,081	\$1,586,942	\$0	\$0	\$285,948	\$296,529	\$0	\$0
Investment Income (Losses)	47,540	21,796	1,071	3,706	351,745	(369,021)	—	77
Administrative Fees & Other	—	—	22,528	25,633	—	—	—	—
<b>Total Revenues</b>	<b>\$1,409,621</b>	<b>\$1,608,738</b>	<b>\$23,599</b>	<b>\$29,339</b>	<b>\$637,693</b>	<b>(\$72,492)</b>	<b>\$0</b>	<b>\$77</b>
<b>EXPENSES</b>								
Claims Expense	\$1,596,473	\$1,433,064	\$0	\$0	\$133,042	\$116,191	\$0	\$0
Increase (Decrease) in Estimated Liabilities	(24,389)	28,537	—	—	(208,200)	469,800	—	—
Administrative Expenses	90,292	85,511	27,065	27,288	19,663	18,421	—	187
<b>Total Expenses</b>	<b>\$1,662,376</b>	<b>\$1,547,112</b>	<b>\$27,065</b>	<b>\$27,288</b>	<b>(\$55,495)</b>	<b>\$604,412</b>	<b>\$0</b>	<b>\$187</b>
<b>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS BEFORE TRANSFERS</b>	<b>(\$252,755)</b>	<b>\$61,626</b>	<b>(\$3,466)</b>	<b>\$2,051</b>	<b>\$693,188</b>	<b>(\$676,904)</b>	<b>\$0</b>	<b>(\$110)</b>
Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,149)	\$0
<b>NET ASSETS (DEFICIT)</b>								
Beginning of year	\$660,172	\$598,546	\$15,271	\$13,220	(\$811,639)	(\$134,735)	\$4,149	\$4,259
End of year	\$407,417	\$660,172	\$11,805	\$15,271	(\$118,451)	(\$811,639)	\$0	\$4,149

## 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, or by calling 888 CalPERS (or 888-225-7377).

# Financial Section:

## Basic Financial Statements

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# Statement of Fiduciary Net Assets – Fiduciary Funds

As of June 30, 2010, with Comparative Totals as of June 30, 2009 (Dollars in Thousands)

	Pension Trust Funds						
	PERF	LRF	JRF	JRF II	SPOFF	IRC 457	SCPF
<b>ASSETS</b>							
<b>Cash &amp; Cash Equivalents</b>	<b>\$660,374</b>	<b>\$868</b>	<b>\$0</b>	<b>\$8</b>	<b>\$1</b>	<b>\$0</b>	<b>\$0</b>
<b>Receivables</b>							
Member, Public Agency, State & School	\$1,707,520	\$176	\$1,974	\$11,610	\$4,309	\$0	\$21
Investment Sales & Other	346,442	—	—	—	—	195	—
Interest & Dividends	175,184	—	50	9	3	—	—
Due from Other Funds	6,089	103	680	40	—	—	—
Other Program	20,037	1	5	—	—	4,649	—
<b>Total Receivables</b>	<b>\$2,255,272</b>	<b>\$280</b>	<b>\$2,709</b>	<b>\$11,659</b>	<b>\$4,312</b>	<b>\$4,844</b>	<b>\$21</b>
<b>Investments, at Fair Value</b>							
Short-Term Investments:							
Domestic	\$9,110,452	\$1	\$61,382	\$340	\$47,070	\$34,164	\$1,649
International	222,793	—	—	—	162	169	7
Securities Lending Collateral	17,047,678	—	—	—	—	—	—
Equity Securities:							
Domestic	43,039,513	32,510	—	134,059	192,431	373,937	8,140
International	48,901,892	10,933	—	79,527	61,295	68,421	2,541
Debt Securities:							
Domestic	50,842,316	71,098	—	157,398	89,763	317,604	5,213
International	2,517,546	—	—	—	—	—	—
Inflation Linked	5,040,381	—	—	—	—	—	—
Real Estate Equities	28,685,240	—	—	39,879	11,614	6,221	442
Debt on Real Estate Equities	(13,534,160)	—	—	—	—	—	—
Alternative Investments	28,697,936	—	—	—	—	—	—
<b>Total Investments</b>	<b>\$220,571,587</b>	<b>\$114,542</b>	<b>\$61,382</b>	<b>\$411,203</b>	<b>\$402,335</b>	<b>\$800,516</b>	<b>\$17,992</b>
<b>Capital Assets, Net &amp; Other Assets</b>	<b>\$677,715</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL ASSETS</b>	<b>\$224,164,948</b>	<b>\$115,690</b>	<b>\$64,091</b>	<b>\$422,870</b>	<b>\$406,648</b>	<b>\$805,360</b>	<b>\$18,013</b>
<b>LIABILITIES</b>							
Retirement & Other Benefits in Process of Payment	\$1,141,533	\$640	\$0	\$0	\$0	\$0	\$0
Due to Health Carriers	—	—	—	—	—	—	—
Investment Purchases & Other	287,051	—	—	—	—	—	—
Due to the State & Public Agencies	3,431	—	—	—	—	—	—
Securities Lending Obligation	17,578,147	—	—	—	—	—	—
Due to Other Funds	4,641	6	21	3	311	605	15
Loans Payable — TALF	3,380,178	813	—	2,156	—	—	—
Management Fees	—	—	—	—	784	1,736	37
Other Program	153,893	195	977	104	—	—	1
<b>TOTAL LIABILITIES</b>	<b>\$22,548,874</b>	<b>\$1,654</b>	<b>\$998</b>	<b>\$2,263</b>	<b>\$1,095</b>	<b>\$2,341</b>	<b>\$53</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION &amp; OTHER POST-EMPLOYMENT BENEFITS</b>	<b>\$201,616,074</b>	<b>\$114,036</b>	<b>\$63,093</b>	<b>\$420,607</b>	<b>\$405,553</b>	<b>\$803,019</b>	<b>\$17,960</b>



Statement of Fiduciary Net Assets – Fiduciary Funds (continued)

Post-Employment Health Care Trust Fund	Agency Funds			Totals	
	CERBTF	RBF	CRF	OASI	2010
\$0	\$1	\$1,032	\$5,691	\$667,975	\$602,001
\$10,385	\$175	\$391	\$0	\$1,736,561	\$1,720,736
—	—	—	—	346,637	1,354,448
7	5	—	—	175,258	242,187
—	—	—	—	6,912	3,535
—	—	—	—	24,692	23,966
<b>\$10,392</b>	<b>\$180</b>	<b>\$391</b>	<b>\$0</b>	<b>\$2,290,060</b>	<b>\$3,344,872</b>
\$70,750	\$3,056	\$225,985	\$0	\$9,554,849	\$11,851,523
—	—	—	—	223,131	481,394
—	—	—	—	17,047,678	24,347,602
414,277	—	—	—	44,194,867	39,069,933
346,126	—	—	—	49,470,735	42,398,700
338,866	—	—	—	51,822,258	49,082,531
—	—	—	—	2,517,546	3,275,402
—	—	—	—	5,040,381	4,372,977
119,727	—	—	—	28,863,123	30,212,080
—	—	—	—	(13,534,160)	(16,587,276)
—	—	—	—	28,697,936	21,793,456
<b>\$1,289,746</b>	<b>\$3,056</b>	<b>\$225,985</b>	<b>\$0</b>	<b>\$223,898,344</b>	<b>\$210,298,322</b>
\$0	\$0	\$0	\$0	\$677,715	\$434,038
<b>\$1,300,138</b>	<b>\$3,237</b>	<b>\$227,408</b>	<b>\$5,691</b>	<b>\$227,534,094</b>	<b>\$214,679,233</b>
\$8,697	\$0	\$0	\$0	\$1,150,870	\$1,049,015
—	—	151,356	—	151,356	4,411
—	—	—	—	287,051	1,692,751
—	—	16,619	5,527	25,577	35,806
—	—	—	—	17,578,147	25,005,693
591	82	59,433	164	65,872	57,322
3,600	—	—	—	3,386,747	5,387,269
—	—	—	—	2,557	—
49	3,155	—	—	158,374	199,904
<b>\$12,937</b>	<b>\$3,237</b>	<b>\$227,408</b>	<b>\$5,691</b>	<b>\$22,806,551</b>	<b>\$33,432,171</b>
<b>\$1,287,201</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$204,727,543</b>	<b>\$181,247,062</b>

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

# Statement of Changes in Fiduciary Net Assets – Fiduciary Funds

For the Year Ended June 30, 2010, with Comparative Totals for the Year Ended June 30, 2009 (Dollars in Thousands)

	Pension Trust Funds					
	PERF	LRF	JRF	JRF II	SPOFF	IRC 457
<b>ADDITIONS</b>						
<b>Retirement and OPEB Contributions</b>						
Members	\$3,378,867	\$17	\$7,361	\$16,178	\$0	\$108,436
Employers	6,955,049	—	10,147	42,589	52,219	84
State of California General Fund	—	—	175,242	—	—	—
Employer Contributions Direct — OPEB	—	—	—	—	—	—
Employer Contributions Outside of Trust — OPEB	—	—	—	—	—	—
<b>Total Retirement and OPEB Contributions</b>	<b>\$10,333,916</b>	<b>\$17</b>	<b>\$192,750</b>	<b>\$58,767</b>	<b>\$52,219</b>	<b>\$108,520</b>
<b>Investment Income (Loss)</b>						
Net (Depreciation) Appreciation In Fair Value of Investments	\$23,555,137	\$17,793	\$0	\$50,373	\$38,326	\$68,545
Interest	466,554	—	332	37	18	2,369
Dividends	1,130,740	—	—	391	—	—
Real Estate	2,303,941	—	—	—	—	—
Alternative Investments	214,634	—	—	—	—	—
Other Income	92,958	—	—	—	11	3,434
Securities Lending Income	199,004	—	—	—	—	—
Less Investment Expenses:						
Costs of Lending Securities	(57,506)	—	—	—	—	—
Real Estate	(1,944,823)	—	—	—	—	—
Other	(393,344)	—	—	—	(712)	(1,397)
<b>Net Investment Income (Loss)</b>	<b>\$25,567,295</b>	<b>\$17,793</b>	<b>\$332</b>	<b>\$50,801</b>	<b>\$37,643</b>	<b>\$72,951</b>
Transfer In	\$0	\$0	\$0	\$0	\$3,397	\$720
<b>Other Income</b>	<b>\$10,234</b>	<b>\$0</b>	<b>\$3,486</b>	<b>\$0</b>	<b>\$34</b>	<b>\$138</b>
<b>TOTAL ADDITIONS</b>	<b>\$35,911,445</b>	<b>\$17,810</b>	<b>\$196,568</b>	<b>\$109,568</b>	<b>\$93,293</b>	<b>\$182,329</b>
<b>DEDUCTIONS</b>						
Retirement, Death & Survivor Benefits	\$12,972,457	\$11,082	\$178,861	\$1,392	\$0	\$0
Refund of Contributions	182,387	35	32	2,592	—	—
Administrative Expenses	278,036	4,444	968	494	1,758	3,491
Participant Withdrawals	—	—	—	—	22,743	46,418
OPEB Reimbursements Direct	—	—	—	—	—	—
OPEB Reimbursements-Outside of Trust	—	—	—	—	—	—
OPEB Plan Transfers To External Trusts	—	—	—	—	—	—
<b>TOTAL DEDUCTIONS</b>	<b>\$13,432,880</b>	<b>\$15,561</b>	<b>\$179,861</b>	<b>\$4,478</b>	<b>\$24,501</b>	<b>\$49,909</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$22,478,565</b>	<b>\$2,249</b>	<b>\$16,707</b>	<b>\$105,090</b>	<b>\$68,792</b>	<b>\$132,420</b>
<b>Net Assets Held in Trust for Pension and Other Post-Employment Benefits</b>						
<b>Beginning of Year as Previously Reported</b>	<b>\$178,899,883</b>	<b>\$111,787</b>	<b>\$46,386</b>	<b>\$315,517</b>	<b>\$336,761</b>	<b>\$670,599</b>
Prior Period Adjustment	\$237,626	\$0	\$0	\$0	\$0	\$0
<b>Net Assets as Restated</b>	<b>\$179,137,509</b>	<b>\$111,787</b>	<b>\$46,386</b>	<b>\$315,517</b>	<b>\$336,761</b>	<b>\$670,599</b>
<b>End of Year</b>	<b>\$201,616,074</b>	<b>\$114,036</b>	<b>\$63,093</b>	<b>\$420,607</b>	<b>\$405,553</b>	<b>\$803,019</b>

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds (continued)

SCPF	Post-Employment Health Care Trust Fund	Totals	
	CERBTf	2010	2009
\$536	\$0	\$3,511,395	\$4,154,388
—	—	7,060,088	7,016,798
—	—	175,242	178,803
—	344,581	344,581	367,232
—	329,825	329,825	228,400
<b>\$536</b>	<b>\$674,406</b>	<b>\$11,421,131</b>	<b>\$11,945,621</b>
\$1,911	\$127,800	\$23,859,885	(\$58,071,880)
1	41	469,352	642,688
—	1,077	1,132,208	1,479,766
—	—	2,303,941	658,269
—	—	214,634	102,379
6	—	96,409	91,689
—	—	199,004	752,348
—	—	(57,506)	(383,283)
—	—	(1,944,823)	(2,414,067)
(34)	—	(395,487)	(753,688)
<b>\$1,884</b>	<b>\$128,918</b>	<b>\$25,877,617</b>	<b>(\$57,895,779)</b>
\$32	\$0	\$4,149	\$0
<b>\$1</b>	<b>\$0</b>	<b>\$13,893</b>	<b>\$6,842</b>
<b>\$2,453</b>	<b>\$803,324</b>	<b>\$37,316,790</b>	<b>(\$45,943,316)</b>
\$0	\$0	\$13,163,792	\$12,015,696
—	—	185,046	190,141
117	822	290,130	435,506
1,624	—	70,785	48,346
—	24,768	24,768	17,647
—	329,825	329,825	228,400
—	9,589	9,589	—
<b>\$1,741</b>	<b>\$365,004</b>	<b>\$14,073,935</b>	<b>\$12,935,736</b>
<b>\$712</b>	<b>\$438,320</b>	<b>\$23,242,855</b>	<b>(\$58,879,052)</b>
\$17,248	\$848,881	\$181,247,062	\$240,126,114
\$0	\$0	\$237,626	\$0
<b>\$17,248</b>	<b>\$848,881</b>	<b>\$181,484,688</b>	<b>\$240,126,114</b>
<b>\$17,960</b>	<b>\$1,287,201</b>	<b>\$204,727,543</b>	<b>\$181,247,062</b>

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

# Statement of Net Assets – Proprietary Funds

As of June 30, 2010, with Comparative Totals as of June 30, 2009 (Dollars in Thousands)

	Enterprise Funds			Totals	
	HCF	CRF	LTCF	2010	2009
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash & Cash Equivalents	\$214	\$0	\$96	\$310	\$2,228
<b>Receivables</b>					
Member, Public Agency, State & School	\$62,070	\$1,331	\$358	\$63,759	\$19,006
Interest & Dividends	239	342	—	581	4,301
Due from Other Funds	60,074	3,938	—	64,012	56,808
Due from Federal Government	—	12,387	—	12,387	16,105
Other	—	426	—	426	450
<b>Total Receivables</b>	<b>\$122,383</b>	<b>\$18,424</b>	<b>\$358</b>	<b>\$141,165</b>	<b>\$96,670</b>
<b>Investments, at Fair Value</b>					
Short-Term Investments:					
Domestic	\$97,968	\$58,513	\$0	\$156,481	\$502,229
Equity Securities:					
Domestic	—	—	722,032	722,032	599,232
International	—	—	477,098	477,098	390,749
Debt Securities:					
Domestic	432,751	—	1,284,528	1,717,279	1,432,418
Real Estate Equities	—	—	125,920	125,920	104,088
<b>Total Investments</b>	<b>\$530,719</b>	<b>\$58,513</b>	<b>\$2,609,578</b>	<b>\$3,198,810</b>	<b>\$3,028,716</b>
<b>TOTAL ASSETS</b>	<b>\$653,316</b>	<b>\$76,937</b>	<b>\$2,610,032</b>	<b>\$3,340,285</b>	<b>\$3,127,614</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Insurance Premiums & Claims in Process of Payment	\$36,867	\$72	\$10,634	\$47,573	\$28,872
Estimated Insurance Claims Due	192,195	—	151,696	343,891	359,797
Management Fees	—	—	—	—	2,608
Due to Other Funds	2,025	2,171	856	5,052	3,022
Due to State & Public Agencies	323	—	—	323	—
Other	11,992	58,229	14,041	84,262	74,640
<b>Total Current Liabilities</b>	<b>\$243,402</b>	<b>\$60,472</b>	<b>\$177,227</b>	<b>\$481,101</b>	<b>\$468,939</b>
<b>Long-Term Liabilities</b>					
Estimated Liability for Future Policy Benefits	\$0	\$0	\$2,539,904	\$2,539,904	\$2,756,587
OPEB Obligation	2,497	4,660	—	7,157	4,262
Loans Payable — TALF	—	—	11,352	11,352	29,873
<b>Total Long-Term Liabilities</b>	<b>\$2,497</b>	<b>\$4,660</b>	<b>\$2,551,256</b>	<b>\$2,558,413</b>	<b>\$2,790,722</b>
<b>TOTAL LIABILITIES</b>	<b>\$245,899</b>	<b>\$65,132</b>	<b>\$2,728,483</b>	<b>\$3,039,514</b>	<b>\$3,259,661</b>
<b>TOTAL UNRESTRICTED NET ASSETS (DEFICIT)</b>	<b>\$407,417</b>	<b>\$11,805</b>	<b>(\$118,451)</b>	<b>\$300,771</b>	<b>(\$132,047)</b>

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

# Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds

For the Year Ended June 30, 2010, with Comparative Totals for the Year Ended June 30, 2009 (Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2010	2009
<b>Operating Revenues</b>						
Self-Insurance Premiums	\$1,362,081	\$0	\$285,948	\$0	\$1,648,029	\$1,883,471
Administrative Fees Earned	—	22,449	—	—	22,449	25,384
Other	—	79	—	—	79	249
<b>Total Operating Revenues</b>	<b>\$1,362,081</b>	<b>\$22,528</b>	<b>\$285,948</b>	<b>\$0</b>	<b>\$1,670,557</b>	<b>\$1,909,104</b>
<b>Operating Expenses</b>						
Claims Expense	\$1,596,473	\$0	\$133,042	\$0	\$1,729,515	\$1,549,255
(Decrease) Increase in Estimated Liabilities	(24,389)	—	(208,200)	—	(232,589)	498,337
Administrative Expenses	90,292	27,065	19,663	—	137,020	131,407
<b>Total Operating Expenses</b>	<b>\$1,662,376</b>	<b>\$27,065</b>	<b>(\$55,495)</b>	<b>\$0</b>	<b>\$1,633,946</b>	<b>\$2,178,999</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(\$300,295)</b>	<b>(\$4,537)</b>	<b>\$341,443</b>	<b>\$0</b>	<b>\$36,611</b>	<b>(\$269,895)</b>
<b>NON-OPERATING REVENUES (LOSSES)</b>						
Net Appreciation (Depreciation) in Fair Value of Investments	\$45,578	\$0	\$350,413	\$0	\$395,991	(\$362,104)
Interest, Dividends, & Other Investment Income	1,962	1,071	1,332	—	\$4,365	18,662
<b>TOTAL NON-OPERATING REVENUES (LOSSES)</b>	<b>\$47,540</b>	<b>\$1,071</b>	<b>\$351,745</b>	<b>\$0</b>	<b>\$400,356</b>	<b>(\$343,442)</b>
<b>Income (Loss) Before Transfers</b>	<b>(\$252,755)</b>	<b>(\$3,466)</b>	<b>\$693,188</b>	<b>\$0</b>	<b>\$436,967</b>	<b>(\$613,337)</b>
Transfer Out	\$0	\$0	\$0	(\$4,149)	(\$4,149)	\$0
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>(\$252,755)</b>	<b>(\$3,466)</b>	<b>\$693,188</b>	<b>(\$4,149)</b>	<b>\$432,818</b>	<b>(\$613,337)</b>
<b>TOTAL UNRESTRICTED NET ASSETS (DEFICIT)</b>						
Beginning of Year	\$660,172	\$15,271	(\$811,639)	\$4,149	(\$132,047)	\$481,290
End of Year	\$407,417	\$11,805	(\$118,451)	\$0	\$300,771	(\$132,047)

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

# Statement of Cash Flows – Proprietary Funds

For the Year Ended June 30, 2010, with Comparative Totals for the Year Ended June 30, 2009 (Dollars in Thousands)

	Enterprise Funds				Totals	
	HCF	CRF	LTCF	DCF	2010	2009
<b>Cash Flows From Operating Activities</b>						
Self-Insurance Premiums Collected	\$1,317,362	\$0	\$286,166	\$0	\$1,603,528	\$1,924,538
Claims Paid	(1,578,963)	—	(131,908)	—	(1,710,871)	(1,540,079)
Other (Payments) Receipts	(89,883)	7,439	(37,384)	—	(119,828)	(157,974)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(\$351,484)</b>	<b>\$7,439</b>	<b>\$116,874</b>	<b>\$0</b>	<b>(\$227,171)</b>	<b>\$226,485</b>
<b>Cash Flows From Investing Activities</b>						
Net Purchases of Investments	\$0	\$0	(\$119,852)	\$0	(\$119,852)	(\$200,127)
Net Change in Short-Term Investments	348,233	(11,277)	67	—	337,023	(45,313)
Interest & Dividends Received	3,455	1,620	3,007	—	8,082	20,366
<b>Net Cash (Used for) Provided by Investing Activities</b>	<b>\$351,688</b>	<b>(\$9,657)</b>	<b>(\$116,778)</b>	<b>\$0</b>	<b>\$225,253</b>	<b>(\$225,074)</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>\$204</b>	<b>(\$2,218)</b>	<b>\$96</b>	<b>\$0</b>	<b>(\$1,918)</b>	<b>\$1,411</b>
<b>Cash &amp; Cash Equivalents, Beginning of Year</b>	<b>\$10</b>	<b>\$2,218</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,228</b>	<b>\$817</b>
<b>Cash &amp; Cash Equivalents, End of Year</b>	<b>\$214</b>	<b>\$0</b>	<b>\$96</b>	<b>\$0</b>	<b>\$310</b>	<b>\$2,228</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>						
Operating Income (Loss)	(\$300,295)	(\$4,537)	\$341,443	\$0	\$36,611	(\$269,895)
Changes in Assets & Liabilities:						
Receivables:						
Member, Public Agency, State & School	(44,719)	(251)	218	—	(44,752)	40,742
Management Fees Receivable	—	—	—	—	—	854
Due from Other Funds	(5,367)	(1,837)	—	—	(7,204)	1,773
Due from Federal Government	—	3,718	—	—	3,718	(5,062)
Other	—	24	—	—	24	58
Insurance Premiums & Claims in Process of Payment	17,510	57	1,134	—	18,701	9,175
Estimated Insurance Claims Due	(24,389)	—	—	—	(24,389)	28,536
Management Fees Payable	—	—	—	—	—	815
Liability for Future Policy Benefits	—	—	(208,200)	—	(208,200)	469,800
Due to Other Funds	1,996	2,171	(260)	—	3,907	(5,036)
Loans Payable — TALF	—	—	(18,522)	—	(18,522)	29,874
Due to State and Public Agencies	323	—	—	—	323	(76,946)
Other	3,457	8,094	1,061	—	12,612	1,797
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(\$351,484)</b>	<b>\$7,439</b>	<b>\$116,874</b>	<b>\$0</b>	<b>(\$227,171)</b>	<b>\$226,485</b>
<b>Noncash Investing, Capital &amp; Financing Activities</b>						
Noncash Change in Fair Value of Investments in Securities	\$45,578	\$0	\$355,537	\$0	\$401,115	(\$349,931)
Transfers to the SPOFF, IRC 457 and SCPF	\$0	\$0	\$0	(\$4,149)	(\$4,149)	\$0

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

# Notes to the Basic Financial Statements

## 1. GENERAL DESCRIPTION OF THE PLAN

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 that elect to participate in the System. At June 30, 2010, the Board of Administration (Board) of CalPERS administers a total of 15 funds, including four defined benefit retirement plans: the Public Employees' Retirement Fund (PERF), the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), and the Judges' Retirement Fund II (JRF II); three defined contribution retirement plans: the State Peace Officers' and Firefighters' Defined Contribution Plan Fund (SPOFF), the Public Agency Deferred Compensation Program (IRC 457), and the Supplemental Contributions Program Fund (SCPF); one defined benefit post-employment health care plan, the California Employers' Retirement Benefit Trust Fund (CERBTF); one health care plan: the Public Employees' Health Care Fund (HCF); and six other plans: the Public Employees' Long-Term Care Fund (LTCF), the Public Employees' Deferred Compensation Fund (DCF), the Old Age & Survivors' Insurance Revolving Fund (OASI), the Public Employees' Contingency Reserve Proprietary Fund (CRF), the Public Employees' Contingency Reserve Agency Fund (CRF), and the Replacement Benefit Fund (RBF).

### 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. 39.

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

### Defined Benefit Plans

The PERF was established in 1932, the LRF in 1947, the JRF in 1937, and JRF II in 1994. 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.

At June 30, 2010, the State of California and 1,543 public agencies and schools (representing more than 2,600 entities) contribute to the PERF, JRF, and JRF II, which are agent multiple employer and cost-sharing 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.

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.

As of June 30, 2010, the number of affiliated employers for the PERF, LRF, JRF, and JRF II are as follows:

### Affiliated Employers for the PERF, LRF, JRF, and JRF II

	2010
<b>PERF</b>	
State	1
School	61
Public Agency	1,482
<b>Total PERF</b>	<b>1,544</b>
<b>LRF</b>	<b>1</b>
<b>JRF</b>	<b>59</b>
<b>JRF II</b>	<b>59</b>

## Notes to the Basic Financial Statements (continued)

As of June 30, 2010, benefit recipients and members in the PERF, LRF, JRF, and JRF II consisted of the following:

### Benefit Recipients and Members in the PERF, LRF, JRF, and JRF II

Fund	Retirees	Survivors & Beneficiaries	Members		TOTAL
			Active	Inactive	
<b>PERF</b>					
State	157,493	25,512	253,226	87,346	523,577
School	146,549	20,001	299,927	127,284	593,761
Public Agency	138,454	17,853	251,141	97,120	504,568
<b>Total PERF</b>	<b>442,496</b>	<b>63,366</b>	<b>804,294</b>	<b>311,750</b>	<b>1,621,906</b>
<b>LRF</b>	<b>133</b>	<b>122</b>	<b>13</b>	<b>23</b>	<b>291</b>
<b>JRF</b>	<b>1,218</b>	<b>625</b>	<b>478</b>	<b>50</b>	<b>2,371</b>
<b>JRF II</b>	<b>14</b>	<b>5</b>	<b>1,197</b>	<b>—</b>	<b>1,216</b>
<b>TOTAL</b>	<b>443,861</b>	<b>64,118</b>	<b>805,982</b>	<b>311,823</b>	<b>1,625,784</b>

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

- **Judges** — includes Supreme Court, Courts of Appeal, and Superior Courts appointed or elected before November 9, 1994.

#### JRF II

- **Judges** — includes Supreme Court, Courts of Appeal and Superior Courts appointed or elected on or after November 9, 1994.

#### Financing

The benefits for the PERF, LRF, JRF, and JRF II are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer’s benefit formulas. 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 in excess of a base compensation amount ranging from \$133 to \$863 monthly. For the fiscal year ended June 30, 2010, the required contribution rates for active plan members are as follows:



**Required Contribution Rates for Active Plan Members**

	Required Contribution Rates
<b>PERF</b>	
State Employees:	
Miscellaneous & Industrial	5% or 6%
Miscellaneous & Industrial — Second Tier	0%
Safety	6%
Peace Officers & Firefighters	8%
California Highway Patrol	8%
Classified School Employees	7%
Public Agency Employees	5% to 9%
<b>LRF</b>	0%
<b>JRF</b>	8%
<b>JRF II</b>	8%

These contributions are deposited in a fund established for each entity for the purpose of creating actuarial reserves for future benefits.

All employees in a covered class of employment who work on a half-time basis or more are eligible to participate in the retirement plans. 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. All plans provide death and disability benefits. In addition, post-retirement cost of living increases are also provided. 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.

In November 1990, Article IV, Section 4.5 was added 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, there are no current legislators eligible to participate in the Legislators’

Retirement Fund. The only active members in the fund are Constitutional Officers (including the Insurance Commissioner and members of the Board of Equalization) and Legislative Statutory Officers.

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

**Termination**

Upon permanent separation from the retirement plans, accumulated member 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 employers, 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, while the employer is billed for any deficiency in assets.

**CERBTf**

The California Employers’ Retiree Benefit Trust Fund (CERBTf) was established by Chapter 331 of the 1988 Statutes and initially funded in 2007. At June 30, 2010, 258 employers had elected to participate in the fund. The purpose of the fund is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of participating employer’s plans. Contributions are voluntarily determined by the employer’s own funding schedule, and there are no long-term contracts for contributions to the plan. The CERBTf is an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 with pooled administrative and investment functions.

Participating employers may receive disbursements from the fund not to exceed the annual premium and other costs of eligible post-employment benefits. If the employer’s participation in the fund terminates, all assets in the employer’s prefunding account shall remain in the fund except as otherwise provided. Allowable termination

disbursements are to a trustee or as a trustee transfer of assets upon satisfactorily demonstrating to the Board the transfer will satisfy applicable requirements of the Internal Revenue Code and the Board's fiduciary duties, or the employer substantiates to the Board that all of the employer's obligations for the payment of post-employment benefits have been satisfied. At June 30, 2010, there were 107,392 active or inactive members and 41,458 retirees for the miscellaneous plan and 23,576 active or inactive members and 14,787 retirees for the safety plan.

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

### Defined Contribution Plans

#### SPOFF

The State Peace Officers' and Firefighters' Supplemental Plan (SPOFF) is a defined contribution retirement plan established 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 peace officers and firefighters employed by the State of California. Plan provisions are established and may be amended by statute.

SPOFF is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. 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.

The benefits paid to participants will depend on the amount contributed and the earnings/losses attributed to participants' account. Contributions are invested in the CalPERS Moderate Asset Allocation Fund which includes short-term, equity and fixed income securities, and real estate. Distributions are allowed only at retirement or permanent separation from all State employment. At June 30, 2010, there were 40,020 active and inactive participants.

#### IRC 457

The CalPERS Supplemental Income 457 Plan (457 Deferred Compensation Plan) is available to public agencies and school districts within the State of California and is governed by Code Section 21670 through 21685 authorizing the Board of Administration to establish a deferred compensation plan qualified under Section 457 of Title 26 of the United States Code for California Public Employees.

The CalPERS Supplemental Income 457 Plan is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. Plan participation is voluntary to employees of contracting public agencies and school districts, and contributions are intended to supplement the retirement benefits provided by the PERF.

Members may contribute up to the limit established under the Internal Revenue Code and are allowed to change their contribution amount, transfer account balances among 25 investment options, or change the contribution percentages designated to each option on a daily basis. The 25 investment options are:

- CalPERS Target Retirement Income Fund,
- CalPERS Target Retirement 2005 Fund,
- CalPERS Target Retirement 2010 Fund,
- CalPERS Target Retirement 2015 Fund,
- CalPERS Target Retirement 2020 Fund,
- CalPERS Target Retirement 2025 Fund,
- CalPERS Target Retirement 2030 Fund,
- CalPERS Target Retirement 2035 Fund,
- CalPERS Target Retirement 2040 Fund,
- CalPERS Target Retirement 2045 Fund,
- CalPERS Target Retirement 2050 Fund,
- CalPERS Conservative Asset Allocation Fund,
- CalPERS Moderate Asset Allocation Fund,
- CalPERS Aggressive Asset Allocation Fund,
- Stable Value Fund,
- CalPERS Treasury Inflation Protected Securities Fund,
- CalPERS Total Return Bond Fund,
- CalPERS S&P 500 Equity Index Fund,
- Alliance Bernstein Active Large Cap Equity Value Fund,
- Turner Active Large Cap Equity Growth Fund,
- CalPERS Small & Mid Cap Equity Index Fund,
- The Boston Company Active Small/Mid Cap Growth Fund,
- The Boston Company Active Small/Mid Cap Value Fund,

## Notes to the Basic Financial Statements (continued)

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- CalPERS International Index Fund, and
- Pyramis Select Active International Fund.

In addition, a Self Managed Brokerage Account (SMA) is an optional provision. Members may access their funds upon retirement, separation from employment, or other distributable events 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. At June 30, 2010, there were 29,456 active and inactive participants with account balances.

### SCPF

The Supplemental Contribution Plan (SCP) was established January 1, 2000, by Chapter 307 of the 1999 Statutes. The plan is a qualified plan under Section 401(a) of Title 26 of the United States Code. It is administered by CalPERS and a third-party administrator, ING, who provides record keeping and plan administration services. After-tax contributions are intended to supplement the retirement benefits provided by the PERF.

Currently, the Plan 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 defined benefit contributions. Participants may contribute to a deferred compensation plan in conjunction with SCP, subject to Internal Revenue Code Section 415(c) limits. The 25 investment options available in SCP are:

- CalPERS Target Retirement Income Fund,
- CalPERS Target Retirement 2005 Fund,
- CalPERS Target Retirement 2010 Fund,
- CalPERS Target Retirement 2015 Fund,
- CalPERS Target Retirement 2020 Fund,
- CalPERS Target Retirement 2025 Fund,
- CalPERS Target Retirement 2030 Fund,
- CalPERS Target Retirement 2035 Fund,
- CalPERS Target Retirement 2040 Fund,
- CalPERS Target Retirement 2045 Fund,
- CalPERS Target Retirement 2050 Fund,
- CalPERS Conservative Asset Allocation Fund,
- CalPERS Moderate Asset Allocation Fund,
- CalPERS Aggressive Asset Allocation Fund,

- Stable Value Fund,
- CalPERS Treasury Inflation Protected Securities Fund,
- CalPERS Total Return Bond Fund,
- CalPERS S&P 500 Equity Index Fund,
- Alliance Bernstein Active Large Cap Equity Value Fund,
- Turner Active Large Cap Equity Growth Fund,
- CalPERS Small & Mid Cap Equity Index Fund,
- The Boston Company Active Small/Mid Cap Growth Fund,
- The Boston Company Active Small/Mid Cap Value Fund,
- CalPERS International Index Fund, and
- Pyramis Select Active International Fund.

In addition, a Self Managed Brokerage Account (SMA) is available. 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, 2010, there were 687 active and inactive participants in the program.

### Other Funds Administered by CalPERS

#### OASI

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 required 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. Subsequently, CalPERS, the Social Security Administration, and participating local agencies reached agreement on the proper amount of contributions, payments, and refunds. Since then the OASI fund has been utilized to reimburse the PERF for OASI contract management and related services, as provided in Government Code section 22601.

### HCF

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, PERSCare, and PERS Select (the Plans) are risk pools available to all entities that contract for health insurance coverage under PEMHCA. Having all members in a single risk pool spreads catastrophic claims over a large base and minimizes administrative expenses. The Plans 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 are set by the Board based on a trend analysis of the historic cost, utilization, demographics, and administrative expenses of the HCF to provide for the claims incurred and the actuarially determined required level of reserves.

The Plans rely on operating cash flows and investment income to fund health benefit payments. During the 2009-10 fiscal year, the Board continued to increase member premiums to mitigate the impact of increasing costs associated with enrollment growth, increases in provider pricing, and increased benefit utilization. The board approved premium increase was offset by a two-month premium holiday. Management believes that the current sources of funding will be adequate to provide for benefits of the Plans.

Public agencies participating in the Plans are required to make monthly premium payments based on rates established annually by CalPERS. Employer contributions are determined by the public agency through benefit negotiations, subject to minimum contribution levels established through PEMHCA. Public agency employee members pay the difference between the premium rate and the employers' contribution. Administrative costs are financed through investment earnings.

### CRF

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 for administering the program.

Activity in the CRF is reported in two separate fund types. Administrative fees collected and related costs are accounted for in the CRF enterprise fund. Public agency health payments and remittances to contracted health care providers are reported in the CRF Agency Fund.

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.

Administrative costs include direct costs of the program and a proportionate share of indirect costs allocated to the CRF enterprise fund by the PERF. The administrative fee is determined as a percentage of insurance premiums paid by the employers. The administrative fee for the year ended June 30, 2010, was 0.43 percent. Administrative rates are reviewed annually and are adjusted, if needed, to cover budgeted administrative costs.

Public agency employers whose employees do not elect PERS Choice, PERSCare, or PERS Select submit the provider-determined, Board-approved premiums to the CRF Agency Fund, which in turn submits the premiums to the respective health care provider.

At June 30, 2010, 1,165 entities participated in health insurance coverage under PEMHCA.

### LTCF

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, Chapter 15). The fund contracts with a third party service provider 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 an independent, third party program actuary and are set by the Board. Prospective enrollees apply directly to the program for long-term care coverage.

As of June 30, 2010, there are 159,571 enrollees, of which 4,883 are receiving benefits. As a result of the fund deficit,

the CalPERS Board of Administration did not approve the application period for 2010; and the LTCF is currently closed to new entrants.

The decrease in the unrestricted net deficit in the LTCF from \$811.6 million at June 30, 2009 to \$118.5 million at June 30, 2010 is attributable to favorable investment returns since the June 30, 2009 valuation and approved premium rate increases effective July 1, 2010 which were reflected in the June 30, 2010 valuation. The overall decrease in the deficit attributable to investment returns and the premium rate increase was offset in part by the impact of the decrease in the investment rate of return assumption from 7.79 percent to 6.38 percent. The actuarial valuation results are very sensitive to the underlying assumptions utilized, including the investment rate of return and morbidity. The valuation is based on assumed morbidity more favorable than actual program experience. If actual experience continues to emerge as it has to date, valuation results will deteriorate (e.g. a projected deficit would increase) as the credibility attributable to the experience increases. Due to the recently implemented premium rate increases, the June 30, 2010 valuation included projections using the in force data as of September 30, 2010 in order to reflect actual shock lapses and conversions that occurred during the first three months after implementation. LTCF management is continuing to review the impact of the recently implemented premium increases and decrease in investment discount rate assumption to determine if additional corrective actions are necessary.

### DCF

The Public Employees' Retirement System Deferred Compensation Fund (DCF) was used to account for revenues and expenses associated with administrative and investment management services provided to other governments by CalPERS staff. The services assisted other governments with their administration of deferred compensation plans. Revenues came from fees charged to various State of California public agencies for managing 19 of the 25 investment portfolios offered in the CalPERS IRC 457 and SCPF plans and the one portfolio in the SPOFF.

The DCF was established by Chapter 1659 of the 1990 Statutes, which added Government Code Sections 21420-21429. These Government Code Sections were subsequently renumbered to Government Code Sections

21670-21685 by Chapter 379 of the 1995 Statutes. Operation and initial funding of the DCF commenced July 1991.

Beginning with the 2009-2010 fiscal year the fees charged to the various State of California public agencies, and the related administrative and management fees paid, are recorded directly in the IRC 457, SPOFF, and SCPF. All residual net assets of the DCF were allocated to the IRC 457, SPOFF, and SCPF at the beginning of the fiscal year. The DCF net asset allocation is reflected in the financial statements as an interfund transfer. Beginning with the 2010-2011 fiscal year, the DCF will cease to be reported as a proprietary fund in the CalPERS basic financial statements.

### RBF

The Replacement Benefit Fund (RBF) was established as a custodial fund 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, 2010, there were 236 retirees receiving replacement benefits.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Measurement Focus, Basis of Accounting & Basis of Presentation

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). In doing so, CalPERS adheres to guidelines established by the Governmental Accounting Standards Board (GASB), as well as accounting policies that comply with applicable laws and regulations.

## Notes to the Basic Financial Statements (continued)

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Due to the types of investments held by the CRF agency and enterprise funds, JRF, and RBF, there was no net appreciation (depreciation) in the fair value of investments in fiscal year 2009-10. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments.

The accounts of CalPERS are organized and operated on the basis of funds. CalPERS has the following fund types at June 30, 2010:

**Fiduciary funds** — including pension trust, other post-employment trust, and agency funds, account for assets held by CalPERS in a trustee capacity or as an agent on behalf of others. The pension trust funds (PERF, LRF, JRF, JRF II, SPOFF, IRC 457, and SCPF) and the other post-employment health care fund (CERBTf) are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions for the PERF, LRF, JRF, JRF II, IRC 457, and SCPF are recognized in the period in which the contributions are due. Employer contributions for the PERF, JRF, JRF II, SPOFF, and CERBTf are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds in the defined benefit plans are recognized when due and payable in accordance with the terms of each plan. The agency funds (OASI, CRF, and RBF) are custodial in nature and do not measure the results of operations. Assets and liabilities are recorded using the accrual basis of accounting.

**Proprietary funds** — including enterprise funds (HCF, CRF, LTCF, and DCF) 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 GASB pronouncements in accounting and reporting for its proprietary operations, and follows FASB pronouncements issued prior to December 1, 1989, insofar as those standards do not conflict with or contradict guidance of the GASB. CalPERS has elected not to follow FASB pronouncements issued after November 30, 1989. Operating revenues and expenses are distinguished from non-operating items and generally result from providing services in connection with ongoing operations. The principal operating revenues of the HCF, CRF, and LTCF are derived from self-insurance premiums and providing administrative services. The DCF

had no operations in fiscal year 2009-10. Operating expenses include the cost of claims and related administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

### New GASB Pronouncements

#### GASB Statement No. 51

Effective July 1, 2009, CalPERS implemented the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets in order to reduce inconsistencies, thereby enhancing the comparability of such assets among state and local governments. The impact to CalPERS of the implementation of GASB Statement No. 51 is described in the Capital Assets section of this note.

#### GASB Statement No. 53

Effective July 1, 2009, CalPERS implemented the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information in financial statements regarding derivative instruments (derivatives) entered into by state and local governments.

As of June 30, 2010, CalPERS derivative instruments are considered investments and not hedges for accounting purposes. As CalPERS reported all investments, including investment derivative instruments, at fair value in prior fiscal years, the implementation of Statement No. 53 does not have a significant impact on the financial statements for the fiscal year ended June 30, 2010. Disclosure details for investment derivative instruments can be found in the Derivatives section of Note 4.

#### GASB Statement No. 57

Effective July 1, 2009, CalPERS early implemented the provisions of GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Statement 57 requires employers that participate in a governmental multiple employer trust to measure OPEB liabilities and related data as of the same date in each biennial reporting period. Additionally, Statement No. 57 amends in part Statements 43 and 45. Statement No. 57 allows employers that participate in a governmental multiple

## Notes to the Basic Financial Statements (continued)

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employer trust and that would otherwise be eligible to measure and report OPEB liabilities and related data using the Alternative Measurement Method (AMM), a spreadsheet based calculator, to do so.

The CERBT program adopted the reporting changes required by GASB Statement No. 57 for the fiscal year ended June 30, 2010. The actuarial value of assets (AVA), actuarial accrued liabilities (AAL) and related OPEB data were aligned to a single date of June 30, 2009. CalPERS projected the AVA and AAL as of June 30, 2009 by rolling forward or backward the actuarial data contained in valuations and Alternative Measurement Method (AMM) reports prepared by participating employers as of varying valuation dates. The alignment was achieved by applying methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

At June 30, 2009, the CERBT reported actuarial data for 196 employers using unaligned data derived from valuations prepared over a range of dates. At June 30, 2010, actuarial information in the schedule of funded status in Note 10 and schedule of funding progress in RSI is presented as of June 30, 2009 for all 258 participating employers participating in the trust.

In the future, the alignment of actuarial data will be updated biennially, as required by GASB Statements 43 and 57. The reporting of data aligned to a common date will benefit readers when trying to evaluate the progress made over time by employers working toward funding their OPEB liability.

### Investments

The majority of the investments held at June 30, 2010, are in the custody of or controlled by State Street Bank, CalPERS master custodian. State statutes and Board policies allow investments consisting of government, corporate and international debt, domestic and international equities, mutual funds, alternative investments, real estate, Inflation Linked Asset Class (ILAC), and other investments.

Investments are reported at fair value. The diversity of the investment types in which CalPERS invests requires a wide range of techniques to determine fair value. The overall valuation processes and information sources by major asset classification are as follows:

### Short Term

Short-term investments can consist of U.S. Treasury and Government Sponsored Securities, Money Market Funds, Commercial Paper, Certificates of Deposit, Delivery Versus Payment (DVP) Repurchase Agreements, Asset Backed Securities, Notes and Bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions. This approach allows for a high level of liquidity and diversification. Assets are reported at fair value or cost or amortized cost that approximates fair value. Fair value is determined based upon quoted market prices. 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.

### Debt Securities

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

### Equities

The majority of domestic and international equity securities held by CalPERS are actively traded on major stock exchanges or over-the-counter. These exchanges make information on trades of identical securities available daily on a last trade or official close basis. If such information is not available, other pre-established means are used to determine a price.

In addition, CalPERS holds limited partner positions in corporate governance funds, organized to invest strategically in publicly traded equity securities of companies on major stock exchanges to achieve long-term capital appreciation. These limited partnerships have been valued using the net asset value (NAV) of the entity, with the most significant input into the NAV being the value of

## Notes to the Basic Financial Statements (continued)

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its investment holdings. The general partners obtain prices for their holdings in a manner similar to that described above for CalPERS equity holdings.

CalPERS has invested as a limited partner in various funds which employ specific strategies. The most common investment strategies for these funds include, but are not limited to Directional Trading, Event Driven, Fund of Hedge Funds, Multi-Process, Security Selection, and Specialist Credit strategies. Involvements in such funds are long term and have limited liquidity. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. These partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management, valuation specialists, and investment advisors. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

### Alternative Investments

CalPERS has invested as a limited partner in various funds which employ specific strategies. The most common investment categories for these funds include leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital. The strategies of all such funds are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Alternative Investments partnerships are valued using their respective NAV, and are audited annually. The most significant input into the NAV of such an entity is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly or semi-annual basis, in conjunction with management and investment advisors, and consultation with valuation specialists. The management assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

### Real Estate

Real estate is held either directly, in separate accounts, or as a limited partner or in a joint venture or commingled fund. Properties owned directly or in a joint venture structure are subject to independent third-party appraisals performed in accordance with the Uniform Standards of Professional Appraisal Practice once every year. Real estate investments in a commingled fund are long term and illiquid in nature. As a result, investors are subject to redemption restrictions which generally limit distributions and restrict the ability of limited partners to exit a partnership investment prior to its dissolution. Limited partner interest in joint venture and commingled funds are valued by CalPERS using the NAV of the partnership. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general partners on a continuous basis, audited annually and may be periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment.

### Inflation Linked Asset Class (ILAC)

In December 2007, the CalPERS Board of Administration approved an investment asset allocation that includes a 5 percent allocation in an Inflation Linked Asset Class. The ILAC is Board approved to include commodities, inflation-linked bonds, infrastructure, forestland, and foreign currency. The commodities and inflation-linked bonds investments are valued based on quoted market price. The infrastructure and forestland investments are valued in the same manner as described in the Alternative Investments and Real Estate sections of this footnote respectively.

At June 30, 2010, the ILAC held \$1.5 billion of inflation-linked bonds, \$0.4 billion in infrastructure, \$2.4 billion in forestland, and \$0.8 billion in commodities exposure, and \$13.0 million in foreign currency. CalPERS presents, in the statement of changes in fiduciary net assets, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.



## Notes to the Basic Financial Statements (continued)

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There are certain market risks, including interest, credit, foreign currency exchange and concentration risk, which may subject the System to economic changes occurring in certain industries, sectors, or geographies.

### Capital Assets

Capital assets are defined by CalPERS as assets with an initial individual cost of \$5,000 or more, or \$1 million or more for intangible assets, and an estimated useful life in excess of one year.

Capital assets held by the PERF, consisting of buildings, furniture, equipment, and intangible assets 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, 40 years for buildings, and determined on an asset by asset basis for intangible assets, using the straight-line method of depreciation.

Effective for the 2009-10 fiscal year, with the implementation of the provisions of GASB Statement No. 51, CalPERS identified and capitalized outlays incurred for the development of internally generated software.

GASB Statement No. 51 identifies three stages of activities in the development and installation of internally generated computer software: (a) Preliminary Project Stage, (b) Application Development Stage, and (c) Post-Implementation/Operation Stage. Outlays relating to the Application Development Stage are required to be capitalized. Development costs of internally generated computer software that began prior to the start of the 2009-10 fiscal year, but still in the Application Development Stage during the 2009-2010 fiscal year, were retroactively capitalized. The retroactive capitalization of this internally generated computer software is reflected in the Statement of Changes in Fiduciary Net Assets as a restatement of beginning net assets.

The total amount of internally generated software capitalization is \$284.1 million, of which the total retroactive restated amount is \$237.6 million for capital outlays that occurred in the six prior fiscal years. CalPERS internally generated software includes those relating to the Pension System Resumption (PSR), Financial System Integrity Project (FSIP), Investment Trade Room System Replacement, and other software for various projects. The capital asset relating to PSR alone is \$244.7 million. The intangible assets are

included as Capital Assets in the Statement of Fiduciary Net Assets — Fiduciary Funds, net of any Accumulated Amortization.

### 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 held in trust for pension and post-employment health care benefits and changes therein, incurred but not reported (IBNR), claims payable, LTCF liability, and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates.

### Comparative Totals

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with the accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CalPERS financial statements for the year ended June 30, 2009, from which the summarized information was derived.

### Reclassifications

Certain reclassifications have been made to the comparative totals as of and for the year ended June 30, 2009, to conform to the presentation as of June 30, 2010.

## 3. CASH & CASH EQUIVALENTS

Cash and cash equivalents of approximately \$668.3 million at June 30, 2010 represent amounts held in the CalPERS general operating accounts with the State Treasury. The underlying investments are not individually identifiable by fund, as CalPERS monies are pooled with the monies of other State agencies and invested by the State Treasurer's Office.

## 4. INVESTMENTS

For the year ended June 30, 2010, State Street Bank & Trust Company was the master custodian for significantly all CalPERS securities, however, certain securities are held by

## Notes to the Basic Financial Statements (continued)

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alternative investment managers. Real estate deeds of trust are held in the name of Limited Liability Corporations and Partnerships. The investments held by the PERF, LRF, JRF II, SPOFF, SCPF, CERBTF, IRC 457, HCF, and LTCF have been commingled and held in internally managed investment pools. The investments are held in a domestic and international equity pool, and a debt securities pool. Each of the nine funds has a different asset allocation based on Board-approved policy.

In accordance with GASB Statement No. 40, CalPERS discloses investments of all CalPERS managed funds that are subject to certain risks: custodial credit risk, concentration of credit risk, interest rate risk, credit risk and foreign currency risk.

### Securities Lending

The State Constitution and CalPERS Board policies permit CalPERS to use investments of the PERF to enter into securities lending transactions, collateralized loans of securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. CalPERS has contracted with eSecLending LLC (eSec), State Street Bank & Trust (SSB), and Goldman Sacs Agency Lending as third-party securities lending agents to loan domestic and international equity and debt securities. Additionally, CalPERS contracts with eSecLending as an administrative agent for CalPERS principal borrowers.

Domestic and international securities are collateralized for cash at 102 percent and 105 percent, respectively, of the loaned securities market value. Management believes CalPERS has minimized credit risk exposure to borrowers by requiring the borrower to provide collateralization greater than 100 percent of the market value of the securities loaned. The securities loaned are priced daily by third party sources and margins are paid/received daily to maintain over collateralized levels. On June 30, 2010, the fair value of the securities on loan was approximately \$17.0 billion. The securities lending program experienced an unrealized gain in the re-invested cash collateral securities of \$127.6 million, which is included in the Net (Depreciation) Appreciation in Fair Value of Investments in the Statement of Changes in Fiduciary Net Assets. The unrealized gain represents a partial recovery of fiscal year 2008-09 unrealized losses of \$658.1 million.

In the event that a borrower fails to return the securities or fails to remit income distributions by the securities' issuers to CalPERS while the securities are on loan, the borrower is responsible for the associated costs. Securities on loan can be recalled on demand by CalPERS or the borrower at anytime. CalPERS may enter into term loan agreements which are evaluated on an individual basis.

The cash collateral is invested in accordance with CalPERS investment guidelines in short-term, high-credit quality fixed income securities. At June 30, 2010, certain collateral reinvestments did not comply with CalPERS investment guidelines due to the enforcement actions described in the following paragraph. In addition, credit rating for certain collateral reinvestments did not comply with the investment guidelines due to credit quality downgrades occurring in 2009-10 and prior fiscal years. Management is monitoring the collateral reinvestments for opportunities to maximize those investments. Currently, eSec, SSB, and CalPERS manage the cash collateral. For the year ended June 30, 2010, the cash collateral invested by SSB, eSec, CalPERS High Quality Libor, CalPERS Internal Collateral, and CalPERS Short Duration, had weighted average maturities of 48, 1,634, 111, 219, and 38 days, respectively.

The large weighted average maturity in the eSec collateral pool is attributed to two Structured Investment Vehicles (SIV's) within the pool. The SIV's were purchased as Medium Term Notes between April 2006 and March 2007 (with April 2009 and March 2010 maturity dates) and at the time of purchase met all Cash Collateral Re-investment Policy guidelines. In 2007 and 2008, both SIV's went into enforcement, defaulted and eventually re-structured. The re-structuring involved CalPERS receiving a pro-rata in kind share of underlying collateral of the SIV's. The average maturity on the underlying collateral is substantially longer than the original Medium Term Notes and is considered long term. CalPERS has incurred an unrealized loss of \$553.9 million as a result of marking the SIV's value down to current fair value as of June 30, 2010.

Cash collateral received is reported as Security Lending Obligation on the Statement of Fiduciary Net Assets. Re-invested cash collateral is reported as Security Lending Collateral on the Statement of Fiduciary Net Assets and is being reported at fair value at June 30, 2010.

## Notes to the Basic Financial Statements (continued)

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On the following pages, investment risk schedules disclose CalPERS investments subject to certain types of risk, pursuant to GASB Statement 40. Each schedule discloses investments of all funds managed by CalPERS subject to each type of risk.

### **Custodial Credit Risk**

CalPERS does not have any funds or deposits that are not covered by depository insurance, which are either uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent, but not in CalPERS name. CalPERS does not have any investments that are not registered in the name of CalPERS and are either held by the counterparty or the counterparty's trust department or agent, but not in CalPERS name, except for two investment portfolios of the IRC 457 and SCPF, which are held in the name of State Street Global Advisors (SSgA).

### **Concentration of Credit Risk**

CalPERS does not have investments in any one issuer which represent 5 percent or more of total fair value of all investments.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolios using the effective duration or option-adjusted methodology. The System's investment policies require the option-adjusted duration of the total fixed income portfolio to stay within 20 percent of the option-adjusted duration of its benchmark (Barclay's Long Liability Index). All individual portfolios are required to maintain a specified level of risk relative to their benchmark. Risk exposures are monitored daily.

The System invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by residential and commercial mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely

affected by shifts in the market's perception of the issuers and changes in interest rates.

### **Credit Risk**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policies establish general as well as specific risk measures for the fixed income portfolio. From the most general perspective, 80 percent of the total fixed income portfolio must be invested in investment-grade securities.

Investment-grade securities are those fixed income securities with a Moody's rating of AAA to BAA or a Standard & Poor's rating of AAA to BBB. Each portfolio is required to maintain a specified risk level. Portfolio exposures are monitored daily.

### **Foreign Currency Risk**

Foreign currency risk is defined as any deposits or investments that are denominated in foreign currencies, which bear a potential risk of loss arising from changes in currency exchange rates. The System's asset allocation and investment policies allow for active and passive investments in international securities. The System's target allocation is to have 50 percent of total global equity assets invested in international equities and 10 percent of total fixed income invested in international securities. Real estate and alternative investments do not have a target allocation for international investments. The System uses a currency overlay program to reduce risk by hedging approximately 25 percent of the developed market international equity portfolio. Currency exposures are monitored daily.

## Notes to the Basic Financial Statements (continued)

### CalPERS – Debt Security Investments Subject to Interest Rate Risk (Dollars in Thousands)

Debt Security Type	Fair Value June 30, 2010	Percent of All Debt Securities	Portfolio Weighted Average Effective Duration (Years)
U.S. Treasuries & Agencies	\$16,398,745	29.6 %	8.87
Mortgages	12,653,779	22.8	3.23
Corporate	16,261,198	29.3	9.08
Asset Backed	4,692,301	8.5	1.74
International	3,389,483	6.1	7.89
Commercial Paper	326	0.0	3.99
State Street Bank Pool	215,502	0.4	0.08
Commingled	502	0.0	3.74
Municipal	4,589	0.0	12.37
No Effective Duration:			
Asset Backed	591,293	1.1	N/A
Commercial Paper	79,633	0.1	N/A
Commingled	635,116	1.1	N/A
Corporate	494,690	0.9	N/A
Municipal	1,694	0.0	N/A
Mortgages	56,425	0.1	N/A
Private Placement	7,851	0.0	N/A
SWAPS	9,614	0.0	N/A
<b>TOTAL<sup>1</sup></b>	<b>\$55,492,741</b>	<b>100.0 %</b>	

**Note:**

1 This table represents the fair value of investments in the fixed income portfolios. The debt securities investments line item in the statement of fiduciary net assets and the statement of proprietary net assets are reported at net asset value which includes accruals for certain unitized portfolios.

CalPERS invested in the State Treasury pool and State Street Bank Global Advisors' (SSgA) short-term investment fund. These investments are included as part of the short-term investment line item on the financial statements. At June 30, 2010, the pooled money investment account with the State Treasury totaled approximately \$1.6 billion and the short-term investment fund with SSgA totaled approximately \$8.1 billion. The weighted average maturity is 203 days for the State Treasury pool and 30 days for the SSgA short-term investment fund.

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

Security Type	Fair Value June 30, 2010	Percent of All Securities Lending Collateral	Portfolio Weighted Average Effective Duration (Years)
Asset Backed Securities	\$6,742,093	39.5 %	1.23
Corporate Notes	911,518	5.3	0.08
Structured Investment			
Vehicles	260,309	1.5	42.16
Floating Rate CMBS	1,026,241	6.0	1.06
Repurchase Agreement	5,800,000	34.0	0.01
No Effective Duration:			
Money Market Fund <sup>2</sup>	1,348,857	8.0	N/A
Cash Securities	958,660	5.7	N/A
<b>TOTAL<sup>1</sup></b>	<b>\$17,047,678</b>	<b>100.0 %</b>	

**Notes:**

- 1 This table represents the fair value of investments in the securities lending collateral.
- 2 Of the Money Market Fund total, \$312,977 is invested in a SEC registered 2(a)-7 Money Market Fund with a weighted average maturity of 48 days.

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

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Total Debt Security Investments
AAA	\$9,104,131	53.4 %
AA-1	81,215	0.5
AA-2	1,012,287	5.9
AA-3	910	0.0
A-2	28,668	0.2
A-3	275,231	1.6
BAA-2	28,213	0.2
BAA-3	20,541	0.1
BA-2	10,943	0.1
B-3	3,689	0.0
P-1	1,875,000	11.0
NR <sup>1,2</sup>	4,606,850	27.0
<b>TOTAL<sup>3</sup></b>	<b>\$17,047,678</b>	<b>100.0 %</b>

**Notes:**

- 1 NR represents those securities that are not rated.
- 2 This figure includes the \$312,977 invested in a SEC registered 2(a)-7 Money Market Fund.
- 3 The above table represents the fair value of investments in the securities lending collateral portfolio.

## Notes to the Basic Financial Statements (continued)

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

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Total Debt Security Investments
AAA	\$20,442,317	36.8 %
AA-1	130,283	0.2
AA-2	1,151,763	2.1
AA-3	570,360	1.0
A-1	695,125	1.3
A-2	1,942,311	3.5
A-3	1,782,126	3.2
BAA-1	2,862,308	5.2
BAA-2	2,874,746	5.2
BAA-3	1,595,171	2.9
BA-1	974,200	1.8
BA-2	381,401	0.7
BA-3	501,446	0.9
B-1	232,147	0.4
B-2	389,812	0.7
B-3	453,143	0.8
CAA	155,061	0.3
CA	52,943	0.1
C	10,859	0.0
CAA-1	278,894	0.5
CAA-3	72,359	0.1
NA <sup>1</sup>	13,837,296	24.9
NR <sup>2</sup>	4,106,670	7.4
<b>TOTAL<sup>3</sup></b>	<b>\$55,492,741</b>	<b>100.0 %</b>

#### Notes:

- 1 NA represents those securities to which the rating disclosure requirements do not apply.
- 2 NR represents those securities that are not rated.
- 3 The above table represents the fair value of investments in the fixed income portfolios. The debt securities investments line item in the statement of fiduciary net assets and the statement of proprietary net assets are reported at net asset value which includes accruals for certain unitized portfolios.

CalPERS invested in the State Treasury pool and State Street Bank Global Advisors' (SSgA) short-term investment fund. These investments are included as part of the short-term investment line item on the financial statements. At June 30, 2010, the pool money investment account with the State Treasury totaled approximately \$1.6 billion and the short-term investment fund with SSgA totaled approximately \$8.1 billion. These investment pools are not rated.

### Derivatives

Under the State Constitution and statutory provisions governing CalPERS investment authority, CalPERS holds investments in swaps, options, futures, rights and warrants and enters into forward foreign currency exchange and to-be-announced (TBA) security contracts. The fair value of options, futures, rights and warrants, determined based upon quoted market prices. The fair value of derivative investments that are not exchange traded, such as swaps, and TBA's is determined by an external pricing service using various proprietary methods, based upon the type of derivative instrument. Futures contracts are marked-to-market at the end of each trading day, and the settlement of gains or losses occur on the following business day through variation margins. The fair value of international currency forwards represents the unrealized gain or loss on the related contracts, which is calculated as the difference between the specified contract exchange rate and the exchange rate at the end of the reporting period.

Forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign securities.

Due to the level of risk associated with certain derivative investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could affect the amounts reported in the financial statements.

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.

## Notes to the Basic Financial Statements (continued)

### CalPERS – Derivative Instruments Summary (Dollars in Thousands)

Investment	Net Appreciation/ (Depreciation) in Fair Value		Fair Value at June 30, 2010	
	Amount	Classification	Amount	Notional
Derivatives (by type)				
Credit Default Swaps	\$158	Debt Securities	\$0	\$0
Credit Default Swaps Bought	34	Debt Securities	11,173	108,752
Credit Default Swaps Written	1,885	Debt Securities	(285)	63,925
Equity Options Bought	(4,898)	Equity Securities	655	2,081
Equity Options Written	(3,152)	Equity Securities	(10,819)	(4,161)
Fixed Income Futures Long	29,816	Investment Sales/Purchases	4,257	9,564,700
Fixed Income Futures Short	(29,350)	Investment Sales/Purchases	(4,578)	(308,200)
Fixed Income Options Bought	(17,829)	Equity Securities	—	—
Fixed Income Options Written	4,829	Equity Securities	(1,560)	(122,400)
Foreign Currency Options Bought	6,140	Equity Securities	—	—
Foreign Currency Options Written	1,002	Equity Securities	(6)	(4,000)
Futures Options Written	3,379	Equity Securities	(9)	(79)
Foreign Exchange Forwards	224,653	Investment Sales/Purchases	125,562	—
Index Futures Long	1,875,054	Investment Sales/Purchases	(258,947)	61,322
Interest Rate Swaps	(579)	Debt Securities	(1,291)	16,000
Pay Fixed Interest Rate Swaps	(1,706)	Debt Securities	(1,233)	108,000
Receive Fixed Interest Rate Swaps	23,137	Debt Securities	5,283	5,503,063
Rights	34,549	Equity Securities	2,525	12,071
TBA Transactions Long	163,468	Debt Securities	19,511	3,575,500
TBA Transactions Short	744	Debt Securities	—	—
Total Return Swaps Bond	(6,559)	Debt Securities	(4,034)	674,255
Warrants	1,863	Equity Securities	1,033	5,183
<b>TOTAL</b>	<b>\$2,306,638</b>		<b>(\$112,763)</b>	<b>\$19,256,012</b>

## Notes to the Basic Financial Statements (continued)

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

#### Investment Maturities

Investment Type	Fair Value	Investment Maturities (in years)			
		Under 1	1-10	11-20	21+
Credit Default Swaps	\$10,888	\$0	\$3,582	\$0	\$7,306
TBA	19,511	19,511	—	—	—
Interest Rate Swaps	2,759	—	1,072	857	830
Total Return Bond Swaps	(4,034)	—	(4,034)	—	—
<b>Total</b>	<b>\$29,124</b>	<b>\$19,511</b>	<b>\$620</b>	<b>\$857</b>	<b>\$8,136</b>

TBA Securities use settlement date as maturity in the above table.

#### Derivative Instruments Highly Sensitive to Interest Rate Changes

Investment Type	Reference Rate	Fair Value	Notional
TBA Securities	4.00%	\$3,094	\$275,000
TBA Securities	4.50%	8,671	1,065,000
TBA Securities	5.00%	6,734	1,520,500
TBA Securities	5.50%	804	675,000
TBA Securities	6.00%	208	40,000
<b>Subtotal — TBA Securities</b>		<b>\$19,511</b>	<b>\$3,575,500</b>
Interest Rate Swaps	Pay Float 3 month, Pay Fixed 4.055%	(\$1,291)	\$16,000
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 1.212%	(360)	96,000
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 3.829%	(873)	12,000
Interest Rate Swaps	Receive Fixed .01%, Pay Fixed .01%	420	103,463
Interest Rate Swaps	Receive Fixed 2.8075%, Pay Variable 3-month LIBOR	1,345	35,000
Interest Rate Swaps	Receive Fixed 1.9475%, Pay Variable 0-month FCPET	131	5,100
Interest Rate Swaps	Receive Fixed 1.95%, Pay Variable 0-month FCPET	40	1,700
Interest Rate Swaps	Receive Fixed 2.08%, Pay Variable 0-month FCPET	245	7,700
Interest Rate Swaps	Receive Fixed 2.23%, Pay Variable 0-month FCPET	125	3,000
Interest Rate Swaps	Receive Fixed 1.5%, Pay Variable 6-month LIBOR	400	1,500,000
Interest Rate Swaps	Receive Fixed 5.8%, Pay Variable 6-month CDOR	184	14,500
Interest Rate Swaps	Receive Fixed 6.0%, Pay Variable 6-month BBSW	273	12,600
Interest Rate Swaps	Receive Fixed 2.15%, Pay Variable 6-month LIBOR	2,120	3,820,000
<b>Subtotal — Interest Rate Swaps</b>		<b>\$2,759</b>	<b>\$5,627,063</b>
Total Return Bond Swaps	Received Fixed 1%, Pay Fixed .09%	\$490	\$120,872
Total Return Bond Swaps	Received Fixed 0%, Pay Fixed .1%	556	137,095
Total Return Bond Swaps	Received Fixed .01%, Pay Fixed .14%	377	92,880
Total Return Bond Swaps	Received Fixed .1%, Pay Fixed .65%	(1,111)	97,483
Total Return Bond Swaps	Received Fixed 1%, Pay Fixed .5%	(3,217)	126,845
Total Return Bond Swaps	Received Fixed 1%, Pay Fixed .65%	(1,129)	99,079
<b>Subtotal — Total Return Bond Swaps</b>		<b>(\$4,034)</b>	<b>\$674,254</b>
<b>TOTAL</b>		<b>\$18,236</b>	<b>\$9,876,817</b>

## Notes to the Basic Financial Statements (continued)

### CalPERS – Derivative Instruments Subject To Credit Risk (Dollars in Thousands)

Counterparty	Percentage of Net Exposure	S&P Ratings	Fitch Ratings	Moody's Ratings
Royal Bank of Canada (UK)	16.71%	AA-	AA	Aaa
HSBC Bank PLC	13.87%	AA	AA	Aa3
Barclays Bank PLC Wholesale	13.06%	AA-	AA-	Aa3
UBS AG London	12.44%	A+	A+	Aa3
Bank of America NA	6.30%	A+	A+	Aa3
Royal Bank of Scotland PLC	6.00%	A+	AA-	Aa3
Morgan Stanley Capital Services, Inc.	5.34%	A	A	A2
Deutsche Bank AG London	5.32%	A+	AA-	Aa3
Royal Bank of Canada	4.47%	AA-	AA	Aaa
Morgan Stanley and Co. International PLC	3.19%	A	A	A2
State Street Bank London	3.12%	A+	A+	A1
Citibank NA	3.11%	A+	A+	A1
Mellon Bank NA	2.32%	AA-	AA-	Aa2
UBS AG	1.63%	A+	A+	Aa3
Merrill Lynch Pierce Fenner & Smith, Inc.	1.16%	A	A+	A2
Bank of America Securities, LLC	0.75%	A	A+	A2
Barclays Capital	0.45%	AA-	AA-	Aa3
Goldman Sachs International	0.38%	A	A+	A1
HSBC Bank USA	0.25%	AA	AA	Aa3
Credit Suisse Securities (USA), LLC	0.12%	A+	AA-	Aa1
JP Morgan Chase Bank NA	0.01%	AA-	AA-	Aa1



## Notes to the Basic Financial Statements (continued)

### CalPERS – International Investment Securities | At Fair Value at June 30, 2010 (U.S. Dollars in Thousands)

Investment Securities of all CalPERS managed funds, including derivative instruments that are subject to foreign currency risk.

Currency	Equity	Alternative Investments	Fixed Income	Real Estate	Cash	Forward Contracts	Total
Australian Dollar	\$2,560,685	\$64,452	\$111,435	\$169,373	\$19,187	\$16,425	\$2,941,557
Brazilian Real	1,905,902	—	—	374,289	12,071	—	2,292,262
Canadian Dollar	3,356,927	228,363	112,914	148,248	22,199	6,858	3,875,509
Chilean Peso	162,202	—	—	—	555	(28)	162,729
Colombian Peso	53,177	—	—	—	29	—	53,206
Czech Koruna	64,928	—	—	—	135	—	65,063
Danish Krone	449,541	—	43,604	—	3,828	(1,176)	495,797
Egyptian Pound	143,349	—	—	—	375	—	143,724
Euro Currency	11,117,978	2,636,897	1,390,599	797,174	143,950	165,374	16,251,972
Guatemalan Quetzal	—	—	—	32,327	—	—	32,327
Hong Kong Dollar	3,296,420	—	—	644,980	15,775	1,063	3,958,238
Hungarian Forint	85,939	—	3,431	—	82	60	89,512
Indian Rupee	1,291,576	—	—	383,156	4,257	—	1,678,989
Indonesian Rupiah	407,531	—	—	—	851	—	408,382
Israeli Shekel	265,879	—	—	—	1,766	723	268,368
Japanese Yen	8,057,098	65,612	752,215	391,354	85,118	(54,422)	9,296,975
Malaysian Ringgit	429,800	—	—	—	3,139	(58)	432,881
Mexican Peso	467,405	—	22,697	156,668	740	(484)	647,026
Moroccan Dirham	10,503	—	—	—	95	—	10,598
New Taiwan Dollar	1,396,587	—	—	—	11,882	(119)	1,408,350
New Turkish Lira	452,870	—	—	—	861	—	453,731
New Zealand Dollar	47,301	—	—	—	2,711	(358)	49,654
Norwegian Krone	365,032	—	—	—	5,443	85	370,560
Pakistan Rupee	25,836	—	—	—	140	—	25,976
Peruvian Noveau Sol	23,031	—	—	—	89	—	23,120
Phillipine Peso	73,306	—	—	—	176	—	73,482
Polish Zloty	141,522	—	38,112	—	371	344	180,349
Pound Sterling	6,529,898	3,507	435,006	217,325	22,814	13,321	7,221,871
Singapore Dollar	685,196	—	26,241	18,795	7,209	(826)	736,615
South African Rand	1,094,762	—	—	—	1,367	346	1,096,475
South Korean Won	1,754,835	—	24,308	—	4,079	(5,652)	1,777,570
Sri Lanka Rupee	—	—	—	—	3	—	3
Swedish Krona	1,056,494	—	19,279	38,996	2,334	1,524	1,118,627
Swiss Franc	2,434,766	—	—	2,356	2,443	(17,477)	2,422,088
Thailand Baht	261,862	—	—	2,743	4,190	39	268,834
<b>TOTAL</b>	<b>\$50,470,138</b>	<b>\$2,998,831</b>	<b>\$2,979,841</b>	<b>\$3,377,784</b>	<b>\$380,264</b>	<b>\$125,562</b>	<b>\$60,332,420</b>

Derivative instruments are included in the amounts reported under equities, fixed income, and as forward contracts.

## Notes to the Basic Financial Statements (continued)

### Real Estate

Real estate investments are classified as investments in accordance with GASB Statement 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. At June 30, 2010, real estate equities of approximately \$28.9 billion are reported at estimated fair value. Of this amount, \$15.2 billion is equity and \$10.7 billion is long-term mortgages payable, and \$2.8 billion is other short-term liabilities.

Required repayment of real estate debt, which includes both recourse and non-recourse debt, is as follows:

#### Required Repayment of Real Estate Debt (Dollars in Thousands)

Debt Matures Year Ending June 30	Amount
2011	\$2,140,501
2012	2,519,707
2013	1,586,023
2014	953,138
2015	728,339
2016-2020	2,019,887
2021-2025	305,549
2026-2030	108,274
2031-2035	190,382
2036 and thereafter	168,635
<b>GRAND TOTAL</b>	<b>\$10,720,435</b>

### Other Investment Income

Total other investment income earned by the PERF in the 2009-10 fiscal year is \$93.0 million. This total consists of income from securities litigation, sale of fractional shares, other miscellaneous income earned across all other investment portfolios, amortization income earned in the fixed income portfolios, and a negative \$0.5 million from the directed brokerage program.

### Term Asset-Backed Securities Loan Facility (TALF)

CalPERS participated in two auctions of the Federal Reserve Bank of New York's (the Fed's) Term Asset-Backed Loan Facilities Program (TALF). The Fed created the TALF to help market participants meet the credit needs of households and small businesses by supporting the issuance of certain asset-backed securities and commercial mortgage-backed securities. TALF loans are non-recourse loans that are

collateralized by newly or recently originated securities that meet specific credit quality and other program requirements.

In March and May 2009, CalPERS borrowed \$1.5 billion and \$3.9 billion, respectively, through the TALF program. The proceeds of the TALF loans, along with \$0.4 billion of CalPERS resources, known as the "6 percent haircut," were used to purchase \$5.8 billion in qualified asset-backed securities (ABS), which serve as collateral for the loan. The TALF loans have a three-year maturity and bear interest at the three-year LIBOR swap rate plus 100 basis points. ABS collateral is held by the Fed's custodian bank in CalPERS name. Interest earned on the ABS collateral is pledged toward the repayment of interest on the TALF loans. Upon the loan maturities, CalPERS may repay the loans or surrender the entire ABS collateral to the Fed in lieu of loan repayment. Prepayment, in full or in part, will result in the Fed's release of a pro-rata share of the ABS collateral.

As of June 30, 2010, the TALF loan balances are \$611 million and \$2.8 billion, respectively. The required monthly interest payment based on the June 30, 2010 LIBOR rate is \$3.8 million. Future required interest payments can fluctuate depending on the LIBOR rate and the outstanding loan balance.

## 5. CONTRIBUTIONS & RESERVES

### Employer Contributions Actuarially Determined & Contributions Made

Employer contributions are calculated as a percentage of employer payrolls. OPEB plan employer contributions are voluntarily determined by the employer and there are no long-term contracts for contributions. The payroll for employees covered by the PERF, JRF, and JRF II in 2009-10 was approximately \$44.0 billion, \$89.2 million, and \$207.7 million, respectively.

### Actuarial Valuations

Actuarial valuations are used to determine the cost of pension benefits payable to the members of CalPERS who participate in the PERF, the LRF, the JRF, and the JRF II 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,

## Notes to the Basic Financial Statements (continued)

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post-retirement benefit increases, and the life expectancy of members and beneficiaries.

The actuarial cost method used for accounting purposes for the PERF, LRF, JRF and JRF II is the Individual Entry Age Normal cost method. The cost method used for funding LRF and JRF and for calculating the Annual Required Contribution is the Aggregate Actuarial Cost method. The CERBTf allows the use of either the Entry Age Normal or the Projected Unit Credit cost method for its participating plans. All these methods are projected benefit cost methods that take into account those benefits that are expected to be earned in the future, as well as those already accrued.

To amortize any unfunded actuarial liabilities, the PERF and the JRF II use the level percentage of payroll method. Employers participating in the CERBTf have the option of either using a level dollar or level percentage of payroll method to amortize their unfunded actuarial liabilities. Since LRF and JRF use the Aggregate Actuarial Cost method for calculating the Annual Required Contribution, the unfunded liability is not separately identified nor amortized.

The significant actuarial assumptions used to determine the 2009-10 actuarially required contributions (ARC) were different than those used to compute the actuarial accrued liability as of June 30, 2009. In April 2010 the CalPERS Board approved new demographic actuarial assumptions for all plans for use in the June 30, 2009 actuarial valuations and beyond. The new assumptions predict longer life expectancy for males, higher pay raises for long-term employees, and slightly earlier retirement ages for all plans except local safety members whose retirement ages are slightly later. The 2009 actuarial valuations were used to set the actuarially determined contribution requirements for different fiscal years. For the PERF, the 2009 actuarial valuations were used to set the actuarially determined contribution requirements for the 2010-11 fiscal year for the State and School employers, while the 2009 valuations were used to set the actuarially determined contribution requirements for the 2011-12 fiscal year for public agencies. For the JRF, JRF II and LRF, the 2009 actuarial valuations were used to set the actuarially determined contribution requirements for the 2010-11 fiscal year. The CERBTf uses demographic assumptions similar to the pension plans with the addition of the Health Cost Trend Rate assumption.

In December 2009, the CalPERS Board adopted changes to the asset smoothing method as well as changes to the Board policy on the amortization of gains and losses in order to phase in over a three-year period the impact of negative 24.0 percent investment returns experienced by CalPERS in fiscal year 2008-09. The following changes were adopted for all plans:

- The corridor limits for the actuarial value of assets were increased from 80-120 percent of market value to 60-140 percent of market value on June 30, 2009.
- The corridor limits for the actuarial value of asset will be reduced to 70-130 percent of market value on June 30, 2010.
- The corridor limits will return to 80-120 percent of market value for the actuarial value of assets on June 30, 2011 and thereafter.
- All gains and losses during the fiscal years 2008-09, 2009-10 and 2010-11 will be isolated and amortized over fixed and declining 30-year periods (as opposed to the current rolling 30-year amortization).

In addition, in February 2010, the CalPERS Board adopted a resolution requiring additional contributions for any plan or pool in which cash flows would hamper adequate funding progress by preventing the expected funded status on a market value of assets basis of the plan to either:

- Increase by at least 15 percent by June 30, 2042 for state and schools, and 2043 for public agencies, or
- Reach a level of 75 percent funded by June 30, 2042 for state and schools, and 2043 for public agencies.

### **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 \$413.2 million and \$231 thousand as of June 30, 2010, for the PERF and LRF, respectively.

## Notes to the Basic Financial Statements (continued)

### PERF

Actuarial valuations of the PERF are performed annually. The last valuation was performed as of June 30, 2009, for the State, schools, and public agencies.

The total 2009-10 net retirement contributions for the PERF amounted to approximately \$10.3 billion, of which \$6.9 billion (the actuarially determined annual required contribution) came from 1,605 employers and approximately \$3.4 billion came from nearly 804,000 members. The contributions to the PERF were for the retirement program, the 1959 Survivor Program, and the Group Term Life Insurance Program. For the retirement program, the average employer normal cost is 10.730 percent of covered payroll, and amortization of the unfunded liabilities is 4.956 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, 2010, there was no statutory contribution required based on the June 30, 2008 valuation.

### 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, 2004, 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, 2010, funding was provided from the following sources to meet benefit payment requirements:

- **Member Contributions** — 8 percent of applicable member compensation;

- **Employer Contributions** — 8 percent 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 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 2011. 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, 2010, the actual contributions made by the State to the JRF were approximately \$185.4 million, which is significantly less than the actuarially determined annual required contribution of approximately \$1.2 billion.

Because current contributions are used to make benefit payments, the fund does not retain the accumulated contributions of active members. The cumulative contributions for all currently active members since inception were approximately \$169.2 million at June 30, 2010, which exceeded Net Assets Held in Trust for Pension Benefits by approximately \$106.1 million at June 30, 2010.

### 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, 2009.

For the year ending June 30, 2010, the statutory employer contribution rate was 20.358 percent based on

## Notes to the Basic Financial Statements (continued)

the June 30, 2008 actuarial valuation. Therefore, for the year ended June 30, 2010, the contributions made by the State to the fund were approximately \$42.6 million, which is less than the actuarially determined required contributions of approximately \$44.8 million.

### CERBTf

The actuarial valuations for the CERBTf are conducted by outside actuarial firms engaged by participating employers that must base their valuations on the CalPERS OPEB Assumption Model. This model requires the use of actuarial methods and assumptions similar to those employed for the PERF, except in addition to Entry Age Normal, the use of Projected Unit Credit is allowed. An additional assumption used for the CERBTf is the health care cost trend rate. The actuarial valuation estimates the cost of future health and other post-employment benefit insurance premiums for current and retired participating employees. Employers with less than 100 plan members may use the alternative measurement method as permitted by GASB Statement No. 57.

The total 2009-10 actual net OPEB employer contributions from 258 participating employers was \$674.4 million, compared to the actuarially determined annual required contribution of 9.4 percent of covered payroll, or \$870.8 million. This amount includes the \$344.6 million in contributions made to the CERBTf, plus an additional \$329.8 million in retiree health care premiums paid by employers directly to providers, implicit rate subsidies, and other GASB 45 compliant costs recognized by employers as contributions toward the ARC. CERBTf actuarial valuations are based upon plan benefits in effect at the time of the valuations, either defined by the employer or by the Public Employees Hospital Care Act (PEMHCA), for employers participating in that program. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of future employer and employee cost sharing.

## 6. COMMITMENTS

At June 30, 2010, CalPERS total capital commitments was \$91.9 billion. Of this amount, \$27.4 billion remained unfunded and is not recorded on the CalPERS Statement of Fiduciary Net Assets. The following table depicts the total

commitments and unfunded commitments, respectively, by asset class.

### Total Commitments and Unfunded Commitments by Asset Class (Dollars in Thousands)

Asset Class	Total Commitments	Unfunded Commitments
Equity (Corporate Governance)	\$4,783,851	\$628,799
Inflation Linked	3,047,700	477,196
Real Estate	26,485,283	7,362,493
Alternative Investments	57,597,443	18,968,387
<b>TOTAL</b>	<b>\$91,914,277</b>	<b>\$27,436,875</b>

## 7. CONTINGENCIES

CalPERS has entered into agreements with a number of issuers of non-taxable debt to provide payment of principal and interest in the event of non-payment. CalPERS is paid an annual fee over the term of the agreement for each transaction. The majority of the transactions are supported by collateral, letters of credit from banks or bond insurers for repayment. As of June 30, 2010, the credit enhancement program had contingent liabilities of approximately \$1.9 billion and net fee income of approximately \$11.0 million.

CalPERS is a defendant in litigation involving individual pension and health benefit payments and participant eligibility issues arising from its normal activities. In the event of an adverse decision, any payments awarded by the courts would be recovered by CalPERS through prospective adjustments to the employer contribution rate. 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.

## 8. 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, 2010, using a variety of actuarial and statistical techniques and adjusted for actual

## Notes to the Basic Financial Statements (continued)

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 \$192.2 million is carried at its face amount, and no interest discount is assumed. The IBNR portion represents an estimate for claims that have been incurred prior to June 30, 2010, but have not been reported to the HCF.

### Anticipated Investment Income and Reinsurance

Anticipated investment income is not included in the annual premium requirement for HCF members. Also, the HCF has not entered into any reinsurance or excess insurance agreements.

The following represents changes in the aggregate estimated claims liabilities of the HCF for the years ended June 30, 2010 and 2009.

### Changes in the Aggregate Estimated Claims Liabilities of the HCF for PERSCare, PERS Choice and PERS Select

(Dollars in Thousands)

For the Year Ending June 30	2010	2009
<b>TOTAL ESTIMATED CLAIMS AT BEGINNING OF FISCAL YEAR</b>	<b>\$216,584</b>	<b>\$188,048</b>
INCURRED CLAIMS & CLAIM ADJUSTMENT EXPENSES		
Provision for Insured Events of Current Fiscal Year	\$1,654,214	\$1,530,264
Decrease in Provision for Insured Events of Prior Years	(99,640)	(76,117)
<b>Total Incurred Claims &amp; Claim Adjustment Expenses</b>	<b>\$1,554,574</b>	<b>\$1,454,147</b>
PAYMENTS		
Claims & Claim Adjustment Expenses Attributable to Insured Events of Current Fiscal Year	\$1,444,509	\$1,306,227
Claims & Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Year	134,454	119,384
<b>Total Payments</b>	<b>\$1,578,963</b>	<b>\$1,425,611</b>
<b>TOTAL ESTIMATED CLAIMS AT END OF FISCAL YEAR</b>	<b>\$192,195</b>	<b>\$216,584</b>

## 9. 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 during the period covered.

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 the fund's actuary, using a variety of actuarial and statistical techniques as part of their actuarial review as of June 30, 2010. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 6.38 percent (the average rate of assumed investment yields in effect for the current year), morbidity, disability continuance, mortality, voluntary termination, and claims expense. The total estimated liability for future policy benefits as of June 30, 2010, was \$2.7 billion. Of that amount, \$151.7 million is expected to be paid in the 2010-11 fiscal year and is included in current liabilities.

The following represents changes in the aggregate estimated claims liabilities of the LTCF for the years ended June 30, 2010 and 2009.

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

For the Year Ending June 30	Long-Term Care Program	
	2010	2009
<b>Total Estimated Liability at the Beginning of Fiscal Year</b>	<b>\$2,899,800</b>	<b>\$2,430,000</b>
Incurred Claims and Adjustments	(76,292)	584,268
Claims Paid	(\$131,908)	(\$114,468)
<b>TOTAL ESTIMATED LIABILITY AT THE END OF FISCAL YEAR</b>	<b>\$2,691,600</b>	<b>\$2,899,800</b>

## Notes to the Basic Financial Statements (continued)

### 10. PERF, LRF, JRF, JRF II, AND CERBTFF FUNDED STATUS

The following represents the funded status of the CalPERS pension trust funds and the post-employment health care fund as of June 30, 2009. These actuarial valuations involve estimates of the value and probability assumptions of events far into the future, and these amounts and assumptions are subject to continual revision as actual results are compared to past expectations. Calculations are based on the benefits provided under the terms of the plan in effect and the pattern of cost sharing between employees and the employer. The projection of benefits does not explicitly

incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing. These actuarial calculations reflect long-term perspectives and use techniques that are designed to reduce short-term volatility.

Fiscal year 2008-09 investment losses have been recognized in the unfunded actuarial accrued liability (UAAL) of the PERF in accordance with actuarial methods adopted by the Board. The PERF's UAAL as of June 30, 2009 does not reflect the impact of deferred investment losses, which may negatively impact the PERF's future funded status unless those losses are offset by future investment gains or other favorable experience.

#### Funded Status<sup>1</sup> of the PERF, LRF, JRF, JRF II, and CERBTFF (Dollars in Millions)

Fund	Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) - (Funding Excess) (3) = (2) - (1)	Funded Ratio (1) ÷ (2)	Annual Covered Payroll (4)	UAAL as a % of Covered Payroll (3) ÷ (4)
PERF	6/30/09	\$244,964	\$294,042	\$49,078	83.3 %	\$45,100	108.8 %
LRF	6/30/09	134	112 <sup>3</sup>	(22)	119.6	2	(1,100.0)
JRF	6/30/09	41	3,583	3,542	1.1	97	3,651.5
JRF II	6/30/09	379	451	72	84.0	199	36.2
CERBTFF	6/30/09 <sup>2</sup>	873	10,462	9,589	8.3	9,307	103.0

#### Notes:

- The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.
- The amounts reported as of June 30, 2009 represent the individual actuarial valuations of 258 employers participating in the CERBTFF as of June 30, 2010, aligned to a measurement date of June 30, 2009 in compliance with GASB Statement No. 57. The CERBTFF program adopted the reporting changes required by

GASB Statement No. 57 for the fiscal year ended June 30, 2010. CalPERS projected the data as of June 30, 2009 in the table above by rolling forward or backward the actuarial data contained in OPEB valuations and Alternative Measurement Method (AMM) reports prepared by participating employers as of varying valuation dates. The alignment was achieved by applying methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

- The actuarial accrued liability of the LRF reflects the impact of a legal settlement involving past due payments of \$7.6 million.

## Notes to the Basic Financial Statements (continued)

### Actuarial Information | Assumptions and Methods Used in the Most Recent Actuarial Valuations

	PERF	LRF	JRF	JRF II	CERBTf
Funded Status Valuation Date	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2009 <sup>5</sup>
Adoption Date	Various	Various	Various	Various	—
Actuarial Cost Method	Individual Entry Age Normal Cost	Individual Entry Age <sup>4</sup> Normal Cost	Individual Entry Age <sup>4</sup> Normal Cost	Individual Entry Age Normal Cost	Entry Age Normal or Projected Unit Credit
Amortization Method	Level Percentage of Payroll	None <sup>2</sup>	None <sup>2</sup>	Level Percentage of Payroll	Varies <sup>5</sup>
Amortization Approach	Closed (Open for Gains and Losses except FY's 2008/09 through 2010/11)	None <sup>2</sup>	None <sup>2</sup>	Closed	Varies <sup>5</sup>
Remaining Amortization Period	Not Available <sup>3</sup>	None <sup>2</sup>	None <sup>2</sup>	26 years	Varies <sup>5</sup>
Asset Valuation Method	Smoothing of Market Value, Temporary Increase in 20% Market Value Corridor to 40% for 6/30/2009 valuation 30% in 6/30/2010 valuation.	Smoothing of Market Value	Market Value	Smoothing of Market Value	Varies <sup>5</sup>
<b>ACTUARIAL ASSUMPTIONS</b>					
Net Investment Rate of Return	7.75%	7.00%	4.50%	7.25%	7.75%
Projected Salary Increases <sup>1</sup>	Varies, based on duration of service	3.25%	3.25%	3.25%	3.25%
Post Retirement Benefit Increase	For State and Schools, 2% or 3% compounded annually  For Public Agencies, 2% to 5% compounded annually, depending on the agency plan provisions	3.00%	3.25%	3.00%	—
<b>HEALTH CARE COST TREND RATES:</b>					
Select Period	—	—	—	—	0 – 10 Years
Initial Rate	—	—	—	—	4.00 – 12.00%
Ultimate Rate	—	—	—	—	4.00 – 6.00%

#### Notes:

- 1 Includes inflation at 3.0 percent for all funds.
- 2 The Aggregate Cost Method does not identify or separately amortize unfunded actuarial liabilities.
- 3 Calculations not yet completed for June 30, 2009 valuations.
- 4 For funding purposes and the calculation of annual required contributions, the Aggregate Cost Method is used.
- 5 The CERBTf schedule of funded status was based on 258 individual actuarial valuations and Alternative Measurement

Method (AMM) reports aligned to June 30, 2009, using both closed and open amortization methods and with most valuations using the current market value of assets and a few smoothing the market value of assets. For the vast majority of the valuations, the unfunded liability is amortized over 30 years, and the remainder use periods range between 1 year and 29 years.



## Notes to the Basic Financial Statements (continued)

### Actuarial Information | Assumptions and Methods Used in the Most Recent Actuarial Valuations

	PERF	LRF	JRF	JRF II	CERBTf
ARC Valuation Date	June 30, 2008: State and Schools June 30, 2007: Public Agencies	June 30, 2008	June 30, 2008	June 30, 2008	June 30, 2009 <sup>3</sup>
Adoption Date	Various	Various	Various	Various	—
Actuarial Cost Method	Individual Entry Age Normal Cost	Modified Aggregate Cost	Aggregate Cost	Aggregate Entry Age Normal	Entry Age Normal or Projected Unit Credit
Amortization Method	Level Percentage of Payroll	None <sup>2</sup>	None <sup>2</sup>	Level Percentage of Increasing Payroll	Varies <sup>3</sup>
Amortization Approach	Closed (Open for Gains and Losses)	None <sup>2</sup>	None <sup>2</sup>	Closed	Varies <sup>3</sup>
Remaining Amortization Period	27 Years for Schools, average of 20 years for Public Agencies, and 21 to 28 years for the State plans	None <sup>2</sup>	None <sup>2</sup>	Average of 30 years	Varies <sup>3</sup>
Asset Valuation Method	Smoothing of Market Value, 20% Corridor	Smoothing of Market Value, 20% Corridor	Market Value	Smoothing of Market Value	Varies <sup>3</sup>
<b>ACTUARIAL ASSUMPTIONS</b>					
Net Investment Rate of Return	7.75%	7.00%	4.50%	7.25%	7.75%
Projected Salary Increases <sup>1</sup>	Varies, based on duration of service	3.25%	3.25%	3.25%	3.25%
Post Retirement Benefit Increase	For State and Schools, 2% or 3% compounded annually  For Public Agencies, 2% to 5% compounded annually, depending on the agency plan provisions	3.00%	3.25%	3.00%	—
<b>HEALTH CARE COST TREND RATES:</b>					
Select Period	—	—	—	—	0 – 10 Years
Initial Rate	—	—	—	—	4.00 – 12.00%
Ultimate Rate	—	—	—	—	4.00 – 6.00%

#### Notes:

- 1 Includes inflation at 3.0 percent for all funds.
- 2 The Aggregate Cost Method does not identify or separately amortize unfunded actuarial liabilities.
- 3 The CERBTf schedule of funded status was based on 258 individual actuarial valuations and Alternative Measurement Method (AMM) reports aligned to June 30, 2009, using both closed and open amortization methods and with most valuations using the current market value of assets and a few smoothing the market value of assets. For the vast majority of the valuations, the unfunded liability is amortized over

30 years, and the remainder use periods range between 1 year and 29 years.



# Financial Section:

## Required Supplemental Schedules

- 70 Schedule of Funding Progress — Pension Trust and OPEB Funds (Unaudited)
- 72 Schedule of Employer Contributions — Pension Trust Funds (Unaudited)
- 73 Schedule of Claims Development Information (Unaudited)

# Schedule of Funding Progress — Pension Trust and OPEB Funds (Unaudited)

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) – Entry Age (2)	Unfunded AAL (UAAL) (Funding Excess) (2) - (1)	Funded Ratio – Actuarial Value of Assets Basis <sup>8</sup> (1) ÷ (2)
<b>PERF</b>				
6/30/04	\$169,899	\$194,609	\$24,710	87.3%
6/30/05	183,680	210,301	26,621	87.3%
6/30/06	199,033	228,131	29,098	87.2%
6/30/07	216,484	248,224	31,740	87.2%
6/30/08	233,272	268,324	35,052	86.9%
6/30/09	244,964	294,042	49,078 <sup>3</sup>	83.3%
<b>LRF<sup>4</sup></b>				
6/30/07	\$142	\$102	(\$40)	139.2%
6/30/08	142	103	(39)	137.9%
6/30/09	134	112	(22)	119.6%
<b>JRF<sup>4,5</sup></b>				
6/30/07	\$12	\$2,714	\$2,702	0.4%
6/30/08	19	3,607	3,588	0.5%
6/30/09	41	3,583	3,542	1.1%
<b>JRF II</b>				
6/30/04	\$129	\$138	\$9	93.5%
6/30/05	168	178	10	94.4%
6/30/06	213	220	7	96.8%
6/30/07	268	295	27	90.8%
6/30/08	335	367	32	91.3%
6/30/09	379	451	72	84.0%
<b>CERBTf<sup>6</sup></b>				
6/30/07	\$11	\$24	\$13	45.8%
6/30/08	48	4,845	4,797	1.0%
6/30/09 <sup>7</sup>	873	10,462	9,589	8.3%

## Notes:

- The market value of assets is used in the June 30, 2009 actuarial valuations and is different from the fair value of assets as described in the footnote 1 to the *Supplemental Schedule of Differences* in the Actuarial Section.
- The funded status on a market value of assets basis is reported since it represents the true measure of the plan's ability to pay benefits at a given point in time. The actuarial value of assets is used only for purposes of setting the employer contribution rates and keeping them as smooth as possible from year to year. The unfunded liability and funded status on an actuarial value of assets basis represent the unfunded liability/(surplus) that was taken into account when establishing employer rates.
- The Unfunded Actuarial Accrued Liability (the total Actuarial Liability in excess of Actuarial Value of Assets) of the PERF by major employer group from the June 30, 2009 valuation is as follows: 1) \$23,483 for the State of California, 2) \$5,777 for schools, and 3) \$19,818 for public agencies.
- LRF and JRF are funded using the Aggregate Actuarial Cost Method. The Aggregate Cost Method does not identify actuarial accrued liabilities and funded ratios. For this reason, no funding progress information is available for either the LRF or JRF prior to June 30, 2007. Beginning with the June 30, 2007 actuarial valuation, CalPERS is complying with GASB Statement 50, which requires the funding progress to be disclosed using the Entry Age Actuarial Cost Method.
- The actuarial assumption for the investment rate of return was reduced from 7.0 percent in the June 30, 2007 valuation to 4.5 percent in the June 30, 2008 valuation to reflect the funding of the JRF on a pay-as-you-go basis.
- Only three years of funding progress information is shown because the CERBTf did not exist prior to the 2006-07 fiscal year.
- The amounts previously reported as of June 30, 2009 in the fiscal year 2008-09 financial statements were revised to reflect the valuation results for new plan participants and to align the valuation dates of all plan participants. The revised data reflects the individual actuarial valuations of 258 employers participating in the CERBTf as of June 30, 2010, aligned to a measurement date of June 30, 2009 in compliance with GASB Statement 57.
- In April 2010 the CalPERS Board approved new demographic actuarial assumptions for all plans for use in the June 30, 2009 actuarial valuations and beyond. The new assumptions predict longer life expectancy for males, higher pay raises for long-term employees, and slightly earlier retirement ages for all plans except local safety members whose retirement ages are slightly later.

## Schedule of Funding Progress – Pension Trust and OPEB Funds (Unaudited) (continued)

Annual Covered Payroll (3)	UAAL as a % of Covered Payroll [(2) - (1)] ÷ (3)	Market Value <sup>1</sup> of Assets (4)	Funded Ratio – Market Value of Assets Basis <sup>2</sup> (4) ÷ (2)
\$35,078	70.4%	\$167,110	85.9%
36,045	73.9%	189,103	89.9%
38,047	76.5%	211,188	92.6%
40,864	77.7%	251,162	101.2%
44,236	79.2%	238,041	88.7%
45,100	108.8%	178,860	60.8%
\$2	-2000.0%	\$142	139.2%
2	-1950.0%	134	130.1%
2	-1100.0%	112	100.0%
\$119	2270.6%	\$12	0.4%
111	3232.4%	19	0.5%
97	3651.5%	41	1.1%
\$99	9.1%	\$129	93.5%
112	8.9%	172	96.6%
125	5.6%	219	99.5%
156	17.3%	291	98.6%
175	18.3%	325	88.6%
199	36.2%	316	70.1%
\$37	35.1%	\$11	45.8%
5,092	94.2%	48	1.0%
9,307	103.0%	845	8.1%

The changes in actuarial assumptions will increase State contributions by approximately 1.0 percent to 2.4 percent and school employer contributions by approximately 0.42 percent in fiscal year 2010-11. The impact of changes in actuarial assumptions varies by plan for public agency employers.

In December 2009, the CalPERS Board adopted changes to the asset smoothing method as well as changes to the Board policy on the amortization of gains and losses in order to phase in over a three-year period the impact of negative 24 percent investment returns experienced by CalPERS in fiscal year 2008-09. The following changes were adopted for all plans:

- The corridor limits for the actuarial value of assets were increased from 80-120 percent of market value to 60-140 percent of market value on June 30, 2009.
- The corridor limits for the actuarial value of asset will be reduced to 70-130 percent of market value on June 30, 2010.
- The corridor limits will return to 80-120 percent of market value for the actuarial value of assets on June 30, 2011 and thereafter.
- All gains and losses during the fiscal years 2008-09, 2009-10 and 2010-11 will be isolated and amortized over fixed and declining 30-year periods (as opposed to the current rolling 30-year amortization).

The new smoothing methods adopted by the Board have mitigated the impact of fiscal year 2008-09 investment losses.

In addition, in February 2010, the CalPERS Board adopted a resolution requiring additional contributions for any plan or pool in which cash flows would hamper adequate funding progress by preventing the expected funded status on a market value of assets basis of the plan to either:

- Increase by at least 15 percent by June 30, 2043, or
- Reach a level of 75 percent funded by June 30, 2043

As a result of the additional contribution criteria adopted by the Board, additional State contributions are expected to be required in fiscal year 2010-11.

The actuarial cost method for the JRF II was changed to Individual Entry Age Normal in the June 30, 2009 valuation from the Aggregate Entry Age Normal method used in prior valuations.

# Schedule of Employer Contributions – Pension Trust Funds (Unaudited)

Year Ended June 30	PERF Employer Contributions		LRF Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
2005	\$5,774,120,281	100	\$0 <sup>2</sup>	—
2006	6,095,029,424	100	— <sup>2</sup>	—
2007	6,442,383,867	100	— <sup>2</sup>	—
2008	7,242,802,002	100	— <sup>2</sup>	—
2009	6,912,376,563	100	— <sup>2</sup>	—
2010	6,955,049,078 <sup>1</sup>	100	— <sup>2</sup>	—

**Notes:**

- 1 The 2008 actuarial valuation was used to set the fiscal year 2009-10 PERF Annual Required Contributions for the State and Schools. The 2007 actuarial valuations were used to set the fiscal year 2009-10 Annual Required Contributions for Public Agencies.
- 2 Based on the June 30, 2008, 2007, 2006, 2005, 2004, and 2003 actuarial valuations, the annual required contributions for the years ended June 30, 2010, 2009, 2008, 2007, 2006, and 2005 were \$0.

Year Ended June 30	JRF Employer Contributions		JRF II Employer Contributions		CERBTf Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made <sup>3</sup>
2005	\$189,949,846	66.9	\$22,819,881	92.9	\$0	—
2006	194,927,817	61.9	25,477,158	94.5	—	—
2007	560,879,874 <sup>1</sup>	23.4	28,506,356	94.9	2,320,693	494.2
2008	623,532,045	26.2	31,673,544	116.1	450,827,057 <sup>2</sup>	174.5
2009	790,911,681	24.1	42,944,106	92.0	611,607,510 <sup>2</sup>	95.7
2010	1,167,007,021 <sup>4</sup>	15.9	44,758,633 <sup>4</sup>	95.2	870,842,132 <sup>2</sup>	76.9

**Notes:**

- 1 Prior to fiscal year 2007 a variation of the Aggregate Cost Method was used to determine the ARC. Effective fiscal year 2007 the Traditional Aggregate Cost Method was used to determine ARC.
- 2 The 2007-08, 2008-09, and 2009-10 contributions made toward the ARC excludes \$48.9 million, \$10.4 million, and \$4.4 million respectively, that were contributed to the CERBTf, but were treated as pre-existing assets for purposes of calculating the ARC.
- 3 Beginning with fiscal year 2007-08, the required contributions made include retiree health premiums paid directly to health carriers, OPEB related administrative costs paid outside the CERBTf, and implicit rate subsidy.
- 4 The 2008 valuation was used to determine the 2009-10 Annual Required Contributions for the JRF and JRFII.

## Schedule of Claims Development Information (Unaudited)

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The table on the next page presents the Health Care Fund's (HCF) earned revenues and investment income as well as losses and other expenses over the last 10 years. Rows one through six contain the following information:

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

## Schedule of Claims Development Information (Unaudited) (continued)

### Public Employees' Health Care Fund — June 30, 2010 (Dollars in Thousands)

	Fiscal and Policy Year Ended									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1) Net Earned Required Premium & Investment Revenues	\$581,015	\$747,491	\$947,492	\$1,048,042	\$1,115,172	\$1,229,239	\$1,410,888	\$1,543,643	\$1,608,738	\$1,409,622
2) Unallocated Expenses	\$41,180	\$43,926	\$50,296	\$58,182	\$65,902	\$67,679	\$74,771	\$78,607	\$85,511	\$90,292
3) Estimated Incurred Claims & Expenses, End of Policy Year	\$599,337	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438	\$1,530,264	\$1,654,214
4) Paid (Cumulative) as of:										
End of Policy Year	\$495,466	\$562,894	\$722,732	\$807,627	\$923,608	\$1,043,346	\$1,094,818	\$1,197,390	\$1,313,680	\$1,462,019
One Year Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	1,448,134	—
Two Years Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	—	—
Three Years Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	—	—	—
Four Years Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	—	—	—	—
Five Years Later	554,361	628,405	800,605	883,550	1,012,021	—	—	—	—	—
Six Years Later	554,361	628,405	800,605	883,550	—	—	—	—	—	—
Seven Years Later	554,361	628,405	800,605	—	—	—	—	—	—	—
Eight Years Later	554,361	628,405	—	—	—	—	—	—	—	—
Nine Years Later	554,361	—	—	—	—	—	—	—	—	—
5) Re-estimated Incurred Claims Expenses:										
End of Policy Year	\$599,337	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438	\$1,530,264	\$1,654,214
One Year Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	1,448,134	—
Two Years Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	—	—
Three Years Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	—	—	—
Four Years Later	554,361	628,405	800,605	883,550	1,012,021	1,146,876	—	—	—	—
Five Years Later	554,361	628,405	800,605	883,550	1,012,021	—	—	—	—	—
Six Years Later	554,361	628,405	800,605	883,550	—	—	—	—	—	—
Seven Years Later	554,361	628,405	800,605	—	—	—	—	—	—	—
Eight Years Later	554,361	628,405	—	—	—	—	—	—	—	—
Nine Years Later	554,361	—	—	—	—	—	—	—	—	—
6) Decrease in Estimated Incurred Claims & Expenses From End of Policy Year	(\$44,976)	(\$56,020)	(\$54,043)	(\$56,953)	(\$70,990)	(\$55,533)	(\$70,906)	(\$68,664)	(\$82,130)	\$0



# Financial Section:

## Supplementary Schedules and Agency Funds

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- 86 Statement of Changes in Assets and Liabilities — Agency Funds

# Administrative Expenses — All Funds

(Dollars in Thousands)

<b>PERSONNEL SERVICES</b>	
Salaries & Wages	\$136,223
Employee Benefits	48,279
<b>Total Personnel Services</b>	<b>\$184,502</b>
<b>CONSULTANT &amp; PROFESSIONAL SERVICES</b>	
State of California Agencies	\$6,050
External Consultants	45,121
Deferred Compensation	
Management/Custody Fees	(2,380)
Health Plan Administrator Fees	75,042
Long-Term Care Administrator Fees	18,531
<b>Total Consultant &amp; Professional Services</b>	<b>\$142,364</b>
<b>OPERATING EXPENSES &amp; EQUIPMENT</b>	
General Expense	\$5,800
Software	2,246
Printing	1,633
Postage	3,934
Communications	1,899
Data Processing Services	15,030
Travel	1,441
Training	1,629
Medical Examiners	1,630
Facilities Operation	2,728
Central Administrative Services	28,894
CSUS Foundation — Students	3,309
Administrative Hearings	518
Consolidated Data Center	1,071
Equipment	3,310
<b>Total Operating Expenses &amp; Equipment</b>	<b>\$75,072</b>
<b>OTHER EXPENSES &amp; ADJUSTMENTS</b>	
Depreciation Expense	\$39,226
Increase in Paid Absence Obligation	6,309
Reimbursements	(2,340)
Prior Year & Other Adjustments	(17,983)
<b>Total Other Expenses &amp; Adjustments</b>	<b>\$25,212</b>
<b>TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS</b>	<b>\$427,150</b>

# Investment Expenses — PERF

## External Securities Management Fees (Dollars in Thousands)

### External Securities Management Fees and Other Fees

	Net Assets Managed at Fair Value	Fees
<b>EXTERNAL DOMESTIC EQUITY MANAGERS</b>		
Alliance Bernstein LP (Sanford Berstein)	\$0	\$129
Analytic Investors, LLC	—	124
Axa Rosenberg Investment Management, LLC	—	129
Denali Advisors, LLC	70,144	462
First Quadrant, LP	365,103	186
FIS Group, Inc.	—	1,332
Golden Capital Management	275,572	202
INTECH Investment Management, LLC	—	86
J.P. Morgan Investment Management, Inc.	585,629	309
Leading Edge Investment Advisors, LLC	—	2,157
Legato Capital Management Ventures, LLC	—	939
LM Capital Management, Inc.	249,199	326
Marvin & Palmer Associates, Inc.	223,985	117
New Amsterdam Partners, LLC	64,341	100
New Mountain Vantage (California), LP	216,567	748
Pacific Alternative Asset Management Company, LLC	—	38
Piedmont Investment Advisors, LLC	238,022	289
Progress-Lovell Minnick Advisors, LLC	—	511
Progress-Lovell Minnick Ventures, LLC	—	240
Pzena Investment Management, LLC	250,143	363
Quantitative Management Associates, LLC	381,889	198
Quotient Investors, LLC	121,175	567
Redwood Investments, LLC	176,149	631
Relational Investors Mid-Cap Fund I, LP	288,398	4,806
Relational Investors, LP	990,769	5,923
Research Affiliates, LLC	2,124,627	501
Rigel Capital, LLC	5,690	296
Shamrock Activist Value Fund, LP	—	1,450
Shenandoah Asset Management, LLC	139,482	413
Smith Asset Management Group, LP	—	120
SSgA Finance	62,483	62
Strategic Investment Management, LP	—	1,555
Stux Capital Management, LLC	384,540	1,315
T. Rowe Price	516,709	1,373
The Boston Company Asset Mgmt., LLC	408,185	278
Turner Investment Partners, Inc.	320,304	165
UBS Alternative and Quantitative Investments, LLC	3,722,023	2,674
<b>Total External Domestic Equity Managers</b>	<b>\$12,181,128</b>	<b>\$31,114</b>

	Net Assets Managed at Fair Value	Fees
<b>EXTERNAL DOMESTIC FIXED INCOME MANAGERS</b>		
Artio Global Management, LLC	\$100,782	\$188
Highland Restoration Capital Partners, LP	1,178,406	878
J.P. Morgan Investment Management, Inc.	198,434	189
Logan Circle Partners, LP	266,781	553
Nomura Corp. Research & Asset Management	—	1,839
Ocean Gate Life Settlement Program, LP	196,131	902
Pacific Investment Management Co.	—	1,051
Riversource Investments, LLC	376,559	1,032
Simran Capital Management, LLC	96,461	164
<b>Total External Domestic Fixed Income Managers</b>	<b>\$2,413,554</b>	<b>\$6,796</b>
<b>GLOBAL EQUITY MANAGERS</b>		
Alliance Bernstein, LP	\$1,182,375	\$1,191
Arrowstreet Capital, LP	2,020,363	635
Axa Rosenberg Investment Management, LLC	111	286
Baillie Gifford Overseas, Ltd.	813,602	589
Batterymarch Financial Management, Inc.	753,185	1,874
Cartica Corporate Governance Fund, LP	127,725	2,180
Dimensional Fund Advisors, Inc.	623,031	1,659
Genesis Asset Managers, LLP	899,809	1,979
Global Currents Investment Management (Brandywine)	59,385	89
Grantham, Mayo, Van Otterloo & Co., LLC	572,026	426
Lazard Asset Management, LLC	759,957	2,591
New Star Institutional Managers, Ltd.	—	7
Nomura Asset Management, USA, Inc.	411,767	209
Pareto Investment Management, Ltd.	63,181	2,262
Pictet Asset Management, Ltd.	403,544	3,911
Pyramis Global Advisors Holding Co. (Fidelity)	649,692	1,387
Pyrford International, PLC	127,529	169
Quantitative Management Associates, LLC	72,972	10
Research Affiliates, LLC	2,335,809	749
Sourcemap International, Ltd.	178,798	880
SSgA Finance	152,323	1,246
<b>Total Global Equity Managers</b>	<b>\$12,207,184</b>	<b>\$24,329</b>

## Investment Expenses — PERF (continued)

### External Securities Management Fees (continued) (Dollars in Thousands)

#### External Securities Management Fees and Other Fees

(continued)

	Net Assets Managed at Fair Value	Fees
<b>GLOBAL FIXED INCOME MANAGERS</b>		
Alliance Bernstein, LP	\$671,711	\$629
Baring Asset Management, Inc.	567,461	342
Mondrian Investment Partners, Ltd.	7,199	513
Pacific Investment Management Co. (PIMCO)	1,017,498	740
Rogge Global Partners, PLC	818,760	608
<b>Total Global Fixed Income Managers</b>	<b>\$3,082,629</b>	<b>\$2,832</b>
<b>INFLATION LINKED ASSET MANAGERS</b>		
Alinda Infrastructure Fund I	\$88,343	\$1,832
Alinda Infrastructure Fund II	56,527	7,052
Carlyle Infrastructure Partner	28,595	1,500
CIM Infrastructure Fund	103,810	13,763
Lincoln Timber, LP (AREIS) CAMPBELL	1,995,325	7,428
Timber International – UBS (Sylvanus)	368,452	2,476
<b>Total Inflation Linked Asset Incentive Fees</b>	<b>\$2,641,052</b>	<b>\$34,051</b>
<b>TOTAL EXTERNAL SECURITIES MANAGEMENT FEES &amp; OTHER FEES</b>		<b>\$101,327</b>

#### External Securities Management Performance Fees

	Fees
<b>EXTERNAL DOMESTIC EQUITY MANAGERS</b>	
Axa Rosenberg Investment Management, LLC	\$187
First Quadrant, LP	87
FIS Group, Inc.	10
Golden Capital Management	1,398
J.P. Morgan Investment Management, Inc.	5,539
New Amsterdam Partners, LLC	91
Progress-Lovell Minnick Advisors, LLC	446
Relational Investors Mid-Cap Fund I, LP	5,295
Strategic Investment Management, LP	540
<b>Total External Domestic Equity Managers</b>	<b>\$13,593</b>
<b>GLOBAL EQUITY MANAGERS</b>	
Arrowstreet Capital, LP	\$6,655
Genesis Asset Managers, LLP	3,975
Lazard Asset Management, LLC	3,669
Pyrford International, PLC	109
Research Affiliates, LLC	36
<b>Total Global Equity Managers</b>	<b>\$14,444</b>
<b>GLOBAL FIXED INCOME MANAGERS</b>	
Mondrian Investment Partners, Ltd.	\$2,047
<b>Total Global Fixed Income Managers</b>	<b>\$2,047</b>
<b>Total External Securities Management Performance Fees</b>	<b>\$30,084</b>
<b>TOTAL EXTERNAL SECURITIES MANAGEMENT FEES, PERFORMANCE FEES, &amp; OTHER FEES</b>	<b>\$131,411</b>

## Investment Expenses — PERF (continued)

### Real Estate Managers, Advisors and Partners (Dollars in Thousands)

#### Real Estate Partners Asset Management Fees

	Net Assets Managed at Fair Value	Fees
301 Capitol Mall	(\$15,074)	\$613
AETOS Capital Asia TE	24,927	412
AETOS Capital Asia TE II, Ltd.	152,600	2,468
AEW Capital Partners	91,690	1,309
AEW Senior Housing Company, LLC (SHP)	(26,537)	2,400
AGI TMG Housing Partners I, LLC	(1,886)	725
American Value Partners Fund I	28,878	783
Apollo Real Estate Finance Company	85,324	1,034
Apollo Real Estate Investment Fund V, LP	34,832	1,011
ARA Asia Dragon, Ltd.	290,934	7,500
Bridge Urban Infill	34,062	339
Buchanan II	94,461	2,985
CAL Special Urban Housing	81,984	5,799
CalEast LaSalle	1,827,206	12,400
California Smart Growth Fund IV	33,325	737
CalSmart, LLC	189,761	2,265
CalWest RREEF	234,035	1,744
Canyon Johnson Urban Fund III, LP	5,026	4,219
Capmark Structured Real Estate Partners	14,068	906
Capri Urban Capital I, LLC	55,338	1,967
CB Richard Ellis Strategic Partners Europe Fund III, US	57,029	914
CB Richard Ellis Strategic Partners UK Fund III, TE	23,915	899
CB Richard Ellis Strategic Partners, UK II	(7,259)	966
CIM CA Urban Real Estate	420,543	3,125
CIM Core Urban REIT, LLC	397,760	4,146
CIM Fund III	90,909	7,389
Cityview America Fund I, LLC	69,314	4,153
Cityview LA Urban Fund I, LP	2,531	625
CUIP (SCG)	(23,050)	167
CWP — Bishop Square	(623)	634
DB International Fund 1A	1,264	(31)
DB International Fund 1B	30,616	123
Fifth St. Properties CWP	46,849	3,646
Fillmore East Fund	1,207	(164)
Fortress Holiday	62,109	577
Fortress Investment Fund Deutschland, LP	43,898	885
Fortress Investment Fund IV	74,864	576
Fortress RIC Coinvestment Fund	10,270	84
GI Partners Fund II	530,573	4,963
GI Partners Fund III	66,996	4,195
Global Innovation Partners	126,564	233
Global Retail Investors	394,607	3,912
Guggenheim Structured III	58,857	521

	Net Assets Managed at Fair Value	Fees
Hampshire Companies	\$21,185	\$360
Harbert European Real Estate Fund II, LP	54,646	988
Hearthstone Housing Partners II, LLC	131,865	1,414
Hearthstone Housing Partners III, LLC	28,679	292
Hearthstone MS II	(1,040)	3
Hearthstone MS III	(5,799)	14
Hines CalPERS Brazil Fund	55,669	429
Hines CalPERS Brazil Fund II	128,685	831
Hines CalPERS China Fund	2,568	864
Hines CalPERS Green	187,560	2,725
Hines CalPERS Mexico Fund II	(46,374)	630
Hines European Development Fund	(9,016)	321
Hines European Development Fund II	(28,101)	322
Hines Mexico Development Fund (HCM Holdings)	95,135	520
Hines Residential Sunbelt Spain Fund	3,197	(2,128)
Hollywood Park ColInvestment (Stockbridge)	101,648	735
IHP Fund II LP A+D	22,853	231
IHP Investment Fund III	382,054	7,632
IL & FS India Realty Fund II	106,037	2,500
IL & FS India Realty Fund, LLC	143,837	1,500
Institutional Housing Partners, LP	176,411	803
Institutional Mall Investors	1,570,651	9,558
Integral Urban Fund I, LP	4,003	576
IXIS AEW (European Property Investors)	34,306	815
JER Europe Fund III	13,881	166
JER Latin America Fund I	—	500
JER US Debt Co-Investment	93,377	1,579
Johnson Macfarland Partners	—	2,091
Karec CA Development Program, LLC	189,143	1,296
Kennedy Wilson Property Fund II, LP	36,722	781
KSC Affordable Housing	26,827	641
LaSalle Asia Opportunity Fund III	22,805	2,651
LaSalle French Fund II, G.P., LLC	39,902	996
LaSalle Japan Logistics II	5,756	928
Lowe Resort Community Fund, LLC	1,620	18
Market Street Capital Partners, LP	58,425	1,019
Meriwether Farms, LLC	40,776	860
MGP Asia Fund II	73,285	1,028
MGP Europe Parellel Fund II	54,511	1,061
MW Housing Partners III, LP	—	(10,341)
National Office Partners	575,101	3,739
Newland National Partners, LP	262,643	6,441
Next Block Medical	41,910	1,250

## Investment Expenses — PERF (continued)

### Real Estate Managers, Advisors and Partners (continued) (Dollars in Thousands)

#### Real Estate Partners Asset Management Fees (continued)

	Net Assets Managed at	
	Fair Value	Fees
Niam Nordic Fund III	\$37,655	\$524
Niam Nordic Investment Fund IV	86,313	1,839
ORA Multi Family Investment I	(25,987)	59
ORA Residential Investments (Olympic)	83,625	4,769
Pacific City Home	111,554	3,905
Pacific Vineyard Partners	64,393	1,363
(Page Mill Properties FD 1) DIVCO West	762	30
Page Mill Properties II, LP	(1,844)	738
PLA Retail Fund I	72,230	1,151
Predential Preco III	47,260	467
Principal Mortgage Value Investors	20,628	—
Reg Finance + Accounting (WFHAI/Wells Fargo)	276	(350)
RLJ Urban Lodging Fund II	57,915	826
Rockpoint Real Estate Fund II, LP	14,234	509
Rockpoint Real Estate Fund III	69,815	3,375
RREF Global Opportunities Fund II, LLC	85,318	2,031
Savanna Real Estate Fund I, LP	48,439	(121)
SDL Hospitality Co-Invest Fund	174,164	292
Secured Capital Japan I	9,232	1,040
Secured Capital Japan II	79,102	875
Secured Capital Japan Real Estate Partners Asia, LP	259,148	3,283
Security Capital European Realty	—	49
Senior Housing UK Investment II LP (PRECO III)	2,060	164
SHEA Mountain House, LLC	89,956	324
Starwood Capital Hospitality Fund	177,230	1,555
Starwood Capital Hospitality Fund II	4,175	2,603
StockBridge Real Estate Fund II	15,023	521
Strategic Partners Value Enhancement Fund	34,957	741
Sun Apollo India Real Estate Fund	18,483	671
TPG Hospitality Investments IV	(19,351)	1,961
Urban America, LP II	50,472	1,161
Western Multifamily SSR	1,035,890	8,330
Windsor Realty Fund III GID	75,140	1,190
Windsor Realty Fund VII, LP	12,510	461
Xander JV Fund	4,926	3,506
<b>Total Real Estate Partners Asset Management Fees</b>	<b>\$13,207,743</b>	<b>\$192,635</b>
<b>Real Estate Partners Incentive Fees</b>		<b>(\$9,137)</b>
<b>Credit Enhancement Program</b>		<b>\$318</b>
<b>AIM Distributed Stock Management Fees</b>		<b>\$860</b>
<b>Internal Mortgage Loan Fees</b>		<b>\$1,486</b>
<b>TOTAL REAL ESTATE PARTNERS, AIM, MORTGAGES &amp; CEP</b>		<b>\$186,162</b>

### Other Investment Consultants (Dollars in Thousands)

#### Consultant Fees

	Fees
13D Research, Inc.	\$50
Altman Group, Inc.	30
Altura Capital Group, LLC	38
ARGUS Software	7
Atlantic Venture Management, Inc.	11
Audit Integrity, Inc.	33
Axioma, Inc.	110
Bard Consulting, LLC	1,409
Barra, Inc.	950
BCA Research, Inc.	100
Blackrock Financial Management, Inc.	4,537
Blackstone Technology Group	70
Bloomberg Finance, LP	1,811
Brock Capital Group, LLC	50
Cambria Solutions, Inc.	350
Cambridge Associates, LLC	36
Capital Dynamics, Inc.	60
Carahsoft Technology Corp.	73
CEM Benchmarking, Inc.	30
Centre for Asia Private Equity	4
Cogent Partners, LP	34
Corporate Library, LLC (The)	145
Covenant Review, LLC	35
Credit Suisse Asset Management	1,035
Cutter Associates, Inc.	663
David Bonuccelli & Associates, Inc.	159
Davis, Mendel & Regenstein, Inc.	75
Dow Jones & Company, Inc.	21
DTCC — Fixed Income Clearing Corporation	4
Eagle Management Group	14
Edgar Online, Inc.	23
EFI Actuaries	275
Egan-Jones Proxy Services	11
Enclipse Corporation	26
Ennis Knupp & Assoc.	26
Equilar, Inc.	15
Ermitage, Ltd.	155
eVestment Alliance, LLC	28

## Investment Expenses — PERF (continued)

### Other Investment Consultants (continued) (Dollars in Thousands)

#### Consultant Fees (continued)

	Fees
Factset Research Systems, Inc.	\$1,365
Fan Asset Management, LLC	8
Financial Engines, Inc.	44
First Rain, Inc.	10
Fitch Information, Inc.	189
FTSE International, Ltd.	209
FX Alliance, LLC	25
Garland Associates, Inc.	320
Glass Lewis & Co., LLC	527
Greenleaf Systems	40
Hamilton Lane Advisors, LLC	325
Heidricks & Struggles	1,024
Highlands Consulting Group	115
Houlihan Lokey Howard & Zukin Fin Adv., Inc.	1,168
I.H.S. Global, Inc.	47
Institutional Shareholder Services, LOC No. 2	316
International Fund Services	2,036
Intex Solutions, Inc.	192
JDM Associates, LLC	72
KNL Support Services	11
Korn/Ferry	19
KPA Advisory Services, Ltd.	9
KPM & Associates	126
KPMG, LLC	93
Le Plastrier Consulting Group, Inc.	2,262
Logical Information Machines, Inc.	17
London Stock Exchange, PLC	3
LP Capital Advisors	2,402
Markets.com, LLC (The)	39
Marsh USA, Inc.	41
Mathworks, Inc. (The)	37
Mayer Hoffman McCann, PC	356
MCTM Governance	9
Mcube Investment Technologies, LLC	74
Meketa Investment Group	187
Mercer Investment Consulting	594
Moody's Analytics, Inc.	314
Moody's Investors Service	81
Mosaic Investment Advisors, Inc.	565
Northfield Information Services, Inc.	20

	Fees
Nuveen Investment Solutions, Inc. (Richards & Tierney, Inc.)	\$111
NYSE Market, Inc.	32
Omgeo, LLC	99
One World Research	1
Options Price Reporting Authority	1
Oxford Analytica, Inc.	32
Pacific Community Ventures	330
Pacific Corporate Group, LLC	247
Parent-Invo General Pension Consultant	418
Pension Consulting Alliance, Inc.	6,009
Performance Technology Partners, LLC	16
Principal Global Investors, LLC	437
Property & Portfolio Research, Inc.	150
Propoint Technology, Inc.	131
Proxy Governance, Inc.	38
Pyramid Technical Consultants, LLC	343
Quantal International, Inc.	45
Quantitative Services Group, LLC	140
Quantstar Company, LLC	108
R & G Associates, Inc.	11
R.V. Kuhns & Associates, Inc.	9
Reznick Group, P.C.	46
Ridgeway Partners, LLC	282
Rise Vision, Inc.	1
Risk Metrics Group, Inc.	124
Robert E. Ginis DBA GP Analytics	240
Roubini Global Economics	10
Russell Investments	64
Senn-Delaney Leadership	175
Squar, Milner, Peterson, Miranda & Williamson, LLP	6
S.R. Batilboi & Co.	448
Standard & Poor's	171
Standard & Poor's — Capital IQ	45
Standard & Poor's — Clarifi	219
Standard & Poor's — Index/Alert	49
Standard & Poor's — Rating Direct	98
Standard & Poor's Corporation	164
Standard & Poor's Corporation, LOC No. 1	376

## Investment Expenses — PERF (continued)

### Other Investment Consultants (continued) (Dollars in Thousands)

#### Consultant Fees (continued)

	Fees
Standard & Poor's Corporation, LOC No. 2	\$78
Stanfield Systems, Inc.	559
Strategic Economic Decisions, Inc.	15
Thomson Financial/Nelson-Datastream	75
Thomson Reuters Markets, LLC	1
Trinity Technology Group, Inc.	8
TSX Group	4
VELAH Group	10
Wendy Alexander	4
Wiley Price & Radulovich, LLP	2
Wilshire Associates, Inc.	2,226
Yardeni Research, Inc.	30
Yardi Systems, Inc.	30
Zeno Consulting Group	40
Zephyr Associates, Inc.	43
<b>Total Consultant Fees</b>	<b>\$42,145</b>

#### Attorneys and Master Custodian (Dollars in Thousands)

	Fees
Berman Devalario Pease Tabacco Burt & Pucillo	\$20
Chapman and Cutler, LLP	147
Covington & Burling, LLP	166
Cox, Castle & Nicholson, LLP	183
Daylight Forensic & Advisory, LLC	1,857
Felderstein, Willoughby & Pascuzzi, LLP	217
Foster Pepper, PLLC	57
Glaser, Weil, Fink, Jacobs & Shapiro, LLP	66
Goodwin Procter, LLC	2
Kirkpatrick & Lockhart Preston Gates Ellis, LLP	902
McDonough, Holland & Allen, PC	7
Morgan Lewis & Bockius, LLP	1,291
Murphy Austin Adams Schoenfeld, LLP	109
Nossaman, LLP	7
Pillsbury Winthrop Shaw Pittman, LLP	4,223
Steptoe & Johnson, LLP	978
State Street Corporation	4,894
<b>Total Attorney &amp; Master Custodian Fees</b>	<b>\$15,126</b>
<b>Total Other Investment Consultants</b>	<b>\$57,271</b>
<b>Directed Brokerage Expenses</b>	<b>\$1,163</b>
<b>Miscellaneous Investment Expenses</b>	<b>\$17,338</b>
<b>Total Investment Expenses — PERF</b>	<b>\$393,344</b>
<b>Total Investment Expenses Other Funds</b>	
SPOFF – Investment Management Fees	\$712
IRC 457 – Investment Management Fees	\$1,397
SCPF – Investment Management Fees	\$34
CERBTF – Investment Management Fees	\$0
<b>TOTAL INVESTMENT EXPENSES — ALL FUNDS</b>	<b>\$395,487</b>



# Consultant and Professional Services Expenses — PERF

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
Accenture, LLP	\$13,033	Consulting Services for Pension System Resumption (PSR) Project
ACS Learning Services	166	Provide Services, Solutions, & Tools for Training & Development
Advanced Systems Group, LLC	30	Production Equipment Maintenance Services
Agreeya Solutions, LLC	46	Novell Sentinel Implementation & Configuration Services
Alexan International, Inc.	875	Backup, Restore & Disaster Recovery Solution for PSR Project Configuration Management Support for PSR Test Environment & PeopleSoft Financials Developer Support
Ambire Consulting, Inc.	738	Audio Visual Support & Live Presentation Services
ATV Video Center, Inc.	151	Enterprise Software Testing Supplemental Support Test SME, PSR Test Infrastructure & Internal Systems
Ballard Group, The	627	Management Support Services-Business Analyst Data Conversation
Base 3 Consulting	1,738	Writing/Editorial Services
Bedrosian & Associates	25	Enterprise Transition Management (ETM) Project ITSB Communication & Change Management Support
Blackstone Technology Group	1,092	360 Degree Leadership Program; Strategic & Operational Business Planning
Buck Consultants, LLC	601	Systems Analyst for My/CalPERS Integration/Systems
Business Advantage Consulting	96	Attorney General Services
California Department of Justice	232	Consolidated Examination Services
California State Personnel Board	89	Diversity Conference
California State Teachers' Retirement System	150	AREIS Enhancements-Management Support Services
Cambria Solutions, Inc.	1,384	Data Validation of PSR Data Conversion
Celer Systems, Inc.	51	Architecture Consulting Services
Chisoft Consultant Services, LLC	211	Leadership Development
Coach Source, LLC	180	Print-On-Demand Service
Comac, an Iron Mountain Company	285	Enterprise Transition Management (ETM) Project/Business Analyst
Comsys	483	Business Continuity Program
Consortium of Business Continuity Professional, Inc.	54	Physical Agility Testing
Cooperative Personnel Services	146	Consulting Services for Organizational Development & Readiness & Employee Training & Development
Cornerstone Fitness, Inc.	214	Consulting Services for Support Services, Identity Theft Protection Services, Insurance Services & Restoration Services
Csidentity Corporation	1	Training Consultation
CSUS, College of Continuing Education	35	Customer Service Program, Video, Multimedia & Production Support
Dee Hansford Consulting	36	Management Support Services for PSR Project
Delegata	2,380	Labor Relations
Department Of Personnel Administration	166	Enterprise Transition Management (ETM) Project- Project Management Services
Dolamont Consulting, Inc.	2,035	Health Plan Member Surveys
DSS Research, Inc.	117	Program Marketing Booth
Eagle Management Group	160	Interpreting Service
Eaton Interpreting Services	52	Consulting Services on Public Pension Issues
Ed Friend, Inc.	24	Professional Actuarial Auditing Services
EFI Actuaries	76	Microsoft SQL Server DbA for Investments Projects
Enclipse Corporation	236	Project Oversight for the Office of Employer & Member Health Services
Equanim Technologies	556	Hewlett Packard Client Automation Enterprise (CAE) Training
Evergreen Systems, Inc.	140	Consulting Services for Enterprise Transition Management (ETM) Project
Expressworks International, Inc.	689	FILENET/UCM Oracle Database Services
Global Access, LLC	212	Consulting Services in the Negotiation of Health Rates.
Health Management Associates	34	Statement of Work for CalPERS Enterprise Transition Management (ETM)
Hewlett Packard	343	Enterprise Transition Management (ETM) Project Design Inquiry & Transition Support
Highlands Consulting Group	1,368	Programming Services for RIBS Legacy Mainframe Applications
Information Technology Software Professional	855	

## Consultant and Professional Services Expenses — PERF (continued)

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
Informatix, Inc.	\$75	Public Employer Readiness Team (PERT) Technical Education
Innovative Software Technologies	197	Actuarial Valuation System Maintenance Programming
Insight Technologies, Inc.	1,619	Oracle Data Extraction, Validation and Certification of PSR Data Conversion Project
Intersoft Systems and Programs, Inc.	132	Programming Services for Legacy Mainframe Applications
Intraform	1,469	Board Elections Products & Services
J. A. Frasca and Associates	149	Application Development, Test & Converted Data Validation of PSR
JLynnconsulting, Inc.	667	PSR Project Data Administration/Data Modeling
Katrina Kennedy Training	123	Organizational Development & Readiness
Kearnford Application Systems Design	2,143	Data Validation of PSR Data Conversion
Kenera Consulting, Inc.	240	Project Management Services
Kleinfelder, Inc.	55	Construction Inspection & Materials Testing Services
Kong Consulting, Inc.	377	PeopleSoft Financials Functional Support
KPMP, LLP	5,117	Independent Project Oversight Consulting, Independent Verification and Validation for PSR Project
Landor	30	Consulting Services on Graphic, Web, Interactive & Environment Design
Liberty Consulting Team	156	My/CalPERS Readiness Transition Coach Basic Training & Orientation Session
Logic House, Ltd.	81	Enterprise Software Testing Supplemental Support Document Imaging Migration Project
Lussier, Vienna, Gregor & Associates	1,416	Consulting Contract
Macias Gini O'Connell, LLP	462	Financial Statement Auditor
Marks, Christina CPHT	65	Pharmaceutical Consulting
Martin & Chapman Co.	219	Board Election Ballots & Ballot Counting
Mckinsey & Company, Inc.	572	Strategic Management & Business Consulting Services
Medstat Group	1,162	Health Care Decision Support Consulting Services
Mercer Health and Benefits	288	Actuarial Consulting for Health Program
Metavista Consulting Group	88	Enterprise Transition Management (ETM) Analyst for Project Transition Management
Michael Strategic Analysis	16	Surveys & Other Services
Milliman, Inc.	257	Consulting Services for Healthcare Management
Mindstorm	57	Video & Web Design Services
Moore Wallace Business Communications Services	500	Open Enrollment Processing Services
National Data Services	183	Vendor Services
Nexlevel Information Technology, Inc.	11	Management Support Services for Public Employer Readiness Team (PERT) Planning & Project Management Operation Support
North Highland Company	1,220	Enterprise Transition Management (ETM) Organizational Change/Organizational Design
Oce North America, Inc.	130	Acceptance Testing & Producer/Reprint Installation
Office Workouts	80	Fitness Instruction & Program
Ogilvy Public Relations	135	Media Training
Other	134	Internet-Based Health Plan Chooser Tool; Management & Maintenance Services
Pacific Business Group on Health	31	Video Production
Pacific Satellite Connection, Inc.	33	Parent Account
Parent Video Production Pool - PAOF	287	Consulting Services for My/CalPERS Integration
Pasanna Consulting Group, LLC	142	Pension System Resumption (PSR) & My/CalPERS Integration Accessibility Testing & Consulting
Performance Technology Partners, LLC	571	Transcripts Service
Peters Shorthand Reporting Corporation	38	Construction Project Management Services
PM/CM Services, Inc.	150	

## Consultant and Professional Services Expenses — PERF (continued)

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
Princeton Solutions Group, Inc.	\$194	Enterprise Technical Architecture/Infrastructure Services
Propoint Technology, Inc.	101	Automated Real Estate Investment System (AREIS) Project & Internal Equity Portfolio Construction (LEPC) Project Management Services
Prosci	28	Change Management Training
Public Sector Consultants, Inc.	165	Business Process Re-Engineering
R & G Associates	163	(ETM) Project Business Communication & Change Management Support Consulting Services
Regents of the University of California	234	Training Courses
Results Group	98	Consulting Services for Organizational & Leadership Development; Strategic & Operational Business Planning; Performance Management & Program Evaluation & Management Analysis
Runyon, Saltzman & Einhorn, Inc.	11	Media Training
Russbo, Inc.	146	Consulting Services for Enterprise Privacy & Security Office
Saba Software, Inc.	39	Saba Learning Management System
Saber Software, Inc.	194	Corporate Oracle Database Services
Sapphire Technologies, Inc.	203	FSIP Oracle Database Services
Sas International, Inc.	591	Application Server Administration Services
Segula Technologies	467	FSIP PeopleSoft Financials System Administration/Security Support
Senn-Delaney Leadership	547	Strategic Planning, Training & Culture-Shaping to Support PSR Implementation Process
Shooting Star Solutions, LLC	859	Risk Assessment & Management Plan (RAMP) Assistance to the Information Security Office
Sign Language Interpreting Service Agency	49	Interpreting Services
Softsol Resources, Inc.	1,685	Pension System Resumption (PSR) Project Architecture - Technical, Stress, Load, & Performance Test
Software Ag, Inc.	50	Agreement for Professional Services
Sophus Consulting	95	Legal Office Case Document Management System Replacement Project
Spherion Pacific Enterprises, LLC	320	Automated Communication Exchange Oracle Database Services
Staff Tech, Inc.	282	FSIP PeopleSoft Financials Developer, Ist, & CAT Support
Stanfield Systems, Inc.	266	Project Management Support Services
State Controller's Office	5,221	Management Information Retrieval System (MIRS) Report/Access; Claim Schedules Processing; Combined Warrants
Suzanne Stone Freelance Services	31	Freelance Services
Take 1 Productions	21	Consultation & Creative Concepts for Video & Multimedia Presentations
Teampersona, Inc.	134	Investment Technology Services Section-Application Development
Technology Crest Corporation	58	Consulting Services for My/CalPERS Integration
Thomson Reuters	2,304	Health Care Business Intelligence
Trinity Technology Group, Inc.	1,574	Middleware Application Development Support Services
Two Shea Consulting, Inc.	165	Annual Member Statement Process
Vantage Consulting Group, Inc.	1,010	FSIP PeopleSoft Financials Developer Support
Vanwrite	181	Employee Training & Development
Viaspire	1	Communication Services
Visionary Integration, LLC (VIP)	2,030	Enterprise Software Testing Supplemental Support CalPERS
Watson Wyatt Worldwide	45	Independent Board Health Consultant
Western Blue	83	Investment Office Systems Support Desktop Services
Wright On-Line Systems	538	Corporate Oracle Database Services
Zyncor Consulting	221	Legacy Decommissioning Project
<b>TOTAL CONSULTANT &amp; PROFESSIONAL SERVICES EXPENSES</b>	<b>\$73,493</b>	

# Statement of Changes in Assets and Liabilities — Agency Funds

For the Year Ended June 30, 2010 (Dollars in Thousands)

	RBF			Balance June 30, 2010
	Balance June 30, 2009	Additions	Deductions	
<b>ASSETS</b>				
General Cash	\$19	\$22,942	\$22,960	\$1
Retirement Contribution Receivable	48	6,646	6,519	175
Interest & Dividends Receivable	9	14	18	5
Surplus Money Investment Fund	2,075	5,970	4,989	3,056
<b>TOTAL ASSETS</b>	<b>\$2,151</b>	<b>\$35,572</b>	<b>\$34,486</b>	<b>\$3,237</b>
<b>LIABILITIES</b>				
Due to Other Funds	\$0	\$292	\$210	\$82
Other Program Liabilities	2,151	10,282	9,278	3,155
<b>TOTAL LIABILITIES</b>	<b>\$2,151</b>	<b>\$10,574</b>	<b>\$9,488</b>	<b>\$3,237</b>

	CRF			Balance June 30, 2010
	Balance June 30, 2009	Additions	Deductions	
<b>ASSETS</b>				
General Cash	\$16,526	\$1,714,678	\$1,730,172	\$1,032
Surplus Money Investment Fund	67,403	1,730,172	1,571,590	225,985
Public Agency Receivables:				
Active	2,226	1,377,664	1,379,568	322
Retired	284	316,070	316,285	69
<b>TOTAL ASSETS</b>	<b>\$86,439</b>	<b>\$5,138,584</b>	<b>\$4,997,615</b>	<b>\$227,408</b>
<b>LIABILITIES</b>				
Premiums Due to Carriers:				
Active	\$3,412	\$1,418,635	\$1,422,047	\$0
Retired	999	354,164	351,786	3,377
Health Premium Claims Filed:				
Active	—	1,400,635	1,280,510	120,125
Retired	—	318,271	290,417	27,854
Due to HCF:				
Active	36,205	374,520	372,546	38,179
Retired	18,502	202,018	199,266	21,254
Due to Public Agency:				
Active	20,764	15,378	20,764	15,378
Retired	6,557	1,241	6,557	1,241
<b>TOTAL LIABILITIES</b>	<b>\$86,439</b>	<b>\$4,084,862</b>	<b>\$3,943,893</b>	<b>\$227,408</b>

	OASI			Balance June 30, 2010
	Balance June 30, 2009	Additions	Deductions	
<b>ASSETS</b>				
Cash Held by State Treasurer	\$5,724	\$0	\$33	\$5,691
<b>TOTAL ASSETS</b>	<b>\$5,724</b>	<b>\$0</b>	<b>\$33</b>	<b>\$5,691</b>
<b>LIABILITIES</b>				
Due to State of California General Fund	\$20	\$0	\$0	\$20
Due to Public Agencies	5,670	—	163	5,507
Due to Other Funds	34	164	34	164
<b>TOTAL LIABILITIES</b>	<b>\$5,724</b>	<b>\$164</b>	<b>\$197</b>	<b>\$5,691</b>

# Investment Section

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# Chief Investment Officer's Letter

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June 30, 2010

## The Board of Administration of the California Public Employees' Retirement System

On behalf of CalPERS Investment Office, I am pleased to report on CalPERS investment performance, operations, and initiatives for the one-year period ending on June 30, 2010. The CalPERS Fund earned a net 13.3 percent return this fiscal year, a strong rebound that saw the market value of our portfolio climb to \$200.5 billion. Overall, the fund outperformed its benchmark by 0.37 percent. These results were driven by positive returns in all asset classes with the exception of global real estate, a sector still suffering from the worldwide economic downturn.

Specifically, our total Global Equity portfolio increased 14.42 percent. Global Fixed Income grew by 20.35 percent, and the Alternative Investment Management Program (private equity) was up 23.88 percent. Commodities, infrastructure, forestland, and inflation-linked bonds grew a combined 8.70 percent. CalPERS real estate values declined by 10.76 percent as we continued to experience a tough climate for housing and commercial properties. To address this, we are restructuring the real estate portfolio, focusing on income-generating properties and reducing leverage ratios.

We successfully led and completed numerous initiatives this fiscal year, including management fee reductions, financial market reform, and a total fund risk assessment. The Investment Office negotiated with our external managers to better align our interests and decrease their fees. In fiscal year 2009-10 we reduced management fees approximately \$100 million that will accrue over the next several years and anticipate additional fee reductions in fiscal year 2010-11.

CalPERS strongly advocated for the creation of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was ratified this year. This legislation represents a historic advancement in financial market reform and authorizes the Securities and Exchange Commission to implement proxy access, a longtime CalPERS goal.

We believe proxy access will hold corporate boards more accountable and help restore investor confidence in the capital markets.

For the first time in the history of our Corporate Governance program we did not publish a Focus List. This decision came after 14 of the 15 identified companies improved their performance and governance practices. A Wilshire Associates study validated the long-term success of the Focus List by showing that our engagement efforts significantly contributed to superior financial results.

Though California faces many economic challenges, we continue to prudently invest significant capital in our home state. As the fiscal year closed, we had approximately \$21 billion invested or committed to businesses in California. In addition, we have devoted considerable effort to support our corporate board member diversity and emerging manager initiatives.

Finally, we bolstered our placement agent disclosure requirements and created a website to accept proposals from investment managers interested in managing assets from CalPERS. The CalPERS Board and Investment Office Staff also reviewed our approach on capital allocation and capital market assumptions in preparation for further policy discussions in the next fiscal year.

In the upcoming fiscal year we will finalize the procurement for master custodian services, strengthen our internal systems and operational processes, and continue to bolster our risk management framework.

Our Investment Office staff, pension consultant Wilshire Associates, and State Street Bank & Trust, our master custodian, compiled the investment data presented on the next pages as required by the Public Employees' Retirement Law. We remain committed to provide our members, beneficiaries and employers with superior risk-adjusted returns to support their long-term financial needs.

Joseph A. Dear  
*Chief Investment Officer*

# Summary of Investments – PERF (As of June 30, 2010)

	Book Value	Market Value	% of Investments at Market Value
<b>CASH EQUIVALENTS &amp; RECEIVABLES/PAYABLES</b>			
Domestic Cash Equivalents			
Cash Equivalents	\$7,975,215,563	\$7,975,153,856	3.91%
State Pooled Money Investment Fund	1,135,298,000	1,135,298,000	0.56
<b>Total Domestic Cash Equivalents</b>	<b>\$9,110,513,563</b>	<b>\$9,110,451,856</b>	<b>4.47%</b>
International Cash Equivalents			
International Currency	\$226,629,892	\$222,793,234	0.11%
<b>Total International Cash Equivalents</b>	<b>\$226,629,892</b>	<b>\$222,793,234</b>	<b>0.11%</b>
Net Investment Receivables/Payables	\$229,411,235	\$229,411,236	0.11%
<b>TOTAL CASH EQUIVALENTS &amp; RECEIVABLES/PAYABLES</b>	<b>\$9,566,554,690</b>	<b>\$9,562,656,326</b>	<b>4.69%</b>
<b>DEBT SECURITIES</b>			
Domestic Debt Securities			
Asset-Backed	\$3,491,443,603	\$3,470,023,916	1.70%
Corporate	34,087,808,960	43,727,782,438	21.46
U.S. Treasuries & Agencies	2,488,087,027	2,357,710,808	1.16
Mortgage Loans	427,297,324	428,673,330	0.21
Mortgage-Backed Securities			
CMO	403,543,664	288,581,181	0.14
FHLMC	126,402,051	137,442,347	0.07
FNMA	358,769,138	385,458,911	0.19
GNMA I/GNMA II	43,916,244	46,643,303	0.02
<b>Domestic Debt Securities</b>	<b>\$41,427,268,011</b>	<b>\$50,842,316,234</b>	<b>24.95%</b>
International Debt Securities	\$2,469,071,789	\$2,517,546,390	1.24%
<b>International Debt Securities</b>	<b>\$2,469,071,789</b>	<b>\$2,517,546,390</b>	<b>1.24%</b>
<b>TOTAL DEBT SECURITIES</b>	<b>\$43,896,339,800</b>	<b>\$53,359,862,624</b>	<b>26.19%</b>
<b>EQUITY</b>			
Domestic Equity & Options	\$33,618,049,217	\$43,039,513,199	21.12%
International Equity & Options	\$53,795,869,617	\$48,901,891,726	24.00%
Alternative Investment Management Program			
Corporate Restructuring	\$15,991,538,514	\$15,273,947,700	7.50%
Distressed Securities	4,004,523,019	4,415,432,563	2.17
Expansion Capital	3,962,550,720	3,186,743,681	1.56
Mezzanine Debt	374,934,403	245,242,017	0.12
Secondary Interest	346,818,098	442,490,307	0.22
Special Situation	2,341,843,841	2,244,778,741	1.10
Venture Capital	3,870,099,036	2,889,301,020	1.42
<b>Total Alternative Investment Management Program</b>	<b>\$30,892,307,631</b>	<b>\$28,697,936,029</b>	<b>14.09%</b>
<b>TOTAL EQUITY</b>	<b>\$118,306,226,465</b>	<b>\$120,639,340,954</b>	<b>59.21%</b>
<b>INFLATION-LINKED ASSETS CLASSES</b>	<b>\$5,037,281,092</b>	<b>\$5,040,380,812</b>	<b>2.47%</b>
<b>REAL ESTATE PROGRAMS</b>			
Core			
Domestic Real Estate	\$8,071,838,293	\$6,199,887,034	3.04%
Non-Core			
Domestic Real Estate	11,079,025,457	6,413,758,662	3.15
International Real Estate	2,727,263,041	2,537,434,251	1.25
<b>TOTAL REAL ESTATE PROGRAMS</b>	<b>\$21,878,126,791</b>	<b>\$15,151,079,947</b>	<b>7.44%</b>
<b>TOTAL INVESTMENT VALUE</b>	<b>\$198,684,528,838</b>	<b>\$203,753,320,663</b>	<b>100.00%</b>

**Note:** Differences between Total Investment Value in the Summary of Investments and Total Investments shown on page 34 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 34 in Total Investments.

# Investment Performance – PERF

CalPERS returns for domestic and international equity securities for fiscal year 2009-10 were 16.3 percent and 13.6 percent, respectively. CalPERS uses a Custom Wilshire 2500 Index to provide a benchmark for the domestic equity investment returns, and the FTSE All-World ex US Index for international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market conditions.

Alternative investments incurred a return of approximately 23.9 percent for the 2009-10 fiscal year, compared to a negative return of 25.9 percent for fiscal year 2008-09. The Policy Benchmark for the AIM program is the Wilshire 2500 plus a 300 basis point risk premium on a one-quarter lag basis.

Domestic debt securities returned approximately 21.7 percent, and international debt securities returned approximately 7.4 percent for the 2009-10 fiscal year, compared to 0.2 percent and 1.7 percent, respectively for fiscal year 2008-09. CalPERS benchmark returns were 13.4 percent and 2.2 percent, respectively. CalPERS uses the Barclays Long Liability Index and the Barclays International Fixed Income 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.

CalPERS benchmark for real estate return for fiscal year 2009-10 was negative 2.9 percent. CalPERS uses the 90% of NCREIF +2% and 10% of FTSE NAREIT Global Index to provide a benchmark for real estate investment returns. The NCREIF is a property-level performance benchmark for institutionally owned real estate held in a fiduciary environment.

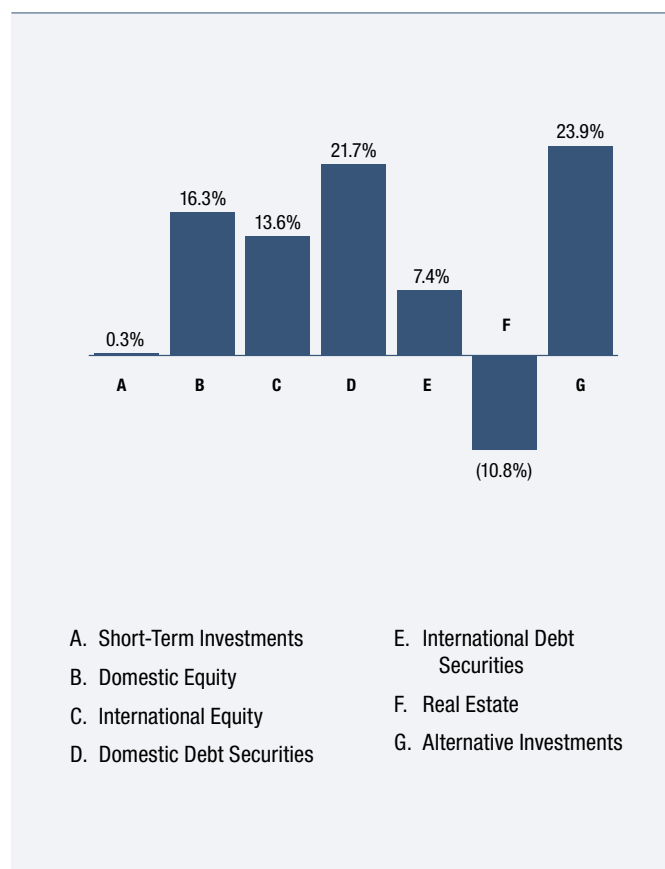
Short-term investments returned approximately 0.3 percent for the 2009-10 fiscal year, compared to 1.4 percent for fiscal year 2008-09. CalPERS uses the SSGA Custom STIF as a benchmark for short-term investments.

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. Shown on the following page are the 1-year, 3-year, 5-year, and 10-year time-weighted rates of return for the year ended June 30, 2010.

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

Additional information about CalPERS investment policies, operations, investment results, and detailed asset information can be found in the accompanying 2010 *Operations Summary*, and on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## PERF Investment Returns





## Investment Performance – PERF (continued)

### PERF 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
<b>TOTAL FUND</b>	<b>13.3%</b>	<b>(6.5%)</b>	<b>1.7%</b>	<b>2.6%</b>	Asset Allocation Policy Index <sup>1</sup>	13.0%	(2.6%)	3.8%	3.3%
					Actuarial Rate	7.8%	7.8%	7.8%	7.9%
					Trust Universe Comparison Service (TUCS) Public Fund Median	11.6%	(5.6%)	2.2%	2.9%
					Wilshire Large Fund Universe Median	13.1%	(4.0%)	3.2%	3.4%
Domestic Equity	16.3%	(8.9%)	0.0%	(0.6%)	PERS Wilshire 2500 Tobacco-Free Index	15.7%	(9.3%)	(0.4%)	(1.1%)
International Equity <sup>2</sup>	13.6%	(10.9%)	3.3%	2.2%	FTSE All World ex U.S. Index	10.9%	(10.2%)	3.8%	2.1%
Alternative Investments/ Private Equity	23.9%	(1.0%)	8.1%	3.8%	Wilshire 2500 +3% and Custom Young Fund Policy Index <sup>3</sup>	19.1%	2.5%	8.7%	1.7%
<b>Total Equity</b>	<b>14.4%</b>	<b>(10.0%)</b>	<b>0.9%</b>	<b>0.3%</b>					
Domestic Debt Securities	21.7%	9.4%	6.8%	8.1%	Barclays Long Liability Index	13.4%	9.0%	6.0%	7.5%
International Debt Securities	7.4%	8.7%	5.6%	6.9%	Barclays International Fixed Income	2.2%	7.5%	5.0%	6.5%
<b>Total Debt Securities</b>	<b>20.4%</b>	<b>9.5%</b>	<b>6.7%</b>	<b>8.0%</b>					
Real Estate	(10.8%)	(26.2%)	(10.2%)	2.1%	NCREIF FTSE Custom Index <sup>4</sup>	2.9%	(3.0%)	4.1%	7.3%
Cash Equivalents	0.3%	2.0%	3.2%	3.1%	Custom Short-Term Investment Fund <sup>5</sup>	0.3%	1.9%	3.1%	2.8%

#### Notes:

- <sup>1</sup> The Asset Allocation Policy Index return equals the return for each asset class benchmark, weighted at the current target asset allocations.
- <sup>2</sup> Includes currency overlay.
- <sup>3</sup> The AIM Policy is the Wilshire 2500 +3% lagged one quarter and linked previously to the Custom Young Fund.
- <sup>4</sup> The benchmark is 90% of NCREIF +2% and 10% of FTSE NAREIT Global Index.
- <sup>5</sup> The Custom STIF Policy Index is a custom index maintained by SSGA.

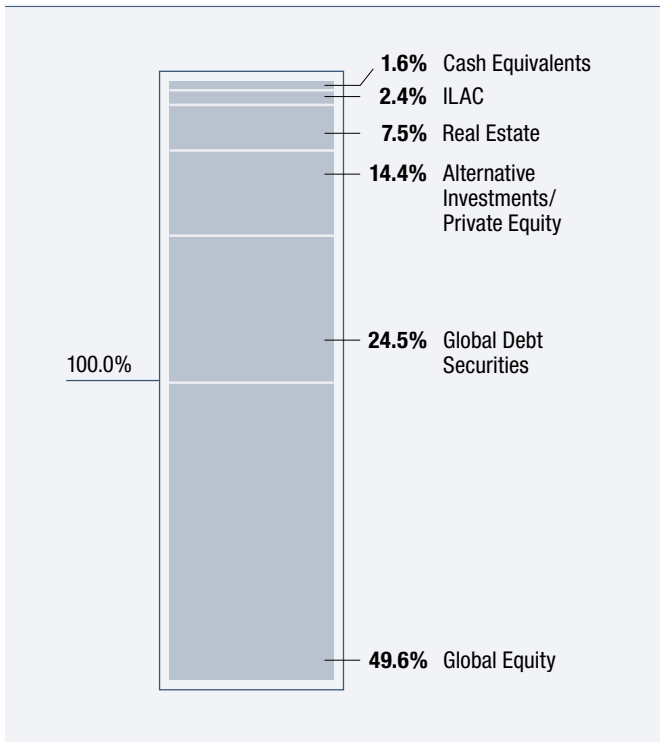
# Asset Allocations – PERF (Dollars in Billions)

Asset Class	Current Allocation <sup>1</sup>	Current Year Target	Prior Year Target
CASH EQUIVALENTS	1.6%	2.0%	0.0%
GLOBAL DEBT SECURITIES	24.5%	22.5%	22.0%
GLOBAL EQUITY	49.6%	49.0%	56.0%
ALTERNATIVE INVESTMENTS/PRIVATE EQUITY	14.4%	13.0%	10.0%
INFLATION LINKED (ILAC)	2.4%	3.5%	2.0%
TOTAL REAL ESTATE	7.5%	10.0%	10.0%
<b>TOTAL FUND</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

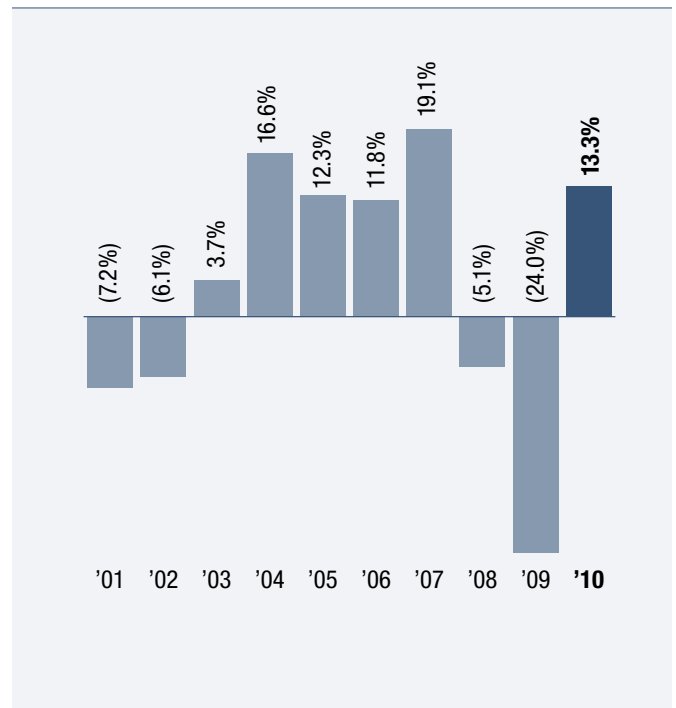
**Notes:**

- <sup>1</sup> The current allocation percentages differ from investment asset percentages presented in the MD&A and Statement of Net Assets as a result of different methodologies used for categorizing investment assets for investment purposes versus financial statement presentation purposes.
- <sup>2</sup> Differences between investment values above and the values on the Summary of Investments on page 89 are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

## PERF Investment Mix by Asset Class



## PERF Total Fund Performance | 10-Year Review, One-Year Returns



# Portfolio of California Investments at Market Value – PERF

(Dollars in Millions)	California Investments
<b>EQUITY</b>	
Domestic Equity	\$5,828.6
International Equity	—
<b>TOTAL EQUITY</b>	<b>\$5,828.6</b>
<b>FIXED INCOME</b>	
Domestic Fixed Income	\$5,516.2
International Fixed Income	—
<b>TOTAL FIXED INCOME</b>	<b>\$5,516.2</b>
<b>INFLATION LINKED</b>	<b>\$80.0</b>
<b>REAL ESTATE</b>	<b>\$2,961.3</b>
<b>ALTERNATIVE INVESTMENT MANAGEMENT</b>	<b>\$3,385.0</b>
<b>TOTAL CALIFORNIA INVESTMENTS</b>	<b>\$17,771.1</b>

## Largest Stock & Bond Holdings at Market Value<sup>1</sup> – PERF

### Largest Stock Holdings (Dollars in Thousands)

Rank	Company	Shares	Market Value
1	Exxon Mobil Corporation	15,261,655	\$870,983
2	Apple, Incorporated	2,591,172	651,757
3	Microsoft Corporation	25,933,892	596,739
4	Nestle SA	11,322,078	548,071
5	Procter and Gamble Company	8,272,522	496,186
6	Bank of America Corporation	31,346,113	450,444
7	General Electric Company	31,122,960	448,793
8	Johnson and Johnson	7,591,662	448,364
9	International Business Machines Corporation	3,618,702	446,837
10	AT&T, Incorporated	18,195,535	440,150

### Largest Bond Holdings (Dollars in Thousands)

Rank	Company	Par Value	Market Value
1	Chase Issuance Trust 1.8997% due 04/15/14	\$2,965,000	\$3,031,974
2	United States Treasury WI N/B 3.3750% due 11/15/19	2,349,018	2,432,854
3	United States Treasury N/B 3.6250% due 08/15/19	2,008,799	2,123,923
4	United States Treasury N/B 4.6250% due 02/15/40	613,171	689,407
5	Citibank Credit Card Issuance Trust 2.0997% due 3/17/14	630,935	646,762
6	United States Treasury N/B 3.6250% due 02/15/20	585,798	618,896
7	United States Treasury N/B 2.5000% due 03/31/15	521,810	540,705
8	United States Treasury WI N/B 3.2500% due 03/31/17	439,567	463,115
9	United States Treasury Bonds 4.3750% due 02/15/38	409,071	442,332
10	Citigroup Commercial Mortgage Trust 5.8880% due 12/10/49	404,952	414,980

#### Note:

<sup>1</sup> 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 website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

A complete list of portfolio holdings is available upon request.

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

Broker	Number of Shares Traded	Base Commission & Fees Amount
Abel Noser Corporation	15,609,841	\$247
ABN Amro Hoare Govett Asia Ltd., Seoul	79,548	18
ABN Amro Asia Ltd.	5,935,161	32
ABN Amro Bank NV, Hong Kong	15,176,537	57
ABN Amro Bank NV	49,826,489	133
ABN Amro Securities (USA), Inc.	1,463,100	42
Antique Stock Broking, Ltd.	477,407	12
Aviate Global, LLP	470,838	23
Baird, Robert W., and Company, Inc.	847,883	29
Banco De Investimentos Credit	1,068,550	41
Banco Itau SA	3,125,960	92
Banco Pactual SA	1,298,222	24
Banco Santander Central Hispano SA	3,438,424	82
Banque Paribas Frankfurt	753,479	14
Barclays Capital	1,741,853	42
Barclays Capital, Inc./LE	40,638,326	981
Batlivala & Karani Securities India Pvt., Ltd.	724,643	17
BMO Capital Markets	1,231,024	38
BNP Equities France	2,459,887	28
BNP Paribas Peregrine Securities	69,546,773	246
BNP Paribas Peregrine Securities, PT	11,006,200	22
BNY Brokerage	1,035,019	20
BNY Convergenx	71,334,767	1,023
BNY Convergenx LJR	6,688,206	188
Boe Securities, Inc./Broadcort Cap. Corp.	425,109	13
Boening-Scattergood, Inc.	1,450,900	15
Bradesco SA CTVM	1,492,513	23
Brockhouse-Cooper, Inc., Montreal	20,897,373	145
CA LB Investment Bank AG	5,822,160	29
Cabrera Capital Markets	13,534,177	231
Canacoro Adams, Inc.	576,084	26
Cantor Fitzgerald and Company/ CastleOak Sec.	572,290	17
Cantor Fitzgerald and Company	26,793,970	408
Capital Institutional Svcs, Inc., Equities	9,991,941	151
Cargary Securities, Ltd.	3,981,665	17
Cazenove and Company	6,233,590	33
Cazenove Asia, Ltd.	4,368,800	26
Celfin Capital SA Corredores De Bolsa	117,272,453	55
Centrum Broking Private, Ltd.	171,593	13
Chase Manhattan Bank	4,370,082	12
China Int'l. Capital Corp. Hong Kong Securities, Ltd.	27,968,007	106
Cibc World Mkts., Inc.	496,900	17
Cimb-Gk Securities PTE., Ltd.	9,078,916	15
Citation Group	1,728,030	57
Citigroup Global Marktet Korea Secs., Ltd.	1,780,749	45
Citigroup Global Markets Australia, Pty.	2,078,331	44
Citigroup Global Markets, Inc., Salomon Brothers	12,161,130	2,735
Citigroup Global Markets, Inc.	231,624,604	1,809
Citigroup Global Markets India	1,706,287	44
Citigroup Global Markets, Ltd.	73,570,851	755

Broker	Number of Shares Traded	Base Commission & Fees Amount
Citigroup Global Markets UK Equity, Ltd.	7,754,148	\$33
CLSA Securities Korea, Ltd.	431,621	36
CLSA Singapore Pte, Ltd.	36,861,732	97
Commerce Intl. Merchant Bankers	3,652,100	17
Cowen And Company, LLC	1,677,289	61
Credit Agriclle Indosuez	620,004	16
Credit Agricole Indosuez Cheuvreux	5,140,061	93
Credit Lyonnais Capital Indonesia	8,727,300	36
Credit Lyonnais Securities (Asia)	126,667,811	312
Credit Lyonnais Securities (USA), Inc.	144,669,561	159
Credit Lyonnais Securities India	5,218,718	103
Credit Suisse First Boston	51,452,491	119
Credit Suisse First Boston (Europe)	766,660	39
Credit Suisse First Boston SA CTVM	6,556,166	149
Credit Suisse Secs India Private, Ltd.	23,914,229	261
Credit Suisse Securities (Europe), Ltd.	132,804,564	914
Credit Suisse Securities (USA), LLC	579,138,613	2,317
Credit USA	875,529	24
CS First Boston (Hong Kong), Ltd.	37,691,264	85
CSFB Australia Equities, Ltd.	3,489,421	27
Cuttone and Company, Inc.	1,264,434	38
Daewoo Securities Company, Ltd.	392,491	23
Daishin Securities Co., Ltd.	314,491	16
Daiwa Securities (HK), Ltd.	36,547,117	37
Daiwa Securities America, Inc.	3,107,265	44
Danareska Securities, PT	3,968,767	14
Deutsche Bank AG London	83,275,984	442
Deutsche Bank Securities, Inc.	152,560,396	1,038
Deutsche Eq In Prvt LIM DB	4,643,601	80
Deutsche Morgan Grenfell Secs	1,800,178	33
Deutsche Securities Asia, Ltd.	84,885,784	190
Direct Trading Institutional, Inc.	4,189,988	32
Dongwon Securities	286,227	34
DSP Merrill Lynch, Ltd.	6,292,114	162
Dundas Unlu Securities, Inc.	11,551,068	84
Enam Securities Pvt., Ltd.	714,172	40
Evolution Beeson Gregory, Ltd.	1,201,811	17
Exane SA	2,967,444	36
Fator-Doria Atherino SA, CV	852,743	18
Fidelity Capital Markets	5,301,527	92
Finacorp Securities	16,541,902	245
Finsettle Services Pty., Ltd.	1,169,318	43
Friedman Billings-Ramsey	496,955	20
Fubon Securities Co., Ltd.	6,682,000	27
G Trade Services, Ltd.	9,764,535	50
Garantia Dtvn SA	1,782,200	31
Gardner Rich and Company	426,146	12
Gk Goh Ometraco PT	11,501,300	26
Goldman Sachs and Company	788,095,205	3,329
Goldman Sachs (Asia), LLC	35,612,282	152
Goldman Sachs (India)	1,658,615	28
Goldman Sachs International	58,672,728	605
Great Pacific Securities, Inc.	19,867,335	280
GunnAllen Financial	18,352,077	219
Guzman and Company	23,226,044	358

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

Broker	Number of Shares Traded	Base Commission & Fees Amount
HC Istanbul	4,214,371	\$33
Hoare Govett (India) Securities Pvt., Ltd.	2,101,884	38
Hong Kong And Shanghai Banking Corp.	309,163,600	268
HSBC Bank Brasil Sa Banco Multiplo	1,652,985	39
HSBC Bankplc	62,956,049	641
HSBC James Capel Seoul	11,954,812	169
HSBC Securities (USA), Inc.	345,865,823	728
HSBC Securities India Holdings	275,163	12
Hyundai Securities Co., Ltd.	1,331,555	68
Icap Securities, Ltd.	1,199,766	24
India Infoline, Ltd.	3,264,113	78
Ing Bank NV	1,320,676	29
Ing Barings Corporation	611,412	35
Instinet	57,911,367	827
Instinet Australia Clearing Services Pty., Ltd.	20,641,592	18
Instinet Canada	2,848,367	17
Instinet, LLC	11,187,764	120
Instinet Pacific, Ltd.	88,487,769	96
Instinet UK, Ltd.	304,396,903	787
Intermonte Securities SIM Spa	4,224,151	32
Investec Securities	1,918,226	13
Investment Technology Group, Inc.	44,609,341	690
Investment Technology Group, Ltd.	168,455,575	460
ISI Group, Inc.	849,443	25
Itau USA Securities, Inc.	474,293	21
ITG Australia, Ltd.	8,892,760	14
ITG Canada	24,153,061	126
ITG, Inc.	4,359,527	44
ITG Securities (HK), Ltd.	35,850,914	71
JB Were and Son	1,061,123	25
JP Morgan India Private Ltd.	311,069	15
JP Morgan Securities Inc.	33,146,953	468
JP Morgan Clearing Corp.	48,677,950	375
JP Morgan Securities (Taiwan) Ltd.	12,706,778	44
JP Morgan Securities, Ltd.	65,881,567	687
JP Morgan Securities (Far East), Ltd.- Seoul	942,108	118
Janney Montgomery, Scott, Inc.	967,869	38
Jefferies and Company, Inc.	11,827,666	186
JM Morgan Stanley Secs. Pvt., Ltd.	11,721,333	64
JMP Securities	259,111	12
Jones Trading Institutional Services, LLC	24,490,515	355
JP Morgan Chase Bank	8,064,965	19
JP Morgan Securities (Asia Pacific), Ltd.	167,243,864	449
JP Morgan Securities (Australia), Ltd.	3,701,757	24
JP Morgan Securities (Singapore)	5,891,200	16
KBC Financial Products UK, Ltd.	1,278,440	16
Keefe, Bruyette, and Woods, Inc.	698,586	23
Kepler Equities Sucursal En Espana	697,950	16
Kim Eng Securities	12,150,794	46
Knight Securities	19,734,812	266
Kotak Securities	2,470,974	68
Labranche Financial Service, SL	788,631	24
Lazard Capital Markets, LLC	588,880	19

Broker	Number of Shares Traded	Base Commission & Fees Amount
Liquidnet Europe, Ltd.	2,696,900	\$19
Liquidnet, Inc.	11,767,182	207
Loop Capital Mkts, LLC	2,026,213	83
M. Ramsey King Securities, Inc.	13,283,747	138
Macquarie Securities, Ltd.	477,665,868	688
Macquarie Bank, Ltd.	3,113,628	63
Macquarie Equities, Ltd. (Sydney)	94,623,203	155
Macquarie Securities (India) Pvt., Ltd.	6,126,248	139
Macquarie Securities (Singapore)	50,594,148	78
Macquarie Securities, Ltd.-Seoul	3,544,930	146
Magavceo Lee and Company	24,964,560	372
Magna Securities Corp.	5,029,940	85
Merrill Lynch International	71,278,772	605
Merrill Lynch Peirce Fenner and Smith	253,893,350	2,028
Mischler Financial Group, Inc.-Equities	5,515,467	99
Mitsubishi UFJ Securities International, PLC	253,384	17
Mizuho Securities Asia, Ltd.	2,540,742	24
Mizuho Securities USA, Inc.	1,056,352	15
Monument Securities, Ltd.	3,333,710	13
Morgan Keegan & Co., Inc.	713,113	27
Morgan Stanley and Co., International Taipei Metro	26,738,303	61
Morgan Stanley and Co., International	102,746,170	337
Morgan Stanley and Co., Inc.	408,464,251	2,580
Morgan Stanley Securities, Ltd.	4,306,069	35
Motilal Oswal Securities, Ltd.	5,100,414	130
Mr. Beal and Company	2,395,120	66
Natexis Bleichroeder, Inc.	621,389	13
National Financial Services Corp.	2,590,880	138
National Securities Corp.	8,520,559	28
Nesbitt Burns	395,143	12
Nomura Financial Advisory and Securities India	36,205,698	367
Nomura International (Hong Kong), Ltd.	8,957,004	30
Nomura International, PLC	67,956,997	253
Nomura Intl (HK), Ltd., Seoul Br	633,286	23
Nomura Securities Co., Ltd.	96,402,966	89
Nomura Securities International, Inc.	131,925,292	553
Nordic Partners	737,720	12
O'Neil, William and Co., Inc./BCC CLRG	490,012	19
Oien Securities, Inc.	13,233,526	190
Oppenheimer and Co., Inc.	2,393,846	105
Pacific American Securities, LLC	2,643,291	59
Pacific Crest Securities	525,734	23
Penserra Securities, LLC	47,400,434	289
Pershing DLJ, SL	48,219,014	311
Pershing, LLC	51,266,754	411
Pershing Securities, Ltd.	2,917,619	23
Pipeline Trading Systems, LLC	15,802,711	314
Piper Jaffray	2,373,823	74
Princeton Securities	1,042,700	21
Pulse Trading, LLC	2,850,125	82
Rabobank Nederland	1,150,028	20
Raymond James and Associates, Inc.	968,400	30

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

Broker	Number of Shares Traded	Base Commission & Fees Amount
RBC Capital Markets	23,580,388	\$359
RBC Dominion Securities	13,080,065	159
RBS Securities, Inc.	5,204,340	20
Redburn Partners, LLP	405,826	22
Renaissance Capital Group	382,012	13
Renaissance Capital, Ltd.	713,861	14
Ridge Clearing and Outsourcing Solutions	7,456,260	104
Roberts and Ryan Investments, Inc.	692,772	21
Rochdale Securities Corp. (CLS Thru 443)	667,059	14
Rosenblatt Securities, LLC	4,425,733	51
S.S Kantilal Ishwarlal Securities	2,724,994	58
Salomon Smith Barney, Inc.	28,824,143	63
Samsung Securities Co., Ltd.	396,201	99
Sanders Morris Harris	14,849,842	175
Sanford C. Bernstein, Ltd.	1,520,924	38
Sanford C. Bernstein Co., LLC	13,593,016	173
Seslia Securities	25,811,148	373
SG Americas Securities, LLC	10,859,183	88
SG Securities HK	40,042,960	146
Sidoti and Company, LLC	295,999	15
Skandinaviska Enskilda Banken, London	5,797,477	75
Smifs Securities, Ltd.	3,540,636	93
Societe Generale	6,210,254	25
Societe Generale London Branch	22,944,059	219
Stifel Nicolaus and Co., Inc.	3,570,216	114

Broker	Number of Shares Traded	Base Commission & Fees Amount
Stuart Frankel and Co., Inc.	34,523,005	\$507
TD Waterhouse CDA	806,610	28
The Royal Bank of Scotland NV, UK Equities	24,943,680	82
Thomas Weisel Partners, LLC	1,177,478	32
Troika Dialog (UK), Ltd.	1,101,392	19
UBS Ag	151,656,317	616
UBS Ag London	1,986,498	56
UBS Securities Asia, Ltd.	69,452,527	228
UBS Securities Canada, Inc.	872,011	31
UBS Securities, LLC	32,122,545	642
UBS Warburg, LLC	2,752,101	53
Unx, Inc.	9,446,578	144
Utendahl Capital Partners, LP	5,798,053	87
Various Brokers	169,336,448	1,154
VTB Bank Europe, PLC	1,553,741	26
Wachovia Capital Markets, LLC	1,349,819	37
Wedbush Morgan Securities, Inc.	360,450	14
Weeden and Co.	7,624,726	122
William Blair and Company, LLC	749,154	31
William Smith Securities	19,155,833	219
Williams Capital Group, LP (The)	701,437	21
Woori Investment Securities	607,074	37
Yamner and Co., Inc. (CLS Thru 443)	1,164,171	12
Yuanta Core Pacific Securities	8,950,130	25
<b>TOTAL</b>	<b>8,342,458,206</b>	<b>\$50,434</b>

# Schedule of Fees & Costs for Private Equity Partners – PERF

Fund Name	2009 Fees & Costs <sup>1</sup>
1818 Fund II, LP	\$20,470
Aberdare Ventures IV, LP	975,229
Aberdare Ventures III, LP	515,496
Acon-Bastion Partners II, LP	1,302,853
Advent Global Private Equity IV, LP	47,333
Advent International GPE V-D, LP	708,097
Advent International GPE VI, LP	7,353,394
Advent Japan Private Equity Fund, LP	3,468,966
Advent Latin America Private Equity Fund IV, LP	3,476,581
Advent Latin American Private Equity Fund III, D, LP	753,167
Affinity Asia Pacific Fund III, LP	2,629,830
Aisling Capital II, LP	717,675
Aisling Capital III, LP	1,875,761
Alta V Limited Partnership	26,088
American River Ventures I, LP	500,159
AP Investment Europe, Ltd.	501,417
APA Excelsior IV, LP	6,630
Apollo Alternative Assets, LP	464,776
Apollo Asia Opportunity Fund, LP	1,305,691
Apollo European Principal Finance Fund, LP	2,606,474
Apollo Investment Fund III, LP	36,067
Apollo Investment Fund IV, LP	200,090
Apollo Investment Fund V, LP	334,778
Apollo Investment Fund VI, LP	1,578,574
Apollo Investment Fund VII, LP	9,575,343
Apollo Special Opportunities Managed Account, LP	13,590,510
Apollo/Artus Investors 2007-I, LP	120,840
ArcLight Energy Partners Fund II, LP	779,899
ArcLight Energy Partners III, LP	3,150,630
ArcLight Energy Partners IV, LP	4,618,775
Ares Corporate Opportunities Fund II, LP	1,772,969
Ares Corporate Opportunities Fund III, LP	5,433,330
Ares Corporate Opportunities Fund, LP	690,482
Ares Special Situations Fund, LP	1,149,395
Asia Alternatives Capital Partners II, LP	3,176,306
Asia Alternatives Capital Partners, LP	997,073
Asia Recovery Fund, LP	122,302
Audax Credit Opportunities Fund, LP	608,484
Audax Mezzanine Fund II, LP	1,432,587
Audax Private Equity Fund II, LP	1,113,212
Audax Private Equity Fund III, LP	2,493,801
Aurora Equity Partners II, LP	222,111
Aurora Equity Partners III, LP	2,084,264
Aurora Equity Partners, LP	6,401
Aurora Resurgence Fund (c), LP	7,483,363
Avenue Asia Special Situations Fund III, LP	514,413
Avenue Asia Special Situations Fund IV, LP	6,525,958
Avenue Europe Special Situations Fund, LP	3,447,744
Avenue Special Situations Fund II, LP	6,017
Avenue Special Situations Fund III, LP	4,258
Avenue Special Situations Fund IV, LP	2,072,198
Avenue Special Situations Fund V, LP	6,015,392
Bank of America CA Community Venture Fund, LP	119,800
Baring Vostok Private Equity Fund IV, LP	1,805,846

Fund Name	2009 Fees & Costs <sup>1</sup>
Birch Hill Equity Partners (US) III, LP	\$1,771,603
Blackstone Capital Partners II, Merchant Banking Fund, LP	456,661
Blackstone Capital Partners III, LP	200,588
Blackstone Capital Partners V, LP	1,809,010
Blackstone Communications Partners I, LP	560,058
Blackstone Mezzanine Partners, LP	469,226
Bridgepoint Europe II	179,536
Bridgepoint Europe III, LP	434,772
Bridgepoint Europe IV, LP	1,477,398
California Emerging Ventures II, LLC	777,381
California Emerging Ventures III, LLC	416,809
California Emerging Ventures IV, LLC	1,575,583
California Emerging Ventures, LLC	2,490,040
Candover 1997 Fund	4,861
Candover 2001 Fund	266,132
Candover 2005 Fund US No. 1, LP	989,804
Candover 2008 Fund	846,269
Capital Link Fund II, LP	2,800,000
Capital Link, LLC	1,606,944
Carlyle Asia Growth Partners III, LP	1,669,752
Carlyle Asia Growth Partners IV, LP	2,732,332
Carlyle Asia Partners II, LP	2,204,095
Carlyle Asia Partners, LP	615,188
Carlyle Asia Partners III, LP	5,457,279
Carlyle Asia Venture Partners II, LP	525,972
Carlyle Europe Partners II, LP	503,470
Carlyle Europe Partners III, LP	6,489,666
Carlyle Europe Technology Partners II, LP	2,228,956
Carlyle Global Financial Services Partners, LP	3,423,775
Carlyle High Yield Partners 2008, Ltd.	2,254,787
Carlyle Japan International Partners II, LP	3,526,080
Carlyle Mexico Partners, LP	564,191
Carlyle Partners II, LP	18,186
Carlyle Partners III, LP	256,834
Carlyle Partners IV, LP	1,694,358
Carlyle Partners V, LP	12,983,727
Carlyle Realty Qualified Partners III, LP	7,048
Carlyle Strategic Partners II, LP	1,426,936
Carlyle Strategic Partners, LP	220,355
Carlyle Venture Partners II, LP	608,375
Carlyle Venture Partners III, LP	1,478,204
Carlyle/Riverstone Global Energy and Power Fund II, LP	184,437
Carlyle/Riverstone Global Energy and Power Fund III, LP	30,843
Carlyle/Riverstone Renewable Energy Infrastructure Fund I, LP	1,344,780
Central Valley Fund, LP, The	8,111
China Privatization Fund (DEL), LP	2,614,773
Clarus Lifesciences I, LP	817,121
Clarus Lifesciences II, LP	1,434,994
Clearstone Venture Partners III-A, LP	679,758
Clearwater Capital Partners Fund II Holdings, LP	1,618,637
Clearwater Capital Partners Fund III, LP	4,215,537

## Note:

<sup>1</sup> Fees and costs for the 1-year period ending December 31, 2009.

## Schedule of Fees & Costs for Private Equity Partners – PERF (continued)

Fund Name	2009 Fees & Costs <sup>1</sup>	Fund Name	2009 Fees & Costs <sup>1</sup>
Clearwater Capital Partners I, LP	\$1,625,087	Hellman & Friedman Capital Partners IV, LP	\$21,155
Clessidra Capital Partners	1,047,187	Hellman & Friedman Capital Partners V, LP	821,941
Clessidra Capital Partners II, LP	3,227,191	Hellman & Friedman Capital Partners VI, LP	8,401,175
Coller International Partners III, LP	538,503	Huntsman Gay Capital Partners, LP	2,592,771
Coller International Partners IV, LP	638,470	ICV Partners II, LP	528,709
Coller International Partners V, LP	3,966,319	ICV Partners, LP	7,991
Court Square Capital Partners II, LP	2,016,825	Information Technology Ventures II, LP	1,692
Craton Equity Investors I, LP	634,398	Insight Venture Partners V Coinvestment Fund, LP	199,000
CVC Capital Partners Asia Pacific II, LP	966,928	Insight Venture Partners V, LP	418,863
CVC Capital Partners Asia Pacific III, LP	2,412,494	Insight Venture Partners VI, LP	1,452,399
CVC European Equity Partners II, LP	178,359	Ironbridge Capital 2003/4, LP	727,292
CVC European Equity Partners III, LP	48,867	Ironbridge Fund II, LP	1,454,679
CVC European Equity Partners IV, LP	1,145,959	KB Mezzanine Fund II, LP	52,475
CVC European Equity Partners Tandem Fund (B), LP	3,929,886	Khosla Ventures III, LP	2,055,649
CVC European Equity Partners V, LP	8,015,496	Khosla Ventures Seed, LP	1,452,712
CVC European Equity Partners, LP	4,045	KKR 2006 Fund, LP	4,454,719
Darby Converging Europe Mezzanine Fund, LP	1,043,151	KKR Asian Fund	2,752,932
DFJ Element, LP	599,243	KKR European Fund II, LP	1,036,744
DFJ Frontier Fund, LP	348,220	KKR European Fund III, LP	5,000,034
EM Alternatives	1,000,000	KKR European Fund, LP	135,824
Emergence Capital Partners, LP	352,956	KKR Millennium Fund, LP	83,949
EnerTech Capital Partners III, LP	178,644	Kline Hawkes California, LP	33,953
ESP-Golden Bear Europe Fund, LP	5,955,866	Vicente Capital Partners Growth Equity Fund, LP (fka: Kline Hawkes Growth Equity)	726,731
Essex Woodlands Health Ventures VIII, LP	2,689,408	Kline Hawkes Pacific, LP	558,765
Ethos Private Equity Fund III, LP	30,579	KPS Special Situations III, LP	1,093,496
Falconhead Capital Partners II, LP	2,581,353	Levine Leichtman Capital Partners Deep Value Fund, LP	1,251,983
Fenway Partners Capital Fund, LP	116,893	Levine Leichtman Capital Partners, LP	29,372
First Reserve Fund IX, LP	7,566	Levine Leichtman Capital Partners II, LP	394,418
First Reserve Fund X, LP	271,640	Levine Leichtman Capital Partners III, LP	302,098
First Reserve Fund XI, LP	2,365,981	Levine Leichtman Capital Partners IV, LP	1,245,257
First Reserve Fund XII, LP	1,353,810	Lexington Capital Partners II, LP	45,014
Francisco Partners II, LP	552,617	Lexington Capital Partners III, LP	287,030
Francisco Partners, LP	210,955	Lexington Capital Partners IV, LP	514,099
FS Equity Partners III, LP	12,637	Lexington Capital Partners V, LP	1,461,854
FS Equity Partners V, LP	28,243	Lexington Middle Market Investors, LP	546,520
Garage California Entrepreneurs Fund, LP	159,097	Lightspeed Venture Partners VI, LP	749,000
Generation Capital Partners, LP	118,981	Lightspeed Venture Partners VII, LP	834,623
Giza Venture Fund IV, LP	154,737	Lime Rock Partners III, LP	168,810
Gleacher Mezzanine Fund I, LP	100,102	Lime Rock Partners IV, LP	615,450
Gleacher Mezzanine Fund II, LP	937,085	Lime Rock Partners V, LP	1,686,745
Golden State Investment Fund, LLC	4,001,507	Lion Capital Fund II, LP	4,121,324
Golder, Thoma & Cressey Fund IV, LP	1,715	Lombard Asia III, LP	1,088,842
Granite Global Ventures II, LP	48,012	Lombard Thailand Partners, LP	30,551
Granite Global Ventures III, LP	1,468,258	Lombard/Pacific Partners, LP	255,441
Green Capital Partners (GCP) California Fund, LP	980,400	Madison Dearborn Capital Partners II, LP	18,516
Green Credit Investors, LP	424,658	Madison Dearborn Capital Partners III, LP	10,670
Green Equity Investors II, LP	190	Madison Dearborn Capital Partners IV, LP	72,585
Green Equity Investors III, LP	315,307	Madison Dearborn Capital Partners V, LP	2,076,975
Green Equity Investors IV, LP	18,357	Madison Dearborn Capital Partners, LP	7,071
Green Equity Investors V, LP	3,898,525	Magnum Capital, LP	1,859,680
GSO Capital Opportunities Fund, LP	2,385	Markstone Capital Partners, LP	1,337,124
Health Evolution Partners, LLC	3,252,886	Media/Communications Partners II, LP	6,073
Health Evolution Partners Growth, LP	10,428,428		
Hellman & Friedman Capital Partners II, LP	3,174		

### Note:

<sup>1</sup> Fees and costs for the 1-year period ending December 31, 2009.



## Schedule of Fees & Costs for Private Equity Partners – PERF (continued)

Fund Name	2009 Fees & Costs <sup>1</sup>	Fund Name	2009 Fees & Costs <sup>1</sup>
MHR Institutional Partners IIA, LP	\$434,848	Silver Lake Partners III, LP	\$6,626,362
MHR Institutional Partners III, LP	5,704,763	Silver Lake Partners, LP	5,761
New Enterprise Associates 12, LP	611,740	Silver Lake Sumeru Fund, LP	3,971,582
New Mountain Partners II, LP	1,595,320	SpaceVest Fund, LP	12,816
New Mountain Partners III, LP	6,234,009	T3 Partners II, LP	111,220
Newbridge Asia III, LP	852,311	TA Subordinated Debt Fund II, LP	437,101
Newbridge Asia IV, LP	1,516,086	TA X, LP	2,206,037
NGEN II, LLC	298,446	Tailwind Capital Partners, (PP) LP	670,134
Nogales Investors Fund I, LP	67,591	TCW Special Credits Fund V - The Principal Fund	3,988
Nogales Investors Fund II, LP	970,839	Technology Partners Fund V, LP	4,552
Oak Hill Capital Partners II, LP	979,429	Technology Partners Fund VI, LP	164,685
Oak Hill Capital Partners III, LP	5,542,317	Thomas H. Lee Equity Fund IV, LP	32,297
Oaktree Capital Management (OCM) Opportunities Fund, LP	43,017	Thomas H. Lee Equity Fund V, LP	2,723,557
Opportunity Capital Partners IV, LP	258,493	Thomas H. Lee Equity Fund VI, LP	320,678
Pacific Community Ventures Investments Partners II, LP	264,918	TowerBrook Investors II, LP	3,292,746
Palladium Equity Partners III, LP	4,011,388	TowerBrook Investors III, LP	4,538,647
Parish Capital I, LP	451,663	TowerBrook Investors, LP	101,341
Parish Capital II, LP	661,220	TPG Asia V, LP	6,615,097
PCG Clean Energy & Technology	4,000,000	TPG Biotechnology Partners II, LP	1,987,460
PCG Corporate Partners Fund II	7,680,636	TPG Biotechnology Partners III, LP	2,130,333
PCG Corporate Partners, LP	1,489,952	TPG Biotechnology Partners, LP	701,800
PCGI Global Opportunities Fund 2, LLC	3,750,000	TPG Credit Strategies, LP	92,098
PCGI Global Opportunities Fund, LLC	2,211,000	TPG Partners III, LP	143,355
Permira Europe I	22,672	TPG Partners IV, LP	320,513
Permira Europe III	627,547	TPG Partners V, LP	2,344,321
Permira U.K. Venture IV	21,669	TPG Partners VI, LP	11,012,932
Perseus-Soros Biopharmaceutical Fund, LP	261,823	TPG Star, LP	3,211,779
Pharos Capital Partners II-A, LP	481,194	TPG Ventures, LP	4,459,841
Pinnacle Ventures II-B, LP	1,157	Tricolor Pacific Capital Partners IV, LP	1,667,988
Polish Enterprise Fund IV, LP	162,250	Trinity Ventures IX, LP	534,173
Polish Enterprise Fund V, LP	705,726	VantagePoint CleanTech Partners, LP	22,876
Polish Enterprise Fund VI, LP	2,909,060	VantagePoint Venture Partners 2006 (Q), LP	1,073,637
Prospect Venture Partners II, LP	1,415,674	W Capital Partners II, LP	2,550,444
Prospect Venture Partners III, LP	1,235,657	W Capital Partners, LP	254,665
Providence Equity Partners V, LP	177,928	Warburg, Pincus Investors, LP	4,335
Providence Equity Partners VI, LP	3,430,133	Wayzata Opportunities Fund, LLC	1,139,223
Q Street/Century, LLC	2,541,306	Wayzata Opportunities Fund II, LLC	4,591,965
Quadrangle Capital Partners II, LP	1,906,644	Welsh, Carson, Anderson & Stowe IX, LP	373,327
Resolute Fund II, The	2,820,768	Welsh, Carson, Anderson & Stowe VI, LP	5,330
RFG Private Equity, LP No. 1	289,267	Welsh, Carson, Anderson & Stowe VII, LP	1,765
Rhône Partners III, LP	2,262,069	Welsh, Carson, Anderson & Stowe VIII, LP	45,258
Richardson Capital Private Equity, LP No. 2	679,427	Welsh, Carson, Anderson & Stowe X, LP	274,500
Ripplewood Partners II, LP	309,286	Welsh, Carson, Anderson & Stowe XI, LP	773,824
Riverstone/Carlyle Global Energy & Power Fund IV	4,936,171	WLR Recovery Fund II, LP	271,858
Riverstone/Carlyle Renewable and Alternative Energy Fund II, LP	4,511,114	WLR Recovery Fund III, LP	1,288,809
RockPort Capital Partners II, LP	168,939	WLR Recovery Fund IV, LP	5,808,346
Rosewood Capital Associates V, LP	1,377,860	WLR Recovery Fund, LP	15,599
Sacramento Private Equity Partners, LP	1,500,000	Yucaipa American Alliance Fund I, LP	381,944
SAIF Partners III, LP	1,762,712	Yucaipa American Alliance Fund II, LP	8,047,485
Silver Lake Credit Fund, LP	4,855,610	Yucaipa American Special Situations Fund I, LP	21,875
Silver Lake Partners II, LP	502,795	Yucaipa Corporate Initiatives Fund I, LP	257,815
		Yucaipa Corporate Initiatives Fund II, LP	1,922,339
		<b>TOTAL</b>	<b>\$510,081,743</b>

### Note:

<sup>1</sup> Fees and costs for the 1-year period ending December 31, 2009.

# Schedule of Fees & Costs for Absolute Return Strategies Program – PERF

Fund Name	Management Fees <sup>1</sup>	Performance Fees <sup>1</sup>
Aspect Alternative Fund, LLC	\$1,808,959.00	\$811,183.27
Atticus Global, LP	3,602,352.00	—
Black River Commodity Multi-Strategy Fund, LLC	2,645,981.87	650,977.03
Black River Fixed Income Relative Value Opportunity Fund, Ltd.	4,665,046.25	14,538,509.90
Black River, CTF	1,662,153.25	—
Brookside Capital Partners Fund, LP	2,814,244.00	—
BlueTrend Fund, LP	2,499,546.48	1,229,040.86
Canyon Special Opportunities	1,364,000.00	—
Canyon Value Realization Fund, LP	1,707,000.00	—
Chatham Asset High Yield Offshore Fund, Ltd.	4,253,374.00	19,235,000.00
Chatham Asset Leveraged Loan Offshore Fund, Ltd.	3,056,539.00	8,640,000.00
CRG Partners, LP	2,037,157.03	—
Deephaven Market Neutral, LLC	1,341,196.08	—
Farallon Capital Offshore Investors, Inc., Class E	475,572.00	—
Lansdowne European Strategic Equity Fund, LP	3,197,367.52	1,648,812.40
O'Connor Global Quantitative Equity, LLC	550,100.45	—
O'Connor Global Fundamental Market Neutral Long Short, LLC	935,064.05	840,638.04
OZ Domestic Partners II, LP	8,737,006.00	10,626,046.00
PFM Diversified Fund, LP	7,398,284.62	11,769,221.70
PFM Diversified Eureka Fund	260,531.09	—
Rhapsody Fund, LP	1,323,711.30	11,951,260.96
SuttonBrook Capital Partners, LP	2,593,344.24	77,319.45
Tennenbaum Multi-Strategy Fund, LLC	452,292.34	—
The Marquee Fund, LP	2,467,768.84	394,982.08
Tosca	—	627,496.08
Tremblant Partners, LP	2,233,597.00	3,969,428.00
Wayzata Recovery Fund, LLC	1,907,562.00	—
PAAMCO Blue Diamond	1,316,554.17	—
Sparx Blue Diamond Fund, LP	773,047.00	—
Vision Blue Diamond Fund, LP	1,536,719.15	—
Ermitage Highbury Fund, LP	662,950.48	—
AIS Highbury Fund, LP	684,026.03	—
ERAAM Highbury Fund, LP	1,468,897.56	—
47 Degrees North New Generation 1848 Fund, LP	1,003,738.09	—
Rock Creek 1848 Fund, LP	1,034,681.13	—
PAAMCO 1848 Fund, LP	1,263,926.88	—
<b>TOTAL MANAGEMENT AND PERFORMANCE FEES</b>	<b>\$75,734,290.90</b>	<b>\$87,009,915.77</b>
UBS Advisory Fees	14,372,879.68	14,372,879.68
PAAMCO Advisory Fees	100,000.00	—
IFS Administration Fees	1,560,000.00	—
<b>TOTAL MANAGEMENT, PERFORMANCE, AND ADVISORY FEES</b>	<b>\$91,767,170.58</b>	<b>\$101,382,795.45</b>

**Note:**

<sup>1</sup> Fees and costs for the 1-year period ending December 31, 2009.

## Investment Performance – LRF

Domestic and international equity securities incurred returns of approximately 14.4 percent and 7.6 percent for fiscal year 2009-10 respectively, compared to the negative 26.4 percent and negative 31.1 percent for fiscal year 2008-09. CalPERS benchmark returns for the fiscal year 2009-10 were 14.4 percent and 7.6 percent. CalPERS uses the Custom S&P 500 Index and FTSE Developed World ex US & Tobacco Index (net of dividends), to provide a benchmark for the domestic and international equity investment returns, respectively. These benchmarks are representative of the returns that could be expected in a similar investing environment and reflect the overall market conditions.

Domestic debt securities returned 19.2 percent for fiscal year 2009-10, compared to 2.1 percent for fiscal year 2008-09. CalPERS benchmark return for fiscal year 2009-10 was 13.4 percent. CalPERS uses the Barclays Long Liability 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.

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 & Trust. Below are the 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2010.

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

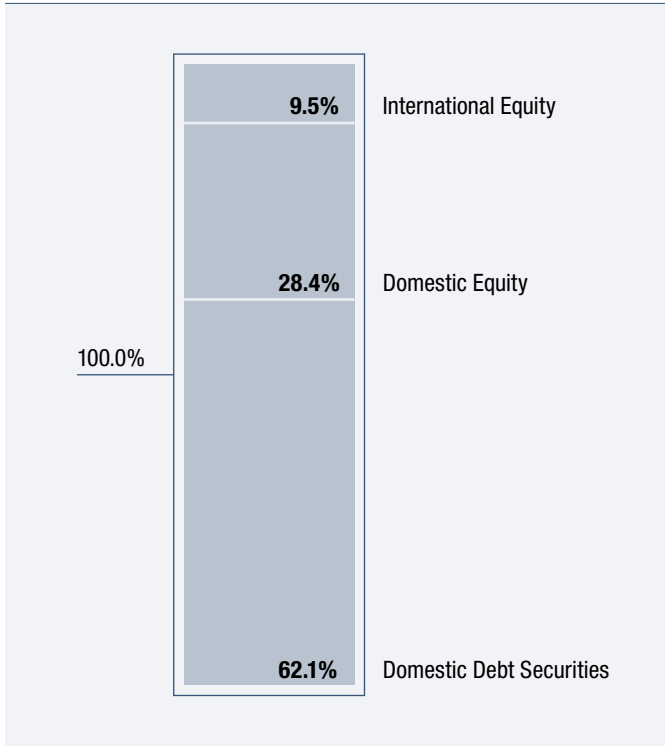
### LRF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
<b>TOTAL FUND</b>	<b>16.1%</b>	<b>1.4%</b>	<b>3.7%</b>	Weighted Policy Benchmark <sup>1</sup>	13.1%	1.2%	3.7%
				Actuarial Rate	7.0%	7.0%	7.0%
				Trust Universe Comparison Service (TUCS) Public Fund Median <sup>2</sup>	12.7%	(3.3%)	3.0%
Domestic Equity	14.4%	(10.0%)	(1.0%)	Custom S&P 500 Index <sup>3</sup>	14.4%	(10.0%)	(1.0%)
				TUCS Equity Median	16.3%	(8.3%)	0.6%
				FTSE Developed World			
International Equity	7.6%	(12.1%)	1.9%	ex US & Tobacco Index	7.6%	(12.1%)	1.9%
Domestic Debt Securities	19.2%	9.2%	5.6%	Barclays Long Liability Index	13.4%	9.0%	6.0%

#### Notes:

- <sup>1</sup> The Weighted Policy Benchmark returns for the LRF are based on asset class index returns, weighted by asset class policy targets.
- <sup>2</sup> The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.
- <sup>3</sup> The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the LRF, starting with the February 2001 performance.

**LRF Investment Mix by Asset Class**



**LRF Total Fund Performance | 10-Year Review, One-Year Returns**



## Investment Performance – JRF II

Domestic and international equity securities incurred returns of approximately 14.4 percent and 7.6 percent, respectively, for fiscal year 2009-10, compared to the negative returns of 26.4 percent and 31.1 percent, respectively, for fiscal year 2008-09. CalPERS benchmark returns for fiscal year 2009-10 were 14.4 percent and 7.6 percent, respectively. CalPERS uses the Custom S&P 500 Index and FTSE Developed World ex US & Tobacco Index, respectively, to provide a benchmark for our domestic and international equity investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market characteristics.

Domestic debt securities returned approximately 19.2 percent for the 2009-10 fiscal year, compared to 2.1 percent for fiscal year 2008-09. CalPERS benchmark return for fiscal year 2009-10 was 13.4 percent. CalPERS uses the Barclays Long Liability Index to provide a benchmark for fixed income investment returns. This benchmark is representative of the returns that could be expected in a similar investing environment.

Real estate investments returns were approximately 30.9 percent, compared to negative 45.2 percent for fiscal year 2008-09. CalPERS benchmark return for real estate investments for fiscal year 2009-10 was 30.9 percent. CalPERS uses the Custom REIT index to provide benchmark for real estate investment returns. These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

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 & Trust. The 1-year, 3-year, and 5-year time-weighted rates of return for the year ended June 30, 2010, are shown below.

Per guidelines recommended by the Chartered Financial Analyst Institute, the Master Custodian for CalPERS computes monthly returns for portfolios, composites, and total plan. For periods greater than a month, a time series of linked monthly returns is used, producing a time-weighted effect.

### JRF II Portfolio Comparisons

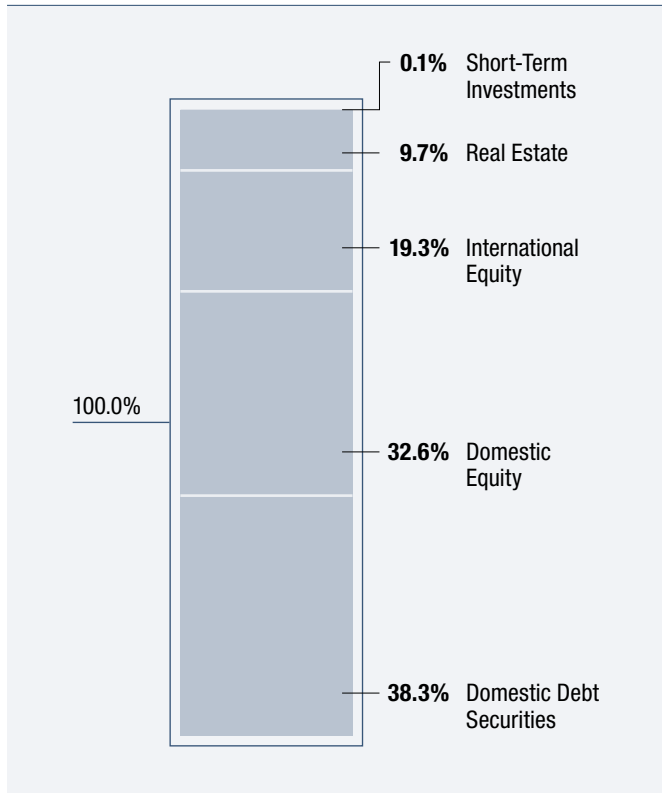
Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
<b>TOTAL FUND</b>	<b>16.6%</b>	<b>(3.7%)</b>	<b>2.2%</b>	Weighted Policy Benchmark <sup>1</sup>	14.7%	(3.6%)	2.5%
				Actuarial Rate	7.3%	7.3%	7.3%
				Trust Universe Comparison Service (TUCS) Public Fund Median <sup>2</sup>	12.7%	(3.3%)	3.0%
Domestic Equity	14.4%	(10.0%)	(1.0%)	Custom S&P 500 Index <sup>3</sup>	14.4%	(10.0%)	(1.0%)
				TUCS Equity Median	16.3%	(8.3%)	(0.6%)
International Equity	7.6%	(12.1%)	2.0%	FTSE Developed World ex US & Tobacco Index	7.6%	(12.1%)	1.9%
Domestic Debt Securities	19.2%	9.2%	5.4%	Barclays Long Liability Index	13.4%	9.0%	6.0%
Real Estate	30.9%	(14.7%)	(3.3%)	CalPERS Custom REIT	30.9%	(15.5%)	(3.9%)
				TUCS Real Estate Median	(7.0%)	(11.3%)	—%

#### Notes:

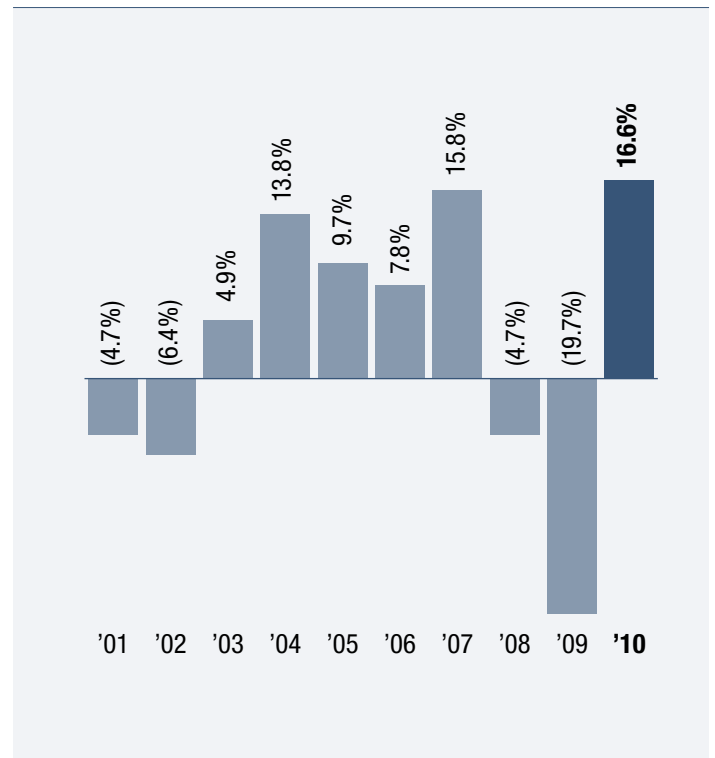
- <sup>1</sup> The Weighted Policy Benchmark returns for the JRF II are based on asset class index returns, weighted by asset class policy targets.
- <sup>2</sup> The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

- <sup>3</sup> The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the JRF II, starting with the February 2001 performance.

**JRF II Investment Mix by Asset Class**



**JRF II Total Fund Performance | 10-Year Review, One-Year Returns**



# Investment Performance – CERBTF

Domestic and international equity securities had returns of approximately 14.4 percent and 7.6 percent for the 2009-10 fiscal year, compared to the losses of 26.4 percent and 31.1 percent for fiscal year 2008-09. CalPERS benchmark for fiscal year 2009-10 was 14.4 percent and 7.6 percent. CalPERS uses the PERS Blended S&P 500 ex Tobacco Index and FTSE Developed World ex US & Tobacco Index to provide a benchmark for domestic and international equity investment returns.

Domestic debt securities returned approximately 19.2 percent, compared to 2.1 percent for fiscal year 2008-09. CalPERS benchmark return for fiscal year

2009-10 was 13.4 percent. CalPERS uses the Custom Long Liability Index to provide a benchmark for our fixed income investment returns.

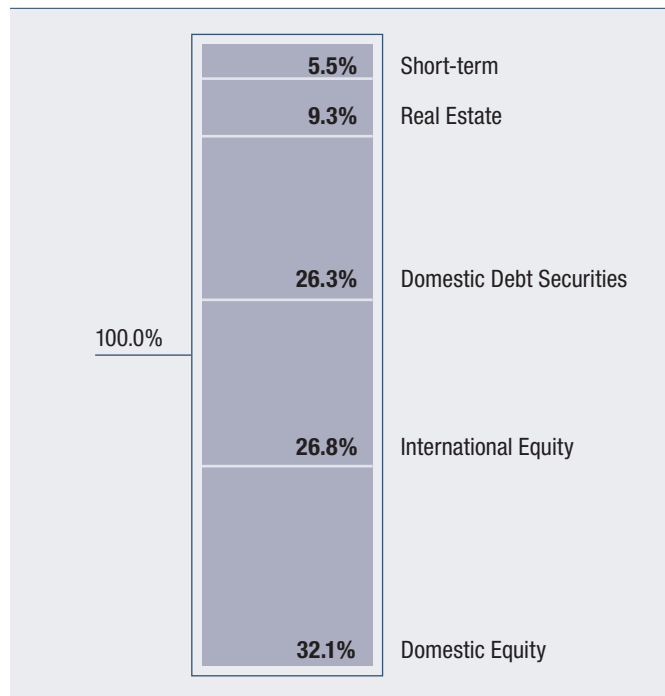
Real estate investments returns were approximately 30.5 percent, compared to negative 44.4 percent for fiscal year 2008-09. CalPERS benchmark return for real estate investments for fiscal year 2009-10 was 30.9 percent. CalPERS uses the Custom REIT Index to provide a benchmark for real estate investment returns.

These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

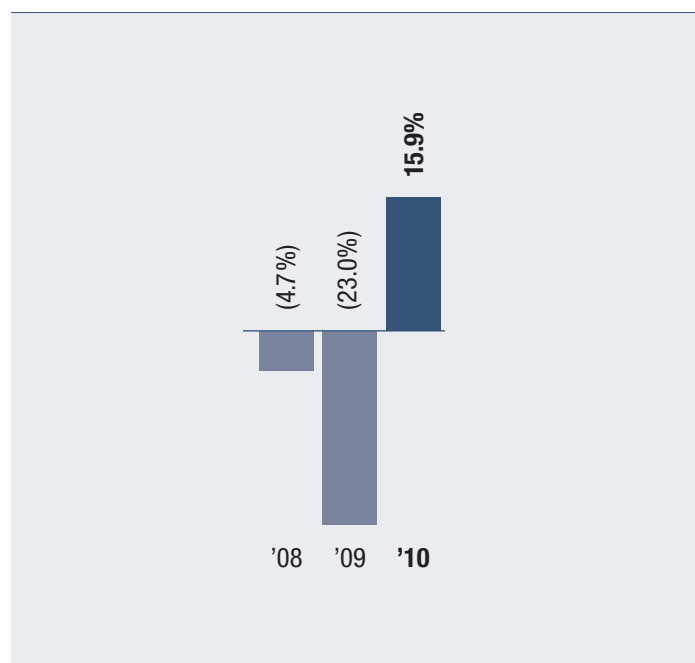
## CERBTF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
<b>TOTAL FUND</b>	<b>15.9%</b>	<b>(5.3%)</b>	<b>—%</b>	CERBTF Policy Benchmark	14.8%	(5.9%)	—%
				Actuarial Rate	7.8%	7.8%	7.8%
Domestic Equity	14.4%	(10.2%)	—%	PERS Blended S&P 500 ex Tobacco	14.4%	(10.0%)	—%
				CalPERS FTSE Dev World ex US & Tobacco Index	7.6%	(12.1%)	—%
International Equity	7.6%	(11.9%)	—%	CalPERS Custom Long Liability	13.4%	9.0%	—%
Domestic Debt Securities	19.2%	9.2%	—%	CalPERS Custom REIT	30.9%	(15.6%)	—%
Real Estate	30.5%	(14.2%)	—%				

## CERBTF Investment Mix by Asset Class



## CERBTF Total Fund Performance | Three-Year Review, One-Year Returns



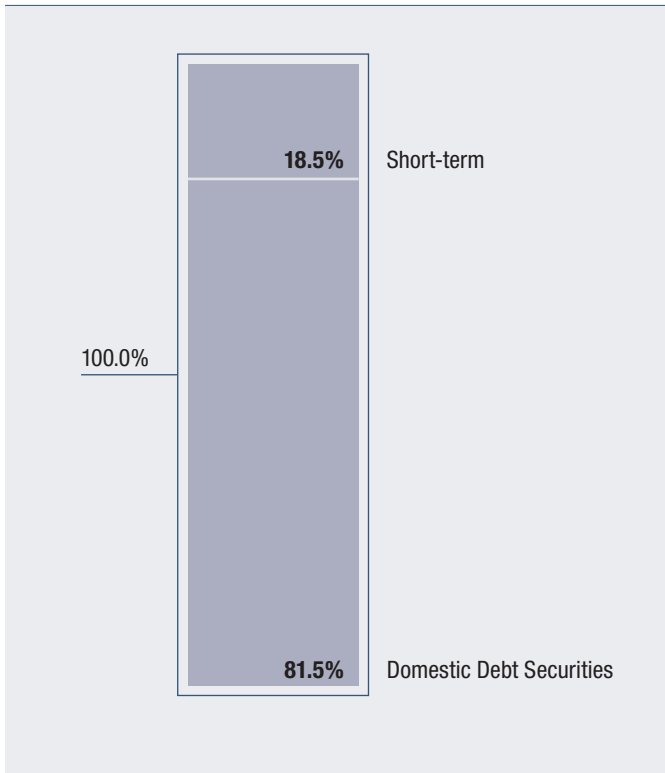
# Investment Performance – HCF

Investments of the HCF at June 30, 2010, include highly liquid, short-term securities and domestic debt securities. These securities yielded a return of 11.8 percent.

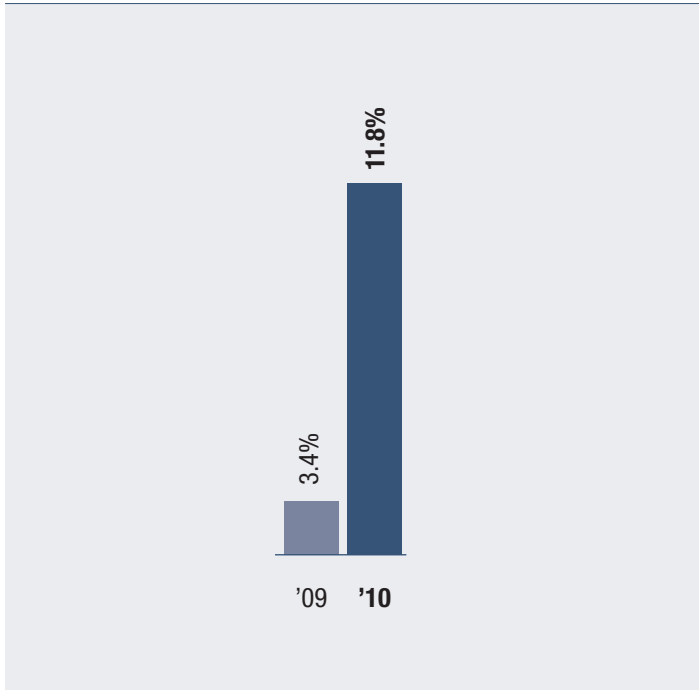
## HCF Portfolio Comparisons

Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
<b>TOTAL FUND</b>	<b>11.8%</b>	<b>7.1%</b>	<b>—%</b>	Barclays Capital Aggregate Index	9.5%	7.6%	—%

## HCF Investment Mix by Asset Class



## HCF Total Fund Performance | Two-Year Review, One-Year Returns





## Investment Performance – LTCF

Domestic and international equity securities had returns of approximately 14.4 percent and 7.6 percent for the 2009-10 fiscal year, compared to the negative returns of 26.4 percent and 31.1 percent for fiscal year 2008-09. CalPERS benchmark returns for fiscal year 2009-10 were 14.4 percent and 7.6 percent. CalPERS uses the Custom S&P 500 Index and FTSE Developed World ex US & Tobacco Index to provide a benchmark for domestic and international equity investment returns.

Domestic debt securities consist of fixed income, high yield and TIPS securities. Fixed income securities returned approximately 19.2 percent for the 2009-10 fiscal year. CalPERS benchmark return for the fiscal year 2009-10 was 13.4 percent. CalPERS uses the Barclays Long Liability Index for fixed income investment returns.

High yield securities returned approximately 28.7 percent for the 2009-10 fiscal year. CalPERS benchmark return for the fiscal year 2009-10 was 25.6 percent. TIPS securities returned approximately 9.2 percent for the 2009-10 fiscal year. CalPERS benchmark return for the fiscal year 2009-10 was 9.5 percent.

Real estate investments returned approximately 31.0 percent, compared to negative 45.5 percent for fiscal year 2008-09. CalPERS benchmark return for real estate investments for fiscal year 2009-10 was 31.1 percent. CalPERS uses the Wilshire RESI Index to provide a benchmark for real estate investment returns.

These benchmarks are representative of the returns that could be expected in a similar investing environment, and reflect the overall market environment.

### LTCF Portfolio Comparisons

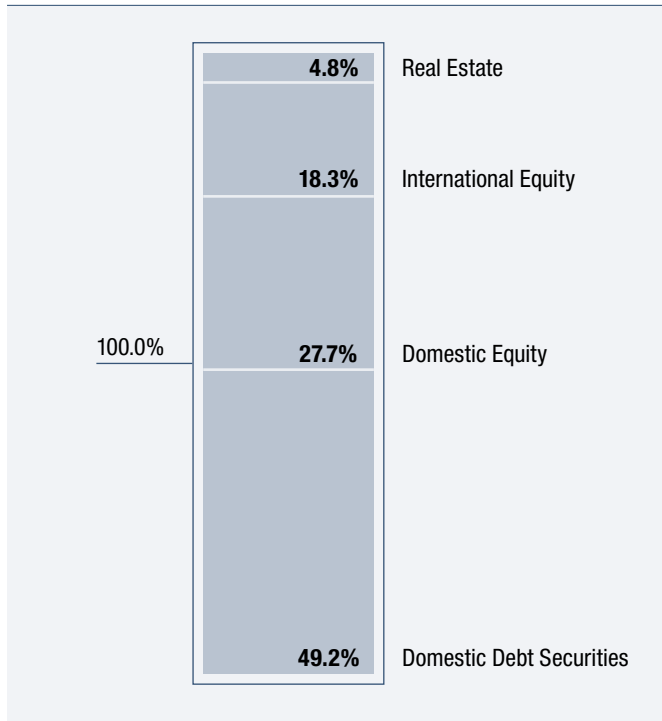
Category	1-Year Return	3-Year Return	5-Year Return	Index	1-Year Return	3-Year Return	5-Year Return
<b>TOTAL FUND</b>	<b>16.6%</b>	<b>(1.8%)</b>	<b>3.2%</b>	Weighted Policy Benchmark <sup>1</sup>	14.8%	(1.8%)	3.2%
				Actuarial Rate	6.4%	7.8%	7.8%
				Trust Universe Comparison Service (TUCS) Public Fund Median <sup>2</sup>	12.7%	(3.3%)	3.0%
Domestic Equity	14.4%	(10.0%)	(1.0%)	Custom S&P 500 Index <sup>3</sup>	14.4%	(10.0%)	(1.0%)
				TUCS Equity Median	16.3%	(8.3%)	0.6%
International Equity	7.6%	(12.1%)	1.8%	FTSE Developed World ex US & Tobacco Index	7.6%	(12.1%)	1.9%
Domestic Debt Securities							
Fixed Income	19.2%	9.2%	5.7%	Barclays Long Liability Index	13.4%	9.0%	5.9%
High Yield	28.7%	5.3%	6.9%	Barclays Long Liability Index High Yield	25.6%	6.0%	6.7%
TIPS	9.2%	8.0%	4.9%	Barclays Long Liability Index TIPS	9.5%	7.6%	4.7%
Real Estate	31.0%	(15.3%)	(3.7%)	Wilshire RESI Index	31.1%	(15.5%)	(3.9%)
				TUCS Real Estate Median	(7.0%)	(11.3%)	—%

#### Notes:

- <sup>1</sup> The Weighted Policy Benchmark returns for the LTCF are based on asset class index returns, weighted by asset class policy targets.
- <sup>2</sup> The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

- <sup>3</sup> The Custom Tobacco-Free S&P 500 Index is used as the benchmark for the U.S. equity segments of the LTCF, starting with the February 2001 performance.

**LTCF Investment Mix by Asset Class**



**LTCF Total Fund Performance | 10-Year Review, One-Year Returns**



# Actuarial Section

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119	Exhibit D: Sample Non-Economic Assumptions
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# Actuarial Certification

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June 30, 2010

## 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 defined benefit pension plans; the latest such valuations are as of June 30, 2009.

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 an 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 Statements No. 25 and No. 43. In our opinion, the actuarial assumptions are internally consistent and produce results which are reasonable in the aggregate.

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 H in the Actuarial Section of the CAFR.

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.  
*Chief Actuary, CalPERS*

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**Note:** Actuarial reports and supporting documents for the State, schools, and local agencies can be obtained through the CalPERS Actuarial and Employer Services Division, PO Box 942709, Sacramento, CA 94229-2709.

# Actuarial Methods & Assumptions

## ACTUARIAL METHODS

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

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

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

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

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

Annual actuarial valuations are performed each June 30 using these methods. This report contains information through the most recent valuation date of June 30, 2009.

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 and No. 43.

### Entry Age Normal Cost Method

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

The actuarial accrued liability for members currently receiving benefits, for active members beyond the assumed retirement age, and for inactive members entitled to deferred benefits is equal to the present value of the benefits expected to be paid. No normal costs are applicable for these participants.

The excess of the total actuarial accrued liability over the value of plan assets is called the unfunded actuarial accrued liability.

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

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

The 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. Gains and losses are tracked separately and amortized over a rolling 30-year period.

## Actuarial Methods & Assumptions (continued)

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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. There is a minimum employer contribution equal to normal cost, less 30-year amortization of surplus (negative unfunded liability), if any.

### 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.

### 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 is 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.

### Asset Valuation Method

In order to dampen the effect of short-term market value fluctuations on employer contribution rates, the following asset smoothing technique is used. First an Expected Value of Assets would be 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

would then be computed as the Expected Value of Assets plus one-fifteenth of the difference between the actual Market Value of Assets and the Expected Value of Assets as of the valuation date. Finally, the Actuarial Value of Assets is restricted to no less than 80 percent and no more than 120 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.

In December 2009, the CalPERS Board adopted changes to the asset smoothing method in order to phase in over a three-year period the impact of the negative 24.0 percent investment loss experienced by CalPERS in fiscal year 2008-09. The following changes were adopted for all public agency, the State and School plans:

- For the June 30, 2009 valuation increase the corridor limits for the actuarial value of assets from 80-120 percent to 60-140 percent of the market value of assets.
- For the June 30, 2010 valuation reduce the corridor limits for the actuarial value of assets to 70-130 percent of the market value of assets.
- And in the June 30, 2011 valuation and thereafter return to the 80-120 percent of market value corridor limits for the actuarial value of assets.

## 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 3.0 percent compounded annually. The inflation assumption is a component of assumed investment return, assumed wage growth, and assumed future post-retirement cost-of-living increases.

Based upon the asset allocation of the Public Employees' Retirement Fund (PERF), the assumed investment return (net of administrative and investment expenses) is 7.75 percent per year, compounded annually. Different asset allocations and lower assumed investment returns apply to LRF, JRF, and JRF II.

## Actuarial Methods & Assumptions (continued)

The assumed investment returns for these three plans are 7.0 percent, 4.5 percent, and 7.25 percent, respectively.

For plans within CalPERS, the overall payroll is assumed to increase 3.25 percent annually. This is based upon the 3.0 percent inflation assumption and a 0.25 percent per annum productivity increase assumption. The overall payroll growth assumption is used to project future payroll over which the unfunded liability is amortized.

For plans within CalPERS, the assumed growth in an individual employee's future pay is composed of the 3.0 percent inflation component, an additional 0.25 percent per annum productivity component, and an annual merit increase based on the member's length of service. The service-based merit increase in an individual's salary recognizes that larger salary increases tend to occur earlier in an employee's career. Pay increase assumptions for individual members are shown for sample lengths of service in Exhibit C.

### Non-Economic Assumptions

Non-economic assumptions for plans within the PERF are based upon demographic studies covering the period June 30, 1997 through June 30, 2007. 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 on CalPERS experience. These tables are used to estimate the value of benefits expected to be paid for service and disability retirements. For disability retirements, impaired longevity is recognized by a separate table. Sample life annuity values based on these tables are shown in Exhibit E.

## CHANGES SINCE PRIOR VALUATION

### Changes in Actuarial Methods

In December 2009, the CalPERS Board adopted changes to the asset smoothing method as well as changes to the Board policy on the amortization of gains and losses in order to phase in over a three-year period the impact of the negative 24.0 percent investment loss experienced by CalPERS in fiscal year 2008-09. The following changes were adopted for all plans:

- Increase the corridor limits for the actuarial value of assets from 80-120 percent of market value to 60-140 percent of market value on June 30, 2009.
- Reduce the corridor limits for the actuarial value of assets to 70-130 percent of market value on June 30, 2010.
- Return to the 80-120 percent of market value corridor limits for the actuarial value of assets on June 30, 2011 and thereafter.
- Isolate and amortize all gains and losses during fiscal year 2008-09, 2009-10 and 2010-11 over fixed and declining 30-year periods (as opposed to the current rolling 30-year amortization).

In addition, in February 2010, the CalPERS Board adopted a resolution requiring additional contributions for any plan if their cash flows hampered adequate funding progress by preventing the expected funded status on a market value of assets basis of the plan to either:

- Increase by at least 15 percent by June 30, 2043; or
- Reach a level of 75 percent funded by June 30, 2043.

### Changes in Actuarial Assumptions

In April 2010, the CalPERS Board approved new demographic actuarial assumptions for all plans for use in the June 30, 2009 actuarial valuations and beyond. The new actuarial assumptions were based on an experience study of CalPERS membership data for the 10-year period ending on June 30, 2007.

Overall, the new actuarial assumptions predict:

- Longer post-retirement life expectancy. The life expectancy of males at retirement is increasing on average by a full year while it is increasing on average by about 0.3 year for females.
- Slightly earlier retirement ages overall.
- Higher salary increases for members with longer service.
- Mixed results for other assumptions.

### Changes in Plan Provisions

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

# Summary of Funding Progress

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## **UNFUNDED LIABILITY & FUNDED RATIOS**

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

Because of inflation, comparing the dollar amounts of assets, benefits paid, member salaries, and unfunded actuarial accrued liabilities can be misleading. While no one or two measures can fully describe the financial condition of a plan, the ratio of a pension plan's actuarial value of assets to its liabilities provides a meaningful index. However, a better measure is the funded ratio based on the market value of assets. This is the true measure of a plan's

ability to pay benefits. The higher this ratio, the stronger the plan and observation of this ratio over a period of years can give an indication as to the financial strength of the system. Both these measures are presented in Exhibit A.

## **SOLVENCY TEST**

Exhibit B, Funding Progress — Solvency Test, demonstrates System solvency as measured under the Governmental Accounting Standards Board Statement No. 25.

## **INDEPENDENT REVIEW**

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



# Exhibit A: Funding Progress – Unfunded Liability & Funded Ratios

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) – Entry Age (2)	Unfunded AAL (UAAL) (Funding Excess) (2)–(1)	Funded Ratio – Actuarial Value of Assets Basis (1)÷(2)	Annual Covered Payroll (3)	UAAL as a % of Covered Payroll [(2)–(1)]÷(3)	Market Value of Assets (4)	Funded Ratio – Market Value of Assets Basis <sup>1</sup> (4)÷(2)
<b>PERF</b>								
6/30/00	\$162,439	\$135,970	(\$26,469)	119.5%	\$28,098	(94.2%)	\$172,163	126.6%
6/30/01	166,860	149,155	(17,705)	111.9	30,802	(57.5)	156,035	104.6
6/30/02	156,067	163,961	7,894	95.2	32,873	24.0	142,455	86.9
6/30/03	158,596	180,922	22,326	87.7	34,784	64.2	144,330	79.8
6/30/04	169,899	194,609	24,710	87.3	35,078	70.4	167,110	85.9
6/30/05	183,680	210,301	26,621	87.3	36,045	73.9	189,103	89.9
6/30/06	199,033	228,131	29,098	87.2	38,047	76.5	211,188	92.6
6/30/07	216,484	248,224	31,740	87.2	40,864	77.7	251,162	101.2
6/30/08	233,272	268,324	35,052	86.9	44,236	79.2	238,041	88.7
6/30/09	244,964	294,042	49,078 <sup>2</sup>	83.3	45,100	108.8	178,860	60.8
<b>LRF</b>								
6/30/07	\$142	\$102	(\$40)	139.2%	\$2	(2,000.0%)	\$142	139.2%
6/30/08	142	103	(39)	137.9	2	(1,950.0)	134	130.1
6/30/09	134	112	(22)	119.6	2	(1,100.0)	112	100.0
<b>JRF</b>								
6/30/07	\$12	\$2,714	\$2,702	0.4%	\$119	2,270.6%	\$12	0.4%
6/30/08	19	3,607	3,588	0.5	111	3,232.4	19	0.5
6/30/09	41	3,583	3,542	1.1	97	3,651.5	41	1.1
<b>JRF II</b>								
6/30/00	\$41	\$42	\$1	97.6%	\$43	2.3%	\$41	97.6%
6/30/01	56	61	5	91.8	62	8.1	52	85.2
6/30/02	72	76	4	94.7	73	5.5	65	85.5
6/30/03	96	105	9	91.4	87	10.3	91	86.7
6/30/04	129	138	9	93.5	99	9.1	129	93.5
6/30/05	168	178	10	94.4	112	8.9	172	96.6
6/30/06	213	220	7	96.8	125	5.6	219	99.5
6/30/07	268	295	27	90.8	156	17.3	291	98.6
6/30/08	335	367	32	91.3	175	18.3	325	88.6
6/30/09	379	451	72	84.0	199	36.2	316	70.1
<b>CERBTf</b>								
6/30/07	\$11	\$24	\$13	45.8%	\$37	35.1%	\$11	45.8%
6/30/08	48	4,845	4,797	1.0	5,092	94.2	48	1.0
6/30/09 <sup>3</sup>	873	10,462	9,589	8.3	9,307	103.0	845	8.1

## Notes:

<sup>1</sup> The funded ratio based on the market value of assets is the true measure of the plan's ability to pay benefits.

<sup>2</sup> The Unfunded Actuarial Accrued Liability (the total Actuarial Liability in excess of actuarial value of assets) of the PERF by major employer group from the June 30, 2009 valuation is as follows: 1) \$23,483 for the State of California, 2) \$5,777 for schools, and 3) \$19,818 for public agencies.

<sup>3</sup> The amounts previously reported as of June 30, 2009 in the fiscal year 2008-09 financial statements were revised to reflect the valuation results for new plan participants. The revised data reflects the individual actuarial valuations of 258 employers participating in the CERBTf as of June 30, 2010, aligned to a measurement date of June 30, 2009 in compliance with GASB Statement 57.

## Exhibit A: Funding Progress – Unfunded Liability & Funded Ratios (continued)

### 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, 2009.

	PERF	LRF	JRF	JRF II
<b>Net Assets Held in Trust for Pension Benefits Less:</b>	<b>\$178,899,883,000<sup>3</sup></b>	<b>\$111,787,000</b>	<b>\$46,386,000</b>	<b>\$315,517,000</b>
Prior Year Adjustment	455,666,847	0	0	0
Member Additional Contributions	2,874,189	0	0	0
Reserve for Post-Retirement Redeposit	43,270,308	0	0	0
Reserve for Disability Installment Payments	66,914	0	0	0
Reserve for Purchasing Power Protection Account	0	0	0	0
Reserve for Deficiencies	375,064,888	0	0	0
Reserve for Fiduciary Self-Insurance	40,000,000	0	0	0
Other Reserves & Adjustment <sup>1</sup>	(46,074,610)	(42,164)	4,996,000	(59,685)
Receivable for Tier 1 Conversion & Service Buyback <sup>2</sup>	(830,873,535)	0	0	0
Difference Between Smoothed Market Value & Fair Value	(66,104,023,000)	(22,365,836)	0	(63,115,315)
<b>ACTUARIAL VALUE OF ASSETS</b>	<b>\$244,963,911,000</b>	<b>\$134,195,000</b>	<b>\$41,390,000</b>	<b>\$378,692,000</b>

#### Notes:

- <sup>1</sup> Includes an OPEB expense that was charged against the fund but ignored in the actuarial valuation.
- <sup>2</sup> The market value of assets and the actuarial value of assets used in the actuarial valuation include receivables from members who purchased years of service and are paying for it over time, as well as receivables for State members who would potentially convert their service from Second Tier to First Tier anytime prior to retirement.
- <sup>3</sup> The beginning Net Assets were restated due to implementation of GASB Statement 51 which will be reflected in the Actuarial Valuation as of June 30, 2010.

## 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, JRF, JRF II, and LRF.

Valuation Date	Accrued Liability				Valuation Assets	Portion of Actuarial Accrued Liabilities Covered by Valuation Assets			
	Member Contributions <sup>1</sup> (1)	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Total Accrued Liability (1) + (2) + (3)			(1)	(2)	(3)
<b>PERF</b> (Dollars in Billions)									
6/30/04	\$29.4	\$92.5	\$72.7	\$194.6	\$169.9	100%	100%	66.0%	
6/30/05	31.3	103.0	76.0	210.3	183.7	100	100	65.0	
6/30/06	31.6	111.4	85.1	228.1	199.0	100	100	65.8	
6/30/07	34.1	123.0	91.2	248.2	216.5	100	100	65.2	
6/30/08	36.7	133.8	97.8	268.3	233.3	100	100	64.2	
6/30/09	39.1	146.8	108.2	294.1	245.0	100	100	54.6	
<b>LRF</b> (Dollars in Millions)									
6/30/07	\$1.365	\$95.661	\$4.546	\$101.571	\$141.603	100%	100%	980.6%	
6/30/08	1.367	95.765	5.904	103.036	142.351	100	100	765.8	
6/30/09	1.047	105.002	5.849	111.898	134.195	100	100	481.2	
<b>JRF</b> (Dollars in Millions)									
6/30/07	\$118.940	\$1,773.682	\$821.019	\$2,713.640	\$11.672	10%	0.0%	0.0%	
6/30/08	114.128	1,883.956	1,608.761	3,606.845	19.289	17	0.0	0.0	
6/30/09	105.851	1,949.177	1,527.964	3,582.992	41.390	39	0.0	0.0	
<b>JRF II</b> (Dollars in Millions)									
6/30/04	\$37.557	\$1.223	\$98.923	\$137.704	\$129.153	100%	100%	91.4%	
6/30/05	51.211	1.786	124.764	177.761	167.556	100	100	91.8	
6/30/06	65.048	5.710	149.376	220.135	212.904	100	100	95.2	
6/30/07	81.693	5.340	207.950	294.983	267.604	100	100	86.8	
6/30/08	107.497	10.610	248.407	366.514	334.903	100	100	87.3	
6/30/09	121.016	13.191	316.339	450.546	378.692	100	100	77.3	

**Note:**

<sup>1</sup> Includes accrued interest on member contributions.

# Exhibit C: Sample Pay Increase Assumptions for Individual Members

## Annual Percentage Increases by Duration of Service<sup>1</sup>

Duration of Service	State Miscellaneous First & Second Tier			State Industrial First & Second Tier			State Safety		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	13.35%	10.95%	8.25%	9.55%	8.85%	8.25%	7.55%	7.35%	7.15%
3	8.95	8.05	6.55	8.15	7.75	7.35	6.15	5.65	4.85
5	7.25	6.75	5.85	7.35	7.15	6.95	5.55	5.05	4.05
10	4.95	4.85	4.45	6.05	5.85	5.75	4.85	4.35	3.55
15	4.25	4.15	3.95	5.15	5.05	4.95	4.35	4.05	3.45
20	3.85	3.85	3.75	4.55	4.45	4.35	3.95	3.75	3.45
25	3.75	3.75	3.65	3.85	3.85	3.85	3.85	3.75	3.45
30	3.75	3.75	3.65	3.85	3.85	3.85	3.85	3.75	3.45

Duration of Service	State Peace Officer/Firefighter			California Highway Patrol			School		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	19.95%	18.55%	16.85%	9.05%	9.05%	9.05%	11.05%	9.85%	8.45%
3	9.05	8.85	8.25	6.25	6.25	6.25	7.75	7.25	6.45
5	6.85	6.65	6.05	5.15	5.15	5.15	6.55	6.25	5.55
10	4.65	4.55	4.35	3.95	3.95	3.95	4.75	4.65	4.35
15	4.15	4.05	4.05	3.75	3.75	3.75	4.15	4.05	3.75
20	3.85	3.75	3.75	3.65	3.65	3.65	3.85	3.75	3.45
25	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.45
30	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.45

Duration of Service	Public Agency Miscellaneous			Public Agency Fire			Public Agency Police		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	14.45%	12.65%	10.05%	10.75%	10.75%	10.45%	11.15%	11.15%	11.15%
3	9.05	8.25	6.95	8.25	7.75	6.25	7.45	7.25	6.65
5	7.25	6.75	5.85	7.15	6.45	4.75	6.15	5.75	5.05
10	5.05	4.85	4.35	5.35	4.85	3.75	4.75	4.45	3.65
15	4.55	4.35	3.85	4.35	4.15	3.65	4.35	4.15	3.55
20	4.15	3.95	3.55	3.95	3.85	3.55	3.95	3.85	3.55
25	3.85	3.85	3.55	3.75	3.75	3.55	3.75	3.65	3.55
30	3.85	3.85	3.55	3.75	3.75	3.55	3.75	3.65	3.55

Duration of Service	Public Agency County Peace Officer		
	Entry Age 20	Entry Age 30	Entry Age 40
0	13.15%	13.15%	13.15%
3	8.45	7.95	7.35
5	6.85	6.25	5.55
10	4.85	4.45	4.05
15	4.35	4.05	3.85
20	3.95	3.85	3.65
25	3.75	3.65	3.55
30	3.75	3.65	3.55

### Note:

<sup>1</sup> Increase includes the assumed inflation rate of 3.0 percent per year.

# Exhibit D: Sample Non-Economic Assumptions

## State Miscellaneous First Tier | Probability of an active member leaving due to:

AGE <sup>1</sup>	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years <sup>2</sup>	5 Years <sup>2</sup>	10 Years <sup>2</sup>	25 Years <sup>2</sup>	Male	Female	Male	Female	Male & Female	Male & Female
20	0.01040	0.05560	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.00940	0.05040	N/A	N/A	0.00050	0.00026	0.00020	0.00010	N/A	N/A
30	0.00840	0.04520	N/A	N/A	0.00053	0.00036	0.00030	0.00048	N/A	N/A
35	0.00750	0.04000	N/A	N/A	0.00067	0.00046	0.00050	0.00127	N/A	N/A
40	0.00650	0.03490	N/A	N/A	0.00087	0.00065	0.00120	0.00233	N/A	N/A
45	0.00550	0.00000	N/A	N/A	0.00120	0.00093	0.00220	0.00396	N/A	N/A
50	0.00460	0.00000	0.01100	0.02300	0.00176	0.00126	0.00380	0.00554	N/A	N/A
55	0.00360	0.00000	0.04800	0.10100	0.00260	0.00176	0.00400	0.00494	N/A	N/A
56	0.00340	0.00000	0.03800	0.08100	0.00287	0.00194	0.00380	0.00464	N/A	N/A
57	0.00320	0.00000	0.04800	0.10200	0.00314	0.00212	0.00350	0.00431	N/A	N/A
58	0.00300	0.00000	0.05000	0.10600	0.00341	0.00230	0.00320	0.00395	N/A	N/A
59	0.00280	0.00000	0.05900	0.12400	0.00368	0.00248	0.00290	0.00355	N/A	N/A
60	0.00260	0.00000	0.07000	0.14800	0.00395	0.00266	0.00260	0.00312	N/A	N/A
61	0.00240	0.00000	0.08700	0.18400	0.00437	0.00297	0.00230	0.00312	N/A	N/A
62	0.00220	0.00000	0.12500	0.26600	0.00480	0.00327	0.00210	0.00312	N/A	N/A
63	0.00200	0.00000	0.15000	0.31800	0.00523	0.00358	0.00190	0.00312	N/A	N/A
64	0.00190	0.00000	0.12400	0.26200	0.00565	0.00389	0.00170	0.00312	N/A	N/A
65	0.00170	0.00000	0.14500	0.30700	0.00608	0.00419	0.00150	0.00312	N/A	N/A
70	0.00070	0.00000	0.13400	0.28400	0.00914	0.00649	0.00150	0.00312	N/A	N/A

## State Miscellaneous Second Tier | Probability of an active member leaving due to:

AGE <sup>1</sup>	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement <sup>3</sup>		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years <sup>2</sup>	5 Years <sup>2</sup>	10 Years <sup>2</sup>	25 Years <sup>2</sup>	Male	Female	Male	Female	Male & Female	Male & Female
20	0.08430	0.05890	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.07800	0.05260	N/A	N/A	0.00050	0.00026	0.00020	0.00010	N/A	N/A
30	0.07170	0.04630	N/A	N/A	0.00053	0.00036	0.00030	0.00048	N/A	N/A
35	0.06540	0.04000	N/A	N/A	0.00067	0.00046	0.00050	0.00127	N/A	N/A
40	0.05910	0.00000	N/A	N/A	0.00087	0.00065	0.00120	0.00233	N/A	N/A
45	0.05280	0.00000	N/A	N/A	0.00120	0.00093	0.00220	0.00396	N/A	N/A
50	0.04650	0.00000	0.01100	0.02300	0.00176	0.00126	0.00380	0.00554	N/A	N/A
55	0.04020	0.00000	0.04800	0.10100	0.00260	0.00176	0.00400	0.00494	N/A	N/A
56	0.03900	0.00000	0.03800	0.08100	0.00287	0.00194	0.00380	0.00464	N/A	N/A
57	0.03770	0.00000	0.04800	0.10200	0.00314	0.00212	0.00350	0.00431	N/A	N/A
58	0.03650	0.00000	0.05000	0.10600	0.00341	0.00230	0.00320	0.00395	N/A	N/A
59	0.03520	0.00000	0.05900	0.12400	0.00368	0.00248	0.00290	0.00355	N/A	N/A
60	0.03390	0.00000	0.07000	0.14800	0.00395	0.00266	0.00260	0.00312	N/A	N/A
61	0.03270	0.00000	0.08700	0.18400	0.00437	0.00297	0.00230	0.00312	N/A	N/A
62	0.03140	0.00000	0.12500	0.26600	0.00480	0.00327	0.00210	0.00312	N/A	N/A
63	0.03020	0.00000	0.15000	0.31800	0.00523	0.00358	0.00190	0.00312	N/A	N/A
64	0.02890	0.00000	0.12400	0.26200	0.00565	0.00389	0.00170	0.00312	N/A	N/A
65	0.02770	0.00000	0.14500	0.30700	0.00608	0.00419	0.00150	0.00312	N/A	N/A
70	0.02140	0.00000	0.13400	0.28400	0.00914	0.00649	0.00150	0.00312	N/A	N/A

### Notes:

<sup>1</sup> Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

<sup>2</sup> Years of service.

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

Exhibit D: Sample Non-Economic Assumptions (continued)

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

YRS <sup>1</sup>	Termination with Refund	AGE <sup>2</sup>	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years <sup>1</sup>	10 Years <sup>1</sup>	25 Years <sup>1</sup>	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.01290	20	0.00930	N/A	N/A	0.00047	0.00016	0.00014	0.00003	0.00104	
1	0.01240	25	0.00930	N/A	N/A	0.00050	0.00026	0.00014	0.00007	0.00196	
2	0.01210	30	0.00930	N/A	N/A	0.00053	0.00036	0.00014	0.00010	0.00288	
3	0.01160	35	0.00930	N/A	N/A	0.00067	0.00046	0.00014	0.00012	0.00380	
4	0.01130	40	0.00930	N/A	N/A	0.00087	0.00065	0.00014	0.00013	0.00483	
5	0.00400	45	0.00000	N/A	N/A	0.00120	0.00093	0.00028	0.00014	0.00575	
6	0.00380	50	0.00000	0.00440	0.01320	0.00176	0.00126	0.00028	0.00015	0.00667	
7	0.00360	55	0.00000	0.02800	0.08400	0.00260	0.00176	0.00028	0.00016	0.11890	
8	0.00340	56	0.00000	0.02710	0.08130	0.00287	0.00194	0.00028	0.00016	0.11890	
9	0.00310	57	0.00000	0.02990	0.08970	0.00314	0.00212	0.00028	0.00016	0.11890	
10	0.00290	58	0.00000	0.02990	0.06860	0.00341	0.00230	0.00028	0.00017	0.11890	
15	0.00190	59	0.00000	0.04530	0.13580	0.00368	0.00248	0.00028	0.00017	0.11890	
20	0.00110	60	0.00000	1.00000	1.00000	0.00395	0.00266	0.00028	0.00017	0.11890	
25	0.00060	61	0.00000	1.00000	1.00000	0.00437	0.00297	0.00028	0.00017	0.11890	
30	0.00030	62	0.00000	1.00000	1.00000	0.00480	0.00327	0.00028	0.00017	0.11890	
35	0.00030	63	0.00000	1.00000	1.00000	0.00523	0.00358	0.00028	0.00018	0.11890	
40	0.00030	64	0.00000	1.00000	1.00000	0.00565	0.00389	0.00028	0.00018	0.11890	
45	0.00030	65	0.00000	1.00000	1.00000	0.00608	0.00419	0.00028	0.00018	0.11890	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00028	0.00019	0.11890	

**School** | Probability of an active member leaving due to:

AGE <sup>3</sup>	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years <sup>2</sup>	5 Years <sup>2</sup>	10 Years <sup>2</sup>	25 Years <sup>2</sup>	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02780	0.08160	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.02490	0.07330	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.02210	0.06490	N/A	N/A	0.00053	0.00036	0.00018	0.00010	N/A	N/A
35	0.01920	0.05660	N/A	N/A	0.00067	0.00046	0.00064	0.00038	N/A	N/A
40	0.01640	0.04820	N/A	N/A	0.00087	0.00065	0.00136	0.00094	N/A	N/A
45	0.01350	0.00000	N/A	N/A	0.00120	0.00093	0.00283	0.00171	N/A	N/A
50	0.01070	0.00000	0.00900	0.01600	0.00176	0.00126	0.00439	0.00299	N/A	N/A
55	0.00780	0.00000	0.04800	0.08800	0.00260	0.00176	0.00489	0.00335	N/A	N/A
56	0.00730	0.00000	0.03900	0.07200	0.00287	0.00194	0.00484	0.00323	N/A	N/A
57	0.00670	0.00000	0.04200	0.07800	0.00314	0.00212	0.00474	0.00305	N/A	N/A
58	0.00620	0.00000	0.05000	0.09200	0.00341	0.00230	0.00459	0.00283	N/A	N/A
59	0.00560	0.00000	0.05700	0.10500	0.00368	0.00248	0.00441	0.00260	N/A	N/A
60	0.00500	0.00000	0.07300	0.13400	0.00395	0.00266	0.00425	0.00239	N/A	N/A
61	0.00450	0.00000	0.09000	0.16600	0.00437	0.00297	0.00410	0.00219	N/A	N/A
62	0.00390	0.00000	0.15100	0.27800	0.00480	0.00327	0.00398	0.00201	N/A	N/A
63	0.00330	0.00000	0.13600	0.25100	0.00523	0.00358	0.00388	0.00182	N/A	N/A
64	0.00270	0.00000	0.13300	0.24400	0.00565	0.00389	0.00382	0.00164	N/A	N/A
65	0.00220	0.00000	0.18000	0.33100	0.00608	0.00419	0.00378	0.00146	N/A	N/A
70	0.00030	0.00000	0.13100	0.24100	0.00914	0.00649	0.00395	0.00075	N/A	N/A

**Notes:**

<sup>1</sup> Years of service.

<sup>2</sup> Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

<sup>3</sup> Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

**State Safety** | Probability of an active member leaving due to:

YRS <sup>1</sup>	Termination with Refund	AGE <sup>2</sup>	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years <sup>1</sup>	10 Years <sup>1</sup>	25 Years <sup>1</sup>	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.13130	20	0.03690	N/A	N/A	0.00047	0.00016	0.00036	0.00003	0.00024	
1	0.09670	25	0.03690	N/A	N/A	0.00050	0.00026	0.00054	0.00007	0.00108	
2	0.06220	30	0.03690	N/A	N/A	0.00053	0.00036	0.00063	0.00010	0.00216	
3	0.04610	35	0.03690	N/A	N/A	0.00067	0.00046	0.00072	0.00012	0.00324	
4	0.03740	40	0.03690	N/A	N/A	0.00087	0.00065	0.00072	0.00013	0.00432	
5	0.00800	45	0.00000	N/A	N/A	0.00120	0.00093	0.00108	0.00014	0.00528	
6	0.00750	50	0.00000	0.02100	0.03700	0.00176	0.00126	0.00216	0.00015	0.00636	
7	0.00710	55	0.00000	0.07000	0.12400	0.00260	0.00176	0.00306	0.00016	0.00960	
8	0.00660	56	0.00000	0.06400	0.11300	0.00287	0.00194	0.00324	0.00016	0.00960	
9	0.00620	57	0.00000	0.05800	0.10300	0.00314	0.00212	0.00342	0.00016	0.00960	
10	0.00580	58	0.00000	0.06800	0.12000	0.00341	0.00230	0.00351	0.00017	0.00960	
15	0.00390	59	0.00000	0.06700	0.11800	0.00368	0.00248	0.00369	0.00017	0.00960	
20	0.00250	60	0.00000	0.07200	0.12800	0.00395	0.00266	0.00387	0.00017	0.00960	
25	0.00130	61	0.00000	0.09600	0.17000	0.00437	0.00297	0.00396	0.00017	0.00960	
30	0.00090	62	0.00000	0.11700	0.20800	0.00480	0.00327	0.00414	0.00017	0.00960	
35	0.00090	63	0.00000	0.11100	0.19700	0.00523	0.00358	0.00432	0.00018	0.00960	
40	0.00090	64	0.00000	0.12000	0.21300	0.00565	0.00389	0.00441	0.00018	0.00960	
45	0.00090	65	0.00000	0.16000	0.28400	0.00608	0.00419	0.00459	0.00018	0.00960	
50	0.00000	70	0.00000	0.14400	0.25500	0.00914	0.00649	0.00459	0.00019	0.00960	

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

YRS <sup>1</sup>	Termination with Refund	AGE <sup>2</sup>	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years <sup>1</sup>	10 Years <sup>1</sup>	25 Years <sup>1</sup>	Male	Female	Male & Female	Male & Female	Male & Female	
0	0.12170	20	0.01730	N/A	N/A	0.00047	0.00016	0.00010	0.00003	0.00030	
1	0.07790	25	0.01730	N/A	N/A	0.00050	0.00026	0.00010	0.00007	0.00150	
2	0.04310	30	0.01730	N/A	N/A	0.00053	0.00036	0.00010	0.00010	0.00300	
3	0.03530	35	0.01730	N/A	N/A	0.00067	0.00046	0.00020	0.00012	0.00450	
4	0.02750	40	0.01730	N/A	N/A	0.00087	0.00065	0.00040	0.00013	0.00600	
5	0.00560	45	0.00000	N/A	N/A	0.00120	0.00093	0.00060	0.00014	0.00750	
6	0.00520	50	0.00000	0.02000	0.05200	0.00176	0.00126	0.00098	0.00015	0.00900	
7	0.00490	55	0.00000	0.07800	0.20200	0.00260	0.00176	0.00143	0.00016	0.02080	
8	0.00460	56	0.00000	0.07000	0.18100	0.00287	0.00194	0.00150	0.00016	0.02080	
9	0.00420	57	0.00000	0.05800	0.15100	0.00314	0.00212	0.00158	0.00016	0.02080	
10	0.00390	58	0.00000	0.06600	0.17000	0.00341	0.00230	0.00165	0.00017	0.02080	
15	0.00250	59	0.00000	0.06300	0.16200	0.00368	0.00248	0.00180	0.00017	0.02080	
20	0.00150	60	0.00000	0.06700	0.17400	0.00395	0.00266	0.00188	0.00017	0.02080	
25	0.00060	61	0.00000	0.07000	0.18200	0.00437	0.00297	0.00195	0.00017	0.02080	
30	0.00030	62	0.00000	0.11600	0.30100	0.00480	0.00327	0.00203	0.00017	0.02080	
35	0.00030	63	0.00000	0.10700	0.27700	0.00523	0.00358	0.00218	0.00018	0.02080	
40	0.00030	64	0.00000	0.13700	0.35500	0.00565	0.00389	0.00225	0.00018	0.02080	
45	0.00030	65	0.00000	0.13200	0.34100	0.00608	0.00419	0.00233	0.00018	0.02080	
50	0.00000	70	0.00000	1.00000	1.00000	0.00914	0.00649	0.00233	0.00019	0.02080	

**Notes:**

<sup>1</sup> Years of service.

<sup>2</sup> Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

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

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

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

**Notes:**

<sup>1</sup> Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

<sup>2</sup> Years of service.



Exhibit D: Sample Non-Economic Assumptions (continued)

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

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

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

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

**Notes:**

<sup>1</sup> Age for Termination with Refund and Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

<sup>2</sup> Years of service.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

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

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

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

**Notes:**

<sup>1</sup> Years of service.

<sup>2</sup> Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

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

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

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

**Notes:**

<sup>1</sup> Years of service.

<sup>2</sup> Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

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

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

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

**Notes:**

<sup>1</sup> Years of service.

<sup>2</sup> Age for Termination with Vested Deferred Benefits means Entry Age. For all other decrements, age means Attained Age.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

Age	Healthy Recipients		Non-Industrially Disabled (Not Job Related)		Industrially Disabled (Job Related)	
	Male	Female	Male	Female	Male	Female
50	0.00239	0.00125	0.01632	0.01245	0.00443	0.00356
55	0.00474	0.00243	0.01936	0.01580	0.00563	0.00546
60	0.00720	0.00431	0.02293	0.01628	0.00777	0.00798
65	0.01069	0.00775	0.03174	0.01969	0.01388	0.01184
70	0.01675	0.01244	0.03870	0.03019	0.02236	0.01716
75	0.03080	0.02071	0.06001	0.03915	0.03585	0.02665
80	0.05270	0.03749	0.08388	0.05555	0.06926	0.04528
85	0.09775	0.07005	0.14035	0.09577	0.11799	0.08017
90	0.16747	0.12404	0.21554	0.14949	0.16575	0.13775
95	0.25659	0.21556	0.31025	0.23055	0.26108	0.23331
100	0.34551	0.31876	0.45905	0.37662	0.40918	0.35165

## Exhibit E: Single Life Retirement Values

Present value of \$1 monthly increasing 2 percent annually after two-year waiting period. Interest Rate of 7.75 Percent

Age	Service Retirement		Non-Industrial Disability Retirement		Industrial Disability Retirement	
	Male	Female	Male	Female	Male	Female
50	167.360	174.756	139.070	149.288	162.747	167.135
51	165.247	172.875	137.292	147.661	160.703	165.210
52	163.088	170.915	135.393	146.153	158.603	163.222
53	160.878	168.878	133.371	144.711	156.412	161.172
54	158.611	166.762	131.355	143.223	154.106	159.059
55	156.284	164.568	129.316	141.650	151.677	156.885
56	153.896	162.297	127.230	139.986	149.145	154.650
57	151.440	159.943	125.058	138.223	146.540	152.347
58	148.910	157.520	122.776	136.342	143.862	149.987
59	146.300	155.023	120.400	134.324	141.076	147.561
60	143.598	152.418	117.939	132.161	138.141	145.043
61	140.793	149.725	115.416	129.867	135.068	142.448
62	137.885	146.948	112.869	127.409	131.931	139.776
63	134.856	144.074	110.309	124.780	128.761	137.017
64	131.704	141.131	107.756	122.003	125.564	134.191
65	128.435	138.121	105.197	119.173	122.307	131.295
70	111.268	122.012	91.566	105.368	105.080	115.732
75	92.366	103.728	75.614	90.535	86.034	98.103
80	73.100	83.866	60.674	74.202	67.125	79.165
85	54.902	64.298	44.846	56.692	52.323	60.598
90	39.776	46.689	33.816	43.425	39.726	43.967
95	29.407	32.888	24.249	30.449	27.820	30.732
100	21.460	22.888	16.320	19.647	18.233	20.974

## Exhibit F: History of Member Salary Data

Valuation Date	Number of Active Members	Annual Covered Payroll (In Millions)	Average Annual Salary	% Increase In Average Pay
6/30/03	778,203	\$34,784	\$44,697	4.3%
6/30/04	760,498	35,078	46,126	3.2
6/30/05	756,234	36,045	47,664	3.3
6/30/06	767,127	38,047	49,597	4.0
6/30/07	793,164	40,864	51,521	3.9
6/30/08	813,474	44,236	54,379	5.5
6/30/09	812,864	45,053	55,425	1.9

# Exhibit G: Members in Valuation

## State Miscellaneous First Tier | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	1,703	18	—	—	—	—	1,721	\$57,310,629
25-29	6,533	1,182	28	—	—	—	7,743	330,243,178
30-34	6,482	4,356	800	57	—	—	11,695	609,640,426
35-39	5,882	6,117	2,595	813	66	—	15,473	907,704,442
40-44	5,226	6,243	3,283	3,120	1,298	77	19,247	1,193,448,601
45-49	4,726	6,423	3,611	4,143	3,856	1,976	24,735	1,583,945,696
50-54	4,178	5,852	3,445	3,984	4,454	6,516	28,429	1,851,112,324
55-59	3,296	4,357	2,782	3,353	3,620	6,958	24,366	1,624,991,299
60-64	1,701	2,491	1,625	1,963	1,926	3,625	13,331	902,998,419
65 & up	698	1,079	694	662	638	1,036	4,807	327,209,751
<b>TOTAL</b>	<b>40,425</b>	<b>38,118</b>	<b>18,863</b>	<b>18,095</b>	<b>15,858</b>	<b>20,188</b>	<b>151,547</b>	<b>\$9,388,604,765</b>

## State Miscellaneous Second Tier | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	1	—	—	—	—	—	1	\$46,188
25-29	29	10	9	—	—	—	48	2,193,133
30-34	35	152	175	3	—	—	365	17,969,684
35-39	52	179	567	189	7	—	994	51,561,283
40-44	43	198	611	490	114	1	1,457	75,796,039
45-49	46	156	563	502	267	87	1,621	87,776,559
50-54	23	146	498	397	267	235	1,566	83,488,730
55-59	31	86	304	299	171	260	1,151	62,889,951
60-64	9	64	180	168	79	132	632	33,293,881
65 & up	15	39	70	62	29	40	255	12,891,633
<b>TOTAL</b>	<b>284</b>	<b>1,030</b>	<b>2,977</b>	<b>2,110</b>	<b>934</b>	<b>755</b>	<b>8,090</b>	<b>\$427,907,081</b>

## State Industrial First & Second Tier | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	260	1	—	—	—	—	261	\$8,650,910
25-29	733	96	—	—	—	—	829	30,914,150
30-34	716	249	63	1	—	—	1,029	43,718,866
35-39	695	375	193	62	1	—	1,326	62,256,983
40-44	737	410	237	148	37	1	1,570	77,387,866
45-49	713	430	301	227	120	42	1,833	94,362,401
50-54	637	362	338	228	163	70	1,798	95,776,922
55-59	418	253	239	180	123	69	1,282	72,316,320
60-64	201	154	154	91	57	22	679	39,226,230
65 & up	50	47	58	37	18	6	216	13,653,062
<b>TOTAL</b>	<b>5,160</b>	<b>2,377</b>	<b>1,583</b>	<b>974</b>	<b>519</b>	<b>210</b>	<b>10,823</b>	<b>\$538,263,710</b>

**NOTE:** 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)

**State Safety** | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	460	7	—	—	—	—	467	\$21,232,464
25-29	1,355	113	1	—	—	—	1,469	76,741,059
30-34	1,778	398	27	—	—	—	2,203	140,472,744
35-39	2,060	645	180	23	—	—	2,908	210,520,228
40-44	1,961	824	382	98	19	—	3,284	230,878,769
45-49	1,944	998	608	271	121	9	3,951	284,564,740
50-54	1,814	1,206	832	407	235	57	4,551	347,420,981
55-59	1,420	937	796	352	208	72	3,785	309,142,517
60-64	728	617	498	260	120	37	2,260	197,330,181
65 & up	269	252	258	129	57	20	985	102,741,068
<b>TOTAL</b>	<b>13,789</b>	<b>5,997</b>	<b>3,582</b>	<b>1,540</b>	<b>760</b>	<b>195</b>	<b>25,863</b>	<b>\$1,921,044,751</b>

**California Highway Patrol** | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	241	—	—	—	—	—	241	\$16,798,535
25-29	677	123	1	—	—	—	801	62,536,416
30-34	497	672	167	1	—	—	1,337	115,619,176
35-39	224	587	760	150	—	—	1,721	158,306,492
40-44	27	147	500	377	314	1	1,366	133,445,832
45-49	—	—	117	217	479	360	1,173	124,663,208
50-54	—	2	31	50	153	337	573	63,506,392
55-59	1	—	9	11	23	79	123	13,241,551
60-64	—	—	—	—	—	—	—	—
65 & up	—	—	—	—	—	—	—	—
<b>TOTAL</b>	<b>1,667</b>	<b>1,531</b>	<b>1,585</b>	<b>806</b>	<b>969</b>	<b>777</b>	<b>7,335</b>	<b>\$688,117,602</b>

**State Peace Officer/Firefighter** | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	1,931	1	—	—	—	—	1,932	\$68,810,555
25-29	4,416	777	1	—	—	—	5,194	274,887,257
30-34	2,958	2,921	593	3	—	—	6,475	420,733,356
35-39	2,152	2,518	2,691	585	3	—	7,949	570,708,605
40-44	1,452	1,690	2,328	1,845	663	9	7,987	606,951,243
45-49	994	1,154	1,651	1,752	2,331	687	8,569	695,053,679
50-54	494	631	1,026	1,019	1,247	671	5,088	419,152,209
55-59	205	364	540	528	618	338	2,593	214,631,845
60-64	73	114	229	239	208	124	987	80,868,597
65 & up	12	20	48	56	57	20	213	17,461,247
<b>TOTAL</b>	<b>14,687</b>	<b>10,190</b>	<b>9,107</b>	<b>6,027</b>	<b>5,127</b>	<b>1,849</b>	<b>46,987</b>	<b>\$3,369,258,593</b>

**Note:** 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)

**School** | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	11,464	56	—	—	—	—	11,520	\$222,635,693
25-29	17,975	3,437	1	—	—	—	21,413	573,926,908
30-34	14,787	9,235	106	2	—	—	24,130	781,721,494
35-39	14,900	13,152	253	29	2	—	28,336	955,382,294
40-44	17,423	18,577	308	106	19	2	36,435	1,254,027,660
45-49	18,652	27,945	406	148	82	34	47,267	1,699,826,481
50-54	15,727	35,263	559	218	144	137	52,048	1,960,549,081
55-59	11,031	31,815	603	203	127	131	43,910	1,713,919,384
60-64	5,642	18,310	372	113	73	78	24,588	947,300,960
65 & up	2,801	6,376	132	40	23	47	9,419	312,072,298
<b>TOTAL</b>	<b>130,402</b>	<b>164,166</b>	<b>2,740</b>	<b>859</b>	<b>470</b>	<b>429</b>	<b>299,066</b>	<b>\$10,421,362,253</b>

**Public Agency Miscellaneous** | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	6,628	68	—	—	—	—	6,696	\$214,072,371
25-29	14,115	2,583	76	—	—	—	16,774	774,655,476
30-34	12,731	6,577	1,469	64	—	—	20,841	1,161,898,027
35-39	11,292	7,515	3,896	1,109	103	—	23,915	1,472,705,361
40-44	10,011	7,542	4,802	3,155	1,539	133	27,182	1,780,905,224
45-49	9,881	8,139	5,566	4,664	4,026	1,854	34,130	2,336,018,873
50-54	8,310	7,249	5,378	4,770	4,686	4,689	35,082	2,475,702,622
55-59	5,680	5,576	4,319	3,625	3,508	4,179	26,887	1,899,046,575
60-64	2,797	3,158	2,451	2,009	1,834	2,053	14,302	994,741,868
65 & up	1,073	1,160	928	669	526	595	4,951	294,477,589
<b>TOTAL</b>	<b>82,518</b>	<b>49,567</b>	<b>28,885</b>	<b>20,065</b>	<b>16,222</b>	<b>13,503</b>	<b>210,760</b>	<b>\$13,404,223,986</b>

**Public Agency Safety** | By Attained Age & Years of Service – June 30, 2009

Attained Age	Distribution of Active Members by Age & Service Years of Service at Valuation Date						Total	Total Valuation Payroll
	0-4	5-9	10-14	15-19	20-24	25 & up		
15-24	1,845	4	—	—	—	—	1,849	\$111,548,439
25-29	5,982	1,030	2	—	—	—	7,014	514,943,315
30-34	4,209	3,849	659	1	—	—	8,718	727,023,741
35-39	2,544	3,659	2,965	606	2	—	9,776	896,708,279
40-44	1,265	1,959	2,411	2,472	1,120	9	9,236	925,438,712
45-49	654	898	1,191	1,830	2,684	993	8,250	892,849,175
50-54	323	414	511	728	1,334	1,825	5,135	573,725,208
55-59	138	176	192	233	333	710	1,782	189,985,210
60-64	48	62	69	85	73	184	521	52,178,323
65 & up	14	16	25	20	6	31	112	10,962,695
<b>TOTAL</b>	<b>17,022</b>	<b>12,067</b>	<b>8,025</b>	<b>5,975</b>	<b>5,552</b>	<b>3,752</b>	<b>52,393</b>	<b>\$4,895,363,097</b>

**Note:** 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 H: Schedule of Retirees & Beneficiaries Added to/and Removed from Rolls

Year Ended	Added to Rolls		Removed from Rolls		Rolls - End of Year		% Increase in Annual Allowances	Average Annual Allowance
	Number	Annual Allowances	Number	Annual Allowances	Number	Annual Allowances		
<b>PERF</b>								
6/30/04	31,407	\$945,374,000	14,586	\$199,427,000	412,972	\$7,978,465,000	10.3%	\$19,320
6/30/05	33,671	865,883,000	15,482	221,581,000	431,161	8,867,359,000	11.1	20,566
6/30/06	32,166	842,092,000	15,643	230,973,000	447,684	9,590,857,000	8.2	21,423
6/30/07	29,821	828,676,000	15,881	251,559,000	461,624	10,421,160,000	8.7	22,392
6/30/08	30,462	911,182,000	16,228	267,867,000	475,858	11,422,808,000	9.6	23,816
6/30/09	31,929	1,006,449,535	16,168	275,137,534	491,619	12,506,735,000	9.5	25,440
<b>JRF</b>								
6/30/04	98	\$7,262,000	64	\$4,743,000	1,557	\$121,941,000	4.9%	\$78,267
6/30/05	122	9,586,000	73	5,973,000	1,606	130,712,000	7.2	81,390
6/30/06	109	8,207,000	55	4,358,000	1,660	140,796,000	7.7	84,817
6/30/07	98	8,854,000	56	5,018,000	1,702	158,429,000	12.5	93,084
6/30/08	125	12,030,000	84	7,888,000	1,743	166,599,000	5.2	95,582
6/30/09	116	11,989,000	67	5,085,000	1,792	172,039,000	3.3	96,004
<b>JRF II</b>								
6/30/04	3	\$223,000	0	\$0	6	\$647,000	131.9%	\$107,833
6/30/05	3	314,000	0	0	9	961,000	48.5	106,778
6/30/06	6	549,000	2	276,000	13	1,226,000	27.6	94,308
6/30/07	0	0	1	144,000	12	968,000	(21.0)	80,666
6/30/08	5	475,000	2	288,000	15	958,000	(1.1)	63,867
6/30/09	3	280,000	2	298,000	16	1,252,000	30.7	78,250
<b>LRF</b>								
6/30/04	11	\$502,000	13	\$433,000	262	\$7,146,000	1.0%	\$27,274
6/30/05	13	416,000	9	290,000	266	7,534,000	5.4	28,323
6/30/06	12	192,000	15	421,000	263	7,464,000	0.2	28,380
6/30/07	18	374,000	12	314,000	269	7,608,000	2.0	28,282
6/30/08	8	161,000	13	316,000	264	7,694,000	1.2	29,144
6/30/09	5	234,000	9	177,000	260	7,737,000	0.6	29,758

**Note:** These total counts and allowances are for service, disability, and industrial retirement, special death, 1957 Survivor, Pre-Retirement Option 2, and 1959 Survivor beneficiaries and non-members. This information was reviewed by the CalPERS Actuarial staff and appears to be reasonable.

# Actuarial Certifications – Other Systems

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## JUDGES' RETIREMENT SYSTEM

May 2010

### 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, 2009.

To the best of our knowledge, the 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, 2009. Based on the employee data provided by the CalPERS Judges' and Legislators' 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 (Required Schedule of Funding Progress and Schedule of Employer Contributions) in the Financial Section, and (ii) Exhibits A through H in the Actuarial Section of the CAFR.

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

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.  
*Chief Actuary, CalPERS*

## JUDGES' RETIREMENT SYSTEM II

May 2010

### 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, 2009.

To the best of our knowledge, the report is complete and accurate and contains sufficient information to fully and fairly disclose the actuarial funded condition of the Judges' Retirement System II, as of June 30, 2009. 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 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 this plan.

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 H in the Actuarial Section of the CAFR.

May Shuang Yu, A.S.A., M.A.A.A.  
*Senior Pension Actuary, CalPERS*

Alan Milligan, F.S.A., F.C.I.A., M.A.A.A., F.C.A.  
*Chief Actuary, CalPERS*

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**Note:** The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System can be obtained through the CalPERS Actuarial and Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

## LEGISLATORS' RETIREMENT SYSTEM

May 2010

### 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, 2009.

To the best of our knowledge, the 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' and Legislators' 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 the System.

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 H in the Actuarial Section of the CAFR.

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

*Enrolled Actuary*

*Senior Pension Actuary, CalPERS*

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

*Chief Actuary, CalPERS*

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**Note:** The actuarial report and supporting documents for the Judges' Retirement System, Judges' Retirement System II, and Legislators' Retirement System can be obtained through the CalPERS Actuarial and Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

# Statistical Section

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# Introduction to the Statistical Section

The Statistical section provides additional historical information to assist in using the Basic Financial Statements, Notes to the Basic Financial Statements, and Required Supplementary Schedules to understand the economic condition of the California Public Employees' Retirement System.

The schedules presented contain information on financial trends, analysis, and additional analytical information

on employees' membership data, retirement benefits, health benefits, supplemental income, long-term care and public agency employers.

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

## Expenses by Type – Retirement Programs

### 10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses <sup>1</sup>	Total
<b>PERF</b>				
2009/10	\$12,972,457,902	\$182,387,623	\$278,036,576	\$13,432,882,101
2008/09	11,831,836,448	186,783,064	427,808,139	12,446,427,651
2007/08	10,884,416,870	182,415,410	402,340,309	11,469,172,589
2006/07	10,070,554,756	181,574,063	278,453,496	10,530,582,315
2005/06	9,236,073,498	170,929,432	250,251,822	9,657,254,752
2004/05	8,434,118,614	155,236,438	208,965,422	8,798,320,474
2003/04	7,639,085,017	151,526,342	188,361,466	7,978,972,825
2002/03	6,991,913,800	114,024,930	214,274,159	7,320,212,889
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
<b>LRF</b>				
2009/10	\$11,082,280	\$34,924	\$4,443,814	\$15,561,018
2008/09	7,705,864	295,898	358,777	8,360,539
2007/08	7,620,849	309,281	397,078	8,327,208
2006/07	7,666,423	91,859	322,568	8,080,850
2005/06	7,313,656	823,190	294,578	8,431,424
2004/05	7,791,569	979,315	318,547	9,089,431
2003/04	7,051,153	214,184	280,835	7,546,172
2002/03	6,851,580	247,755	220,020	7,319,355
2001/02	6,716,646	—	244,854	6,961,500
2000/01	6,782,467	169,520	234,926	7,186,913
<b>JRF</b>				
2009/10	\$178,861,483	\$32,369	\$967,673	\$179,861,525
2008/09	174,902,217	—	1,048,839	175,951,056
2007/08	168,604,471	136,204	972,764	169,713,439
2006/07	151,058,884	—	701,378	151,760,262
2005/06	133,587,831	323,254	171,406	134,082,491
2004/05	126,608,787	88,239	1,061,257	127,758,283
2003/04	121,603,708	238,097	719,312	122,561,117
2002/03	113,937,606	82,530	506,224	114,526,360
2001/02	109,543,399	—	391,760	109,935,159
2000/01	99,423,624	—	379,818	99,803,442

## Expenses by Type – Retirement Programs (continued)

### 10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses <sup>1</sup>	Total
<b>JRF II</b>				
2009/10	\$1,391,528	\$2,591,675	\$494,451	\$4,477,654
2008/09	1,251,926	3,062,083	578,303	4,892,312
2007/08	963,823	2,134,018	597,318	3,695,159
2006/07	1,004,875	980,602	451,270	2,436,747
2005/06	859,449	750,206	406,157	2,015,812
2004/05	903,641	339,940	425,157	1,668,738
2003/04	584,375	203,219	414,258	1,201,852
2002/03	307,365	891,986	320,226	1,519,577
2001/02	117,545	91,536	289,622	498,703
2000/01	142,234	34,369	283,767	460,370
<b>SPOFF</b>				
2009/10	\$22,742,822	\$0	\$1,758,316	\$24,501,138
2008/09	12,922,003	—	2,714,800	15,636,803
2007/08	11,625,633	—	2,157,014	13,782,647
2006/07	10,827,742	—	—	10,827,742
2005/06	6,578,589	—	—	6,578,589
2004/05	5,352,708	—	—	5,352,708
2003/04	4,350,947	—	—	4,350,947
2002/03	4,084,127	—	—	4,084,127
2001/02	3,361,147	—	—	3,361,147
2000/01	1,879,169	—	—	1,879,169
<b>IRC457</b>				
2009/10	\$46,418,604	\$0	\$3,490,925	\$49,909,529
2008/09	34,753,292	—	2,392,505	37,145,797
2007/08	47,941,748	—	1,758,771	49,700,519
2006/07	42,646,949	—	—	42,646,949
2005/06	62,077,984	—	—	62,077,984
2004/05	41,502,998	—	—	41,502,998
2003/04	16,131,950	—	—	16,131,950
2002/03	20,438,969	—	—	20,438,969
2001/02	10,371,040	—	941,239	11,312,279
2000/01	13,659,620	—	815,619	14,475,239
<b>SCPF</b>				
2009/10	\$1,624,305	\$0	\$117,169	\$1,741,474
2008/09	671,279	—	60,835	732,114
2007/08	870,561	—	112,598	983,159
2006/07	1,918,147	—	—	1,918,147
2005/06	2,077,998	—	78,522	2,156,520
2004/05	2,193,886	—	76,495	2,270,381
2003/04	1,631,452	—	66,372	1,697,824
2002/03	1,678,350	—	81,250	1,759,600
2001/02	1,293,257	—	46,646	1,339,903
2000/01	1,089,605	—	58,747	1,148,352

**Note:**

<sup>1</sup> Excludes investment advisor fees.

# Revenues by Source – Retirement Programs

## 10-Year Review

	Member Contributions	Employer Contributions	Investment Income/(Loss)	Miscellaneous Income	Total
<b>PERF</b>					
2009/10	\$3,378,866,892	\$6,955,049,078	\$25,567,295,183	\$10,234,613	\$35,911,445,766
2008/09	3,882,355,341	6,912,376,563	(57,367,053,476)	3,155,487	(46,569,166,085)
2007/08	3,512,074,936	7,242,802,001	(12,499,109,624)	6,201,589	(1,738,031,098)
2006/07	3,262,699,076	6,442,383,868	40,748,261,708	9,118,984	50,462,463,636
2005/06	3,080,878,521	6,095,029,424	22,041,265,666	—	31,217,173,611
2004/05	3,176,780,369	5,774,120,281	21,893,728,292	473,234	30,845,102,176
2003/04	2,266,445,429	4,261,347,422	24,265,850,297	6,722,984	30,800,366,132
2002/03	1,887,925,497	1,925,043,858	5,474,083,608	8,647,960	9,295,700,923
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)
<b>LRF</b>					
2009/10	\$17,361	\$0	\$17,793,446	\$0	\$17,810,807
2008/09	68,549	—	(14,040,992)	—	(13,972,443)
2007/08	14,318	—	223,556	—	237,874
2006/07	128,548	—	16,529,733	—	16,658,281
2005/06	160,343	—	3,808,413	—	3,968,756
2004/05	19,687	—	12,575,845	504	12,596,036
2003/04	55,639	—	11,094,703	—	11,150,342
2002/03	21,946	—	10,274,104	—	10,296,050
2001/02	14,161	—	(3,781,146)	—	(3,766,985)
2000/01	33,461	—	280,786	—	314,247
<b>JRF</b>					
2009/10	\$7,361,215	\$185,389,228	\$332,009	\$3,485,946	\$196,568,398
2008/09	8,596,881	190,509,956	410,734	3,573,713	203,091,284
2007/08	9,569,327	163,205,650	384,435	3,827,046	176,986,458
2006/07	10,397,656	131,371,947	1,186,370	2,590,659	145,546,632
2005/06	10,314,771	120,576,080	959,163	2,874,216	134,724,230
2004/05	10,417,159	127,077,837	233,433	2,663,340	140,391,769
2003/04	11,262,935	107,317,942	58,874	4,020,398	122,660,149
2002/03	11,109,214	98,584,637	11,722	4,337,501	114,043,074
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
<b>JRF II</b>					
2009/10	\$16,178,228	\$42,589,356	\$50,800,810	\$0	\$109,568,394
2008/09	15,400,156	39,514,153	(59,927,419)	—	(5,013,110)
2007/08	13,807,651	36,760,924	(12,184,458)	—	38,384,117
2006/07	11,694,132	27,062,441	35,426,481	—	74,183,054
2005/06	9,584,229	24,069,471	15,473,801	—	49,127,501
2004/05	8,217,015	21,195,508	14,815,759	—	44,228,282
2003/04	8,131,412	18,239,777	13,431,593	—	39,802,782
2002/03	6,717,482	15,322,632	4,803,138	—	26,843,252
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



## Revenues by Source – Retirement Programs (continued)

### 10-Year Review

	Member Contributions	Employer Contributions	Investment Income/(Loss)	Miscellaneous Income	Total
<b>SPOFF</b>					
2009/10	\$0	\$52,218,752	\$37,642,227	\$3,431,090	\$93,292,069
2008/09	—	53,114,257	(55,423,373)	—	(2,309,116)
2007/08	—	51,475,396	(18,362,841)	—	33,112,555
2006/07	—	48,948,255	37,812,916	—	86,761,171
2005/06	—	8,932,917	16,516,723	—	25,449,640
2004/05	—	41,406,166	15,284,243	—	56,690,409
2003/04	—	40,894,189	17,971,153	—	58,865,342
2002/03	—	35,047,115	5,069,041	—	40,116,156
2001/02	—	34,171,776	(7,286,207)	—	26,885,569
2000/01	—	33,236,879	(4,457,441)	—	28,779,438
<b>IRC457</b>					
2009/10	\$108,436,065	\$83,551	\$72,951,902	\$858,217	\$182,329,735
2008/09	247,484,083	86,842	(251,890,662)	112,696	(4,207,041)
2007/08	125,952,358	53,363	(47,015,204)	39,038	79,029,555
2006/07	104,955,653	—	80,167,306	14,242	185,137,201
2005/06	123,161,050	—	36,244,788	8,551	159,414,389
2004/05	97,451,776	—	15,712,348	10,872	113,174,996
2003/04	74,146,142	—	33,539,363	3,002	107,688,507
2002/03	70,079,156	—	3,372,622	—	73,451,778
2001/02	64,200,175	—	(21,514,274)	—	42,685,901
2000/01	67,384,935	—	(15,518,733)	—	51,866,202
<b>SCPF</b>					
2009/10	\$535,738	\$0	\$1,884,034	\$33,441	\$2,453,213
2008/09	483,340	—	(4,053,683)	—	(3,570,343)
2007/08	712,885	—	(1,516,854)	—	(803,969)
2006/07	456,610	—	3,618,998	389,284	4,464,892
2005/06	633,472	—	1,782,871	—	2,416,343
2004/05	551,455	—	1,897,407	—	2,448,862
2003/04	741,203	—	2,881,856	—	3,623,059
2002/03	630,971	—	433,003	—	1,063,974
2001/02	1,116,806	—	(1,957,568)	—	(840,762)
2000/01	1,631,030	—	(1,592,105)	6,042	44,967

# Changes in Net Assets – Retirement Programs

10-Year Review (Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
<b>PERF</b>					
2009/10	\$35,911,445	\$13,432,880	\$22,478,565	\$179,137,509 <sup>1</sup>	\$201,616,074
2008/09	(46,569,168)	12,446,428	(59,015,596)	237,915,479	178,899,883
2007/08	(1,738,031)	11,469,172	(13,207,203)	251,122,682	237,915,479
2006/07	50,462,463	10,530,582	39,931,881	211,190,801	251,122,682
2005/06	31,217,173	9,657,253	21,559,920	189,630,881	211,190,801
2004/05	30,845,102	8,798,320	22,046,782	167,584,099	189,630,881
2003/04	30,800,365	7,978,972	22,821,393	144,762,706	167,584,099
2002/03	9,295,701	7,320,213	1,975,488	142,787,218	144,762,706
2001/02	(6,744,086)	6,743,093	(13,487,179)	156,274,397	142,787,218
2000/01	(10,160,466)	6,105,681	(16,266,147)	172,540,544	156,274,397
<b>LRF</b>					
2009/10	\$17,810	\$15,561	\$2,249	\$111,787	\$114,036
2008/09	(13,972)	8,360	(22,332)	134,119	111,787
2007/08	237	8,327	(8,090)	142,209	134,119
2006/07	16,659	8,081	8,578	133,631	142,209
2005/06	3,968	8,432	(4,464)	138,095	133,631
2004/05	12,596	9,089	3,507	134,588	138,095
2003/04	11,150	7,546	3,604	130,984	134,588
2002/03	10,296	7,319	2,977	128,007	130,984
2001/02	(3,767)	6,962	(10,729)	138,736	128,007
2000/01	314	7,186	(6,872)	145,608	138,736
<b>JRF</b>					
2009/10	\$196,568	\$179,861	\$16,707	\$46,386	\$63,093
2008/09	203,091	175,951	27,140	19,246	46,386
2007/08	176,986	169,413	7,573	11,673	19,246
2006/07	145,547	151,760	(6,213)	17,886	11,673
2005/06	134,724	134,082	642	17,244	17,886
2004/05	140,392	127,758	12,634	4,610	17,244
2003/04	122,659	122,561	98	4,512	4,610
2002/03	114,043	114,526	(483)	4,995	4,512
2001/02	82,558	109,935	(27,377)	32,372	4,995
2000/01	110,660	99,804	10,856	21,516	32,372
<b>JRF II</b>					
2009/10	\$109,568	\$4,478	\$105,090	\$315,517	\$420,607
2008/09	(5,013)	4,892	(9,905)	325,422	315,517
2007/08	38,385	3,695	34,690	290,732	325,422
2006/07	74,183	2,437	71,746	218,986	290,732
2005/06	49,127	2,015	47,112	171,874	218,986
2004/05	44,228	1,669	42,559	129,315	171,874
2003/04	39,802	1,201	38,601	90,714	129,315
2002/03	26,843	1,519	25,324	65,390	90,714
2001/02	13,907	499	13,408	51,982	65,390
2000/01	11,088	460	10,628	41,354	51,982

**Note:**

<sup>1</sup> Due to the implementation of GASB Statement No. 51 (Accounting and Financial reporting for Intangible Assets), beginning balance was restated.

## Changes in Net Assets – Retirement Programs (continued)

10-Year Review (Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
<b>SPOFF</b>					
2009/10	\$93,293	\$24,501	\$68,792	\$336,761	\$405,553
2008/09	(2,309)	15,637	(17,946)	354,707	336,761
2007/08	33,112	13,783	19,329	335,378	354,707
2006/07	86,761	10,828	75,933	259,445	335,378
2005/06	25,450	6,578	18,872	240,573	259,445
2004/05	56,691	5,353	51,338	189,235	240,573
2003/04	58,865	4,351	54,514	134,721	189,235
2002/03	40,116	4,084	36,032	98,689	134,721
2001/02	26,885	3,361	23,524	75,165	98,689
2000/01	29,166	2,266	26,900	48,265	75,165
<b>IRC457</b>					
2009/10	\$182,329	\$49,909	\$132,420	\$670,599	\$803,019
2008/09	(4,206)	37,146	(41,352)	711,951	670,599
2007/08	79,029	49,701	29,328	682,623	711,951
2006/07	185,137	42,647	142,490	540,133	682,623
2005/06	159,414	62,078	97,336	442,797	540,133
2004/05	113,175	41,503	71,672	371,125	442,797
2003/04	107,688	16,131	91,557	279,568	371,125
2002/03	73,452	20,439	53,013	226,555	279,568
2001/02	42,685	11,312	31,373	195,182	226,555
2000/01	51,866	14,475	37,391	157,791	195,182
<b>SCPF</b>					
2009/10	\$2,453	\$1,741	\$712	\$17,248	\$17,960
2008/09	(3,571)	732	(4,303)	21,551	17,248
2007/08	(804)	983	(1,787)	23,338	21,551
2006/07	4,465	1,918	2,547	20,791	23,338
2005/06	2,416	2,157	259	20,532	20,791
2004/05	2,449	2,270	179	20,353	20,532
2003/04	3,622	1,697	1,925	18,428	20,353
2002/03	1,064	1,760	(696)	19,124	18,428
2001/02	(840)	1,340	(2,180)	21,304	19,124
2000/01	45	1,149	(1,104)	22,408	21,304

# Membership & Retirement Data – Retirement Programs

## Public Employees' Retirement System | 10-Year Review

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>ACTIVE &amp; INACTIVE MEMBERS</b>										
<b>STATE MEMBERS</b>										
Miscellaneous	224,084	224,966	222,806	219,101	214,721	219,919	227,096	231,693	227,522	219,095
University of California	56	81	93	103	111	127	92	244	258	281
Industrial	13,624	12,822	11,862	10,815	11,695	11,032	10,607	11,000	10,997	11,390
ARP	16,477	19,422	19,086	16,608	13,955	—	—	—	—	—
Highway Patrol	7,589	7,471	7,133	6,987	6,968 <sup>1</sup>	11,359	10,236	11,959	11,754	6,668
Safety	29,305	29,911	28,763	26,099	23,129	21,750	16,714	17,782	17,478	16,390
Peace Officer/Firefighter	49,437	51,260	51,371	48,722	46,605	46,485	44,740	46,599	45,801	42,950
<b>Total State Members</b>	<b>340,572</b>	<b>345,933</b>	<b>341,114</b>	<b>328,435</b>	<b>317,184</b>	<b>310,672</b>	<b>309,485</b>	<b>319,277</b>	<b>313,810</b>	<b>296,774</b>
<b>PUBLIC AGENCY MEMBERS</b>										
Schools	427,211	432,383	426,686	409,675	394,911	380,374	372,614	373,171	358,837	337,160
Cities	167,994	173,315	175,240	171,546	166,192	161,515	158,884	160,155	154,871	144,557
Counties	95,122	97,188	98,395	95,177	92,013	88,717	87,468	89,838	87,887	80,743
Districts & Other Public Agencies	85,145	85,578	84,698	82,067	78,595	75,704	73,616	71,919	66,772	57,398
<b>Total Public Agency Members</b>	<b>775,472</b>	<b>788,464</b>	<b>785,019</b>	<b>758,465</b>	<b>731,711</b>	<b>706,310</b>	<b>692,582</b>	<b>695,083</b>	<b>688,367</b>	<b>619,858</b>
<b>TOTAL ACTIVE &amp; INACTIVE MEMBERS</b>	<b>1,116,044</b>	<b>1,134,397</b>	<b>1,126,133</b>	<b>1,086,900</b>	<b>1,048,895</b>	<b>1,016,982</b>	<b>1,002,067</b>	<b>1,014,360</b>	<b>982,177</b>	<b>916,632</b>
<b>BENEFIT RECIPIENTS</b>										
Service Retirement	428,821	408,428	393,328	380,162	367,737	353,212	341,348	326,163	313,762	303,427
Disability Retirement	43,090	43,074	42,813	42,965	42,383	41,857	42,064	41,808	41,036	40,207
Industrial Disability Retirement	33,951	33,453	32,757	32,081	31,157	30,025	29,320	28,180	26,948	25,644
Industrial Death	1,056	1,045	1,039	1,013	995	972	958	946	931	928
1957 Survivor Benefit	3,535	3,398	3,246	3,164	3,074	2,960	2,881	2,802	2,714	2,625
1959 Survivor Benefit	3,170	3,115	3,069	2,985	2,295	2,875	2,880	2,841	2,735	2,709
<b>TOTAL BENEFIT RECIPIENTS</b>	<b>513,623</b>	<b>492,513<sup>2</sup></b>	<b>476,252</b>	<b>462,370</b>	<b>448,271</b>	<b>431,901</b>	<b>419,451</b>	<b>402,740</b>	<b>388,126</b>	<b>375,540</b>
<b>TOTAL MEMBERS</b>	<b>1,629,667</b>	<b>1,626,910</b>	<b>1,602,385</b>	<b>1,549,270</b>	<b>1,497,166</b>	<b>1,448,883</b>	<b>1,421,518</b>	<b>1,417,100</b>	<b>1,370,303</b>	<b>1,292,172</b>

## Legislators' Retirement System | 10-Year Review

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>ACTIVE &amp; INACTIVE MEMBERS</b>										
Members of the Legislature	15	17	18	23	27	28	35	38	47	48
Constitutional Officers	17	18	18	19	15	15	18	18	15	16
Legislative Statutory Officers	4	4	4	4	4	4	4	4	4	4
<b>TOTAL ACTIVE &amp; INACTIVE MEMBERS</b>	<b>36</b>	<b>39</b>	<b>40</b>	<b>46</b>	<b>46</b>	<b>47</b>	<b>57</b>	<b>60</b>	<b>66</b>	<b>68</b>
<b>BENEFIT RECIPIENTS</b>										
Members of the Legislature										
Service Retirement	214	221	222	228	227	228	221	219	219	223
Disability Retirement	9	9	11	11	6	6	7	7	7	8
Pre-Retirement Option 2	(1)	—	—	—	—	—	—	2	2	2
<b>Total Members of the Legislature</b>	<b>222</b>	<b>230</b>	<b>233</b>	<b>239</b>	<b>233</b>	<b>234</b>	<b>228</b>	<b>228</b>	<b>228</b>	<b>233</b>
Constitutional Officers										
Service Retirement	25	21	21	22	22	23	25	26	25	29
Disability Retirement	1	1	1	1	1	1	1	1	1	1
Pre-Retirement Option 2	2	2	2	2	2	2	2	2	2	2
<b>Total Constitutional Officers</b>	<b>28</b>	<b>24</b>	<b>24</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>28</b>	<b>29</b>	<b>28</b>	<b>32</b>
Legislative Statutory Officers										
Service Retirement	5	5	5	5	5	6	6	7	7	7
Disability Retirement	—	—	—	—	—	—	—	—	—	—
Pre-Retirement Option 2	—	—	—	—	—	—	—	—	—	—
<b>Total Legislative Statutory Officers</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>TOTAL BENEFIT RECIPIENTS</b>	<b>255</b>	<b>259</b>	<b>262</b>	<b>269</b>	<b>263</b>	<b>266</b>	<b>262</b>	<b>264</b>	<b>263</b>	<b>272</b>
<b>TOTAL MEMBERS</b>	<b>291</b>	<b>298</b>	<b>302</b>	<b>315</b>	<b>309</b>	<b>313</b>	<b>319</b>	<b>324</b>	<b>329</b>	<b>340</b>

## Membership & Retirement Data – Retirement Programs (continued)

### Judges' Retirement System | 10-Year Review

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>ACTIVE &amp; INACTIVE MEMBERS</b>										
Active Judges & Deferred Retirement Judges	528	620	682	756	825	917	983	1,039	1,125	1,164
<b>TOTAL ACTIVE &amp; INACTIVE MEMBERS</b>	<b>528</b>	<b>620</b>	<b>682</b>	<b>756</b>	<b>825</b>	<b>917</b>	<b>983</b>	<b>1,039</b>	<b>1,125</b>	<b>1,164</b>
<b>BENEFIT RECIPIENTS</b>										
Service Retirement	648	641	619	610	607	612	610	609	601	598
Disability Retirement	46	48	47	52	50	48	48	51	52	55
Deferred Retirement	595	595	604	611	618	673	672	667	654	650
Optional Settlement Benefit	478	433	390	352	306	196	154	120	92	70
Pre-Retirement Survivor	76	72	75	77	79	77	74	76	77	76
<b>TOTAL BENEFIT RECIPIENTS</b>	<b>1,843</b>	<b>1,789</b>	<b>1,735</b>	<b>1,702</b>	<b>1,660</b>	<b>1,606</b>	<b>1,558</b>	<b>1,523</b>	<b>1,476</b>	<b>1,449</b>
<b>TOTAL MEMBERS</b>	<b>2,371</b>	<b>2,409</b>	<b>2,417</b>	<b>2,458</b>	<b>2,485</b>	<b>2,523</b>	<b>2,541</b>	<b>2,562</b>	<b>2,601</b>	<b>2,613</b>

### Judges' Retirement System II | 10-Year Review

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>ACTIVE &amp; INACTIVE MEMBERS</b>										
Active Judges	1,197	1,119	979	915	831	748	690	624	531	462
<b>TOTAL ACTIVE &amp; INACTIVE MEMBERS</b>	<b>1,197</b>	<b>1,119</b>	<b>979</b>	<b>915</b>	<b>831</b>	<b>748</b>	<b>690</b>	<b>624</b>	<b>531</b>	<b>462</b>
<b>BENEFIT RECIPIENTS</b>										
Service Retirement	6	4	3	4	1	1	2	–	–	–
Disability Retirement	7	6	5	3	2	1	–	–	–	–
Optional Settlement Benefit	4	4	4	–	3	–	–	–	–	–
Pre-Retirement Survivor	2	1	2	2	7	7	4	3	1	1
<b>TOTAL BENEFIT RECIPIENTS</b>	<b>19</b>	<b>15</b>	<b>14</b>	<b>11</b>	<b>13</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>TOTAL MEMBERS</b>	<b>1,216</b>	<b>1,134</b>	<b>993</b>	<b>926</b>	<b>844</b>	<b>757</b>	<b>696</b>	<b>627</b>	<b>532</b>	<b>463</b>

#### Notes:

- <sup>1</sup> Starting with the June 30, 2006 Comprehensive Annual Financial Report, CalPERS changed the mechanism for reporting this category.
- <sup>2</sup> This total differs from Total Benefit Recipients on pages 42 and 149. Total Benefit Recipients shown here include Active Death Benefits paid as a result of a member death prior to retirement.

# Program Data

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## 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 retirement<sup>1</sup> 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 & State Industrial Members (First Tier), School Members & University Members 2 Percent at 55 Formula**

- **Service not coordinated with Social Security** – A guarantee of 2 percent of final compensation<sup>2</sup> at age 55 for each year of service credit. Retirement may begin at age 50

with a reduced benefit rate, or after age 55 with an increased benefit rate to age 63.

- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

School members with service credit rendered after January 1, 2001: final compensation will not be reduced by \$133.33.

### **State Miscellaneous & State Industrial Members Separated from Service Prior to January 1, 2000, 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 with an increased benefit rate to age 63.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

### **State Miscellaneous & 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 as early as age 50 (if there is a combination of First Tier and Second Tier service; a reduced benefit rate will apply).

### **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 with an increased benefit rate to age 63.

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#### **Notes:**

- <sup>1</sup> A member who has 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.
- <sup>2</sup> The term “final compensation” appears throughout this section. It means the average payrate and special compensation over the last one year or three consecutive years of employment unless the member elects a different period with a higher average.

## Program Data (continued)

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- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

### **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 with an increased benefit rate to age 63.
- **Service coordinated with Social Security** – Same basic benefit rate; however, there is a reduction of \$133.33 from the final compensation before benefits are determined.

### **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 from the final compensation before benefits are determined.

### **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 from the final compensation before benefits are determined.

### **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 from the final compensation before benefits are determined.

### **Local Safety Members 2 Percent at 50 Formula**

2 percent of final compensation for each year of service for retirement at age 50, with an increased benefit rate to

age 55. The maximum allowance payable is 90 percent of final compensation.

### **State Safety Members & 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 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.

### **Local Safety Members Half 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 & 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.

### **State Patrol Members, Local Safety Members & State Peace Officer/Firefighter 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, local safety members, and State peace officer/firefighters.

### **State Peace Officer/Firefighter Members & 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. Retirement may begin at age 50 with a reduced benefit rate.

## **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 Certain Local Public Agency 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 injury or illness must be job related and the member must be serving in one of these categories at the time the industrial disability occurs. California Highway Patrol members may be entitled to an enhanced benefit if specific qualifying factors are met.

### **By Contract Amendment Only for Local Agencies**

A monthly allowance of 75 percent of final compensation, if found totally disabled.

### **By Contract Amendment Only for Local Agencies**

A monthly allowance of 50 percent to 90 percent of final compensation, depending on the disability rating by the Workers' Compensation Appeals Board.

## **DEATH BENEFITS (BEFORE RETIREMENT)**

### **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.

### **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 Benefit<sup>1</sup> – For State Members in Bargaining Units Contracting for this Benefit, Who are Not Eligible to Retire, With 20 Years or More of State Service Credit**

A monthly allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to pre-retirement

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#### **Note:**

<sup>1</sup> The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.



## Program Data (continued)

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Option 2W (if the beneficiary is a spouse or registered domestic partner), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had been old enough to retire. A spouse or registered domestic partner or minor child may receive continued health and dental insurance with the Alternate Death Benefit.

### **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 or registered domestic partner until death, then to children under age 18. It is calculated similarly to Pre-Retirement Option 2W (if the beneficiary is a spouse or registered domestic partner, even if the agency does not contract separately for the Pre-Retirement Option 2W benefit), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had either been old enough to retire (if the member died before reaching retirement age), or based on the member's actual age if the member was eligible to retire at the time of death. This benefit applies to all service credit earned by the member, including service that may have been earned with a local agency that does not contract for the Alternate Death Benefit, as long as the member was employed at the time of death by a local agency that provides this benefit in their contract.

### **Pre-Retirement Option 2W Benefit – Local Agencies by Contract, Married, or Registered Domestic Partnership**

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

### **Pre-Retirement Option 2W Benefit<sup>1</sup> – For All State Members, Married, or Registered Domestic Partnership**

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

### **1957 Survivor Benefit<sup>1</sup> – Local & School Members, Married, or Registered Domestic Partnership**

For all members eligible to retire who are married or in a registered domestic partnership, a monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death.

### **1957 Survivor Benefit<sup>1</sup> – All Members, Not Married, or No Registered Domestic Partnership**

For all members eligible to retire who are not married or in a registered domestic partnership, a monthly allowance payable to the unmarried surviving minor children until age 18, equal to one-half of the highest allowance (unmodified) the member would have received had they retired on the date of death. Once allowance stops, the total allowance paid is compared to the Basic Death Benefit amount, and any difference is paid in a lump sum to all of the member's surviving children.

### **1959 Survivor Benefit – State & School Members & 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.

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#### **Note:**

<sup>1</sup> The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

**Special Death Benefit<sup>1</sup> – Survivors of Patrol, State & Local Safety, State Industrial & State Peace Officer/Firefighter Members, State Miscellaneous<sup>2</sup> & Local Miscellaneous by Contract Amendment<sup>2</sup>**

A monthly allowance equal to 50 percent of final compensation payable to the surviving spouse or registered domestic partner until death, or if no spouse, to natural or adopted unmarried children up to age 22. The monthly allowance is recalculated annually on October 1 based on the salary rates for employees who work in the position the member held at the time of death until such time as the member would have attained age 50.

**Special Death Benefit<sup>1</sup> – 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)**

**Retired Death Benefit – State Members Only**

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

**Retired Death Benefit – School Members Only**

A \$2,000 lump sum payable in addition to any optional settlement. The amount may be increased to \$3,000, \$4,000, or \$5,000 depending on the employer contract.

**Retired Death Benefit – Local & 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 & 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 (COLA)**

**For All Members – Except State Second Tier**

A maximum of 2 percent compounded annually (up to 5 percent maximum as a contract option for retired members of local agencies). **Note:** Does not apply to the Pre-Retirement 1959 Survivor Death Benefit.

**For State Second Tier Members Only**

A fixed 3 percent compounded annually.

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**Notes:**

- <sup>1</sup> The Special Death Benefit is payable if the member's death is job related.
- <sup>2</sup> 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.

## Program Data (continued)

### Active & Inactive Members

Employer/Category	Active	Inactive	Total
State Miscellaneous – First Tier	145,530	47,375	192,905
State Miscellaneous – Second Tier	7,945	23,234	31,179
State Industrial – First Tier	10,670	1,128	11,798
State Industrial – Second Tier	831	995	1,826
State ARP <sup>1</sup>	12,399	4,078	16,477
Highway Patrol	7,320	269	7,589
State Safety	24,521	4,784	29,305
Peace Officer/Firefighter	44,008	5,429	49,437
University of California <sup>2</sup>	2	54	56
<b>TOTAL STATE MEMBERS</b>	<b>253,226</b>	<b>87,346</b>	<b>340,572</b>
School – Miscellaneous	299,337	127,152	426,489
School – Safety	590	132	722
<b>TOTAL SCHOOL MEMBERS</b>	<b>299,927</b>	<b>127,284</b>	<b>427,211</b>
Public Agency – Miscellaneous	202,242	87,309	289,551
Public Agency – Safety	48,899	9,811	58,710
<b>TOTAL PUBLIC AGENCY MEMBERS</b>	<b>251,141</b>	<b>97,120</b>	<b>348,261</b>
<b>TOTAL MEMBERS</b>	<b>804,294</b>	<b>311,750</b>	<b>1,116,044</b>

### Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$10,886,413,443
Disability Retirement	540,419,698
Industrial Disability Retirement	1,276,846,198
PPPA Payments <sup>3</sup>	51,590,524
<b>TOTAL</b>	<b>\$12,755,269,863</b>
Basic Death Benefit/Group Term Life Insurance	\$42,385,815
1957 Survivor Benefit	69,745,915
1959 Survivor Benefit	33,158,971
Industrial Death Allowance	37,042,156
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	34,855,181
<b>TOTAL</b>	<b>\$217,188,038</b>
<b>GRAND TOTAL</b>	<b>\$12,972,457,901</b>

### Benefit Recipients by Employer Category<sup>4</sup>

Employer/Category	Retired Members	Survivors & Beneficiaries	Total
State Miscellaneous – First Tier	111,626	20,059	131,685
State Miscellaneous – Second Tier	2,513	490	3,003
State Industrial – First Tier	4,395	592	4,987
State Industrial – Second Tier	132	18	150
Highway Patrol	6,228	955	7,183
State Safety	29,172	3,147	32,319
Peace Officer/Firefighter	3,427	251	3,678
<b>TOTAL STATE</b>	<b>157,493</b>	<b>25,512</b>	<b>183,005</b>
School – Miscellaneous	146,549	20,001	166,550
School – Safety	—	—	—
<b>TOTAL SCHOOL</b>	<b>146,549</b>	<b>20,001</b>	<b>166,550</b>
Public Agency – Miscellaneous	101,148	13,393	114,541
Public Agency – Safety	37,306	4,460	41,766
<b>TOTAL PUBLIC AGENCY</b>	<b>138,454</b>	<b>17,853</b>	<b>156,307</b>
<b>TOTAL</b>	<b>442,496</b>	<b>63,366</b>	<b>505,862</b>

#### Notes:

- <sup>1</sup> The Alternate Retirement Program (ARP) is a mandated savings plan for State miscellaneous and industrial members hired after August 11, 2004, during their first two years of employment. While contributing to ARP during that period, they are also “non-contributing” CalPERS members.
- <sup>2</sup> The number of University of California members continues to decline since new employees must join the University of California Retirement System (UCRS).
- <sup>3</sup> 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).
- <sup>4</sup> 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.

## Program Data (continued)

### Benefit Payments by Type | Six-Year Review

Category	2010	2009	2008	2007	2006	2005
Service Retirement	\$10,886,413,443	\$9,832,150,382	\$8,989,399,878	\$8,233,421,767	\$7,550,688,820	\$6,837,660,779
Disability Retirement	540,419,698	526,320,720	508,340,191	498,297,616	469,318,366	452,965,751
Industrial Disability Retirement	1,276,846,198	1,211,176,434	1,141,230,969	1,073,697,728	986,653,060	918,589,118
PPPA Payments	51,590,524	60,244,271	59,612,434	63,851,575	64,455,662	65,678,127
<b>TOTAL</b>	<b>\$12,755,269,863</b>	<b>\$11,629,891,807</b>	<b>\$10,698,583,472</b>	<b>\$9,869,268,686</b>	<b>\$9,071,115,908</b>	<b>\$8,274,893,775</b>
Basic Death Benefit/Group Term Life Insurance	\$42,385,815	\$40,509,577	\$37,488,504	\$35,794,846	\$35,912,639	\$34,336,821
1957 Survivor Benefit	69,745,915	65,076,391	60,762,855	57,449,587	53,953,626	51,027,429
1959 Survivor Benefit	33,158,971	32,209,689	31,383,843	30,354,099	29,628,567	28,553,418
Industrial Death Allowance	37,042,156	35,506,591	33,600,164	31,351,295	28,785,227	27,095,550
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	34,855,181	28,642,393	22,598,032	46,336,380	16,677,530	18,211,621
<b>TOTAL</b>	<b>\$217,188,038</b>	<b>\$201,944,641</b>	<b>\$185,833,398</b>	<b>\$201,286,207</b>	<b>\$164,957,589</b>	<b>\$159,224,839<sup>1</sup></b>
Refunds	\$182,387,623	\$186,783,064	\$182,415,410	\$181,574,603	\$170,929,432	\$155,236,438
<b>GRAND TOTAL</b>	<b>\$13,154,845,524</b>	<b>\$12,018,619,512</b>	<b>\$11,066,832,280</b>	<b>\$10,252,129,496</b>	<b>\$9,407,002,930</b>	<b>\$8,589,355,052</b>

#### Note:

<sup>1</sup> Includes "penalty interest" of \$2,767 for pre-retirement and \$6,098 for post-retirement death payments. Penalty interest is required when CalPERS is unable to pay death benefits within 45 days of receiving all documents establishing entitlement. The penalty interest rate is paid for each day exceeding the 45-day time limit, based on the interest crediting rate or the net earnings rate (including capital gains and losses) whichever is greater.

Program Data (continued)

Average Benefit Payments – As of June 30, 2009 | Six-Year Review

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>2008/09<sup>1</sup></b>							
Average Monthly Allowance <sup>2</sup>	\$606	\$830	\$1,360	\$1,988	\$2,906	\$4,432	\$5,569
Average Final Compensation	\$6,519	\$4,378	\$4,680	\$4,982	\$5,641	\$6,574	\$7,013
Number of Recipients <sup>2</sup>	680	3,796	3,598	3,681	4,157	3,977	5,801
<b>2007/08</b>							
Average Monthly Allowance <sup>2</sup>	\$506	\$777	\$1,306	\$1,966	\$2,882	\$4,364	\$5,433
Average Final Compensation	\$6,138	\$4,358	\$4,518	\$4,970	\$5,587	\$6,472	\$6,864
Number of Recipients <sup>2</sup>	727	3,620	3,371	3,652	3,765	3,458	4,883
<b>2006/07</b>							
Average Monthly Allowance <sup>2</sup>	\$601	\$753	\$1,222	\$1,801	\$2,624	\$3,917	\$5,115
Average Final Compensation	\$6,125	\$4,294	\$4,356	\$4,632	\$5,182	\$5,925	\$6,539
Number of Recipients <sup>2</sup>	648	3,943	3,536	4,059	3,738	3,606	4,467
<b>2005/06</b>							
Average Monthly Allowance <sup>2</sup>	\$487	\$682	\$1,134	\$1,654	\$2,372	\$3,610	\$4,870
Average Final Compensation	\$6,040	\$4,012	\$4,144	\$4,405	\$4,858	\$5,689	\$6,294
Number of Recipients <sup>2</sup>	560	3,624	3,788	4,462	3,807	3,650	5,249
<b>2004/05</b>							
Average Monthly Allowance <sup>2</sup>	\$473	\$687	\$1,109	\$1,606	\$2,360	\$3,439	\$4,750
Average Final Compensation	\$5,534	\$3,926	\$4,017	\$4,289	\$4,837	\$5,488	\$6,132
Number of Recipients <sup>2</sup>	549	3,487	4,032	4,668	3,861	3,859	5,876
<b>2003/04</b>							
Average Monthly Allowance <sup>2</sup>	\$510	\$693	\$1,082	\$1,560	\$2,192	\$3,308	\$4,553
Average Final Compensation	\$5,443	\$3,835	\$3,863	\$4,171	\$4,492	\$5,254	\$5,915
Number of Recipients <sup>2</sup>	545	3,489	4,254	4,465	3,822	3,499	4,831

**Note:**

- <sup>1</sup> The data for fiscal year 2008-09 is the most recent data available.
- <sup>2</sup> These averages and totals are for retired members, beneficiaries, and community property recipients.

# Public Agency Employers

## CONTRACT ACTIONS SUMMARY

On June 30, 2010, 1,543 public agency contracts provided retirement, death, and survivor benefits for participants of 57 County Offices of Education; four school district offices; 449 cities and towns; 36 counties; and 997 districts and other public agencies. Agencies that have zero participants were excluded. The 57 County Offices of Education contracts provide benefits for 1,490 school districts and charter schools, bringing the total number of public agency employers to 3,033.

	Added	Merged	Terminated	Total
County Offices of Education (for 1,490 school districts and charter schools)	—	—	—	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	—	—	—	449
Counties	—	—	—	36
Districts and Other Public Agencies	7	-1	-2	997
<b>TOTAL PUBLIC AGENCY CONTRACTS</b>	<b>7</b>	<b>-1</b>	<b>-2</b>	<b>1,543</b>

## 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 51 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 2009-10 fiscal year, 112 benefit changes were made through 91 contract amendments. The benefit formula changes for public agencies included: 7 to provide the 2.5 percent at 55 formula for active miscellaneous members; 3 to provide the 2.7 percent at 55 formula for active miscellaneous members; 1 to provide 2 percent at 55 for miscellaneous members; 5 to provide 3 percent at 50 formula for safety members; and 1 to provide 3 percent at 55 formula for safety members.

## TWO YEARS OF ADDITIONAL SERVICE CREDIT – “GOLDEN HANDSHAKE”

Contracting agencies may amend their contracts to provide additional service credit if there are impending mandatory transfers, layoffs, or demotions. Eligible employees who retire within a 90- to 180-day window period established by the employer receive two years additional service credit. The County Offices of Education may also contract for this benefit when there is an impending curtailment of, or change, in the manner of performing services, and their best interest would be served by granting the additional service credit. Once the contract is amended, the employer may establish additional window periods.

In the 2009-10 fiscal year, 34 public agencies amended their contracts to provide the two years of additional service credit and 42 additional window periods were established. The County Offices of Education established 35 additional window periods for the Golden Handshake benefit.

## POPULAR BENEFIT AMENDMENTS

Benefit	Number of amendments
2.5% at 55 Miscellaneous Formula	7
2.7% at 55 Miscellaneous Formula	3
One Year Final Compensation	6
Fourth Level of 1959 Survivor Benefits	6
2% at 55 Miscellaneous Formula	1
3% at 50 Safety Formula	5
3% at 55 Safety Formula	1
Pre-Retirement Optional Settlement 2 Death Benefit	4
Different Level of Benefits	17

## Public Agency Employers (continued)

### MERGERS

- Los Angeles County Housing Authority merged into the Community Development Commission of Los Angeles County effective September 18, 2004.
- City of Burlingame and Town of Hillsborough merged their fire functions to create a new agency called Central County Fire Department. The contract was merged effective June 21, 2010.

### TERMINATIONS

- West End Communications Authority effective January 1, 2008.
- Niland Fire District effective May 10, 2010.

### LARGEST PARTICIPATING EMPLOYERS

Employer	Number of Employees
State of California	340,572
Los Angeles County Office of Education	107,525
Los Angeles Unified School District	45,402
San Diego County Office of Education	36,354
Orange County Office of Education	31,909
County of Riverside	24,471
San Bernardino County Office of Education	24,468
Riverside County Office of Education	22,742
County Office of Santa Clara	20,585
Santa Clara County Office of Education	19,186

### NEW CONTRACTS

During the 2009-10 fiscal year, 7 additional agencies contracted with CalPERS for retirement, death, and survivor benefits. The new contracting agencies are:

Effective Date	Public Agency	Misc. Member Formula	Safety Member Formula
9/6/09	Children and Families Commission of San Luis Obispo County	2% @ 55	—
10/1/09	South County Support Services Agency	2% @ 55	—
10/1/09	Peninsula Health Care District	2% @ 60	—
10/4/09	Local Agency Formation Commission of Solano County	2.7% @ 55	—
11/9/09	Phelan Pinon Hills Community Services District	2.5% @ 55	—
4/3/10	Lee Lake Water District	2% @ 60	—
6/21/10	Central County Fire Department	2.5% @ 55	3% @ 55

### RECIPROCAL SYSTEMS

Reciprocity is a valuable addition to the CalPERS benefit package. Its purpose is to encourage career public service, by allowing members to move between employers under different public retirement systems without losing their retirement and related benefits. The following retirement systems have reciprocity with CalPERS.

#### Counties Under the County Employees' Retirement Law of 1937

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

#### The University of California Retirement Plan (UCRP)

#### Reciprocal Public Retirement Systems

- Concord, City of
- Contra Costa Water District
- Costa Mesa, City of (safety only)
- East Bay Municipal Utility District
- East Bay Regional Park District (safety only)
- Fresno, City of
- Los Angeles City Employees' Retirement Plan
- Los Angeles County Metropolitan Transportation Authority (Non-Contract Employees' Retirement Income Plan)
- Oakland, City of (non-safety only)
- Pasadena, City of (fire and police only)
- Sacramento, City of
- San Clemente, City of (non-safety only)
- San Diego, City of
- San Francisco, City and County of
- San Jose, City of
- San Luis Obispo, County of

Public Agency Employers (continued)

**Systems with Limited Reciprocity**

- Judges’ Retirement System
- Judges’ Retirement System II
- Legislators’ Retirement System
- California State Teachers’ Retirement System

**PARTICIPATING PUBLIC AGENCIES BY TYPE**

The total number includes active and inactive participants excluding retirees. In most cases, a participant is only counted once. A participant could be counted more than once if he/she were actively employed by more than one employer on the report effective date.

**County Offices of Education (57 total)**

Alameda . . . . . 15,248	Orange . . . . . 31,909
Alpine . . . . . 67	Placer . . . . . 4,185
Amador . . . . . 254	Plumas . . . . . 430
Butte . . . . . 5,478	Riverside . . . . . 22,742
Calaveras . . . . . 640	Sacramento . . . . . 16,474
Colusa . . . . . 457	San Benito . . . . . 810
Contra Costa . . . . . 9,916	San Bernardino . . . . . 24,468
Del Norte . . . . . 222	San Diego . . . . . 36,354
El Dorado . . . . . 2,450	San Joaquin . . . . . 8,184
Fresno . . . . . 13,137	San Luis Obispo . . . . . 3,427
Glenn . . . . . 535	San Mateo . . . . . 7,283
Humboldt . . . . . 2,462	Santa Barbara . . . . . 5,479
Imperial . . . . . 3,069	Santa Clara . . . . . 19,186
Inyo . . . . . 307	Santa Cruz . . . . . 3,423
Kern . . . . . 13,107	Shasta . . . . . 2,718
Kings . . . . . 2,039	Sierra . . . . . 55
Lake . . . . . 943	Siskiyou . . . . . 980
Lassen . . . . . 515	Solano . . . . . 4,257
Los Angeles . . . . . 107,525	Sonoma . . . . . 5,817
Madera . . . . . 1,685	Stanislaus . . . . . 7,912
Marin . . . . . 2,865	Sutter . . . . . 1,162
Mariposa . . . . . 225	Tehama . . . . . 1,249
Mendocino . . . . . 1,972	Trinity . . . . . 325
Merced . . . . . 4,536	Tulare . . . . . 7,622
Modoc . . . . . 277	Tuolumne . . . . . 561
Mono . . . . . 275	Ventura . . . . . 8,852
Monterey . . . . . 6,431	Yolo . . . . . 2,284
Napa . . . . . 1,972	Yuba . . . . . 1,334
Nevada . . . . . 1,125	

**School District Offices<sup>1</sup> (4 total)**

Los Angeles Unified School District . . . . .	45,402
Los Angeles Community College District . . . . .	3,159
Los Angeles County Office of Education . . . . .	3,564
San Diego County Office of Education . . . . .	1,138

**Counties (36 total)**

Alpine . . . . . 108	Napa . . . . . 1,735
Amador . . . . . 570	Nevada . . . . . 1,232
Butte . . . . . 2,567	Placer . . . . . 3,055
Calaveras . . . . . 686	Plumas . . . . . 565
Colusa . . . . . 440	Riverside . . . . . 24,471
Del Norte . . . . . 704	San Benito . . . . . 660
El Dorado . . . . . 2,501	Santa Clara . . . . . 20,585
Glenn . . . . . 647	Santa Cruz . . . . . 3,193
Humboldt . . . . . 2,662	Shasta . . . . . 2,206
Inyo . . . . . 553	Sierra . . . . . 146
Kings . . . . . 1,721	Siskiyou . . . . . 929
Lake . . . . . 1,343	Solano . . . . . 3,548
Lassen . . . . . 703	Sutter . . . . . 1,261
Madera . . . . . 1,836	Tehama . . . . . 1,135
Mariposa . . . . . 534	Trinity . . . . . 494
Modoc . . . . . 623	Tuolumne . . . . . 1,401
Mono . . . . . 442	Yolo . . . . . 2,206
Monterey . . . . . 6,434	Yuba . . . . . 1,226

**Note:**

<sup>1</sup> Agencies that contract with CalPERS as public agencies and are not reflected elsewhere in this report.



Public Agency Employers (continued)

**Cities & Towns (449 total)**

Adelanto . . . . .	194	Campbell . . . . .	190	El Cerrito . . . . .	246	Indian Wells . . . . .	53
Agoura Hills . . . . .	47	Canyon Lake . . . . .	7	El Monte . . . . .	384	Indio . . . . .	296
Alameda . . . . .	761	Capitola . . . . .	101	El Segundo . . . . .	438	Industry . . . . .	26
Albany . . . . .	108	Carlsbad . . . . .	871	Elk Grove . . . . .	281	Inglewood . . . . .	1,062
Alhambra . . . . .	664	Carmel-By-The-Sea . . . . .	110	Emeryville . . . . .	70	Ione . . . . .	26
Aliso Viejo . . . . .	22	Carpinteria . . . . .	50	Encinitas . . . . .	313	Irvine . . . . .	1,123
Alturas . . . . .	28	Carson . . . . .	620	Escalon . . . . .	50	Irwindale . . . . .	102
American Canyon . . . . .	92	Cathedral City . . . . .	282	Escondido . . . . .	1,181	Jackson . . . . .	37
Anaheim . . . . .	3,186	Cerritos . . . . .	492	Etna . . . . .	10	Kerman . . . . .	67
Anderson . . . . .	74	Chico . . . . .	453	Eureka . . . . .	323	King City . . . . .	63
Angels . . . . .	53	Chino . . . . .	605	Exeter . . . . .	45	Kingsburg . . . . .	93
Antioch . . . . .	451	Chowchilla . . . . .	93	Fairfax . . . . .	59	La Canada Flintridge . . . . .	44
Apple Valley . . . . .	159	Chula Vista . . . . .	1,327	Fairfield . . . . .	672	La Habra . . . . .	550
Arcadia . . . . .	455	Citrus Heights . . . . .	239	Farmersville . . . . .	45	La Habra Heights . . . . .	28
Arcata . . . . .	156	Claremont . . . . .	287	Fillmore . . . . .	59	La Mesa . . . . .	325
Arroyo Grande . . . . .	100	Clayton . . . . .	39	Firebaugh . . . . .	65	La Mirada . . . . .	123
Artesia . . . . .	50	Clearlake . . . . .	81	Folsom . . . . .	616	La Palma . . . . .	104
Arvin . . . . .	78	Cloverdale . . . . .	69	Fontana . . . . .	969	La Puente . . . . .	60
Atascadero . . . . .	198	Clovis . . . . .	889	Fort Bragg . . . . .	85	La Quinta . . . . .	128
Atherton . . . . .	76	Coachella City . . . . .	82	Fortuna . . . . .	101	La Verne . . . . .	211
Atwater . . . . .	147	Colfax . . . . .	9	Fountain Valley . . . . .	270	Laguna Beach . . . . .	315
Auburn . . . . .	108	Colma . . . . .	60	Fowler . . . . .	40	Laguna Hills . . . . .	55
Avalon . . . . .	80	Colton . . . . .	476	Fremont . . . . .	1,098	Laguna Niguel . . . . .	130
Avenal . . . . .	41	Colusa . . . . .	55	Fullerton . . . . .	829	Laguna Woods . . . . .	11
Azusa . . . . .	431	Commerce . . . . .	196	Galt . . . . .	226	Lake Elsinore . . . . .	98
Bakersfield . . . . .	1,715	Compton . . . . .	699	Garden Grove . . . . .	894	Lake Forest . . . . .	95
Baldwin Park . . . . .	584	Concord . . . . .	622	Gardena . . . . .	560	Lakeport . . . . .	56
Banning . . . . .	238	Corcoran . . . . .	108	Gilroy . . . . .	283	Lakewood . . . . .	400
Barstow . . . . .	191	Corning . . . . .	57	Glendale . . . . .	2,597	Lancaster . . . . .	726
Beaumont . . . . .	190	Corona . . . . .	967	Glendora . . . . .	273	Larkspur . . . . .	75
Bell . . . . .	237	Coronado . . . . .	385	Goleta . . . . .	60	Lathrop . . . . .	115
Bell Gardens . . . . .	224	Corte Madera . . . . .	82	Gonzales . . . . .	50	Lawndale . . . . .	119
Bellflower . . . . .	128	Costa Mesa . . . . .	904	Grand Terrace . . . . .	88	Lemon Grove . . . . .	90
Belmont . . . . .	192	Cotati . . . . .	59	Grass Valley . . . . .	131	Lemoore . . . . .	163
Belvedere . . . . .	27	Covina . . . . .	287	Greenfield . . . . .	65	Lincoln . . . . .	217
Benicia . . . . .	301	Crescent City . . . . .	99	Gridley . . . . .	63	Lindsay . . . . .	124
Berkeley . . . . .	1,980	Cudahy . . . . .	29	Grover Beach . . . . .	99	Live Oak . . . . .	24
Beverly Hills . . . . .	1,147	Culver City . . . . .	891	Guadalupe . . . . .	62	Livermore . . . . .	616
Biggs . . . . .	11	Cupertino . . . . .	202	Gustine . . . . .	38	Livingston . . . . .	100
Bishop . . . . .	40	Cypress . . . . .	243	Half Moon Bay . . . . .	60	Lodi . . . . .	563
Blue Lake . . . . .	13	Daly City . . . . .	799	Hanford . . . . .	337	Loma Linda . . . . .	123
Blythe . . . . .	114	Dana Point . . . . .	101	Hawaiian Gardens . . . . .	102	Lomita . . . . .	61
Bradbury . . . . .	3	Davis . . . . .	584	Hawthorne . . . . .	479	Lompoc . . . . .	469
Brawley . . . . .	205	Del Mar . . . . .	77	Hayward . . . . .	1,024	Long Beach . . . . .	6,388
Brea . . . . .	446	Del Rey Oaks . . . . .	14	Healdsburg . . . . .	153	Loomis . . . . .	27
Brentwood . . . . .	341	Delano . . . . .	49	Hemet . . . . .	403	Los Alamitos . . . . .	69
Brisbane . . . . .	124	Desert Hot Springs . . . . .	124	Hercules . . . . .	232	Los Altos . . . . .	169
Buellton . . . . .	26	Diamond Bar . . . . .	76	Hermosa Beach . . . . .	215	Los Altos Hills . . . . .	24
Buena Park . . . . .	400	Dinuba . . . . .	247	Hesperia . . . . .	167	Los Banos . . . . .	183
Burbank . . . . .	1,741	Dixon . . . . .	131	Hidden Hills . . . . .	5	Los Gatos . . . . .	230
Burlingame . . . . .	290	Dos Palos . . . . .	40	Highland . . . . .	47	Loyalton . . . . .	4
Calabasas . . . . .	155	Downey . . . . .	592	Hillsborough . . . . .	136	Lynwood . . . . .	289
Calexico . . . . .	282	Duarte . . . . .	63	Hollister . . . . .	178	Madera . . . . .	411
California City . . . . .	104	Dublin . . . . .	116	Hughson . . . . .	45	Malibu . . . . .	105
Calimesa . . . . .	18	Dunsmuir . . . . .	15	Huntington Beach . . . . .	1,297	Mammoth Lakes . . . . .	136
Calipatria . . . . .	22	East Palo Alto . . . . .	128	Huntington Park . . . . .	241	Manhattan Beach . . . . .	365
Calistoga . . . . .	69	El Cajon . . . . .	666	Imperial . . . . .	63	Manteca . . . . .	454
Camarillo . . . . .	178	El Centro . . . . .	375	Imperial Beach . . . . .	116	Marina . . . . .	138

Public Agency Employers (continued)

**Cities & Towns (continued)**

Martinez . . . . .	56	Pasadena . . . . .	2,397	San Jacinto . . . . .	93	Taft . . . . .	191
Marysville . . . . .	90	Paso Robles . . . . .	228	San Joaquin . . . . .	17	Tehachapi . . . . .	59
Maywood . . . . .	106	Patterson . . . . .	119	San Jose . . . . .	11	Temecula . . . . .	246
Menifee . . . . .	17	Perris . . . . .	105	San Leandro . . . . .	488	Temple City . . . . .	55
Menlo Park . . . . .	370	Petaluma . . . . .	464	San Luis Obispo . . . . .	533	Thousand Oaks . . . . .	492
Merced . . . . .	594	Pico Rivera . . . . .	198	San Marcos . . . . .	284	Tiburon . . . . .	60
Mill Valley . . . . .	243	Piedmont . . . . .	129	San Marino . . . . .	189	Torrance . . . . .	1,728
Millbrae . . . . .	205	Pinole . . . . .	159	San Mateo . . . . .	675	Tracy . . . . .	578
Milpitas . . . . .	504	Pismo Beach . . . . .	137	San Pablo . . . . .	170	Truckee . . . . .	148
Mission Viejo . . . . .	193	Pittsburg . . . . .	318	San Ramon . . . . .	367	Tulare . . . . .	583
Modesto . . . . .	1,353	Placentia . . . . .	158	Sand City . . . . .	28	Tulelake . . . . .	23
Monrovia . . . . .	334	Placerville . . . . .	112	Sanger . . . . .	161	Turlock . . . . .	564
Montague . . . . .	8	Pleasant Hill . . . . .	190	Santa Ana . . . . .	1,774	Tustin . . . . .	415
Montclair . . . . .	295	Pleasanton . . . . .	598	Santa Barbara . . . . .	1,475	Twentynine Palms . . . . .	59
Monte Sereno . . . . .	10	Pomona . . . . .	778	Santa Clara . . . . .	1,078	Ukiah . . . . .	251
Montebello . . . . .	692	Port Hueneme . . . . .	174	Santa Clarita . . . . .	605	Union City . . . . .	426
Monterey . . . . .	643	Porterville . . . . .	393	Santa Cruz . . . . .	1,033	Upland . . . . .	420
Monterey Park . . . . .	518	Portola . . . . .	20	Santa Fe Springs . . . . .	242	Vacaville . . . . .	611
Moorpark . . . . .	91	Portola Valley . . . . .	18	Santa Maria . . . . .	692	Vallejo . . . . .	492
Moraga . . . . .	52	Poway . . . . .	323	Santa Monica . . . . .	2,882	Vernon . . . . .	437
Moreno Valley . . . . .	632	Rancho Cordova . . . . .	77	Santa Paula . . . . .	198	Victorville . . . . .	714
Morgan Hill . . . . .	259	Rancho Cucamonga . . . . .	675	Santa Rosa . . . . .	1,528	Villa Park . . . . .	7
Morro Bay . . . . .	132	Rancho Mirage . . . . .	107	Santee . . . . .	189	Visalia . . . . .	665
Mountain View . . . . .	840	Rancho Palos Verdes . . . . .	164	Saratoga . . . . .	95	Vista . . . . .	472
Mt. Shasta . . . . .	47	Rancho Santa Margarita . . . . .	26	Sausalito . . . . .	161	Walnut . . . . .	79
Murrieta . . . . .	332	Red Bluff . . . . .	133	Scotts Valley . . . . .	95	Walnut Creek . . . . .	666
Napa . . . . .	505	Redding . . . . .	872	Seal Beach . . . . .	118	Wasco . . . . .	79
National City . . . . .	470	Redlands . . . . .	559	Seaside . . . . .	248	Waterford . . . . .	23
Needles . . . . .	208	Redondo Beach . . . . .	645	Sebastopol . . . . .	54	Watsonville . . . . .	497
Nevada City . . . . .	42	Redwood City . . . . .	850	Selma . . . . .	162	Weed . . . . .	42
Newark . . . . .	265	Reedley . . . . .	159	Shafter . . . . .	173	West Covina . . . . .	478
Newman . . . . .	56	Rialto . . . . .	485	Shasta Lake . . . . .	63	West Hollywood . . . . .	298
Newport Beach . . . . .	1,081	Richmond . . . . .	1,003	Sierra Madre . . . . .	115	West Sacramento . . . . .	532
Norco . . . . .	132	Ridgecrest . . . . .	161	Signal Hill . . . . .	179	Westlake Village . . . . .	23
Norwalk . . . . .	302	Rio Vista . . . . .	66	Simi Valley . . . . .	725	Westminster . . . . .	362
Novato . . . . .	289	Ripon . . . . .	27	Solana Beach . . . . .	89	Whittier . . . . .	505
Oakdale . . . . .	122	Riverbank . . . . .	83	Soledad . . . . .	105	Wildomar . . . . .	8
Oakland . . . . .	4,989	Riverside . . . . .	2,667	Solvang . . . . .	45	Williams . . . . .	42
Oakley . . . . .	42	Rocklin . . . . .	405	Sonoma . . . . .	118	Willits . . . . .	69
Oceanside . . . . .	1,252	Rohnert Park . . . . .	244	Sonora . . . . .	62	Willows . . . . .	43
Ojai . . . . .	42	Rolling Hills . . . . .	4	South El Monte . . . . .	96	Windsor . . . . .	138
Ontario . . . . .	1,189	Rolling Hills Estates . . . . .	37	South Gate . . . . .	519	Winters . . . . .	41
Orange . . . . .	849	Rosemead . . . . .	117	South Lake Tahoe . . . . .	286	Woodlake . . . . .	62
Orange Cove . . . . .	39	Roseville . . . . .	1,429	South Pasadena . . . . .	261	Woodland . . . . .	404
Orland . . . . .	44	Ross . . . . .	32	South San Francisco . . . . .	568	Woodside . . . . .	30
Oroville . . . . .	149	Sacramento . . . . .	5,804	St. Helena . . . . .	100	Yorba Linda . . . . .	148
Oxnard . . . . .	2,646	Salinas . . . . .	644	Stanton . . . . .	69	Yountville . . . . .	36
Pacific Grove . . . . .	128	San Anselmo . . . . .	99	Stockton . . . . .	2,044	Yreka . . . . .	72
Pacifica . . . . .	271	San Bernardino . . . . .	1,730	Suisun City . . . . .	141	Yuba City . . . . .	367
Palm Desert . . . . .	188	San Bruno . . . . .	305	Sunnyvale . . . . .	1,208	Yucaipa . . . . .	69
Palm Springs . . . . .	580	San Buenaventura . . . . .	853	Susanville . . . . .	97	Yucca Valley . . . . .	77
Palmdale . . . . .	409	San Carlos . . . . .	188	Sutter Creek . . . . .	16		
Palo Alto . . . . .	1,284	San Clemente . . . . .	43				
Palos Verdes Estates . . . . .	100	San Dimas . . . . .	103				
Paradise . . . . .	128	San Fernando . . . . .	158				
Paramount . . . . .	136	San Francisco . . . . .	1,388 <sup>1</sup>				
Parlier . . . . .	50	San Gabriel . . . . .	214				

**Note:**

<sup>1</sup> This agency has both City and County employees, however it is listed only in the “total” count of the Cities & Towns category

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (997 total)

(School districts contracting for school safety staff and/or AB 616 miscellaneous formula are included in this category.)

Academic Senate for California Community Colleges . . . . .	22	Bard Water District . . . . .	23
Access Services Incorporated . . . . .	125	Bardsdale Cemetery District . . . . .	5
Agoura Hills and Calabasas Community Center . . . . .	16	Barstow Cemetery District . . . . .	5
Alameda Alliance for Health . . . . .	274	Bay Area Air Quality Management District . . . . .	436
Alameda Corridor Transportation Authority . . . . .	18	Bay Area Water Supply and Conservation Agency . . . . .	9
Alameda County Congestion Management Agency . . . . .	28	Beach Cities Health District . . . . .	156
Alameda County Fire Department . . . . .	361	Bear Mountain Recreation and Park District . . . . .	19
Alameda County Law Library . . . . .	16	Bear Valley Community Services District . . . . .	53
Alameda County Mosquito Abatement District . . . . .	16	Beaumont District Library . . . . .	9
Alameda County Schools Insurance Group . . . . .	7	Beaumont-Cherry Valley Recreation and Park District . . . . .	24
Alameda County Transportation Improvement Authority . . . . .	12	Beaumont-Cherry Valley Water District . . . . .	37
Alameda County Waste Management Authority . . . . .	41	Bella Vista Water District . . . . .	27
Alameda County Water District . . . . .	259	Belmont-San Carlos Fire Department . . . . .	58
Albany Municipal Services Joint Powers Authority . . . . .	25	Belvedere-Tiburon Library Agency . . . . .	18
Alhambra Redevelopment Agency . . . . .	7	Ben Lomond Fire Protection District . . . . .	1
Alliance of Schools for Cooperative Insurance Programs . . . . .	24	Benicia City Housing Authority . . . . .	17
Alpine Fire Protection District . . . . .	23	Bennett Valley Fire Protection District . . . . .	11
Alta California Regional Center, Inc. . . . .	462	BETA Healthcare Group Risk Management Authority . . . . .	75
Alta Irrigation District . . . . .	38	Big Bear Area Regional Wastewater Agency . . . . .	23
Altadena Library District . . . . .	26	Big Bear City Airport District . . . . .	7
Amador County Transportation Commission . . . . .	4	Big Bear City Community Services District . . . . .	80
Amador Regional Transit District . . . . .	42	Big Bear Municipal Water District . . . . .	11
Amador Water Agency . . . . .	68	Bighorn-Desert View Water Agency . . . . .	12
American Canyon Fire Protection District . . . . .	16	Black Gold Cooperative Library System . . . . .	17
American River Flood Control District . . . . .	9	Blanchard/Santa Paula Public Library District . . . . .	9
Anderson Cemetery District . . . . .	4	Blue Lake Fire Protection District . . . . .	1
Anderson Fire Protection District . . . . .	12	Bodega Bay Fire Protection District . . . . .	20
Angiola Water District . . . . .	6	Bolinas Community Public Utility District . . . . .	8
Antelope Valley Mosquito and Vector Control District . . . . .	5	Bolinas Fire Protection District . . . . .	2
Antelope Valley Schools Transportation Agency . . . . .	316	Bonita-Sunnyside Fire Protection District . . . . .	16
Antelope Valley Transit Authority . . . . .	41	Boron Community Services District . . . . .	3
Apple Valley Fire Protection District . . . . .	66	Borrego Springs Fire Protection District . . . . .	29
Aptos/La Selva Fire Protection Agency . . . . .	40	Borrego Water District . . . . .	19
Arbuckle-College City Fire Protection District . . . . .	4	Boulder Creek Fire Protection District . . . . .	1
Arcade Creek Recreation and Park District . . . . .	11	Branciforte Fire Protection District . . . . .	4
Arcata Fire Protection District . . . . .	18	Brannan-Andrus Levee Maintenance District . . . . .	1
Area 12 Agency on Aging . . . . .	36	Broadmoor Police Protection District . . . . .	14
Armona Community Services District . . . . .	2	Brooktrails Township Community Services District . . . . .	15
Aromas Water District . . . . .	7	Browns Valley Irrigation District . . . . .	16
Arrowbear Park County Water District . . . . .	6	Buena Park Library District . . . . .	27
Arroyo Grande District Cemetery . . . . .	5	Burney Basin Mosquito Abatement District . . . . .	1
Associated Students, California State University, Chico . . . . .	137	Burney Fire District . . . . .	12
Associated Students, California State University, San Bernardino . . . . .	2	Burney Water District . . . . .	12
Association of Bay Area Governments . . . . .	141	Butte County Air Quality Management District . . . . .	13
Association of California Water Agencies . . . . .	75	Butte County Association of Governments . . . . .	12
Association of California Water Agencies— Joint Powers Insurance Authority . . . . .	47	Butte County In-Home Supportive Services Public Authority . . . . .	5
Association of Monterey Bay Area Governments . . . . .	36	Butte County Mosquito and Vector Control District . . . . .	20
Atascadero Cemetery District . . . . .	5	Butte Local Agency Formation Commission . . . . .	4
Auburn Area Recreation and Park District . . . . .	87	Butte Schools Self-Funded Programs . . . . .	2
Auburn Public Cemetery District . . . . .	7	Butte-Glenn Community College District . . . . .	476
Avila Beach Community Services District . . . . .	1	Byron-Bethany Irrigation District . . . . .	20
Aztec Shops, Ltd. . . . .	104	Cabrillo College Foundation . . . . .	9
Baldwin Park Unified School District . . . . .	960	Cachuma Operation and Maintenance Board . . . . .	20
Baldy Mesa Water District . . . . .	2	Cal Poly Corporation . . . . .	521
		Cal Poly Pomona Foundation, Inc. . . . .	433

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Calaveras Council of Governments . . . . .	3	Central Calaveras Fire and Rescue Protection District . . . . .	11
Calaveras County Water District . . . . .	93	Central Coast Computing Authority . . . . .	5
Calaveras Public Utility District . . . . .	8	Central Coast Water Authority . . . . .	40
California Association for Park and Recreation Indemnity . . . . .	5	Central Contra Costa Transit Authority . . . . .	358
California Authority of Racing Fairs . . . . .	19	Central County Fire Department . . . . .	1
California Bear Credit Union . . . . .	87	Central Fire Protection District of Santa Cruz County . . . . .	53
California Central Valley Flood Control Association . . . . .	2	Central Marin Sanitation Agency . . . . .	44
California Fair Services Authority . . . . .	49	Central Sierra Child Support Agency . . . . .	29
California Fairs Financing Authority . . . . .	47	Central Sierra Planning Council . . . . .	5
California Firefighter's Joint Apprenticeship Committee . . . . .	39	Central Valley Regional Center, Inc. . . . .	379
California Interscholastic Federation, Central Coast Section . . . . .	7	Central Water District . . . . .	4
California Interscholastic Federation, Central Section . . . . .	2	Chester Fire Protection District . . . . .	12
California Interscholastic Federation, North Coast Section . . . . .	8	Chester Public Utility District . . . . .	5
California Interscholastic Federation, Northern Section . . . . .	2	Chico Area Recreation and Park District . . . . .	93
California Interscholastic Federation, Sac-Joaquin Section . . . . .	6	Children and Families Commission of San Luis Obispo County . . . . .	3
California Interscholastic Federation, San Diego Section . . . . .	3	Chino Basin Water Conservation District . . . . .	14
California Interscholastic Federation, Southern Section . . . . .	18	Chino Basin Watermaster . . . . .	14
California Interscholastic Federation, State Office . . . . .	19	Chino Valley Independent Fire District . . . . .	140
California Joint Powers Insurance Authority . . . . .	25	Citrus Heights Water District . . . . .	30
California Joint Powers Risk Management Authority . . . . .	6	Citrus Pest Control District No. 2 of Riverside County . . . . .	2
California Maritime Academy Foundation, Inc. . . . .	2	Clear Creek Community Services District . . . . .	11
California Municipal Utilities Association . . . . .	5	Clearlake Oaks County Water District . . . . .	30
California Pines Community Services District . . . . .	14	Cloverdale Citrus Fair . . . . .	5
California Redevelopment Association Foundation . . . . .	16	Cloverdale Fire Protection District . . . . .	3
California School Boards Association . . . . .	184	Clovis Cemetery District . . . . .	17
California Special Districts Association . . . . .	26	Coachella Valley Association of Governments . . . . .	26
California State and Federal Employees No. 20 Credit Union . . . . .	15	Coachella Valley Mosquito and Vector Control District . . . . .	90
California State University, Bakersfield Foundation . . . . .	72	Coachella Valley Public Cemetery District . . . . .	6
California State University, Fresno Athletic Corporation . . . . .	133	Coachella Valley Water District . . . . .	558
California State University, Stanislaus Auxiliary and Business Services . . . . .	47	Coalinga/Huron Unified School District Library District . . . . .	10
California State University-Fresno Association, Inc. . . . .	221	Coalinga-Huron Cemetery District . . . . .	2
Callayomi County Water District . . . . .	4	Coalinga-Huron Recreation and Park District . . . . .	22
Calleguas Municipal Water District . . . . .	71	Coast Life Support District . . . . .	10
Camarillo Health Care District . . . . .	68	Coastal Developmental Services Foundation DBA Westside Regional Center . . . . .	265
Cambria Cemetery District . . . . .	1	Coastside County Water District . . . . .	24
Cambria Community Healthcare District . . . . .	18	Coastside Fire Protection District . . . . .	12
Cambria Community Services District . . . . .	37	Coffax Cemetery District . . . . .	3
Cameron Park Community Services District . . . . .	18	College of the Canyons Foundation . . . . .	2
Camrosa Water District . . . . .	27	Colusa County One-Stop Partnership . . . . .	23
Capitol Area Development Authority . . . . .	51	Colusa Mosquito Abatement District . . . . .	5
Carmel Area Wastewater District . . . . .	27	Community College League of California . . . . .	33
Carmel Highlands Fire Protection District of Monterey County . . . . .	1	Community Development Commission of Mendocino County . . . . .	37
Carmel Regional Fire Ambulance Authority . . . . .	5	Community Development Commission of the County of Los Angeles . . . . .	1,193
Carmel Valley Fire Protection District . . . . .	21	Compton Creek Mosquito Abatement District . . . . .	1
Carmichael Water District . . . . .	37	Compton Unified School District . . . . .	1,936
Carpinteria Sanitary District . . . . .	19	Conejo Recreation and Park District . . . . .	278
Carpinteria Valley Water District . . . . .	23	Consolidated Area Housing Authority of Sutter County . . . . .	47
Casitas Municipal Water District . . . . .	59	Consolidated Mosquito Abatement District . . . . .	26
Castaic Lake Water Agency . . . . .	121	Contra Costa Community College District . . . . .	1,010
Castro Valley Sanitary District . . . . .	20	Contra Costa County Law Library . . . . .	4
Castroville Community Services District . . . . .	7	Contra Costa County Schools Insurance Group . . . . .	63
Cawelo Water District . . . . .	19	Contra Costa Transportation Authority . . . . .	23
Cayucos Sanitary District . . . . .	10	Cooperative Organization for the Development of Employee Selection Procedures . . . . .	10
Cayucos-Morro Bay Cemetery District . . . . .	4	Cooperative Personnel Services . . . . .	398
Centerville Community Services District . . . . .	5		
Central Basin Municipal Water District . . . . .	42		

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Copperopolis Fire Protection District . . . . .	10	Esparto Fire Protection District . . . . .	2
Cordelia Fire Protection District of Solano County . . . . .	7	Estero Municipal Improvement District . . . . .	272
Cordova Recreation and Park District . . . . .	52	Exeter District Ambulance . . . . .	25
Corning Water District . . . . .	4	Exposition Metro Line Construction Authority . . . . .	8
Costa Mesa Sanitary District . . . . .	14	Fair Oaks Recreation and Park District . . . . .	56
Cosumnes Community Services District . . . . .	596	Fair Oaks Water District . . . . .	54
Cottonwood Fire Protection District . . . . .	4	Fairfield-Suisun Sewer District . . . . .	73
Cottonwood Water District . . . . .	3	Fall River Mills Community Services District . . . . .	4
Crescent City Harbor District . . . . .	15	Fallbrook Public Utility District . . . . .	80
Crescenta Valley Water District . . . . .	35	Far Northern Regional Center . . . . .	206
Crestline Lake Arrowhead Water Agency . . . . .	12	Feather River Air Quality Management District . . . . .	13
Crestline Village Water District . . . . .	14	Feather River Recreation and Park District . . . . .	25
Crockett Community Services District . . . . .	6	Feather Water District . . . . .	3
CSAC Excess Insurance Authority . . . . .	70	Felton Fire Protection District . . . . .	2
Cucamonga Valley Water District . . . . .	141	Fern Valley Water District . . . . .	5
Cutler Public Utility District . . . . .	5	Florin County Water District . . . . .	9
Cutler-Orosi Joint Powers Wastewater Authority . . . . .	5	Florin Resource Conservation District Elk Grove Water Works . . . . .	42
Cuyama Valley Recreation District . . . . .	1	Fontana Unified School District . . . . .	1,706
Dairy Council of California . . . . .	109	Foothill Municipal Water District . . . . .	12
Davis Cemetery District . . . . .	5	Foresthill Public Utility District . . . . .	13
De Luz Community Services District . . . . .	4	Forestville County Water District . . . . .	4
Del Norte County Library District . . . . .	4	Forestville Fire Protection District . . . . .	7
Del Paso Manor Water District . . . . .	5	Fort Bragg Fire Protection Authority . . . . .	4
Del Puerto Water District . . . . .	5	Fort Ord Reuse Authority . . . . .	16
Del Rey Community Services District . . . . .	9	Foundation for California Community Colleges . . . . .	170
Delano Mosquito Abatement District . . . . .	4	Fresno City Housing Authority . . . . .	179
Delta Diablo Sanitation District . . . . .	82	Fresno County Housing Authority . . . . .	170
Delta Vector Control District . . . . .	20	Fresno County Law Library . . . . .	6
Denair Community Services District . . . . .	5	Fresno Westside Mosquito Abatement District . . . . .	8
Desert Water Agency . . . . .	91	Fullerton California State University Associated Students . . . . .	82
Diablo Water District . . . . .	17	Fulton-El Camino Recreation and Park District . . . . .	20
Diamond Springs/El Dorado Fire Protection District . . . . .	22	Garden Valley Fire Protection District . . . . .	12
Dixon Public Library District . . . . .	15	Georgetown Divide Public Utility District . . . . .	25
Donald P. and Katherine B. Loker University Student Union, Inc. . . . .	15	Georgetown Fire Protection District . . . . .	13
Dougherty Regional Fire Authority . . . . .	6	Gilsizer County Drainage District . . . . .	6
Dublin San Ramon Services District . . . . .	127	Glen Ellen Fire Protection District . . . . .	5
Durham Mosquito Abatement District . . . . .	1	Glendale College, Associated Students of . . . . .	19
East Bay Dischargers Authority . . . . .	3	Glendale Community College District . . . . .	470
East Bay Regional Park District . . . . .	696	Glenn County Mosquito and Vector Control District . . . . .	1
East Contra Costa Irrigation District . . . . .	20	Gold Coast Transit . . . . .	230
East Kern Airport District . . . . .	31	Gold Ridge Fire Protection District . . . . .	12
East Orange County Water District . . . . .	10	Gold Ridge Resource Conservation District . . . . .	6
East Palo Alto Sanitary District . . . . .	14	Golden Gate Bridge Highway and Transportation District . . . . .	595
East Quincy Services District . . . . .	6	Golden Hills Community Services District . . . . .	15
East San Gabriel Valley Human Services Consortium . . . . .	87	Golden Sierra Job Training Agency . . . . .	40
East Valley Water District . . . . .	82	Goleta Sanitary District . . . . .	46
Eastern Municipal Water District . . . . .	740	Goleta Water District . . . . .	81
Eastern Sierra Transit Authority . . . . .	36	Goleta West Sanitary District . . . . .	8
Ebbetts Pass Fire Protection District . . . . .	29	Granada Sanitary District . . . . .	2
El Dorado County Fire Protection District . . . . .	109	Great Basin Unified Air Pollution Control District . . . . .	32
El Dorado County Transit Authority . . . . .	90	Greater Anaheim Special Education Local Plan Area . . . . .	83
El Dorado County Transportation Commission . . . . .	8	Greater Los Angeles County Vector Control District . . . . .	76
El Dorado Hills Community Services District . . . . .	59	Greater Vallejo Recreation District . . . . .	43
El Dorado Hills County Water District . . . . .	63	Green Valley County Water District . . . . .	2
El Dorado Irrigation District . . . . .	296	Greenfield Fire Protection District . . . . .	4
Encina Wastewater Authority . . . . .	88	Gridley Biggs Cemetery District . . . . .	5
Esparto Community Services District . . . . .	8	Grossmont Healthcare District . . . . .	9

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Grossmont Schools Federal Credit Union . . . . .	27	Irvine Ranch Water District . . . . .	386
Grossmont-Cuyamaca Community College District . . . . .	685	Isla Vista Recreation and Park District . . . . .	19
Groveland Community Services District . . . . .	43	Jackson Valley Irrigation District . . . . .	2
Gualala Community Services District . . . . .	6	Jamestown Sanitary District . . . . .	7
Hacienda La Puente Unified School District . . . . .	1,466	Janesville Fire Protection District . . . . .	2
Hamilton Branch Fire Protection District . . . . .	1	Joshua Basin Water District . . . . .	24
Happy Camp Sanitary District . . . . .	2	June Lake Public Utility District . . . . .	8
Happy Homestead Cemetery District . . . . .	4	Jurupa Area Recreation and Park District . . . . .	16
Happy Valley Fire District . . . . .	3	Jurupa Community Services District . . . . .	147
Hayward Area Recreation and Park District . . . . .	168	Kaweah Delta Water Conservation District . . . . .	27
Hayward California State University, Auxiliary Foundation, Inc. . . . .	209	Kelseyville Fire Protection District . . . . .	22
Health Plan of San Joaquin . . . . .	173	Kensington Community Services District . . . . .	12
Heartland Communications Facility Authority . . . . .	49	Kentfield Fire Protection District . . . . .	16
Heber Public Utility District . . . . .	15	Kenwood Fire Protection District . . . . .	4
Helendale Community Services District . . . . .	11	Kern County Council of Governments . . . . .	23
Helix Water District . . . . .	183	Kern County Housing Authority . . . . .	166
Henry Miller Reclamation District No. 2131 . . . . .	49	Kern County Law Library . . . . .	5
Heritage Ranch Community Services District . . . . .	16	Kern County Local Agency Formation Commission . . . . .	2
Hesperia Fire Protection District . . . . .	43	Kern Health Systems . . . . .	319
Hesperia Water District . . . . .	73	Kern River Valley Cemetery District . . . . .	2
Hidden Valley Lake Community Services District . . . . .	17	Kern-Tulare Water District . . . . .	8
Hi-Desert Water District . . . . .	58	Kettleman City Community Services District . . . . .	5
Higgins Area Fire Protection District . . . . .	28	Kings County Area Public Transit Agency . . . . .	33
Hilton Creek Community Services District . . . . .	2	Kings County Association of Governments . . . . .	6
Hopland Public Utility District . . . . .	1	Kings County In-Home Supportive Services Public Authority . . . . .	4
Housing Authority of the City of Calexico . . . . .	24	Kings Mosquito Abatement District . . . . .	10
Housing Authority of the City of Eureka . . . . .	23	Kings Waste and Recycling Authority . . . . .	83
Housing Authority of the City of Livermore . . . . .	20	Kinneloa Irrigation District . . . . .	3
Housing Authority of the City of Los Angeles . . . . .	1,356	Kirkwood Meadows Public Utility District . . . . .	18
Housing Authority of the City of Madera . . . . .	56	Konociti County Water District . . . . .	10
Housing Authority of the City of San Buenaventura . . . . .	56	La Habra Heights County Water District . . . . .	11
Housing Authority of the City of San Luis Obispo . . . . .	46	La Puente Valley County Water District . . . . .	17
Housing Authority of the City of South San Francisco . . . . .	4	Laguna Beach County Water District . . . . .	49
Housing Authority of the County of Butte . . . . .	49	Lake Arrowhead Community Services District . . . . .	80
Housing Authority of the County of Santa Clara . . . . .	220	Lake County Fire Protection District . . . . .	28
Housing Authority of the County of Santa Cruz . . . . .	97	Lake County Vector Control District . . . . .	10
Hub Cities Consortium . . . . .	56	Lake Don Pedro Community Services District . . . . .	9
Human Rights/Fair Housing Commission of the City and County of Sacramento . . . . .	23	Lake Hemet Municipal Water District . . . . .	60
Humboldt Bay Harbor Recreation and Conservation District . . . . .	22	Lake Oroville Area Public Utility District . . . . .	9
Humboldt Bay Municipal Water District . . . . .	27	Lake Shastina Community Services District . . . . .	16
Humboldt Community Services District . . . . .	25	Lake Valley Fire Protection District . . . . .	52
Humboldt County Association of Governments . . . . .	3	Lakeport County Fire Protection District . . . . .	20
Humboldt No. 1 Fire Protection District of Humboldt County . . . . .	22	Lakeside Fire Protection District . . . . .	69
Humboldt State College University Center . . . . .	72	Lakeside Water District . . . . .	23
Humboldt Transit Authority . . . . .	67	Lamont Public Utility District . . . . .	1
Humboldt Waste Management Authority . . . . .	41	Las Gallinas Valley Sanitary District of Marin County . . . . .	18
Idyllwild Fire Protection District . . . . .	9	Las Virgenes Municipal Water District . . . . .	169
Indian Wells Valley Water District . . . . .	40	Lassen County Waterworks District No. 1 . . . . .	1
Inland Counties Regional Center, Inc. . . . .	734	League of California Cities . . . . .	128
Inland Empire Health Plan . . . . .	645	Lee Lake Water District . . . . .	9
Inland Empire Resource Conservation District . . . . .	17	Leucadia Wastewater District . . . . .	25
Inland Empire Utilities Agency . . . . .	383	Levee District No. 1 of Sutter County . . . . .	2
Intelecom Intelligent Telecommunications . . . . .	45	Linda County Water District . . . . .	12
Intergovernmental Training and Development Center . . . . .	9	Linda Fire Protection District . . . . .	15
Inverness Public Utility District . . . . .	4	Linden-Peters Rural County Fire Protection District . . . . .	12
Ironhouse Sanitary District . . . . .	34	Lindsay Strathmore Public Cemetery District . . . . .	5
		Little Lake Fire Protection District . . . . .	5

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Littlerock Creek Irrigation District . . . . .	6	Metropolitan Water District of Southern California . . . . .	2,710
Live Oak Cemetery District . . . . .	3	Mid-City Development Corporation . . . . .	1
Livermore/Amador Valley Transit Authority . . . . .	22	Midpeninsula Regional Open Space District . . . . .	155
Local Agency Formation Commission of Monterey County . . . . .	3	Mid-Peninsula Water District . . . . .	26
Local Agency Formation Commission of Solano County . . . . .	2	Mid-Placer Public Schools Transportation Agency . . . . .	99
Local Government Services Authority, a Joint Powers Authority . . . . .	52	Midway City Sanitary District . . . . .	38
Lompico County Water District . . . . .	3	Millview County Water District . . . . .	7
Long Beach City College Associated Student Body Enterprises . . . . .	27	Minter Field Airport District . . . . .	15
Long Beach State University, Associated Students . . . . .	83	Mission Springs Water District . . . . .	64
Long Beach State University, Forty-Niner Shops, Inc. . . . .	76	Mojave Water Agency . . . . .	45
Los Alamos Community Services District . . . . .	7	Mokelumne Rural Fire District . . . . .	11
Los Angeles City Community Redevelopment Agency . . . . .	308	Monte Vista County Water District . . . . .	51
Los Angeles County Area 'E' Civil Defense and Disaster Board . . . . .	1	Montecito Fire Protection District . . . . .	52
Los Angeles County Law Library . . . . .	56	Montecito Sanitary District of Santa Barbara County . . . . .	16
Los Angeles County Sanitation District No. 2 . . . . .	2,180	Montecito Water District . . . . .	31
Los Angeles County West Vector Control District . . . . .	42	Monterey Bay Unified Air Pollution Control District . . . . .	43
Los Angeles Memorial Coliseum Commission . . . . .	35	Monterey County Regional Fire Protection District (previously Salinas Rural FD) . . . . .	35
Los Angeles-Saratoga Department of Community Education and Recreation . . . . .	62	Monterey County Water Resources Agency . . . . .	69
Los Osos Community Services District . . . . .	27	Monterey Peninsula Airport District . . . . .	62
Lower Lake Cemetery District . . . . .	3	Monterey Peninsula Regional Park District . . . . .	15
Lower Lake County Waterworks District No. 1 . . . . .	5	Monterey Peninsula Water Management District . . . . .	35
Lower Tule River Irrigation District . . . . .	38	Monterey Regional Waste Management District . . . . .	166
Madera Cemetery District . . . . .	20	Monterey Regional Water Pollution Control Agency . . . . .	94
Madera County Mosquito and Vector Control District . . . . .	12	Monterey-Salinas Transit District . . . . .	365
Main San Gabriel Basin Watermaster . . . . .	14	Montezuma Fire Protection District . . . . .	7
Majestic Pines Community Services District . . . . .	3	Morongo Basin Transit Authority . . . . .	60
Mammoth Lakes Fire District . . . . .	17	Mother Lode Job Training Agency . . . . .	37
Mammoth Lakes Mosquito Abatement District . . . . .	1	Moulton-Niguel Water District . . . . .	131
Management of Emeryville Services Authority . . . . .	145	Mountains Recreation and Conservation Authority . . . . .	282
March Joint Powers Authority . . . . .	20	Mt. View Sanitary District of Contra Costa County . . . . .	20
Marin Children and Families Commission . . . . .	9	Mt. San Antonio College Auxiliary Services . . . . .	43
Marin Community College District . . . . .	272	Municipal Water District of Orange County . . . . .	40
Marin County Housing Authority . . . . .	111	Murphys Sanitary District . . . . .	7
Marin County In-Home Supportive Services Public Authority . . . . .	7	Murrieta Fire Protection District . . . . .	61
Marin County Sanitary District No. 1 . . . . .	29	Murrieta Valley Cemetery District . . . . .	6
Marin Municipal Water District . . . . .	308	Napa County Mosquito Abatement District . . . . .	8
Marina Coast Water District . . . . .	43	Napa County Resource Conservation District . . . . .	15
Marinwood Community Services District . . . . .	28	Napa County Transportation and Planning Agency . . . . .	16
Mariposa Public Utility District . . . . .	7	Napa Sanitation District . . . . .	55
Maxwell Public Utility District . . . . .	4	National Orange Show . . . . .	130
McFarland Recreation and Park District . . . . .	6	Nevada Cemetery District . . . . .	3
McKinleyville Community Services District . . . . .	29	Nevada County Consolidated Fire District . . . . .	54
McCloud Community Services District . . . . .	11	Nevada County Local Agency Formation Commission . . . . .	3
Meeks Bay Fire Protection District . . . . .	8	Nevada County Resource Conservation District . . . . .	3
Meiners Oaks County Water District . . . . .	6	Nevada Irrigation District . . . . .	195
Mendocino City Community Services District . . . . .	4	Nevada-Sierra Regional IHSS Public Authority . . . . .	14
Mendocino County Russian River Flood Control and Water Conservation Improvement District . . . . .	1	Newcastle, Rocklin, Gold Hill Cemetery District . . . . .	7
Mendocino Transit Authority . . . . .	69	Newhall County Water District . . . . .	44
Menlo Park Fire Protection District . . . . .	111	Newport Beach City Employees Federal Credit Union . . . . .	5
Merced County Housing Authority . . . . .	86	Nipomo Community Services District . . . . .	17
Merced County Mosquito Abatement District . . . . .	18	North Bay Cooperative Library System . . . . .	9
Merced Irrigation District . . . . .	238	North Bay Regional Center . . . . .	239
Mesa Consolidated Water District . . . . .	79	North Bay Schools Insurance Authority . . . . .	34
Metropolitan Transportation Commission . . . . .	210	North Central Counties Consortium . . . . .	16
		North Coast County Water District . . . . .	25
		North Coast Railroad Authority . . . . .	2

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

North Coast Unified Air Quality Management District . . . . .	16	Patterson Irrigation District . . . . .	13
North County Dispatch Joint Powers Authority . . . . .	33	Pauma Valley Community Services District . . . . .	25
North County Fire Protection District of Monterey County . . . . .	30	Peardale Chicago Park Fire Protection District . . . . .	4
North County Fire Protection District of San Diego County . . . . .	98	Pebble Beach Community Services District . . . . .	14
North County Transit District . . . . .	612	Peninsula Fire Protection District . . . . .	16
North Kern Cemetery District . . . . .	6	Peninsula Health Care District . . . . .	6
North Kern Water Storage District . . . . .	36	Peninsula Traffic Congestion Relief Alliance . . . . .	15
North Kern-South Tulare Hospital District . . . . .	221	Penn Valley Fire Protection District . . . . .	23
North Los Angeles County Regional Center, Inc. . . . .	563	Personal Assistance Services Council . . . . .	27
North Marin Water District . . . . .	72	Phelan Pinon Hills Community Services District . . . . .	21
North of the River Municipal Water District . . . . .	8	Pico Water District . . . . .	20
North of the River Recreation and Park District . . . . .	274	Pine Cove Water District . . . . .	4
North State Cooperative Library System . . . . .	6	Pine Grove Mosquito Abatement District . . . . .	2
North Tahoe Fire Protection District . . . . .	62	Pinedale County Water District . . . . .	10
Northern California Power Agency . . . . .	177	Pioneer Cemetery District . . . . .	3
Northern California Special Districts Insurance Authority . . . . .	2	Pixley Irrigation District . . . . .	4
Northern Salinas Valley Mosquito Abatement District . . . . .	6	Placer County Cemetery District No. 1 . . . . .	6
Northern Sierra Air Quality Management District . . . . .	6	Placer County Resource Conservation District . . . . .	2
Northshore Fire Protection District . . . . .	22	Placer County Transportation Planning Agency . . . . .	8
Northstar Community Services District . . . . .	46	Placer County Water Agency . . . . .	192
Northwest Mosquito and Vector Control District . . . . .	24	Placer Hills Fire Protection District . . . . .	22
Novato Sanitary District . . . . .	30	Placer Mosquito and Vector Control District . . . . .	18
Oakdale Irrigation District . . . . .	97	Planning and Service Area II Area Agency on Aging . . . . .	6
Oakdale Rural Fire Protection District . . . . .	22	Pleasant Hill-Martinez Joint Facilities Agency . . . . .	166
Oakland City Housing Authority . . . . .	427	Pleasant Hill Recreation and Park District . . . . .	66
Oakland Unified School District . . . . .	2,994	Pleasant Valley County Water District . . . . .	5
Oceano Community Services District . . . . .	22	Pleasant Valley Recreation and Park District . . . . .	105
Ojai Valley Sanitary District . . . . .	23	Plumas Eureka Community Services District . . . . .	5
Olcese Water District . . . . .	1	Plumas Local Agency Formation Commission . . . . .	1
Olivenhain Municipal Water District . . . . .	109	Pomerado Cemetery District . . . . .	6
Omnitrans . . . . .	951	Pomona Valley Transportation Authority . . . . .	4
Ophir Hill Fire Protection District . . . . .	7	Pomona, California State Polytechnic University, Associated Students, Inc. . . . .	70
Orange County Health Authority . . . . .	764	Port San Luis Harbor District . . . . .	37
Orange County Transportation Authority . . . . .	8	Porter Vista Public Utility District . . . . .	2
Orange County Vector Control District . . . . .	66	Porterville Irrigation District . . . . .	4
Orchard Dale Water District . . . . .	10	Porterville Public Cemetery District . . . . .	10
Orland Cemetery District . . . . .	3	Public Agency Risk Sharing Authority of California . . . . .	5
Oro Loma Sanitary District . . . . .	53	Public Cemetery District No. 1 of Kern County . . . . .	6
Orosi Public Utility District . . . . .	6	Public Entity Risk Management Authority . . . . .	8
Oroville Cemetery District . . . . .	7	Public Transportation Services Corporation . . . . .	2,232
Oroville Mosquito Abatement District . . . . .	1	Pupil Transportation Cooperative . . . . .	174
Otay Water District . . . . .	248	Purissima Hills County Water District . . . . .	10
Oxnard Harbor District . . . . .	31	Quartz Hill Water District . . . . .	18
Pacific Fire Protection District . . . . .	1	Quincy Community Services District . . . . .	14
Padre Dam Municipal Water District . . . . .	165	Rainbow Municipal Water District . . . . .	70
Pajaro Valley Fire Protection Agency . . . . .	1	Ramona Municipal Water District . . . . .	69
Pajaro Valley Public Cemetery District . . . . .	10	Rancho Adobe Fire Protection District . . . . .	33
Pajaro Valley Water Management Agency . . . . .	24	Rancho California Water District . . . . .	156
Palm Ranch Irrigation District . . . . .	4	Rancho Cucamonga Fire Protection District . . . . .	117
Palmdale Water District . . . . .	110	Rancho Murieta Community Services District . . . . .	60
Palo Verde Cemetery District . . . . .	8	Rancho Santa Fe Fire Protection District . . . . .	66
Palo Verde Valley District Library . . . . .	5	Rancho Simi Recreation and Park District . . . . .	285
Palos Verdes Library District . . . . .	70	Reclamation District No. 3 . . . . .	2
Paradise Recreation and Park District . . . . .	28	Reclamation District No. 833 . . . . .	1
Pasadena City College Bookstore . . . . .	8	Reclamation District No. 999 . . . . .	4
Pasadena Unified School District . . . . .	1,668	Reclamation District No. 1000 . . . . .	8
Paso Robles City Housing Authority . . . . .	7		



## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Reclamation District No. 1001 . . . . .	11	San Bernardino Valley Municipal Water District . . . . .	27
Red Bluff Cemetery District . . . . .	6	San Bernardino Valley Water Conservation District . . . . .	12
Redevelopment Agency of the City of Fresno . . . . .	20	San Bernardino, California State University, Foundation . . . . .	305
Redwood Coast Regional Center . . . . .	143	San Bernardino, California State University, Student Union . . . . .	30
Redwood Empire Municipal Insurance Fund . . . . .	12	San Diego Association of Governments . . . . .	295
Redwood Empire School Insurance Group . . . . .	29	San Diego County Law Library . . . . .	59
Reedley Cemetery District . . . . .	8	San Diego County Water Authority . . . . .	361
Regional Center of Orange County . . . . .	551	San Diego Metropolitan Transit Development Board . . . . .	168
Regional Center of the East Bay . . . . .	508	San Diego Pooled Insurance Program Authority . . . . .	1
Regional Council of Rural Counties . . . . .	63	San Diego Rural Fire Protection District . . . . .	12
Regional Water Authority . . . . .	4	San Diego State University Associated Students . . . . .	32
Rescue Fire Protection District . . . . .	8	San Diego Trolley, Inc. . . . .	727
Resort Improvement District No. 1 . . . . .	16	San Diego Unified School District . . . . .	10,217
Resource Conservation District of the Santa Monica Mountains . . . . .	10	San Dieguito Water District . . . . .	11
Richardson Bay Sanitary District . . . . .	5	San Elijo Joint Powers Authority . . . . .	27
Rincon Del Diablo Municipal Water District . . . . .	23	San Francisco Bay Area Rapid Transit District . . . . .	3,582
Rincon Valley Fire Protection District . . . . .	29	San Francisco Bay Area Water Emergency Transportation Authority . . . . .	9
Rio Alto Water District . . . . .	8	San Francisco City and County Housing Authority . . . . .	316
Rio Linda Elverta Community Water District . . . . .	15	San Francisco City and County Redevelopment Agency . . . . .	166
Rio Vista Cemetery District . . . . .	3	San Francisco Community College District Bookstore Auxiliary . . . . .	18
Riverbank City Housing Authority . . . . .	1	San Francisco County Law Library . . . . .	12
Riverside County Flood Control and Water Conservation District . . . . .	267	San Francisco County Transportation Authority . . . . .	56
Riverside County Law Library . . . . .	9	San Francisco Health Authority . . . . .	244
Riverside County Regional Park and Open Space District . . . . .	151	San Francisquito Creek Joint Powers Authority . . . . .	5
Riverside County Transportation Commission . . . . .	54	San Gabriel County Water District . . . . .	17
Riverside County Waste Resources Management District . . . . .	60	San Gabriel Valley Council of Governments . . . . .	25
Riverside Transit Agency . . . . .	504	San Gabriel Valley Mosquito and Vector Control District . . . . .	35
Rosamond Community Services District . . . . .	38	San Gabriel Valley Municipal Water District . . . . .	9
Rose Bowl Operating Company . . . . .	25	San Geronio Pass Water Agency . . . . .	5
Rosedale-Rio Bravo Water Storage District . . . . .	6	San Jacinto Valley Cemetery District . . . . .	8
Roseville Public Cemetery District . . . . .	10	San Joaquin County Housing Authority . . . . .	118
Ross Valley Fire Service . . . . .	29	San Joaquin County IHSS Public Authority . . . . .	9
Rowland Water District . . . . .	29	San Joaquin Delta Community College District . . . . .	565
Rubidoux Community Services District . . . . .	24	San Juan Water District . . . . .	55
Running Springs Water District . . . . .	39	San Lorenzo Valley Water District . . . . .	32
Russian River Fire Protection District . . . . .	24	San Luis Obispo, Cal Poly, Associated Students, Inc. . . . .	124
Sacramento Area Council of Governments . . . . .	72	San Luis Obispo Council of Governments . . . . .	22
Sacramento City Housing Authority . . . . .	364	San Luis Obispo Regional Transit Authority . . . . .	9
Sacramento County Public Law Library . . . . .	27	San Luis Water District . . . . .	18
Sacramento Metropolitan Air Quality Management District . . . . .	126	San Mateo County Harbor District . . . . .	51
Sacramento Metropolitan Cable Television Commission . . . . .	15	San Mateo County In-Home Supportive Services Public Authority . . . . .	8
Sacramento Metropolitan Fire District . . . . .	626	San Mateo County Law Library . . . . .	4
Sacramento Municipal Utility District . . . . .	2,546	San Mateo County Schools Insurance Group . . . . .	10
Sacramento Public Library Authority . . . . .	405	San Mateo County Transit District . . . . .	943
Sacramento Regional Fire/EMS Communications Center . . . . .	78	San Mateo Local Agency Formation Commission . . . . .	1
Sacramento Suburban Water District . . . . .	60	San Miguel Community Services District . . . . .	8
Sacramento Transportation Authority . . . . .	4	San Miguel Consolidated Fire Protection District . . . . .	136
Sacramento-Yolo Mosquito and Vector Control District . . . . .	92	San Simeon Community Services District . . . . .	1
Salida Fire Protection District . . . . .	11	Sanger Cemetery District . . . . .	7
Salinas Valley Solid Waste Authority . . . . .	39	Sanitary District No. 5 of Marin County . . . . .	11
Salton Community Services District . . . . .	23	Santa Ana Unified School District . . . . .	2,404
San Andreas Regional Center, Inc. . . . .	350	Santa Ana Watershed Project Authority . . . . .	25
San Andreas Sanitary District . . . . .	7	Santa Barbara County Law Library . . . . .	2
San Benito County Water District . . . . .	36	Santa Barbara County Special Education Local Plan Area . . . . .	293
San Bernardino City Unified School District . . . . .	2,923	Santa Barbara Regional Health Authority . . . . .	230
San Bernardino County Housing Authority . . . . .	160	Santa Clara County Central Fire Protection District . . . . .	284
San Bernardino Economic Development Agency . . . . .	41		

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Santa Clara County Health Authority . . . . .	196	South Central Los Angeles Regional Center for Developmentally Disabled Persons . . . . .	326
Santa Clara County Law Library . . . . .	7	South Coast Water District . . . . .	104
Santa Clara County Open Space Authority . . . . .	16	South County Support Services Agency . . . . .	45
Santa Clara County Schools Insurance Group . . . . .	9	South Feather Water and Power Agency . . . . .	58
Santa Clara Valley Transportation Authority . . . . .	834	South Kern Cemetery District . . . . .	5
Santa Clara Valley Water District . . . . .	878	South Orange County Wastewater Authority . . . . .	77
Santa Clarita Valley School Food Services Agency . . . . .	147	South Placer Fire District . . . . .	64
Santa Cruz Consolidated Emergency Communications Center . . . . .	80	South Placer Municipal Utility District . . . . .	24
Santa Cruz County Law Library . . . . .	4	South San Joaquin Irrigation District . . . . .	103
Santa Cruz County Regional Transportation Commission . . . . .	24	South San Luis Obispo County Sanitation District . . . . .	12
Santa Cruz Local Agency Formation Commission . . . . .	1	South Tahoe Public Utility District . . . . .	123
Santa Cruz Metropolitan Transit District . . . . .	388	Southeast Area Social Services Funding Authority . . . . .	92
Santa Cruz Port District . . . . .	24	Southern California Association of Governments . . . . .	238
Santa Fe Irrigation District . . . . .	51	Southern California Library Cooperative . . . . .	18
Santa Margarita Water District . . . . .	170	Southern California Public Power Authority . . . . .	10
Santa Maria Public Airport District . . . . .	16	Southern California Regional Rail Authority . . . . .	260
Santa Monica Community College District . . . . .	700	Southern San Joaquin Municipal Utility District . . . . .	13
Santa Nella County Water District . . . . .	6	Southern Sonoma County Resource Conservation District . . . . .	6
Santa Paula City Housing Authority . . . . .	9	Southwest Transportation Agency . . . . .	120
Santa Ynez River Water Conservation District, Improvement District No. 1 . . . . .	18	Special District Risk Management Authority . . . . .	24
Saratoga Fire Protection District . . . . .	8	Squaw Valley Public Service District . . . . .	30
Sausalito-Marín City Sanitary District . . . . .	12	Stallion Springs Community Services District . . . . .	16
School Risk and Insurance Management Group . . . . .	8	Stanislaus Consolidated Fire Protection District . . . . .	59
Schools Excess Liability Fund . . . . .	14	Stanislaus County Housing Authority . . . . .	116
Schools Insurance Authority . . . . .	89	State Bar of California . . . . .	807
Scotts Valley Fire Protection District . . . . .	32	State Water Contractors . . . . .	8
Scotts Valley Water District . . . . .	20	Steger Sanitary District . . . . .	13
Selma Cemetery District . . . . .	8	Stinson Beach County Water District . . . . .	13
Selma-Kingsburg-Fowler County Sanitation District . . . . .	30	Stockton East Water District . . . . .	42
Serrano Water District . . . . .	14	Stockton Unified School District . . . . .	1,622
Sewer Authority Mid-Coastside . . . . .	18	Strawberry Recreation District . . . . .	15
Sewerage Commission-Oroville Region . . . . .	10	Suisun Fairfield Rockville Cemetery District . . . . .	13
Shafter Wasco Irrigation District . . . . .	10	Suisun Fire Protection District . . . . .	2
Shasta Area Safety Communications Agency . . . . .	63	Suisun Resource Conservation District . . . . .	14
Shasta Community Services District . . . . .	6	Summit Cemetery District . . . . .	10
Shasta Lake Fire Protection District . . . . .	11	Sunnyslope County Water District . . . . .	23
Shasta Local Agency Formation Commission . . . . .	2	Susanville Sanitary District . . . . .	13
Shasta Mosquito and Vector Control District . . . . .	14	Sutter Cemetery District . . . . .	20
Shasta Valley Cemetery District . . . . .	3	Sweetwater Authority . . . . .	170
Shiloh Public Cemetery District . . . . .	6	Sweetwater Springs Water District . . . . .	13
Sierra Lakes County Water District . . . . .	7	Sylvan Cemetery District . . . . .	6
Sierra-Sacramento Valley Emergency Medical Services Agency . . . . .	13	Tahoe City Public Utility District . . . . .	65
Silicon Valley Animal Control Authority . . . . .	21	Tahoe Resource Conservation District . . . . .	46
Silveyville Cemetery District . . . . .	5	Tahoe-Truckee Sanitation Agency . . . . .	69
Solano County Mosquito Abatement District . . . . .	9	Tehachapi Valley Recreation and Park District . . . . .	4
Solano County Water Agency . . . . .	16	Tehachapi-Cummings County Water District . . . . .	18
Solano Irrigation District . . . . .	117	Tehama County Mosquito Abatement District . . . . .	7
Solano Transportation Authority . . . . .	21	Templeton Community Services District . . . . .	23
Sonoma County Library . . . . .	173	Thermalito Water and Sewer District . . . . .	13
Sonoma Marin Area Rail Transit District . . . . .	11	Three Rivers Community Services District . . . . .	1
Sonoma State Enterprises, Inc. . . . .	11	Three Valleys Municipal Water District . . . . .	26
Sonoma Student Union Corporation . . . . .	3	Tiburon Fire Protection District . . . . .	31
Soquel Creek Water District . . . . .	48	Trabuco Canyon Water District . . . . .	40
South Bay Regional Public Communications Authority . . . . .	102	Tracy Rural County Fire Protection District . . . . .	2
South Bayside System Authority . . . . .	92	Transportation Agency for Monterey County . . . . .	15

## Public Agency Employers (continued)

### Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Tri-City Mental Health Center . . . . .	268	Washington Colony Cemetery District . . . . .	3
Tri-Counties Association for the Developmentally Disabled . . . . .	420	Water Employee Services Authority . . . . .	213
Tri-County Schools Insurance Group . . . . .	8	Water Facilities Authority . . . . .	8
Tri-Dam Project . . . . .	25	Water Replenishment District of Southern California . . . . .	50
Trindel Insurance Fund . . . . .	3	Weaverville Community Services District . . . . .	8
Trinity County Waterworks District No. 1 . . . . .	6	Weaverville Sanitary District . . . . .	3
Trinity Public Utilities District . . . . .	23	West Almanor Community Services District . . . . .	2
Truckee Donner Public Utility District . . . . .	74	West Basin Municipal Water District . . . . .	35
Truckee Fire Protection District . . . . .	53	West Bay Sanitary District . . . . .	29
Truckee Sanitary District . . . . .	45	West Cities Communication Center . . . . .	33
Truckee Tahoe Airport District . . . . .	43	West Contra Costa Integrated Waste Management Authority . . . . .	6
Tulare Mosquito Abatement District . . . . .	5	West County Transportation Agency . . . . .	181
Tulare Public Cemetery District . . . . .	11	West County Wastewater District . . . . .	64
Tuolumne Fire District . . . . .	5	West Kern Water District . . . . .	47
Tuolumne Utilities District . . . . .	86	West Stanislaus Irrigation District . . . . .	19
Turlock Mosquito Abatement District . . . . .	13	West Valley Mosquito and Vector Control District . . . . .	21
Twain Harte Community Services District . . . . .	18	West Valley Sanitation District of Santa Clara County . . . . .	35
Twentynine Palms Water District . . . . .	38	West Valley Water District . . . . .	67
Twin Cities Police Authority . . . . .	53	West Valley-Mission Community College District . . . . .	489
Twin Rivers Unified School District . . . . .	1,078	Westborough Water District . . . . .	6
Ukiah Valley Fire District . . . . .	12	Western Contra Costa Transit Authority . . . . .	7
Union Public Utility District . . . . .	8	Western Municipal Water District . . . . .	163
Union Sanitary District . . . . .	159	Western Riverside Council of Governments . . . . .	38
United Water Conservation District . . . . .	82	Westlands Water District . . . . .	137
University Enterprises, Inc. . . . .	264	Westwood Community Services District . . . . .	7
Upland City Housing Authority . . . . .	36	Wheeler Ridge-Maricopa Water Storage District . . . . .	51
Upper San Gabriel Valley Municipal Water District . . . . .	11	Wildomar Cemetery District . . . . .	5
Vacaville Fire Protection District . . . . .	9	Willow County Water District . . . . .	5
Vacaville-Elmira Cemetery District . . . . .	8	Willow Creek Community Services District . . . . .	5
Vallecitos Water District . . . . .	127	Willows Cemetery District . . . . .	4
Vallejo Sanitation and Flood Control District . . . . .	94	Wilton Fire Protection District . . . . .	2
Valley Center Municipal Water District . . . . .	78	Windsor Fire Protection District . . . . .	20
Valley County Water District . . . . .	31	Winterhaven Water District . . . . .	4
Valley Mountain Regional Center, Inc. . . . .	433	Winters Cemetery District . . . . .	5
Valley of the Moon Water District . . . . .	21	Winters Fire Protection District . . . . .	9
Valley Sanitary District . . . . .	28	Winton Water and Sanitary District . . . . .	10
Valley Springs Public Utility District . . . . .	4	Woodbridge Rural County Fire Protection District . . . . .	44
Valley-Wide Recreation and Park District . . . . .	140	Woodlake Fire District . . . . .	3
Vandenberg Village Community Services District . . . . .	11	Woodside Fire Protection District . . . . .	51
Ventura County Law Library . . . . .	7	Yolo County Federal Credit Union . . . . .	106
Ventura County Schools Business Services Authority . . . . .	14	Yolo County Housing Authority . . . . .	50
Ventura County Schools Self-Funding Authority . . . . .	5	Yolo County In-Home Supportive Services Public Authority . . . . .	4
Ventura County Transportation Commission . . . . .	23	Yolo County Public Agency Risk Management Insurance Authority . . . . .	7
Ventura Port District . . . . .	45	Yolo County Transportation District . . . . .	13
Ventura River County Water District . . . . .	8	Yolo Emergency Communications Agency . . . . .	62
Veterans Home of California Post Fund . . . . .	23	Yolo-Solano Air Quality Management District . . . . .	35
Victor Valley Wastewater Reclamation Authority . . . . .	51	Yorba Linda Water District . . . . .	88
Victor Valley Water District . . . . .	25	Yuba Community College District . . . . .	261
Visalia Public Cemetery District . . . . .	8	Yuba County Water Agency . . . . .	36
Vista Irrigation District . . . . .	120	Yuba Sutter Transit Authority . . . . .	3
Walnut Valley Water District . . . . .	68	Yucaipa Valley Water District . . . . .	86
Wasco Recreation and Park District . . . . .	8	Yuima Municipal Water District . . . . .	13

# 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, 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.

## 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.

## Judges' Retirement System Program Data (continued)

### DEATH BENEFITS (BEFORE RETIREMENT)

#### Not Eligible to Retire

Spouses or registered domestic partners can receive 25 percent of a current active judge's salary for life or return of contributions plus one month's salary, for each year of service not to exceed six months; or the surviving spouse or registered domestic partner can elect a monthly allowance for life, if the judge had paid an extra \$2 per month and had 10 to 20 years of service. This allowance would be equal to 1.625 percent of the salary multiplied by the number of years of service.

#### Eligible to Retire

Spouses or registered domestic partners receive one-half of what the retirement allowance would have been if the judge had retired on date of death.

### DEATH BENEFITS (AFTER RETIREMENT)

Spouses or registered domestic partners receive one-half of the retirement pension for life, if the member retired with the standard retirement benefit formula, or on disability. Judges may elect to take a reduced retirement allowance in order to enhance the survivor benefits to their spouse, registered domestic partner, or a designated beneficiary.

### COST-OF-LIVING ADJUSTMENTS (COLA)

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

### JRS ACTIVE MEMBERS & FORMER JUDGES ON DEFERRED RETIREMENT

Active	478
Deferred Retirement	50
<b>TOTAL ACTIVE &amp; DEFERRED MEMBERS</b>	<b>528</b>

### JRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Service Retirement	323	325	648
Disability Retirement	46	—	46
Deferred Retirement	423	172	595
Optional Settlement	426	52	478
Pre-Retirement Survivor	—	76	76
<b>TOTAL</b>	<b>1,218</b>	<b>625</b>	<b>1,843</b>

### JRS BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$138,543,915
Disability Retirement	5,481,845
Beneficiary Death Benefits/Life Allowance	34,835,723
<b>TOTAL</b>	<b>\$178,861,483</b>

## Judges' Retirement System Program Data (continued)

### JRS Average Benefit Payments – As of June 30, 2009 | Six-Year Review<sup>1</sup>

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>2008/09</b>							
Average Monthly Allowance <sup>2</sup>	\$1,385	\$3,388	\$6,231	\$9,236	\$9,313	\$10,636	\$10,189
Average Final Compensation	\$14,899	\$15,114	\$15,095	\$15,071	\$15,412	\$14,193	\$14,899
Number of Recipients <sup>2</sup>	1	10	11	25	50	15	4
<b>2007/08</b>							
Average Monthly Allowance <sup>2</sup>	\$3,410	\$5,643	\$6,108	\$8,432	\$8,297	\$9,838	\$12,787
Average Final Compensation	\$14,899	\$14,899	\$15,186	\$14,899	\$15,069	\$14,899	\$17,050
Number of Recipients <sup>2</sup>	3	6	15	38	47	15	1
<b>2006/07</b>							
Average Monthly Allowance <sup>2</sup>	\$1,555	\$4,411	\$5,800	\$7,855	\$8,512	\$9,348	\$10,661
Average Final Compensation	\$14,304	\$13,984	\$13,884	\$13,854	\$14,134	\$13,824	\$14,304
Number of Recipients <sup>2</sup>	2	7	16	31	33	7	2
<b>2005/06</b>							
Average Monthly Allowance <sup>2</sup>	\$2,934	\$2,592	\$6,031	\$6,550	\$7,451	\$7,942	\$8,282
Average Final Compensation	\$13,327	\$12,485	\$12,724	\$12,510	\$12,723	\$12,727	\$12,558
Number of Recipients <sup>2</sup>	2	7	14	16	51	10	1
<b>2004/05</b>							
Average Monthly Allowance <sup>2</sup>	\$2,205	\$3,179	\$5,226	\$6,116	\$7,720	\$7,454	\$7,328
Average Final Compensation	\$11,987	\$12,208	\$12,405	\$12,370	\$12,484	\$12,531	\$13,327
Number of Recipients <sup>2</sup>	3	8	17	23	59	9	2

#### Notes:

<sup>1</sup> CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional information is added each year as it becomes available to provide a six-year review.

<sup>2</sup> These averages and totals are for retired members, beneficiaries, and community property recipients.

# Judges' Retirement System II Program Data

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## 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, and Superior 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 their average monthly salary during the 12 months preceding their retirement date, regardless of age or length of service.

## DEATH BENEFITS (BEFORE RETIREMENT)

### Eligible for the Defined Benefit Plan

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

### Eligible for the Monetary Credit Plan

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

**DEATH BENEFITS (AFTER RETIREMENT)**

**Defined Benefit Plan**

Judges retiring on the defined benefit plan are offered the choice of one of four optional settlement benefits to increase the survivor benefits to their eligible surviving spouse or registered domestic partner.

**Monetary Credit Plan**

If the judge elected to receive the monetary credit plan in a lump sum, there are no survivor benefits. If the judge elected monetary credit plan in an annuity, the spouse or registered domestic partner receives a lump sum payment of 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.

**JRS II ACTIVE JUDGES**

Active Members	1,197
<b>TOTAL</b>	<b>1,197</b>

**JRS II BENEFIT RECIPIENTS BY RETIREMENT TYPE**

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Service Retirement	3	3	6
Disability Retirement	7	—	7
Optional Settlement	4	—	4
Pre-Retirement Survivor	—	2	2
<b>TOTAL</b>	<b>14</b>	<b>5</b>	<b>19</b>

**JRS II BENEFIT PAYMENTS BY TYPE**

Category	Amount Paid
Service Retirement	\$441,021
Disability Retirement	619,888
Beneficiary Death Benefits	133,279
Beneficiary Death Benefits/Life Allowance	197,340
<b>TOTAL</b>	<b>\$1,391,528</b>



Judges' Retirement System II Program Data (continued)

**JRS II Average Benefit Payments – As of June 30, 2009** | Six-Year Review<sup>1</sup>

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>2008/09</b>							
Average Monthly Allowance <sup>2</sup>	\$14,899	\$4,476	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$14,899	\$15,975	\$0	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	1	2	—	—	—	—	—
<b>2007/08</b>							
Average Monthly Allowance <sup>2</sup>	\$0	\$8,624	\$7,748	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,638	\$15,244	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	—	1	4	—	—	—	—
<b>2006/07</b>							
Average Monthly Allowance <sup>2</sup>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	—	—	—	—	—	—	—
<b>2005/06</b>							
Average Monthly Allowance <sup>2</sup>	\$0	\$10,982	\$4,275	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$12,434	\$12,459	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	—	3	3	—	—	—	—
<b>2004/05</b>							
Average Monthly Allowance <sup>2</sup>	\$11,987	\$7,080	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$11,987	\$11,987	\$0	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	1	2	—	—	—	—	—

**Notes:**

<sup>1</sup> CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional information is added each year as it becomes available to provide a six-year review.

<sup>2</sup> These averages and totals are for retired members, beneficiaries, and community property recipients.

# Legislators' Retirement System Program Data

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## 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 2007-08, 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.

## 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.

## Legislators' Retirement System Program Data (continued)

### 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 for members of the Legislature. Constitutional Officers and Statutory Officers receive a reduced allowance based on their age at time of retirement and the option they choose. Beneficiaries also receive a \$600 lump sum payment.

### COST-OF-LIVING ADJUSTMENTS (COLA)

The annual COLA is determined by the Consumer Price Index.

### LRS ACTIVE & INACTIVE MEMBERS

Category	Active	Inactive	TOTAL
Members of the Legislature	2	13	15
Constitutional Officers	7	10	17
Legislative Statutory Officers	4	—	4
<b>TOTAL</b>	<b>13</b>	<b>23</b>	<b>36</b>

### LRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired LRS	Survivors & Beneficiaries	TOTAL
<b>Members of Legislature</b>			
Service Retirement	111	103	214
Disability Retirement	1	8	9
Pre-Retirement Option 2	—	(1)	(1)
<b>TOTAL MEMBERS OF LEGISLATURE</b>	<b>112</b>	<b>110</b>	<b>222</b>
<b>Constitutional Officers</b>			
Service Retirement	17	8	25
Disability Retirement	1	—	1
Pre-Retirement Option 2	—	2	2
<b>TOTAL CONSTITUTIONAL OFFICERS</b>	<b>18</b>	<b>10</b>	<b>28</b>
<b>Legislative Statutory Officers</b>			
Service Retirement	3	2	5
Disability Retirement	—	—	—
Pre-Retirement Option 2	—	—	—
<b>TOTAL LEGISLATIVE STATUTORY OFFICERS</b>	<b>3</b>	<b>2</b>	<b>5</b>
<b>TOTAL</b>	<b>133</b>	<b>122</b>	<b>255</b>

### LRS BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$7,165,253
Disability Retirement	180,794
Beneficiary Death Benefits	3,000
Beneficiary Death Benefits/Allowance	3,732,009
Prior Year Adjustments	1,224
<b>TOTAL</b>	<b>\$11,082,280</b>

Legislators' Retirement System Program Data (continued)

**LRS Average Benefit Payments – As of June 30, 2009** | Six-Year Review<sup>1</sup>

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
<b>2008/09</b>							
Average Monthly Allowance <sup>2</sup>	\$0	\$0	\$1,250	\$2,957	\$6,456	\$0	\$0
Average Final Compensation <sup>3</sup>	\$0	\$0	\$0	\$0	\$9,684	\$0	\$0
Number of Recipients <sup>2</sup>	—	—	2	1	2	—	—
<b>2007/08</b>							
Average Monthly Allowance <sup>2</sup>	\$0	\$2,212	\$1,250	\$0	\$1,710	\$0	\$0
Average Final Compensation <sup>3</sup>	\$0	\$7,858	\$0	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	—	2	3	—	2	—	—
<b>2006/07</b>							
Average Monthly Allowance <sup>2</sup>	\$0	\$2,134	\$310	\$5,717	\$4,921	\$0	\$0
Average Final Compensation <sup>3</sup>	\$0	\$8,434	\$0	\$8,250	\$9,240	\$0	\$0
Number of Recipients <sup>2</sup>	—	6	9	1	2	—	—
<b>2005/06</b>							
Average Monthly Allowance <sup>2</sup>	\$704	\$441	\$2,011	\$1,042	\$4,404	\$0	\$0
Average Final Compensation <sup>3</sup>	\$0 <sup>3</sup>	\$0	\$4,375	\$0	\$0	\$0	\$0
Number of Recipients <sup>2</sup>	2	4	2	1	3	—	—
<b>2004/05</b>							
Average Monthly Allowance <sup>2</sup>	\$565	\$1,053	\$935	\$1,067	\$5,358	\$0	\$0
Average Final Compensation <sup>3</sup>	\$4,375	\$4,375	\$0	\$0	\$8,714	\$0	\$0
Number of Recipients <sup>2</sup>	1	1	1	5	5	—	—

**Notes:**

- <sup>1</sup> CalPERS began reporting Average Benefit Payments in the June 30, 2006 Comprehensive Annual Financial Report. Additional information is added each year as it becomes available to provide a six-year review.
- <sup>2</sup> These averages and totals are for retired members, beneficiaries, and community property recipients.
- <sup>3</sup> Average Final Compensation information does not include salary averages for beneficiaries.

# Statistical Section:

## Other Programs

- 176 Expenses & Revenues – Enterprise Funds
- 178 Health Benefits Program Data
- 188 Supplemental Income Plans (SIP)
- 189 Long-Term Care Program Data

# Expenses & Revenues – Enterprise Funds

## Contingency Reserve Fund | 10-Year Review (Dollars in Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATING REVENUES</b>										
Health Premiums Collected	\$0	\$0	\$0	\$0 <sup>1</sup>	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510	\$1,483
Administrative Fees & Other	22,528	25,633	14,928	16,509	13,140	16,808	16,218	7,252	12,833	11,140
<b>Total Operating Revenues</b>	<b>\$22,528</b>	<b>\$25,633</b>	<b>\$14,928</b>	<b>\$16,509</b>	<b>\$1,646,457</b>	<b>\$1,537,430</b>	<b>\$1,426,802</b>	<b>\$862,988</b>	<b>\$15,343</b>	<b>\$12,623</b>
<b>OPERATING EXPENSES</b>										
Health Premiums Remitted to Insurance Carriers	\$0	\$0	\$0	\$0 <sup>1</sup>	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510	\$1,483
Administrative Expenses	27,065	27,288	24,358	20,854	16,356	17,109	15,384	17,033	12,689	9,169
<b>Total Operating Expenses</b>	<b>\$27,065</b>	<b>\$27,288</b>	<b>\$24,358</b>	<b>\$20,854</b>	<b>\$1,649,673</b>	<b>\$1,537,731</b>	<b>\$1,425,968</b>	<b>\$872,769</b>	<b>\$15,199</b>	<b>\$10,652</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(\$4,537)</b>	<b>(\$1,655)</b>	<b>(\$9,430)</b>	<b>(\$4,345)</b>	<b>(\$3,216)</b>	<b>(\$301)</b>	<b>\$834</b>	<b>(\$9,781)</b>	<b>\$144</b>	<b>\$1,971</b>
<b>NON-OPERATING REVENUES</b>										
Investment Income	\$1,071	\$3,706	\$8,037	\$9,279	\$5,049	\$2,817	\$1,787	\$1,112	\$417	\$674
<b>Total Non-Operating Revenues</b>	<b>\$1,071</b>	<b>\$3,706</b>	<b>\$8,037</b>	<b>\$9,279</b>	<b>\$5,049</b>	<b>\$2,817</b>	<b>\$1,787</b>	<b>\$1,112</b>	<b>\$417</b>	<b>\$674</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>(\$3,466)</b>	<b>\$2,051</b>	<b>(\$1,393)</b>	<b>\$4,934</b>	<b>\$1,833</b>	<b>\$2,516</b>	<b>\$2,621</b>	<b>(\$8,669)</b>	<b>\$561</b>	<b>\$2,645</b>
<b>TOTAL UNRESTRICTED NET ASSETS</b>										
Beginning of Year	\$15,271	\$13,220	\$14,613	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817	\$8,172
End of Year	\$11,805	\$15,271	\$13,220	\$14,613	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817

**Note:**

<sup>1</sup> PEMHCA health premiums collected from public agencies is shown as agency fund activity in accordance with GASB No. 43.

## Health Care Fund | 10-Year Review (Dollars in Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATING REVENUES</b>										
Self-Insurance Premiums	\$1,362,081	\$1,586,942	\$1,509,064	\$1,390,819	\$1,211,210	\$1,105,131	\$1,042,720	\$941,185	\$740,073	\$569,751
Health Premiums Collected	—	—	—	—	—	—	—	—	739,327	653,858
Other	—	—	—	—	—	—	—	—	—	164
<b>Total Operating Revenues</b>	<b>\$1,362,081</b>	<b>\$1,586,942</b>	<b>\$1,509,064</b>	<b>\$1,390,819</b>	<b>\$1,211,210</b>	<b>\$1,105,131</b>	<b>\$1,042,720</b>	<b>\$941,185</b>	<b>\$1,479,400</b>	<b>\$1,223,773</b>
<b>OPERATING EXPENSES</b>										
Actual & Estimated Claims	\$1,572,084	\$1,461,601	\$1,314,531	\$1,212,706	\$1,131,419	\$1,026,058	\$886,460	\$798,628	\$639,803	\$560,763
Administrative Expenses	90,292	85,511	79,146	74,771	67,679	65,902	58,182	50,296	43,572	41,180
Health Premiums Remitted to Insurance Carriers	—	—	—	—	—	—	—	—	739,327	653,858
<b>Total Operating Expenses</b>	<b>\$1,662,376</b>	<b>\$1,547,112</b>	<b>\$1,393,677</b>	<b>\$1,287,477</b>	<b>\$1,199,098</b>	<b>\$1,091,960</b>	<b>\$944,642</b>	<b>\$848,924</b>	<b>\$1,422,702</b>	<b>\$1,255,801</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(\$300,295)</b>	<b>\$39,830</b>	<b>\$115,387</b>	<b>\$103,342</b>	<b>\$12,112</b>	<b>\$13,171</b>	<b>\$98,078</b>	<b>\$92,261</b>	<b>\$56,698</b>	<b>(\$32,028)</b>
<b>NON-OPERATING REVENUES</b>										
Investment Income	\$47,540	\$21,796	\$34,579	\$20,069	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418	\$11,100
<b>Total Non-Operating Revenues</b>	<b>\$47,540</b>	<b>\$21,796</b>	<b>\$34,579</b>	<b>\$20,069</b>	<b>\$18,029</b>	<b>\$10,041</b>	<b>\$5,321</b>	<b>\$6,307</b>	<b>\$7,418</b>	<b>\$11,100</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>(\$252,755)</b>	<b>\$61,626</b>	<b>\$149,966</b>	<b>\$123,411</b>	<b>\$30,141</b>	<b>\$23,212</b>	<b>\$103,399</b>	<b>\$98,568</b>	<b>\$64,116</b>	<b>(\$20,928)</b>
<b>TOTAL UNRESTRICTED NET ASSETS</b>										
Beginning of Year	\$660,172	\$598,546	\$448,580	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733	\$26,661
End of Year	\$407,417	\$660,172	\$598,546	\$448,580	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733

## Expenses & Revenues – Enterprise Funds (continued)

### Deferred Compensation Fund | 10-Year Review (Dollars in Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATING REVENUES</b>										
Administrative Fees	\$0	\$0	\$0	\$287	\$1,115	\$0	\$0	\$0	\$0	\$0
Investment Management Fees	—	—	3,259	308	628	460	—	—	—	—
Other	—	—	—	—	(1)	1,262	918	1,232	985	1,396
<b>Total Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,259</b>	<b>\$595</b>	<b>\$1,742</b>	<b>\$1,722</b>	<b>\$918</b>	<b>\$1,232</b>	<b>\$985</b>	<b>\$1,396</b>
<b>OPERATING EXPENSES</b>										
Administrative Expenses	\$0	\$187	\$0	\$1,486	\$1,338	\$1,215	\$864	\$1,016	\$1,148	\$2,141
<b>Total Operating Expenses</b>	<b>\$0</b>	<b>\$187</b>	<b>\$0</b>	<b>\$1,486</b>	<b>\$1,338</b>	<b>\$1,215</b>	<b>\$864</b>	<b>\$1,016</b>	<b>\$1,148</b>	<b>\$2,141</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$0</b>	<b>(\$187)</b>	<b>\$3,259</b>	<b>(\$891)</b>	<b>\$404</b>	<b>\$507</b>	<b>\$54</b>	<b>\$216</b>	<b>(\$163)</b>	<b>(\$745)</b>
<b>NON-OPERATING REVENUES</b>										
Investment Income	\$0	\$77	\$235	\$180	\$139	\$51	\$15	\$22	\$46	\$76
<b>Total Non-Operating Revenues</b>	<b>\$0</b>	<b>\$77</b>	<b>\$235</b>	<b>\$180</b>	<b>\$139</b>	<b>\$51</b>	<b>\$15</b>	<b>\$22</b>	<b>\$46</b>	<b>\$76</b>
Transfer Out	(\$4,149) <sup>1</sup>									
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>(\$4,149)</b>	<b>(\$110)</b>	<b>\$3,494</b>	<b>(\$711)</b>	<b>\$543</b>	<b>\$558</b>	<b>\$69</b>	<b>\$238</b>	<b>(\$117)</b>	<b>(\$669)</b>
<b>TOTAL UNRESTRICTED NET ASSETS</b>										
Beginning of Year	\$4,149	\$4,259	\$765	\$1,476	\$933	\$375	\$306	\$68	\$185	\$854
End of Year	\$0	\$4,149	\$4,259	\$765	\$1,476	\$933	\$375	\$306	\$68	\$185

**Note:**

<sup>1</sup> The net assets of the Deferred Compensation Fund was transferred to Supplemental Contributions Plan (SCPF), CalPERS Supplemental Income 457 Plan (IRC 457) and State Peace Officers' & Firefighters' Supplemental Plan (SPOFF).

### Long-Term Care Fund | 10-Year Review (Dollars in Thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATING REVENUES</b>										
Self-Insurance Premiums	\$285,948	\$296,529	\$299,489	\$241,495	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595	\$168,625
<b>Total Operating Revenues</b>	<b>\$285,948</b>	<b>\$296,529</b>	<b>\$299,489</b>	<b>\$241,495</b>	<b>\$243,690</b>	<b>\$241,663</b>	<b>\$225,128</b>	<b>\$200,936</b>	<b>\$186,595</b>	<b>\$168,625</b>
<b>OPERATING EXPENSES</b>										
Claims	\$133,042	\$116,191	\$101,349	\$87,324	\$78,007	\$65,369	\$53,022	\$41,106	\$31,494	\$18,090
Increase (Decrease) in Estimated Liabilities	(208,200)	469,800	(600,900)	487,800	219,400	840,700	585,000	(85,000)	222,559	232,532
Administrative Expenses	19,663	18,421	18,479	18,198	17,053	16,285	15,305	15,416	14,625	15,462
<b>Total Operating Expenses</b>	<b>(\$55,495)</b>	<b>\$604,412</b>	<b>(\$481,072)</b>	<b>\$593,322</b>	<b>\$314,460</b>	<b>\$922,354</b>	<b>\$653,327</b>	<b>(\$28,478)</b>	<b>\$268,678</b>	<b>\$266,084</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$341,443</b>	<b>(\$307,883)</b>	<b>\$780,561</b>	<b>(\$351,827)</b>	<b>(\$70,770)</b>	<b>(\$680,691)</b>	<b>(\$428,199)</b>	<b>\$229,414</b>	<b>(\$82,083)</b>	<b>(\$97,459)</b>
<b>NON-OPERATING REVENUES</b>										
Investment Income	\$351,745	(\$369,021)	(\$73,039)	\$281,068	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)	(\$37,802)
<b>Total Non-Operating Revenues</b>	<b>\$351,745</b>	<b>(\$369,021)</b>	<b>(\$73,039)</b>	<b>\$281,068</b>	<b>\$121,703</b>	<b>\$124,474</b>	<b>\$141,686</b>	<b>\$52,748</b>	<b>(\$61,080)</b>	<b>(\$37,802)</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>\$693,188</b>	<b>(\$676,904)</b>	<b>\$707,522</b>	<b>(\$70,759)</b>	<b>\$50,933</b>	<b>(\$556,217)</b>	<b>(\$286,513)</b>	<b>\$282,162</b>	<b>(\$143,163)</b>	<b>(\$135,261)</b>
<b>TOTAL UNRESTRICTED NET ASSETS</b>										
Beginning of Year	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)	\$16,561
End of Year	(\$118,451)	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)

# Health Benefits Program Data

## Total Enrollments by Health Plan

	Basic			Medicare			Total Enrollments (Subs) <sup>1</sup>
	Active	Retired	TOTAL	Active	Retired	TOTAL	
Blue Shield Access+	93,054	16,375	109,429	4	17,960	17,964	127,393
Blue Shield NetValue	45,694	6,586	52,280	0	1,864	1,864	54,144
CAHP	6,645	1,974	8,619	0	2,348	2,348	10,967
CCPOA	10,340	1,251	11,591	0	255	255	11,846
Kaiser	152,827	29,066	181,893	8	45,525	45,533	227,426
Kaiser/Out-of-State	12	485	497	0	1,011	1,011	1,508
PERS Choice	74,347	25,427	99,774	1	29,820	29,821	129,595
PERS Select	4,473	427	4,900	0	219	219	5,119
PERSCare	6,229	3,757	9,986	2	38,776	38,778	48,764
PORAC	5,461	1,984	7,445	0	789	789	8,234
<b>TOTAL</b>	<b>399,082</b>	<b>87,332</b>	<b>486,414</b>	<b>15</b>	<b>138,567</b>	<b>138,582</b>	<b>624,996</b>

## Five-Year Enrollments

	2010	2009	2008	2007	2006
Total Covered Lives – Employees, Annuitants, & Dependents	1,309,902	1,286,349	1,267,122	1,240,976	1,205,945
Total Prime Lives – Employees & Annuitants	624,996	607,570	594,472	578,172	557,084

## Basic & Supplemental Health Plan Total Enrollments

	Basic			Medicare			Total Enrollments (Subs) <sup>1</sup>
	Active	Retired	TOTAL	Active	Retired	TOTAL	
HMOs	291,587	52,512	344,099	12	66,360	66,372	410,471
Self-Funded PPOs	85,049	29,611	114,660	3	68,815	68,818	183,478
Association Plans	22,446	5,209	27,655	0	3,392	3,392	31,047
<b>TOTAL</b>	<b>399,082</b>	<b>87,332</b>	<b>486,414</b>	<b>15</b>	<b>138,567</b>	<b>138,582</b>	<b>624,996</b>

## Participating Public Agency Summary

	2010	2009
Counties	29	29
Cities	302	302
School Districts	123	120
Districts & Other Public Agencies	711	709
<b>TOTAL</b>	<b>1,165</b>	<b>1,160</b>
<b>TOTAL COVERED LIVES</b>	<b>548,551</b>	<b>516,485</b>

### Note:

<sup>1</sup> Total Enrollments (Subs) shows health plan subscribers only, not the dependents. The total covered lives — 1,309,902 — is shown in the Five Year Enrollments table above.



## Health Benefits Program Data (continued)

### PARTICIPATING PUBLIC AGENCIES BY TYPE

Approximate number of total covered lives for each agency follows its name.

#### Counties (29 total)

Amador . . . . .	239	Nevada . . . . .	2,614
Butte . . . . .	4,119	Placer . . . . .	7,101
Colusa . . . . .	737	Plumas . . . . .	239
Contra Costa . . . . .	2,694	Riverside . . . . .	2,458
Glenn . . . . .	1,088	San Benito . . . . .	1,095
Humboldt . . . . .	3,813	San Luis Obispo . . . . .	5,035
Inyo . . . . .	1,112	Santa Cruz . . . . .	6,352
Lake . . . . .	1,881	Shasta . . . . .	4,901
Lassen . . . . .	794	Siskiyou . . . . .	1,698
Madera . . . . .	3,063	Solano . . . . .	5,308
Mariposa . . . . .	1,129	Trinity . . . . .	1,078
Modoc . . . . .	637	Tuolumne . . . . .	1,301
Mono . . . . .	878	Yolo . . . . .	3,536
Monterey . . . . .	9,826	Yuba . . . . .	1,874
Napa . . . . .	3,191	<b>Total Covered Lives . . . . .</b>	<b>79,791</b>

#### Cities (302 total)

Agoura Hills . . . . .	104	Buena Park . . . . .	961
Alameda . . . . .	1,644	Burbank . . . . .	2,854
Albany . . . . .	192	Burlingame . . . . .	1,014
Alhambra . . . . .	927	Calabasas . . . . .	226
Aliso Viejo . . . . .	21	California City . . . . .	115
American Canyon . . . . .	160	Calimesa . . . . .	2
Angels . . . . .	87	Calistoga . . . . .	117
Antioch . . . . .	812	Camarillo . . . . .	324
Arcadia . . . . .	805	Campbell . . . . .	326
Arroyo Grande . . . . .	262	Canyon Lake . . . . .	4
Artesia . . . . .	130	Capitola . . . . .	124
Atherton . . . . .	136	Carlsbad . . . . .	1,636
Atwater . . . . .	247	Carmel-by-the-Sea . . . . .	194
Auburn . . . . .	162	Carpinteria . . . . .	96
Avalon . . . . .	168	Carson . . . . .	1,116
Avenal . . . . .	4	Cathedral City . . . . .	556
Azusa . . . . .	573	Cerritos . . . . .	826
Baldwin Park . . . . .	511	Chino . . . . .	562
Barstow . . . . .	498	Chino Hills . . . . .	68
Bell . . . . .	322	Citrus Heights . . . . .	339
Bellflower . . . . .	256	Clayton . . . . .	55
Belmont . . . . .	332	Coachella City . . . . .	134
Belvedere . . . . .	55	Colma . . . . .	121
Beverly Hills . . . . .	2,309	Colton . . . . .	145
Biggs . . . . .	23	Colusa . . . . .	94
Bishop . . . . .	183	Commerce . . . . .	641
Blythe . . . . .	249	Compton . . . . .	1,877
Brawley . . . . .	251	Concord . . . . .	1,414
Brea . . . . .	986	Corona . . . . .	2,098
Brentwood . . . . .	607	Coronado . . . . .	501
Brisbane . . . . .	211	Corte Madera . . . . .	183
Buellton . . . . .	36	Costa Mesa . . . . .	1,672

Covina . . . . .	403	La Canada Flintridge . . . . .	60
Crescent City . . . . .	149	La Habra . . . . .	641
Cudahy . . . . .	70	La Habra Heights . . . . .	28
Culver City . . . . .	2,300	La Mesa . . . . .	682
Cupertino . . . . .	545	La Mirada . . . . .	273
Cypress . . . . .	396	La Palma . . . . .	168
Daly City . . . . .	1,346	La Puente . . . . .	145
Dana Point . . . . .	113	La Quinta . . . . .	224
Davis . . . . .	976	Laguna Niguel . . . . .	126
Del Rey Oaks . . . . .	23	Laguna Woods . . . . .	13
Diamond Bar . . . . .	96	Lake Elsinore . . . . .	230
Dixon . . . . .	155	Lake Forest . . . . .	145
Duarte . . . . .	149	Lakewood . . . . .	290
Dublin . . . . .	245	Larkspur . . . . .	200
El Cajon . . . . .	784	Lathrop . . . . .	155
El Monte . . . . .	890	Lawndale . . . . .	115
El Segundo . . . . .	1,125	Lemon Grove . . . . .	190
Elk Grove . . . . .	386	Lemoore . . . . .	153
Emeryville . . . . .	264	Lincoln . . . . .	432
Encinitas . . . . .	503	Live Oak . . . . .	43
Etna . . . . .	15	Lodi . . . . .	1,080
Fairfax . . . . .	66	Loma Linda . . . . .	160
Farmersville . . . . .	70	Lomita . . . . .	124
Firebaugh . . . . .	87	Lompoc . . . . .	897
Fort Jones . . . . .	9	Loomis . . . . .	23
Foster, City of - Elected Officials . . . . .	0	Los Alamitos . . . . .	155
Fountain Valley . . . . .	763	Los Altos . . . . .	300
Fremont . . . . .	2,060	Los Altos Hills . . . . .	60
Fullerton . . . . .	268	Los Banos . . . . .	417
Garden Grove . . . . .	1,700	Los Gatos . . . . .	411
Gilroy . . . . .	539	Lynwood . . . . .	537
Glendora . . . . .	420	Malibu . . . . .	166
Goleta . . . . .	77	Mammoth Lakes . . . . .	190
Grand Terrace . . . . .	58	Manhattan Beach . . . . .	645
Grass Valley . . . . .	251	Manteca . . . . .	912
Gridley . . . . .	124	Marina . . . . .	198
Guadalupe . . . . .	68	Martinez . . . . .	160
Half Moon Bay . . . . .	83	Maywood . . . . .	187
Hanford . . . . .	400	McFarland . . . . .	51
Hawaiian Gardens . . . . .	192	Menifee . . . . .	26
Hawthorne . . . . .	980	Menlo Park . . . . .	637
Hayward . . . . .	2,603	Millbrae . . . . .	300
Hercules . . . . .	251	Milpitas . . . . .	1,165
Hesperia . . . . .	232	Mission Viejo . . . . .	277
Hidden Hills . . . . .	6	Modesto . . . . .	324
Highland . . . . .	62	Montague . . . . .	13
Hillsborough . . . . .	415	Monte Sereno . . . . .	11
Hollister . . . . .	151	Montebello . . . . .	1,069
Huntington Beach . . . . .	767	Monterey . . . . .	1,091
Huntington Park . . . . .	686	Moorpark . . . . .	145
Imperial Beach . . . . .	119	Moreno Valley . . . . .	637
Indian Wells . . . . .	126	Morgan Hill . . . . .	356
Indio . . . . .	705	Morro Bay . . . . .	266
Ione . . . . .	26	Mt. Shasta . . . . .	47
Irwindale . . . . .	298	Murrieta . . . . .	601
Jackson . . . . .	85	Napa . . . . .	192
		Newark . . . . .	271

## Health Benefits Program Data (continued)

### Cities (continued)

Newport Beach . . . . .	1,391	Rancho Cordova . . . . .	83	San Pablo . . . . .	347	Thousand Oaks . . . . .	1,163
Norco . . . . .	296	Rancho Mirage . . . . .	207	San Rafael . . . . .	1,361	Tiburon . . . . .	94
Norwalk . . . . .	880	Rancho Santa Margarita . . . . .	45	Sand City . . . . .	15	Torrance . . . . .	3,508
Novato . . . . .	381	Red Bluff . . . . .	143	Santa Ana . . . . .	2,484	Tustin . . . . .	692
Oakdale . . . . .	202	Redlands . . . . .	1,314	Santa Clara . . . . .	2,200	Twentynine Palms . . . . .	55
Oakland . . . . .	13,802	Redwood City . . . . .	1,687	Santa Clarita . . . . .	605	Ukiah . . . . .	21
Oceanside . . . . .	264	Reedley . . . . .	285	Santa Cruz . . . . .	1,821	Union City . . . . .	656
Ojai . . . . .	98	Rialto . . . . .	950	Santa Fe Springs . . . . .	794	Upland . . . . .	686
Ontario . . . . .	1,012	Richmond . . . . .	2,729	Santa Maria . . . . .	829	Vacaville . . . . .	1,606
Orange . . . . .	1,546	Ridgecrest . . . . .	168	Santa Monica . . . . .	586	Vallejo . . . . .	1,840
Orinda . . . . .	75	Rio Vista . . . . .	92	Santa Paula . . . . .	138	Villa Park . . . . .	23
Orland . . . . .	85	Rocklin . . . . .	650	Santa Rosa . . . . .	841	Walnut . . . . .	72
Oxnard . . . . .	1,955	Rolling Hills . . . . .	17	Saratoga . . . . .	145	Weed . . . . .	32
Pacific Grove . . . . .	204	Rolling Hills Estates . . . . .	66	Sausalito . . . . .	200	West Covina . . . . .	1,031
Pacifica . . . . .	281	Rosemead . . . . .	177	Scotts Valley . . . . .	179	West Hollywood . . . . .	464
Palm Desert . . . . .	398	Roseville . . . . .	3,150	Seal Beach . . . . .	313	West Sacramento . . . . .	200
Palm Springs . . . . .	328	Ross . . . . .	68	Selma . . . . .	232	Westlake Village . . . . .	36
Palo Alto . . . . .	3,708	Salinas . . . . .	1,235	Shasta Lake . . . . .	121	Westminster . . . . .	905
Paradise . . . . .	326	San Anselmo . . . . .	162	Sierra Madre . . . . .	162	Williams . . . . .	60
Paramount . . . . .	253	San Carlos . . . . .	309	Signal Hill . . . . .	377	Willows . . . . .	77
Pasadena . . . . .	4,390	San Clemente . . . . .	449	Solana Beach . . . . .	132	Winters . . . . .	53
Patterson . . . . .	185	San Dimas . . . . .	160	Solvang . . . . .	92	Woodlake . . . . .	60
Perris . . . . .	219	San Fernando . . . . .	462	South El Monte . . . . .	102	Woodland . . . . .	946
Petaluma . . . . .	716	San Francisco . . . . .	168	South Gate . . . . .	782	Woodside . . . . .	40
Pico Rivera . . . . .	481	San Gabriel . . . . .	405	South Pasadena . . . . .	445	Yorba Linda . . . . .	249
Piedmont . . . . .	239	San Jacinto . . . . .	6	Stanton . . . . .	117	Yountville . . . . .	79
Pinole . . . . .	351	San Juan Capistrano . . . . .	219	Suisun City . . . . .	190	Yreka . . . . .	100
Pismo Beach . . . . .	181	San Leandro . . . . .	1,223	Sunnyvale . . . . .	3,091	Yuba City . . . . .	164
Placentia . . . . .	464	San Luis Obispo . . . . .	831	Sutter Creek . . . . .	38	Yucaipa . . . . .	79
Pomona . . . . .	2,049	San Marcos . . . . .	149	Temecula . . . . .	258	Yucca Valley . . . . .	94
Port Hueneme . . . . .	228	San Marino . . . . .	262	Temple City . . . . .	128	<b>Total Covered Lives . . . . .</b>	<b>168,561</b>
Portola Valley . . . . .	32	San Mateo . . . . .	1,708				

### Districts & Other Public Agencies (711 total)

Academic Senate for California Community Colleges . . . . .	11	American Canyon Fire Protection District . . . . .	45
Agoura Hills and Calabasas Community Center . . . . .	17	Anderson Cemetery District . . . . .	9
Alameda Corridor Transportation Authority . . . . .	28	Anderson Fire Protection District . . . . .	34
Alameda County Congestion Management Agency . . . . .	45	Antelope Valley Mosquito and Vector Control District . . . . .	15
Alameda County Fire Department . . . . .	1,095	Antioch Charter Academy . . . . .	0
Alameda County Law Library . . . . .	40	Antioch Charter Academy II . . . . .	21
Alameda County Mosquito Abatement District . . . . .	51	Apple Valley Fire Protection District . . . . .	134
Alameda County Schools Insurance Group . . . . .	2	Aptos/La Selva Fire Protection Agency . . . . .	96
Alameda County Transportation Authority . . . . .	0	Arbuckle-College City Fire Protection District . . . . .	9
Alameda County Transportation Improvement Authority . . . . .	23	Arcade Water District . . . . .	0
Alameda County Waste Management Authority . . . . .	89	Arcata Fire Protection District . . . . .	70
Alameda County Water District . . . . .	718	Area 12 Agency on Aging . . . . .	23
Albany Municipal Services Joint Powers Authority . . . . .	36	Arrowbear Park County Water District . . . . .	19
Alhambra Redevelopment Agency . . . . .	9	Arroyo Grande District Cemetery . . . . .	9
Aliso Water Management Agency . . . . .	0	Associated Students California State University, San Bernardino . . . . .	9
Alliance of Schools for Cooperative Insurance Programs . . . . .	45	Association of Bay Area Governments . . . . .	204
Alpine Springs County Water District . . . . .	6	Association of Monterey Bay Area Governments . . . . .	21
Altadena Library District . . . . .	70	Atascadero Cemetery District . . . . .	15
Amador County Superior Court . . . . .	58	Auburn Public Cemetery District . . . . .	19
Amador Water Agency . . . . .	130	Aztec Shops, Ltd. . . . .	202

## Health Benefits Program Data (continued)

### *Districts & Other Public Agencies (continued)*

Banning-Cabazon Cemetery District . . . . .	0	California State and Federal Employees No. 20 Credit Union . . . . .	19
Bardsdale Cemetery District . . . . .	9	California State University, Bakersfield Foundation . . . . .	68
Bay Area Air Quality Management District . . . . .	1,050	California State University, Dominguez Hills Foundation . . . . .	102
Bay Area Library and Information System . . . . .	4	California State University, Fresno Association, Inc. . . . .	360
Bay Area Water Supply and Conservation Agency . . . . .	17	California State University, Fresno Athletic Corporation . . . . .	132
Beach Cities Health District . . . . .	109	California State University, Stanislaus Auxilliary and Business Services . . . . .	23
Bear Mountain Recreation and Park District . . . . .	6	Calleguas Municipal Water District . . . . .	175
Beaumont District Library . . . . .	21	Camarillo Health Care District . . . . .	36
Beaumont Public Cemetery District . . . . .	0	Cambria Cemetery District . . . . .	4
Beaumont-Cherry Valley Recreation and Park District . . . . .	19	Cambria Community Healthcare District . . . . .	26
Beaumont-Cherry Valley Water District . . . . .	70	Cambria Community Services District . . . . .	115
Bella Vista Water District . . . . .	70	Cameron Park Community Services District . . . . .	34
Belmont-San Carlos Fire Department . . . . .	198	Camino Federal Credit Union . . . . .	60
Belvedere-Tiburon Joint Recreation . . . . .	6	Capistrano Bay Community Services District . . . . .	2
Belvedere-Tiburon Library Agency . . . . .	21	Capitol Area Development Authority . . . . .	94
Ben Lomond Fire Protection District . . . . .	4	Carmel Highlands Fire Protection District of Monterey County . . . . .	2
Benicia City Housing Authority . . . . .	23	Carmel Regional Fire Ambulance Authority . . . . .	11
Bennett Valley Fire Protection District . . . . .	6	Carmel Valley Fire Protection District . . . . .	40
BETA Healthcare Group Risk Management Authority . . . . .	134	Carpinteria Public Cemetery District . . . . .	4
Big Bear Area Regional Wastewater Agency . . . . .	45	Castaic Lake Water Agency . . . . .	239
Big Bear City Airport District . . . . .	19	Castro Valley County Fire Protection District . . . . .	0
Big Bear City Community Services District . . . . .	200	Castro Valley Sanitary District . . . . .	55
Black Gold Cooperative Library System . . . . .	15	Castroville Community Services District . . . . .	13
Blanchard/Santa Paula Public Library District . . . . .	26	Cayucos Sanitary District . . . . .	9
Bonita-Sunnyside Fire Protection District . . . . .	60	Cayucos-Morro Bay Cemetery District . . . . .	4
Boulder Creek Fire Protection District . . . . .	6	Central Contra Costa Transit Authority . . . . .	456
Branciforte Fire Protection District . . . . .	9	Central Fire Protection District of Santa Cruz County . . . . .	217
Brannan-Andrus Levee Maintenance District . . . . .	2	Central Marin Sanitation Agency . . . . .	126
Buena Park Library District . . . . .	60	Central Plumas Recreation and Park District . . . . .	4
Butte County Air Quality Management District . . . . .	21	Central Sierra Child Support Agency . . . . .	49
Butte County Association of Governments . . . . .	19	Central Valley Regional Center, Inc. . . . .	771
Butte County In-Home Supportive Services Public Authority . . . . .	6	Cesar Chavez Student Center, Inc. . . . .	55
Butte County Law Library . . . . .	2	Channel Islands Beach Community Services District . . . . .	15
Butte County Superior Court . . . . .	236	Chester Fire Protection District . . . . .	17
Butte Local Agency Formation Commission . . . . .	6	Chester Public Utility District . . . . .	13
Byron, Brentwood, Knightsen Union Cemetery District . . . . .	9	Children and Families Commission of San Luis Obispo County . . . . .	4
Cal Poly Corporation . . . . .	667	Chino Basin Watermaster . . . . .	15
Calaveras County Superior Court . . . . .	60	Chino Valley Independent Fire District . . . . .	268
Calaveras County Water District . . . . .	209	Chowchilla Cemetery District . . . . .	11
Calaveras Public Utility District . . . . .	15	Christian Valley Park Community Services District . . . . .	0
California State University, Long Beach Foundation . . . . .	339	Clear Creek Community Services District . . . . .	23
California State University, Los Angeles - USU Board . . . . .	62	Clearlake Oaks County Water District . . . . .	0
California Administrative Services Authority . . . . .	0	Cloverdale Citrus Fair . . . . .	0
California Authority of Racing Fairs . . . . .	26	Coachella Valley Association of Governments . . . . .	28
California Bear Credit Union . . . . .	58	Coachella Valley Mosquito and Vector Control District . . . . .	111
California Dried Plum Board . . . . .	11	Coachella Valley Public Cemetery District . . . . .	13
California Fair Services Authority . . . . .	89	Coalinga-Huron Recreation and Park District . . . . .	13
California Fairs Financing Authority . . . . .	49	Coastal Animal Services Authority . . . . .	15
California Interscholastic Federation, Central Coast Section . . . . .	4	Coastal Developmental Services Foundation DBA Westside Regional Center . . . . .	437
California Interscholastic Federation, North Coast Section . . . . .	13	Coastal San Luis Resource Conservation . . . . .	0
California Interscholastic Federation, Northern Section . . . . .	2	Coastside Fire Protection District . . . . .	60
California Interscholastic Federation, San Diego Section . . . . .	17	Colusa County Superior Court . . . . .	30
California Interscholastic Federation, Southern Section . . . . .	60	Colusa Mosquito Abatement District . . . . .	6
California Joint Powers Insurance Authority . . . . .	66	Community College League of California . . . . .	34
California Joint Powers Risk Management Authority . . . . .	13	Compton Creek Mosquito Abatement District . . . . .	2
California Maritime Academy Foundation, Inc. . . . .	0		
California Municipal Utilities Association . . . . .	13		

## Health Benefits Program Data (continued)

### *Districts & Other Public Agencies (continued)*

Conejo Recreation and Park District . . . . .	204	El Dorado Hills County Water District . . . . .	155
Consolidated Area Housing Authority of Sutter County . . . . .	72	El Dorado Irrigation District . . . . .	692
Contra Costa County Law Library . . . . .	19	Emeryville Redevelopment Agency . . . . .	0
Contra Costa County Schools Insurance Group . . . . .	43	Encina Wastewater Authority . . . . .	119
Contra Costa Fire Protection District . . . . .	1,453	Encinitas Fire Protection District . . . . .	0
Contra Costa Mosquito Vector Control District . . . . .	81	Encinitas Sanitary District . . . . .	0
Contra Costa Special Education Local Plan Area . . . . .	17	Esparto Community Services District . . . . .	11
Contra Costa Transportation Authority . . . . .	47	Estero Municipal Improvement District . . . . .	466
Corning Water District . . . . .	9	Fair Oaks Cemetery District . . . . .	9
Costa Mesa Sanitary District . . . . .	21	Fair Oaks Fire District . . . . .	0
Cosumnes Community Services District . . . . .	677	Fair Oaks Recreation and Park District . . . . .	34
Cottonwood Cemetery District . . . . .	4	Fairfield-Suisun Sewer District . . . . .	117
Cottonwood Fire Protection District . . . . .	11	Fallbrook Healthcare District . . . . .	4
Crescent City Harbor District . . . . .	38	Feather River Air Quality Management District . . . . .	11
Crestline Lake Arrowhead Water Agency . . . . .	30	Feather Water District . . . . .	9
CSAC Excess Insurance Authority . . . . .	104	Felton Fire Protection District . . . . .	2
Cutler-Orosi Joint Powers Wastewater Authority . . . . .	0	Fern Valley Water District . . . . .	11
Cuyama Valley Recreation District . . . . .	0	First Five of Mariposa County . . . . .	2
Cypress Recreation and Park District . . . . .	0	Florin County Water District . . . . .	19
Dairy Council of California . . . . .	96	Foothill/Eastern Transportation Corridor Agency . . . . .	175
Davis Cemetery District . . . . .	9	Forestville County Water District . . . . .	11
Deer Springs Fire Protection District . . . . .	4	Forestville Fire Protection District . . . . .	15
Del Norte County Library District . . . . .	2	Fort Bragg Fire Protection Authority . . . . .	9
Del Norte Healthcare District . . . . .	4	Fort Ord Reuse Authority . . . . .	23
Del Paso Manor Water District . . . . .	11	Fresno County Law Library . . . . .	11
Del Paso Manor Water District, Directors . . . . .	2	Fresno Irrigation District . . . . .	183
Del Puerto Water District . . . . .	9	Fresno-Madera Area Agency on Aging . . . . .	68
Del Rey Community Services District . . . . .	9	Fruitridge Fire Protection District . . . . .	4
Delta Diablo Sanitation District . . . . .	202	Fullerton California State University Associated Students . . . . .	147
Delta Vector Control District . . . . .	34	Fulton El-Camino Recreation and Park District . . . . .	38
Denair Community Services District . . . . .	11	Galt Fire Protection District . . . . .	0
Desert Healthcare District . . . . .	26	Garden Valley Fire Protection District . . . . .	15
Diamond Springs/El Dorado Fire Protection District . . . . .	66	Gilsizer County Drainage District . . . . .	6
Dixon Housing Authority . . . . .	0	Glen Ellen Fire Protection District . . . . .	9
Dominguez Hills CSU Associated Students . . . . .	9	Glenn County Mosquito and Vector Control District . . . . .	6
Dominguez Hills CSU Associated Students, Child Development Center . . . . .	11	Glenn County Superior Court . . . . .	40
Donald P. and Katherine B. Loker University Student Union, Inc. . . . .	17	Glenn-Colusa Irrigation District . . . . .	0
Dougherty Regional Fire Authority . . . . .	21	Gold Coast Transit . . . . .	283
Dublin San Ramon Services District . . . . .	302	Gold Ridge Fire Protection District . . . . .	26
Dunnigan Water District . . . . .	6	Golden Sierra Job Training Agency . . . . .	89
East Bay Dischargers Authority . . . . .	15	Goleta Cemetery District . . . . .	9
East Bay Regional Park District . . . . .	138	Goleta Sanitary District . . . . .	66
East Diablo Fire District . . . . .	98	Goleta West Sanitary District . . . . .	26
East Kern Airport District . . . . .	79	Great Basin Unified Air Pollution Control District . . . . .	68
East Palo Alto Sanitary District . . . . .	19	Greater Anaheim Special Education Local Plan Area . . . . .	43
East Quincy Services District . . . . .	11	Greater Los Angeles County Vector Control District . . . . .	164
East Valley Water District . . . . .	166	Greater Vallejo Recreation District . . . . .	121
Eastern Municipal Water District . . . . .	1,336	Green Valley County Water District . . . . .	4
Eastern Plumas Health Care District . . . . .	349	Gridley Biggs Cemetery District . . . . .	15
Eastern Sierra Community Service District . . . . .	15	Grossmont Healthcare District . . . . .	30
Eastern Sierra Transit Authority . . . . .	45	Grossmont Schools Federal Credit Union . . . . .	30
El Camino Irrigation District . . . . .	2	Guerneville Fire Protection District - Elect. . . . .	0
El Dorado County Fire Protection District . . . . .	273	Half Moon Bay Fire Protection District . . . . .	0
El Dorado County Transit Authority . . . . .	45	Hamilton Branch Fire Protection District . . . . .	2
El Dorado County Transportation Commission . . . . .	13	Hamilton City Community Services District . . . . .	4
El Dorado Hills Community Services District . . . . .	36	Harbor Developmental Disabilities Foundation, Inc. . . . .	441
		Hayward California State University, Auxiliary Foundation, Inc. . . . .	179

## Health Benefits Program Data (continued)

### *Districts & Other Public Agencies (continued)*

Heartland Communications Facility Authority . . . . .	19	Los Angeles County Law Library . . . . .	147
Heritage Ranch Community Services District . . . . .	26	Los Angeles County Office of Education . . . . .	8,816
Hesperia Fire Protection District . . . . .	6	Los Angeles County Sanitation District No. 2 . . . . .	5,872
Hesperia Recreation and Park District . . . . .	102	Los Angeles County West Vector Control District . . . . .	75
Hesperia Water District . . . . .	113	Los Angeles Memorial Coliseum Commission . . . . .	77
Hilton Creek Community Services District . . . . .	4	Los Osos Community Services District . . . . .	19
Housing Authority of the City of Eureka . . . . .	38	Lower Tule River Irrigation District . . . . .	87
Housing Authority of the City of Los Angeles . . . . .	1,472	Lumberjack Enterprises, Inc. . . . .	0
Housing Authority of the County of Santa Clara . . . . .	511	Madera Cemetery District . . . . .	58
Housing Authority of the County of Santa Cruz . . . . .	145	Madera County Economic Development Commission . . . . .	0
Hub Cities Consortium . . . . .	75	Majestic Pines Community Services District . . . . .	4
Humboldt County Association of Governments . . . . .	4	Mammoth Lakes Fire District . . . . .	34
Humboldt County Superior Court . . . . .	202	Mammoth Lakes Mosquito Abatement District . . . . .	2
Humboldt No. 1 Fire Protection District of Humboldt County . . . . .	40	Management of Emeryville Services Authority . . . . .	219
Humboldt State College University Center . . . . .	121	March Joint Powers Authority . . . . .	17
Humboldt Transit Authority . . . . .	113	Mare Island Technology Academy . . . . .	89
Idyllwild Fire Protection District . . . . .	36	Marin County Housing Authority . . . . .	138
Indian Valley Community Services District . . . . .	0	Marin County Sanitary District No. 1 . . . . .	62
Indian Valley Health Care District . . . . .	2	Marin Healthcare District . . . . .	0
Inland Empire Utilities Agency . . . . .	603	Marin Municipal Water District . . . . .	880
Intelcom Intelligent Telecommunications . . . . .	45	Marinwood Community Services District . . . . .	66
Inverness Public Utility District . . . . .	15	Maxwell Public Utility District . . . . .	6
Ironhouse Sanitary District . . . . .	98	Mayers Memorial Hospital District . . . . .	275
Irvine Ranch Water District . . . . .	756	McCloud Community Services District . . . . .	26
Jamestown Sanitary District . . . . .	13	Meadow Vista County Water District . . . . .	9
JRS Napa County Superior Court . . . . .	0	Meiners Oaks County Water District . . . . .	11
Jurupa Community Services District . . . . .	256	Mendocino Coast Hospital District . . . . .	581
Kanawha Water District . . . . .	9	Menlo Park Fire Protection District . . . . .	279
Kensington Community Services District . . . . .	45	Merced County Housing Authority . . . . .	121
Kensington Fire Protection District . . . . .	21	Mesa Consolidated Water District . . . . .	124
Kentfield Fire Protection District . . . . .	51	Metropolitan Transportation Commission . . . . .	407
Kenwood Fire Protection District . . . . .	6	Metropolitan Water District of Southern California . . . . .	6,703
Kern County Council of Governments . . . . .	53	Mid Carmel Valley Fire Protection District . . . . .	11
Kern County Housing Authority . . . . .	330	Midpeninsula Regional Open Space District . . . . .	198
Kern County Law Library . . . . .	6	Midway City Sanitary District . . . . .	102
Kern Regional Center . . . . .	409	Midway Heights County Water District . . . . .	4
Kirkwood Meadows Public Utility District . . . . .	26	Millville Masonic and Odd Fellows Cemetery District . . . . .	2
Lake Don Pedro Community Services District . . . . .	0	Mission Valley Regional Occupational Center/Program . . . . .	62
Lake Hemet Municipal Water District . . . . .	124	Mojave Desert Air Quality Management . . . . .	68
Lake Valley Fire Protection District . . . . .	72	Mojave Water Agency . . . . .	104
Lakeside Fire Protection District . . . . .	177	Monte Vista County Water District . . . . .	62
Las Gallinas Valley Sanitary District of Marin County . . . . .	64	Montecito Fire Protection District . . . . .	166
Lathrop-Manteca Fire Protection District . . . . .	83	Monterey Bay Unified Air Pollution Control District . . . . .	77
Leucadia Wastewater District . . . . .	55	Monterey County Law Library . . . . .	2
Levee District No. 1 of Sutter County . . . . .	4	Monterey County Regional Fire Protection District . . . . .	119
Linda Fire Protection District . . . . .	38	Monterey County Superior Court . . . . .	454
Linden-Peters Rural County Fire Protection District . . . . .	38	Monterey County Water Resources Agency . . . . .	138
Littlerock Creek Irrigation District . . . . .	15	Monterey Peninsula Airport District . . . . .	104
Live Oak Cemetery District . . . . .	4	Monterey Peninsula Regional Park District . . . . .	43
Livermore/Amador Valley Transit Authority . . . . .	47	Monterey-Salinas Transit District . . . . .	424
Local Agency Formation Commission of Monterey County . . . . .	6	Moraga Fire Protection District . . . . .	0
Local Agency Formation Commission of San Luis Obispo County . . . . .	0	Moraga-Orinda Fire Protection Dist. . . . .	328
Local Government Services Authority, a Joint Powers Authority . . . . .	66	Morongo Basin Transit Authority . . . . .	47
Lompoc Cemetery District . . . . .	11	Mosquito and Vector Management District of Santa Barbara County . . . . .	15
Lompoc Healthcare District . . . . .	596	Moss Landing Harbor District . . . . .	11
Long Beach State University, Associated Students . . . . .	126	Mother Lode Job Training Agency . . . . .	53
Los Angeles County Area 'E' Civil Defense and Disaster Board . . . . .	2		

## Health Benefits Program Data (continued)

### *Districts & Other Public Agencies (continued)*

Mt. View Sanitary District of Contra Costa County . . . . .	43	Palo Verde Valley District Library . . . . .	0
Mt. Diablo Health Care District . . . . .	4	Paradise Recreation and Park District . . . . .	28
Mt. San Antonio College Auxiliary Services . . . . .	104	Paso Robles City Housing Authority . . . . .	28
Muir Beach Community Services District . . . . .	4	Peardale Chicago Park Fire Protection District . . . . .	2
Murphys Sanitary District . . . . .	0	Peninsula Health Care District . . . . .	4
Murrieta County Water District . . . . .	0	Peninsula Library System . . . . .	34
Murrieta Fire Protection District . . . . .	136	Peninsula Traffic Congestion Relief Alliance . . . . .	15
Napa County Mosquito Abatement District . . . . .	26	Penryn Fire Protection District . . . . .	0
Napa County Superior Court . . . . .	217	Pine Cove Water District . . . . .	9
Napa County Transportation and Planning Agency . . . . .	26	Pine Grove Mosquito Abatement District . . . . .	2
Napa Sanitation District . . . . .	166	Pinedale County Water District . . . . .	21
Nevada Cemetery District . . . . .	6	Pioneer Cemetery District . . . . .	9
Nevada County Superior Court . . . . .	138	Pixley Irrigation District . . . . .	15
Nevada Irrigation District . . . . .	643	Placer County Cemetery District No. 1 . . . . .	19
Nevada-Sierra Regional IHSS Public Authority . . . . .	11	Placer County Resource Conservation District . . . . .	6
Newport Beach City Employees Federal Credit Union . . . . .	9	Placer County Transportation Planning Agency . . . . .	17
Nipomo Community Services District . . . . .	43	Placer County Water Agency . . . . .	481
North Bay Regional Center . . . . .	400	Planning and Service Area II Area Agency on Aging . . . . .	6
North Bay Schools Insurance Authority . . . . .	21	Pleasant Valley Recreation and Park District . . . . .	89
North Coast Railroad Authority . . . . .	4	Plumas County Community Development Commission . . . . .	28
North Coast Unified Air Quality Management District . . . . .	38	Plumas Local Agency Formation Commission . . . . .	2
North County Fire Protection District of Monterey County . . . . .	98	Point Montara Fire Protection District . . . . .	0
North County Fire Protection District of San Diego County . . . . .	177	Pomerado Cemetery District . . . . .	15
North County Transit District . . . . .	839	Pomona, California State Polytechnic University, Associated Students, Inc. . . . .	119
North Delta Water Agency . . . . .	0	Port San Luis Harbor District . . . . .	64
North Los Angeles County Regional Center, Inc. . . . .	841	Princeton-Codora-Glenn Irrigation District . . . . .	11
North Marin Water District . . . . .	170	Processing Strawberry Advisory Board . . . . .	11
North State Cooperative Library System . . . . .	13	Processing Tomato Advisory Board . . . . .	9
North Tahoe Fire Protection District . . . . .	124	Provident Irrigation District . . . . .	15
Northern California Power Agency . . . . .	456	Public Agency Risk Sharing Authority of California . . . . .	13
Northern California Special Districts Insurance Authority . . . . .	9	Public Entity Risk Management Authority . . . . .	9
Northern Salinas Valley Mosquito Abatement District . . . . .	15	Quincy Cemetery District . . . . .	2
Northern Sierra Air Quality Management District . . . . .	15	Quincy Community Services District . . . . .	13
Northridge Water District . . . . .	0	Rainbow Municipal Water District . . . . .	6
Northridge, CSU, Associated Students . . . . .	81	Ramona Cemetery District . . . . .	11
Northstar Community Services District . . . . .	92	Rancho Cucamonga Fire Protection District . . . . .	309
Novato Sanitary District . . . . .	102	Rancho Murieta Community Services District . . . . .	72
Oak Hill Cemetery District . . . . .	0	Rancho Simi Recreation and Park District . . . . .	202
Oakland City Housing Authority . . . . .	841	Reclamation District No. 70 . . . . .	13
Ocean Grove Charter School . . . . .	70	Reclamation District No. 341 . . . . .	4
Ojai Valley Sanitary District . . . . .	47	Reclamation District No. 800 . . . . .	9
Olivehurst Public Utility District . . . . .	45	Reclamation District No. 833 . . . . .	11
Ophir Hill Fire Protection District . . . . .	4	Reclamation District No. 900 . . . . .	11
Orange County Fire Authority . . . . .	739	Reclamation District No. 1000 . . . . .	36
Orange County Vector Control District . . . . .	147	Reclamation District No. 1001 . . . . .	36
Orinda Fire Protection District . . . . .	0	Reclamation District No. 1601 . . . . .	6
Orland Cemetery District . . . . .	0	Reclamation District No. 1660 . . . . .	0
Oro Loma Sanitary District . . . . .	164	Redway Community Services District . . . . .	13
Oroville Cemetery District . . . . .	19	Regional Center of the East Bay . . . . .	686
Oroville Mosquito Abatement District . . . . .	2	Regional Council of Rural Counties . . . . .	45
Oxnard Harbor District . . . . .	94	Regional Government Services Authority . . . . .	11
Pacific Fire Protection District . . . . .	28	Regional Water Authority . . . . .	15
Pajaro Valley Fire Protection Agency . . . . .	0	Richardson Bay Sanitary District . . . . .	19
Pajaro Valley Public Cemetery District . . . . .	15	Rincon Del Diablo Municipal Water District . . . . .	81
Palm Drive Health Care District . . . . .	309	Riverbank City Housing Authority . . . . .	4
Palm Ranch Irrigation District . . . . .	11	Riverdale Public Utility District . . . . .	6
Palm Springs Cemetery District . . . . .	13		

## Health Benefits Program Data (continued)

### *Districts & Other Public Agencies (continued)*

Riverside County Air Pollution Control District . . . . .	0	San Luis Obispo Regional Transit Authority . . . . .	15
Riverside County Housing Authority . . . . .	2	San Marcos CSU Foundation . . . . .	117
Riverside County Superior Court . . . . .	2	San Marcos Fire Protection District . . . . .	0
Riverside County Transportation Commission . . . . .	107	San Mateo County Resource Conservation District . . . . .	0
Rodeo-Hercules Fire Protection District . . . . .	66	San Mateo County Schools Insurance Group . . . . .	11
Roseville Public Cemetery District . . . . .	17	San Mateo County Transit District . . . . .	1,811
Ross Valley Fire Service . . . . .	119	San Miguel Community Services District . . . . .	11
Rubidoux Community Services District . . . . .	4	San Miguel Consolidated Fire Protection District . . . . .	371
Ruth Lake Community Services District . . . . .	2	San Pablo City Housing Authority . . . . .	0
Sacramento Area Council of Governments . . . . .	124	San Ramon Valley Fire Protection District . . . . .	584
Sacramento City Housing Authority . . . . .	920	San Simeon Community Services District . . . . .	2
Sacramento County Fire Protection District . . . . .	0	Sanitary District No. 5 of Marin County . . . . .	30
Sacramento County Public Law Library . . . . .	38	Santa Barbara County Association of Governments . . . . .	49
Sacramento Metropolitan Air Quality Management District . . . . .	177	Santa Barbara County Law Library . . . . .	6
Sacramento Metropolitan Cable Television Commission . . . . .	11	Santa Clara County Health Authority . . . . .	313
Sacramento Metropolitan Fire District . . . . .	2,298	Santa Clara County Law Library . . . . .	4
Sacramento Regional Fire/EMS Communications Center . . . . .	100	Santa Cruz Consolidated Emergency Communications Center . . . . .	119
Sacramento Regional Transit District . . . . .	737	Santa Cruz County Law Library . . . . .	0
Sacramento Suburban Water District . . . . .	149	Santa Cruz County Regional Transportation Commission . . . . .	38
Sacramento Transportation Authority . . . . .	4	Santa Cruz County Superior Court . . . . .	330
Salinas Valley Solid Waste Authority . . . . .	75	Santa Cruz Local Agency Formation Commission . . . . .	6
Salton Community Services District . . . . .	55	Santa Cruz Metropolitan Transit District . . . . .	1,039
Samoa Peninsula Fire Protection District . . . . .	0	Santa Fe Irrigation District . . . . .	162
San Andreas Regional Center, Inc. . . . .	671	Santa Maria Public Airport District . . . . .	28
San Andreas Sanitary District . . . . .	15	Santa Paula City Housing Authority . . . . .	23
San Benito County Water District . . . . .	45	Saratoga Fire Protection District . . . . .	23
San Bernardino County Housing Authority . . . . .	424	Sausalito-Marín City Sanitary District . . . . .	45
San Bernardino County Law Library . . . . .	13	School Personnel Credit Union . . . . .	17
San Bernardino County Transportation Authority . . . . .	0	Schools Excess Liability Fund . . . . .	19
San Bernardino Economic Development Agency . . . . .	66	Scotts Valley Water District . . . . .	55
San Bernardino, California State University, Student Union . . . . .	49	Selma-Kingsburg-Fowler County Sanitation District . . . . .	92
San Diego Association of Governments . . . . .	452	Sequoia Healthcare District . . . . .	6
San Diego County Law Library . . . . .	87	Serra Cooperative Library System . . . . .	9
San Diego State University, Associated Students . . . . .	58	Sewer Authority Mid-Coastside . . . . .	32
San Diego Trolley, Inc. . . . .	558	Shasta Area Safety Communications Agency . . . . .	85
San Dieguito Water District . . . . .	45	Shasta Community Services District . . . . .	0
San Elijo Joint Powers Authority . . . . .	38	Shasta County Superior Court . . . . .	264
San Francisco Bay Area Rapid Transit District . . . . .	9,713	Shasta Dam Area Public Utility District . . . . .	0
San Francisco Bay Area Water Emergency Transportation Authority . . . . .	11	Shasta Mosquito and Vector Control District . . . . .	36
San Francisco City and County Housing Authority . . . . .	545	Shasta Valley Cemetery District . . . . .	11
San Francisco City and County Redevelopment Agency . . . . .	471	Sierra Lakes County Water District . . . . .	21
San Francisco Community College District Bookstore Auxiliary . . . . .	36	Sierra-Sacramento Valley Emergency Medical Services Agency . . . . .	26
San Francisco County Transportation Authority . . . . .	70	Silicon Valley Animal Control Authority . . . . .	34
San Gabriel Valley Mosquito and Vector Control District . . . . .	23	Silveyville Cemetery District . . . . .	9
San Geronio Pass Water Agency . . . . .	15	Siskiyou County Superior Court . . . . .	104
San Jacinto Valley Cemetery District . . . . .	32	Smith River Community Services District . . . . .	13
San Joaquin County Housing Authority . . . . .	330	Solano County Mosquito Abatement District . . . . .	30
San Joaquin County Mosquito and Vector Control District . . . . .	117	Solano County Superior Court . . . . .	460
San Joaquin Hills Transportation Corridor Agency . . . . .	0	Solano County Water Agency . . . . .	21
San Jose State University Foundation . . . . .	599	Solano Transportation Authority . . . . .	36
San Jose State University, Associated Students . . . . .	94	Sonoma State Enterprises, Inc. . . . .	2
San Juan Water District . . . . .	141	Sonoma Student Union Corporation . . . . .	6
San Lorenzo Valley Water District . . . . .	51	Soquel Creek Water District . . . . .	134
San Luis Obispo-Cal Poly Associated Students, Inc. . . . .	177	South Bay Regional Public Communications Authority . . . . .	119
San Luis Obispo Council of Governments . . . . .	30	South Bayside System Authority . . . . .	194
San Luis Obispo County Pension Trust . . . . .	11	South County Area Transit . . . . .	9
		South East Regional Reclamation Authority . . . . .	0

## Health Benefits Program Data (continued)

### *Districts & Other Public Agencies (continued)*

South Feather Water and Power Agency . . . . .	173	United Water Conservation District . . . . .	117
South Kern Cemetery District . . . . .	0	University Corporation . . . . .	298
South Orange County Wastewater Authority . . . . .	149	University Glen Corporation . . . . .	36
South Placer Fire District . . . . .	113	Upland City Housing Authority . . . . .	55
South Placer Municipal Utility District . . . . .	62	Vallejo Sanitation and Flood Control District . . . . .	253
South San Luis Obispo County Sanitation District . . . . .	21	Valley County Water District . . . . .	104
Southeast Area Social Services Funding Authority . . . . .	45	Valley Mountain Regional Center, Inc. . . . .	505
Southern California Association of Governments . . . . .	345	Valley of the Moon Fire District . . . . .	55
Southern California Library Cooperative . . . . .	26	Valley of the Moon Water District . . . . .	36
Southern California Public Power Authority . . . . .	17	Valley Preparatory Academy, Inc. . . . .	0
Southern California Regional Rail Authority . . . . .	524	Valley Sanitary District . . . . .	47
Southern Humboldt Community Healthcare District . . . . .	115	Valley-Wide Recreation and Park District . . . . .	55
Southern Inyo Healthcare District . . . . .	162	Ventura County Law Library . . . . .	17
Southern San Joaquin Municipal Utility District . . . . .	62	Ventura County Transportation Commission . . . . .	47
Spartan Shops, Inc. . . . .	243	Ventura Port District . . . . .	72
Squaw Valley Public Services District . . . . .	45	Ventura Regional Sanitation District . . . . .	151
State Assistance Fund for California Business and Industrial Corporation . . . . .	23	Veterans Home of California Post Fund . . . . .	32
Stanislaus County Housing Authority . . . . .	247	Victor Valley Wastewater Reclamation Authority . . . . .	98
Stege Sanitary District . . . . .	19	Water Facilities Authority . . . . .	15
Stinson Beach County Water District . . . . .	19	Weaverville Community Services District . . . . .	15
Strawberry Recreation District . . . . .	15	Weaverville Fire Protection District . . . . .	0
Student Union of San Jose State University . . . . .	70	Weaverville Sanitary District . . . . .	2
Suisun Resource Conservation District . . . . .	13	West Bay Sanitary District . . . . .	49
Summit Cemetery District . . . . .	38	West Cities Communication Center . . . . .	17
Superior Court of California, County of San Luis Obispo . . . . .	279	West Cities Communication Center Joint Powers Authority . . . . .	0
Susanville Sanitary District . . . . .	19	West Contra Costa Healthcare District . . . . .	13
Sutter Cemetery District . . . . .	26	West Contra Costa Integrated Waste Management Authority . . . . .	11
Sweetwater Springs Water District . . . . .	23	West County Wastewater District . . . . .	151
Sylvan Cemetery District . . . . .	9	West Plainfield Fire Protection District . . . . .	0
Tahoe City Fire Protection District . . . . .	0	Western Canal Water District . . . . .	21
Tahoe City Public Utility District . . . . .	109	Western Riverside Council of Governments . . . . .	40
Tahoe-Truckee Sanitation Agency . . . . .	166	Westlands Water District . . . . .	362
Temecula Public Cemetery District . . . . .	9	Wildomar Cemetery District . . . . .	9
Templeton Community Services District . . . . .	51	Willow Creek Community Services District . . . . .	6
Thermalito Water and Sewer District . . . . .	26	Willow Oak Fire District . . . . .	0
Three Arch Bay Community Services District . . . . .	2	Willows Cemetery District . . . . .	6
Tower Foundation, San Jose State University . . . . .	0	Wilton Fire Protection District . . . . .	2
Trabuco Canyon Water District . . . . .	64	Winterhaven Water District . . . . .	4
Tracy Rural County Fire Protection District . . . . .	4	Winters Cemetery District . . . . .	11
Transportation Agency for Monterey County . . . . .	26	Winters Fire Protection District . . . . .	9
Tri-Counties Association for the Developmentally Disabled . . . . .	543	Woodlake Fire District . . . . .	6
Truckee Fire Protection District . . . . .	132	Woodside Fire Protection District . . . . .	177
Truckee Sanitary District . . . . .	92	Yolo County Housing Authority . . . . .	81
Tulare County Housing Authority . . . . .	121	Yolo County In-Home Supportive Services Public Authority . . . . .	9
Tulare Mosquito Abatement District . . . . .	13	Yolo County Public Agency Risk Management Insurance Authority . . . . .	17
Tuolumne County Superior Court . . . . .	0	Yolo County Superior Court . . . . .	211
Tuolumne Fire District . . . . .	9	Yolo County Transit Authority . . . . .	0
Tuolumne Regional Water District . . . . .	0	Yolo County Transportation District . . . . .	28
Tuolumne Utilities District . . . . .	217	Yolo Emergency Communications Agency . . . . .	89
Turlock Mosquito Abatement District . . . . .	36	Yolo-Solano Air Quality Management District . . . . .	64
Twain Harte Community Services District . . . . .	23	Yuba County Water Agency . . . . .	81
Twin Cities Police Authority . . . . .	151	Yuba Sutter Transit Authority . . . . .	6
Ukiah Valley Fire District . . . . .	13	Yuima Municipal Water District . . . . .	2
Union Sanitary District . . . . .	400	<b>Total Covered Lives . . . . .</b>	<b>103,464</b>



## Health Benefits Program Data (continued)

### School Districts (123 total)

Acalanes Union High School District . . . . .	1,255	Menlo Park City Elementary School District . . . . .	626
Alameda City Unified School District . . . . .	1,855	Mill Valley Elementary School District . . . . .	547
Albany City Unified School District . . . . .	878	Millbrae Elementary School District . . . . .	422
Alta-Dutch Flat Union Elementary School District . . . . .	17	Montebello Unified School District . . . . .	7,811
Antioch Unified School District . . . . .	3,020	Monterey Peninsula Unified School District . . . . .	3,302
Berryessa Union Elementary School District . . . . .	1,776	Moreland Elementary School District . . . . .	794
Bonita Unified School District . . . . .	1,585	Morgan Hill Unified School District . . . . .	1,585
Brisbane Elementary School District . . . . .	168	Mountain House Elementary School District . . . . .	6
Burbank Unified School District . . . . .	1,180	Mt. Diablo Unified School District . . . . .	7,287
Burlingame Elementary School District . . . . .	435	Mt. Pleasant Elementary School District . . . . .	430
Campbell Union Elementary School District . . . . .	1,457	Mt. San Antonio Community College District . . . . .	3,063
Campbell Union High School District . . . . .	1,687	Napa Community College District . . . . .	952
Castaic Union Elementary School District . . . . .	403	Napa Valley Unified School District . . . . .	3,186
Centinela Valley Union High School District . . . . .	1,776	Natomas Unified School District . . . . .	801
Cerritos Community College District . . . . .	1,885	New Haven Unified School District . . . . .	1,923
Charter Learning Center . . . . .	0	Newark Unified School District . . . . .	520
Chatom Union Elementary School District . . . . .	34	Newman-Crows Landing Unified School District . . . . .	360
Compton Unified School District . . . . .	3,872	North Monterey County Unified School District . . . . .	605
Connecting Waters . . . . .	147	North Orange County Community College District . . . . .	4,447
County School Services-Alameda County Schools . . . . .	473	Ohlone Community College District . . . . .	829
County School Services-Contra Costa County Schools . . . . .	1,446	Orinda Union School District . . . . .	609
County School Services-Napa County Schools . . . . .	449	Pacifica School District . . . . .	888
County School Services-Sacramento County Schools . . . . .	1,889	Palos Verdes Peninsula Unified School District . . . . .	2,407
County School Services-San Mateo County Schools . . . . .	1,316	Paradise Elementary School District . . . . .	30
County Superintendent of Schools Office- Riverside County Schools . . . . .	4,158	Pittsburg Unified School District . . . . .	1,849
Culver City Unified School District . . . . .	1,465	Pleasanton Unified School District . . . . .	366
Davis Joint Unified School District . . . . .	1,295	Ravenswood City Elementary School District . . . . .	1,007
Duarte Unified School District . . . . .	701	Redwood City Elementary School District . . . . .	2,019
Dublin Unified School District . . . . .	547	Reed Union Elementary School District . . . . .	343
El Camino Community College District . . . . .	2,217	Rio Hondo Community College District . . . . .	1,531
El Dorado Union High School District . . . . .	64	River Delta Joint Unified School District . . . . .	351
Empire Union Elementary School District . . . . .	58	Riverbank Unified School District . . . . .	515
Fairfield-Suisun Unified School District . . . . .	3,457	Ross Elementary School District . . . . .	145
Fillmore Unified School District . . . . .	878	Ross Valley Elementary School District . . . . .	458
Fremont Unified School District . . . . .	4,273	Sacramento City Unified School District . . . . .	6,748
Fremont Union High School District . . . . .	173	San Bruno Park Elementary School District . . . . .	624
Gavilan Joint Community College District . . . . .	581	San Carlos Elementary School District . . . . .	469
Hayward Unified School District . . . . .	3,180	San Leandro Unified School District . . . . .	1,125
Healdsburg Unified School District . . . . .	245	San Mateo County Community College District . . . . .	3,221
Hillsborough City School District . . . . .	300	San Mateo-Foster City School District . . . . .	2,064
Holtville Unified School District . . . . .	2	San Rafael City Elementary School District . . . . .	679
Howell Mountain Elementary School District . . . . .	30	San Rafael City High School District . . . . .	697
John Swett Unified School District . . . . .	364	Santa Monica Community College District . . . . .	2,447
Knightsen School District . . . . .	51	Santa Monica-Malibu Unified School District . . . . .	3,204
La Grange Elementary School District . . . . .	4	Saugus Union Elementary School District . . . . .	1,216
Las Lomas Elementary School District . . . . .	288	Sequoia Union High School District . . . . .	2,509
Las Virgenes Unified School District . . . . .	2,141	Sky Mountain Charter School . . . . .	64
Liberty Union High School District . . . . .	1,093	Sonoma Valley Unified School District . . . . .	873
Little Lake City Elementary School District . . . . .	882	South Pasadena Unified School District . . . . .	816
Los Altos Elementary School District . . . . .	1,110	South San Francisco Unified School District . . . . .	2,411
Los Angeles Community College District . . . . .	14,746	South Sutter Charter School . . . . .	143
Los Nietos Elementary School District . . . . .	426	South Whittier School District . . . . .	743
Lowell Joint Elementary School District . . . . .	518	Stanislaus County Office of Education . . . . .	6
Magnolia Elementary School District . . . . .	1,421	Stockton Unified School District . . . . .	7,191
Martinez Unified School District . . . . .	858	Temple City Unified School District . . . . .	767
		Turlock Joint Elementary School District . . . . .	0

## Health Benefits Program Data (continued)

### School Districts (continued)

Turlock Joint Unified School District . . . . .	1,186
Turlock Joint Union High School District . . . . .	0
Twin Rivers Unified School District . . . . .	5,770
Union Elementary School District . . . . .	735
Vacaville Unified School District . . . . .	2,179
Valle Lindo Elementary School District . . . . .	198
Vallejo City Unified School District . . . . .	3,591

West Contra Costa Unified School District . . . . .	9,634
West Covina Unified School District . . . . .	1,557
Whittier City Elementary School District . . . . .	1,176
William S. Hart Union High School District . . . . .	3,781
Wiseburn Elementary School District . . . . .	368
<b>Total Covered Lives.</b> . . . .	<b>196,735</b>

## Supplemental Income Plans (SIP)

By saving for the future, CalPERS members may face the road to retirement with confidence. CalPERS provides members with important tools to help supplement future needs.

The CalPERS Supplemental Income Plans include:

- CalPERS Supplemental Income 457 Plan
- Supplemental Contributions Plan (SCP)
- State Peace Officers and Firefighters (SPOFF) Supplemental Plan.

### CalPERS SUPPLEMENTAL INCOME 457 PLAN

Designed with high standards of quality and service, the CalPERS Supplemental Income 457 Plan is a way for participants to defer a portion of pre-tax salary into investments of an individual's choosing. It allows both the amount deferred and the amount earned on the investment to be protected from income tax until the money is taken out during retirement. The plan supplements the retirement benefit plans offered by CalPERS. All California public agencies and school districts may adopt the 457 Plan for the benefit of their employees.

The CalPERS Board controls the investment and administrative functions of the CalPERS Supplemental Income 457 Plan. Assets are held in trust by the Board for the exclusive benefit of participating employees.

As of June 30, 2010, the CalPERS Supplemental Income 457 Plan was adopted by 707 California public agencies and school districts. Below is a summary of participating public agencies within the CalPERS Supplemental Income 457 Plan. For a full listing of the

CalPERS Supplemental Income 457 Plan participating public agencies, please visit our public agency employer page at [www.calpers.ca.gov](http://www.calpers.ca.gov).

### Participating Public Agency Summary

Agency	
Cities	107
Counties	17
Community College Districts, School Districts & County Offices of Education	152
Districts & Other Public Agencies	293
Police & Fire Districts	54
Water Districts	84
<b>TOTAL</b>	<b>707</b>

### SUPPLEMENTAL CONTRIBUTIONS PLAN

The Supplemental Contributions Plan is available to State of California employees who are members of CalPERS, as well as active judges who are members of the Judges' Retirement System I or II. Participants may invest after-tax contributions through payroll deductions or cash contributions by check. Participant earnings grow tax-deferred until SCP participants begin to take withdrawals in retirement or upon separation from State employment.

### SPOFF SUPPLEMENTAL PLAN

The State Peace Officers' and Firefighters' (SPOFF) Supplemental Plan (also known as State POFF Defined Contribution Plan), is an employer provided benefit negotiated between the State of California and employee groups. The contributions are invested by CalPERS and credited to each

## Supplemental Income Plans (SIP) (continued)

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participant's account along with any net earnings. The balance of the account is available to SPOFF participants only at retirement or upon permanent separation from State employment.

### SIP FUND LINEUP

The CalPERS Supplemental Income 457 Plan and Supplemental Contributions Plan 2009-10 investment line-up allows participants to choose from two styles of asset allocation funds, or build their own portfolio with the 11 core funds.

The two styles of CalPERS-managed Asset Allocation Funds include:

- Eleven Target Retirement Date Funds
  - Structured with 5-year increments to allow participants to target their retirement date.
  - Utilizes glide path strategy to reduce risk (investment mix becomes more conservative as member approaches retirement).
- Three Risk-Based Asset Allocation Funds
  - Conservative, Moderate and Aggressive.

### Eleven Core Funds

- Complete asset class coverage to build a portfolio tailored to participant investment goals and allow the opportunity for a well-diversified portfolio; and
- Spans the risk-return spectrum, without duplication.

The State Peace Officers' and Firefighters' (SPOFF) Supplemental Plan investment is a balanced Moderate Asset Allocation Fund internally managed by CalPERS.

CalPERS Supplemental Income Plans provide investments and services at a low cost using a simple fee schedule. There are costs associated with investing in the underlying investment fund options offered under the Plan. Total fees for administration and investment management of the core funds and asset allocation funds are less than 1 percent. Lower fees allow participants to pay themselves more, building up their account over time.

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

## Long-Term Care Program Data

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The CalPERS Long-Term Care program (LTC) is an insurance program that helps to provide financial protection to its members from the high cost of care caused by illness, injury or old age. Long-Term Care policies cover personal care (Activities of Daily Living) such as bathing, dressing, and eating, which are not typically covered by traditional health insurance or Medicare.

The LTC program is self-funded and not-for-profit and offers its members several plans with coverage and time duration options. As of June 30, 2009, long-term care membership decreased 3.3 percent to 159,571. This slight decrease to Program membership may be attributable to the 2010 premium increase, member morbidity, and the

lack of an application period since 2008. Annual premiums as of June 30, 2010 were \$285.9 million.

The LTC program's total investments were approximately \$2.6 billion, with \$133.0 million being paid out in benefits to its members during the fiscal year 2009-10, bringing the total benefits paid since the LTC program's inception in 1995 through June 30, 2010 to \$721.6 million.

The LTC program continues to be one of the largest of its kind in the nation, devoted to providing outstanding long-term coverage with competitively priced premiums.

The financial statements for this LTC program are found in the Financial Section of this report and in the accompanying notes and spreadsheets.



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### Glossary of Acronyms

**CalPERS:** California Public Employees' Retirement System

**CERBTF:** California Employers' Retiree Benefit Trust Fund

**CRF:** Contingency Reserve Fund

**DCF:** Deferred Compensation Fund

**HCF:** Health Care Fund

**IRC 457:** Public Agency Deferred Compensation Program

**JRF:** Judges' Retirement Fund

**JRS:** Judges' Retirement System

**LRF:** Legislators' Retirement Fund

**LRS:** Legislators' Retirement System

**OASI:** Old Age & Survivors' Insurance Revolving Fund

**PERF:** Public Employees' Retirement Fund

**PERS:** Public Employees' Retirement System

**RBF:** Replacement Benefit Fund

**SPOFF:** State Peace Officers' and Firefighters' Defined Contribution Plan Fund

**SCPF:** Supplemental Contributions Program Fund

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CalPERS

**California Public Employees'  
Retirement System**

400 Q Street

P.O. Box 942701

Sacramento, CA 94229-2701

(916) 795-3991

(916) 795-3507 fax

TTY: (916) 795-3240

[www.calpers.ca.gov](http://www.calpers.ca.gov)

[www.CalPERSResponds.com](http://www.CalPERSResponds.com)