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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2011

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



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Comprehensive Annual Financial Report **Fiscal Year Ended June 30, 2011**

Prepared by the Fiscal Services Division, the Investment Office, the Actuarial Office, 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

CalPERS

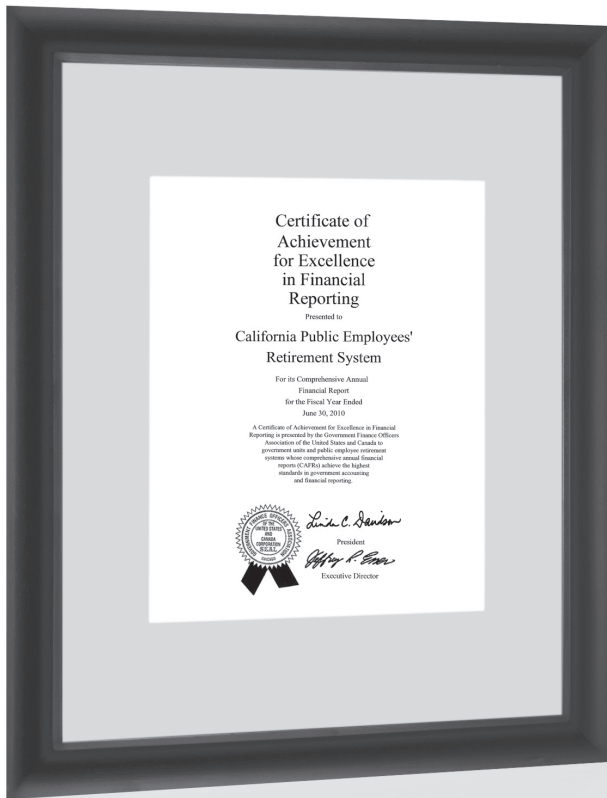
California Public Employees' Retirement System
A Component Unit of the State of California

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Professional Awards



CERTIFICATE OF ACHIEVEMENT FOR 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, 2010. This was the 15th 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, 2011. 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.

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Chief Executive Officer's Letter of Transmittal



December 31, 2011

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 fiscal year ended June 30, 2011.

The past year was one of growth, change, and progress for CalPERS. We reorganized major administrative and program functions into a more logical and streamlined structure to better deliver services. We adopted stronger ethical standards, adjusted our investment asset allocation to reduce volatility risk, and modified our actuarial processes in recognition of economic and demographic changes.

There is no question that the effects of the recession still linger. This is a challenging fiscal environment for State and local governments. However, we are pleased to report that our efforts this past year have improved the financial health of the CalPERS pension fund. We are steadily recovering from the financial turmoil of two years ago.

As we look to the future, we are committed to protecting the financial and health security of our 1.6 million members by achieving the highest standards of accountability, integrity and openness while enhancing our reputation as an innovative and responsible investor. To help us achieve these objectives, we established a new risk officer position to identify, manage, and mitigate risks to CalPERS programs.

The 2010-11 fiscal year was a very good year for CalPERS investments, which earned a net rate of return of 21.7 percent. This is the second consecutive year that we have seen double-digit returns. As of June 30, 2011, our net assets were \$241.8 billion—a gain of \$40.1 billion over the past year.



Anne Stausboll
Chief Executive Officer

Our Investment Office spent much of 2010 thoroughly examining how we allocate pension fund investments, adjusting the percentage of investments in stocks, bonds, real estate, private equity, and inflation-linked assets. We adopted a more holistic investment approach, with the goal of reducing future volatility in the value of our assets.

We also moved forward with better practices to maintain the integrity of our investment operations. We no longer allow our external investment managers to use placement agents. We also negotiated lower management fees with several of our largest investment management firms.

In these challenging financial times for government at all levels, CalPERS recognized the importance of generating budgetary savings by reducing administrative waste and redundancy and increasing operational efficiency. After a thorough review and analysis, we were able to reduce our administrative costs by \$963 million in 2010. Our Health Benefits Program generated the bulk of savings, \$600 million, by eliminating expensive hospitals, emphasizing preventive health care, and expanding two low-cost “high performance” health plans—Blue Shield NetValue and PERS Select. Additional savings came in 2011 from federal reimbursement to help pay for health insurance for younger retirees. The CalPERS Investment Office also reduced operational costs by \$357 million in 2010 by reducing management fees.

The economic conditions that demanded administrative belt tightening also spurred a closer examination of the cost of retirement benefits for public employees and calls for pension reform. In this context, we saw the need to clarify the law regarding the nature of our members' pension rights. Our legal staff analyzed the law and relevant court decisions and produced a valuable analysis entitled "Vested Rights of CalPERS Members." It concluded that public employee retirement benefits are a form of deferred compensation and part of the employment contract. The analysis looked at more than a dozen California appellate cases over the last 70 years, and determined that employees are entitled to the benefits in place at the time of their employment, and that retired and inactive members have vested rights to the benefits promised when they worked. The analysis reaffirmed CalPERS role as a fiduciary and steward of the pension fund, and that we have a legal obligation to ensure that members' vested rights are honored and protected.

CalPERS retirement benefits are more than just a financial safety net for public workers, they also provide a strong boost to California's economy and will play a significant role in the state's economic recovery.

CalPERS retirement benefits are more than just a financial safety net for public workers, they also provide a strong boost to California's economy and will play a significant role in the state's economic recovery. Statewide the 2010 CalPERS benefit payments stimulated more than \$26 billion in total economic activity. That economic activity increased the gross state product in 2010 by more than \$8.6 billion, supported more than 93,600 California jobs, and added nearly a half percent to California's \$1.875 trillion economy. In addition to stimulating the economy, CalPERS retirees generated \$1 billion in state and local tax revenues, including \$620 million in property and sales taxes, helping support important government services for all Californians.

Our 2011-12 business plan focuses on three enterprise priorities: improved customer service, stability and soundness of pension and health programs, and building organizational strength through accountability, integrity, transparency, nimbleness and innovation.

After five years of development, the new myCalPERS information technology system was launched in September 2011 as scheduled, with additional functionality to be added through 2012. By consolidating more than 49 standalone databases into an integrated state-of-the-art pension management data system, members, employers and CalPERS staff have access to real-time pension data in a password-protected and secure online environment. Members and employers will be able to access account information and conduct transactions more easily online.

Changes in the 2012 health benefits package will save more than \$60 million while focusing on quality, patient safety and participation. The overall rate increase of 4.1 percent was less than half the average premium increase of nine percent in the 2011 coverage year. CalPERS acknowledges that even these relatively low premium increases can be difficult for members, so we continue to develop our purchasing strategy to further lower costs. While some drug copayments will go up in 2012, in some cases to encourage the use of generic and mail order drugs, they are still lower than the U.S. median for generic and preferred brand drugs.

Management Responsibility for Financial Reporting

CalPERS management prepared the financial statements included in this CAFR for the 2010-11 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 accounting principles.

CalPERS maintains a system of internal controls designed to provide reasonable assurance that assets are

properly safeguarded, transactions are properly executed, and financial statements are reliable. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. In addition, 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 it reviews 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, 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 the 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, 2010. This was the 15th 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 Financial 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 for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This is the ninth consecutive year that CalPERS has achieved this prestigious award. CalPERS also received this award in 1997, 1998, and 2000. 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 that income is appropriately distributed. Responsibility for the accuracy, completeness, and fair presentation of the information, and all disclosures, rests with CalPERS. The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The basic financial statements are presented in accordance with the guidelines of the Governmental Accounting Standards Board (GASB), including standards established by GASB Statement No. 25, Financial Reporting for Defined Benefit Plans; GASB Statement No. 34, Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments; GASB Statement No. 43, Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans; and other GASB statements as appropriate. GASB Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A).

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

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 20 years is evidence of the System's continued solid financial management. See the Chief Investment Officer's letter, page 90, 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.

The funding for the Public Employees' Retirement Fund (PERF) has improved over the fiscal year. As of June 30, 2011, the PERF is expected to be near 75 percent funded assuming no change in actuarial assumptions.

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.

CalPERS core mission is to protect the health and financial interests of our members, retirees and their families.

In Closing...

CalPERS core mission is to protect the health and financial interests of our members, retirees and their families. California's public employees spend their careers working to improve the state by providing education and services, building infrastructure, and safeguarding the environment. Their contributions make our state a leader in the nation and the world. In return, we are committed to providing our members the same excellent service they have given us. We strive to attain the highest standards of accountability, integrity and openness by applying rigorous controls within our own system. We are determined to maintain the trust that is needed to preserve confidence in our system, and will continue to lead as responsible investors.

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 \$241.8 billion as of June 30, 2011.

Headquartered in Sacramento, CalPERS provides retirement and health benefit services to more than 1.6 million people and 3,103 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 1,103,426 active and inactive members and 536,234 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 deferred compensation retirement savings plan, and member education services. The long-term care program is not currently accepting new applications, though future application periods are possible. As of December 2010, the CalPERS Member Home Loan program was ended due to low member participation.

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 exceed customers' needs and expectations through competence, innovation, and teamwork. Seek to "do it right" the first time.

Respect

Treat every person with kindness and humility. Courteous, responsive and professional.

Accountability

Take ownership and responsibility for actions and their results. Make sound decisions from experience, good judgment, and collaboration.

Integrity

In all endeavors, act in an ethical, honest and professional manner. Be truthful in all actions and communications.

Openness

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

Balance

Support healthy personal and professional balance, and maintain an optimistic and enjoyable work environment.

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

Michael Bilbrey

Employee Member (elected by all members)
Bookstore Operations Coordinator,
Citrus Community College, Glendora
Term Ends: January 15, 2014

John Chiang

State Controller
Ex Officio Member

Richard Costigan

(Patricia Clarey served through December 2010)
State Personnel Board Member (designated
by the State Personnel Board)
Term Ends: Determined by SPB

Dan Dunmoyer

Official of Life Insurer¹
Senior Vice President,
Legislative and Regulatory Affairs
Farmers Insurance Groups of Companies and
Zurich Financial Services
Term Ends: January 15, 2013

JJ Jelincic

Employee Member (elected by all members)
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, 2016

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 Representative²
Through December 2011

Tony Oliveira

Elected Official of Local Government¹
Kings County Supervisor
Through December 2011

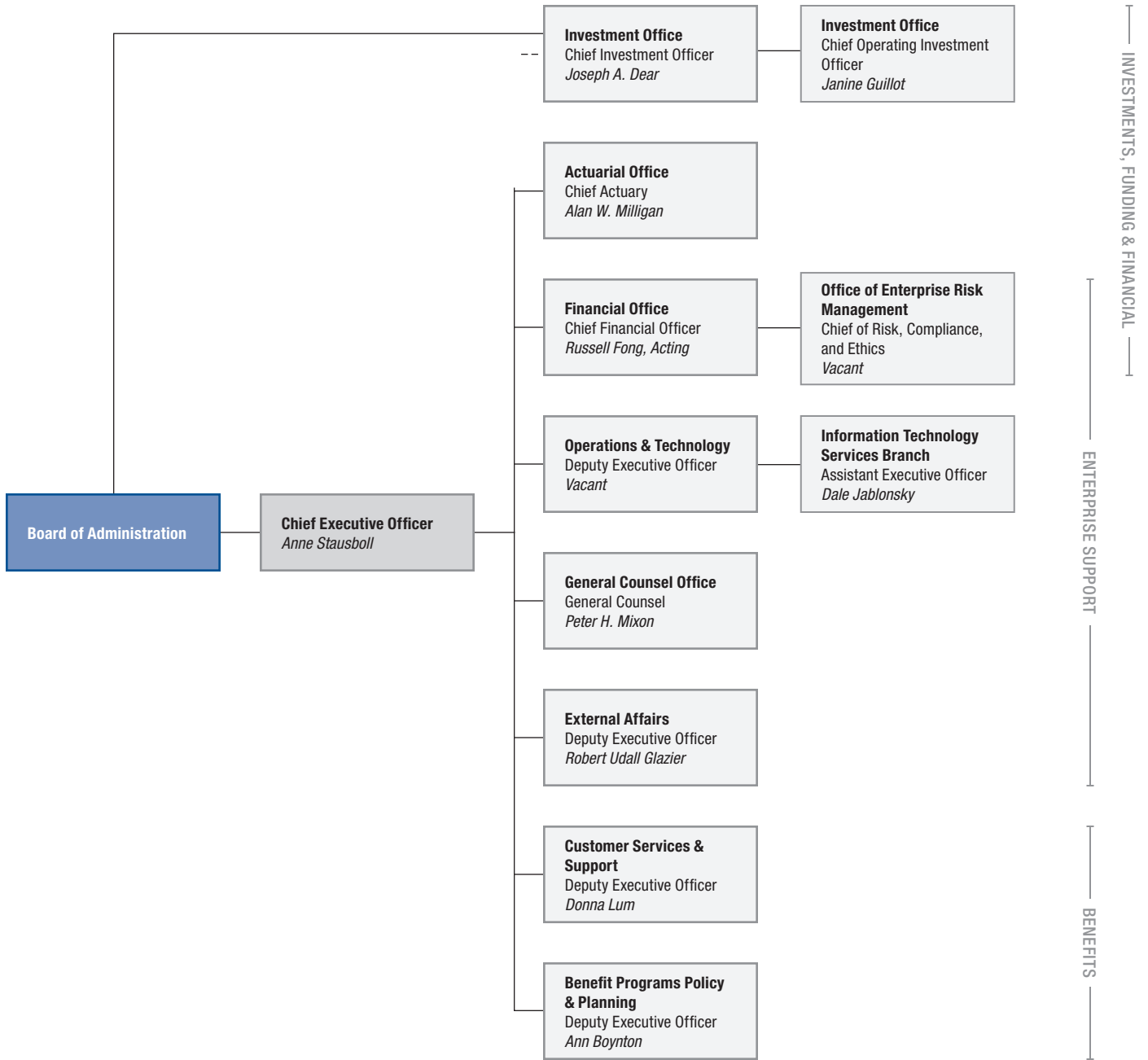
Ronald Yank

Director,
Department of Personnel Administration
Ex Officio Member

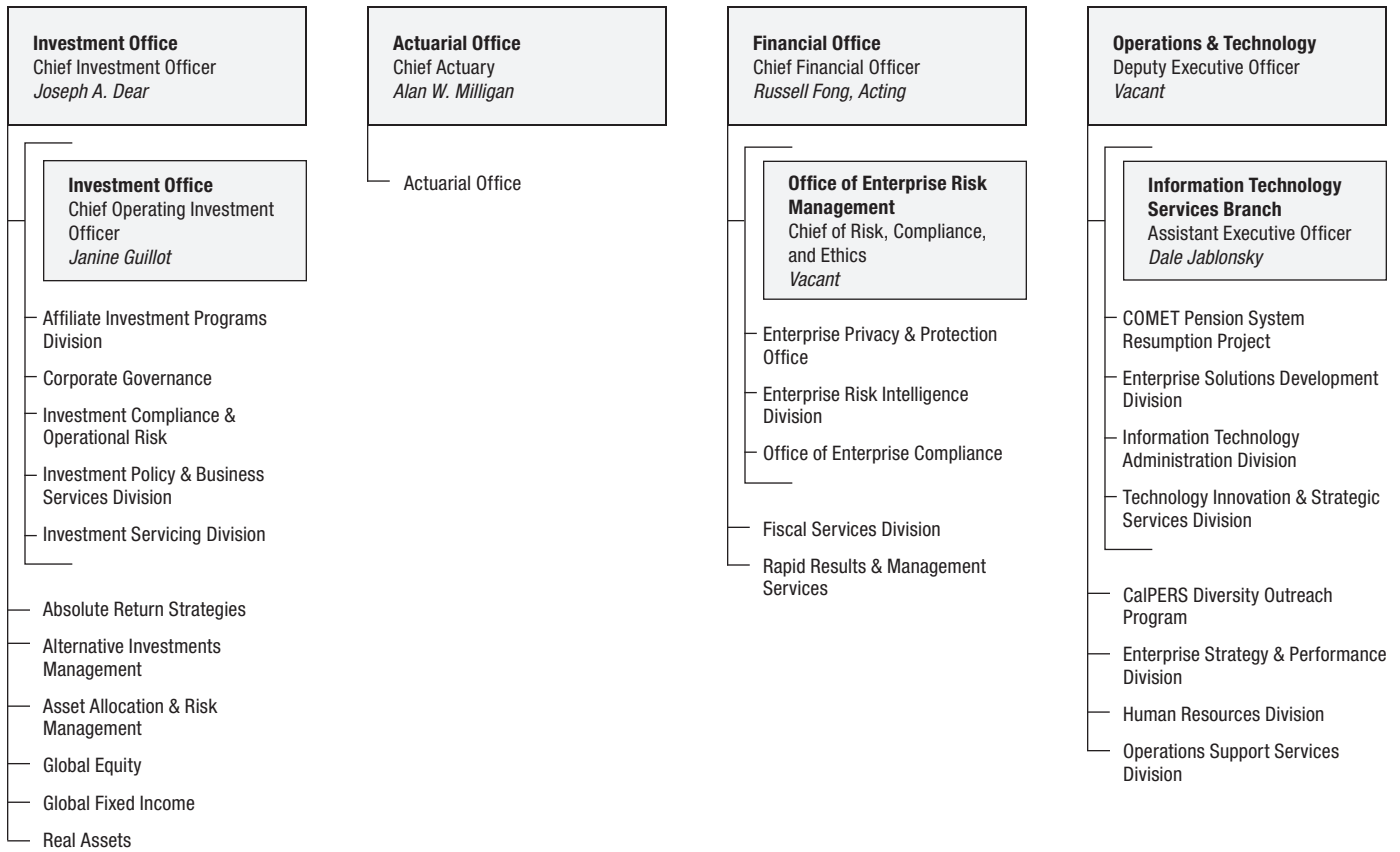
¹ Governor appointee

² Appointed jointly by the Speaker of the Assembly and the Senate Rules Committee

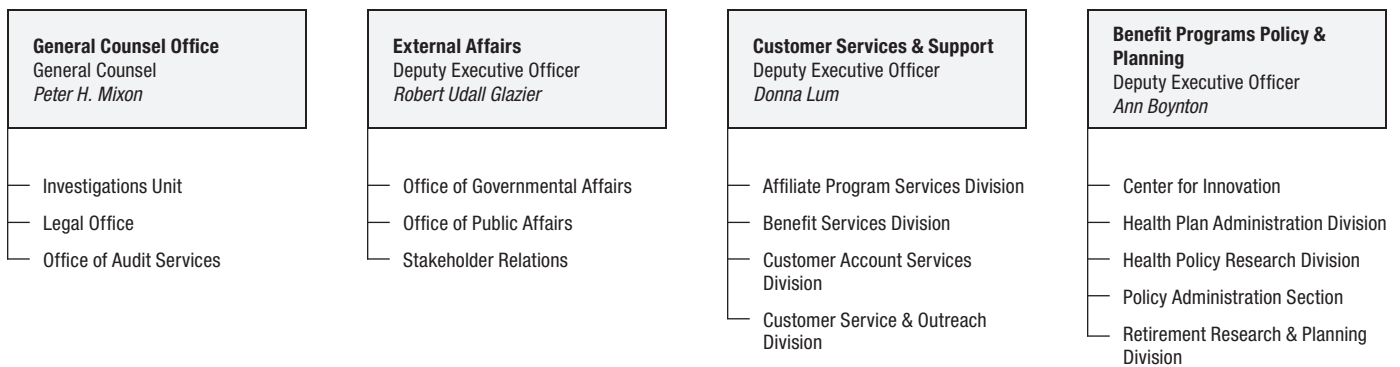
Organizational Chart — Executive Staff



Organizational Chart — Expanded



INVESTMENTS, FUNDING & FINANCIAL



ENTERPRISE SUPPORT

BENEFITS

Consultant & Professional Services

Individual or Firm
22nd Century Technologies, Inc.
Accenture, LLP
Accuvant, Inc.
ACS Learning Services
Advanced Systems Group, LLC
Agreeya Solutions, LLC
Alexan International, Inc.
Allied Network Solutions
Ambire Consulting, Inc.
ATV Video Center, Inc.
Ballard Group, The
Base 3 Consulting
Bedrosian & Associates
Belmonte Enterprises, LLC
Blackstone Technology Group
Buck Consultants, LLC
Business Advantage Consulting
California State Personnel
California State Teachers' Retirement System
Capio Group
Celer Systems, Inc.
Chisoft Consultant Services, LLC
Cloverleaf Solutions
Coach Source, LLC
Comsys
Conference Plus
Cornerstone Fitness, Inc.
Davis Wright Tremaine, LLP
Dee Hansford Consulting
Delegata
Department of General Services
Department of Justice
Department of Personnel Administration
Dolamont Consulting, Inc.
Downey Brand, LLP
DSS Research, Inc.
Eagle Management Group
Eaton Interpreting Services
EFI Actuaries
EMC Corporation
Enclipse Corporation
Enterprise Networking Solutions
Entisys Solutions, Inc.
Equanim Technologies
Ethics Point, Inc.
Expressworks International, Inc.
Funston Advisory Services
Gabriel, Roeder, Smith and Company
Global Access, LLC
Health Management Associates
Hewlett-Packard
Highlands Consulting Group
Information Technology Software Professional
Informatix, Inc.

Individual or Firm
Innovative Software Technologies
Insight Technologies, Inc.
Intersoft Systems and Programs, Inc.
Intraform
J & K Court Reporting, LLC
J. A. Frasca and Associates
Jannice Salas Tan
JLynnconsulting, Inc.
K & L Gates, LLP
Kaleidoscope Group, LLC
Kearnford Application Systems Design
Kenera Consulting, Inc.
Kiefer Consulting, Inc.
Kong Consulting, Inc.
KPMG, LLP
Landor
LCS Technologies, Inc.
Lincoln Crow, LLC
Logic House, Ltd.
Macias Gini & O'Connell, LLP
Mara Consulting, Inc.
Mark Fabiani, LLC
Martin & Chapman Company
Mary Lynne Strupp
Maximus Federal Services, Inc.
Maximus/Center for Health Dispute Resolution
McKinsey & Company, Inc.
Mercer Health And Benefits
Metavista Consulting Group
Michael D. Sheehan Associates, Inc.
Michael Strategic Analysis
Milliman, Inc.
Mindstorm
Monarch Enterprises, Inc.
Moore Wallace Business Communications Services
National Data Services
Nexlevel Information Technology, Inc.
North Highland Company
Ogilvy Public Relations
Online Video Service, Inc.
PA Consulting Group, Inc.
Pacific Business Group on Health
Pacific Satellite Connection, Inc.
Parent - PAOF Pool Contracts
Parent PAOF Design Services and Brand
Pasanna Consulting Group, LLC
Paul, Hastings, Janofsky & Walker
Performance Technology Partners, LLC
Pillsbury Winthrop Shaw Pittman, LLP
PM/CM Services, Inc.
Princeton Solutions Group, Inc.
Reed Smith, LLP
Regents of the University of California
Reinhart Boerner Van Deuren S.C.

Consultant & Professional Services (continued)

Individual or Firm
Renaissance Esmeralda Resort & Spa
Results Group
Russbo, Inc.
Saba Software, Inc.
Saber Software, Inc.
Sapphire Technologies, Inc.
SAS International, Inc.
Segula Technologies
Senn-Delaney Leadership
Shaw Valenza, LLP
Shooting Star Solutions, LLC
Siemens Communications, Inc.
Sign Language Interpreting Service Agency
Softsol Technologies, Inc.
SRI Infotech, Inc.
Staff Tech, Inc.
Stanfield Systems, Inc.

Individual or Firm
State Controller's Office
State Personnel Board
Steptoe & Johnson, LLP
Suzanne Stone Freelance Services
T5 Consulting
Take 1 Productions
Technisource, Inc.
Technology Crest Corporation
Thomson Reuters
Trinity Technology Group, Inc.
Two Shea Consulting, Inc.
Vantage Consulting Group, Inc.
Viaspire
Visionary Integration, LLC (VIP)
Wallrich Landi Integrated Marketing Communications
Wright On-Line Systems

Financial Section

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Independent Auditor's Report



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

mgocpa.com

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, 2011, 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 2010 financial statements on which our report dated November 17, 2010, 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 financial position of the fiduciary funds and proprietary funds of the California Public Employees' Retirement System as of June 30, 2011, and the changes in financial position of the fiduciary funds and the changes in financial position 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 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.

3000 S Street
Suite 300
Sacramento
CA 95816

2121 N. California Blvd.
Suite 750
Walnut Creek
CA 94596

505 14th Street
5th Floor
Oakland
CA 94612

2029 Century Park East
Suite 500
Los Angeles
CA 90067

4675 MacArthur Ct.
Suite 600
Newport Beach
CA 92660

225 Broadway
Suite 1750
San Diego
CA 92101

As discussed in Note 9, the determination of the estimated liability for future policy benefits in the California Employers' Long-Term Care Fund 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, 2010, the System's actuaries determined that, at June 30, 2010, the actuarial accrued obligation exceeded the actuarial value of its assets by \$51.3 billion. The most recent actuarial valuation does not reflect the impact of the remaining deferred investment losses from fiscal year 2009.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other supplemental schedules in the financial section are presented for purpose of additional analysis and are not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

Macie Mini & O'Connell LLP

Sacramento, California
December 2, 2011

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, 2011. 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 13 funds, including four defined benefit pension funds, one other post-employment benefit fund, three defined contribution pension funds, three proprietary funds, and two 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 \$40.2 billion, or 19.9 percent. The PERF fund investments which include cash equivalents, global equity, fixed income, inflation-linked, and private equity performed well. In addition, real estate portfolio moved back into positive territory after reductions in value during the financial crisis and recessions. As a long-term investor, CalPERS must view investment performance across a multi-year horizon.
- The PERF net rate of return on investments was 21.7 percent on a fair value basis, approximately

13.95 percentage points more than the actuarially assumed 7.75 percent investment return.

- On June 17, 2009, the CalPERS Board of Administration adopted a modification to the contribution rate smoothing policy. This modification 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. Without this change, employer contributions rates would have increased dramatically despite the investment market rebound in fiscal years 2009-10 and 2010-11.

In 2010-11, PERF investment return was 21.7 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 2012-13 for the State and Schools and 2013-14 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 2011-12, the employer rates (for fiscal year 2013-14 for the State and Schools and 2014-15 for Public Agencies) are expected to increase in most cases between 0.1 percent and 0.6 percent of payroll and, potentially 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 annual actuarial valuation reports. In the 2010-11 fiscal year negotiations took place between the State and employee labor groups. Those negotiations resulted in an increase in member retirement contributions for most State employees with the exception of California State University (CSU) employees and some smaller groups. For all State plans, new state employees hired on or after January 15, 2011 (with no prior state service) are subject to lower retirement formulas and benefits based on highest average annual compensation during a consecutive 36 month period.

- As of June 30, 2010, the date of the most recent actuarial valuation, the PERF was funded at 83.4 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 positive 13.3 percent investment return in 2009-10, the funded status improved

Management's Discussion & Analysis (continued)

from 60.8 percent at June 30, 2009, to 65.4 percent at June 30, 2010.

- The PERF paid \$14.2 billion in retirement benefits to 528,343 annuitants during the 2010-11 fiscal year, compared to \$13.0 billion paid to 505,862 annuitants during the 2009-10 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 1,103,426 at June 30, 2011. The PERF received \$3.6 billion in member contributions from 791,219 active members and \$7.5 billion in employer contributions from 1,574 employers during the 2010-11 fiscal year, compared with \$3.4 billion and \$7.0 billion in member and employer contributions respectively, in fiscal year 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.

Investments

During the 2010-11 fiscal year, the PERF net assets increased from \$201.6 billion to \$241.8 billion. The increase in assets was largely driven by growth of our global equity investments which started the fiscal year with \$91.9 billion in assets and increased to \$116.7 billion. The 27.0 percent increase in global equity investments was due to a rebound of global equity markets.

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

- Contributions to the California Employers' Retiree Benefit Trust Fund (CERBTF) were \$758.3 million, with investment income of \$331.5 million. The net asset value of the CERBTF at June 30, 2011 was \$1.9 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 (HCF). The CalPERS self-funded health care program incurred an operating loss of \$64.0 million from operations, and unrestricted net assets decreased by \$41.5 million to \$365.9 million. The reduction in unrestricted net assets was due to an increase in incurred claims, and also, in

fiscal year 2009-10, CalPERS Board elected to grant a two-month premium holiday during which participants did not have to pay for health care premiums. The two-month premium holiday totals approximately \$260 million which resulted in loss in potential investment earnings and reduced the investment income in fiscal year 2010-11

- The unrestricted net assets of the CalPERS Long-Term Care Program amounted to \$671.0 million at June 30, 2011. This amounts to an average of \$4,339 for each of the 154,637 enrollees. The Long-Term Care Program collected \$314.1 million in premiums, and the approximate average annual premium per person was \$2,031. Unrestricted net assets of \$671.0 million represent an increase of \$789.5 million from the deficit of \$118.5 million as of June 30, 2010. The increase in unrestricted net assets from the prior year deficit is attributable to the slight increase in premiums revenue due to the increase in monthly premium rates ranging from \$107-\$180 in fiscal year 2009-10 to \$130-\$219 in fiscal year 2010-11, the premiums increase was offset by approximately 5,000 enrollees who left the program in fiscal year 2010-11 because of the rate increase; positive investment performance from a robust global equity market; and a revised projected investment return of 6.25 percent for projection years one through 10, and 7.60 percent for projection years 11 and beyond. This change in the investment rate of return assumption from the previous assumption of 6.38 percent resulted in a reduction of estimated liabilities. Additionally, it reflects an update to the expected returns that is consistent with the Long-Term Care Program's revised asset allocation and the methodology used to set the assumed rate of returns for the pension programs.

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, 2011. It also

Management's Discussion & Analysis (continued)

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

Fund Financial Statements

CalPERS Board of Administration owes fiduciary duty for the investments in both the Fiduciary and Proprietary funds. At June 30, 2011, 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 two agency funds. The defined benefit plans administered by CalPERS include the PERF, Legislators' Retirement Fund (LRF), Judges' Retirement Fund (JRF), Judges' Retirement Fund II (JRF II), and the California Employers' Retiree Benefit Trust Fund (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 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, 2011, along with comparative total information as of and for the year ended June 30, 2010. 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), and the Public Employees' Long-Term Care Fund (LTCF). Proprietary funds are used to account for CalPERS business-type activities, where fees are charged to cover the costs of certain services, including health care, long-term 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, 2011, along with comparative total information as of and for the year ended June 30, 2010. 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 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 2 — 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 and other post-employment benefit plans administered by CalPERS is also provided.

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, 2011 actuarial valuation.

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

Note 11 — provides information regarding subsequent events.

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 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 schedules are based on the actuarial valuations for the pension plans performed by CalPERS actuaries and the other post-employment benefits valuations performed by 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 pension 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 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 \$245.8 billion at June 30, 2011, an

increase of \$41.1 billion (20.1 percent) from \$204.7 billion at June 30, 2010.

Additions to net assets held in trust for benefits include employer and member contributions as well as investment income/loss. For the 2010-11 fiscal year, total additions were \$56.8 billion, an increase of \$19.5 billion from the 2009-10 fiscal year. Deductions consist primarily of retirement, death, and survivor benefits, refunds, administrative expenses, participant withdrawals, and OPEB reimbursements. For the 2010-11 fiscal year, total deductions were \$15.7 billion, an increase of \$1.6 billion (11.3 percent) from the 2009-10 fiscal year.

Investments

Fiduciary fund investments, excluding securities lending collateral, totaled \$243.6 billion at June 30, 2011, an increase of \$36.7 billion (17.7 percent) from \$206.9 billion at June 30, 2010. 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, 2011, compared to the 2009-10 fiscal year end, are as follows:

- \$8.5 billion in short-term domestic and international securities, a decrease of \$1.3 billion (13.3 percent) from \$9.8 billion. The decrease was primarily due to the sale of short-term investments. The proceeds were transferred to cash to meet liquidity needs.
- \$119.1 billion in domestic and international equity securities, an increase of \$25.4 billion (27.1 percent) from \$93.7 billion.
- \$54.1 in domestic and international debt securities, a decrease of \$0.2 billion from \$54.3 billion.
- \$8.1 billion in Inflation Linked Asset Class (ILAC), an increase of \$3.1 billion (62.0 percent) from \$5.0 billion. The increase was due primarily to additional investments in inflation linked bonds and commodities. The ILAC composition at June 30, 2011 is as follows:
 - \$2.6 billion in inflation-linked bonds,
 - \$0.7 billion in infrastructure,
 - \$2.3 billion in forestland,
 - \$2.5 billion in commodities exposure, and
 - \$27.4 million in foreign currency.
- \$31.3 billion in real estate on a gross basis (property value). (Real Estate net asset values of \$19.1 billion are

Management's Discussion & Analysis (continued)

reported net of \$11.9 billion in related debt). On a gross basis, the real estate increased \$2.4 billion from \$28.9 billion gross (\$13.5 billion in related debt) at fiscal year end 2009-10. The increase was primarily driven by unrealized appreciation and net contributions.

- \$34.4 billion in alternative investments, an increase of \$5.7 billion (19.9 percent) from \$28.7 billion.

Proprietary Funds

CalPERS total unrestricted net assets for proprietary funds at June 30, 2011 were \$1,046.2 million, an increase of \$745.4 million from \$300.8 million at June 30, 2010. The increase was due primarily to the increase in net assets for the LTCF which resulted from the increase in premium rates, increase in investment returns and the decrease in estimated liability due to the change in the investment rate of return assumption from 6.38 percent to the revised projected investment return of 6.25 percent for projection years one through 10, and 7.60 percent for projection years 11 and beyond.

Operating revenues consist of self insurance premiums, Federal Government reimbursement, administrative fees, and other miscellaneous revenues. For the 2010-11 fiscal year, total operating revenues were \$2.1 billion, an increase of \$0.4 billion (23.5 percent) from the 2009-10 fiscal year. The increase was due primarily to the increase in HCF operating revenues as a result of a temporary two-month premium suspension during the 2009-10 fiscal year, enrollment growth, and increases in provider pricing. Operating expenses consist primarily of claims expense, increase/decrease in estimated liabilities, and administrative expenses. For the 2010-11 fiscal year, total expenses were \$1.9 billion, an increase of \$0.3 billion (18.8 percent) from the 2009-10 fiscal year. The increase in total expenses was due primarily to increases in provider pricing, increased benefit utilization, enrollment growth, and one extra bi-weekly drug claim cycle in the HCF. Non-operating revenues consist of net appreciation in the fair value of investments, interest, dividends and other investment income. Total non-operating revenues were \$560.6 million, an increase in revenues of \$160.2 million from \$400.4 million in fiscal year 2009-10. The increase was due primarily to healthy global equity market returns and robust gains in fixed income and real estate equities.

Investments

Proprietary funds investments totaled \$4.0 billion at June 30, 2011, which were \$0.8 billion (25.0 percent) more than \$3.2 billion at June 30, 2010.

Total investments held by CalPERS proprietary funds, compared to the 2009-10 fiscal year end, are as follows:

- \$225.8 million in liquid, short-term domestic securities, an increase of \$69.3 million (44.3 percent) from \$156.5 million.
- \$1.6 billion in domestic and international equity securities, an increase of \$0.4 billion (33.3 percent) from \$1.2 billion.
- \$2.0 billion in domestic debt securities, an increase of \$0.3 billion (17.6 percent) from \$1.7 billion.
- \$164.6 million in real estate equities, an increase of \$38.7 million (30.7 percent) from \$125.9 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, 2011 were \$241.8 billion, an increase of \$40.2 billion (19.9 percent) from \$201.6 billion at June 30, 2010.

Additions to PERF net assets held in trust for benefits include employer and member contributions, and investment income. For the 2010-11 fiscal year, employer and member contributions totaled \$11.1 billion, an increase of \$0.8 billion from the 2009-10 fiscal year due to higher employer and employee contribution rates and higher salaries. The PERF recognized a net investment income of \$43.9 billion for the 2010-11 fiscal year, compared with a net investment income of \$25.6 billion for the 2009-10 fiscal year.

Deductions from PERF net assets held in trust for benefits in the 2010-11 fiscal year totaled \$14.8 billion, an increase of \$1.4 billion (10.4 percent) from the 2009-10 fiscal year. The increase in benefit payments was primarily a result of an increase in the number of beneficiaries from 505,862 to 528,343 and increases in average benefits, including COLA. The costs of administering the PERF benefits amounted to \$357.8 million, an increase of approximately \$79.8 million (28.7 percent) from the 2009-10 fiscal year, due to an increase in personnel services expenses as the three-day a month furlough was not in effect during the 2010-11 fiscal year. In

Management's Discussion & Analysis (continued)

addition, professional and consulting service expenses increased significantly due to a major IT project.

On a per member and beneficiary basis, the cost of administering PERF benefits during the 2010-11 fiscal year was approximately \$219 per individual, an increase of approximately \$48 per individual from the 2009-10 fiscal year.

At June 30, 2010, the date of the most recent actuarial valuation, the funded status of the PERF based on the actuarial value of assets was 83.4 percent, which was a 0.1 percentage point increase from the funded status at

June 30, 2009. The amount by which PERF actuarial benefit liabilities exceeded actuarial assets was \$51.3 billion at June 30, 2010, compared with a \$49.1 billion funding deficit at June 30, 2009. Current year gains and deferred prior year investment losses will affect future years' funded status and contribution rates using the CalPERS policy of actuarial asset smoothing. On a market value of assets basis, the funded status improved from 60.8 percent at June 30, 2009 to 65.4 percent at June 30, 2010, mainly due to the positive 13.3 percent investment return in 2009-10 fiscal year.

Net Assets — PERF (Dollars in Thousands)

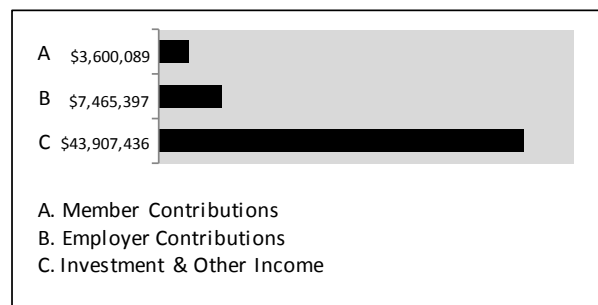
	2011	2010	Total Percentage Change
ASSETS			
Cash, Cash Equivalents & Total Receivables	\$3,432,110	\$2,915,646	17.7 %
Investments	239,289,463	203,523,909	17.6
Securities Lending Collateral	20,420,264	17,047,678	19.8
Capital Assets, Net & Other Assets	691,045	677,715	2.0
Total Assets	\$263,832,882	\$224,164,948	17.7 %
LIABILITIES			
Retirement Benefits in Process of Payment, Investment Settlement & Other	\$1,806,205	\$4,970,727	(63.7) %
Securities Lending Obligations	20,264,886	17,578,147	15.3
Total Liabilities	\$22,071,091	\$22,548,874	(2.1) %
TOTAL NET ASSETS	\$241,761,791	\$201,616,074	19.9 %

Changes in Net Assets — PERF (Dollars in Thousands)

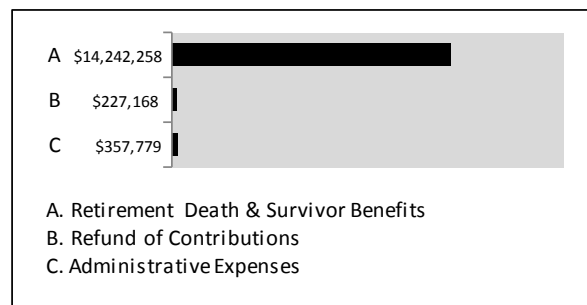
	2011	2010	Total Percentage Change
ADDITIONS			
Member Contributions	\$3,600,089	\$3,378,867	6.5 %
Employer Contributions	7,465,397	6,955,049	7.3
Investment Income	43,904,425	25,567,295	71.7
Other Income	3,011	10,234	(70.6)
Total Additions	\$54,972,922	\$35,911,445	53.1 %
DEDUCTIONS			
Retirement Death & Survivor Benefits	\$14,242,258	\$12,972,457	9.8 %
Refund of Contributions	227,168	182,387	24.6
Administrative Expenses	357,779	278,036	28.7
Total Deductions	\$14,827,205	\$13,432,880	10.4 %
INCREASE IN NET ASSETS	\$40,145,717	\$22,478,565	78.6 %
NET ASSETS			
Beginning of Year	\$201,616,074	\$178,899,883	12.7 %
Prior Period Adjustment	—	237,626	0.0 %
End of Year	\$241,761,791	\$201,616,074	19.9 %

Management's Discussion & Analysis (continued)

Additions — PERF (Dollars in Thousands)



Deductions — PERF (Dollars in Thousands)



Investments

PERF investments, excluding securities lending collateral, totaled \$239.3 billion at June 30, 2011, which was \$35.8 billion (17.6 percent) more than the \$203.5 billion in total PERF investments at June 30, 2010.

At June 30, 2011, the PERF held \$116.7 billion in domestic and international equity securities, an increase of \$24.8 billion from \$91.9 billion at 2009-10 fiscal year end.

In domestic and international debt securities, the PERF held \$53.1 billion at June 30, 2011, a decrease of \$0.3 billion from \$53.4 billion at 2009-10 fiscal year end.

At June 30, 2011 the PERF held approximately \$31.0 billion in gross value real estate investments; the net value totals \$19.1 billion, which is net of \$11.9 billion in real estate related debt. The real estate debt amounts to 38.4 percent of the total gross real estate fair value. On a gross basis, real estate investments increased \$2.3 billion from the \$28.7 billion gross real estate investments at the 2009-10 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.

The \$11.9 billion in real estate debt is made up of \$8.6 billion in long-term mortgages payable and \$3.3 billion in other short-term liabilities.

At June 30, 2011, the Inflation Linked Asset Class (ILAC) held \$2.6 billion in inflation-linked bonds, \$0.7 billion in infrastructure, \$2.3 billion in forestland,

\$2.5 billion in commodities exposure, and \$27.4 million in foreign currency.

In alternative investments, the PERF held \$34.4 billion at June 30, 2011, an increase of \$5.7 billion from \$28.7 billion at the 2009-10 fiscal year end.

In short-term investments, the PERF held \$7.9 billion at June 30, 2011, a decrease of \$1.4 billion from the \$9.3 billion at the 2009-10 fiscal year end.

The PERF earns additional income by lending investment securities. Borrowers pay a fee for the right to borrow securities, and then provide collateral at 102 percent or 105 percent of the value of the securities borrowed. The over collateralization is an industry standard which minimizes counterparty risk in the event a borrower fails to return a security from on loan. The PERF pays a borrower a rate on collateral held, called a rebate. By re-investing the collateral in short-term, high credit quality securities, the PERF can earn a return above the rebate rate; which is posted as additional income.

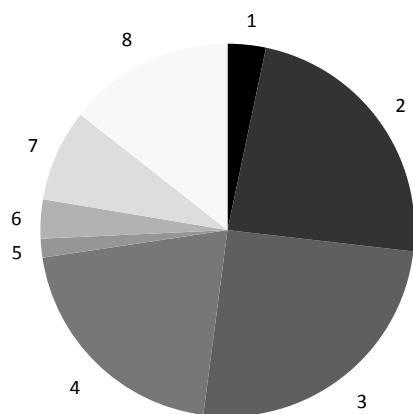
For the 2010-11 fiscal year, total securities lending net income amounted to \$322.2 million, compared to a \$934.0 million net income in 2009-10 fiscal year. Included in this year's income figure is security lending income net of fees of \$83.4 million and total realized and unrealized gains of \$238.8 million, which is included in the Net Appreciation in Fair Value of Investments in the financial statements. In the 2009-10 fiscal year, the PERF incurred an unrealized loss of \$553.9 million on Structured Investment Vehicles (SIV's) in the securities lending collateral pools. This loss was included in the net appreciation (depreciation) in the fair value of investments in the Statement of Changes in

Management's Discussion & Analysis (continued)

Fiduciary Net Assets for the 2009-10 fiscal year. These investments were deemed permanently impaired in fiscal year 2010-11, and the loss was reclassified from unrealized to realized. This reclassification had no impact on the net

appreciation (depreciation) in the fair value of investments presented in the Statement of Changes in Fiduciary Net Assets in fiscal year 2010.

Investments — PERF (Dollars in Billions)



Investment Class	Amount	Percent of Investments
1 Short-Term Investments	\$7.9	3.3 %
2 Domestic Equity	56.3	23.5
3 International Equity	60.4	25.2
4 Domestic Debt	49.2	20.6
5 International Debt	3.9	1.6
6 Inflation Linked	8.1	3.4
7 Real Estate	19.1	8.0
8 Alternative Investments	34.4	14.4
TOTAL	\$239.3	100.0 %

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, legislative, and statutory officers. The number of LRF members has been declining in the last decade 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, 2011 totaled \$123.5 million, an increase of \$9.5 million (8.3 percent) from June 30, 2010.

Additions to LRF net assets held in trust for benefits were primarily investment income. There were no actuarially determined annual required employer or member contributions for 2011. Net investment income was \$17.7 million in the 2010-11 fiscal year compared to \$17.8 million for the 2009-10 fiscal year.

Deductions from LRF net assets held in trust for benefits are primarily comprised of retirement, death, and survivor

benefits. For the 2010-11 fiscal year, these benefits decreased \$3.7 million (33.3 percent) to \$7.4 million from \$11.1 million in 2009-10. The decrease was due to a one-time court ordered payment relating to interest remitted to a beneficiary in 2009-10. On a per member and beneficiary basis, the cost of administering LRF benefits during the 2010-11 fiscal year was approximately \$1,432 per individual, a decrease of approximately \$13,839 per individual from the 2009-10 fiscal year. The decrease is due to one-time payment relating to legal settlement expenses in 2009-10.

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 zero percent on an annual basis according to the superfunded status of this system.

Management's Discussion & Analysis (continued)

Investments

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

Total investments were \$123.2 million at June 30, 2011, which was \$8.7 million (7.6 percent) more than the \$114.5 million in total LRF investments at June 30, 2010.

At June 30, 2011, the LRF held \$50.4 million in domestic and international equity securities, an increase of \$7.0 million from \$43.4 million at fiscal year end 2009-10.

The LRF held \$72.8 million in domestic debt securities, an increase of \$1.7 million from 2009-10 fiscal year end.

Investments — LRF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Domestic Equity	\$37.8	30.7 %
International Equity	12.6	10.2
Domestic Debt	72.8	59.1
TOTAL	\$123.2	100.0 %

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, 2011, totaled \$54.1 million, a decrease of \$9.0 million from June 30, 2010.

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 2010-11 fiscal year, employer, member, and State "Balancing Contributions" decreased \$18.8 million (9.8 percent) to \$174.0 million, from \$192.8 million for the 2009-10 fiscal year, primarily due to the decrease in member, employer, and the State General Fund contributions. Contributions are declining because the JRS is a closed system and membership is declining. The State "Balancing Contributions" decreased \$16.2 million (9.2 percent) to \$159.0 million for the 2010-11 fiscal year, compared to \$175.2 million for the 2009-10 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 1,843 in the 2009-10 fiscal

year to 1,874 in the 2010-11 fiscal year. The number of active members decreased from 478 in fiscal year 2009-10 to 425 in fiscal year 2010-11.

Deductions from JRF net assets held in trust for benefits are primarily composed of retirement, death, and survivor benefits. For the 2010-11 fiscal year, these benefits amounted to \$185.1 million, an increase of \$6.2 million (3.5 percent) from the 2009-10 fiscal year. The increase in benefit payments was mainly a result of an increase in the number of retirees and beneficiaries.

On a per member and beneficiary basis, the cost of administering JRF benefits during 2010-11 was approximately \$508 per individual, an increase of approximately \$100 per individual from fiscal year 2009-10 due to a major IT project which increased administrative expenses and a decreasing member population.

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 2011-12.

Investments

The JRF invests only in short-term securities. Total investments were \$52.6 million at June 30, 2011, which was \$8.8 million less than the \$61.4 million in total investments at June 30, 2010. The decrease is due to a lower General Fund augmentation and higher benefit expenses.

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, 2011 were \$575.8 million, an increase of \$155.2 million (36.9 percent) from June 30, 2010.

Additions to JRF II net assets held in trust for benefits include employer and member contributions, as well as investment income. Contributions increased \$13.7 million (23.3 percent), to \$72.5 million for the 2010-11 fiscal year,

Management's Discussion & Analysis (continued)

from \$58.8 million for the 2009-10 fiscal year, partly as a result of a 7.8 percent increase in active membership from 2010 to 2011. For the 2010-11 fiscal year, the fund had a net investment income of \$91.6 million, compared with \$50.8 million for 2009-10 fiscal year.

Deductions from JRF II net assets held in trust for benefits are composed of defined retirement benefits, survivor and death benefits, and a cash balance which represents refunds on the financial statements (Monetary Credits) plan for Judges who leave the bench before becoming eligible for a defined benefit. For the 2010-11 fiscal year, defined retirement and survivor benefits increased to \$2.2 million from \$1.4 million in fiscal year 2009-10 due to an increase in retirees and beneficiaries from 19 in fiscal year 2009-10 to 30 in fiscal year 2010-11. Monetary Credits and other lump sum payments increased \$3.3 million from \$2.6 million in the 2009-10 fiscal year to \$5.9 million in the 2010-11 fiscal year (127.0 percent), primarily due to an increase in the number of Judges leaving the bench prior to becoming eligible for a defined monthly retirement benefit. On a per member and beneficiary basis, the cost of administering JRF II benefits during fiscal year 2010-11 was approximately \$542 per individual, an increase of approximately \$136 per individual from fiscal year 2009-10.

An actuarial valuation of the JRF II assets and benefit obligations is performed annually. At June 30, 2010, the date of the most recent actuarial valuation, the funded status based on the actuarial valuation of assets, increased to 88.5 percent from 84.0 percent at June 30, 2009. At

June 30, 2010, the actuarial accrued liabilities exceeded the actuarial value of assets by approximately \$60.0 million, while the amount by which the actuarial accrued liabilities exceeded the actuarial value of assets at June 30, 2009, were approximately \$72.0 million. On a market value of assets basis, the funded status improved from 70.1 percent at June 30, 2009 to 81.0 percent at June 30, 2010, due to positive 16.6 percent investment return in 2009-10 fiscal year.

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 \$570.3 million at June 30, 2011, which was \$159.1 million (38.7 percent) more than the \$411.2 million at June 30, 2010.

At June 30, 2011, the JRF II held \$307.8 million in domestic and international equity securities, an increase of \$94.2 million from \$213.6 million at the 2009-10 fiscal year end.

In domestic debt securities, the JRF II held \$198.9 million at June 30, 2011, an increase of \$41.5 million from \$157.4 million at the 2009-10 fiscal year end.

In real estate investments, which are comprised of real estate investment trusts, the JRF II held \$56.5 million at June 30, 2011, an increase of \$16.6 million (41.6 percent) from the \$39.9 million at the 2009-10 fiscal year end. In short-term investments, the JRF II held \$7.1 million at June 30, 2011, an increase of \$6.8 million from \$0.3 million at the 2009-10 fiscal year end.

Investments — JRF II (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$7.1	1.2 %
Domestic Equity	193.3	33.9
International Equity	114.5	20.1
Domestic Debt	198.9	34.9
Real Estate	56.5	9.9
TOTAL	\$570.3	100.0 %

Management's Discussion & Analysis (continued)

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

	LRF		JRF		JRF II	
	2011	2010	2011	2010	2011	2010
ASSETS						
Cash, Cash Equivalents & Total Receivables	\$1,065	\$1,148	\$1,952	\$2,709	\$5,712	\$11,667
Investments	123,209	114,542	52,596	61,382	570,313	411,203
Total Assets	\$124,274	\$115,690	\$54,548	\$64,091	\$576,025	\$422,870
Total Liabilities	\$798	\$1,654	\$402	\$998	\$192	\$2,263
TOTAL NET ASSETS	\$123,476	\$114,036	\$54,146	\$63,093	\$575,833	\$420,607

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

	LRF		JRF		JRF II	
	2011	2010	2011	2010	2011	2010
ADDITIONS						
Member Contributions	\$3	\$17	\$6,658	\$7,361	\$18,589	\$16,178
Employer Contributions	—	—	167,302	185,389	53,863	42,589
Investment Income	17,667	17,793	184	332	91,596	50,801
Other Income	—	—	3,216	3,486	—	—
Total Additions	\$17,670	\$17,810	\$177,360	\$196,568	\$164,048	\$109,568
DEDUCTIONS						
Retirement Benefits	\$7,382	\$11,082	\$185,119	\$178,861	\$2,236	\$1,392
Refund of Contributions	440	35	—	32	5,870	2,592
Administrative Expenses	408	4,444	1,188	968	716	494
Total Deductions	\$8,230	\$15,561	\$186,307	\$179,861	\$8,822	\$4,478
INCREASE (DECREASE) IN NET ASSETS	\$9,440	\$2,249	(\$8,947)	\$16,707	\$155,226	\$105,090
NET ASSETS						
Beginning of Year	\$114,036	\$111,787	\$63,093	\$46,386	\$420,607	\$315,517
End of Year	\$123,476	\$114,036	\$54,146	\$63,093	\$575,833	\$420,607

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 \$94.3 million (23.2 percent) to \$499.9 million at June 30, 2011, from \$405.6 million at June 30, 2010.

Contributions were \$39.1 million for fiscal year 2010-11, a decrease of \$13.1 million (25.1 percent) from fiscal year 2009-10. The decrease was due to the suspension of

contributions by the State of California during the 2010-11 fiscal year. Effective April 1 2011 the State discontinued contributing on behalf of rank and file, and effective for the May, 2011 pay period, the State discontinued contributing on behalf of supervisors, management, and exempt positions. Net investment income was \$88.0 million for the fiscal year 2010-11, compared to \$37.6 million for the 2009-10 fiscal year.

SPOFF participant withdrawals were \$30.9 million for the 2010-11 fiscal year, an increase of \$8.2 million (36.1 percent) from 2009-10 fiscal year.

Management's Discussion & Analysis (continued)

Investments

The SPOFF invests mainly in domestic equity and debt securities. Total investments were \$500.6 million at June 30, 2011, which was \$98.3 million (24.4 percent) more than the \$402.3 million at June 30, 2010.

Investments — SPOFF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$33.7	6.7 %
Domestic Equity	213.6	42.7
International Equity	83.1	16.6
Domestic Debt	155.4	31.0
Real Estate	14.8	3.0
TOTAL	\$500.6	100.0 %

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, 2011, were \$947.1 million, an increase of \$144.1 million (17.9 percent), from \$803.0 million at June 30, 2010.

Additions to IRC 457 net assets consist of member contributions of \$89.5 million in fiscal year 2010-11, compared to \$108.4 million in 2009-10. Net investment income amounted to \$151.9 million for fiscal year 2010-11, compared to \$73.0 million for fiscal year 2009-10.

Deductions from the IRC 457 net assets consist primarily of participant withdrawals of \$93.8 million, an increase of \$47.4 million (102.2 percent) from the prior fiscal year of \$46.4 million. The primary reason for the increase was the City of Anaheim ending participation in the IRC 457 deferred compensation program.

Investments

The IRC 457 investments were \$943.6 million at June 30, 2011, which was \$143.1 million more than the \$800.5 million at June 30, 2010. The IRC 457 is participant directed investments.

In domestic and international equity securities, the IRC 457 held \$577.7 million at June 30, 2011, an increase of \$135.3 million from \$442.4 million at fiscal year end 2009-10.

In domestic debt securities, the IRC 457 held \$167.4 million at June 30, 2011, a decrease of \$150.2 million from \$317.6 million at fiscal year end 2009-10.

In short-term investments, the IRC 457 held \$189.6 million at June 30, 2011, an increase of \$155.3 million from \$34.3 million at fiscal year end 2009-10.

Investments — IRC 457 (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$189.6	20.1 %
Domestic Equity	477.7	50.7
International Equity	100.0	10.6
Domestic Debt	167.4	17.7
Real Estate	8.9	0.9
TOTAL	\$943.6	100.0 %

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 \$19.7 million at June 30, 2011.

Contribution revenues were \$0.3 million for the 2010-11 fiscal year, a decrease of \$0.2 million from the 2009-10 fiscal year. Net investment income was \$3.6 million for fiscal year 2010-11, compared to investment income of \$1.9 million for fiscal year 2009-10.

For fiscal year 2010-11, participant withdrawals were \$2.1 million, an increase of \$0.5 million (31.3 percent) from fiscal year 2009-10.

Investments

The SCPF investments were \$19.7 million at June 30, 2011, which was \$1.8 million more than the \$17.9 million in total investments at June 30, 2010.

At June 30, 2011, the SCPF held \$11.6 million in domestic and international equity securities, an increase of \$1.0 million from \$10.6 million at fiscal year end 2009-10.

In domestic debt securities, the SCPF held \$6.0 million at June 30, 2011, an increase of \$0.8 million from \$5.2 million at 2009-10 fiscal year end.

In short-term investments, the SCPF held \$1.7 million at June 30, 2011, virtually no change from 2009-10 fiscal year end.

Management's Discussion & Analysis (continued)

Investments — SCPF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$1.7	8.6 %
Domestic Equity	8.4	42.7
International Equity	3.1	15.7
Domestic Debt	6.0	30.5
Real Estate	0.5	2.5
TOTAL	\$19.7	100.0 %

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

	SPOFF		IRC 457		SCPF	
	2011	2010	2011	2010	2011	2010
ASSETS						
Cash, Cash Equivalents & Receivables	\$14	\$4,313	\$5,752	\$4,844	\$16	\$21
Investments	500,608	402,335	943,555	800,516	19,677	17,992
Total Assets	\$500,622	\$406,648	\$949,307	\$805,360	\$19,693	\$18,013
Total Liabilities	\$749	\$1,095	\$2,245	\$2,341	\$35	\$53
TOTAL NET ASSETS	\$499,873	\$405,553	\$947,062	\$803,019	\$19,658	\$17,960

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

	SPOFF		IRC 457		SCPF	
	2011	2010	2011	2010	2011	2010
ADDITIONS						
Member Contributions	\$0	\$0	\$89,531	\$108,436	\$285	\$536
Employer Contributions	39,066	52,219	84	84	—	—
Investment Income	88,035	37,643	151,932	72,951	3,610	1,884
Transfer In	—	3,397	—	720	—	32
Other Income	7	34	214	138	—	1
Total Additions	\$127,108	\$93,293	\$241,761	\$182,329	\$3,895	\$2,453
DEDUCTIONS						
Administrative Expenses	\$1,839	\$1,758	\$3,874	\$3,491	\$84	\$117
Participant Withdrawals	30,949	22,743	93,844	46,418	2,113	1,624
Total Deductions	\$32,788	\$24,501	\$97,718	\$49,909	\$2,197	\$1,741
INCREASE IN NET ASSETS	\$94,320	\$68,792	\$144,043	\$132,420	\$1,698	\$712
NET ASSETS						
Beginning of Year	\$405,553	\$336,761	\$803,019	\$670,599	\$17,960	\$17,248
End of Year	\$499,873	\$405,553	\$947,062	\$803,019	\$19,658	\$17,960

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, 2011 were \$1.9 billion, an increase of \$0.6 billion due primarily to robust investment returns and to an increase of participating employers from 258 in the 2009-10 fiscal year, to 306 (representing 309 OPEB plans) at June 30, 2011.

Additions to the CERBTF net assets held in trust for OPEB benefits include employer contributions, which total \$758.3 million in fiscal year 2010-11, an increase of \$83.9 million (12.4 percent) compared to \$674.4 million in 2009-10, primarily due to the increase in participating employers. During the 2010-11 fiscal year the fund earned a net investment income of \$331.5 million, an increase of \$202.6 million (157.2 percent), compared to \$128.9 million in fiscal year 2009-10. The increase is primarily due to equity market and fixed income increases.

Deductions for OPEB reimbursements from the CERBTF net assets held in trust for benefits totaled \$508.0 million in 2010-11 fiscal year, an increase of \$153.4 million (43.3 percent) due to greater participation in the trust. Deductions for administrative expenses totaled \$2.3 million, including \$0.3 million in expenses recognized in employer accounts in prior years. The amounts reported for contributions and reimbursements include \$474.4 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, 2010, the date of the most recent actuarial valuation, the funded status increased to 9.0 percent from 8.3 percent at June 30, 2009. At June 30, 2010, the actuarial accrued liabilities exceeded the actuarial value of assets by approximately \$13.0 billion.

Net Assets — Other Post-Employment Benefit Fund

(Dollars in Thousands)

	CERBTF	
	2011	2010
ASSETS		
Cash, Cash Equivalents & Receivables	\$16,339	\$10,392
Investments	1,870,578	1,289,746
Total Assets	\$1,886,917	\$1,300,138
Total Liabilities	\$20,229	\$12,937
TOTAL NET ASSETS	\$1,866,688	\$1,287,201

Changes in Net Assets — Other Post-Employment Benefit Fund (Dollars in Thousands)

	CERBTF	
	2011	2010
ADDITIONS		
Employer Contributions	\$758,251	\$674,406
Investment Income	331,492	128,918
Total Additions	\$1,089,743	\$803,324
DEDUCTIONS		
Administrative Expenses	\$2,305	\$822
Reimbursements	507,951	354,593
Transfer Out	—	9,589
Total Deductions	\$510,256	\$365,004
INCREASE IN NET ASSETS	\$579,487	\$438,320
NET ASSETS		
Beginning of Year	\$1,287,201	\$848,881
End of Year	\$1,866,688	\$1,287,201

Investments

At June 30, 2011, the CERBTF held \$77.8 million in short-term investments, an increase of \$7.1 million (10.0 percent) from the \$70.7 million at June 30, 2010, \$1,156.7 million in domestic and international equity securities, an increase of \$396.3 million (52.1 percent) from the \$760.4 million held at June 30, 2010, \$457.0 million in domestic debt securities, an increase of \$118.1 million (34.8 percent) from the \$338.9 million at June 30, 2010, and \$179.2 million in real estate equities, an increase of \$59.5 million (49.7 percent) from the \$119.7 million held at June 30, 2010.

Management's Discussion & Analysis (continued)

Investments — CERBTf (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$77.8	4.2 %
Domestic Equity	630.8	33.7
International Equity	525.9	28.1
Domestic Debt	457.0	24.4
Real Estate	179.1	9.6
TOTAL	\$1,870.6	100.0 %

ENTERPRISE FUNDS

Public 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 \$1.7 billion for the 2010-11 fiscal year, an increase from \$1.6 billion or 6.3 percent from the 2009-10 fiscal year, primarily due to increases in provider pricing, increased benefit utilization, enrollment growth, and one extra bi-weekly drug claim cycle during the 2010-11 fiscal year. Premium revenues were \$1.8 billion for the 2010-11 fiscal year, an increase from \$1.4 billion or 28.6 percent from the 2009-10 fiscal year. The increase was primarily due to a 2009-10 fiscal year Board approved two-month premium holiday, during which participants did not have to pay for health care premiums. Net investment income was \$22.4 million for the 2010-11 fiscal year, a decrease from \$47.5 million or 52.8 percent from the 2009-10 fiscal year due to the two-month premium suspension (\$260 million) in the 2009-10 fiscal year which in turn reduced the amount invested. Due to increases to incurred claims the unrestricted net assets decreased by \$41.5 million (10.2 percent) to \$365.9 million at June 30, 2011.

Investments

Investments of the HCF include liquid, short-term and domestic debt securities. Investments increased \$84.2 million from \$530.7 million at June 30, 2010, to \$614.9 million at June 30, 2011.

Investments — HCF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Short-Term Investments	\$160.4	26.1 %
Domestic Debt	454.5	73.9
TOTAL	\$614.9	100.0 %

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 \$23.8 million for the 2010-11 fiscal year, an increase of 6.3 percent from 2009-10 fiscal year of \$22.4 million. The Administrative fees that are collected are a composite of three items.

- Enrollment which increased from 1,309,902 Total Covered Lives (TCL) at July 2010 to 1,354,987 TCL at July 2011. An increase of 45,085 TCL per the Thomson Reuters Report titled "CalPERS Health Program Enrollment Report."
- Premium Rates which increased an average of 9.9 percent for basic plans and 3.4 percent for Medicare Plans in 2011.
- Administrative Fee Rate decreased from 0.43 percent in fiscal year 2009-10 to 0.37 percent in fiscal year 2010-11. The reduction was due to a one-time expenditure (\$3.140 million) which expired, thus requiring less revenue.

Net investment income was \$1.0 million for the 2010-11 fiscal year, a decrease of 9.1 percent from the 2009-10 fiscal year. Unrestricted net assets decreased by \$2.5 million (21.2 percent) to \$9.3 million at June 30, 2011.

Public agency health payments and remittances to contracted health care providers are reported in the CRF Agency Fund type. Public agencies remitted approximately \$2.1 billion for payments to contracted health care providers in fiscal year 2010-11.

Management's Discussion & Analysis (continued)

Investments

Investments of the CRF proprietary activity at June 30, 2011 and 2010 included only liquid, short-term securities, as investment balances are used to fund operating cash flows. Investments of the proprietary activities increased \$6.9 million from \$58.5 million at June 30, 2010, to \$65.4 million at June 30, 2011, primarily due to an increase in the number of enrollees in the Medicare Part D Program which resulted in higher Federal Government subsidies which in turn made more assets available for investing.

Public Employees' Long-Term Care Fund (LTCF)

The LTCF, which provides long-term care insurance to participating members, incurred claims expenses of \$156.1 million for the 2010-11 fiscal year, an increase of \$23.1 million (17.4%) from \$133.0 million in the 2009-10 fiscal year, due mainly to an increase in benefit utilization which is expected as the participant population continues to age. Premium revenues were \$314.1 million for the 2010-11 fiscal year, an increase from \$286.0 million or 9.8 percent from the 2009-10 fiscal year. Net investment income amounted to \$537.2 million for the 2010-11 fiscal year, an increase of \$185.5 from \$351.7 at 2009-10 fiscal year end. The unrestricted net assets of the Long-Term Care Program increased by \$789.5 million to \$671.0 million during the 2010-11 fiscal year from the net deficits of \$118.5 in fiscal year 2009-10. The increase in unrestricted fund net assets from the prior year deficit is attributable to the positive investment performance from a robust global equity market and a revised projected investment return of 6.25 percent for projection years one

through 10 and 7.60 percent for projection years 11 and beyond. This change in the investment rate of return assumption from 6.38 percent reflects an update to the expected returns that is consistent with the Long-Term Care Program's revised asset allocation and the methodology used to set the assumed rate of returns for the pension programs.

Investments

Total LTCF investments were \$3.3 billion at June 30, 2011, which was \$0.7 billion more than the \$2.6 billion in total investments at June 30, 2010.

At June 30, 2011, the LTCF held \$1.6 billion in domestic and international equity securities, an increase of \$0.4 billion from \$1.2 billion from fiscal year end 2009-10.

In domestic debt securities, the fund held \$1.5 billion at June 30, 2011, an increase of \$0.2 billion from \$1.3 billion at 2009-10 fiscal year end.

In real estate investments, which are comprised of real estate investment trusts, the LTCF held \$164.6 million at June 30, 2011, an increase of \$38.7 million from \$125.9 million at 2009-10 fiscal year end.

Investments — LTCF (Dollars in Millions)

Investment Class	Amount	Percent of Investments
Domestic Equity	\$959.0	29.3 %
International Equity	632.5	19.3
Domestic Debt	1,519.9	46.4
Real Estate	164.6	5.0
TOTAL	\$3,276.0	100.0 %

Management's Discussion & Analysis (continued)

Net Assets – Enterprise Funds (Dollars in Thousands)

	HCF		CRF		LTCF	
	2011	2010	2011	2010	2011	2010
ASSETS						
Cash, Cash Equivalents & Receivables	\$87,170	\$122,597	\$26,782	\$18,424	\$1,232	\$454
Investments	614,908	530,719	65,391	58,513	3,276,083	2,609,578
Total Assets	\$702,078	\$653,316	\$92,173	\$76,937	\$3,277,315	\$2,610,032
Total Liabilities	\$336,203	\$245,899	\$82,867	\$65,132	\$2,606,332	\$2,728,483
TOTAL UNRESTRICTED NET ASSETS (DEFICIT)	\$365,875	\$407,417	\$9,306	\$11,805	\$670,983	(\$118,451)

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

	HCF		CRF		LTCF	
	2011	2010	2011	2010	2011	2010
REVENUES						
Self-Insurance Premiums	\$1,709,975	\$1,362,081	\$0	\$0	\$314,099	\$285,948
Federal Government Reimbursements	42,583	—	—	—	—	—
Investment Income	22,447	47,540	993	1,071	537,156	351,745
Administrative Fees & Other	—	—	23,956	22,528	—	—
Total Revenues	\$1,775,005	\$1,409,621	\$24,949	\$23,599	\$851,255	\$637,693
EXPENSES						
Claims Expense	\$1,684,028	\$1,596,473	\$0	\$0	\$156,118	\$133,042
Increase (Decrease) in Estimated Liabilities	44,128	(24,389)	—	—	(115,600)	(208,200)
Administrative Expenses	88,391	90,292	27,448	27,065	21,303	19,663
Total Expenses	\$1,816,547	\$1,662,376	\$27,448	\$27,065	\$61,821	(\$55,495)
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	(\$41,542)	(\$252,755)	(\$2,499)	(\$3,466)	\$789,434	\$693,188
NET ASSETS (DEFICIT)						
Beginning of Year	\$407,417	\$660,172	\$11,805	\$15,271	(\$118,451)	(\$811,639)
End of Year	\$365,875	\$407,417	\$9,306	\$11,805	\$670,983	(\$118,451)

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).

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Statement of Fiduciary Net Assets – Fiduciary Funds

As of June 30, 2011, with Comparative Totals as of June 30, 2010 (Dollars in Thousands)

	Pension Trust Funds						
	PERF	LRF	JRF	JRF II	SPOFF	IRC 457	SCPF
ASSETS							
Cash & Cash Equivalents	\$1,020,337	\$884	\$0	\$1	\$6	\$100	\$1
Receivables							
Member, Public Agency, State & School	\$1,804,170	\$181	\$1,928	\$5,699	\$6	\$0	\$15
Investment Sales & Other	335,881	—	—	—	—	—	—
Interest & Dividends	235,755	—	24	7	2	—	—
Due from Other Funds	3,919	—	—	5	—	—	—
Other Program	32,048	—	—	—	—	5,652	—
Total Receivables	\$2,411,773	\$181	\$1,952	\$5,711	\$8	\$5,652	\$15
Investments, at Fair Value							
Short-Term Investments:							
Domestic	\$7,245,075	\$4	\$52,596	\$7,069	\$33,545	\$189,386	\$1,658
International	613,958	—	—	—	196	240	8
Securities Lending Collateral	20,420,264	—	—	—	—	—	—
Equity Securities:							
Domestic	56,291,016	37,766	—	193,344	213,614	477,646	8,443
International	60,440,409	12,667	—	114,442	83,139	100,009	3,117
Debt Securities:							
Domestic	49,149,416	72,772	—	198,927	155,349	167,369	5,962
International	3,916,972	—	—	—	—	—	—
Inflation Linked	8,126,757	—	—	—	—	—	—
Real Estate	31,049,794	—	—	56,531	14,765	8,905	489
Debt on Real Estate	(11,942,848)	—	—	—	—	—	—
Alternative Investments	34,398,914	—	—	—	—	—	—
Total Investments	\$259,709,727	\$123,209	\$52,596	\$570,313	\$500,608	\$943,555	\$19,677
Capital Assets, Net & Other Assets	\$691,045	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ASSETS	\$263,832,882	\$124,274	\$54,548	\$576,025	\$500,622	\$949,307	\$19,693
LIABILITIES							
Retirement & Other Benefits in Process of Payment	\$1,252,885	\$654	\$14	\$0	\$0	\$0	\$0
Due to Health Carriers	—	—	—	—	—	—	—
Investment Purchases & Other	375,137	—	—	—	—	—	—
Due to the State & Public Agencies	923	—	—	—	—	—	—
Securities Lending Obligation	20,264,886	—	—	—	—	—	—
Due to Other Funds	5	19	63	45	227	423	9
Loans Payable — TALF	—	—	—	—	—	—	—
Management Fees	—	—	—	—	522	1,822	25
Other Program	177,255	125	325	147	—	—	1
TOTAL LIABILITIES	\$22,071,091	\$798	\$402	\$192	\$749	\$2,245	\$35
NET ASSETS HELD IN TRUST FOR PENSION & OTHER POST-EMPLOYMENT BENEFITS	\$241,761,791	\$123,476	\$54,146	\$575,833	\$499,873	\$947,062	\$19,658

Statement of Fiduciary Net Assets – Fiduciary Funds (continued)

Post-Employment Health Care Trust Fund	Agency Funds		Totals	
	CERBTF	RBF	CRF	2011
\$0	\$0	\$0	\$1,021,329	\$667,975
\$16,333	\$97	\$1,122	\$1,829,551	\$1,736,561
—	—	—	335,881	346,637
6	6	—	235,800	175,258
—	—	—	3,924	6,912
—	—	—	37,700	24,692
\$16,339	\$103	\$1,122	\$2,442,856	\$2,290,060
\$77,776	\$3,834	\$255,793	\$7,866,736	\$9,554,849
—	—	—	614,402	223,131
—	—	—	20,420,264	17,047,678
630,777	—	—	57,852,606	44,194,867
525,882	—	—	61,279,665	49,470,735
456,992	—	—	50,206,787	51,822,258
—	—	—	3,916,972	2,517,546
—	—	—	8,126,757	5,040,381
179,151	—	—	31,309,635	28,863,123
—	—	—	(11,942,848)	(13,534,160)
—	—	—	34,398,914	28,697,936
\$1,870,578	\$3,834	\$255,793	\$264,049,890	\$223,898,344
\$0	\$0	\$0	\$691,045	\$677,715
\$1,886,917	\$3,937	\$256,915	\$268,205,120	\$227,534,094
\$19,303	\$0	\$0	\$1,272,856	\$1,150,870
—	—	169,165	169,165	151,356
—	—	—	375,137	287,051
—	—	21,151	22,074	25,577
—	—	—	20,264,886	17,578,147
216	—	66,599	67,606	65,872
—	—	—	—	3,386,747
607	—	—	2,976	2,557
103	3,937	—	181,893	158,374
\$20,229	\$3,937	\$256,915	\$22,356,593	\$22,806,551
\$1,866,688	\$0	\$0	\$245,848,527	\$204,727,543

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, 2011, with Comparative Totals for the Year Ended June 30, 2010 (Dollars in Thousands)

	Pension Trust Funds					
	PERF	LRF	JRF	JRF II	SPOFF	IRC 457
ADDITIONS						
Retirement and OPEB Contributions						
Members	\$3,600,089	\$3	\$6,658	\$18,589	\$0	\$89,531
Employers	7,465,397	—	8,320	53,863	39,066	84
State of California General Fund	—	—	158,982	—	—	—
Employer Contributions Direct — OPEB	—	—	—	—	—	—
Employer Contributions Outside of Trust — OPEB	—	—	—	—	—	—
Total Retirement and OPEB Contributions	\$11,065,486	\$3	\$173,960	\$72,452	\$39,066	\$89,615
Investment Income (Loss)						
Net Appreciation In Fair Value of Investments	\$41,297,805	\$17,667	\$0	\$91,543	\$88,724	\$149,685
Interest	413,969	—	184	53	7	383
Dividends	1,427,046	—	—	—	—	—
Real Estate	2,525,738	—	—	—	—	—
Alternative Investments	652,157	—	—	—	—	—
Other Income	(26,068)	—	—	—	1	3,199
Securities Lending Income	127,994	—	—	—	—	—
Less Investment Expenses:						
Costs of Lending Securities	(44,631)	—	—	—	—	—
Real Estate	(1,893,044)	—	—	—	—	—
Other	(576,541)	—	—	—	(697)	(1,335)
Net Investment Income	\$43,904,425	\$17,667	\$184	\$91,596	\$88,035	\$151,932
Transfer In	\$0	\$0	\$0	\$0	\$0	\$0
Other Income	\$3,011	\$0	\$3,216	\$0	\$7	\$214
TOTAL ADDITIONS	\$54,972,922	\$17,670	\$177,360	\$164,048	\$127,108	\$241,761
DEDUCTIONS						
Retirement, Death & Survivor Benefits	\$14,242,258	\$7,382	\$185,119	\$2,236	\$0	\$0
Refund of Contributions	227,168	440	—	5,870	—	—
Administrative Expenses	357,779	408	1,188	716	1,839	3,874
Participant Withdrawals	—	—	—	—	30,949	93,844
OPEB Reimbursements Direct	—	—	—	—	—	—
OPEB Reimbursements-Outside of Trust	—	—	—	—	—	—
OPEB Plan Transfers To External Trusts	—	—	—	—	—	—
TOTAL DEDUCTIONS	\$14,827,205	\$8,230	\$186,307	\$8,822	\$32,788	\$97,718
INCREASE (DECREASE) IN NET ASSETS	\$40,145,717	\$9,440	(\$8,947)	\$155,226	\$94,320	\$144,043
Net Assets Held in Trust for Pension and Other Post-Employment Benefits Beginning of Year as Previously Reported						
	\$201,616,074	\$114,036	\$63,093	\$420,607	\$405,553	\$803,019
Prior Period Adjustment	\$0	\$0	\$0	\$0	\$0	\$0
Net Assets as Restated	\$201,616,074	\$114,036	\$63,093	\$420,607	\$405,553	\$803,019
End of Year	\$241,761,791	\$123,476	\$54,146	\$575,833	\$499,873	\$947,062

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

SCPF	Post-Employment Health Care Trust Fund	Totals	
	CERBTf	2011	2010
\$285	\$0	\$3,715,155	\$3,511,395
—	—	7,566,730	7,060,088
—	—	158,982	175,242
—	283,807	283,807	344,581
—	474,444	474,444	329,825
\$285	\$758,251	\$12,199,118	\$11,421,131
\$3,637	\$331,466	\$41,980,527	\$23,859,885
2	26	414,624	469,352
—	—	1,427,046	1,132,208
—	—	2,525,738	2,303,941
—	—	652,157	214,634
—	—	(22,868)	96,409
—	—	127,994	199,004
—	—	(44,631)	(57,506)
—	—	(1,893,044)	(1,944,823)
(29)	—	(578,602)	(395,487)
\$3,610	\$331,492	\$44,588,941	\$25,877,617
\$0	\$0	\$0	\$4,149
\$0	\$0	\$6,448	\$13,893
\$3,895	\$1,089,743	\$56,794,507	\$37,316,790
\$0	\$0	\$14,436,995	\$13,163,792
—	—	233,478	185,046
84	2,305	368,193	290,130
2,113	—	126,906	70,785
—	33,507	33,507	24,768
—	474,444	474,444	329,825
—	—	—	9,589
\$2,197	\$510,256	\$15,673,523	\$14,073,935
\$1,698	\$579,487	\$41,120,984	\$23,242,855
\$17,960	\$1,287,201	\$204,727,543	\$181,247,062
\$0	\$0	\$0	\$237,626
\$17,960	\$1,287,201	\$204,727,543	\$181,484,688
\$19,658	\$1,866,688	\$245,848,527	\$204,727,543

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

Statement of Net Assets – Proprietary Funds

As of June 30, 2011, with Comparative Totals as of June 30, 2010 (Dollars in Thousands)

	Enterprise Funds			Totals	
	HCF	CRF	LTCF	2011	2010
ASSETS					
Current Assets					
Cash & Cash Equivalents	\$383	\$0	\$702	\$1,085	\$310
Receivables					
Member, Public Agency, State & School	\$19,971	\$1,443	\$530	\$21,944	\$63,759
Interest & Dividends	218	353	—	571	581
Due from Other Funds	66,598	—	—	66,598	64,012
Due from Federal Government	—	24,569	—	24,569	12,387
Other	—	417	—	417	426
Total Receivables	\$86,787	\$26,782	\$530	\$114,099	\$141,165
Investments, at Fair Value					
Short-Term Investments:					
Domestic	\$160,440	\$65,391	\$11	\$225,842	\$156,481
Equity Securities:					
Domestic	—	—	959,029	959,029	722,032
International	—	—	632,474	632,474	477,098
Debt Securities:					
Domestic	454,468	—	1,519,938	1,974,406	1,717,279
Real Estate	—	—	164,631	164,631	125,920
Total Investments	\$614,908	\$65,391	\$3,276,083	\$3,956,382	\$3,198,810
TOTAL ASSETS	\$702,078	\$92,173	\$3,277,315	\$4,071,566	\$3,340,285
LIABILITIES					
Current Liabilities					
Insurance Premiums & Claims in Process of Payment	\$42,838	\$14	\$12,189	\$55,041	\$47,573
Estimated Insurance Claims Due	236,322	—	181,050	417,372	343,891
Due to Other Funds	835	908	1,173	2,916	5,052
Due to State & Public Agencies	—	18	—	18	323
Other	52,757	75,235	16,970	144,962	84,262
Total Current Liabilities	\$332,752	\$76,175	\$211,382	\$620,309	\$481,101
Long-Term Liabilities					
Estimated Liability for Future Policy Benefits	\$0	\$0	\$2,394,950	\$2,394,950	\$2,539,904
OPEB Obligation	3,451	6,692	—	10,143	7,157
Loans Payable — TALF	—	—	—	—	11,352
Total Long-Term Liabilities	\$3,451	\$6,692	\$2,394,950	\$2,405,093	\$2,558,413
TOTAL LIABILITIES	\$336,203	\$82,867	\$2,606,332	\$3,025,402	\$3,039,514
TOTAL UNRESTRICTED NET ASSETS	\$365,875	\$9,306	\$670,983	\$1,046,164	\$300,771

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, 2011, with Comparative Totals for the Year Ended June 30, 2010 (Dollars in Thousands)

	Enterprise Funds			Totals	
	HCF	CRF	LTCF	2011	2010
Operating Revenues					
Self-Insurance Premiums	\$1,709,975	\$0	\$314,099	\$2,024,074	\$1,648,029
Federal Government Reimbursements	42,583	—	—	42,583	—
Administrative Fees Earned	—	23,848	—	23,848	22,449
Other	—	108	—	108	79
Total Operating Revenues	\$1,752,558	\$23,956	\$314,099	\$2,090,613	\$1,670,557
Operating Expenses					
Claims Expense	\$1,684,029	\$0	\$156,118	\$1,840,147	\$1,729,426
Increase (Decrease) in Estimated Liabilities	44,127	—	(115,600)	(71,473)	(232,589)
Administrative Expenses	88,391	27,448	21,303	137,142	137,109
Total Operating Expenses	\$1,816,547	\$27,448	\$61,821	\$1,905,816	\$1,633,946
OPERATING INCOME (LOSS)	(\$63,989)	(\$3,492)	\$252,278	\$184,797	\$36,611
NON-OPERATING REVENUES					
Net Appreciation in Fair Value of Investments	\$21,717	\$0	\$537,051	\$558,768	\$395,991
Interest, Dividends, & Other Investment Income	730	993	105	1,828	4,365
TOTAL NON-OPERATING REVENUES	\$22,447	\$993	\$537,156	\$560,596	\$400,356
Income (Loss) Before Transfers	(\$41,542)	(\$2,499)	\$789,434	\$745,393	\$436,967
Transfer Out	\$0	\$0	\$0	\$0	(\$4,149)
CHANGE IN UNRESTRICTED NET ASSETS	(\$41,542)	(\$2,499)	\$789,434	\$745,393	\$432,818
TOTAL UNRESTRICTED NET ASSETS (DEFICIT)					
Beginning of Year	\$407,417	\$11,805	(\$118,451)	\$300,771	(\$132,047)
End of Year	\$365,875	\$9,306	\$670,983	\$1,046,164	\$300,771

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

Statement of Cash Flows – Proprietary Funds

For the Year Ended June 30, 2011, with Comparative Totals for the Year Ended June 30, 2010 (Dollars in Thousands)

	Enterprise Funds			Totals	
	HCF	CRF	LTCF	2011	2010
Cash Flows From Operating Activities					
Self-Insurance Premiums Collected	\$1,752,075	\$0	\$313,927	\$2,066,002	\$1,603,528
Federal Government Reimbursements	42,583	—	—	42,583	—
Claims Paid	(1,678,058)	—	(154,563)	(1,832,621)	(1,710,782)
Other (Payments) Receipts	(54,710)	5,895	(29,409)	(78,224)	(119,917)
Net Cash Provided by (Used for) Operating Activities	\$61,890	\$5,895	\$129,955	\$197,740	(\$227,171)
Cash Flows From Investing Activities					
Net Purchases of Investments	\$0	\$0	(\$129,444)	(\$129,444)	(\$119,852)
Net Change in Short-Term Investments	(62,472)	(6,877)	(10)	(69,359)	337,023
Interest & Dividends Received	751	982	105	1,838	8,082
Net Cash (Used for) Provided by Investing Activities	(\$61,721)	(\$5,895)	(\$129,349)	(\$196,965)	\$225,253
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$169	\$0	\$606	\$775	(\$1,918)
Cash & Cash Equivalents, Beginning of Year	\$214	\$0	\$96	\$310	\$2,228
Cash & Cash Equivalents, End of Year	\$383	\$0	\$702	\$1,085	\$310
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating Income (Loss)	(\$63,989)	(\$3,492)	\$252,278	\$184,797	\$36,611
Changes in Assets & Liabilities:					
Receivables:					
Member, Public Agency, State & School	42,100	(112)	(172)	41,816	(44,752)
Due from Other Funds	(6,525)	3,938	—	(2,587)	(7,204)
Due from Federal Government	—	(12,183)	—	(12,183)	3,718
Other	—	9	—	9	24
Insurance Premiums & Claims in Process of Payment	5,971	(58)	1,555	7,468	18,701
Estimated Insurance Claims Due	44,127	—	—	44,127	(24,389)
Liability for Future Policy Benefits	—	—	(115,600)	(115,600)	(208,200)
Due to Other Funds	(1,190)	(1,263)	317	(2,136)	3,907
Loans Payable — TALF	—	—	(11,352)	(11,352)	(18,522)
Due to State and Public Agencies	(323)	18	—	(305)	323
Other	41,719	19,038	2,929	63,686	12,612
Net Cash Provided by (Used for) Operating Activities	\$61,890	\$5,895	\$129,955	\$197,740	(\$227,171)
Noncash Investing, Capital & Financing Activities					
Noncash Change in Fair Value of Investments in Securities	\$21,717	\$0	\$520,243	\$541,960	\$401,115
Transfers to the SPOFF, IRC 457 and SCPF	\$0	\$0	\$0	\$0	(\$4,149)

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

Notes to the Basic Financial Statements

1. 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, the Public Employees' Retirement System of the State of California (CalPERS), or the "System," adheres to guidelines established by the Governmental Accounting Standards Board (GASB), as well as accounting policies that comply with applicable laws and regulations.

The accounts of CalPERS are organized and operated on the basis of funds. CalPERS Board of Administration owes fiduciary duties for the investments within both the Fiduciary and Proprietary Funds. CalPERS has the following fund types at June 30, 2011:

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, the Public Employees' Retirement Fund (PERF), the Legislators' Retirement Fund (LRF), the Judges' Retirement Fund (JRF), the Judges' Retirement Fund II (JRF II), 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) and the other post-employment health care fund, the California Employers' Retiree Benefit Trust Fund (CERBTF) are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Member contributions for the pension trust funds are recognized in the period in which the contributions are due. Employer contributions for defined benefit pension and OPEB plans 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, the Replacement Benefit Fund (RBF) and the Public Employees' Contingency Reserve Agency Fund (CRF) 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, the Public Employees' Health Care Fund (HCF), the Public Employees' Contingency Reserve Proprietary Fund (CRF), and the Public Employees' Long-Term Care Fund (LTCF) 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 Financial Accounting Standards Board (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. 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.

Investments

The majority of the investments held at June 30, 2011, 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. CalPERS has established internal unitized investment pools whereby multiple funds (e.g., PERF, LRF, JRF II, CERBTF, etc.) can participate in the unitized pools. These internal investment pools are valued at net asset value (NAV) which includes investment receivables, payables, interest, and dividend income. For financial reporting purposes, in accordance with GASB Statement No. 31, each fund participating in the

unitized pool reports the fund's pro rata share of participation in the pool. As such, certain funds with 100 percent of their investments invested in the unitized pools do not report interest and dividends income on the statement of changes in fiduciary net assets or the statement of revenues, expenses and changes in net assets because they are included in the calculation of the unit price of the unitized pools and ultimately flow through the net appreciation and depreciation of fair value of investments. Due to the short-term nature of investments held by the JRF, RBF, and CRF agency and enterprise funds, there was no net appreciation in the fair value of investments in fiscal year 2010-11. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments.

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 consist 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 NAV of the entity, with the most significant input into the NAV being the value of its investment holdings. The general partners obtain prices for their holdings in a manner similar to that described above for CalPERS equity holdings.

CalPERS also invests in limited partner positions, 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. Investments 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. During fiscal year 2010-11, certain private equity partners issued initial public offerings and became public companies. CalPERS received public stock shares in exchange for its partnership interest. As of June 30, 2011, these public investments continued to be managed under the Alternative Investment Management program and such investments were reported as alternative investments in the statement of fiduciary net assets.

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. Real estate investments also include real estate investment trust securities, which are valued in the same manner as described in the Equities section of this footnote.

Inflation Linked Asset Class (ILAC)

In December 2007, the CalPERS Board of Administration approved an investment asset allocation that includes a five 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, inflation-linked bonds, and foreign currency 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, 2011, the ILAC held \$2.6 billion of inflation-linked bonds, \$0.7 billion in infrastructure, \$2.3 billion in forestland, and \$2.5 billion in commodities exposure and \$27.4 million in foreign currency.

CalPERS presents, in the statement of changes in fiduciary net assets, the net appreciation 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.

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.

Hedge Funds

CalPERS hedge fund program's risks are designed to be uncorrelated with the other investment programs in the PERF. The two primary risks in the program are illiquidity and leverage. Hedge funds can be illiquid, either by virtue of illiquidity of underlying assets or due to manager actions to limit investor withdrawals. However, CalPERS has taken steps to minimize this risk by investing in hedge funds in more liquid asset classes and by structuring its investments

to minimize an investment manager's ability to limit withdrawals. Hedge funds also use leverage to varying degrees, and while a hedge fund can lose all its capital, CalPERS has limited its liability to the amount in invests, which is the same as with an equity or bond investment. Hedge funds are reported as equities in the Statement of Fiduciary Net Assets.

Investment Expenses

The Investment Expenses presented within the Statement of Changes in Fiduciary Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets do not include fees and costs for the Private Equity and Risk Managed Absolute Return Strategy (RMARS) programs, nor does it contain the commissions and fees paid to transact public securities. RMARS program investments may include investments in equity, fixed income, commodities, currencies, and other investments. These fees and costs are presented, for information, within the Investment Section of the System's Comprehensive Annual Financial Report in the following schedules: Schedule of Fees and Costs for Private Equity Partners, Schedule of Fees and Costs for Absolute Return Strategies Program and the Schedule of Commissions and Fees. These costs are captured within the respective net asset values as reported in the Statement of Net Assets for Fiduciary and Proprietary funds, the Statement of Changes in Fiduciary Net Assets, and the Statement of Revenues, Expenses and Changes in Net Assets for Proprietary funds.

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.

Use of Estimates in the Preparation of Financial Statements

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain financial statement amounts and disclosures. 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, 2010, 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, 2010, to conform to the presentation as of June 30, 2011.

2. GENERAL DESCRIPTION OF THE PLANS

The State Employees' Retirement System, the predecessor to CalPERS, 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, 2011, the Board of Administration (Board) of CalPERS administers a total of 13 funds, including four defined benefit retirement plans: the PERF, LRF, JRF, and the JRF II; three defined contribution retirement plans: the SPOFF, IRC 457, and the SCPF; one defined benefit post-employment health care plan, the CERBTF; one health care plan: the HCF; and four other plans: the LTCF, the CRF Proprietary Fund, the CRF Agency Fund, and RBF.

Notes to the Basic Financial Statements (continued)

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, 2011, the State of California and 1,573 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, 2011, 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

	2011
PERF	
State	1
School	61
Public Agency	1,512
Total PERF	1,574
LRF	1
JRF	59
JRF II	59

As of June 30, 2011, 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	
PERF					
State	164,611	25,959	247,372	88,850	526,792
School	152,403	20,360	299,106	126,080	597,949
Public Agency	146,652	18,358	244,741	97,277	507,028
Total PERF	463,666	64,677	791,219	312,207	1,631,769
LRF	127	126	16	16	285
JRF	1,245	629	425	41	2,340
JRF II	23	7	1,290	—	1,320
TOTAL	465,061	65,439	792,950	312,264	1,635,714

Notes to the Basic Financial Statements (continued)

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 most active plan members are based on a percentage of salary in excess of

a base compensation amount ranging from \$0 to \$863 monthly. For the fiscal year ended June 30, 2011, the required contribution rates for active plan members are as follows:

Required Contribution Rates for Active Plan Members

	Required Contribution Rates
PERF	
State Employees:	
Miscellaneous & Industrial	5% to 11%
Miscellaneous & Industrial — Second Tier	0%
Safety	9% to 11%
Peace Officers & Firefighters	8%, 10% or 11%
California Highway Patrol	10%
Classified School Employees	7%
Public Agency Employees	2% to 9%
LRF	0%
JRF	8%
JRF II	8%

These contributions are deposited in a fund or cost sharing risk pool for the purpose of building 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 or 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. For all State plans, new state employees hired on or after January 15, 2011 (with no prior state service) are subject to lower retirement formulas and benefits based on highest average annual compensation during a consecutive 36 month period. The June 30, 2011 valuation will be the first valuation where these lower benefits for new hires will be reflected.

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 two 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, 2011, 306 employers had elected to participate in the fund. The purpose of the fund is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for health care or other post-employment benefits in accordance with the terms of the participating employers' plans. Contributions are voluntarily determined by the employers' 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, 2011, there were 116,821 active or inactive members and 47,724 retirees for the miscellaneous plan and 29,529 active or inactive members and 18,267 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. Contribution requirements are established and may be amended through a Memorandum of Understanding from the State of California Department of Personnel Administration.

Notes to the Basic Financial Statements (continued)

Effective April 2011, the State suspended contributing on behalf of rank and file positions; and effective May 2011, the State suspended contributing on behalf of supervisors, management, and exempt positions. As of June 30, 2011, the duration of the suspension is unknown because the program is being administered according to the most recent Memorandum of Understanding.

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 investment trusts. Distributions are allowed only at retirement or permanent separation from all State employment.

At June 30, 2011, there were 39,432 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 26 investment options, or change the contribution percentages designated to each option on a daily basis. The 26 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
- Short-Term Investment Fund
- PIMCO Short-Term Bond Fund
- CalPERS Total Return Bond Fund
- CalPERS Treasury Inflation Protected Securities 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 Small/Mid Value Fund
- The Boston Company Small/Mid Growth Fund
- CalPERS International Index Fund
- Pyramis Select 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, 2011, there were 25,475 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

Notes to the Basic Financial Statements (continued)

in conjunction with SCP, subject to Internal Revenue Code Section 415(c) limits. The 26 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
- Short-Term Investment Fund
- PIMCO Short-Term Bond Fund
- CalPERS Total Return Bond Fund
- CalPERS Treasury Inflation Protected Securities 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 Small/Mid Value Fund
- The Boston Company Small/Mid Growth Fund
- CalPERS International Index Fund
- Pyramis Select International Fund.

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, 2011, there were 625 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. The residual balances are now being reported in the PERF for accounting and financial reporting purposes.

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 2010-11 fiscal year, the Board increased member premiums to mitigate the impact of increasing costs associated with enrollment growth, increases in provider pricing, and increased benefit utilization. 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. During June 2011, the HCF received a \$43.3 million premium payment from the State of California for July 2011 coverage. The prepaid premiums are included as other liability in the Statement of Net Assets – Proprietary Funds. The HCF received Early Retiree Reinsurance Program (ERRP) revenues through the federal government's Affordable Care Act. The purpose of ERRP is to generate cost savings so that employers can maintain health care coverage for early retirees age 55 and older who are not yet eligible for Medicare. CalPERS has achieved this purpose by utilizing the ERRP revenues to reduce health care insurance premiums. The ERRP revenues are reported as Federal Government Reimbursements in the Statement of Revenues, Expenses and Changes in Net Assets.

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 PERL. The administrative fee is determined as a percentage of insurance premiums paid by the employers. The administrative fee for the year ended June 30, 2011, was 0.37 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, 2011, 1,190 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, 2011, there are 154,637 enrollees, of which 5,098 are receiving benefits. CalPERS closed the LTCF to new enrollment effective August 19, 2008, due in large part to the financial condition of the fund.

The unrestricted net assets in the LTCF increased from negative \$118.5 million at June 30, 2010 to positive \$671.0 million at June 30, 2011, the increase is attributable to favorable investment returns since the June 30, 2010 valuation and a revised projected investment return of 6.25 percent for projection years one through 10, and 7.60 percent for projection years 11 and beyond. This change in the investment rate of return assumption from a level 6.38 percent reflects an update in the expected returns consistent with modifications made to the LTCF asset allocations and resulted in a reduction in the LTCF estimated liability. 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 would deteriorate (e.g., a projected margin would decrease) as the credibility attributable to that experience increases. However, as the Program continues to mature, the difference between actual program experience and assumed morbidity is decreasing, so the resulting potential deterioration of results is lessening as compared to previous valuations. LTCF management is continuing to review the impact of the recently implemented premium increases and the revised investment discount rate assumption.

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, 2011, there were 325 retirees receiving replacement benefits.

3. CASH & CASH EQUIVALENTS

Cash and cash equivalents of approximately \$1.0 billion at June 30, 2011 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, 2011, State Street Bank & Trust Company was the master custodian for significantly all public market securities; however, certain securities are held by alternative investment managers. Real estate deeds of trust are held in the name of Limited Liability Corporations and Partnerships. The investments held by the LRF, JRF II, SPOFF, SCPF, CERBTf, IRC 457, HCF, LTCF and a portion of the PERF investments are co-invested and held in internally managed unitized investment pools. The investments are held in domestic and international equity pools, and debt securities pools. The PERF, LRF, JRF, JRF II, CERBTf, HCF, and LTCF have a different asset allocation based on Board-approved policy and their unitized investment pools are separate from the SPOFF, SCPF and IRC 457. Except for the SPOFF, the investments of the SCPF, and IRC 457 are participant directed within the investment options listed in Note 2.

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 Sachs 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. CalPERS receives both cash and non-cash (i.e., securities) collateral.

Notes to the Basic Financial Statements (continued)

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. Securities borrowed are required to be over collateralized by 2 percent (domestic) and 5 percent (international) and all borrowed securities are priced end of day. Based on a borrower's aggregate end of day market value, a wire is sent or delivered to maintain the proper overcollateralization level. On June 30, 2011, the fair value of the securities on loan was approximately \$19.8 billion.

The CalPERS Fixed Income unit manages the securities lending activity on behalf of PERF assets in individual funds and in unitized equity and debt security pools.

All securities lending activities, whether individual PERF funds or unitized pools, are subject to the constraints set forth in CalPERS Securities Lending Policy.

CalPERS policy is to invest the cash collateral in short-term, high-credit quality fixed income securities. Currently, SSB, eSec, and CalPERS manage the cash collateral. The re-invested cash collateral is reported in the financial statements at fair value, except for the re-invested cash collateral held by eSec. The re-invested cash collateral held by eSec is reported at cost, which approximates fair value. As of June 30, 2011, the cash collateral invested by SSB, eSec, CalPERS High Quality Labor, CalPERS Short Duration, and CalPERS Internal Collateral, had weighted average maturities of 31, 312, 367, 587, 479 days, respectively, and durations of 71, 0, 32, 0, and 36 days, respectively.

Structured Investment Vehicles (SIVs) 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 SIVs went into enforcement, defaulted and eventually re-structured. The re-structuring involved CalPERS receiving a pro-rata in kind interest of the underlying collateral of the SIVs. The average maturity on the underlying collateral is substantially longer than the original Medium Term Notes and is considered long-term.

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

Custodial Credit Risk is the risk that in the event a depository institution or counterparty fails, the System would not be able to recover the value of its deposits, investments, or collateral securities.

As of June 30, 2011 all of the System's investments, other than posted collateral for Futures and Over The Counter (OTC) instruments, are held in the System's name and/or are not exposed to custodial credit risk. There are no general policies relating to the custodial credit risk.

Concentration of Credit Risk

CalPERS does not have investments in any one issuer which represent five percent or more of total net assets for the defined benefit plans in accordance with GASB No. 25.

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 10 percent of the option-adjusted duration of its benchmark. 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.

Notes to the Basic Financial Statements (continued)

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 policy for total global equity specifies investment in international equities be based on market capitalization. For total fixed income, 10 percent is targeted for investment 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 15 percent of the total Plans exposure to international currencies. Currency exposures are monitored daily.

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

Debt Security Type	Portfolio Weighted Average Effective Duration (Years)	Fair Value June 30, 2011	Percent of Debt Securities
U.S. Treasuries & Agencies	7.57	\$25,235,748	44.0 %
Mortgages	4.45	11,258,573	19.6
Corporate	8.86	11,030,330	19.2
Asset Backed	7.17	550,201	1.0
International	8.65	5,339,734	9.3
Municipal	8.98	33,793	0.1
No Effective Duration:			
Asset Backed	N/A	3,141,928	5.4
Commercial Paper	N/A	39,147	0.1
Commingled	N/A	585,615	1.0
Corporate	N/A	199,407	0.4
Municipal	N/A	3,550	0.0
Mortgages	N/A	58,651	0.1
Private Placement	N/A	8,422	0.0
International	N/A	14,063	0.0
SWAPS	N/A	(124,694)	(0.2)
TOTAL ¹		\$57,374,468	100.0 %

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 fair value for non-unitized investments and at net asset value for investments in the unitized pools which includes accruals in the unitized portfolios.

CalPERS 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, 2011, the pooled money investment account with the State Treasury totaled approximately \$1.8 billion and the short-term investment fund with SSgA totaled approximately \$6.9 billion. The weighted average maturity is 237 days for the State Treasury pool and 33 days for the SSgA short-term investment fund.

Notes to the Basic Financial Statements (continued)

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

Security Type	Portfolio Weighted Average Effective Duration (Years)	Fair Value June 30, 2011	Percent of Securities Lending Collateral
Asset Backed Securities	1.35	\$3,311,529	29.2 %
Structured Investment Vehicles	41.08	314,197	2.8
Floating Rate CMBS	0.66	651,914	5.7
No Effective Duration:			
Money Market Fund ¹	N/A	5,400,445	47.6
Cash Securities	N/A	1,662,179	14.7
TOTAL²		\$11,340,264	100.0 %

Notes:

- 1 Of the Money Market Fund total, \$98,371 is invested in a SEC registered 2(a)-7 Money Market Fund with a weighted average maturity of 31 days.
- 2 This figure does not include \$9,080,000 in repurchase agreements which represent equity securities and are not subject to the GASB 40 disclosure requirements. The fair value of securities lending collateral as reported in the statement of net assets totals \$20,420,264.

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

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Debt Security Investments
Aaa	\$9,471,713	83.6 %
Aa1	18,869	0.2
Aa2	1,278	0.0
A1	4,283	0.0
A2	2,669	0.0
Baa2	2,311	0.0
Baa3	10,994	0.1
NR ^{1,2}	1,828,147	16.1
TOTAL³	\$11,340,264	100.0 %

Notes:

- 1 NR represents those securities that are not rated.
- 2 This figure includes the \$98,371 invested in a SEC registered 2(a)-7 Money Market Fund.
- 3 This figure does not include \$9,080,000 in repurchase agreements which represent equity securities and are not subject to the GASB 40 disclosure requirements. The fair value of securities lending collateral as reported in the statement of net assets totals \$20,420,264.

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

Moody's Quality Rating	Fair Value	Fair Value as a Percent of Debt Security Investments
Aaa	\$17,971,722	31.3 %
Aa1	115,358	0.2
Aa2	1,884,908	3.3
Aa3	490,447	0.9
A1	367,934	0.6
A2	1,305,376	2.3
A3	1,266,989	2.2
Baa1	1,932,409	3.4
Baa2	2,414,897	4.2
Baa3	1,537,690	2.7
Ba1	535,687	0.9
Ba2	135,927	0.2
Ba3	291,281	0.5
B1	216,902	0.4
B2	188,688	0.3
B3	238,130	0.4
Caa	75,782	0.1
Caa1	249,759	0.4
Caa3	69,662	0.1
Ca	51,361	0.1
C	11,788	0.0
NA ¹	23,573,097	41.2
NR ²	2,448,674	4.3
TOTAL³	\$57,374,468	100.0 %

Notes:

- 1 NA represents those securities that are not applicable to the GASB No. 40 disclosure requirements.
- 2 NR represents those securities that are not rated.
- 3 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 fair value for non-unitized investments and at net asset value for investments in the unitized pools which includes accruals in the unitized portfolios.

CalPERS 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, 2011, the pool money investment account with the State Treasury totaled approximately \$1.8 billion and the short-term investment fund with SSgA totaled approximately \$6.9 billion. These investment pools are not rated.

Derivatives

CalPERS holds investments in swaps, options, futures, rights and warrants and enters into forward foreign currency exchange. The fair value of options, futures, rights and warrants are determined based upon quoted market prices. The fair value of derivative investments that are not exchange traded, such as swaps, is determined by an external pricing service using various proprietary methods, based upon the type of derivative instrument. 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, posting collateral and exposure monitoring procedures.

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, 2011		
	Amount	Classification	Amount	Notional (Dollars)	Notional (Units)
Derivatives (by type)					
Credit Default Swaps Bought	(\$3,304)	Debt Securities	\$6,218	\$44,150	—
Credit Default Swaps Written	2,307	Debt Securities	1,184	77,150	—
Equity Options Bought	(8,427)	Equity Securities	1,960	—	1,462,500
Equity Options Written	7,286	Equity Securities	(2,354)	—	(120,000)
Fixed Income Futures Long	910	Investment Sales/Purchases	—	195,643	—
Fixed Income Futures Short	(8,336)	Investment Sales/Purchases	—	(785,991)	—
Fixed Income Options Written	11,029	Equity Securities	(4,568)	(496,183)	—
Foreign Currency Options Bought	(3,238)	Equity Securities	1,488	275,954	—
Foreign Currency Options Written	1,210	Equity Securities	(51)	(5,219)	—
Futures Options Written	1,195	Equity Securities	—	—	—
Foreign Exchange Forwards	(1,186,921)	Investment Sales/Purchases	(128,672)	28,140,569	—
Index Futures Long	1,453,941	Investment Sales/Purchases	—	31,587	—
Index Futures Short	30	Investment Sales/Purchases	—	—	—
Interest Rate Swaps	276	Debt Securities	—	—	—
Pay Fixed Interest Rate Swaps	(5,683)	Debt Securities	(1,745)	118,228	—
Receive Fixed Interest Rate Swaps	2,739	Debt Securities	769	149,011	—
Rights	(4,367)	Equity Securities	4,503	—	24,367,267
Total Return Bond Swaps	(127,087)	Debt Securities	(131,120)	2,623,499	—
Warrants	(1,723)	Equity Securities	2,942	—	570,318
TOTAL	\$131,837		(\$249,446)	\$30,368,398	26,280,085

The information presented in this table is derived from CalPERS June 30, 2011 accounting records and in some instances may reflect trades on a one day lag basis.

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	1-5	6-10	10+
Credit Default Swaps Bought	\$6,218	(\$194)	\$217	(\$38)	\$6,233
Credit Default Swaps Written	1,184	18	838	328	—
Fixed Income Options Written	(4,568)	(4,055)	(513)	—	—
Pay Fixed Interest Rate Swaps	(1,745)	—	815	(1,429)	(1,131)
Receive Fixed Interest Rate Swaps	769	—	(184)	(667)	1,620
Total Return Bond Swaps	(131,120)	(97,236)	(33,884)	—	—
Total	(\$129,262)	(\$101,467)	(\$32,711)	(\$1,806)	\$6,722

Derivative Instruments Highly Sensitive to Interest Rate Changes

Investment Type	Reference Rate	Fair Value	Notional
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 3.829%	(\$743)	\$12,000
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 4.25%	(222)	6,800
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 4.25%	(680)	20,800
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 3.50%	(686)	31,200
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 4.25%	(229)	7,000
Interest Rate Swaps	Receive Variable 3-month LIBOR, Pay Fixed 3.36%	815	40,428
Interest Rate Swaps	Receive Fixed 5.80%, Pay Variable 6-month CDOR	219	8,807
Interest Rate Swaps	Receive Fixed 2.00%, Pay Variable 6-month LIBOR	(58)	19,812
Interest Rate Swaps	Receive Fixed 6.96%, Pay Variable 1-month TIIE	(667)	38,484
Interest Rate Swaps	Receive Fixed 6.59%, Pay Variable 1-month TIIE	8	776
Interest Rate Swaps	Receive Fixed 6.75%, Pay Variable 1-month TIIE	23	1,885
Interest Rate Swaps	Receive Fixed 1.50%, Pay Variable 6-month LIBOR	1,459	61,912
Interest Rate Swaps	Receive Fixed 4.385%, Pay Variable 3-month LIBOR	(215)	17,336
Subtotal — Interest Rate Swaps		(\$976)	\$267,240
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(\$8,546)	\$160,973
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,442)	159,017
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,393)	158,100
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,503)	160,159
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,326)	156,840
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,310)	156,521
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,379)	157,824
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,356)	157,405
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,358)	156,692
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(3,180)	59,896
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(4,997)	132,046
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(15,351)	405,658
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(7,308)	137,665
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(9,462)	178,228
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(6,618)	124,659
Total Return Bond Swaps	Receive Fixed 1.00%, Pay Fixed 1.00%	(8,591)	161,816
Subtotal — Total Return Bond Swaps		(\$131,120)	\$2,623,499
TOTAL		(\$132,096)	\$2,890,739

Notes to the Basic Financial Statements (continued)

CalPERS – Derivative Instruments Subject To Credit Risk

Counterparty	Percentage of Net Exposure	S&P Ratings	Fitch Ratings	Moody's Ratings
Societe Generale	21.53%	A+	A+	Aa2
JP Morgan	21.45%	AA-	AA-	Aa1
Credit Suisse International	14.72%	A+	AA-	Aa1
UBS AG	12.47%	A+	A+	Aa3
Barclays	11.32%	AA-	AA-	Aa3
Goldman Sachs	11.27%	A	A+	A1
Royal Bank of Scotland	3.64%	A+	AA-	Aa3
Morgan Stanley	1.82%	A	A	A2
BNP Paribas	1.27%	AA	AA-	Aa2
Deutsche Bank	0.51%	A+	AA-	Aa3
	100.00%			

Notes to the Basic Financial Statements (continued)

CalPERS – International Investment Securities | At Fair Value at June 30, 2011 (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	\$3,364,043	\$77,897	\$158,980	\$372,034	\$11,557	(\$2,461)	\$3,982,050
Brazilian Real	1,764,792	—	—	470,889	20,363	—	2,256,044
Canadian Dollar	4,427,592	220,908	234,631	350,086	32,520	(5,044)	5,260,693
Chilean Peso	186,423	—	1,067	—	558	(3)	188,045
Colombian Peso	66,965	—	—	—	936	—	67,901
Czech Koruna	87,628	—	—	—	486	23	88,137
Danish Krone	598,507	—	14,468	—	1,171	(975)	613,171
Egyptian Pound	92,755	—	—	—	205	—	92,960
Euro Currency	15,255,005	3,702,132	2,237,526	965,862	531,567	(77,961)	22,614,131
Guatemala Quetzal	—	—	—	44,988	—	—	44,988
Hong Kong Dollar	3,371,854	—	—	1,055,508	6,309	614	4,434,285
Hungarian Forint	92,754	—	—	—	87	4	92,845
Indian Rupee	1,101,737	—	11	393,237	5,818	—	1,500,803
Indonesian Rupiah	443,047	—	—	—	1,603	—	444,650
Israeli Shekel	312,534	—	—	1,912	1,982	(567)	315,861
Japanese Yen	9,057,969	110,069	1,019,905	459,185	115,855	(44,368)	10,718,615
Malaysian Ringgit	437,345	—	—	—	795	—	438,140
Mexican Peso	395,103	—	63,957	220,928	2,602	480	683,070
Moroccan Dirham	10,268	—	—	—	202	—	10,470
New Taiwan Dollar	1,406,037	—	—	—	9,499	(26)	1,415,510
New Turkish Lira	191,493	—	—	—	160	—	191,653
New Zealand Dollar	65,408	—	63,196	1,714	1,656	(1,220)	130,754
Norwegian Krone	569,524	—	—	2,159	3,098	(1,183)	573,598
Pakistan Rupee	25,895	—	—	—	81	—	25,976
Peruvian Noveau Sol	14,734	—	—	—	41	—	14,775
Philippine Peso	63,257	—	—	—	58	—	63,315
Polish Zloty	225,084	—	58,833	—	462	79	284,458
Pound Sterling	8,487,243	3,534	847,952	147,362	51,249	17,033	9,554,373
Singapore Dollar	767,957	—	8,610	76,764	2,271	(245)	855,357
South African Rand	1,251,890	—	21,131	—	672	1,094	1,274,787
South Korean Won	2,571,902	—	—	—	3,855	—	2,575,757
Sri Lanka Rupee	—	—	—	—	3	—	3
Swedish Krona	1,367,808	—	8,121	226,486	5,267	(1,154)	1,606,528
Swiss Franc	3,224,420	—	—	20,894	8,108	(12,792)	3,240,630
Thailand Baht	329,230	—	—	—	1,077	—	330,307
Turkish Lira	194,767	—	—	—	55	—	194,822
UAE Dirham	16,263	—	—	—	180	—	16,443
TOTAL	\$61,839,233	\$4,114,540	\$4,738,388	\$4,810,008	\$822,408	(\$128,672)	\$76,195,905

The fair value of 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, 2011, real estate equities of approximately \$31.0 billion are reported at estimated fair value. Of this amount, \$19.1 billion is equity and \$8.6 billion is long-term mortgages payable, and \$3.3 billion is other short-term liabilities. The LTCF invests in real estate investment trusts (REITS) and as such no debt is attached to the real estate investments and, therefore, not included in the schedule below.

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
2012	\$1,550,390
2013	1,694,413
2014	1,103,512
2015	904,127
2016	838,314
2017-2021	1,828,805
2022-2026	328,891
2027-2031	97,184
2032-2035	213,179
TOTAL	<u>\$8,558,815</u>

Other Income

CalPERS participates in Directed Brokerage-Commission Recapture arrangements and in fiscal year 2010-11, the PERF earned additional income of \$0.6 million from the program. The Directed Brokerage Program had a balance of \$1.6 million at July 1, 2010. For fiscal year 2010-11, 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 \$1.1 million at June 30, 2011. These amounts are recorded in the accompanying financial statements as of June 30, 2011.

On April 11, 2011, the CalPERS Board approved the repeal of the Directed Brokerage Program as of June 30, 2011 with a sunset date of September 30, 2011.

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 2010-11 was approximately \$43.6 billion, \$80.0 million, and \$224.1 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 cost method used, the asset valuation method, the rate of return on the investment portfolio, rate of inflation, projected salary increases, post-retirement benefit increases, and the life expectancy of members and beneficiaries.

The actuarial cost method used for the PERF and JRF II is the Individual Entry Age Normal cost method. The cost method used for funding and for calculating the Annual Required Contribution for the LRF is the Aggregate Actuarial Cost method. For purposes of determining the JRF Annual Required Contribution, CalPERS changed from the aggregate funding method to the Individual Entry Age Normal funding method. The result of this change is an increase in the fiscal year 2011-12 ARC of approximately \$900,000 or less than 0.1 percent. 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 uses the Aggregate Actuarial Cost method for calculating the Annual Required Contribution, the unfunded liability is not separately identified nor amortized.

The 2010 actuarial valuations were used to set the actuarially determined contribution requirements for different fiscal years. For the PERF, the 2010 actuarial valuations were used to set the actuarially determined contribution requirements for the 2011-12 fiscal year for the State and School employers, while the 2010 valuations were used to set the actuarially determined contribution requirements for the 2012-13 fiscal year for public agencies. For the JRF, JRF II and LRF, the 2010 actuarial valuations were used to set the actuarially determined contribution requirements for the 2011-12 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 the negative 24.0 percent investment return 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 were 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, excluding the OASI, and the LRF, and totaled approximately \$487.1 million and \$248.5 thousand as of June 30, 2011, for the PERF and LRF, respectively.

PERF

Actuarial valuations of the PERF are performed annually. The last valuation was performed as of June 30, 2010, for the State, schools, and public agencies.

The total 2010-11 net retirement contributions for the PERF amounted to approximately \$11.1 billion, of which \$7.5 billion (the actuarially determined annual required contribution) came from 1,574 employers and approximately \$3.6 billion came from nearly 791,000 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 10.820 percent of covered payroll, and amortization of the unfunded liabilities is 6.322 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, 2011, there was no statutory contribution required based on the June 30, 2009 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, 2011, 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 2012. 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, 2011, the actual contributions made by the State to the JRF were approximately \$167.3 million, which is significantly less than the actuarially determined annual required contribution of approximately \$1.3 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 \$117.0 million at June 30, 2011, which exceeded Net Assets Held in Trust for Pension Benefits by approximately \$62.8 million at June 30, 2011.

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, 2010.

For the year ending June 30, 2011, the statutory employer contribution rate was 24.041 percent based on the June 30, 2009 actuarial valuation. Therefore, for the year ended June 30, 2011, the contributions made by the State to the fund were approximately \$53.9 million, which is more than the actuarially determined required contributions of approximately \$50.9 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 actuarial cost method 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 2010-11 actual net OPEB employer contributions from 306 participating employers was \$758.3 million, compared to the actuarially determined annual required contribution of 11.0 percent of covered payroll, or \$1.1 billion. This amount includes the \$283.8 million in contributions made to the CERBTF, plus an additional \$474.4 million in retiree health care premiums

Notes to the Basic Financial Statements (continued)

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, 2011, CalPERS total capital commitments was \$89.2 billion. Of this amount, \$23.1 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)	\$4,772,906	\$486,431
Inflation Linked	3,224,400	357,943
Real Estate	25,102,240	6,948,435
Alternative Investments	56,063,366	15,333,591
TOTAL	\$89,162,912	\$23,126,400

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, 2011, the credit enhancement program had contingent liabilities of approximately \$1.5 billion and net fee income of approximately \$9.5 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

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 medical claims liability was calculated by Anthem Blue Cross, the HCF's third-party administrator, at June 30, 2011, using a variety of actuarial and statistical techniques and adjusted for actual experience to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The estimated claims liability of \$236.3 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, 2011, but have not been reported to the HCF.

Anticipated Investment Income and Reinsurance

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

The following schedule represents changes in the aggregate estimated claims liabilities of the HCF for the years ended June 30, 2011 and 2010.

Notes to the Basic Financial Statements (continued)

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	2011	2010
TOTAL ESTIMATED CLAIMS AT BEGINNING OF FISCAL YEAR	\$192,195	\$216,584
INCURRED CLAIMS & CLAIM ADJUSTMENT EXPENSES		
Provision for Insured Events of Current Fiscal Year	\$1,792,599	\$1,654,214
Decrease in Provision for Insured Events of Prior Years	(70,414)	(99,640)
Total Incurred Claims & Claim Adjustment Expenses	\$1,722,185	\$1,554,574
PAYMENTS		
Claims & Claim Adjustment Expenses Attributable to Insured Events of Current Fiscal Year	\$1,550,306	\$1,444,509
Claims & Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Year	127,752	134,454
Total Payments	\$1,678,058	\$1,578,963
TOTAL ESTIMATED CLAIMS AT END OF FISCAL YEAR	\$236,322	\$192,195

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, 2011. The actuarial valuations are very sensitive to the underlying actuarial assumptions, including a discount rate of 6.25 percent for years 1 through 10, and 7.60 percent for years 11 and beyond, morbidity, disability continuance, mortality, voluntary termination, and claims expense. The total estimated liability for future policy benefits as of June 30, 2011, was \$2.6 billion. Of that amount, \$181.1 million is expected to be paid in the 2011-12 fiscal year and is included in current liabilities.

Notes to the Basic Financial Statements (continued)

10. PERF, LRF, JRF, JRF II, AND CERBTFFUNDED STATUS

The following represents the funded status of the CalPERS pension trust funds and the post-employment health care fund as of June 30, 2010. 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.

Funded Status¹ 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)			Funded Ratio (1) ÷ (2)	Annual Covered Payroll (4)	UAAL as a % of Covered Payroll (3) ÷ (4)
				(3)	(2)	(1)			
PERF	6/30/10	\$257,070	\$308,343	\$51,273			83.4 %	\$44,984	114.0 %
LRF	6/30/10	127	112		(15)		113.4	2	(750.0)
JRF	6/30/10	64	3,429		3,365		1.9	86	3,912.8
JRF II	6/30/10	461	521		60		88.5	213	28.2
CERBTFF	6/30/10 ²	1,287	14,288		13,001		9.0	10,435	124.6

Notes:

- 1 The Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. Market value of asset information is included later in the Required Supplemental Schedules.
- 2 During 2010-2011 several large employers contracted with the CERBTFF. This data represents the actuarial data from 309 valuations adjusted to an aligned date of June 30, 2010 and

includes the actual asset value as of that date, to be compliant with GASB 57. CalPERS projected the data as of June 30, 2010 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.

Notes to the Basic Financial Statements (continued)

Actuarial Information | Assumptions and Methods Used in the Most Recent Actuarial Valuations in Development of the Funded Status

	PERF	LRF	JRF	JRF II	CERBTf
Funded Status Valuation Date	June 30, 2010	June 30, 2010	June 30, 2010	June 30, 2010	June 30, 2010 ⁵
Adoption Date	Various	Various	Various	Various	—
Actuarial Cost Method	Individual Entry Age Normal Cost	Individual Entry Age Normal Cost ⁴	Individual Entry Age Normal Cost	Individual Entry Age Normal Cost	Entry Age Normal or Projected Unit Credit
Amortization Method	Level Percentage of Payroll	None ²	None	Level Percentage of Payroll	Varies ⁵
Amortization Approach	Closed (Open for Gains and Losses)	None ²	None	Closed	Varies ⁵
Remaining Amortization Period	Not Available ³	None ²	None	Average of 23 years	Varies ⁵
Asset Valuation Method	Smoothing of Market Value, Temporary Increase in 20% Market Value Corridor to 30% in 6/30/2010 valuation.	Smoothing of Market Value	Market Value	Smoothing of Market Value	Varies ⁵
ACTUARIAL ASSUMPTIONS					
Net Investment Rate of Return	7.75%	6.00%	4.50%	7.25%	7.75%
Projected Salary Increases ¹	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%	—
HEALTH CARE COST TREND RATES:					
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, 2010 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 309 individual actuarial valuations and Alternative Measurement Method (AMM) reports aligned to June 30, 2010, 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 significant majority of the valuations, the unfunded liability is amortized over 30 years, and the remainder use periods range between one year and 29 years.

Notes to the Basic Financial Statements (continued)

Actuarial Information | Assumptions and Methods Used in the Most Recent Actuarial Valuations in Development of the Annual Required Contribution (ARC)

	PERF	LRF	JRF	JRF II	CERBTF
ARC Valuation Date	June 30, 2009: State and Schools June 30, 2008: Public Agencies	June 30, 2009	June 30, 2009	June 30, 2009	June 30, 2010 ³
Adoption Date	Various	Various	Various	Various	—
Actuarial Cost Method	Individual Entry Age Normal Cost	Aggregate Cost	Aggregate Cost	Individual Entry Age Normal	Entry Age Normal or Projected Unit Credit
Amortization Method	Level Percentage of Payroll	None ²	None ²	Level Percentage of Payroll	Varies ³
Amortization Approach	Closed (Open for Gains and Losses)	None ²	None ²	Closed	Varies ³
Remaining Amortization Period	25 Years for Schools, average of 20 years for Public Agencies, and 21 to 26 years for the State plans	None ²	None ²	Average of 25 years	Varies ³
Asset Valuation Method	Smoothing of Market Value, 20% Corridor for Public Agencies, 40% Corridor for State & School Plans	Smoothing of Market Value, 20% Corridor	Market Value	Smoothing of Market Value, 20% Corridor	Varies ³
ACTUARIAL ASSUMPTIONS					
Net Investment Rate of Return	7.75%	7.00%	4.50%	7.25%	7.75%
Projected Salary Increases ¹	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%	—
HEALTH CARE COST TREND RATES:					
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 309 individual actuarial valuations and Alternative Measurement Method (AMM) reports aligned to June 30, 2010, 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 significant majority of the valuations, the unfunded liability is amortized over 30 years, and the remainder use periods range between one year and 29 years.

There were no changes in assumptions and methods in the actuarial valuation reports to determine the fiscal year 2010-11 annual required contribution for the CERBTF plan.

11. SUBSEQUENT EVENTS

In August 2011, Standard & Poor's lowered its long-term credit rating from AAA to AA+ on debt of the U.S. government, U.S. government sponsored enterprises, and public debt issues that have credit enhancement guarantees by U.S. government sponsored enterprises. These credit downgrades relate to the credit risk associated with CalPERS investments in U.S. Treasury and U.S. Agency debt securities.

Financial Section: Required Supplemental Schedules

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

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

(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued		Unfunded AAL (UAAL) (Funding Excess)		Funded Ratio – Actuarial Value of Assets Basis ⁸
		Liability (AAL)	Entry Age (2)	(2)	(1)	(1) ÷ (2)
PERF						
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	83.3%
6/30/10 ⁹	257,070		308,343		51,273 ³	83.4%
LRF⁴						
6/30/07	\$142		\$102		(\$40)	139.2%
6/30/08	142		103		(39)	137.9%
6/30/09	134		112		(22)	119.6%
6/30/10	127		112		(15)	113.4%
JRF^{4,5}						
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%
6/30/10	64		3,429		3,365	1.9%
JRF II						
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%
6/30/10	461		521		60	88.5%
CERBTF⁶						
6/30/07	\$11		\$24		\$13	45.8%
6/30/08	48		4,845		4,797	1.0%
6/30/09 ⁷	873		10,462		9,589	8.3%
6/30/10 ⁸	1,287		14,288		13,001	9.0%

Notes:

- 1 The market value of assets used in the June 30, 2010 actuarial valuation does not include State OPEB costs that are included in the fair value of assets.
- 2 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.
- 3 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, 2010 valuation is as follows: 1) \$24,134 for the State of California, 2) \$6,309 for schools, and 3) \$20,830 for public agencies.
- 4 LRF and JRF are funded using the Aggregate Actuarial Cost Method in prior years. 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.
- 5 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.
- 6 Only four years of funding progress information is shown because the CERBTF did not exist prior to the 2006-07 fiscal year.
- 7 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.

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

Annual Covered Payroll (3)	UAAL as a % of Covered Payroll [(2) (1)] ÷ (3)	Market Value ¹ of Assets (4)	Funded Ratio – Market Value of Assets Basis ² (4) ÷ (2)
\$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%
44,984	114.0%	201,632	65.4%
\$2	-2000.0%	\$142	139.2%
2	-1950.0%	134	130.1%
2	-1100.0%	112	100.0%
2	-750.0%	114	101.8%
\$119	2270.6%	\$12	0.4%
111	3232.4%	19	0.5%
97	3651.5%	41	1.1%
86	3912.8%	64	1.9%
\$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%
213	28.2%	422	81.0%
\$37	35.1%	\$11	45.8%
5,092	94.2%	48	1.0%
9,307	103.0%	845	8.1%
10,435	124.6%	1,287	9.0%

8 During 2010-2011 several large employers contracted with the CERBTf. This data represents the actuarial data from 309 valuations adjusted to an aligned date of June 30, 2010 and includes the actual asset value as of that date, to be compliant with GASB 57. CalPERS projected the data as of June 30, 2010 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.

9 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 were 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. The investment return assumption for the LRF was reduced from 7 percent to 6 percent for 6/30/2010 and later valuations to reflect the change in the asset allocation strategy adopted by the Board in April 2011.

Schedule of Employer Contributions – Pension and OPEB 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
2006	\$6,095,029,424	100	\$0 ²	0
2007	6,442,383,867	100	— ²	—
2008	7,242,802,002	100	— ²	—
2009	6,912,376,563	100	— ²	—
2010	6,955,049,078	100	— ²	—
2011	7,465,397,498 ¹	100	— ²	—

Notes:

1 The 2009 actuarial valuation was used to set the fiscal year 2010-11 PERF Annual Required Contributions for the State and Schools. The 2008 actuarial valuations were used to set the fiscal year 2010-11 Annual Required Contributions for Public Agencies.

2 Based on the June 30, 2009, 2008, 2007, 2006, 2005, and 2004 actuarial valuations, the annual required contributions for the years ended June 30, 2011, 2010, 2009, 2008, 2007, and 2006 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 ³
2006	\$194,927,817	61.9	\$25,477,158	94.5	\$0	0
2007	560,879,874 ¹	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 ²	174.5
2009	790,911,681	24.1	42,944,106	92.0	611,607,510 ²	95.7
2010	1,167,007,021	15.9	44,758,633	95.2	870,842,132 ²	76.9
2011	1,262,446,956 ⁴	13.3	50,949,124 ⁴	105.7	1,141,450,654 ^{2,5}	65.6

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, 2009-10 and 2010-11 contributions made toward the ARC excludes \$48.9 million, \$10.4 million, \$4.4 million, and \$9.9 million respectively, that were contributed to the CERBTf, but were treated as pre-existing assets for purposes of calculating the 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 2009 valuation was used to determine the 2010-11 Annual Required Contributions for the JRF and JRF II. For the JRF II the actuarial cost method was changed from the Aggregate Entry Age Normal Cost Method to the Individual Entry Age Normal Cost Method in the 2009 valuation.
 5 The 2011 CERBTf ARC includes amounts from some employers who will begin making contributions to the trust in future years. Had they been excluded, the reported ARC would be \$916.9 million and the contributions made toward the ARC would represent 73.0 percent of ARC.

Schedule of Claims Development Information (Unaudited)

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, 2011 (Dollars in Thousands)

	Fiscal and Policy Year Ended									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1) Net Earned Required Premium & Investment Revenues	\$747,491	\$947,492	\$1,048,042	\$1,115,172	\$1,229,239	\$1,410,888	\$1,543,643	\$1,608,738	\$1,409,621	\$1,775,005
2) Unallocated Expenses	\$43,926	\$50,296	\$58,182	\$65,902	\$67,679	\$74,771	\$78,607	\$85,511	\$90,292	\$88,392
3) Estimated Incurred Claims & Expenses, End of Policy Year	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438	\$1,530,264	\$1,654,214	\$1,792,599
4) Paid (Cumulative) as of:										
Year	\$562,894	\$722,732	\$807,627	\$923,608	\$1,043,346	\$1,094,818	\$1,197,390	\$1,313,680	\$1,444,509	\$1,550,306
One Year Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	1,448,134	1,589,771	—
Two Years Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	1,448,134	—	—
Three Years Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	—	—	—
Four Years Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	—	—	—	—
Five Years Later	628,405	800,605	883,550	1,012,021	1,146,876	—	—	—	—	—
Six Years Later	628,405	800,605	883,550	1,012,021	—	—	—	—	—	—
Seven Years Later	628,405	800,605	883,550	—	—	—	—	—	—	—
Eight Years Later	628,405	800,605	—	—	—	—	—	—	—	—
Nine Years Later	628,405	—	—	—	—	—	—	—	—	—
5) Re-estimated Incurred Claims Expenses:										
Year	\$684,425	\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438	\$1,530,264	1,654,214	\$1,792,599
One Year Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	1,448,134	1,589,771	—
Two Years Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	1,448,134	—	—
Three Years Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	1,316,774	—	—	—
Four Years Later	628,405	800,605	883,550	1,012,021	1,146,876	1,197,334	—	—	—	—
Five Years Later	628,405	800,605	883,550	1,012,021	1,146,876	—	—	—	—	—
Six Years Later	628,405	800,605	883,550	1,012,021	—	—	—	—	—	—
Seven Years Later	628,405	800,605	883,550	—	—	—	—	—	—	—
Eight Years Later	628,405	800,605	—	—	—	—	—	—	—	—
Nine Years Later	628,405	—	—	—	—	—	—	—	—	—
6) Decrease in Estimated Incurred Claims & Expenses From End of Policy Year	(\$56,020)	(\$54,043)	(\$56,953)	(\$70,990)	(\$55,533)	(\$70,906)	(\$68,664)	(\$82,130)	(\$64,443)	\$0

Financial Section:

Supplementary Schedules and Agency Funds

- 76 Administrative Expenses — All Funds
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Administrative Expenses — All Funds

(Dollars in Thousands)

PERSONNEL SERVICES	
Salaries & Wages	\$155,965
Employee Benefits	56,701
Total Personnel Services	\$212,666
CONSULTANT & PROFESSIONAL SERVICES	
State of California Agencies	\$6,063
External Consultants	44,591
Deferred Compensation	
Management/Custody Fees	2,489
Health Plan Administrator Fees	76,698
Long-Term Care Administrator Fees	19,864
Total Consultant & Professional Services	\$149,705
OPERATING EXPENSES & EQUIPMENT	
General Expense	\$5,044
Software	949
Printing	1,468
Postage	4,032
Communications	1,958
Data Processing Services	13,638
Travel	1,677
Training	414
Medical Examiners	1,270
Facilities Operation	3,631
Central Administrative Services	33,184
CSUS Foundation — Students	3,441
Administrative Hearings	638
Consolidated Data Center	842
Equipment	(556)
Total Operating Expenses & Equipment	\$71,630
OTHER EXPENSES & ADJUSTMENTS	
Depreciation Expense	\$16,734
Increase in Paid Absence Obligation	2,927
Amortization	368
Reimbursements	(2,066)
Prior Year & Other Adjustments	53,371
Total Other Expenses & Adjustments	\$71,334
TOTAL ADMINISTRATIVE EXPENSES — ALL FUNDS	<u>\$505,335</u>

Investment Expenses

External Securities Management Fees (Dollars in Thousands)

External Securities Management Fees and Other Fees

	Net Assets Managed at Fair Value	Fees
EXTERNAL DOMESTIC EQUITY MANAGERS		
Boston Company Asset Management, LLC (The)	\$536,813	\$241
Denali Advisors, LLC	—	23
First Quadrant, LP	661,398	270
FIS Group, Inc.	—	1,387
Golden Capital Management	—	168
J.P. Morgan Investment Management, Inc.	749,849	349
Leading Edge Investment Advisors, LLC	—	2,579
Legato Capital Management Ventures, LLC	—	1,080
LM Capital Management, Inc.	11,319	276
Marvin & Palmer Associates, Inc.	311,015	154
New Amsterdam Partners, LLC	—	38
New Mountain Vantage (California), LP	280,301	2,147
Pacific Alternative Asset Management Company, LLC	—	250
Piedmont Investment Advisors, LLC	306,254	316
Progress Investment Management Company, LLC	—	716
Progress-Lovell Minnick Advisors, LLC	—	14
Pzena Investment Management, LLC	437,760	707
Quantitative Management Associates, LLC	(15)	42
Quotient Investors, LLC	262,620	768
Redwood Investments, LLC	207,726	754
Relational Investors Mid-Cap Fund I, LP	379,895	3,568
Relational Investors, LP	979,008	6,268
Research Affiliates, LLC	6,004,510	500
Shenandoah Asset Management, LLC	—	33
SSgA Finance	—	22
Strategic Investment Management, LP	—	1,515
Stux Capital Management, LLC	516,708	1,889
T. Rowe Price	847,589	2,020
Turner Investment Partners, Inc.	—	62
UBS Alternative and Quantitative Investments, LLC	—	21,582
Total External Domestic Equity Managers	\$12,492,750	\$49,738

	Net Assets Managed at Fair Value	Fees
EXTERNAL DOMESTIC FIXED INCOME MANAGERS		
Artio Global Management, LLC	\$1,053	\$274
Columbia Management Investment Advisors, LLC	223,042	1,187
Highland Restoration Capital Partners, LP	217,591	381
J.P. Morgan Investment Management, Inc.	768	706
Logan Circle Partners, LP	242,477	1,036
Nomura Corp. Research & Asset Management	—	2,446
Ocean Gate Life Settlement Program, LP	213,225	2,549
Pacific Investment Management Co.	—	608
Simran Capital Management, LLC	966	30
Total External Domestic Fixed Income Managers	\$899,122	\$9,217
GLOBAL EQUITY MANAGERS		
Alliance Bernstein, LP	\$943,734	\$992
Arrowstreet Capital, LP	2,864,699	1,281
Baillie Gifford Overseas, Ltd.	1,190,943	748
Batterymarch Financial Management, Inc.	922,579	2,224
Cartica Corporate Governance Fund, LP	237,931	3,233
Dimensional Fund Advisors, Inc.	787,770	2,002
Genesis Asset Managers, LLP	1,145,030	2,158
Global Currents Investment Management (Brandywine)	18	32
Grantham, Mayo, Van Otterloo & Co., LLC	882,013	544
Knight Vinke Institutional Partners I, LP	134,045	27
Lazard Asset Management, LLC	945,276	3,138
Nomura Asset Management, USA, Inc.	525,532	247
Pareto Investment Management, Ltd.	(46,069)	1,932
Pictet Asset Management, Ltd.	523,040	1,457
Pyramis Global Advisors Holding Co. (Fidelity)	870,038	1,602
Pyrford International, PLC	27	143
Research Affiliates, LLC	573,064	701
Sourcecap International, Ltd.	259,014	1,032
SSgA Finance	(38,556)	1,738
Total Global Equity Managers	\$12,720,128	\$25,231

Investment Expenses (continued)

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

External Securities Management Fees and Other Fees

(continued)

	Net Assets Managed at Fair Value	Fees
GLOBAL FIXED INCOME MANAGERS		
Alliance Bernstein, LP	\$780,107	\$520
Baring Asset Management, Inc.	655,745	437
Pacific Investment Management Co.	1,184,574	785
Rogge Global Partners, PLC	936,127	629
Total Global Fixed Income Managers	\$3,556,553	\$2,371
INFLATION LINKED ASSET MANAGERS		
Alinda Infrastructure Fund II	\$117,569	\$3,200
Alinda Infrastructure I	92,218	1,120
Carlyle Infrastructure Partner	51,034	1,346
CIM Infrastructure Fund	287,450	3,000
Lincoln Timber LP	30	9,219
Timber International - UBS (Sylvanus)	1,828,545	2,716
Total Inflation Linked Asset Managers	\$2,376,846	\$20,601
Total Inflation Linked Asset Incentive Fees		\$61,068
TOTAL EXTERNAL SECURITIES MANAGEMENT FEES & OTHER FEES		\$168,226

External Securities Management Performance Fees

	Fees
EXTERNAL DOMESTIC EQUITY MANAGERS	
Boston Company Asset Management, LLC (The)	\$3,534
Golden Capital Management	457
J.P. Morgan Investment Management, Inc.	12,243
Legato Capital Management Ventures, LLC	223
New Amsterdam Partners, LLC	192
Piedmont Investment Advisors, LLC	10
Quantitative Management Associates, LLC	76
Relational Investors Mid-Cap Fund I, LP	2,260
Strategic Investment Management, LP	1,135
UBS Alternative and Quantitative Investments, LLC	13,413
Total External Domestic Equity Managers	\$33,543
GLOBAL EQUITY MANAGERS	
Arrowstreet Capital, LP	\$8,070
Baillie Gifford Overseas, Ltd.	8,244
Genesis Asset Managers, LLP	9,943
Lazard Asset Management, LLC	5,105
Pyrford International, PLC	185
Research Affiliates, LLC	694
Total Global Equity Managers	\$32,241
GLOBAL FIXED INCOME MANAGERS	
Baring International Investment, Ltd.	\$576
Pacific Investment Management Co.	2,324
Rogge Global Partners, PLC	1,492
Total Global Fixed Income Managers	\$4,392
Total External Securities Management Performance Fees	\$70,176
TOTAL EXTERNAL SECURITIES MANAGEMENT FEES, PERFORMANCE FEES, & OTHER FEES	\$238,402

Investment Expenses (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	\$17,563	\$611
AETOS Capital Asia TE	9,204	232
AETOS Capital Asia TE II, Ltd.	164,243	2,085
AEW Capital Partners	139,329	1,328
AEW Senior Housing Company, LLC (SHP)	(11,076)	2,400
AGI TMG Housing Partners I, LLC	28,021	419
American Value Partners Fund I	36,095	793
Apollo Real Estate Finance Company	73,112	1,044
Apollo Real Estate Investment Fund V, LP	32,713	1,022
ARA Asia Dragon, Ltd.	473,341	7,500
Bridge Urban Infill	43,642	357
Buchanan Partner	47,143	1,925
CalEast Canada	131,202	501
CalEast Industrial Investors	368,630	1,980
CalEast LaSalle	—	7,053
CalEast Solstice	1,803,880	7,044
California Smart Growth Fund IV	60,178	909
California Special Urban Housing Fund	—	374
CalSmart, LLC	—	1,478
CalSmart, LLC (Canyon)	276,863	370
CalWest RREEF	322,225	2,133
Canyon Johnson Urban Fund III, LP	58,684	3,938
Capmark Structured Real Estate Partners	20,779	742
CB Richard Ellis Strategic Partners Europe Fund III, US	55,457	904
CB Richard Ellis Strategic Partners UK Fund III, TE	23,993	732
CBRE Strategic Partners, UK	(10,410)	701
Centerline Urban Capital I, LLC	122,202	1,709
CIM CA Urban Real Estate	499,700	3,364
CIM Core Urban REIT, LLC	439,450	4,558
CIM Fund III	429,420	6,188
Cityview America Fund I, LLC	—	943
Cityview LA Urban Fund I, LP	29,010	461
CUIP (SCG)	—	2,288
CUIP Properties, LLC	5,226	622
DB International Fund 1B	28,361	114
DIVCO West (Page Mill Properties)	—	3
Fifth St. Properties CWP	52,833	3,743
Fillmore East Fund	12,334	545
Fortress Holiday	97,212	732
Fortress Investment Fund Deutschland, LP	45,103	839
Fortress Investment Fund IV	89,481	674
Fortress RIC CoInvestment	16,312	121
GI Partners Fund II	643,274	5,343
GI Partners Fund III	366,266	4,314
Global Innovation Partners	11,816	(2,778)
Global Retail Investors	681,703	4,807

	Net Assets Managed at Fair Value	Fees
GRI - DT 2011	\$12,315	\$6
Guggenheim Structured III	42,390	499
Hampshire Companies	22,582	275
Harbert European Real Estate Fund II, LP	59,615	554
HC NOP Holdings, LP	2,628	66
Hearthstone Housing Partners II, LLC	126,823	1,729
Hearthstone Housing Partners III, LLC	22,806	155
Hearthstone MS II	(47)	(1)
Hearthstone MS III	(3,601)	133
Hines CalPERS Brazil Fund	20,942	107
Hines CalPERS Brazil Fund II	234,159	4,530
Hines CalPERS China Fund	46,125	727
Hines CalPERS Green	157,455	718
Hines CalPERS Mexico II	61,840	630
Hines European Development Fund	(3,271)	306
Hines European Development Fund II	(3,509)	346
Hines Mexico Development Fund (HCM Holdings)	71,274	520
Hines Residential Sunbelt Spain Fund	164	4
Hollywood Park CoInvestment	101,546	741
IHP Fund II, LP A+D	34,648	496
IHP Investment Fund III	344,052	5,028
IL & FS India Realty Fund II	130,627	2,500
IL & FS India Realty Fund, LLC	111,684	1,500
Institutional HSG Partners, LP	191,876	1,006
Institutional Mall Investors	1,918,409	10,237
Integral Urban Fund I, LP	—	162
IXIS AEW (European Property Investors)	39,857	621
JER Europe Fund III	14,726	165
JER US Debt Co-Investment	55,053	621
Karec CA Development Program, LLC	179,512	1,256
KC 2011, LLC	121,182	521
Kennedy Wilson Property Fund II	31,457	543
KSC Affordable Housing	32,044	685
LaSalle Asia Opportunity Fund III	73,671	2,254
LaSalle French Fund II G.P., LLC	48,243	933
LaSalle Japan Logistics II	18,191	852
Legacy Part Housing Fund	54,439	232
Lowe Resort Community Fund, LLC	428	8
Market Street Capital Partners, LP	85,919	1,173
Meriwether Farms, LLC	56,653	776
MGP Asia Fund II	78,768	978
MGP Europe Parallel Fund II	72,051	955
MW Housing Partners III	—	159
National Office Partners	—	4,167
National Office Partners (CWP)	788,878	2,431

Investment Expenses (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
Next Block Medical	\$8,123	\$1,011
NIAM Nordic Fund III	55,238	425
NIAM Nordic Investment Fund IV	150,627	1,739
ORA Multi-Family Investment I	(6,385)	28
ORA Residential Investments (Olympic)	67,644	8,342
Pacific City Home	—	2,021
Pacific Vineyard Partners	70,709	1,369
PLA Retail Fund I	81,838	1,161
Preco III	54,699	530
Reg Finance + Accounting (WFHAI/Wells Fargo)	(843)	(884)
RJ Real Estate Fund III	—	1,534
RJ Urban Lodging Fund II	—	826
Rockpoint Real Estate Fund II, LP	12,992	453
Rockpoint Real Estate Fund III	204,199	1,525
RREEF Global Opportunities Fund II, LLC	141,637	912
Savanna Real Estate Fund I, LP	57,488	624
SDL Hospitality Co-Invest Fund	203,629	308
Secured Capital Japan I	4,122	37
Secured Capital Japan II	64,023	1,036
Secured Capital Japan Real Estate Partners Asia, LP	220,383	3,082
Senior Housing UK Investment II, LP	1,829	22
SHEA Capital I, LLC	103,855	3,189
SHEA Mountain House, LLC	96,800	1,133
Starwood Capital Hospitality Fund I	207,979	1,570
Starwood Capital Hospitality Fund II	103,555	1,966
StockBridge Real Estate Fund II	17,954	524
Strategic Partners Value Enhancement Fund	41,165	679
Sun Apollo India Real Estate Fund	25,441	742
TPG Hospitality Investments IV	(10,179)	1,985
Urban America, LP II	56,258	1,161
Western Multifamily GID	1,698,044	4,986
Western Multifamily SSR	—	4,439
Windsor Realty Fund III GID	—	279
Windsor Realty Fund VII, LP	15,925	474
Xander Cassander Co-Investment	113,327	3,506
Xander JV Fund (Ptolemy)	12,158	501
Total Real Estate Partners Asset Management Fees	\$17,063,352	\$192,704
Real Estate Partners Incentive Fees		\$91,307
Credit Enhancement Program		\$373
AIM Distributed Stock Management Fees		\$2,529
Internal Mortgage Loan Fees		\$1,386
TOTAL REAL ESTATE PARTNERS, AIM, MORTGAGES & CEP		<u>\$288,299</u>

Other Investment Consultants (Dollars in Thousands)

Consultant Fees

	Fees
13D Research, Inc.	\$50
AlphaSimplex Group, LLC	750
Altman Group, Inc.	26
ARGUS Software	1
Atlantic Venture Management, Inc.	5
Audit Integrity, Inc.	18
Axioma, Inc.	151
Barra, Inc.	1,144
BCA Reasearch, Inc.	150
Blackrock Financial Management, Inc.	5,628
Blackstone Technology Group	88
Bloomberg Finance, LP	1,907
Callan Associates, Inc.	388
Cambria Solutions, Inc.	679
Cambridge Associates, LLC	31
Cambridge Energy Research Association	38
Capital Dynamics, Inc.	250
Capital IQ	335
Carahsoft Technology Corp.	107
CEM Benchmarking, Inc.	30
Centre for Asia Private Equity Research, Ltd.	4
Charles River Development	534
Cogent Partners, LP	76
Corporate Library, LLC (The)	229
Courtland Partners, Ltd.	376
Covenant Review, LLC	35
CreditSights	90
Crosswater Realty Advisors	1,157
Cutter Associates, Inc.	371
Davis, Mendel & Regenstein, Inc.	37
Dow Jones & Company, Inc.	19
DTCC - Fixed Income Clearing Corporation	4
Eagle Management Group	15
Edgar Online, Inc.	11
eMBS, Inc.	3
Enclipse Corporation	59
Equilar, Inc.	7
Ermitage, Ltd.	57

Investment Expenses (continued)

Other Investment Consultants (continued) (Dollars in Thousands)

Consultant Fees (continued)

	Fees
Etrali North America, LLC	\$94
European Private Equity & Venture Capital Assoc.	6
eVestment Alliance, LLC	30
Factset Research Systems, Inc.	1,369
First Rain, Inc.	10
Fitch Solutions, Inc.	162
Fitch, Inc.	57
FTSE International, Ltd.	208
FX Alliance, LLC	20
Garland Associates, Inc.	60
Glass Lewis & Co., LLC	479
Global Investor Collaboration Services, LLC	5
Greenleaf Systems	280
Green Street Advisors	50
Hamilton Lane Advisors, LLC	900
High Frequency Economics	22
Houlihan Lokey Howard & Zukin Fin Adv., Inc.	57
Institutional Shareholder Services	399
International Fund Services	1,881
Intex Solutions, Inc.	176
Intuit Real Estate Solutions	401
Investor Communications Network, LLC	15
JDM Associates, LLC	93
Kearnford Applications System Design	56
Kiefer Consulting, Inc.	43
KNL Support Services	51
KPA Advisory Services, Ltd.	9
KPM & Associates	81
KPMG, LLC	306
Le Plastrier Consulting Group, Inc.	3,197
London Stock Exchange, PLC	19
LP Capital Advisors, LLC	4,365
Mathworks, Inc. (The)	27
Mayer Hoffman McCann PC	129
Mcube Investment Technologies, LLC	74
Meketa Investment Group	622
Mercer Investment Consulting	672
Moody's Analytics, Inc.	345
Moody's Investors Service	83
Mosaic Investment Advisors, Inc.	575

	Fees
MRI Software, LLC	\$110
NCREIF	1
Nichols Consulting	461
Northfield Information Services, Inc.	300
Nuveen Investment Solutions, Inc.	111
NYSE Market, Inc.	30
Omgeo, LLC	100
Options Price Reporting Authority	1
Oracle USA, Inc.	1
Oxford Analytica, Inc.	32
Pacific Community Ventures, Inc.	333
Pension Consulting Alliance, Inc.	3,531
Performance Technology Partners, LLC	11
Princeton Financial Systems	469
Principal Global Investors, LLC	200
Private Edge	1,250
Property & Portfolio Research, Inc.	100
Propoint Technology, Inc.	485
Pyramid Technical Consultants, LLC	399
Quantal International, Inc.	45
Quantitative Services Group, LLC	140
Quantstar Company, LLC	118
R & G Associates, Inc.	2
R.V. Kuhns & Associates, Inc.	8
Ridgeway Partners, LLC	1,099
Rise Vision, Inc.	1
Risk Metrics Group, Inc.	80
Rogercasey, Inc.	10
Russell Investments	106
Schaffer Consulting, LLC	450
Simpson Thacher & Bartlett, LLP	53
Situs Realty Services	49
SL Capital Partners, LLP	30
Squar, Milner, Peterson, Miranda & Williamson, LLP	26
S.R. Batilboi & Co.	71
SRI InfoTech, Inc.	38
Standard & Poor's	68
Standard & Poor's Corporation	358

Investment Expenses (continued)

Other Investment Consultants (continued) (Dollars in Thousands)

Consultant Fees (continued)

	Fees
Standard & Poor's - Capital IQ	\$148
Stanfield Systems, Inc.	106
Strategic Economic Decisions, Inc.	15
Team Persona, Inc.	58
Terra Search Partners, LLC	225
Thomson Reuters Markets, LLC	3
Torcello Publishing, Ltd.	10
Townsend Group (The)	305
Tradeweb, LLC	6
Trinity Technology Group, Inc.	259
TSX, Inc.	5
UBS Securities, LLC	3,036
VELAH Group	63
Wendy Alexander	9
West Information Publishing Group	8
Wilcox Miller & Nelson/Scientific Digital	205
William O'Neil & Company	32
Wilshire Associates, Inc.	1,065
Yardeni Research, Inc.	15
Yardi Systems, Inc.	30
Yield Book, Inc. (The)	45
Zeno Consulting Group	52
Zephyr Associates, Inc.	42
Total Consultant Fees	<u>\$48,707</u>

Attorneys and Master Custodian (Dollars in Thousands)

	Fees
Chapman and Cutler, LLP Special Account	\$220
Covington & Burling, LLP	203
Cox, Castle & Nicholson, LLP	271
Felderstein Fitzgerald Willoughby & Pascuzzi, LLP	158
First Amendment Coalition	7
Foster Pepper, PLLC	135
Glaser, Weil, Fink, Jacobs, Howard & Shapiro, LLP	80
Kirkpatrick & Lockhart Preston Gates Ellis, LLP	821
McDonough, Holland & Allen, PC	1
Mennemeier, Glassman & Stroud, LLP	79
Morgan Lewis & Bockius, LLP	647
Murphy Austin Adams Schoenfeld, LLP	17
Navigant Consulting, Inc.	1,750
Nolan, Armstrong & Barton, LLP	77
Nossaman, LLP	373
Pillsbury Winthrop Shaw Pittman, LLP	5,818
Quinn Emanuel Urquhart & Sullivan, LP	23
Ram & Olson, LLP	190
Remcho, Johansen & Purcell, LLP	100
Steptoe & Johnson, LLP	5,200
State Street Corporation	4,541
Total Attorney & Master Custodian Fees	\$20,711
Total Other Investment Consultants	\$69,418
Directed Brokerage Expenses	\$1,190
Miscellaneous Investment Expenses	\$52,680
Total Investment Expenses — PERF	\$649,990
Total Investment Expenses Other Funds	
SPOFF – Investment Management Fees	\$697
IRC 457 – Investment Management Fees	\$1,335
SCPF – Investment Management Fees	\$29
TOTAL INVESTMENT EXPENSES — ALL FUNDS	<u>\$652,051</u>

Note:

- 1 Difference between Total Investment Expenses – PERF in the Investment Expenses Schedule and other Investment Expenses in the Statement of Changes in Fiduciary Net Assets shown on page 36 are due to differences in reporting methods. Inflation Linked Asset Manager and Incentives Fees are netted with ILAC investment income and other ILAC expenses that are included in the Fair Value.

Consultant and Professional Services Expenses

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
22nd Century Technologies, Inc.	\$27	Systems support/desktop services for Pension System Resumption (PSR) project
Accenture, LLP	30,042	Consulting services for Pension System Resumption (PSR) project
Accuvant, Inc.	92	SR-STD-CP security review - standard
ACS Learning Services	103	Provide services, solutions, and tools for training & development
Advanced Systems Group, LLC	30	Provide equipment maintenance services
Agreeya Solutions, LLC	109	HP-UX & Linux server administration support
Alexan International, Inc.	500	Backup, restore and disaster recovery solution for Pension System Resumption (PSR) Project
Allied Network Solutions	60	Symantec control compliance suite policy & response assessment module base V10.0 - essential support
Ambire Consulting, Inc.	214	Configuration management support for Pension System Resumption (PSR) Test Environment & Enterprise Transition Management (ETM) Transition Effort & FSIP PeopleSoft Financials developer support services
ATV Video Center, Inc.	120	Audiovisual support & live presentation services
Ballard Group, The	258	Enterprise software testing supplemental support CalPERS-PeopleSoft Financials System Test SME & Customer Acceptance Test (CAT) support services
Base 3 Consulting	1,183	Management support services/lead application test analyst
Bedrosian & Associates	22	Writing/editorial services
Belmonte Enterprises, LLC	150	CDB PSR/TLOG/ACES batch application support & My CalPERS technical liaison services
Blackstone Technology Group	198	Enterprise Transition Management (ETM) project ITSB communication & change management support & filenet/content management application services
Buck Consultants, LLC	215	Degree leadership program; strategic & operational business planning
Business Advantage Consulting	98	Enterprise Transition Management (ETM) project IT transformation support & systems analyst for My CalPERS integration
California State Personnel	22	Process appeals & complaints cases
California State Teachers' Retirement System	64	Marketing, public relations campaign, event logistics & budget development
Capio Group	382	Benefit Services Division Pension System Resumption (PSR) project support & application development, test & convert data validation of PSR systems
Celer Systems, Inc.	144	Data validation of PSR data conversion
Chisoft Consultant Services, LLC	58	Pension System Resumption (PSR) architecture support & data Center liaison
Cloverleaf Solutions	77	Performance tester/application developer for web based self service applications
Coach Source, LLC	47	Leadership development
Comsys	508	IBM mainframe software support
Conference Plus	86	PowerPoint Presentation
Cornerstone Fitness, Inc.	43	Consulting services on organizational development & readiness & employee training & development
Davis Wright Tremaine, LLP	49	Provide legal services, preparation of legal opinions & representation of the Board in State & Federal Judicial & Quasi-Judicial proceedings
Dee Hansford Consulting	130	Provide consulting services & solutions in the design, development & implementation of organizational development & readiness initiatives & strategies
Delegata	3,746	Project support services for Pension System Resumption (PSR) project, Public Employer Readiness Team (PERT) project & management support services
Department of General Services	120	Evaluated Pharmacy Benefit Manager proposal
Department of Justice	171	Provide legal services on civil & employment litigations
Department of Personnel Administration	114	Labor relation services

Consultant and Professional Services Expenses (continued)

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
Dolamont Consulting, Inc.	\$919	Enterprise Transition Management (ETM) project-IT transition sup lead & test & validation of PSR Financials
Downey Brand, LLP	50	Provide legal services & analysis of Federal & State Tax Law & Employee Benefit Law
DSS Research, Inc.	103	Health plan member survey
Eagle Management Group	22	Program marketing booth
Eaton Interpreting Services	59	Interpreting service
EFI Actuaries	81	Professional actuarial auditing services
EMC Corporation	1,597	Manage data protection and operational recovery services/implementation work plan
Enclipse Corporation	292	System support/desktop services
Enterprise Networking Solutions	75	Microsoft Exchange Server 2010 Administrator Support
Entisys Solutions, Inc.	25	Renew Citrix Xenapp Platinum Edition 4.5.
Equanim Technologies	1,294	Support services for Management Information Services (MIS) Unit & project oversight for the Office of Employer & Member Health Services
Ethics Point, Inc.	39	Design a plan to outline the detailed tasks & project milestones to implement the Whistleblower Hotline.
Expressworks International, Inc.	605	Consulting services for Enterprise Transition Management (ETM) project
Funston Advisory Services	1,497	Provide services in OERM projects, stakeholder relation, document reviews & survey development
Gabriel, Roeder, Smith Co.	312	AVS consulting services
Global Access, LLC	186	Filenet/UCM Oracle database services
Health Management Associates	23	Consulting services in the negotiation of health rates
Hewlett Packard	52	Architecture services, application architect and environment support
Highlands Consulting Group	1,344	Enterprise Transition Management (ETM) Project Business Transition Support & Enterprise Transition Management (ETM) Transition and Change Readiness Assessment Support
Information Technology Software Professional	331	Programming services for Legacy mainframe applications
Informatix, Inc.	246	Public Employer Readiness Team (PERT) Technical Education/Tech Specialist
Innovative Software Technologies	372	Actuarial valuation system maintenance programming
Insight Technologies, Inc.	871	Technical support of corporate database, CDB applications/APPL development
Intersoft Systems and Programs, Inc.	38	Programming services for Legacy mainframe applications
Intraform	1,964	Printing, imaging, folding, inserting & mailing of election ballots
J & K Court Reporting, LLC	83	Transcript on Policy Subcommittee of the Investment Committee
J. A. Frasca and Associates	449	Application development, test & converted data validation of PeopleSoft
Jannice Salas Tan	68	Review & evaluate the Pharmacy Benefit Evidence of Coverage (EOC) booklets & the practices & procedures of the PBM
JLynnconsulting, Inc.	507	Pension System Resumption (PSR) data conversion & PSR blended team - application support
K & L Gates, LLP	200	Review of Caremark Agreement
Kaleidoscope Group, LLC	65	Conduct a web-based diversity awareness survey on the areas of workforce, workplace & marketplace
Kearnford Application Systems Design	1,305	Pension System Resumption (PSR) data conversion programmer/systems analyst
Kenera Consulting, Inc.	276	Project management services
Kiefer Consulting, Inc.	131	CalPERS Chief Investment Technologist
Kong Consulting, Inc.	475	PeopleSoft Financials functional support
KPMG, LLP	1,472	Independent project oversight consulting and independent verification and validation for Comet Pension System
Landor	95	Consulting services on graphic, web, interactive & environment design
LCS Technologies, Inc.	372	CalPERS Information Technology Services Branch (ITSB) PeopleSoft Human Capital Management (HCM) upgrade 9.1 project
Lincoln Crow, LLC	60	Provide services in media training, writing/editorial & marketing services
Logic House, Ltd.	149	Enterprise software testing supplemental support CalPERS-PSR sub-project G2G SCO test support

Consultant and Professional Services Expenses (continued)

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
Macias Gini O'Connell, LLP	\$470	Financial statement auditor
Mara Consulting, Inc.	37	Programming services for Legacy Mainframe Applications
Mark Fabiani, LLC	45	Provide legal services to the Board
Martin & Chapman Co.	265	Provide ballot counting services for Board elections plus runoff elections
Mary Lynne Strupp	34	Resolve specific pharmacy claim issues
Maximus Federal Services, Inc.	60	Provide independent medical reviews
Maximus/Center for Health Dispute Resolution	81	Review member medical claim appeals
McKinsey & Company, Inc.	5,602	Strategic management & business consulting services
Mercer Health And Benefits	407	Actuarial consulting for health program
Metavista Consulting Group	195	Enterprise Transition Management (ETM) analyst for Project Transition Management
Michael D. Sheehan Associates, Inc.	46	Media training; on-camera training & practices & speech presentation skills
Michael Strategic Analysis	59	Survey & research services
Milliman, Inc.	25	Consulting services for Healthcare Management
Mindstorm	130	Video & web design services
Monarch Enterprises, Inc.	47	Pension System Resumption (PSR) Application Development
Moore Wallace Business Communications Services	581	Open enrollment processing services
National Data Services	124	Vendor services
Nexlevel Information Technology, Inc.	155	Management support services-Business Analyst Public Employer Readiness Team (PERT) planning and project
North Highland Company	53	Enterprise Transition Management (ETM) organizational change
Ogilvy Public Relations	68	Media training
Online Video Service, Inc.	47	Provide services on web streaming, casting, hosting & archival service skills
Other	149	
PA Consulting Group, Inc.	342	Strategic & operational business planning & management analysis
Pacific Business Group on Health	34	Internet-based health plan chooser tool, management and maintenance services
Pacific Satellite Connection, Inc.	60	Video production
Parent - PAOF Pool Contracts	100	Parent contract PAOF online services usability and user experience pool
Parent PAOF Design Services and Brand	100	Provide graphic design, branding, website design, strategy & communication
Pasanna Consulting Group, LLC	360	Developer for My CalPERS integration
Paul, Hastings, Janofsky, Walk	47	Legal services to the Board
Performance Technology Partners, LLC	1,069	User experience designer for self-service applications
Pillsbury Winthrop Shaw Pittman, LLP	368	Legal services on CalPERS investment in real estate assets & other legal services
PM/CM Services, Inc.	43	Construction project management services
Princeton Solutions Group, Inc.	70	Technical specialist enterprise technical architecture/infrastructure
Reed Smith, LLP	604	Litigation & non-litigation counseling services
Regents of the University of California	117	Provide staff & progressive leadership training services
Reinhart Boerner Van Deuren S.C.	33	Litigation & non-litigation counseling services
Renaissance Esmeralda Resort & Spa	200	Provide facilities & services for CalPERS educational forum
Results Group	197	Consulting services for organizational & leadership development; strategic & operational business planning; performance management & program evaluation & management analysis
Russbo, Inc.	474	Pension System Resumption (PSR) project: senior advisor, employer technical readiness

Consultant and Professional Services Expenses (continued)

(Dollars in Thousands)

Individual or Firm	Fees	Nature of Service
Saba Software, Inc.	\$100	SABA Learning Management System
Saber Software, Inc.	58	Architecture services technical specialist application architect and environment support
Sapphire Technologies, Inc.	71	FSIP Oracle database services
SAS International, Inc.	157	Application server administration services. 7.9.A APP server
Segula Technologies	127	FSIP PeopleSoft Financials System administration/security support
Senn-Delaney Leadership	82	Strategic planning & training
Shaw Valenza, LLP	105	Litigation counseling services
Shooting Star Solutions, LLC	254	Risk Assessment & Management Plan (RAMP) assistance to the Information Security Office (ISOF)
Siemens Communications, Inc.	74	Speech recognition software provisioning, speech application development & systems integration
Sign Language Interpreting Service Agency	50	Interpreting services
Softsol Technologies, Inc.	271	Data validation of PSR data conversion
SRI Infotech, Inc.	65	FSIP Oracle database services
Staff Tech, Inc.	118	FSIP PeopleSoft Financials Developer, 1st, & CAT support
Stanfield Systems, Inc.	82	Enterprise Transition Management (ETM) project management support services
State Controller's Office	5,378	Claims schedule processing
State Personnel Board	62	Provide workforce analysis; exam & selection services; test validation & construction services
Stephoe & Johnson, LLP	4,953	Provide legal services & preparation of legal opinions
Suzanne Stone Freelance Services	25	Freelance services
T5 Consulting	79	CDB PSR / participant application support
Take 1 Productions	105	Consultation & creative concepts for video & multimedia presentations
Technisource, Inc.	87	CalPERS ACES Databases
Technology Crest Corporation	171	Developer for My CalPERS integration
Thomson Reuters	1,669	Health care business intelligence
Trinity Technology Group, Inc.	512	Application architecture - integration services Java Caps migration effort
Two Shea Consulting, Inc.	157	Annual member statement process: PSR CAT testing and implementation support (statements and service credit purchase)
Vantage Consulting Group, Inc.	748	Application architecture-integration services/technology
Viaspire	95	Communication services
Visionary Integration, LLC (VIP)	1,300	Enterprise software testing supplemental support
Wallrich Landi Integrated Marketing Communications	30	Public Affairs services
Wright On-Line Systems	168	Financial Oracle database services
TOTAL CONSULTANT & PROFESSIONAL SERVICES EXPENSES	<u>\$87,337</u>	

Statement of Changes in Assets and Liabilities — Agency Funds

For the Year Ended June 30, 2011 (Dollars in Thousands)

	RBF			Balance June 30, 2011
	Balance June 30, 2010	Additions	Deductions	
ASSETS				
General Cash	\$1	\$15,027	\$15,028	\$0
Retirement Contribution Receivable	175	7,752	7,830	97
Interest & Dividends Receivable	5	6	5	6
Surplus Money Investment Fund	3,056	7,973	7,195	3,834
TOTAL ASSETS	\$3,237	\$30,758	\$30,058	\$3,937
LIABILITIES				
Due to Other Funds	\$82	\$89	\$171	\$0
Other Program Liabilities	3,155	7,868	7,086	3,937
TOTAL LIABILITIES	\$3,237	\$7,957	\$7,257	\$3,937

	CRF			Balance June 30, 2011
	Balance June 30, 2010	Additions	Deductions	
ASSETS				
General Cash	\$1,032	\$2,368,055	\$2,369,087	\$0
Surplus Money Investment Fund	225,985	1,975,655	1,945,847	255,793
Due From Federal Government	0	56,117	56,117	0
Public Agency Receivables:				
Active	322	1,701,554	1,700,801	1,075
Retired	69	397,490	397,512	47
TOTAL ASSETS	\$227,408	\$6,498,871	\$6,469,364	\$256,915
LIABILITIES				
Premiums Due to Carriers:				
Active	\$0	\$1,700,996	\$1,700,996	\$0
Retired	3,377	398,590	399,384	2,583
Liabilities - Affordable Care Act	0	56,117	56,117	0
Health Premium Claims Filed:				
Active	120,125	1,523,625	1,509,955	133,795
Retired	27,854	369,467	364,534	32,787
Due to HCF:				
Active	38,179	482,518	478,393	42,304
Retired	21,254	277,241	274,200	24,295
Due to Public Agency:				
Active	15,378	18,540	15,378	18,540
Retired	1,241	2,611	1,241	2,611
TOTAL LIABILITIES	\$227,408	\$4,829,705	\$4,800,198	\$256,915

Investment Section

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Chief Investment Officer's Letter

June 30, 2011

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, 2011. The CalPERS Fund earned a net 21.7 percent return this fiscal year, with the market value of the Fund climbing to \$239.3 billion. The returns mark the strongest annual performance in 14 years for the Fund and the second straight fiscal year we've exceeded our long-term annualized earnings target of 7.75 percent. We have averaged a net return on investments of 8.4 percent over the past 20 years.

Our total Global Equity portfolio increased 30.2 percent, exceeding its benchmark by 9 basis points. Global Fixed Income grew by 7 percent, beating its benchmark by 1.4 percentage points, and the Alternative Investment Management Program (private equity) surpassed its benchmark by nearly 5 percentage points with a 25.3 percent return. Commodities, infrastructure, forestland, and inflation-linked bonds grew a combined 13.6 percent in the fiscal year, exceeding its benchmark by 6 percentage points.

The determined effort by our real estate staff to restructure the portfolio following the financial downturn had a strong impact, with real estate gaining 10.2 percent in the fiscal year as valuations continued to stabilize. The CalPERS Board adopted a new strategy for real estate in February 2011 that focuses primarily on core, income-generating properties. The plan calls for investing at least 75 percent of the portfolio mainly in retail, office, industrial and multi-family housing properties in the United States over the next several years. Most new commitments will go to long-term partners managing exclusive CalPERS real estate accounts. The portfolio

also will have an international growth and income sector in emerging markets.

We successfully completed several important initiatives. During this past fiscal year, the CalPERS Board adopted a new risk-based asset allocation structure that positions us to better manage the Fund in varying market conditions. The strategy focuses on such key drivers of risk and return as economic growth, inflation, liquidity and interest rates. CalPERS staff will use the new risk-based allocation structure as they review asset allocation decisions and evaluate investment opportunities.

The Investment Office cut operational costs over the past year by more than \$350 million, led by reductions in management fees charged by investment partners and managers. And our Corporate Governance program helped develop and launch the Diverse Director DataSource, a new resource that shareowners, companies and other organizations can use to recruit individuals whose experience, skills and knowledge qualify them to be a candidate for a board director's seat.

Finally, we continue to invest in our home state of California. At the close of the fiscal year, we had approximately \$23.5 billion invested or committed to businesses here.

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, 2011)

	Book Value	Market Value	% of Investments at Market Value
CASH EQUIVALENTS & RECEIVABLES/PAYABLES			
Domestic Cash Equivalents			
Cash Equivalents	\$5,999,134,670	\$5,999,540,171	2.51%
State Pooled Money Investment Fund	1,245,535,000	1,245,535,000	0.52
Total Domestic Cash Equivalents	\$7,244,669,670	\$7,245,075,171	3.03%
International Cash Equivalents			
International Currency	\$610,698,091	\$613,957,668	0.26%
Total International Cash Equivalents	\$610,698,091	\$613,957,668	0.26%
Net Investment Receivables/Payables	\$94,710,359	\$94,710,359	0.04%
TOTAL CASH EQUIVALENTS & RECEIVABLES/PAYABLES	\$7,950,078,120	\$7,953,743,198	3.33%
DEBT SECURITIES			
Domestic Debt Securities			
Asset-Backed	\$3,198,228,369	\$3,105,706,559	1.30%
Corporate	25,446,205,384	37,332,041,526	15.60
U.S. Treasuries & Agencies	8,310,911,755	8,249,912,106	3.45
Swaps	3,927,278	6,380,629	—
Mortgage-Backed Securities			
CMO	336,371,754	249,395,467	0.10%
FHLMC	294,654	254,813	—
FNMA	180,969,933	197,780,541	0.08
GNMA I/GNMA II	7,793,071	7,944,372	—
Domestic Debt Securities	\$37,484,702,198	\$49,149,416,013	20.53%
International Debt Securities	\$3,672,114,699	\$3,916,972,268	1.64%
TOTAL DEBT SECURITIES	\$41,156,816,897	\$53,066,388,281	22.17%
EQUITY			
Domestic Equity & Options	\$37,804,926,454	\$56,291,015,623	23.51%
International Equity & Options	\$52,953,090,124	\$60,440,409,443	25.25%
Alternative Investment Management Program			
Corporate Restructuring	\$16,970,051,147	\$18,799,978,565	7.85%
Distressed Securities	3,157,994,896	4,233,429,582	1.77
Expansion Capital	3,995,162,183	4,025,816,877	1.68
Mezzanine Debt	268,508,714	255,511,352	0.11
Secondary Interest	396,656,984	565,989,862	0.24
Special Situation	2,276,549,434	3,204,657,670	1.34
Venture Capital	4,088,788,536	3,313,529,949	1.38
Total Alternative Investment Management Program	\$31,153,711,894	\$34,398,913,857	14.37%
TOTAL EQUITY	\$121,911,728,472	\$151,130,338,923	63.13%
INFLATION-LINKED ASSETS CLASSES	\$7,210,370,463	\$8,126,757,677	3.39%
REAL ESTATE PROGRAMS			
Core			
Domestic Real Estate	\$5,151,338,831	\$6,442,108,340	2.69%
Non-Core			
Domestic Real Estate	12,558,972,357	9,693,720,406	4.05
International Real Estate	2,908,336,089	2,971,117,434	1.24
TOTAL REAL ESTATE PROGRAMS	\$20,618,647,277	\$19,106,946,180	7.98%
TOTAL INVESTMENT VALUE	\$198,847,641,229	\$239,384,174,259	100.00%

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 2010-11 were 30.2 percent and 30.0 percent, respectively. CalPERS uses the FTSE US TMI 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 28.3 percent for the 2010-11 fiscal year, compared to a return of 23.9 percent for fiscal year 2009-10. 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 6.4 percent, and international debt securities returned approximately 15.8 percent for the 2010-11 fiscal year, compared to 21.7 percent and 7.4 percent, respectively for fiscal year 2009-10. CalPERS benchmark returns were 4.9 percent and 14.0 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 2010-11 was 20.5 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.

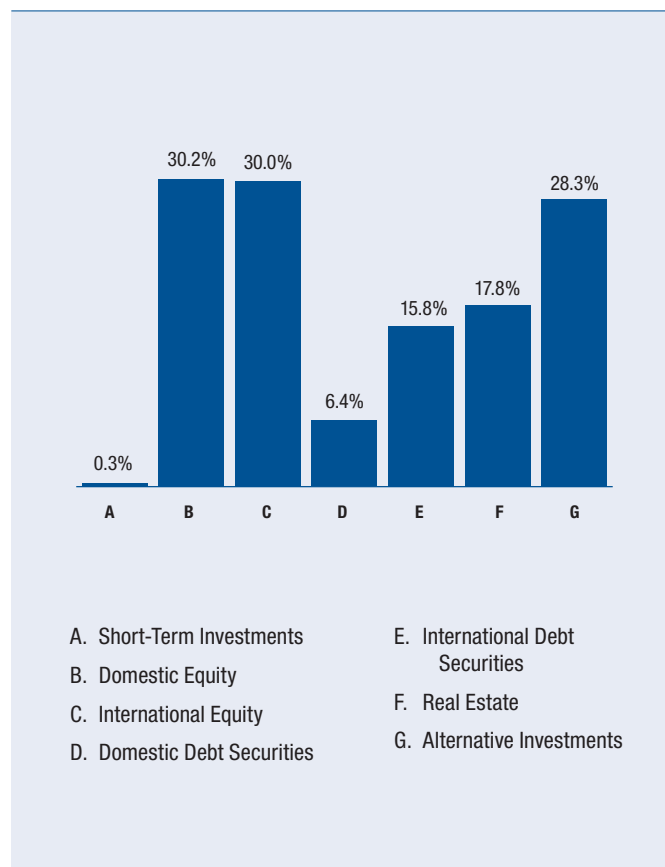
Short-term investments returned approximately 0.3 percent for the 2010-11 fiscal year, remaining steady from fiscal year 2009-10. CalPERS uses the SSGA Custom STIF as a benchmark for short-term investments.

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, 2011.

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 2011 *Operations Summary*, and on the CalPERS website at 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
TOTAL FUND	21.7%	1.5%	3.4%	5.4%	Asset Allocation Policy Index ¹	21.8%	4.9%	5.8%	6.3%
					Actuarial Rate	7.8%	7.8%	7.8%	7.8%
					Trust Universe Comparison Service (TUCS) Public Fund Median	22.0%	3.7%	4.9%	5.7%
					Wilshire Large Fund Universe Median	22.3%	3.5%	4.9%	5.8%
Domestic Equity	30.2%	3.8%	3.5%	3.6%	FTSE US TMI	32.0%	3.8%	3.4%	3.5%
International Equity	30.0%	(0.1%)	3.6%	7.5%	FTSE All World ex U.S. Index	30.5%	0.4%	4.3%	7.8%
Alternative Investments/ Private Equity	28.3%	5.6%	9.6%	8.4%	Wilshire 2500 +3% and Custom Young Fund Policy Index ²	32.1%	7.7%	10.8%	6.3%
Total Equity	30.2%	2.1%	3.3%	4.8%					
Domestic Debt Securities	6.4%	9.4%	8.4%	7.5%	Barclays Long Liability Index	4.9%	8.0%	7.7%	6.9%
International Debt Securities	15.8%	8.2%	8.7%	9.3%	Barclays International Fixed Income	14.0%	6.4%	7.7%	8.7%
Total Debt Securities	7.0%	9.2%	8.4%	7.7%					
Real Estate	17.8%	(18.5%)	(11.3%)	2.4%	NCREIF FTSE Custom Index ³	20.5%	0.2%	5.2%	8.6%
Cash Equivalents	0.3%	0.7%	2.4%	2.4%	Custom Short-Term Investment Fund ⁴	0.3%	0.6%	2.3%	2.3%

Notes:

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

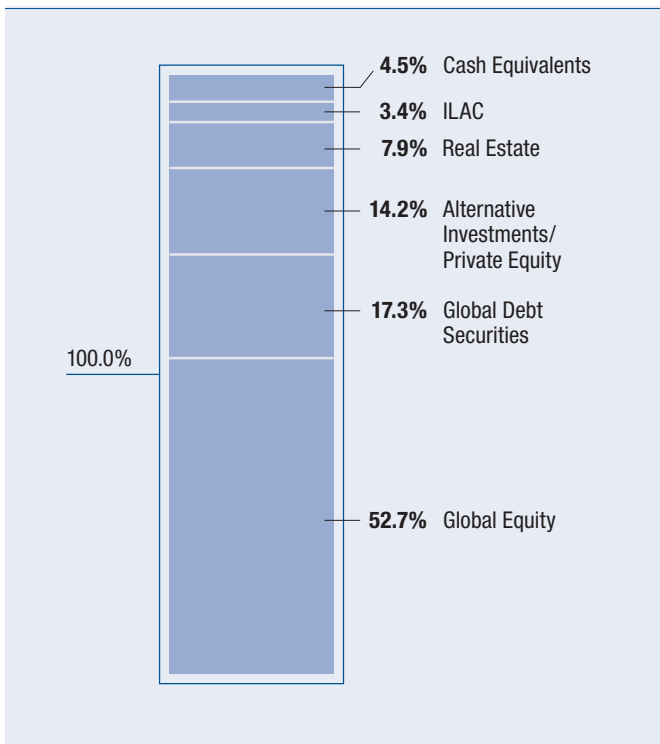
Asset Allocations – PERF (Dollars in Billions)

Asset Class	Current Allocation ¹	Current Year Target	Prior Year Target
CASH EQUIVALENTS	4.5%	2.0%	2.0%
GLOBAL DEBT SECURITIES	17.3%	21.0%	22.5%
EQUITY	52.7%	49.0%	49.0%
ALTERNATIVE INVESTMENTS/PRIVATE EQUITY	14.2%	14.0%	13.0%
INFLATION LINKED (ILAC)	3.4%	4.0%	3.5%
REAL ESTATE	7.9%	10.0%	10.0%
TOTAL FUND	100.0%	100.0%	100.0%

Notes:

- ¹ 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.
- ² Differences between investment values above and the values on the Summary of Investments on page 91 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
EQUITY	
Domestic Equity	\$7,804.7
International Equity	30.7
TOTAL EQUITY	\$7,835.4
FIXED INCOME	
Domestic Fixed Income	\$4,746.8
International Fixed Income	—
TOTAL FIXED INCOME	\$4,746.8
INFLATION LINKED	\$68.4
REAL ASSETS	\$4,110.4
ALTERNATIVE INVESTMENT MANAGEMENT	\$3,892.3
TOTAL CALIFORNIA INVESTMENTS	\$20,653.3

Largest Stock & Bond Holdings at Market Value – PERF

Largest Stock Holdings (Dollars in Thousands)

Rank	Security Name	Shares	Market Value
1	Exxon Mobil Corporation	14,372,286	\$1,169,616,635
2	Apple, Inc.	2,551,781	856,556,328
3	Nestle SA Reg	10,289,408	638,505,425
4	Microsoft Corporation	24,465,971	636,115,246
5	Chevron Corporation	5,715,955	587,828,812
6	General Electric Corporation	30,729,920	579,566,291
7	International Business Machines Corporation	3,319,971	569,541,025
8	AT&T, Inc.	17,217,988	540,817,003
9	Johnson and Johnson	7,750,809	515,583,815
10	Procter and Gamble Company	7,804,271	496,117,507

Largest Bond Holdings (Dollars in Thousands)

Rank	Bond	Par Value	Market Value
1	United States Treasury 2.625% 2020/11/15	\$4,039,168,280	\$3,903,134,471
2	United States Treasury 4.25% 2040/11/15	2,391,438,506	2,350,611,841
3	United States Treasury 2% 2016/04/30	1,972,735,285	2,009,281,814
4	United States Treasury 3.875% 2040/08/15	797,868,224	742,163,467
5	United States Treasury 1.25% 2014/04/15	516,931,886	549,173,361
6	United States Treasury 3.625% 2028/04/15	380,712,417	504,313,599
7	United States Treasury 2% 2026/01/15	435,394,559	479,821,788
8	United States Treasury 1.125% 2021/01/15	446,917,977	466,346,018
9	Citigroup Commercial Mortgage Trust 5.7936% 2017/03/24	396,745,250	438,079,863
10	United States Treasury 4.25% 2039/05/15	400,130,432	394,674,849

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, Corp.	5,646,040	\$119
ABG Securities, Ltd.	640,812	14
ABN Amro Asia, Ltd.	3,275,934	21
ABN Amro Bank NV, Hong Kong	28,836,140	98
Altrushare Securities, LLC	14,256,119	210
Aviate Global, LLP	3,572,307	30
Avondale Partners, LLC	433,579	18
Baird, Robert W., and Company, Inc.	1,074,478	36
Banco De Investimentos Credit	600,751	23
Banco Itau SA	5,846,900	140
Banco Pactual SA	3,082,543	84
Banco Santander Central Hispano	2,117,140	62
Bank of China	9,299,380	21
Barclays Capital	11,228,098	108
Barclays Capital Inc./LE	16,122,637	182
Barclays Capital LE	30,492,709	346
Bley Investment Group	15,179,287	216
Bloombergtradebook, LLC	888,490	18
BMO Capital Markets	2,227,769	69
BNP Equities France	8,488,050	80
BNP Paribas Peregrine Securities	97,997,444	326
BNP Paribas Peregrine Securities, PT	32,117,250	39
BNP Paribas Securities Services	4,582,033	29
BNY Brokerage	989,436	35
BNY Convergenx	56,650,298	921
BNY Convergenx, LJR	5,575,050	171
Bradesco SA CTVM	514,500	16
Brochhouse Cooper	925,155	13
Brockhouse and Cooper, Inc.	1,514,159	20
Brockhouse and Cooper, Inc., Montreal	11,807,678	70
Cabrera Capital Markets	10,181,249	157
Canaccordgenuity, Inc.	1,117,169	47
Cantor Fitzgerald and Company/ CastleOak Sec.	3,731,860	47
Cantor Fitzgerald and Company	31,884,612	511
Capital Institutional Svcs. Inc., Equities	1,101,280	41
Chase Manhattan Bank	2,013,827	35
Cimb-Gk Securities Pte., Ltd.	3,817,638	22
Citation Group	1,975,998	66
Citigroup Global Markets CME	14,455	34
Citigroup Global Markets, Inc. Salomon Brothers	1,842,475	1,081
Citigroup Global Markets India	16,149,588	193
Citigroup Global Markets, Inc.	246,558,238	1,781
Citigroup Global Markets, Ltd.	46,387,244	514
Citigroup Global Market Korea Secs., Ltd.	598,126	127
Citigroup Global Markets UK Equity, Ltd.	9,605,082	37
CLSA Securities Malaysia SDN BHD	1,897,500	15
CLSA Singapore PTE, Ltd.	75,516,161	198
Collins Stewart and Company	2,010,555	88
Commerce Intl. Merchant Bankers	3,832,100	27
Cowen and Company, LLC	1,340,137	46
Credit Agricole Indosuez Cheuvreux	5,903,558	91
Credit Lyonnais Securities (Asia)	40,151,377	160

Broker	Number of Shares Traded	Base Commission & Fees Amount
Credit Lyonnais Securities (USA), Inc.	59,226,007	\$190
Credit Lyonnais Securities India	4,040,312	58
Credit Suisse First Boston	36,786,442	96
Credit Suisse First Boston (Europe)	65,846	17
Credit Suisse First Boston SA CTVM	5,600,423	120
Credit Suisse Secs India Private, Ltd.	6,445,912	55
Credit Suisse Securities (Europe), Ltd.	90,867,485	688
Credit Suisse Securities (USA), LLC	329,286,383	1,646
CS First Boston (Hong Kong), Ltd	56,887,281	135
CSFB Australia Equities, Ltd.	1,672,846	17
Daewoo Securities Company, Ltd.	1,652,365	56
Daiwa Securities (HK), Ltd.	11,364,997	58
Daiwa Securities America, Inc.	1,220,327	27
DBS Vickers Securities (Singapore)	3,681,900	21
Deutsche Bank AG	21,020,700	41
Deutsche Bank AG London	152,376,172	360
Deutsche Bank Securities, Inc.	439,315,346	1,270
Deutsche Eq In Prvt LIM DB	1,552,182	46
Deutsche Morgan Grenfell Secs	2,786,225	36
Deutsche Securities Asia, Ltd.	110,213,174	361
Direct Access Partners, LLC	301,095	18
DNB NOR Markets Custody DNB Norbank Asa	1,118,930	20
Dongwon Securities	111,270	19
DSP Merrill Lynch, Ltd.	5,847,156	111
Dundas Unlu Securities, Inc.	3,248,199	40
EFG Istanbul Menkul De Eriker Anonim SIR	3,536,857	51
Enam Securities Pvt., Ltd.	489,009	16
Euroclear Bank SA, NV	171,233	15
Exane SA	772,130	28
Execution Limited	844,200	17
Fator - Doria Atherino SA, CV	621,684	17
Fidelity Capital Markets	1,082,114	30
Financial Brokerage Group (FBG)	1,599,346	20
Friedman Billings and Ramsey	598,582	24
Fubon Securities Company, Ltd.	7,171,820	23
G Trade Services, Ltd.	10,145,943	42
Garantia DTVM SA	1,123,193	31
Gardner Rich and Company	1,622,511	43
Gk Goh Ometraco PT	11,940,900	35
Goldman Sachs (Asia), LLC	21,836,421	99
Goldman Sachs (India)	1,789,251	15
Goldman Sachs and Company	861,358,397	2,561
Goldman Sachs, CME	239,938	441
Goldman Sachs Do Brasil Corretora	1,053,328	36
Goldman Sachs International	42,214,183	460
Goodbody Stockbrokers	145,628	26
Great Pacific Securities, Inc.	25,361,773	339
Guzman and Company	33,519,635	549
Hoare Govett (India) Securities Pvt, Ltd.	281,358	16
Hongkong and Shanghai Banking, Corp.	767,469,577	260
HSBC Bankbrasil SA Banco Multiplo	2,530,809	57
HSBC Bankplc	50,368,484	417
HSBC Brokerage (USA), Inc.	1,762,577	64
HSBC Securities (USA), Inc.	43,083,586	124

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

Broker	Number of Shares Traded	Base Commission & Fees Amount
HSBC Securities, Inc.	24,429,786	\$58
India Infoline, Ltd.	3,399,441	108
Ing Bank NV	3,970,484	59
Ing Financial Markets, LLC	513,363	17
Instinet	62,964,811	852
Instinet Australia Clearing Srvc. Pty., Ltd.	21,223,512	40
Instinet Pacific, Ltd.	151,678,944	204
Instinet UK, Ltd.	190,402,956	969
Instinet, LLC	2,799,561	35
Intermonte Securities SIM Spa	2,190,046	19
Investec Securities	4,120,026	16
Investment Technology Group, Inc.	26,117,555	371
Investment Technology Group, Ltd.	108,906,846	508
ISI Group, Inc.	615,802	21
Itau USA Securities, Inc.	1,079,251	30
ITG Australia, Ltd.	13,555,190	23
ITG Securities (HK), Ltd.	192,522,782	192
ITG, Inc.	7,618,979	118
Janney Montgomery, Scott, Inc.	737,506	30
Jefferies and Company, Inc.	13,386,536	474
JM Morganstanley Secs. Pvt., Ltd.	2,185,544	40
JMP Securities	1,035,489	41
Jonestrading Institutional Services, LLC	19,036,325	214
JP Morgan Clearing, Corp.	19,103,534	297
JP Morgan India Private, Ltd.	19,721,397	237
JP Morgan Securities (Asia Pacific), Ltd.	374,677,581	698
JP Morgan Securities (Taiwan), Ltd	22,101,446	70
JP Morgan Securities Australia, Ltd.	5,236,428	22
JP Morgan Securities Singapore	21,186,558	44
JP Morgan Securities (Far East), Ltd. Seoul	2,571,566	120
JP Morgan Securities, Inc.	38,481,400	653
JP Morgan Securities, Ltd.	78,240,077	843
Keefe Bruyette and Woods, Inc.	846,100	32
Kepler Equities Paris	379,118	20
Keybank Capital Markets, Inc.	429,123	17
Kim Eng Secs Pte., Ltd., Singapore	2,120,000	13
Kim Eng Securities	10,073,803	35
Kim Eng Securities (Thailand)	19,513,900	46
Kingsway Financial Services Group, Ltd.	6,561,093	18
Knight Clearing Services, LLC	15,244,111	175
Knight Equity Markets LP	9,068,401	133
Knight Securities	3,519,165	51
Kotak Securities, Ltd.	2,954,655	29
Larrain Vial	35,558,375	28
Lazard Capital Markets, LLC	2,002,873	57
Leerink Swann and Company	475,967	16
Liquidnet, Inc.	6,286,297	120
Loop Capital Markets	3,043,421	68
Loop Capital Mkts, LLC	896,188	27
M Ramsey King Securities, Inc.	45,430,838	679
Macquarie Bank, Ltd.	1,694,556	49
Macquarie Capital (Europe), Ltd.	834,619	13
Macquarie Equities, Ltd. (Sydney)	107,769,190	191
Macquarie Securities (India) Pvt., Ltd.	5,082,895	106

Broker	Number of Shares Traded	Base Commission & Fees Amount
Macquarie Securities (Singapore)	63,724,082	\$150
Macquarie Securities, Ltd.	357,609,114	730
Macquarie Securities, Ltd. Seoul	4,296,617	183
Main First Bank De	364,673	20
Merrill Lynch International	56,331,487	607
Merrill Lynch Peirce Fenner and Smith	455,855,300	1,886
Merrill Lynch Professional Clearing, Corp.	998,696	28
Mirae Asset Hong Kong, Ltd.	2,750,800	16
Mischler Financial Group, Inc.-Equities	2,391,930	65
Mizuho Sec Asia, Ltd.	2,194,997	16
Mizuho Securities USA, Inc.	2,355,967	18
Mogavero Lee and Company, Inc.	23,592,864	354
Morgan Keegan and Company, Inc.	844,379	31
Morgan Stanley and Company International	60,741,201	293
Morgan Stanley and Company, International Taipei Metro	125,377,613	193
Morgan Stanley Company, Inc.	404,379,650	2,313
Motilal Oswal Securities, Ltd.	2,675,929	118
Mr. Beal & Company	881,611	22
National Financial Services, Corp.	6,095,764	94
Nbc Clearing Services, Inc.	568,021	17
Needham and Company	769,491	30
Nesbitt Burns	887,618	29
Nomura Financial Advisory and Securities India	23,105,267	321
Nomura Financial and Investment	247,734	18
Nomura International (Hong Kong), Ltd.	45,182,939	39
Nomura International PLC	98,985,475	437
Nomura Securities	29,505,521	22
Nomura Securities Company, Ltd.	20,680,187	22
Nomura Securities International, Inc.	318,860,953	580
Nordic Partners	956,897	15
North South Capital, LLC	511,294	16
Numis Securities, Inc.	1,439,150	29
Oppenheimer and Company, Inc.	1,467,725	61
Pacific American Securities, LLC	630,197	15
Pacific Crest Securities	325,201	14
Panmure Gordon and Company, Ltd.	2,801,462	15
Pareto Fonds	789,500	22
Penserra Securities, LLC	58,088,306	336
Pershing LLC	46,020,550	482
Pershing Securities, Ltd.	707,989	19
Pipeline Trading Systems, LLC	3,677,990	78
Piper Jaffray	2,918,565	90
Pulse Trading, LLC	906,436	23
Rabobank Netherlands	1,937,786	49
Raymond James and Associates, Inc.	964,072	37
RBC Capital Markets	13,130,000	250
RBC Dominion Securities	59,475,192	381
Redburn Partners LLP	1,280,447	19
Renaissance Securities (Cyprus), Ltd.	718,843	25
Ridge Clearing and Outsourcing Solutions	2,634,670	56
Robert and Company, LLC	12,032,839	134
Roberts and Ryan Investments, Inc.	1,817,839	54
Robotti and Company, LLC	2,746,539	37

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

Broker	Number of Shares Traded	Base Commission & Fees Amount
S.S. Kantilal Ishwarlal Securities	1,079,130	\$23
Salomon Smith Barney Inc.	164,848,295	258
Samsung Securities Company, Ltd.	213,736	44
Sanders Morris Harris	1,867,804	14
Sanford C. Bernstein Company, LLC	13,700,808	150
Sanford C. Bernstein, Ltd.	15,199,327	127
Seslia Securities	56,421,227	820
SG Americas Securities, LLC	9,995,468	128
SG Asia Securities (Inoia) Pvt., Ltd.	3,451,821	14
Sg Securities HK	51,422,453	159
Sidoti and Company, LLC	754,533	30
SJ Levinson and Sons, LLC	1,096,829	22
Skandinaviska Enskilda Banken London	7,419,662	112
Smifs Securities, Ltd.	3,958,518	104
Societe Generale Bank and Trust	128,449	21
Societe Generale London Branch	23,890,635	240
Standard Chartered Bank	5,832,500	21
Standard Chartered Bank (Hong Kong), Ltd.	9,288,000	18
Stephens, Inc.	1,479,901	53
Sterne, Agee and Leach, Inc.	470,118	17
Stifel Nicolaus and Company, Inc.	3,165,192	103
Stuart Frankel and Company, Inc.	59,906,415	757
Sturdivant and Company, Inc.	2,646,196	40

Broker	Number of Shares Traded	Base Commission & Fees Amount
Svenska Handelsbanken	1,071,872	\$20
Tera Menkul Degerler A.S	5,331,319	33
The Royal Bank of Scotland NV UK Equities	1,723,883	42
Thinkequity Partners, LLC	431,516	16
UBS Ag	170,628,752	979
UBS Ag London	3,139,328	35
UBS Securities Asia, Ltd.	48,173,208	170
UBS Securities Pte., Ltd., Seoul	294,409	18
UBS Securities, LLC	127,041,579	1,279
UBS Warburg, LLC	2,115,226	20
Unx, Inc.	14,224,069	209
VTB Bank Europe, Plc.	3,917,999	90
Wedbush Morgan Securities, Inc.	473,852	20
Weeden and Company	42,765,374	570
Wells Fargo Securities, LLC	755,056	21
William Blair and Company, LLC	1,802,504	71
William Smith Securities	37,025,277	380
WJ Bonfanti, Inc.	656,376	29
Woori Investment Securities	287,074	21
Yuanta Core Pacific Securities	12,531,370	54
Various	135,331,236	1,126
TOTAL	9,218,824,912	\$48,948

Schedule of Fees & Costs for Private Equity Partners – PERF

Fund Name	2010 Fees & Costs ¹
1818 Fund II, LP	\$11,837
57 Stars Global Opportunities Fund 2, LLC	4,339,511
57 Stars Global Opportunities Fund, LLC	2,639,648
Aberdare Ventures IV, LP	1,164,524
Aberdere Ventures III, LP	465,882
Acon-Bastion Partners II, LP	1,249,029
Advent Global Private Equity IV, LP	36,017
Advent International GPE V	754,084
Advent International GPE VI, LP	8,982,992
Advent Japan Private Equity Fund, LP	3,362,105
Advent Latin America Private Equity Fund IV, LP	2,658,832
Advent Latin American Private Equity Fund III	785,991
Advent Latin American Private Equity Fund V	2,738,285
Affinity Asia Pacific Fund III, LP	2,686,729
Aisling Capital II, LP	1,074,931
Aisling Capital III, LP	1,786,792
Alta V Limited Partnership	16,784
American River Ventures I, LP	710,248
AP Investment Europe, Ltd.	708,111
Apollo Asia Opportunity Fund, LP	1,498,813
Apollo Credit Opportunities Fund, LP	1,251,994
Apollo European Principal Finance Fund, LP	2,844,862
Apollo Investment Fund III, LP	36,537
Apollo Investment Fund IV, LP	96,301
Apollo Investment Fund V, LP	1,021,649
Apollo Investment Fund VI, LP	1,488,668
Apollo Investment Fund VII, LP	9,037,184
Apollo Special Opportunities Managed Account, LP	10,566,874
Apollo/Artus Investors 2007-I, LP	2,007,330
ArcLight Energy Partners Fund II, LP	501,873
ArcLight Energy Partners III, LP	3,499,200
ArcLight Energy Partners IV, LP	3,687,250
Ares Corporate Opportunities Fund II, LP	1,467,445
Ares Corporate Opportunities Fund III, LP	4,964,238
Ares Corporate Opportunities Fund, LP	182,256
Ares Special Situations Fund, LP	1,323,992
Asia Alternatives Capital Partners II, LP	497,092
Asia Alternatives Capital Partners, LP	1,051,858
Asia Recovery Fund, LP	41,555
Audax Credit Opportunities Fund, LP	1,023,296
Audax Mezzanine Fund II, LP	1,432,587
Audax Private Equity Fund II, LP	721,854
Audax Private Equity Fund III, LP	2,354,194
Aurora Equity Partners II, LP	87,297
Aurora Equity Partners III, LP	29,324
Aurora Equity Partners, LP	201,785
Aurora Resurgence Fund, LP	6,161,223
Avenue Asia Special Situations Fund III, LP	280,130
Avenue Asia Special Situations Fund IV, LP	1,013,887
Avenue Europe Special Situations Fund, LP	2,940,000
Avenue Special Situations Fund III, LP	8,736
Avenue Special Situations Fund IV, LP	1,013,887
Avenue Special Situations Fund V, LP	6,126,012
Bank of America CA Community Venture Fund, LP	527,185

Fund Name	2010 Fees & Costs ¹
Baring Vostok Private Equity Fund IV, LP	\$1,537,632
Birch Hill Equity Partners III, LP	1,381,458
Blackstone Capital Partners II, LP	12,825
Blackstone Capital Partners III, LP	16,515
Blackstone Capital Partners IV, LP	487,946
Blackstone Capital Partners V, LP	7,520,641
Blackstone Communications Partners I, LP	886,861
Blackstone Mezzanine Partners, LP	146,347
Bridgepoint Europe II	423,154
Bridgepoint Europe III, LP	1,701,709
Bridgepoint Europe IV, LP	6,144,835
C/R Renewable Energy Infrastructure Fund I, LP	881,332
California Emerging Ventures II, LLC	775,851
California Emerging Ventures III, LLC	746,435
California Emerging Ventures IV, LLC	701,406
California Emerging Ventures, LLC	957,760
CalPERS/PCG Corporate Partners, LLC	102,903
Candover 1997 Fund	17,612
Candover 2001 Fund	441,094
Candover 2005 Fund	913,894
Candover 2008 Fund	354,945
Capital Link Fund II, LP	2,872,246
Capital Link, LLC	1,934,231
Carlyle Asia Growth Partners III, LP	1,344,238
Carlyle Asia Growth Partners IV, LP	2,736,509
Carlyle Asia Partners II, LP	2,174,441
Carlyle Asia Partners III, LP	6,005,484
Carlyle Asia Partners, LP	368,121
Carlyle Asia Venture Partners II, LP	454,381
Carlyle Europe Partners II, LP	476,637
Carlyle Europe Partners III, LP	6,081,575
Carlyle Europe Real Estate Partners, LP	213,958
Carlyle Europe Technology Partners II, LP	2,731,986
Carlyle Global Financial Services Partners, LP	2,663,880
Carlyle High Yield Partners 2008, Ltd.	353,257
Carlyle Japan International Partners II, LP	3,482,774
Carlyle Japan Partners, LP	320,111
Carlyle Mexico Partners, LP	507,427
Carlyle Partners II, LP	21,301
Carlyle Partners III, LP	108,446
Carlyle Partners IV, LP	1,601,405
Carlyle Partners V, LP	11,552,827
Carlyle Realty Qualified Partners III, LP	462,880
Carlyle Strategic Partners II, LP	1,343,588
Carlyle Strategic Partners, LP	16,765
Carlyle U.S. Growth Fund III, LP	1,619,695
Carlyle U.S. Growth III, LP	1,498,168
Carlyle Venture Partners II, LP	571,987
Carlyle/Riverstone Global Energy and Power Fund II, LP	798,476
Carlyle/Riverstone Global Energy and Power Fund III, LP	31,352
Carlyle/Riverstone Renewable Energy Infrastructure Fund I, LP	882,011
Central Valley Fund, LP, The	9,189

Note:

¹ Fees and costs for the 1-year period ending December 31, 2010.

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

Fund Name	2010 Fees & Costs ¹	Fund Name	2010 Fees & Costs ¹
China Privatization Fund (DEL), LP	\$2,726,926	Green Equity Investors IV, LP	\$417,625
Clarus Lifesciences I, LP	1,013,301	Green Equity Investors V, LP	3,267,282
Clarus Lifesciences II, LP	1,688,619	GSO Capital Opportunities Fund, LP	93,485
Clearstone Venture Partners III, LP	483,831	GSO Capital Solutions Fund, LP	331,470
Clearwater Capital Partners Fund II Holdings, LP	1,386,830	Health Evolution Partners, LLC	4,128,782
Clearwater Capital Partners Fund III, LP	4,923,196	Health Evolution Partners Growth, LP	10,943,936
Clearwater Capital Partners I, LP	973,855	Hellman & Friedman Capital Partners II, LP	3,422
Clessidra Capital Partners	612,926	Hellman & Friedman Capital Partners IV, LP	50,938
Clessidra Capital Partners II, LP	3,794,891	Hellman & Friedman Capital Partners V, LP	911,187
Coller International Partners III, LP	535,771	Hellman & Friedman Capital Partners VI, LP	11,521,972
Coller International Partners IV, LP	1,116,279	Huntsman Gay Capital Partners, LP	1,606,203
Coller International Partners V, LP	8,218,386	ICV Partners II, LP	627,788
Community Bancorp, LLC	3,482	ICV Partners, LP	1,085
Court Square Capital Partners II, LP	1,837,822	Information Technology Ventures II, LP	5,993
Craton Equity Investors I, LP	314,512	Insight Venture Partners V, LP	1,048
CVC Capital Partners Asia Pacific II, LP	813,746	Insight Venture Partners VI, LP	1,372,953
CVC Capital Partners Asia Pacific III, LP	2,201,335	Ironbridge Capital 2003/4, LP	386,221
CVC European Equity Partners II, LP	184,387	Ironbridge Fund II, LP	1,362,414
CVC European Equity Partners III, LP	42,881	KB Mezzanine Fund II, LP	6,715
CVC European Equity Partners IV, LP	1,477,048	Khosla Ventures III, LP	1,177,063
CVC European Equity Partners Tandem Fund, LP	143,460	Khosla Ventures Seed, LP	1,509,381
CVC European Equity Partners V, LP	1,255,059	KKR 2006 Fund, LP	7,338,557
CVC European Equity Partners, LP	23,825	KKR Asian Fund	6,677,350
Darby Converging Europe Mezzanine Fund, LP	837,075	KKR European Fund II, LP	4,037,324
DFJ Element, LP	455,602	KKR European Fund III, LP	4,726,217
DFJ Frontier Fund, LP	302,155	KKR European Fund, LP	130,497
Doughty Hanson & Co. Fund II	90,120	KKR Millennium Fund, LP	207,409
EM Alternatives	1,178,098	Kline Hawkes Pacific, LP	526,810
Emergence Capital Partners, LP	318,046	KM Corporate Partners Fund II	7,145,287
EnerTech Capital Partners III, LP	199,918	KPS Special Situations III, LP	2,649,942
ESP - Golden Bear Europe Fund, LP	3,034,559	Levine Leichtman Capital Partners Deep Value Fund, LP	1,388,741
Essex Woodlands Health Ventures VIII, LP	2,623,631	Levine Leichtman Capital Partners II, LP	492,067
Ethos Private Equity Fund III, LP	22,424	Levine Leichtman Capital Partners III, LP	523,311
Falconhead Capital Partners II, LP	743,674	Levine Leichtman Capital Partners IV, LP	1,272,300
Fenway Partners Capital Fund, LP	51,803	Lexington Capital Partners II, LP	84,936
First Reserve Fund IX, LP	14,298	Lexington Capital Partners III, LP	333,229
First Reserve Fund X, LP	223,718	Lexington Capital Partners IV, LP	415,229
First Reserve Fund XI, LP	4,143,818	Lexington Capital Partners V, LP	497,224
First Reserve Fund XII, LP	4,298,075	Lexington Middle Market Investors, LP	745,110
Francisco Partners II, LP	2,285,398	Lightspeed Venture Partners VII, LP	856,975
Francisco Partners, LP	150,678	Lime Rock Partners III, LP	159,135
FS Equity Partners III, LP	14,761	Lime Rock Partners IV, LP	821,322
FS Equity Partners V, LP	149,602	Lime Rock Partners V, LP	1,507,141
Garage California Entrepreneurs Fund, LP	186,058	Lion Capital Fund II, LP	2,999,314
Generation Capital Partners, LP	54,095	Lombard Asia III, LP	1,003,076
Giza Venture Fund IV, LP	140,895	Lombard Thailand Partners, LP	800,103
Gleacher Mezzanine Fund I, LP	140,975	Lombard/Pacific Partners, LP	254,749
Gleacher Mezzanine Fund II, LP	985,938	Madison Dearborn Capital Partners II, LP	13,664
Golden State Investment Fund, LLC	2,019,241	Madison Dearborn Capital Partners III, LP	19,946
Granite Global Ventures II, LP	52,894	Madison Dearborn Capital Partners IV, LP	506,480
Granite Global Ventures III, LP	1,396,330	Madison Dearborn Capital Partners V, LP	1,275,218
Green Capital Partners (GCP) California Fund, LP	108,549	Madison Dearborn Capital Partners, LP	7,832
Green Credit Investors, LP	397,183	Magnum Capital, LP	2,925,644
Green Equity Investors III, LP	1,666		

Note:

¹ Fees and costs for the 1-year period ending December 31, 2010.

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

Fund Name	2010 Fees & Costs ¹	Fund Name	2010 Fees & Costs ¹
Markstone Capital Partners, LP	\$828,892	Silver Lake Partners III, LP	\$33,360
MHR Institutional Partners II, LP	400,893	Silver Lake Partners, LP	4,437
MHR Institutional Partners III, LP	5,311,603	Silver Lake Sumeru Fund, LP	3,104,063
New Enterprise Associates 12, LP	635,347	SpaceVest Fund, LP	14,904
New Mountain Partners II, LP	1,501,324	T3 Partners II, LP	84,468
New Mountain Partners III, LP	6,719,913	TA Subordinated Debt Fund II, LP	577,419
Newbridge Asia III, LP	272,334	TA X, LP	2,251,858
Newbridge Asia IV, LP	1,694,928	Tailwind Capital Partners, (PP) LP	1,652,716
NGEN II, LLC	238,562	TCW Special Credits Fund V - The Principal Fund	4,118
Nogales Investors Fund I, LP	430,761	Technology Partners Fund V, LP	3,437
Nogales Investors Fund II, LP	350,891	Technology Partners Fund VI, LP	158,648
Oak Hill Capital Partners II, LP	941,025	Thomas H. Lee Equity Fund V, LP	3,734,046
Oak Hill Capital Partners III, LP	6,228,748	Thomas H. Lee Equity Fund VI, LP	3,016,745
Oaktree Capital Management (OCM) Opportunities Fund, LP	41,083	TowerBrook Investors II, LP	2,966,294
Opportunity Capital Partners IV, LP	145,321	TowerBrook Investors III, LP	5,671,434
Pacific Community Ventures Investments Partners II, LP	230,739	TowerBrook Investors, LP	136,060
Palladium Equity Partners III, LP	3,795,488	TPG Asia V, LP	6,716,107
Parish Capital I, LP	503,237	TPG Biotechnology Partners II, LP	1,755,627
Parish Capital II, LP	613,242	TPG Biotechnology Partners III, LP	2,086,747
PCG Clean Energy & Technology	933,595	TPG Biotechnology Partners, LP	563,545
Permira Europe I	7,751	TPG Credit Strategies, LP	137,179
Permira Europe III	1,213,428	TPG Partners III, LP	170,112
Permira IV Continuing, LP 2	537,011	TPG Partners IV, LP	203,983
Permira U.K. Venture IV	14,518	TPG Partners V, LP	2,417,952
Perseus-Soros Biopharmaceutical Fund, LP	256,175	TPG Partners VI, LP	11,734,958
Pharos Capital Partners II-A, LP	333,948	TPG STAR, LP	3,286,726
Pinnacle Ventures II-B, LP	751,683	TPG Ventures, LP	3,893,594
Polish Enterprise Fund IV, LP	155,046	Tricor Pacific Capital Partners IV, LP	1,884,400
Polish Enterprise Fund V, LP	924,759	Trinity Ventures IX, LP	510,741
Polish Enterprise Fund VI, LP	2,786,876	TSG Capital Fund III, LP	134,181
Prospect Venture Partners II, LP	1,306,148	VantagePoint CleanTech Partners, LP	23,420
Prospect Venture Partners III, LP	1,085,124	VantagePoint Venture Partners 2006 (Q), LP	2,063,720
Providence Equity Partners V, LP	857,683	Vicente Capital Partners Growth Equity Fund, LP	693,336
Providence Equity Partners VI, LP	4,635,474	W Capital Partners II, LP	2,931,811
Q Street/Century LLC (Ares CLO)	13,270,682	W Capital Partners, LP	247,783
Quadrangle Capital Partners II, LP	1,769,244	Wayzata Opportunities Fund II, LLC	3,184,301
Resolute Fund II, The	2,899,698	Wayzata Opportunities Fund, LLC	883,077
RFG Private Equity, LP No.1	155,292	Welsh, Carson, Anderson & Stowe IX, LP	358,673
Rhône Partners III, LP	2,427,809	Welsh, Carson, Anderson & Stowe VI, LP	9,251
Richardson Capital Private Equity, LP No. 2	244,245	Welsh, Carson, Anderson & Stowe VII, LP	15,768
Ripplewood Partners II, LP	72,463	Welsh, Carson, Anderson & Stowe VIII, LP	4,172
Riverstone/Carlyle Global Energy & Power Fund IV	6,921,708	Welsh, Carson, Anderson & Stowe X, LP	313,815
Riverstone/Carlyle Renewable and Alternative Energy Fund II, LP	2,085,245	Welsh, Carson, Anderson & Stowe XI, LP	1,102,460
Riverwood Capital Partners, LP	1,220,575	WLR Recovery Fund II, LP	239,040
RockPort Capital Partners II, LP	160,098	WLR Recovery Fund III, LP	1,394,206
Rosewood Capital Associates V, LP	736,986	WLR Recovery Fund IV, LP	5,999,862
Sacramento Private Equity Partners, LP	2,272,000	WLR Recovery Fund, LP	11,948
SAIF Partners III, LP	1,701,807	Yucaipa American Alliance Fund I, LP	2,054,112
SAIF Partners IV, LP	655,549	Yucaipa American Alliance Fund II, LP	4,911,106
Silver Lake Credit Fund, LP	1,437,145	Yucaipa American Special Situations Fund I, LP	39,485
Silver Lake Partners II, LP	29,262	Yucaipa Corporate Initiatives Fund I, LP	1,968,712
		Yucaipa Corporate Initiatives Fund II, LP	1,738,432
		TOTAL	\$516,857,655

Note:

¹ Fees and costs for the 1-year period ending December 31, 2010.

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

Fund Name	Management Fees ¹	Performance Fees ¹
Aspect Alternative Fund, LLC	\$3,118,458.02	\$1,781,936.41
Black River Commodity Multi-Strategy Fund, LLC	479,424.00	—
Black River Fixed Income Relative Value Opportunity Fund, Ltd.	5,296,742.00	8,183,409.00
Black River, CTF	3,887,782.00	744,209.00
Brookside Capital Partners Fund, LP	1,722,639.00	111,534.00
BlueTrend Fund, LP	4,144,669.40	7,993,107.03
Canyon Special Opportunities	1,560,201.83	—
Canyon Value Realization Fund LP	467,730.00	—
Chatham Asset High Yield Offshore Fund Ltd	4,389,042.00	15,313,285.00
Chatham Asset Special Situations Offshore Fund	2,756,060.00	8,124,032.00
Chatham Eureka	1,257,743.00	2,604,650.00
Deephaven Market Neutral, LLC	275,866.43	—
Farallon Capital Offshore Investors, Inc. Class E	—	—
Lansdowne European Strategic Equity Fund, LP	3,651,899.71	3,389,230.94
O'Connor Global Quantitative Equity, LLC	555,247.72	—
O'Connor Global Fundamental Market Neutral Long Short, LLC	949,448.67	427,889.89
OZ Domestic Partners II, LP	6,456,524.86	5,284,262.59
OZ Eureka Fund, LP	2,885,322.53	4,940,266.01
PFM Diversified Fund, LP	394,883.00	—
PFM Diversified Eureka Fund	3,214,968.00	189,718.00
Symphony Eureka Fund, LP	2,270,125.08	2,218,015.04
SuttonBrook Capital Partners, LP	1,076,630.17	—
SuttonBrook Eureka Fund, LP	1,303,760.43	—
Tennenbaum Multi-Strategy Fund, LLC	—	—
The Marquee Fund, LP	2,436,127.15	—
Tremblant Partners, LP	1,438,335.76	74,295.46
Wayzata Recovery Fund, LLC	750,732.00	—
PAAMCO Blue Diamond	1,610,773.59	—
Vision Blue Diamond Fund, LP	1,997,660.29	—
Ermitage Highbury Fund, LP	889,662.54	—
AIS Highbury Fund, LP	728,862.34	—
ERAAM Highbury Fund, LP	1,775,440.68	—
47 Degrees North New Generation 1848 Fund, LP	1,318,708.73	—
Rock Creek 1848 Fund, LP	1,422,428.00	227,458.00
PAAMCO 1848 Fund, LP	1,404,645.93	—
TOTAL MANAGEMENT AND PERFORMANCE FEES	\$67,888,544.86	\$61,607,298.37
UBS Advisory Fees	\$10,882,583.16	—
PAAMCO Advisory Fees	62,499.99	—
IFS Administration Fees	1,580,790.41	—
TOTAL MANAGEMENT, PERFORMANCE, AND ADVISORY FEES	\$80,414,418.42	\$61,607,298.37

Note:

¹ Fees and costs for the 1-year period ending December 31, 2010.

Investment Performance – LRF

Domestic and international equity securities incurred returns of approximately 30.3 percent and 31.7 percent for fiscal year 2010-11 respectively, compared to 14.4 percent and 7.6 percent for fiscal year 2009-10. CalPERS benchmark returns for the fiscal year 2010-11 were 30.4 percent and 31.7 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 6.3 percent for fiscal year 2010-11, compared to 19.2 percent for fiscal year 2009-10. CalPERS benchmark return for fiscal year 2010-11 was 4.9 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, 2011.

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.

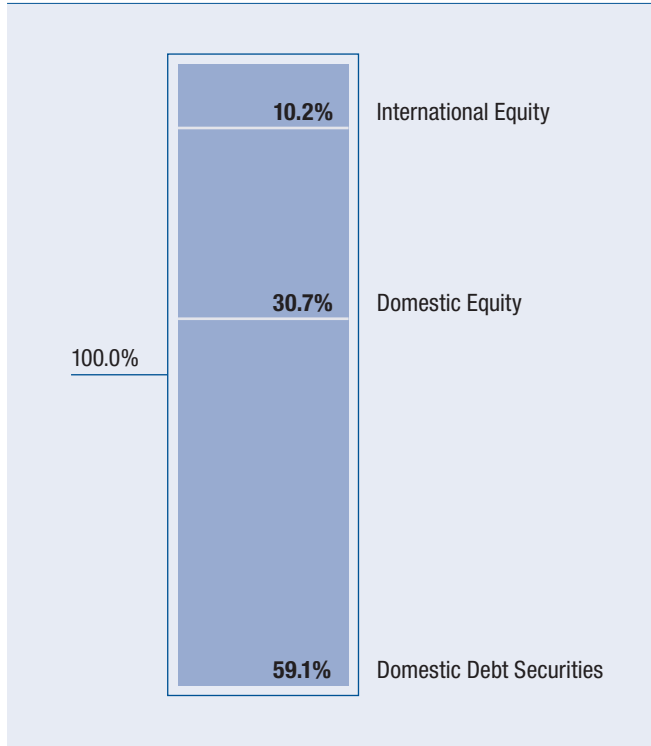
LRF Portfolio Comparisons

Category	1-Year Return	3 Year Return	5 Year Return	Index	1-Year Return	3 Year Return	5 Year Return
TOTAL FUND	15.9%	6.5%	6.4%	Weighted Policy Benchmark ¹	15.2%	6.0%	6.1%
				Actuarial Rate	6.0%	7.0%	7.0%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	21.1%	4.6%	4.9%
Domestic Equity	30.3%	3.1%	2.7%	Custom S&P 500 Index ³	30.4%	3.1%	2.7%
				TUCS Equity Median	32.2%	3.4%	3.7%
				FTSE Developed World			
International Equity	31.7%	(0.8%)	2.7%	ex US & Tobacco Index	31.7%	(0.7%)	2.7%
Domestic Debt Securities	6.3%	8.9%	8.1%	Barclays Long Liability Index	4.9%	8.0%	7.7%

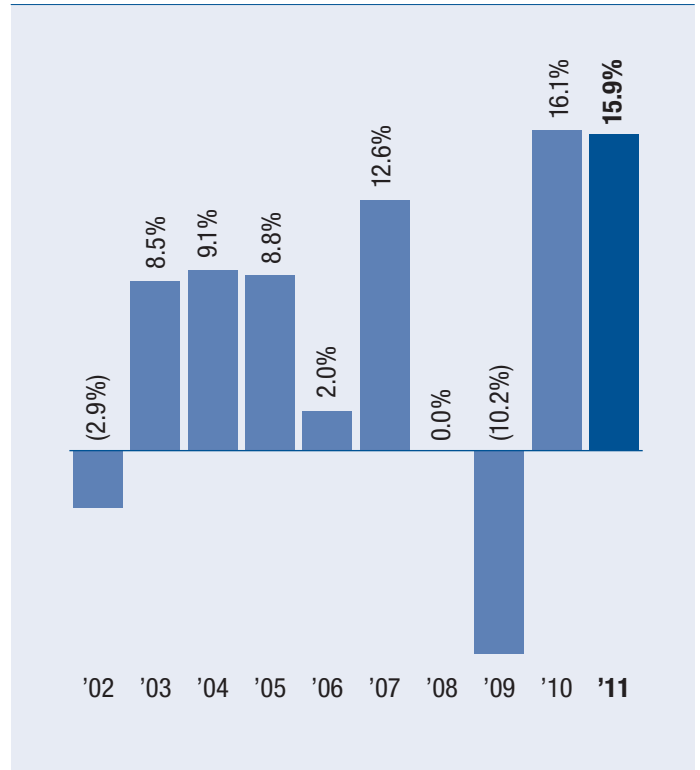
Notes:

- ¹ The Weighted Policy Benchmark returns for the LRF are based on asset class index returns, weighted by asset class policy targets.
- ² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.
- ³ 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 30.4 percent and 31.8 percent, respectively, for fiscal year 2010-11, compared to the returns of 14.4 percent and 7.6 percent, respectively, for fiscal year 2009-10. CalPERS benchmark returns for fiscal year 2010-11 were 30.4 percent and 31.7 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 6.5 percent for the 2010-11 fiscal year, compared to 19.2 percent for fiscal year 2009-10. CalPERS benchmark return for fiscal year 2010-11 was 4.9 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 33.4 percent, compared to 30.9 percent for fiscal year 2009-10. CalPERS benchmark return for real estate investments for fiscal year 2010-11 was 33.4 percent. CalPERS uses the CalPERS Custom Real Estate 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, 2011, 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

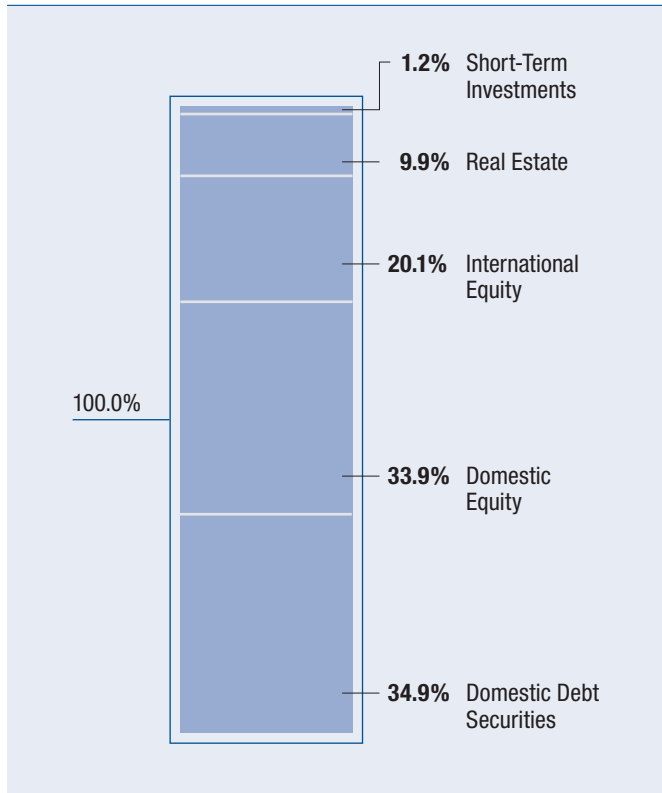
Category	1-Year Return	3 Year Return	5 Year Return	Index	1-Year Return	3 Year Return	5 Year Return
TOTAL FUND	21.8%	4.5%	4.7%	Weighted Policy Benchmark ¹	21.5%	4.6%	4.8%
				Actuarial Rate	7.3%	7.3%	7.3%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	21.1%	4.6%	4.9%
Domestic Equity	30.4%	3.1%	2.8%	Custom S&P 500 Index ³	30.4%	3.1%	2.7%
				TUCS Equity Median	32.2%	3.4%	3.7%
International Equity	31.8%	(0.7%)	2.8%	FTSE Developed World ex US & Tobacco Index	31.7%	(0.7%)	2.7%
Domestic Debt Securities	6.5%	9.0%	8.1%	Barclays Long Liability Index	4.9%	8.0%	7.7%
Real Estate	33.4%	(1.5%)	(1.5%)	CalPERS Custom Real Estate Benchmark	33.4%	(1.6%)	(1.9%)
				Wilshire RESI Index	35.7%	4.8%	1.7%
				TUCS Real Estate Median	22.1%	(6.5%)	0.2%

Notes:

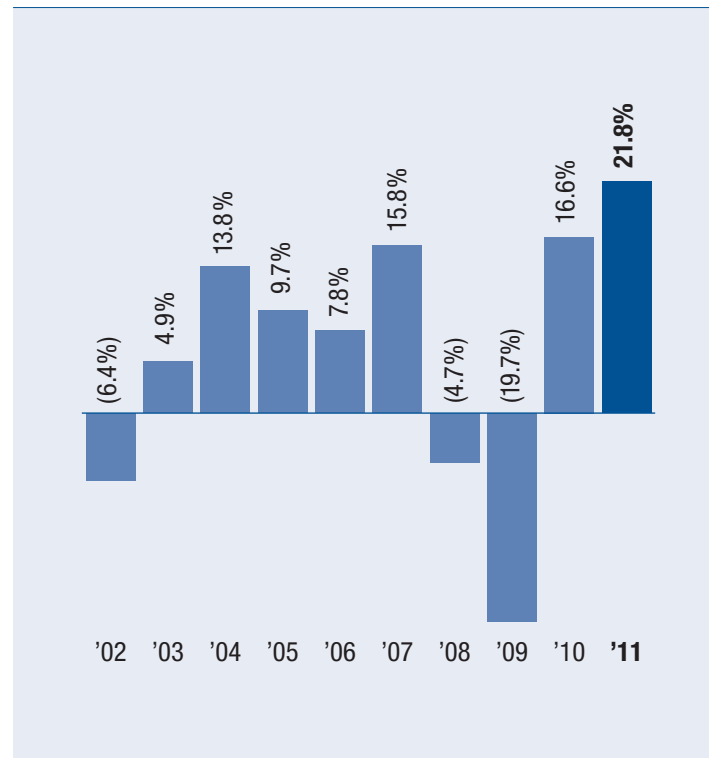
- ¹ The Weighted Policy Benchmark returns for the JRF II are based on asset class index returns, weighted by asset class policy targets.
- ² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

- ³ 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 30.4 percent and 31.8 percent for the 2010-11 fiscal year, compared to 14.4 percent and 7.6 percent for fiscal year 2009-10. CalPERS benchmark for fiscal year 2010-11 was 30.4 percent and 31.7 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 6.5 percent, compared to 19.2 percent for fiscal year 2009-10. CalPERS benchmark return for fiscal year

2010-11 was 4.9 percent. CalPERS uses the Custom Long Liability Index to provide a benchmark for our fixed income investment returns.

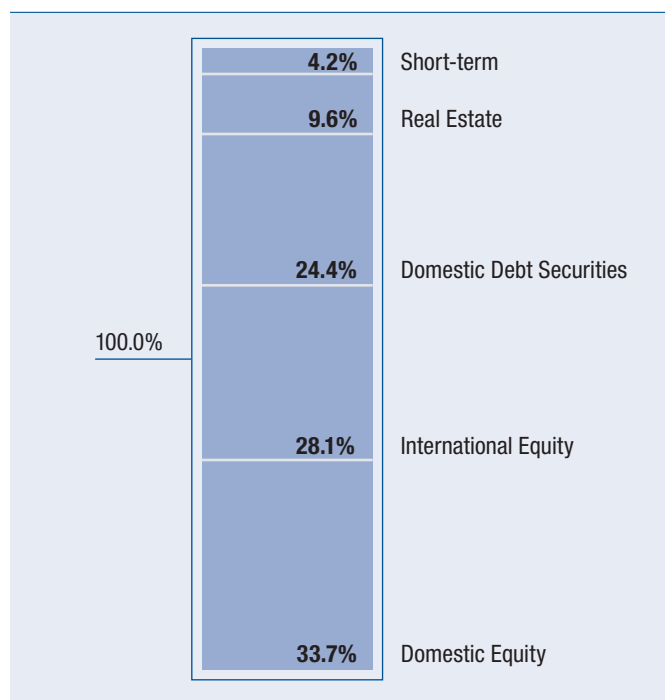
Real estate investments returns were approximately 33.4 percent, compared 30.5 percent for fiscal year 2009-10. CalPERS benchmark return for real estate investments for fiscal year 2010-11 was 33.4 percent. CalPERS uses the CalPERS Custom Real Estate benchmark for real estate investment returns.

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

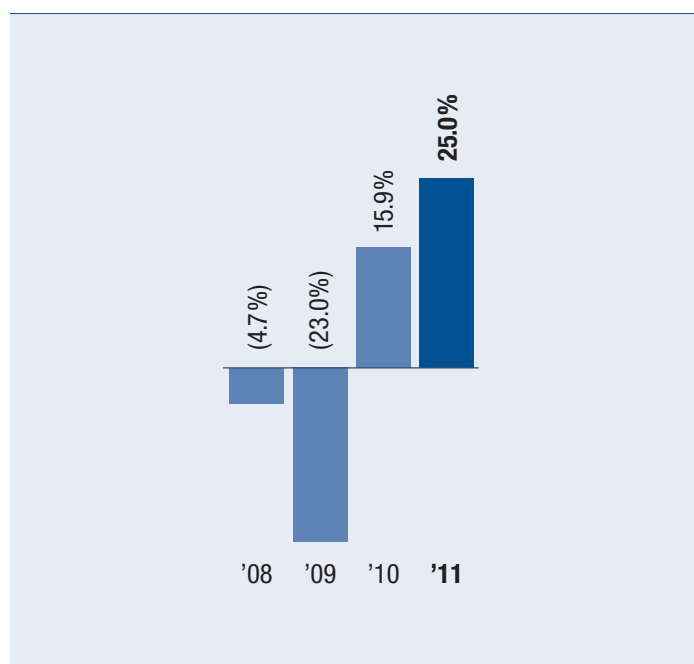
CERBTF Portfolio Comparisons

Category	1-Year Return	3 Year Return	5 Year Return	Index	1-Year Return	3 Year Return	5 Year Return
TOTAL FUND	25.0%	3.7%	—	CERBTF Policy Benchmark	24.9%	3.8%	—
				Actuarial Rate	7.8%	7.8%	—
Domestic Equity	30.4%	3.1%	—	PERS Blended S&P 500 ex Tobacco	30.4%	3.1%	—
				CalPERS FTSE Dev World ex US & Tobacco Index	31.7%	(0.7%)	—
International Equity	31.8%	(0.7%)	—	CalPERS Custom Long Liability	4.9%	8.0%	—
Domestic Debt Securities	6.5%	9.0%	—	CalPERS Custom Real Estate Benchmark	33.4%	(1.7%)	—
Real Estate	33.4%	(1.1%)	—	Barclays Long Liability High Yield	15.1%	11.7%	—
High Yield	17.5%	12.2%	—				

CERBTF Investment Mix by Asset Class



CERBTF Total Fund Performance | Four-Year Review, One-Year Returns



Investment Performance – HCF

Investments of the HCF at June 30, 2011, include domestic debt securities. These securities yielded a return of 5.0 percent.

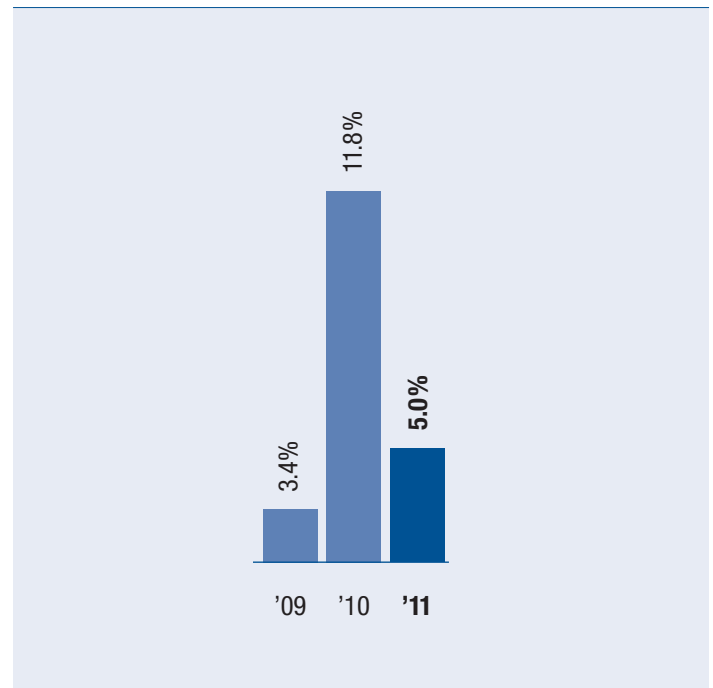
HCF Portfolio Comparisons

Category	1-Year Return	3 Year Return	5 Year Return	Index	1-Year Return	3 Year Return	5 Year Return
TOTAL FUND	5.0%	6.7%	—	Barclays Capital Aggregate Index	3.9%	6.5%	—

HCF Investment Mix by Asset Class



HCF Total Fund Performance | Three-Year Review, One-Year Returns



Investment Performance – LTCF

Domestic and international equity securities had returns of approximately 30.4 percent and 31.8 percent for the 2010-11 fiscal year, compared to the returns of 14.4 percent and 7.6 percent for fiscal year 2009-10.

CalPERS benchmark returns for fiscal year 2010-11 were 30.4 percent and 31.7 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 6.5 percent for the 2010-11 fiscal year. CalPERS benchmark return for the fiscal year 2010-11 was 4.9 percent. CalPERS uses the Barclays Long Liability Index for fixed income investment returns. High

yield securities returned approximately 17.5 percent for the 2010-11 fiscal year. CalPERS benchmark return for the fiscal year 2010-11 was 15.1 percent. TIPS securities returned approximately 7.7 percent for the 2010-11 fiscal year. CalPERS benchmark return for the fiscal year 2010-11 was 7.7 percent.

Real estate investments returned approximately 33.4 percent, compared to 31.0 percent for fiscal year 2009-10. CalPERS benchmark return for real estate investments for fiscal year 2010-11 was 33.4 percent. CalPERS uses the CalPERS Custom Real Estate 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

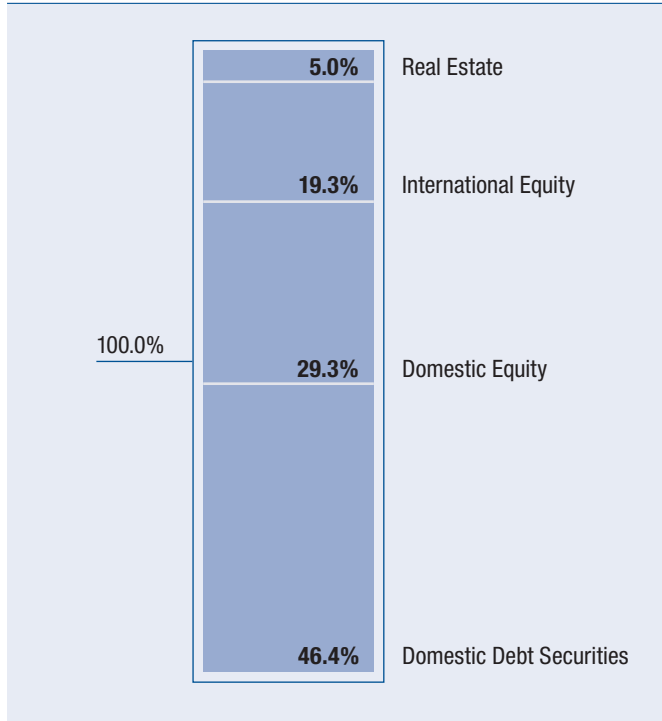
Category	1-Year Return	3 Year Return	5 Year Return	Index	1-Year Return	3 Year Return	5 Year Return
TOTAL FUND	20.3%	5.6%	5.6%	Weighted Policy Benchmark ¹	19.8%	5.4%	5.5%
				Actuarial Rate	6.3%	7.8%	7.8%
				Trust Universe Comparison Service (TUCS) Public Fund Median ²	21.1%	4.6%	4.9%
Domestic Equity	30.4%	3.1%	2.8%	Custom S&P 500 Index ³	30.4%	3.1%	2.7%
				TUCS Equity Median	32.2%	3.4%	3.7%
International Equity	31.8%	(0.7%)	2.6%	FTSE Developed World ex US & Tobacco Index	31.7%	(0.7%)	2.7%
Domestic Debt Securities							
Fixed Income	6.5%	9.0%	8.1%	Barclays Long Liability Index	4.9%	8.0%	7.7%
High Yield	17.5%	12.2%	8.9%	Barclays Long Liability Index High Yield	15.1%	11.7%	8.7%
TIPS	7.7%	5.6%	7.2%	Barclays Long Liability Index TIPS	7.7%	5.3%	7.0%
Real Estate	33.4%	(1.6%)	(1.9%)	CalPERS Custom Real Estate Benchmark	33.4%	(1.7%)	(2.1%)
				Wilshire RESI Index	35.7%	4.8%	1.7%
				TUCS Real Estate Median	22.1%	(6.5%)	0.2%

Notes:

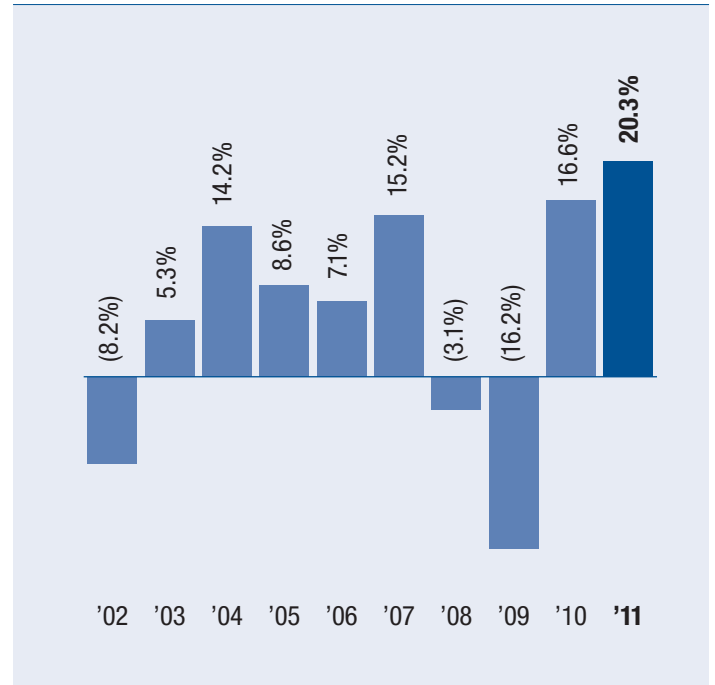
- ¹ The Weighted Policy Benchmark returns for the LTCF are based on asset class index returns, weighted by asset class policy targets.
- ² The Trust Universe Comparison Service (TUCS) is a universe of more than 1,000 client portfolio returns, subdivided by client type and asset class.

- ³ 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



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- 120 Exhibit D: Sample Non-Economic Assumptions
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Actuarial Certification

June 30, 2011

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, 2010.

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

Note: Actuarial reports and supporting documents for the State, schools, and local agencies can be obtained through the CalPERS Actuarial Office, P.O. 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, for the Judges' Retirement System (JRS) and for the Judges' Retirement System II (JRS II). It is also used for the Indexed Level of 1959 Survivor Benefits. 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).

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, 2010.

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)

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 funding the LRS. 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. In conformity with GASB statement No. 25, a supplemental calculation was prepared on the Entry Age Normal funding method for LRS and results on this basis are shown in the attached exhibits.

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.

Actuarial Methods & Assumptions (continued)

Different asset allocations and lower assumed investment returns apply to LRF, JRF, and JRF II.

The assumed investment returns for these three plans are 6.0 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

There were no changes in actuarial methods since the prior year's actuarial valuation.

Changes in Actuarial Assumptions

There were no changes in actuarial 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

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 (4)÷(2)
PERF								
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	83.3	45,100	108.8	178,860	60.8
6/30/10	257,070	308,343	51,273 ¹	83.4	44,984	114.0	201,632	65.4
LRF								
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
6/30/10	127	112	(15)	113.4	2	(750.0)	114	101.8
JRF								
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
6/30/10	64	3,429	3,365	1.9	86	3,912.8	64	1.9
JRF II								
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
6/30/10	461	521	60	88.5	213	28.2	422	81.0
CERBTf								
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 ²	873	10,462	9,589	8.3	9,307	103.0	845	8.1
6/30/10 ³	1,287	14,288	13,001	9.0	10,435	124.6	1,287	9.0

Notes:

¹ The Unfunded Accrued Liability (the total Actuarial Liability in excess of actuarial value of assets) of the PERF by major employer group from the June 30, 2010 valuation is as follows: 1) \$24,134 for the State of California, 2) \$6,309 for schools, and 3) \$20,830 for public agencies.

² During 2009-2010 the CERBTf began biennial reporting of aligned data to be compliant with GASB 57.

³ During 2010-2011 several large employers contracted with the CERBTf. This data represents the actuarial data from 309 valuations adjusted to an aligned date of June 30, 2010 and includes the actual asset value as of that date, to be compliant with GASB 57. CalPERS projected the data as of June 30, 2010 in the table above by rolling forward or backward the actuarial data prepared as of varying valuation dates. The alignment was achieved by applying methods allowed under Actuarial Standards of Practice and under Generally Accepted Accounting Principles.

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, 2010.

	PERF	LRF	JRF	JRF II
Net Assets Held in Trust for Pension Benefits Less:	\$201,625,258,602	\$114,036,000	\$63,093,000	\$420,607,000
Prior Year Adjustment	—	—	—	—
Member Additional Contributions	2,259,503	—	—	—
Reserve for Post-Retirement Redeposit	32,143,919	—	—	—
Reserve for Disability Installment Payments	73,940	—	—	—
Reserve for Purchasing Power Protection Account	(51,601,150)	—	—	—
Reserve for Deficiencies	414,234,531	—	—	—
Reserve for Fiduciary Self-Insurance	40,000,000	—	—	—
Other Reserves & Adjustment ¹	388,519,831	(69,299)	(735,000)	(1,493,379)
Receivable for Tier 1 Conversion & Service Buyback ²	(832,255,972)	—	—	—
Difference Between Smoothed Market Value & Fair Value	(55,437,972,000)	(12,536,701)	—	(38,970,621)
ACTUARIAL VALUE OF ASSETS	\$257,069,856,000	\$126,642,000	\$63,828,000	\$461,071,000

Notes:

- ¹ Includes an OPEB expense that was charged against the fund but ignored in the actuarial valuation.
- ² 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.

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 ¹ (1)	Terminated, Retirees & Beneficiaries (2)	Employer-Financed Portion of Active Members (3)	Total Accrued Liability (1) + (2) + (3)		(1)	(2)	(3)
PERF (Dollars in Billions)								
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
6/30/10	40.6	160.2	107.5	308.3	257.1	100	100	52.3
LRF (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
6/30/10	1.391	103.673	7.292	112.356	126.642	100	100	295.9
JRF (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
6/30/10	100.426	2,404.920	924.035	3,429.381	63.828	64	0.0	0.0
JRF II (Dollars in Millions)								
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
6/30/10	136.179	14.430	370.078	520.687	461.071	100	100	83.9

Note:

¹ Includes accrued interest on member contributions.

Exhibit C: Sample Pay Increase Assumptions for Individual Members

Annual Percentage Increases by Duration of Service¹

Duration of Service	State Miscellaneous First & Second Tier			State Industrial First & Second Tier			State Safety		
	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40	Entry Age 20	Entry Age 30	Entry Age 40
0	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:

¹ 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 ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.01040	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 ¹	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement ³		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.08430	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:

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

² Years of service.

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

Exhibit D: Sample Non-Economic Assumptions (continued)

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

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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 ³	Termination with Refund	Termination with Vested Deferred Benefits	Service Retirement		Non-Industrial Death		Non-Industrial Disability		Industrial Death	Industrial Disability
	5 Years ²	5 Years ²	10 Years ²	25 Years ²	Male	Female	Male	Female	Male & Female	Male & Female
20	0.02780	0.08160	N/A	N/A	0.00047	0.00016	0.00010	0.00010	N/A	N/A
25	0.02490	0.07330	N/A	N/A	0.00050	0.00026	0.00010	0.00010	N/A	N/A
30	0.02210	0.06490	N/A	N/A	0.00053	0.00036	0.00018	0.00010	N/A	N/A
35	0.01920	0.05660	N/A	N/A	0.00067	0.00046	0.00064	0.00038	N/A	N/A
40	0.01640	0.04820	N/A	N/A	0.00087	0.00065	0.00136	0.00094	N/A	N/A
45	0.01350	0.00000	N/A	N/A	0.00120	0.00093	0.00283	0.00171	N/A	N/A
50	0.01070	0.00000	0.00900	0.01600	0.00176	0.00126	0.00439	0.00299	N/A	N/A
55	0.00780	0.00000	0.04800	0.08800	0.00260	0.00176	0.00489	0.00335	N/A	N/A
56	0.00730	0.00000	0.03900	0.07200	0.00287	0.00194	0.00484	0.00323	N/A	N/A
57	0.00670	0.00000	0.04200	0.07800	0.00314	0.00212	0.00474	0.00305	N/A	N/A
58	0.00620	0.00000	0.05000	0.09200	0.00341	0.00230	0.00459	0.00283	N/A	N/A
59	0.00560	0.00000	0.05700	0.10500	0.00368	0.00248	0.00441	0.00260	N/A	N/A
60	0.00500	0.00000	0.07300	0.13400	0.00395	0.00266	0.00425	0.00239	N/A	N/A
61	0.00450	0.00000	0.09000	0.16600	0.00437	0.00297	0.00410	0.00219	N/A	N/A
62	0.00390	0.00000	0.15100	0.27800	0.00480	0.00327	0.00398	0.00201	N/A	N/A
63	0.00330	0.00000	0.13600	0.25100	0.00523	0.00358	0.00388	0.00182	N/A	N/A
64	0.00270	0.00000	0.13300	0.24400	0.00565	0.00389	0.00382	0.00164	N/A	N/A
65	0.00220	0.00000	0.18000	0.33100	0.00608	0.00419	0.00378	0.00146	N/A	N/A
70	0.00030	0.00000	0.13100	0.24100	0.00914	0.00649	0.00395	0.00075	N/A	N/A

Notes:

¹ Years of service.

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

³ 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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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:

¹ Years of service.

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

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

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

Notes:

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

² Years of service.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

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

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

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

Notes:

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

² Years of service.

Exhibit D: Sample Non-Economic Assumptions (continued)

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

YRS ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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:

¹ Years of service.

² 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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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:

¹ Years of service.

² 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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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 ¹	Termination with Refund	AGE ²	Termination with Vested Deferred Benefits	Service Retirement			Non-Industrial Death		Non-Industrial Disability	Industrial Death	Industrial Disability
	Vary by Service		5 Years ¹	10 Years ¹	25 Years ¹	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:

¹ Years of service.

² 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
6/30/10	794,138	44,984	56,645	2.2

Exhibit G: Members in Valuation

State Miscellaneous First Tier | By Attained Age & Years of Service – June 30, 2010

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	1,520	11	—	—	—	—	1,531	\$51,307,842
25-29	6,723	1,152	37	—	—	—	7,912	345,180,518
30-34	6,879	4,165	1,083	59	—	—	12,186	636,786,034
35-39	5,884	5,265	3,371	730	62	—	15,312	901,257,110
40-44	5,252	5,667	4,288	2,761	1,270	80	19,318	1,209,282,522
45-49	4,790	5,378	4,728	3,571	4,148	1,710	24,325	1,569,963,528
50-54	4,107	5,025	4,464	3,519	4,697	6,277	28,089	1,841,443,269
55-59	3,181	4,022	3,568	2,983	3,840	6,730	24,324	1,623,932,569
60-64	1,857	2,377	2,105	1,797	2,120	3,383	13,639	926,676,232
65 & up	737	1,046	893	611	691	1,017	4,995	344,106,075
TOTAL	40,930	34,108	24,537	16,031	16,828	19,197	151,631	\$9,449,935,699

State Miscellaneous Second Tier | By Attained Age & Years of Service – June 30, 2010

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	—	—	—	—	—	6	\$206,828
25-29	24	4	3	—	—	—	31	1,495,353
30-34	43	49	193	3	—	—	288	14,128,535
35-39	43	79	512	165	5	—	804	42,930,488
40-44	51	92	607	468	127	—	1,345	71,983,179
45-49	45	75	576	474	316	78	1,564	85,591,498
50-54	29	65	495	424	282	234	1,529	82,821,484
55-59	28	59	346	287	224	262	1,206	65,879,265
60-64	14	32	182	161	105	136	630	34,623,067
65 & up	19	28	76	73	37	38	271	13,596,298
TOTAL	302	483	2,990	2,055	1,096	748	7,674	\$413,255,995

State Industrial First & Second Tier | By Attained Age & Years of Service – June 30, 2010

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	364	1	—	—	—	—	365	\$12,198,622
25-29	909	87	—	—	—	—	996	38,521,166
30-34	826	254	78	1	—	—	1,159	49,483,567
35-39	722	326	213	40	4	—	1,305	62,400,607
40-44	807	385	294	155	48	1	1,690	84,350,440
45-49	774	378	342	223	130	46	1,893	98,388,789
50-54	674	362	372	227	174	89	1,898	101,744,975
55-59	495	250	252	169	124	64	1,354	73,946,916
60-64	246	151	157	84	61	32	731	41,439,827
65 & up	64	56	67	44	12	3	246	15,179,573
TOTAL	5,881	2,250	1,775	943	553	235	11,637	\$577,654,482

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, 2010

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	362	4	—	—	—	—	366	\$17,404,091
25-29	1,306	151	2	—	—	—	1,459	78,553,988
30-34	1,707	446	43	—	—	—	2,196	142,959,373
35-39	1,850	711	214	16	1	—	2,792	207,370,582
40-44	1,751	858	404	113	18	—	3,144	229,736,316
45-49	1,662	1,041	584	261	125	9	3,682	268,013,529
50-54	1,666	1,190	813	394	274	58	4,395	337,442,807
55-59	1,301	979	806	345	208	51	3,690	302,752,601
60-64	709	618	482	245	121	37	2,212	195,820,853
65 & up	251	261	259	116	60	16	963	99,779,424
TOTAL	12,565	6,259	3,607	1,490	807	171	24,899	\$1,879,833,564

California Highway Patrol | By Attained Age & Years of Service – June 30, 2010

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	225	—	—	—	—	—	225	\$17,786,582
25-29	740	109	—	—	—	—	849	70,629,467
30-34	579	589	190	—	—	—	1,358	121,032,229
35-39	276	569	702	224	—	—	1,771	166,213,052
40-44	16	213	461	397	330	5	1,422	141,182,258
45-49	1	—	125	206	549	305	1,186	127,759,499
50-54	1	—	28	44	157	322	552	62,503,953
55-59	1	—	11	7	19	75	113	12,757,429
60-64	—	—	—	—	—	—	—	—
65 & up	—	—	—	—	—	—	—	—
TOTAL	1,839	1,480	1,517	878	1,055	707	7,476	\$719,864,469

State Peace Officer/Firefighter | By Attained Age & Years of Service – June 30, 2010

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	1,242	—	—	—	—	—	1,242	\$39,334,063
25-29	4,114	608	2	—	—	—	4,724	249,036,759
30-34	3,049	2,604	729	4	—	—	6,386	410,489,937
35-39	2,132	2,211	2,648	601	7	—	7,599	544,296,447
40-44	1,426	1,578	2,414	1,944	664	6	8,032	611,718,854
45-49	974	1,080	1,628	1,673	2,461	747	8,563	695,273,959
50-54	489	604	990	994	1,269	620	4,966	405,911,638
55-59	219	317	512	479	587	287	2,401	195,015,167
60-64	58	129	220	195	199	97	898	73,092,380
65 & up	15	17	54	50	49	22	207	16,519,302
TOTAL	13,718	9,148	9,197	5,940	5,236	1,779	45,018	\$3,240,688,506

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, 2010

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	9,389	74	—	—	—	—	9,463	\$183,887,369
25-29	16,871	3,232	93	—	—	—	20,196	557,877,664
30-34	13,723	7,818	2,121	38	1	—	23,701	800,090,617
35-39	13,177	8,262	4,797	955	48	—	27,239	961,029,958
40-44	15,396	9,589	6,022	2,555	1,134	68	34,764	1,250,842,319
45-49	16,319	12,770	8,268	3,925	3,137	1,333	45,752	1,709,640,220
50-54	13,599	13,558	10,459	5,562	4,142	3,805	51,125	1,997,288,466
55-59	9,330	10,492	9,362	6,115	4,613	4,329	44,241	1,773,682,663
60-64	4,818	5,703	5,415	3,916	3,080	2,604	25,536	1,021,284,586
65 & up	2,217	2,237	1,845	1,233	988	993	9,513	328,618,961
TOTAL	114,839	73,735	48,382	24,299	17,143	13,132	291,530	\$10,584,242,823

Public Agency Miscellaneous | By Attained Age & Years of Service – June 30, 2010

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	5,041	98	—	—	—	—	5,139	\$162,085,670
25-29	12,403	2,777	85	—	—	—	15,265	707,641,676
30-34	11,804	6,763	1,787	81	—	—	20,435	1,156,857,624
35-39	9,862	7,474	4,355	1,039	110	—	22,840	1,440,007,119
40-44	8,875	7,488	5,448	2,878	1,535	157	26,381	1,769,946,629
45-49	8,651	7,727	5,979	4,170	4,237	1,878	32,642	2,284,620,552
50-54	7,219	7,115	5,902	4,351	4,901	4,816	34,304	2,470,007,231
55-59	5,193	5,390	4,700	3,395	3,680	4,259	26,617	1,908,580,948
60-64	2,599	3,198	2,839	1,885	2,020	2,089	14,630	1,039,308,120
65 & up	992	1,228	1,034	659	642	616	5,171	318,634,466
TOTAL	72,639	49,258	32,129	18,458	17,125	13,815	203,424	\$13,257,690,035

Public Agency Safety | By Attained Age & Years of Service – June 30, 2010

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	1,310	3	—	—	—	—	1,313	\$80,789,161
25-29	5,240	1,110	4	—	—	—	6,354	480,862,927
30-34	3,917	4,027	697	4	—	—	8,645	737,030,440
35-39	2,239	3,529	3,004	615	9	—	9,396	875,149,660
40-44	1,252	2,034	2,595	2,340	1,101	8	9,330	943,497,257
45-49	643	929	1,251	1,700	2,890	1,053	8,466	929,849,583
50-54	320	387	543	690	1,334	1,704	4,978	561,181,183
55-59	145	167	197	238	360	680	1,787	192,605,201
60-64	43	68	61	73	80	161	486	49,107,114
65 & up	9	13	14	17	16	25	94	9,464,564
TOTAL	15,118	12,267	8,366	5,677	5,790	3,631	50,849	\$4,859,537,090

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		
PERF								
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	22,575
6/30/08	30,462	911,182,000	16,228	267,867,000	475,858	11,422,808,000	9.6	24,005
6/30/09	31,929	1,006,450,000	16,168	275,138,000	491,619	12,506,735,000	9.5	25,440
6/30/10	37,566	1,265,188,000	17,323	299,011,000	511,862	13,751,737,000	10.0	26,866
JRF								
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
6/30/10	129	12,425,000	72	6,622,000	1,849	177,572,000	3.2	96,037
JRF II								
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	—	1	144,000	12	968,000	(21.0)	80,667
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
6/30/10	5	405,000	1	59,000	20	1,397,000	11.6	69,800
LRF								
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	(0.9)	28,380
6/30/07	18	374,000	12	314,000	269	7,608,000	1.9	28,283
6/30/08	8	161,000	13	316,000	264	7,694,000	1.1	29,144
6/30/09	5	234,000	9	177,000	260	7,737,000	0.6	29,758
6/30/10	9	280,000	14	480,000	255	7,780,000	0.6	30,510

Note: These total counts and allowance 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 Plans

JUDGES' RETIREMENT SYSTEM

May 2011

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, 2010.

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, 2010. 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.

Barbara Ware, F.S.A., M.A.A.A.
Enrolled Actuary
Senior Pension Actuary, CalPERS

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

JUDGES' RETIREMENT SYSTEM II

May 2011

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, 2010.

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, 2010. 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.

Fritzie Archuleta, A.S.A., M.A.A.A.
Senior Pension Actuary, CalPERS

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

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

LEGISLATORS' RETIREMENT SYSTEM

May 2011

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, 2010.

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

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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 Office, P.O. Box 942709, Sacramento, CA 94229-2709.

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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 is 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 ¹	Total
PERF				
2010/11	\$14,242,258,675	\$227,167,877	\$357,779,729	\$14,827,206,281
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
LRF				
2010/11	\$7,382,994	\$440,782	\$407,933	\$8,231,709
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
JRF				
2010/11	\$185,119,041	\$0	\$1,188,279	\$186,307,320
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

Expenses by Type – Retirement Programs (continued)

10-Year Review

	Benefit Payments	Contribution Refunds	Administrative Expenses ¹	Total
JRF II				
2010/11	\$2,235,847	\$5,869,549	\$715,732	\$8,821,128
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
SPOFF				
2010/11	\$30,948,977	\$0	\$1,838,508	\$32,787,485
2009/10	22,742,822	—	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
IRC457				
2010/11	\$93,844,561	\$0	\$3,873,646	\$97,718,207
2009/10	46,418,604	—	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
SCPF				
2010/11	\$2,112,968	\$0	\$84,023	\$2,196,991
2009/10	1,624,305	—	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

Note:

¹ Excludes investment advisor fees.

Revenues by Source – Retirement Programs

10-Year Review

	Member Contributions	Employer Contributions	Investment Income/(Loss)	Miscellaneous Income	Total
PERF					
2010/11	\$3,600,089,338	\$7,465,397,498	\$43,904,424,951	\$3,010,732	\$54,972,922,519
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)
LRF					
2010/11	\$3,430	\$0	\$17,666,106	\$0	\$17,669,536
2009/10	17,361	—	17,793,446	—	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)
JRF					
2010/11	\$6,658,788	\$167,302,305	\$184,358	\$3,216,461	\$177,361,912
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
JRF II					
2010/11	\$18,589,236	\$53,862,693	\$91,595,932	\$0	\$164,047,861
2009/10	16,178,228	42,589,356	50,800,810	—	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

Revenues by Source – Retirement Programs (continued)

10-Year Review

	Member Contributions	Employer Contributions	Investment Income/(Loss)	Miscellaneous Income	Total
SPOFF					
2010/11	\$0	\$39,065,977	\$88,035,979	\$7,025	\$127,108,981
2009/10	—	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
IRC457					
2010/11	\$89,530,898	\$84,445	\$151,931,896	\$213,727	\$241,760,966
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
SCPF					
2010/11	\$284,633	\$0	\$3,609,298	\$303	\$3,894,234
2009/10	535,738	—	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)

Changes in Net Assets – Retirement Programs

10-Year Review (Dollars in Thousands)

	Additions	Deductions	Net Change	Net Assets	
				Beginning of Year	End of Year
PERF					
2010/11	\$54,972,922	\$14,827,205	\$40,145,717	\$201,616,074	\$241,761,791
2009/10	35,911,445	13,432,880	22,478,565	179,137,509 ¹	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
LRF					
2010/11	\$17,670	\$8,230	\$9,440	\$114,036	\$123,476
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
JRF					
2010/11	\$177,360	\$186,307	(\$8,947)	\$63,093	\$54,146
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
JRF II					
2010/11	\$164,048	\$8,822	\$155,226	\$420,607	\$575,833
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

Note:

¹ 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
SPOFF					
2010/11	\$127,108	\$32,788	\$94,320	\$405,553	\$499,873
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
IRC457					
2010/11	\$241,761	\$97,718	\$144,043	\$803,019	\$947,062
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
SCPF					
2010/11	\$3,895	\$2,197	\$1,698	\$17,960	\$19,658
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

Membership & Retirement Data – Retirement Programs

Public Employees' Retirement System | 10-Year Review

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
ACTIVE & INACTIVE MEMBERS										
STATE MEMBERS										
Miscellaneous	223,251	224,084	224,966	222,806	219,101	214,721	219,919	227,096	231,693	227,522
University of California	49	56	81	93	103	111	127	92	244	258
Industrial	13,732	13,624	12,822	11,862	10,815	11,695	11,032	10,607	11,000	10,997
ARP	13,972	16,477	19,422	19,086	16,608	13,955	—	—	—	—
Highway Patrol	7,573	7,589	7,471	7,133	6,987	6,968 ¹	11,359	10,236	11,959	11,754
Safety	29,402	29,305	29,911	28,763	26,099	23,129	21,750	16,714	17,782	17,478
Peace Officer/Firefighter	48,243	49,437	51,260	51,371	48,722	46,605	46,485	44,740	46,599	45,801
Total State Members	336,222	340,572	345,933	341,114	328,435	317,184	310,672	309,485	319,277	313,810
PUBLIC AGENCY MEMBERS										
Schools	425,186	427,211	432,383	426,686	409,675	394,911	380,374	372,614	373,171	358,837
Cities	163,430	167,994	173,315	175,240	171,546	166,192	161,515	158,884	160,155	154,871
Counties	93,651	95,122	97,188	98,395	95,177	92,013	88,717	87,468	89,838	87,887
Districts & Other Public Agencies	84,937	85,145	85,578	84,698	82,067	78,595	75,704	73,616	71,919	66,772
Total Public Agency Members	767,204	775,472	788,464	785,019	758,465	731,711	706,310	692,582	695,083	688,367
TOTAL ACTIVE & INACTIVE MEMBERS	1,103,426	1,116,044	1,134,397	1,126,133	1,086,900	1,048,895	1,016,982	1,002,067	1,014,360	982,177
BENEFIT RECIPIENTS										
Service Retirement	450,263	428,821	408,428	393,328	380,162	367,737	353,212	341,348	326,163	313,762
Disability Retirement	43,347	43,090	43,074	42,813	42,965	42,383	41,857	42,064	41,808	41,036
Industrial Disability Retirement	34,733	33,951	33,453	32,757	32,081	31,157	30,025	29,320	28,180	26,948
Industrial Death	1,070	1,056	1,045	1,039	1,013	995	972	958	946	931
1957 Survivor Benefit	3,626	3,535	3,398	3,246	3,164	3,074	2,960	2,881	2,802	2,714
1959 Survivor Benefit	3,195	3,170	3,115	3,069	2,985	2,295	2,875	2,880	2,841	2,735
TOTAL BENEFIT RECIPIENTS	536,234	513,623	492,513²	476,252	462,370	448,271	431,901	419,451	402,740	388,126
TOTAL MEMBERS	1,639,660	1,629,667	1,626,910	1,602,385	1,549,270	1,497,166	1,448,883	1,421,518	1,417,100	1,370,303

Legislators' Retirement System | 10-Year Review

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
ACTIVE & INACTIVE MEMBERS										
Members of the Legislature	8	15	17	18	23	27	28	35	38	47
Constitutional Officers	20	17	18	18	19	15	15	18	18	15
Legislative Statutory Officers	4	4	4	4	4	4	4	4	4	4
TOTAL ACTIVE & INACTIVE MEMBERS	32	36	39	40	46	46	47	57	60	66
BENEFIT RECIPIENTS										
Members of the Legislature										
Service Retirement	210	214	221	222	228	227	228	221	219	219
Disability Retirement	9	9	9	11	11	6	6	7	7	7
Pre-Retirement Option 2	—	(1)	—	—	—	—	—	—	2	2
Total Members of the Legislature	219	222	230	233	239	233	234	228	228	228
Constitutional Officers										
Service Retirement	26	25	21	21	22	22	23	25	26	25
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
Total Constitutional Officers	29	28	24	24	25	25	26	28	29	28
Legislative Statutory Officers										
Service Retirement	5	5	5	5	5	5	6	6	7	7
Disability Retirement	—	—	—	—	—	—	—	—	—	—
Pre-Retirement Option 2	—	—	—	—	—	—	—	—	—	—
Total Legislative Statutory Officers	5	5	5	5	5	5	6	6	7	7
TOTAL BENEFIT RECIPIENTS	253	255	259	262	269	263	266	262	264	263
TOTAL MEMBERS	285	291	298	302	315	309	313	319	324	329

Membership & Retirement Data – Retirement Programs (continued)

Judges' Retirement System | 10-Year Review

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
ACTIVE & INACTIVE MEMBERS										
Active Judges & Deferred Retirement Judges	466	528	620	682	756	825	917	983	1,039	1,125
TOTAL ACTIVE & INACTIVE MEMBERS	466	528	620	682	756	825	917	983	1,039	1,125
BENEFIT RECIPIENTS										
Service Retirement	655	648	641	619	610	607	612	610	609	601
Disability Retirement	46	46	48	47	52	50	48	48	51	52
Deferred Retirement	590	595	595	604	611	618	673	672	667	654
Optional Settlement Benefit	510	478	433	390	352	306	196	154	120	92
Pre-Retirement Survivor	73	76	72	75	77	79	77	74	76	77
TOTAL BENEFIT RECIPIENTS	1,874	1,843	1,789	1,735	1,702	1,660	1,606	1,558	1,523	1,476
TOTAL MEMBERS	2,340	2,371	2,409	2,417	2,458	2,485	2,523	2,541	2,562	2,601

Judges' Retirement System II | 10-Year Review

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
ACTIVE & INACTIVE MEMBERS										
Active Judges	1,290	1,197	1,119	979	915	831	748	690	624	531
TOTAL ACTIVE & INACTIVE MEMBERS	1,290	1,197	1,119	979	915	831	748	690	624	531
BENEFIT RECIPIENTS										
Service Retirement	7	6	4	3	4	1	1	2	—	—
Disability Retirement	13	7	6	5	3	2	1	—	—	—
Optional Settlement Benefit	6	4	4	4	—	3	—	—	—	—
Pre-Retirement Survivor	2	2	1	2	2	7	7	4	3	1
36-month Judge's Salary	2	—	—	—	—	—	—	—	—	—
TOTAL BENEFIT RECIPIENTS	30	19	15	14	11	13	9	6	3	1
TOTAL MEMBERS	1,320	1,216	1,134	993	926	844	757	696	627	532

Notes:

- ¹ Starting with the June 30, 2006 Comprehensive Annual Financial Report, CalPERS changed the mechanism for reporting this category.
- ² This total differs from Total Benefit Recipients on pages 45 and 151. Total Benefit Recipients shown here include Active Death Benefits paid as a result of a member death prior to retirement.

Program Data

PRIMARY BENEFITS

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

The four categories of membership are:

- **Miscellaneous Members** – staff, operational, supervisory, and all other eligible employees who are not in special membership categories.
- **Safety Members** – California Highway Patrol officers, police officers, firefighters, and other employees whose principal duties are in active law enforcement or fire prevention and suppression work, or who occupy positions designated by law as safety member positions.
- **State Industrial Members** – employees of the Department of Corrections and the California Youth Authority who have the same service retirement and other benefits as miscellaneous members, but who also have industrial death and disability benefits under certain limited circumstances.
- **State Peace Officer/Firefighter Members** – State employees who are involved in law enforcement, firefighting and fire suppression, public safety, protective services, or the management and supervision thereof, whose positions are defined as State peace officer/firefighter members in the Government Code or by the Department of Personnel Administration.

SEPARATION FROM EMPLOYMENT/REFUNDS

At permanent separation from employment, members may either leave their contributions on deposit and defer retirement¹ or terminate membership by electing to take a refund of member contributions plus interest (compounded annually). With a refund election, CalPERS is required to deduct federal withholding of 20 percent from the untaxed portion of the refund, unless the taxable portion is directly rolled over to a qualified plan or IRA.

SERVICE RETIREMENT

State Miscellaneous & 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 compensation² at age 55 for each year of service credit. Retirement may begin at age 50

with a reduced benefit rate, or after age 55 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.

Notes:

- ¹ 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.
- ² 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)

- **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 Miscellaneous Members (Second Tier) 1.5 Percent at 65 Formula

A guarantee of 1.5 percent of final compensation at age 65 for each year of service credit. Retirement may begin at age 55, or as early as 50 if there is a combination of First Tier and Second Tier service (a reduced benefit rate will apply).

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 33 1/3 percent of final compensation, applicable to members with at least five years of service credit.

By Contract Amendment Only for Local Agencies

A monthly allowance of 30 percent of final compensation, plus an additional 1 percent for each year of service over five years to a maximum of 50 percent.

For State Second Tier Members

A monthly allowance of 1.125 percent of final compensation for each year of service, improved under certain conditions to 33 1/3 percent of final compensation, applicable to members with at least 10 years of service credit or five years if credited as of January 1, 1985.

For Certain Local Miscellaneous Second Tier Members

A monthly allowance of 1.35 percent of final compensation for each year of service, improved under certain conditions to 33 1/3 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 Benefit¹ – For State Members in Bargaining Units Contracting for this Benefit, Who are Not Eligible to Retire, With 20 Years or More of State Service Credit

A monthly allowance payable to a surviving spouse or registered domestic partner until death, then to children under age 18. It is calculated similarly to pre-retirement Option 2W (if the beneficiary is a spouse or registered domestic partner), or like a 1957 Survivor Benefit (if the beneficiary is a minor child), as though the member had been old enough to retire. A spouse or registered domestic partner or minor child may receive continued health and dental insurance with the Alternate Death Benefit.

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 Benefit¹ – For All State Members, Married, or Registered Domestic Partnership

A monthly allowance payable to the surviving spouse or registered domestic partner until death, then to children under age 18, equal to what the deceased member would have received had they retired on the date of their death and elected Option 2W.

1957 Survivor Benefit¹ – 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 Benefit¹ – 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.

Note:

¹ The surviving spouse or registered domestic partner of other than a State member, or a guardian of a minor child, may elect the Basic Death Benefit or the 1957 Survivor Benefit. The surviving spouse or registered domestic partner of a State member may elect the Basic Death Benefit or the Pre-Retirement Option 2W Death Benefit.

Special Death Benefit¹ – Survivors of Patrol, State & Local Safety, State Industrial & State Peace Officer/Firefighter Members, State Miscellaneous² & Local Miscellaneous by Contract Amendment²

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 Benefit¹ – Violent Death

Provides increased benefits (up to 75 percent of final compensation) based upon the number of surviving children, if the member's death is the result of external violence or physical force.

DEATH BENEFITS (AFTER RETIREMENT)

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.

Notes:

¹ The Special Death Benefit is payable if the member's death is job related.

² The survivor of a State or local miscellaneous member qualifies for the Special Death Benefit if the member was killed or fatally injured while performing their official duties.

Program Data (continued)

Active & Inactive Members

Employer/Category	Active	Inactive	Total
State Miscellaneous – First Tier	144,879	47,869	192,748
State Miscellaneous – Second Tier	7,420	23,083	30,503
State Industrial – First Tier	10,747	1,236	11,983
State Industrial – Second Tier	763	986	1,749
State ARP ¹	9,521	4,451	13,972
Highway Patrol	7,305	268	7,573
State Safety	24,403	4,999	29,402
Peace Officer/Firefighter	42,333	5,910	48,243
University of California ²	1	48	49
TOTAL STATE MEMBERS	247,372	88,850	336,222
School – Miscellaneous	298,498	125,954	424,452
School – Safety	608	126	734
TOTAL SCHOOL MEMBERS	299,106	126,080	425,186
Public Agency – Miscellaneous	197,225	87,692	284,917
Public Agency – Safety	47,516	9,585	57,101
TOTAL PUBLIC AGENCY MEMBERS	244,741	97,277	342,018
TOTAL MEMBERS	791,219	312,207	1,103,426

Benefit Payments by Type

Category	Amount Paid
Service Retirement	\$12,078,836,537
Disability Retirement	557,833,490
Industrial Disability Retirement	1,349,369,869
PPPA Payments ³	42,656,666
TOTAL	\$14,028,696,562
Basic Death Benefit/Group Term Life Insurance	\$41,224,228
1957 Survivor Benefit	74,103,991
1959 Survivor Benefit	33,355,374
Industrial Death Allowance	38,985,369
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	25,893,151
TOTAL	\$213,562,113
GRAND TOTAL	\$14,242,258,675

Benefit Recipients by Employer Category⁴

Employer/Category	Retired Members	Survivors & Beneficiaries	Total
State Miscellaneous – First Tier	115,529	20,218	135,747
State Miscellaneous – Second Tier	2,545	515	3,060
State Industrial – First Tier	4,681	609	5,290
State Industrial – Second Tier	143	17	160
Highway Patrol	6,420	1,001	7,421
State Safety	31,536	3,328	34,864
Peace Officer/Firefighter	3,757	271	4,028
TOTAL STATE	164,611	25,959	190,570
School – Miscellaneous	152,403	20,360	172,763
School – Safety	—	—	—
TOTAL SCHOOL	152,403	20,360	172,763
Public Agency – Miscellaneous	107,657	13,686	121,343
Public Agency – Safety	38,995	4,672	43,667
TOTAL PUBLIC AGENCY	146,652	18,358	165,010
TOTAL	463,666	64,677	528,343

Notes:

- ¹ 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.
- ² The number of University of California members continues to decline since new employees must join the University of California Retirement System (UCRS).
- ³ 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).
- ⁴ 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	2011	2010	2009	2008	2007	2006
Service Retirement	\$12,078,836,537	\$10,886,413,443	\$9,832,150,382	\$8,989,399,878	\$8,233,421,767	\$7,550,688,820
Disability Retirement	557,833,490	540,419,698	526,320,720	508,340,191	498,297,616	469,318,366
Industrial Disability Retirement	1,349,369,869	1,276,846,198	1,211,176,434	1,141,230,969	1,073,697,728	986,653,060
PPPA Payments	42,656,666	51,590,524	60,244,271	59,612,434	63,851,575	64,455,662
TOTAL	\$14,028,696,562	\$12,755,269,863	\$11,629,891,807	\$10,698,583,472	\$9,869,268,686	\$9,071,115,908
Basic Death Benefit/Group Term Life Insurance	\$41,224,228	\$42,385,815	\$40,509,577	\$37,488,504	\$35,794,846	\$35,912,639
1957 Survivor Benefit	74,103,991	69,745,915	65,076,391	60,762,855	57,449,587	53,953,626
1959 Survivor Benefit	33,355,374	33,158,971	32,209,689	31,383,843	30,354,099	29,628,567
Industrial Death Allowance	38,985,369	37,042,156	35,506,591	33,600,164	31,351,295	28,785,227
Option 1, Temporary Annuity, Other Lump-Sum Death Benefits & Other Prior Year Adjustments	25,893,151	34,855,181	28,642,393	22,598,032	46,336,380	16,677,530
TOTAL	\$213,562,113	\$217,188,038	\$201,944,641	\$185,833,398	\$201,286,207	\$164,957,589¹
Refunds	\$227,167,877	\$182,387,623	\$186,783,064	\$182,415,410	\$181,574,603	\$170,929,432
GRAND TOTAL	\$14,469,426,552	\$13,154,845,524	\$12,018,619,512	\$11,066,832,280	\$10,252,129,496	\$9,407,002,930

Program Data (continued)

Average Benefit Payments – As of June 30, 2010 | Six-Year Review

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2009/10¹							
Average Monthly Allowance ²	\$586	\$829	\$1,377	\$2,059	\$3,043	\$4,577	\$5,572
Average Final Compensation	\$6,806	\$4,460	\$4,760	\$5,153	\$5,819	\$6,738	\$7,076
Number of Recipients ²	878	4,172	4,322	4,208	5,596	5,322	7,092
2008/09							
Average Monthly Allowance ²	\$606	\$830	\$1,360	\$1,988	\$2,906	\$4,432	\$5,569
Average Final Compensation	\$6,519	\$4,378	\$4,680	\$4,982	\$5,641	\$6,574	\$7,013
Number of Recipients ²	680	3,796	3,598	3,681	4,157	3,977	5,801
2007/08							
Average Monthly Allowance ²	\$506	\$777	\$1,306	\$1,966	\$2,882	\$4,364	\$5,433
Average Final Compensation	\$6,138	\$4,358	\$4,518	\$4,970	\$5,587	\$6,472	\$6,864
Number of Recipients ²	727	3,620	3,371	3,652	3,765	3,458	4,883
2006/07							
Average Monthly Allowance ²	\$601	\$753	\$1,222	\$1,801	\$2,624	\$3,917	\$5,115
Average Final Compensation	\$6,125	\$4,294	\$4,356	\$4,632	\$5,182	\$5,925	\$6,539
Number of Recipients ²	648	3,943	3,536	4,059	3,738	3,606	4,467
2005/06							
Average Monthly Allowance ²	\$487	\$682	\$1,134	\$1,654	\$2,372	\$3,610	\$4,870
Average Final Compensation	\$6,040	\$4,012	\$4,144	\$4,405	\$4,858	\$5,689	\$6,294
Number of Recipients ²	560	3,624	3,788	4,462	3,807	3,650	5,249
2004/05							
Average Monthly Allowance ²	\$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 ²	549	3,487	4,032	4,668	3,861	3,859	5,876

Notes:

- ¹ The data for fiscal year 2009-10 is the most recent data available.
- ² These averages and totals are for retired members, beneficiaries, and community property recipients.

Public Agency Employers

CONTRACT ACTIONS SUMMARY

On June 30, 2011, 1,573 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 1,027 districts and other public agencies. The 57 County Offices of Education contracts provide benefits for 1,530 school districts and charter schools, bringing the total number of public agency employers to 3,103.

	Added	Merged	Terminated	Total
County Offices of Education (for 1,530 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	4	-2	-2	1027 ¹
TOTAL PUBLIC AGENCY CONTRACTS	4	-2	-2	1,573

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 55 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 2010-11 fiscal year, 187 contract amendments were completed. The benefit formula changes for public agencies included: one to provide the 2.5 percent at 55 formula for active miscellaneous members; four to provide the 2.7 percent at 55 formula for active miscellaneous members; two to provide the 2 percent at 55 formula for miscellaneous members; two to provide the 3 percent at 60 formula for active miscellaneous members; two to provide the 3 percent at 50 formula for safety members; three to provide the 3 percent at 55 formula for safety

members; and three to provide the 2 percent at 50 formula for safety members. 107 contract amendments were completed to provide a different (lower) level of benefits for new hires.

TWO YEARS OF ADDITIONAL SERVICE CREDIT – “GOLDEN HANDSHAKE”

Contracting agencies may amend their contracts to provide additional service credit if there are impending mandatory transfers, layoffs, or demotions. Eligible employees who retire within a 90- to 180-day window period established by the employer receive two years additional service credit. The County Offices of Education may also contract for this benefit when there is an impending curtailment of, or change, in the manner of performing services, and their best interest would be served by granting the additional service credit. Once the contract is amended, the employer may establish additional window periods.

In the 2010-11 fiscal year, 17 public agencies amended their contracts to provide the two years of additional service credit and 35 additional window periods were established. The County Offices of Education established 23 additional window periods for the Golden Handshake benefit.

POPULAR BENEFIT AMENDMENTS

Benefit	Number of amendments
Different Level of Benefits ²	107
2.5% at 55 Miscellaneous Formula	1
One Year Final Compensation	4
Fourth Level of 1959 Survivor Benefits	5
2.7% at 55 Miscellaneous Formula	4
3% at 50 Safety Formula	2
Pre-Retirement Optional Settlement 2 Death Benefit	5
3% at 55 Safety Formula	3
2% at 55 Miscellaneous Formula	2

Note:

¹ Agencies that contract with CalPERS for retirement benefits and have zero participants were included. “Participants” is defined as active and inactive members and excludes retirees.

² Different Level of Benefits is a new, lower tier of benefits that only applies to new hires.

Public Agency Employers (continued)

MERGERS

- Saratoga Fire Protection District merged into the Santa Clara County Central Fire Protection District effective August 23, 2010.
- Chester Fire Protection District merged into the Chester Public Utility District effective November 21, 2010.

TERMINATIONS

- Palo Verde Cemetery District effective February 28, 2011
- San Mateo Local Agency Formation Commission effective September 15, 2010

LARGEST PARTICIPATING EMPLOYERS

Employer	Number of Employees
State of California	336,222
Los Angeles County Office of Education	106,296
Los Angeles Unified School District	44,256
San Diego County Office of Education	36,441
Orange County Office of Education	31,726
County of Riverside	24,507
San Bernardino County Office of Education	24,344
Riverside County Office of Education	22,727
County Office of Santa Clara	20,351
Santa Clara County Office of Education	19,123

NEW CONTRACTS

During the 2010-2011 fiscal year, 4 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
8/1/10	Municipal Pooling Authority	2% @ 55	—
8/22/10	North Tahoe Public Utility District	2% @ 55	—
9/11/10	Loomis Fire Protection District	2% @ 60	2% @ 55
12/25/10	Herlong Public Utility District	2.5% @ 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

Systems with Limited Reciprocity

- Judges' Retirement System
- Judges' Retirement System II
- Legislators' Retirement System
- California State Teachers' Retirement System

Public Agency Employers (continued)

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 15,075	Orange 31,726
Alpine 60	Placer 4,173
Amador 247	Plumas 439
Butte 3,508	Riverside 22,727
Calaveras 624	Sacramento 16,272
Colusa 448	San Benito 797
Contra Costa 9,939	San Bernardino 24,344
Del Norte 232	San Diego 36,441
El Dorado 2,418	San Joaquin 8,198
Fresno 13,127	San Luis Obispo 3,485
Glenn 547	San Mateo 7,312
Humboldt 2,508	Santa Barbara 5,574
Imperial 3,065	Santa Clara 19,123
Inyo 306	Santa Cruz 3,395
Kern 13,132	Shasta 2,656
Kings 2,016	Sierra 56
Lake 919	Siskiyou 965
Lassen 515	Solano 4,196
Los Angeles 106,296	Sonoma 5,743
Madera 1,648	Stanislaus 7,865
Marin 2,857	Sutter 1,180
Mariposa 215	Tehama 1,241
Mendocino 1,958	Trinity 330
Merced 4,494	Tulare 7,719
Modoc 280	Tuolumne 570
Mono 278	Ventura 8,871
Monterey 6,424	Yolo 2,258
Napa 1,949	Yuba 1,325
Nevada 1,120	

School District Offices¹ (4 total)

Los Angeles Unified School District	44,256
Los Angeles Community College District	3,188
Los Angeles County Office of Education	3,495
San Diego County Office of Education	1,141

Counties (36 total)

Alpine 103	Napa 1,733
Amador 558	Nevada 1,179
Butte 2,584	Placer 2,923
Calaveras 658	Plumas 558
Colusa 434	Riverside 24,507
Del Norte 700	San Benito 653
El Dorado 2,398	Santa Clara 20,351
Glenn 625	Santa Cruz 3,101
Humboldt 2,570	Shasta 2,202
Inyo 557	Sierra 148
Kings 1,699	Siskiyou 880
Lake 1,322	Solano 3,357
Lassen 691	Sutter 1,207
Madera 1,800	Tehama 1,111
Mariposa 530	Trinity 493
Modoc 609	Tuolumne 1,350
Mono 432	Yolo 2,116
Monterey 6,377	Yuba 1,175

Note:

¹ 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	155	Campbell	189	El Cerrito	246	Indian Wells	51
Agoura Hills	46	Canyon Lake	6	El Monte	366	Indio	287
Alameda	749	Capitola	98	El Segundo	406	Industry	24
Albany	103	Carlsbad	875	Elk Grove	294	Inglewood	957
Alhambra	650	Carmel-by-the-Sea	102	Emeryville	69	Ione	26
Aliso Viejo	24	Carpinteria	52	Encinitas	304	Irvine	1,105
Alturas	27	Carson	583	Escalon	49	Irwindale	96
American Canyon	92	Cathedral City	271	Escondido	1,152	Jackson	39
Anaheim	3,120	Cerritos	480	Etna	9	Kerman	70
Anderson	72	Chico	439	Eureka	317	King City	61
Angels	46	Chino	595	Exeter	46	Kingsburg	88
Antioch	409	Chowchilla	91	Fairfax	58	La Canada Flintridge	40
Apple Valley	161	Chula Vista	1,295	Fairfield	656	La Habra	540
Arcadia	449	Citrus Heights	236	Farmersville	43	La Habra Heights	27
Arcata	151	Claremont	276	Fillmore	57	La Mesa	335
Arroyo Grande	105	Clayton	39	Firebaugh	61	La Mirada	113
Artesia	44	Clearlake	75	Folsom	572	La Palma	99
Arvin	77	Cloverdale	64	Fontana	1,020	La Puente	55
Atascadero	202	Clovis	903	Fort Bragg	84	La Quinta	119
Atherton	66	Coachella City	89	Fortuna	107	La Verne	209
Atwater	146	Colfax	9	Fountain Valley	259	Laguna Beach	301
Auburn	100	Colma	57	Fowler	37	Laguna Hills	55
Avalon	84	Colton	461	Fremont	1,079	Laguna Niguel	137
Avenal	63	Colusa	54	Fullerton	785	Laguna Woods	11
Azusa	434	Commerce	181	Galt	231	Lake Elsinore	88
Bakersfield	1,689	Compton	662	Garden Grove	854	Lake Forest	95
Baldwin Park	607	Concord	602	Gardena	571	Lakeport	53
Banning	221	Corcoran	109	Gilroy	293	Lakewood	401
Barstow	193	Corning	52	Glendale	2,592	Lancaster	720
Beaumont	196	Corona	944	Glendora	264	Larkspur	75
Bell	233	Coronado	387	Goleta	63	Lathrop	110
Bell Gardens	216	Corte Madera	77	Gonzales	52	Lawndale	124
Bellflower	123	Costa Mesa	789	Grand Terrace	87	Lemon Grove	90
Belmont	185	Cotati	58	Grass Valley	128	Lemoore	165
Belvedere	26	Covina	276	Greenfield	63	Lincoln	200
Benicia	291	Crescent City	99	Gridley	67	Lindsay	135
Berkeley	1,920	Cudahy	28	Grover Beach	90	Live Oak	24
Beverly Hills	1,083	Culver City	854	Guadalupe	64	Livermore	580
Biggs	11	Cupertino	199	Gustine	38	Livingston	95
Bishop	38	Cypress	238	Half Moon Bay	54	Lodi	539
Blue Lake	12	Daly City	779	Hanford	329	Loma Linda	121
Blythe	109	Dana Point	99	Hawaiian Gardens	100	Lomita	60
Bradbury	4	Davis	572	Hawthorne	459	Lompoc	450
Brawley	208	Del Mar	81	Hayward	1,012	Long Beach	6,276
Brea	449	Del Rey Oaks	15	Healdsburg	147	Loomis	15
Brentwood	349	Delano	46	Hemet	386	Los Alamitos	64
Brisbane	116	Desert Hot Springs	119	Hercules	221	Los Altos	160
Buellton	28	Diamond Bar	74	Hermosa Beach	199	Los Altos Hills	24
Buena Park	391	Dinuba	243	Hesperia	163	Los Banos	185
Burbank	1,731	Dixon	123	Hidden Hills	5	Los Gatos	217
Burlingame	242	Dos Palos	39	Highland	46	Loyalton	1
Calabasas	156	Downey	579	Hillsborough	98	Lynwood	275
Calexico	273	Duarte	63	Hollister	168	Madera	406
California City	105	Dublin	111	Hughson	43	Malibu	99
Calimesa	17	Dunsmuir	15	Huntington Beach	1,186	Mammoth Lakes	132
Calipatria	22	East Palo Alto	134	Huntington Park	225	Manhattan Beach	394
Calistoga	72	El Cajon	673	Imperial	64	Manteca	440
Camarillo	177	El Centro	366	Imperial Beach	116	Marina	132

Public Agency Employers (continued)

Cities & Towns (continued)

Martinez	54	Pasadena	2,310	San Gabriel	218	Taft	182
Marysville	85	Paso Robles	205	San Jacinto	86	Tehachapi	62
Maywood	75	Patterson	113	San Joaquin	21	Temecula	240
Menifee	24	Perris	99	San Jose	11	Temple City	53
Menlo Park	366	Petaluma	450	San Leandro	476	Thousand Oaks	460
Merced	568	Pico Rivera	190	San Luis Obispo	517	Tiburon	58
Mill Valley	241	Piedmont	127	San Marcos	297	Torrance	1,680
Millbrae	193	Pinole	143	San Marino	185	Tracy	562
Milpitas	478	Pismo Beach	135	San Mateo	656	Truckee	153
Mission Viejo	188	Pittsburg	310	San Pablo	164	Tulare	471
Modesto	1,321	Placentia	153	San Ramon	357	Tulelake	24
Monrovia	325	Placerville	111	Sand City	28	Turlock	530
Montague	7	Pleasant Hill	173	Sanger	153	Tustin	409
Montclair	293	Pleasanton	561	Santa Ana	1,686	Twentynine Palms	58
Monte Sereno	10	Pomona	716	Santa Barbara	1,448	Ukiah	257
Montebello	686	Port Hueneme	174	Santa Clara	1,030	Union City	377
Monterey	612	Porterville	399	Santa Clarita	597	Upland	429
Monterey Park	482	Portola	19	Santa Cruz	1,005	Vacaville	601
Moorpark	88	Portola Valley	15	Santa Fe Springs	238	Vallejo	480
Moraga	57	Poway	309	Santa Maria	679	Vernon	418
Moreno Valley	635	Rancho Cordova	73	Santa Monica	2,921	Victorville	656
Morgan Hill	249	Rancho Cucamonga	665	Santa Paula	191	Villa Park	5
Morro Bay	127	Rancho Mirage	98	Santa Rosa	1,474	Visalia	667
Mountain View	823	Rancho Palos Verdes	165	Santee	188	Vista	440
Mt. Shasta	48	Rancho Santa		Saratoga	94	Walnut	76
Murrieta	315	Margarita	25	Sausalito	154	Walnut Creek	643
Napa	487	Red Bluff	126	Scotts Valley	97	Wasco	80
National City	433	Redding	812	Seal Beach	113	Waterford	23
Needles	239	Redlands	515	Seaside	247	Watsonville	488
Nevada City	43	Redondo Beach	609	Sebastopol	55	Weed	42
Newark	250	Redwood City	827	Selma	158	West Covina	452
Newman	53	Reedley	159	Shafter	165	West Hollywood	291
Newport Beach	1,075	Rialto	430	Shasta Lake	56	West Sacramento	503
Norco	125	Richmond	999	Sierra Madre	119	Westlake Village	22
Norwalk	296	Ridgecrest	157	Signal Hill	175	Westminster	338
Novato	278	Rio Vista	64	Simi Valley	705	Westmorland	4
Oakdale	119	Ripon	26	Solana Beach	87	Whittier	493
Oakland	4,823	Riverbank	76	Soledad	107	Wildomar	9
Oakley	42	Riverside	2,636	Solvang	45	Williams	41
Oceanside	1,214	Rocklin	398	Sonoma	116	Willits	67
Ojai	42	Rohnert Park	236	Sonora	57	Willows	42
Ontario	1,188	Rolling Hills	4	South El Monte	91	Windsor	135
Orange	825	Rolling Hills Estates	34	South Gate	478	Winters	45
Orange Cove	46	Rosemead	111	South Lake Tahoe	281	Woodlake	59
Orland	46	Roseville	1,388	South Pasadena	260	Woodland	384
Oroville	147	Ross	32	South San Francisco	550	Woodside	30
Oxnard	2,552	Sacramento	5,695	St. Helena	100	Yorba Linda	148
Pacific Grove	128	Salinas	613	Stanton	71	Yountville	33
Pacifica	263	San Anselmo	96	Stockton	1,922	Yreka	67
Palm Desert	178	San Bernardino	1,693	Suisun City	138	Yuba City	351
Palm Springs	562	San Bruno	290	Sunnyvale	1,182	Yucaipa	67
Palmdale	372	San Buenaventura	842	Susanville	96	Yucca Valley	75
Palo Alto	1,260	San Carlos	178	Sutter Creek	16		
Palos Verdes Estates	98	San Clemente	44				
Paradise	128	San Dimas	102				
Paramount	129	San Fernando	171				
Parlier	46	San Francisco ¹	1,579				

Note:

¹ 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 (1,027 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	23	Bard Water District	22
Access Services Incorporated	124	Bardsdale Cemetery District	7
Agoura Hills and Calabasas Community Center	16	Barstow Cemetery District	5
Alameda Alliance for Health	286	Bay Area Air Quality Management District	421
Alameda Corridor Transportation Authority	18	Bay Area Water Supply and Conservation Agency	9
Alameda County Congestion Management Agency	26	Beach Cities Health District	161
Alameda County Fire Department	426	Bear Mountain Recreation and Park District	19
Alameda County Law Library	16	Bear Valley Community Services District	58
Alameda County Mosquito Abatement District	16	Beaumont District Library	10
Alameda County Schools Insurance Group	7	Beaumont-Cherry Valley Recreation and Park District	23
Alameda County Transportation Improvement Authority	10	Beaumont-Cherry Valley Water District	37
Alameda County Waste Management Authority	48	Bella Vista Water District	27
Alameda County Water District	263	Belmont-San Carlos Fire Department	56
Albany Municipal Services Joint Powers Authority	25	Belvedere-Tiburon Library Agency	18
Alhambra Redevelopment Agency	7	Ben Lomond Fire Protection District	2
Alliance of Schools for Cooperative Insurance Programs	28	Benicia City Housing Authority	15
Alpine Fire Protection District	24	Bennett Valley Fire Protection District	10
Alta California Regional Center, Inc.	464	BETA Healthcare Group Risk Management Authority	76
Alta Irrigation District	41	Big Bear Area Regional Wastewater Agency	21
Altadena Library District	24	Big Bear City Airport District	7
Amador County Transportation Commission	4	Big Bear City Community Services District	74
Amador Regional Transit District	42	Big Bear Municipal Water District	11
Amador Water Agency	66	Bighorn-Desert View Water Agency	13
American Canyon Fire Protection District	15	Black Gold Cooperative Library System	17
American River Flood Control District	11	Blanchard/Santa Paula Public Library District	9
Anderson Cemetery District	3	Blue Lake Fire Protection District	1
Anderson Fire Protection District	14	Bodega Bay Fire Protection District	20
Angiola Water District	8	Bolinas Community Public Utility District	8
Antelope Valley Mosquito and Vector Control District	5	Bolinas Fire Protection District	2
Antelope Valley Schools Transportation Agency	299	Bonita-Sunnyside Fire Protection District	16
Antelope Valley Transit Authority	83	Boron Community Services District	3
Apple Valley Fire Protection District	61	Borrego Springs Fire Protection District	28
Aptos/La Selva Fire Protection Agency	39	Borrego Water District	18
Arbuckle-College City Fire Protection District	4	Boulder Creek Fire Protection District	1
Arcade Creek Recreation and Park District	10	Branciforte Fire Protection District	5
Arcata Fire Protection District	17	Brannan-Andrus Levee Maintenance District	1
Area 12 Agency on Aging	37	Broadmoor Police Protection District	19
Armona Community Services District	1	Brooktrails Township Community Services District	15
Aromas Water District	6	Browns Valley Irrigation District	15
Arrowbear Park County Water District	6	Buena Park Library District	25
Arroyo Grande District Cemetery	5	Burney Basin Mosquito Abatement District	1
Associated Students, California State University, Chico	140	Burney Fire District	13
Associated Students, California State University, San Bernardino	2	Burney Water District	10
Association of Bay Area Governments	141	Butte County Air Quality Management District	13
Association of California Water Agencies	75	Butte County Association of Governments	14
Association of California Water Agencies-Joint Powers Insurance Authority	45	Butte County In-Home Supportive Services Public Authority	4
Association of Monterey Bay Area Governments	34	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	6	Butte-Glenn Community College District	490
Avila Beach Community Services District	1	Byron-Bethany Irrigation District	22
Aztec Shops, Ltd.	102	Cabrillo College Foundation	9
Baldwin Park Unified School District	920	Cachuma Operation and Maintenance Board	20
Baldy Mesa Water District	2	Cal Poly Corporation	527
		Cal Poly Pomona Foundation, Inc.	432

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	9
Calaveras County Water District	89	Central Coast Computing Authority	5
Calaveras Public Utility District	7	Central Coast Water Authority	39
California Association for Park and Recreation Indemnity	5	Central Contra Costa Transit Authority	346
California Authority of Racing Fairs	18	Central County Fire Department	75
California Bear Credit Union	85	Central Fire Protection District of Santa Cruz County	49
California Central Valley Flood Control Association	2	Central Marin Sanitation Agency	45
California Fair Services Authority	52	Central Sierra Child Support Agency	50
California Fairs Financing Authority	39	Central Sierra Planning Council	5
California Firefighter's Joint Apprenticeship Committee	40	Central Valley Regional Center, Inc.	374
California Interscholastic Federation, Central Coast Section	8	Central Water District	4
California Interscholastic Federation, Central Section	2	Chester Public Utility District	16
California Interscholastic Federation, North Coast Section	8	Chico Area Recreation and Park District	98
California Interscholastic Federation, Northern Section	2	Children and Families Commission of San Luis Obispo County	3
California Interscholastic Federation, Sac-Joaquin Section	7	Chino Basin Water Conservation District	15
California Interscholastic Federation, San Diego Section	2	Chino Basin Watermaster	13
California Interscholastic Federation, Southern Section	18	Chino Valley Independent Fire District	138
California Interscholastic Federation, State Office	23	Citrus Heights Water District	29
California Joint Powers Insurance Authority	25	Citrus Pest Control District No. 2 of Riverside County	2
California Joint Powers Risk Management Authority	7	Clear Creek Community Services District	11
California Maritime Academy Foundation, Inc.	2	Clearlake Oaks County Water District	27
California Municipal Utilities Association	8	Cloverdale Citrus Fair	5
California Pines Community Services District	17	Cloverdale Fire Protection District	3
California Redevelopment Association Foundation	15	Clovis Cemetery District	16
California School Boards Association	177	Coachella Valley Association of Governments	24
California Special Districts Association	27	Coachella Valley Mosquito and Vector Control District	89
California State and Federal Employees No. 20 Credit Union	14	Coachella Valley Public Cemetery District	6
California State University, Bakersfield Foundation	74	Coachella Valley Water District	548
California State University, Fresno Athletic Corporation	125	Coalinga/Huron Unified School District Library District	10
California State University, Stanislaus Auxiliary and Business Services	42	Coalinga-Huron Cemetery District	2
California State University-Fresno Association, Inc.	226	Coalinga-Huron Mosquito Abatement District	0
Callayomi County Water District	3	Coalinga-Huron Recreation and Park District	20
Calleguas Municipal Water District	73	Coast Life Support District	10
Camarillo Health Care District	65	Coastal Developmental Services Foundation DBA Westside Regional Center	272
Cambria Cemetery District	1	Coastside County Water District	23
Cambria Community Healthcare District	25	Coastside Fire Protection District	12
Cambria Community Services District	35	Coffax Cemetery District	3
Cameron Park Community Services District	18	College of the Canyons Foundation	2
Camrosa Water District	29	College Town	0
Capitol Area Development Authority	52	Colusa County One-Stop Partnership	22
Carmel Area Wastewater District	25	Colusa Mosquito Abatement District	5
Carmel Highlands Fire Protection District of Monterey County	1	Community College League of California	32
Carmel Regional Fire Ambulance Authority	7	Community Development Commission of Mendocino County	40
Carmel Valley Fire Protection District	21	Community Development Commission of the County of Los Angeles	1,161
Carmichael Water District	37	Compton Creek Mosquito Abatement District	1
Carpinteria Sanitary District	20	Compton Unified School District	1,901
Carpinteria Valley Water District	21	Conejo Recreation and Park District	281
Casitas Municipal Water District	59	Consolidated Mosquito Abatement District	24
Gastaic Lake Water Agency	122	Contra Costa Community College District	964
Castro Valley Sanitary District	24	Contra Costa County Law Library	6
Castroville Community Services District	7	Contra Costa County Schools Insurance Group	60
Cawelo Water District	19	Contra Costa Transportation Authority	25
Cayucos Sanitary District	10	Cooperative Organization for the Development of Employee Selection Procedures	11
Cayucos-Morro Bay Cemetery District	4	Cooperative Personnel Services	377
Centerville Community Services District	5		
Central Basin Municipal Water District	45		

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Copperopolis Fire Protection District	11	Encina Wastewater Authority	90
Cordelia Fire Protection District of Solano County	6	Esparto Community Services District	7
Cordova Recreation and Park District	55	Esparto Fire Protection District	2
Corning Water District	4	Estero Municipal Improvement District	262
Costa Mesa Sanitary District	12	Exeter District Ambulance	24
Cosumnes Community Services District	594	Exposition Metro Line Construction Authority	17
Cottonwood Fire Protection District	3	Fair Oaks Recreation and Park District	55
Cottonwood Water District	3	Fair Oaks Water District	58
Crescent City Harbor District	15	Fairfield-Suisun Sewer District	74
Crescenta Valley Water District	35	Fall River Valley Community Services District	8
Crestline Lake Arrowhead Water Agency	12	Fallbrook Public Utility District	78
Crestline Village Water District	14	Far Northern Regional Center	200
Crockett Community Services District	6	Feather River Air Quality Management District	13
CSAC Excess Insurance Authority	72	Feather River Recreation and Park District	44
Cucamonga Valley Water District	140	Feather Water District	3
Cutler Public Utility District	5	Felton Fire Protection District	3
Cutler-Orosi Joint Powers Wastewater Authority	3	Fern Valley Water District	5
Cuyama Valley Recreation District	1	Florin County Water District	9
Dairy Council of California	112	Florin Resource Conservation District Elk Grove Water Works	48
Daly City Redevelopment Agency	0	Fontana Unified School District	1,983
Davis Cemetery District	5	Foothill Municipal Water District	11
De Luz Community Services District	5	Foresthill Public Utility District	12
Del Norte County Library District	4	Forestville County Water District	3
Del Paso Manor Water District	5	Forestville Fire Protection District	7
Del Puerto Water District	5	Fort Bragg Fire Protection Authority	5
Del Rey Community Services District	11	Fort Ord Reuse Authority	17
Delano Mosquito Abatement District	4	Foundation for California Community Colleges	194
Delta Diablo Sanitation District	83	Fresno City Housing Authority	181
Delta Vector Control District	21	Fresno County Housing Authority	175
Denair Community Services District	6	Fresno County Law Library	7
Desert Water Agency	95	Fresno Westside Mosquito Abatement District	8
Diablo Water District	16	Fruitridge Fire Protection District	0
Diamond Springs/El Dorado Fire Protection District	18	Fullerton California State University, Associated Students	79
Dixon Public Library District	18	Fulton El-Camino Recreation and Park District	20
Donald P. and Katherine B. Loker University Student Union, Inc.	16	Garden Valley Fire Protection District	12
Dougherty Regional Fire Authority	4	Georgetown Divide Public Utility District	25
Downey Cemetery District	0	Georgetown Fire Protection District	13
Dublin San Ramon Services District	125	Gilsizer County Drainage District	6
Durham Mosquito Abatement District	1	Glen Ellen Fire Protection District	5
East Bay Dischargers Authority	3	Glendale College, Associated Students of	19
East Bay Regional Park District	700	Glendale Community College District	463
East Contra Costa Irrigation District	21	Glenn County Mosquito and Vector Control District	1
East Kern Airport District	29	Gold Coast Transit	234
East Orange County Water District	10	Gold Ridge Fire Protection District	12
East Palo Alto Sanitary District	15	Gold Ridge Resource Conservation District	6
East Quincy Services District	5	Golden Gate Bridge Highway and Transportation District	589
East San Gabriel Valley Human Services Consortium	91	Golden Hills Community Services District	15
East Valley Water District	78	Golden Sierra Job Training Agency	36
Eastern Municipal Water District	746	Goleta Sanitary District	45
Eastern Sierra Transit Authority	37	Goleta Water District	78
Ebbetts Pass Fire Protection District	30	Goleta West Sanitary District	8
El Dorado County Fire Protection District	107	Granada Sanitary District	2
El Dorado County Transit Authority	90	Great Basin Unified Air Pollution Control District	29
El Dorado County Transportation Commission	8	Greater Anaheim Special Education Local Plan Area	87
El Dorado Hills Community Services District	55	Greater Los Angeles County Vector Control District	75
El Dorado Hills County Water District	57	Greater Vallejo Recreation District	71
El Dorado Irrigation District	291	Green Valley County Water District	2

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Greenfield Fire Protection District	4	Inland Empire Resource Conservation District	18
Gridley Biggs Cemetery District	5	Inland Empire Utilities Agency	367
Grossmont Healthcare District	10	Intelecom Intelligent Telecommunications	43
Grossmont Schools Federal Credit Union	26	Intergovernmental Training and Development Center	9
Grossmont-Cuyamaca Community College District	689	Inverness Public Utility District	4
Groveland Community Services District	41	Ironhouse Sanitary District	34
Gualala Community Services District	5	Irvine Child Care Project	0
Hacienda La Puente Unified School District	1,429	Irvine Ranch Water District	382
Hamilton Branch Fire Protection District	1	Isla Vista Recreation and Park District	20
Happy Camp Sanitary District	2	Jackson Valley Irrigation District	2
Happy Homestead Cemetery District	4	Jamestown Sanitary District	7
Happy Valley Fire District	2	Janesville Fire Protection District	2
Hayward Area Recreation and Park District	165	Joshua Basin Water District	24
Hayward California State University, Auxiliary Foundation, Inc.	213	June Lake Public Utility District	8
Health Plan of San Joaquin	181	Jurupa Area Recreation and Park District	14
Heartland Communications Facility Authority	47	Jurupa Community Services District	151
Heber Public Utility District	17	Kaweah Delta Water Conservation District	27
Helendale Community Services District	13	Kelseyville Fire Protection District	21
Helix Water District	175	Kensington Community Services District	11
Henry Miller Reclamation District No. 2131	51	Kentfield Fire Protection District	15
Herald Fire Protection District	2	Kenwood Fire Protection District	3
Heritage Ranch Community Services District	16	Kern County Council of Governments	26
Herlong Public Utility District	3	Kern County Housing Authority	168
Hesperia Fire Protection District	42	Kern County Law Library	7
Hesperia Water District	72	Kern County Local Agency Formation Commission	2
Hidden Valley Lake Community Services District	18	Kern Health Systems	349
Hi-Desert Water District	52	Kern River Valley Cemetery District	2
Higgins Area Fire Protection District	28	Kern-Tulare Water District	8
Hilton Creek Community Services District	2	Kettleman City Community Services District	5
Hopland Public Utility District	1	Kings County Area Public Transit Agency	34
Housing Authority of the City of Calexico	23	Kings County Association of Governments	6
Housing Authority of the City of Eureka	28	Kings County In-Home Supportive Services Public Authority	4
Housing Authority of the City of Livermore	19	Kings Mosquito Abatement District	12
Housing Authority of the City of Los Angeles	1,358	Kings Waste and Recycling Authority	79
Housing Authority of the City of Madera	52	Kinneloa Irrigation District	3
Housing Authority of the City of San Buenaventura	59	Kirkwood Meadows Public Utility District	17
Housing Authority of the City of San Luis Obispo	46	Konocti County Water District	10
Housing Authority of the City of South San Francisco	4	La Branza Water District	0
Housing Authority of the County of Butte	48	La Habra Heights County Water District	11
Housing Authority of the County of Santa Clara	214	La Puente Valley County Water District	16
Housing Authority of the County of Santa Cruz	98	Laguna Beach County Water District	47
Hub Cities Consortium	56	Lake Arrowhead Community Services District	75
Human Rights/Fair Housing Commission of the City and County of Sacramento	24	Lake County Fire Protection District	28
Humboldt Bay Harbor Recreation and Conservation District	22	Lake County Vector Control District	11
Humboldt Bay Municipal Water District	25	Lake Don Pedro Community Services District	9
Humboldt Community Services District	25	Lake Hemet Municipal Water District	58
Humboldt County Association of Governments	3	Lake Oroville Area Public Utility District	9
Humboldt No. 1 Fire Protection District of Humboldt County	20	Lake Shastina Community Services District	16
Humboldt State College University Center	74	Lake Valley Fire Protection District	52
Humboldt Transit Authority	64	Lakeport County Fire Protection District	17
Humboldt Waste Management Authority	47	Lakeside Fire Protection District	62
Idyllwild Fire Protection District	11	Lakeside Water District	23
Independent Cities Association, Inc.	0	Lamont Public Utility District	0
Indian Wells Valley Water District	41	Las Gallinas Valley Sanitary District of Marin County	19
Inland Counties Regional Center, Inc.	743	Las Virgenes Municipal Water District	156
Inland Empire Health Plan	708	Lassen County Waterworks District No. 1	1
		League of California Cities	127

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Lee Lake Water District	9	Meiners Oaks County Water District	6
Leucadia Wastewater District	25	Mendocino City Community Services District	4
Levee District No. 1 of Sutter County	3	Mendocino County Russian River Flood Control and Water Conservation Improvement District	1
Linda County Water District	12	Mendocino Transit Authority	66
Linda Fire Protection District	15	Menlo Park Fire Protection District	110
Linden-Peters Rural County Fire Protection District	12	Merced County Housing Authority	87
Lindsay Strathmore Public Cemetery District	5	Merced County Mosquito Abatement District	18
Little Lake Fire Protection District	5	Merced Irrigation District	239
Littlerock Creek Irrigation District	6	Mesa Consolidated Water District	79
Live Oak Cemetery District	4	Metropolitan Transportation Commission	205
Livermore/Amador Valley Transit Authority	21	Metropolitan Water District of Southern California	2,701
Local Agency Formation Commission of Monterey County	3	Mid-City Development Corporation	0
Local Agency Formation Commission of Solano County	2	Midpeninsula Regional Open Space District	159
Local Government Services Authority, a Joint Powers Authority	65	Midpeninsula Water District	25
Lompico County Water District	5	Mid-Placer Public Schools Transportation Agency	90
Long Beach City College, Associated Student Body Enterprises	22	Midway City Sanitary District	36
Long Beach State University, Associated Students	88	Millview County Water District	8
Long Beach State University, Forty-Niner Shops, Inc.	79	Minter Field Airport District	16
Loomis Fire Protection District	10	Mission Springs Water District	61
Los Alamos Community Services District	6	Mojave Water Agency	46
Los Angeles City Community Redevelopment Agency	262	Mokelumne Rural Fire District	10
Los Angeles County Area 'E' Civil Defense and Disaster Board	1	Monte Vista County Water District	44
Los Angeles County Law Library	61	Montecito Fire Protection District	53
Los Angeles County Sanitation District No. 2	2,139	Montecito Sanitary District of Santa Barbara County	17
Los Angeles County West Vector Control District	43	Montecito Water District	31
Los Angeles Memorial Coliseum Commission	34	Monterey Bay Unified Air Pollution Control District	41
Los Angeles Regionalized Insurance Services Authority	0	Monterey County Regional Fire Protection District	35
Los Angeles to Pasadena Metro Blue Line Construction Authority	17	Monterey County Water Resources Agency	69
Los Gatos-Saratoga Department of Community Education and Recreation	61	Monterey Peninsula Airport District	61
Los Osos Community Services District	25	Monterey Peninsula Regional Park District	13
Lower Lake Cemetery District	3	Monterey Peninsula Water Management District	34
Lower Lake County Waterworks District No. 1	5	Monterey Regional Waste Management District	162
Lower Tule River Irrigation District	40	Monterey Regional Water Pollution Control Agency	98
Madera Cemetery District	20	Monterey-Salinas Transit District	380
Madera County Mosquito and Vector Control District	13	Montezuma Fire Protection District	12
Main San Gabriel Basin Watermaster	14	Morongo Basin Transit Authority	58
Majestic Pines Community Services District	3	Mother Lode Job Training Agency	38
Mammoth Lakes Fire District	16	Moulton-Niguel Water District	134
Mammoth Lakes Mosquito Abatement District	1	Mountains Recreation and Conservation Authority	284
Management of Emeryville Services Authority	139	Mountain-Valley Library System	0
March Joint Powers Authority	25	Mt. View Sanitary District of Contra Costa County	21
Marin Children and Families Commission	9	Mt. San Antonio College Auxiliary Services	43
Marin Community College District	267	Municipal Pooling Authority	15
Marin County Housing Authority	108	Municipal Water District of Orange County	44
Marin County In-Home Supportive Services Public Authority	6	Murphys Sanitary District	8
Marin County Sanitary District No. 1	36	Murrieta Fire Protection District	58
Marin Healthcare District	0	Murrieta Valley Cemetery District	5
Marin Municipal Water District	294	Napa County Mosquito Abatement District	8
Marina Coast Water District	42	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	54
Maxwell Public Utility District	4	National Orange Show	132
McFarland Recreation and Park District	7	Natomas Fire Protection District	0
McKinleyville Community Services District	30	Nevada Cemetery District	3
McCloud Community Services District	10	Nevada County Consolidated Fire District	52
Meeks Bay Fire Protection District	11	Nevada County Local Agency Formation Commission	3

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Nevada County Resource Conservation District	2	Oroville Cemetery District	7
Nevada Irrigation District	197	Oroville Mosquito Abatement District	1
Nevada-Sierra Regional IHSS Public Authority	14	Otay Water District	242
Newcastle, Rocklin, Gold Hill Cemetery District	7	Oxnard Harbor District	30
Newhall County Water District	44	Pacific Fire Protection District	0
Newport Beach City Employees Federal Credit Union	4	Padre Dam Municipal Water District	164
Niland Sanitary District	0	Pajaro Valley Fire Protection Agency	1
Nipomo Community Services District	18	Pajaro Valley Public Cemetery District	10
North Bay Cooperative Library System	9	Pajaro Valley Water Management Agency	24
North Bay Regional Center	237	Palm Ranch Irrigation District	3
North Bay Schools Insurance Authority	32	Palmdale Water District	114
North Central Counties Consortium	13	Palo Verde Valley District Library	5
North Coast County Water District	25	Palos Verdes Library District	66
North Coast Railroad Authority	2	Paradise Recreation and Park District	28
North Coast Unified Air Quality Management District	16	Pasadena City College Bookstore	10
North County Dispatch Joint Powers Authority	34	Pasadena Unified School District	1,770
North County Fire Protection District of Monterey County	33	Paso Robles City Housing Authority	7
North County Fire Protection District of San Diego County	94	Patterson Irrigation District	14
North County Transit District	478	Pauma Valley Community Services District	26
North Delta Water Agency	0	Peardale Chicago Park Fire Protection District	3
North Kern Cemetery District	9	Pebble Beach Community Services District	14
North Kern Water Storage District	41	Peninsula Fire Protection District	17
North Kern-South Tulare Hospital District	221	Peninsula Health Care District	5
North Los Angeles County Regional Center, Inc.	548	Peninsula Traffic Congestion Relief Alliance	12
North Marin Water District	67	Penn Valley Fire Protection District	27
North of the River Municipal Water District	9	Personal Assistance Services Council	24
North of the River Recreation and Park District	271	Phelan Pinon Hills Community Services District	21
North State Cooperative Library System	5	Pico Water District	19
North Tahoe Fire Protection District	66	Pine Cove Water District	4
North Tahoe Public Utility District	43	Pine Grove Mosquito Abatement District	1
Northern California Power Agency	184	Pinedale County Water District	10
Northern California Special Districts Insurance Authority	2	Pioneer Cemetery District	2
Northern Salinas Valley Mosquito Abatement District	6	Pixley Irrigation District	4
Northern Sierra Air Quality Management District	6	Placer County Cemetery District No. 1	6
Northshore Fire Protection District	22	Placer County Resource Conservation District	4
Northstar Community Services District	44	Placer County Transportation Planning Agency	8
Northwest Mosquito and Vector Control District	23	Placer County Water Agency	190
Novato Sanitary District	26	Placer Hills Fire Protection District	24
Oakdale Irrigation District	97	Placer Mosquito and Vector Control District	20
Oakdale Rural Fire Protection District	20	Planning and Service Area II Area Agency on Aging	6
Oakland City Housing Authority	461	Pleasant Hill-Martinez Joint Facilities Agency	160
Oakland Unified School District	2,961	Pleasant Hill Recreation and Park District	62
Oceano Community Services District	17	Pleasant Valley County Water District	5
Ojai Valley Sanitary District	23	Pleasant Valley Recreation and Park District	108
Olcese Water District	1	Plumas Eureka Community Services District	5
Olivenhain Municipal Water District	109	Plumas Local Agency Formation Commission	1
Omnitrans	909	Pomerado Cemetery District	6
Ophir Hill Fire Protection District	11	Pomona Valley Transportation Authority	4
Orange County Health Authority	833	Pomona, California State Polytechnic University, Associated Students, Inc.	73
Orange County Transportation Authority	7	Port San Luis Harbor District	38
Orange County Vector Control District	66	Porter Vista Public Utility District	2
Orange Cove Fire Protection District of Fresno and Tulare Counties	0	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	50	Public Cemetery District No. 1 of Kern County	6
Orosi Public Utility District	6	Public Entity Risk Management Authority	8

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Public Transportation Services Corporation	2,134	Sacramento Area Council of Governments	77
Pupil Transportation Cooperative	164	Sacramento City Housing Authority	343
Purissima Hills County Water District	12	Sacramento County Public Law Library	33
Quartz Hill Water District	17	Sacramento Metropolitan Air Quality Management District	122
Quincy Community Services District	14	Sacramento Metropolitan Cable Television Commission	15
Rainbow Municipal Water District	71	Sacramento Metropolitan Fire District	584
Ramona Municipal Water District	64	Sacramento Municipal Utility District	2,525
Rancho Adobe Fire Protection District	36	Sacramento Public Library Authority	403
Rancho California Water District	152	Sacramento Regional Fire/EMS Communications Center	80
Rancho Cucamonga Fire Protection District	115	Sacramento Suburban Water District	60
Rancho Murieta Community Services District	63	Sacramento Transportation Authority	4
Rancho Santa Fe Fire Protection District	65	Sacramento-Yolo Mosquito and Vector Control District	89
Rancho Santiago Community College, Associated Students	0	Salida Fire Protection District	0
Rancho Simi Recreation and Park District	293	Salinas Valley Solid Waste Authority	40
Reclamation District No. 3	2	Salton Community Services District	21
Reclamation District No. 833	1	Samoa Peninsula Fire Protection District	0
Reclamation District No. 999	4	San Andreas Regional Center, Inc.	337
Reclamation District No. 1000	9	San Andreas Sanitary District	7
Reclamation District No. 1001	11	San Benito County Water District	29
Reclamation District No. 1660	0	San Bernardino City Unified School District	3,353
Red Bluff Cemetery District	6	San Bernardino County Housing Authority	164
Redevelopment Agency of City of Fresno	17	San Bernardino County Transportation Authority	0
Redwood Coast Regional Center	136	San Bernardino Economic Development Agency	44
Redwood Empire Municipal Insurance Fund	11	San Bernardino Valley Municipal Water District	25
Redwood Empire School Insurance Group	29	San Bernardino Valley Water Conservation District	11
Reedley Cemetery District	7	San Bernardino, California State University, Student Union	30
Regional Center of Orange County	545	San Diego Association of Governments	318
Regional Center of the East Bay	485	San Diego County Law Library	60
Regional Council of Rural Counties	60	San Diego County Water Authority	344
Regional Housing Authority of Sutter and Nevada Counties	52	San Diego Metropolitan Transit Development Board	172
Regional Water Authority	4	San Diego Pooled Insurance Program Authority	1
Rescue Fire Protection District	8	San Diego Rural Fire Protection District	10
Resort Improvement District No. 1	15	San Diego State University, Associated Students	33
Resource Conservation District of the Santa Monica Mountains	11	San Diego Trolley, Inc.	746
Richardson Bay Sanitary District	6	San Diego Unified School District	10,273
Rincon Del Diablo Municipal Water District	24	San Dieguito Water District	9
Rincon Valley Fire Protection District	27	San Elijo Joint Powers Authority	26
Rio Alto Water District	7	San Francisco Bay Area Rapid Transit District	3,588
Rio Linda Elverta Community Water District	18	San Francisco Bay Area Water Emergency Transportation Authority	11
Rio Vista Cemetery District	3	San Francisco City and County Housing Authority	344
Riverbank City Housing Authority	1	San Francisco City and County Redevelopment Agency	163
Riverside County Air Pollution Control District	0	San Francisco Community College District Bookstore Auxiliary	18
Riverside County Flood Control and Water Conservation District	278	San Francisco County Transportation Authority	60
Riverside County Law Library	8	San Francisco Health Authority	268
Riverside County Regional Park and Open Space District	166	San Francisco Law Library	13
Riverside County Transportation Commission	53	San Francisquito Creek Joint Powers Authority	5
Riverside County Waste Resources Management District	52	San Gabriel County Water District	16
Riverside Transit Agency	506	San Gabriel Valley Council of Governments	31
Rosamond Community Services District	36	San Gabriel Valley Mosquito and Vector Control District	37
Rose Bowl Operating Company	25	San Gabriel Valley Municipal Water District	9
Rosedale-Rio Bravo Water Storage District	7	San Geronio Pass Water Agency	4
Roseville Public Cemetery District	11	San Jacinto Valley Cemetery District	6
Ross Valley Fire Service	29	San Joaquin County	0
Rowland Water District	32	San Joaquin County Housing Authority	116
Rubidoux Community Services District	23	San Joaquin County IHSS Public Authority	10
Running Springs Water District	37	San Joaquin Delta Community College District	554
Russian River Fire Protection District	27		

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

San Juan Water District	55	Shasta Community Services District	7
San Lorenzo Valley Water District	31	Shasta Lake Fire Protection District	12
San Luis Obispo, Cal Poly, Associated Students, Inc.	128	Shasta Local Agency Formation Commission	2
San Luis Obispo Council of Governments	24	Shasta Mosquito and Vector Control District	16
San Luis Obispo Regional Transit Authority	8	Shasta Valley Cemetery District	2
San Luis Water District	17	Shiloh Public Cemetery District	6
San Mateo County Harbor District	49	Sierra Lakes County Water District	7
San Mateo County In-Home Supportive Services Public Authority	8	Sierra-Sacramento Valley Emergency Medical Services Agency	16
San Mateo County Law Library	4	Silicon Valley Animal Control Authority	20
San Mateo County Schools Insurance Group	10	Silveyville Cemetery District	5
San Mateo County Transit District	914	Solano County Mosquito Abatement District	9
San Miguel Community Services District	7	Solano County Water Agency	17
San Miguel Consolidated Fire Protection District	129	Solano Irrigation District	116
San Simeon Community Services District	1	Solano Transportation Authority	22
Sanger Cemetery District	7	Soledad Community Health Care District	0
Sanitary District No. 5 of Marin County	11	Sonoma County Library	179
Santa Ana River Flood Protection Agency	0	Sonoma Marin Area Rail Transit District	17
Santa Ana Unified School District	2,396	Sonoma State Enterprises, Inc.	11
Santa Ana Watershed Project Authority	27	Sonoma Student Union Corporation	3
Santa Barbara County Law Library	2	Soquel Creek Water District	48
Santa Barbara County Special Education Local Plan Area	260	South Bay Regional Public Communications Authority	108
Santa Barbara Regional Health Authority	225	South Bayside System Authority	89
Santa Clara County Central Fire Protection District	293	South Central Los Angeles Regional Center for Developmentally Disabled Persons	324
Santa Clara County Health Authority	194	South Coast Water District	99
Santa Clara County Law Library	6	South County Support Services Agency	49
Santa Clara County Open Space Authority	18	South Feather Water and Power Agency	57
Santa Clara County Schools Insurance Group	9	South Kern Cemetery District	6
Santa Clara Valley Transportation Authority	804	South Orange County Wastewater Authority	78
Santa Clara Valley Water District	859	South Placer Fire District	57
Santa Clarita Valley School Food Services Agency	143	South Placer Municipal Utility District	24
Santa Cruz County Law Library	2	South San Joaquin Irrigation District	107
Santa Cruz County Regional Transportation Commission	26	South San Luis Obispo County Sanitation District	10
Santa Cruz Local Agency Formation Commission	1	South Tahoe Public Utility District	122
Santa Cruz Metropolitan Transit District	360	Southeast Area Social Services Funding Authority	110
Santa Cruz Port District	24	Southern California Association of Governments	248
Santa Cruz Regional 9-1-1	84	Southern California Library Cooperative	18
Santa Fe Irrigation District	49	Southern California Public Power Authority	11
Santa Margarita Water District	166	Southern California Regional Rail Authority	269
Santa Maria Public Airport District	15	Southern San Joaquin Municipal Utility District	14
Santa Monica Community College District	711	Southern Sonoma County Resource Conservation District	6
Santa Nella County Water District	5	Southwest Transportation Agency	106
Santa Paula City Housing Authority	7	Special District Risk Management Authority	24
Santa Ynez River Water Conservation District Improvement District No. 1	18	Squaw Valley Public Services District	30
Sausalito-Marin City Sanitary District	12	Stallion Springs Community Services District	15
School Risk and Insurance Management Group	7	Stanislaus Consolidated Fire Protection District	59
Schools Excess Liability Fund	12	Stanislaus County Housing Authority	112
Schools Insurance Authority	87	State Bar of California	800
Scotts Valley Fire Protection District	32	State Water Contractors	9
Scotts Valley Water District	20	Steger Sanitary District	10
Selma Cemetery District	7	Stinson Beach County Water District	12
Selma-Kingsburg-Fowler County Sanitation District	28	Stockton East Water District	41
Serrano Water District	14	Stockton Unified School District	1,677
Sewer Authority Mid-Coastside	18	Strawberry Recreation District	13
Sewerage Commission—Oroville Region	10	Suisun Fairfield Rockville Cemetery District	12
Shafter Wasco Irrigation District	10	Suisun Fire Protection District	2
Shasta Area Safety Communications Agency	62	Suisun Resource Conservation District	15

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits (continued)

Summit Cemetery District	11	Valley Center Municipal Water District	77
Sunnyslope County Water District	22	Valley County Water District	31
Susanville Sanitary District	13	Valley Mountain Regional Center, Inc.	420
Sutter Cemetery District	20	Valley of the Moon Water District	20
Sweetwater Authority	169	Valley Sanitary District	29
Sweetwater Springs Water District	13	Valley Springs Public Utility District	4
Sylvan Cemetery District	6	Valley-Wide Recreation and Park District	151
Tahoe City Public Utility District	67	Vandenberg Village Community Services District	11
Tahoe Resource Conservation District	61	Ventura Avenue Sanitary District	0
Tahoe Transportation District	0	Ventura County Law Library	7
Tahoe-Truckee Sanitation Agency	67	Ventura County Schools Business Services Authority	15
Tehachapi Valley Recreation and Park District	5	Ventura County Schools Self-Funding Authority	6
Tehachapi-Cummings County Water District	18	Ventura County Transportation Commission	23
Tehama County Mosquito Abatement District	6	Ventura Port District	45
Templeton Community Services District	25	Ventura River County Water District	9
Thermalito Water and Sewer District	13	Veterans Home of California Post Fund	16
Three Arch Bay Community Services District	0	Victor Valley Wastewater Reclamation Authority	50
Three Rivers Community Services District	2	Victor Valley Water District	23
Three Valleys Municipal Water District	27	Visalia Public Cemetery District	7
Tiburon Fire Protection District	32	Vista Irrigation District	119
Torrance City Redevelopment Agency	0	Walnut Valley Water District	65
Trabuco Canyon Water District	39	Wasco Recreation and Park District	7
Tracy Rural County Fire Protection District	2	Washington Colony Cemetery District	3
Transportation Agency for Monterey County	15	Water Employee Services Authority	226
Treasure Island Development Authority	0	Water Facilities Authority	8
Tri-City Mental Health Center	300	Water Replenishment District of Southern California	49
Tri-Counties Association for the Developmentally Disabled	420	Weaverville Community Services District	9
Tri-County Schools Insurance Group	7	Weaverville Sanitary District	3
Tri-Dam Project	25	West Almanor Community Services District	2
Trindel Insurance Fund	3	West Basin Municipal Water District	37
Trinity County Waterworks District No. 1	5	West Bay Sanitary District	30
Trinity Public Utilities District	24	West Cities Communication Center	34
Truckee Donner Public Utility District	71	West Contra Costa Integrated Waste Management Authority	6
Truckee Fire Protection District	53	West County Transportation Agency	179
Truckee Sanitary District	44	West County Wastewater District	63
Truckee Tahoe Airport District	46	West End Communications Authority	0
Tulare Mosquito Abatement District	5	West Kern Water District	46
Tulare Public Cemetery District	11	West Stanislaus Irrigation District	18
Tuolumne Fire District	4	West Valley Mosquito and Vector Control District	20
Tuolumne Utilities District	85	West Valley Sanitation District of Santa Clara County	34
Turlock Mosquito Abatement District	13	West Valley Water District	70
Twain Harte Community Services District	17	West Valley-Mission Community College District	489
Twentynine Palms Water District	38	Westborough Water District	6
Twin Cities Police Authority	48	Western Contra Costa Transit Authority	7
Twin Rivers Unified School District	934	Western Municipal Water District	159
Ukiah Valley Fire District	12	Western Riverside Council of Governments	38
Union Public Utility District	9	Westlands Water District	136
Union Sanitary District	160	Westwood Community Services District	7
United Water Conservation District	82	Wheeler Ridge-Maricopa Water Storage District	51
University Enterprises, Inc.	277	Wildomar Cemetery District	5
University Enterprises Corporation at CSUSB	305	Willow County Water District	5
Upland City Housing Authority	30	Willow Creek Community Services District	5
Upper San Gabriel Valley Municipal Water District	11	Willows Cemetery District	4
Vacaville Fire Protection District	9	Wilton Fire Protection District	2
Vacaville-Elmira Cemetery District	8	Windsor Fire Protection District	19
Valeccitos Water District	118	Winterhaven Water District	5
Vallejo Sanitation and Flood Control District	93	Winters Cemetery District	5

Public Agency Employers (continued)

Other Public Agencies that Contract with CalPERS for Retirement Benefits *(continued)*

Winters Fire Protection District	3	Yolo County Transportation District	12
Winton Water and Sanitary District	10	Yolo Emergency Communications Agency	61
Woodbridge Rural County Fire Protection District	45	Yolo-Solano Air Quality Management District	32
Woodlake Fire District	3	Yorba Linda Water District	85
Woodside Fire Protection District	52	Yuba Community College District	275
Yolo County Federal Credit Union	101	Yuba County Water Agency	36
Yolo County Housing Authority	51	Yuba Sutter Transit Authority	3
Yolo County In-Home Supportive Services Public Authority	4	Yucaipa Valley Water District	82
Yolo County Public Agency Risk Management Insurance Authority	7	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	425
Deferred Retirement	41
TOTAL ACTIVE & DEFERRED MEMBERS	466

JRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Service Retirement	332	323	655
Disability Retirement	46	—	46
Deferred Retirement	413	177	590
Optional Settlement	454	56	510
Pre-Retirement Survivor	—	73	73
TOTAL	1,245	629	1,874

JRS BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$143,692,482
Disability Retirement	5,409,093
Beneficiary Death Benefits/Life Allowance	36,017,465
TOTAL	\$185,119,040

Judges' Retirement System Program Data (continued)

JRS Average Benefit Payments – As of June 30, 2010 | Six-Year Review

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2009/10¹							
Average Monthly Allowance ²	\$2,352	\$3,914	\$7,133	\$8,742	\$8,730	\$8,892	\$7,771
Average Final Compensation	\$15,974	\$15,290	\$15,042	\$14,947	\$15,042	\$15,437	\$14,899
Number of Recipients ²	2	11	15	45	45	8	3
2008/09							
Average Monthly Allowance ²	\$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 ²	1	10	11	25	50	15	4
2007/08							
Average Monthly Allowance ²	\$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 ²	3	6	15	38	47	15	1
2006/07							
Average Monthly Allowance ²	\$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 ²	2	7	16	31	33	7	2
2005/06							
Average Monthly Allowance ²	\$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 ²	2	7	14	16	51	10	1
2004/05							
Average Monthly Allowance ²	\$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 ²	3	8	17	23	59	9	2

Note:

- ¹ The data for fiscal year 2009-10 is the most recent data available.
- ² These averages and totals are for retired members, beneficiaries, and community property recipients.

Judges' Retirement System II Program Data

PRIMARY BENEFITS

The Judges' Retirement System II (JRS II) was established in 1994 to create a fully funded, actuarially sound retirement system for judges appointed or elected on or after November 9, 1994. This system provides a unique combination of two basic types of retirement benefits: a defined benefit plan and a monetary credit plan. The defined benefit plan provides a lifetime monthly retirement allowance of up to 75 percent of final compensation. The monetary credit plan allows for a refund of member contributions, a portion of the employer contributions, and interest. Members contribute at the rate of 8 percent of compensation.

MEMBERSHIP

The JRS II provides retirement, death, health, and dental benefits for Supreme and Appellate Court Justices, 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	1,290
TOTAL	1,290

JRS II BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired Judges	Survivors & Beneficiaries	TOTAL
Service Retirement	4	3	7
Disability Retirement	13	—	13
Optional Settlement	6	—	6
Pre-Retirement Survivor	—	2	2
36-month Judge's Salary	—	2	2
TOTAL	23	7	30

JRS II BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$683,035
Disability Retirement	973,866
Beneficiary Death Benefits	233,322
Beneficiary Death Benefits/Life Allowance	345,624
TOTAL	\$2,235,847

Judges' Retirement System II Program Data (continued)

JRS II Average Benefit Payments – As of June 30, 2010 | Six-Year Review

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2009/10¹							
Average Monthly Allowance ²	\$0	\$9,684	\$6,025	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,899	\$15,437	\$0	\$0	\$0	\$0
Number of Recipients ²	—	1	4	—	—	—	—
2008/09							
Average Monthly Allowance ²	\$14,899	\$4,476	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$14,899	\$15,975	\$0	\$0	\$0	\$0	\$0
Number of Recipients ²	1	2	—	—	—	—	—
2007/08							
Average Monthly Allowance ²	\$0	\$8,624	\$7,748	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$14,638	\$15,244	\$0	\$0	\$0	\$0
Number of Recipients ²	—	1	4	—	—	—	—
2006/07							
Average Monthly Allowance ²	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Recipients ²	—	—	—	—	—	—	—
2005/06							
Average Monthly Allowance ²	\$0	\$10,982	\$4,275	\$0	\$0	\$0	\$0
Average Final Compensation	\$0	\$12,434	\$12,459	\$0	\$0	\$0	\$0
Number of Recipients ²	—	3	3	—	—	—	—
2004/05							
Average Monthly Allowance ²	\$11,987	\$7,080	\$0	\$0	\$0	\$0	\$0
Average Final Compensation	\$11,987	\$11,987	\$0	\$0	\$0	\$0	\$0
Number of Recipients ²	1	2	—	—	—	—	—

Note:

- ¹ The data for fiscal year 2009-10 is the most recent data available.
- ² These averages and totals are for retired members, beneficiaries, and community property recipients.

Legislators' Retirement System Program Data

PRIMARY BENEFITS

CalPERS has administered the Legislators' Retirement System (LRS) since its inception in 1947. The duties of the Board with respect to administering the LRS are the same as for CalPERS on such items as determining membership and benefit rights, making investments, crediting interest, and obtaining information necessary for administration. Benefits payable by the LRS are financed through member contributions, the State's contribution as an employer, and interest earned on investments. The employer statutory contribution rate was eliminated in January 2000, and the CalPERS Board is now authorized to establish actuarially determined rates.

When the actuarial value of the assets exceeds the present value of benefits, resulting in a 0 percent employer contribution rate, the Board may reduce the member contribution rates for the same fiscal year in which the State rate is 0 percent. For fiscal year 2010-11, 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	6	8
Constitutional Officers	10	10	20
Legislative Statutory Officers	4	—	4
TOTAL	16	16	32

LRS BENEFIT RECIPIENTS BY RETIREMENT TYPE

Category	Retired LRS	Survivors & Beneficiaries	TOTAL
Members of Legislature			
Service Retirement	103	107	210
Disability Retirement	1	8	9
Pre-Retirement Option 2	—	—	—
TOTAL MEMBERS OF LEGISLATURE	104	115	219
Constitutional Officers			
Service Retirement	19	7	26
Disability Retirement	1	—	1
Pre-Retirement Option 2	—	2	2
TOTAL CONSTITUTIONAL OFFICERS	20	9	29
Legislative Statutory Officers			
Service Retirement	3	2	5
Disability Retirement	—	—	—
Pre-Retirement Option 2	—	—	—
TOTAL LEGISLATIVE STATUTORY OFFICERS	3	2	5
TOTAL	127	126	253

LRS BENEFIT PAYMENTS BY TYPE

Category	Amount Paid
Service Retirement	\$7,034,096
Disability Retirement	182,176
Beneficiary Death Benefits	4,200
Beneficiary Death Benefits/Allowance	130,064
Prior Year Adjustments	32,458
TOTAL	\$7,382,994

Legislators' Retirement System Program Data (continued)

LRS Average Benefit Payments – As of June 30, 2010 | Six-Year Review

RETIREMENT EFFECTIVE DATES	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
2009/10¹							
Average Monthly Allowance ²	\$0	\$435	\$1,759	\$6,604	\$4,965	\$3,842	\$4,452
Average Final Compensation ³	\$0	\$1,600	\$0	\$13,767	\$0	\$0	\$0
Number of Recipients ²	—	4	1	1	1	1	1
2008/09							
Average Monthly Allowance ²	\$0	\$0	\$1,250	\$2,957	\$6,456	\$0	\$0
Average Final Compensation ³	\$0	\$0	\$0	\$0	\$9,684	\$0	\$0
Number of Recipients ²	—	—	2	1	2	—	—
2007/08							
Average Monthly Allowance ²	\$0	\$2,212	\$1,250	\$0	\$1,710	\$0	\$0
Average Final Compensation ³	\$0	\$7,858	\$0	\$0	\$0	\$0	\$0
Number of Recipients ²	—	2	3	—	2	—	—
2006/07							
Average Monthly Allowance ²	\$0	\$2,134	\$310	\$5,717	\$4,921	\$0	\$0
Average Final Compensation ³	\$0	\$8,434	\$0	\$8,250	\$9,240	\$0	\$0
Number of Recipients ²	—	6	9	1	2	—	—
2005/06							
Average Monthly Allowance ²	\$704	\$441	\$2,011	\$1,042	\$4,404	\$0	\$0
Average Final Compensation ³	\$0	\$0	\$4,375	\$0	\$0	\$0	\$0
Number of Recipients ²	2	4	2	1	3	—	—
2004/05							
Average Monthly Allowance ²	\$565	\$1,053	\$935	\$1,067	\$5,358	\$0	\$0
Average Final Compensation ³	\$4,375	\$4,375	\$0	\$0	\$8,714	\$0	\$0
Number of Recipients ²	1	1	1	5	5	—	—

Notes:

- ¹ The data for fiscal year 2009-10 is the most recent data available.
- ² These averages and totals are for retired members, beneficiaries, and community property recipients.
- ³ Average Final Compensation information does not include salary averages for beneficiaries.

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Expenses & Revenues – Enterprise Funds

Contingency Reserve Fund | 10-Year Review (Dollars in Thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
OPERATING REVENUES										
Health Premiums Collected	\$0	\$0	\$0	\$0	\$0 ¹	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510
Administrative Fees & Other	23,956	22,528	25,633	14,928	16,509	13,140	16,808	16,218	7,252	12,833
Total Operating Revenues	\$23,956	\$22,528	\$25,633	\$14,928	\$16,509	\$1,646,457	\$1,537,430	\$1,426,802	\$862,988	\$15,343
OPERATING EXPENSES										
Health Premiums Remitted to Insurance Carriers	\$0	\$0	\$0	\$0	\$0 ¹	\$1,633,317	\$1,520,622	\$1,410,584	\$855,736	\$2,510
Administrative Expenses	27,448	27,065	27,288	24,358	20,854	16,356	17,109	15,384	17,033	12,689
Total Operating Expenses	\$27,448	\$27,065	\$27,288	\$24,358	\$20,854	\$1,649,673	\$1,537,731	\$1,425,968	\$872,769	\$15,199
OPERATING INCOME (LOSS)	(\$3,492)	(\$4,537)	(\$1,655)	(\$9,430)	(\$4,345)	(\$3,216)	(\$301)	\$834	(\$9,781)	\$144
NON-OPERATING REVENUES										
Investment Income	\$993	\$1,071	\$3,706	\$8,037	\$9,279	\$5,049	\$2,817	\$1,787	\$1,112	\$417
Total Non-Operating Revenues	\$993	\$1,071	\$3,706	\$8,037	\$9,279	\$5,049	\$2,817	\$1,787	\$1,112	\$417
CHANGE IN UNRESTRICTED NET ASSETS	(\$2,499)	(\$3,466)	\$2,051	(\$1,393)	\$4,934	\$1,833	\$2,516	\$2,621	(\$8,669)	\$561
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	\$11,805	\$15,271	\$13,220	\$14,613	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378	\$10,817
End of Year	\$9,306	\$11,805	\$15,271	\$13,220	\$14,613	\$9,679	\$7,846	\$5,330	\$2,709	\$11,378

Note:

¹ 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)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
OPERATING REVENUES										
Self-Insurance Premiums	\$1,709,975	\$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
Federal Government Reimbursements	42,583	—	—	—	—	—	—	—	—	—
Health Premiums Collected	—	—	—	—	—	—	—	—	—	739,327
Total Operating Revenues	\$1,752,558	\$1,362,081	\$1,586,942	\$1,509,064	\$1,390,819	\$1,211,210	\$1,105,131	\$1,042,720	\$941,185	\$1,479,400
OPERATING EXPENSES										
Actual & Estimated Claims	\$1,728,156	\$1,572,084	\$1,461,601	\$1,314,531	\$1,212,706	\$1,131,419	\$1,026,058	\$886,460	\$798,628	\$639,803
Administrative Expenses	88,391	90,292	85,511	79,146	74,771	67,679	65,902	58,182	50,296	43,572
Health Premiums Remitted to Insurance Carriers	—	—	—	—	—	—	—	—	—	739,327
Total Operating Expenses	\$1,816,547	\$1,662,376	\$1,547,112	\$1,393,677	\$1,287,477	\$1,199,098	\$1,091,960	\$944,642	\$848,924	\$1,422,702
OPERATING INCOME (LOSS)	(\$63,989)	(\$300,295)	\$39,830	\$115,387	\$103,342	\$12,112	\$13,171	\$98,078	\$92,261	\$56,698
NON-OPERATING REVENUES										
Investment Income	\$22,447	\$47,540	\$21,796	\$34,579	\$20,069	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418
Total Non-Operating Revenues	\$22,447	\$47,540	\$21,796	\$34,579	\$20,069	\$18,029	\$10,041	\$5,321	\$6,307	\$7,418
CHANGE IN UNRESTRICTED NET ASSETS	(\$41,542)	(\$252,755)	\$61,626	\$149,966	\$123,411	\$30,141	\$23,212	\$103,399	\$98,568	\$64,116
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	\$407,417	\$660,172	\$598,546	\$448,580	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849	\$5,733
End of Year	\$365,875	\$407,417	\$660,172	\$598,546	\$448,580	\$325,169	\$295,028	\$271,816	\$168,417	\$69,849

Expenses & Revenues – Enterprise Funds (continued)

Long-Term Care Fund | 10-Year Review (Dollars in Thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
OPERATING REVENUES										
Self-Insurance Premiums	\$314,099	\$285,948	\$296,529	\$299,489	\$241,495	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595
Total Operating Revenues	\$314,099	\$285,948	\$296,529	\$299,489	\$241,495	\$243,690	\$241,663	\$225,128	\$200,936	\$186,595
OPERATING EXPENSES										
Claims	\$156,118	\$133,042	\$116,191	\$101,349	\$87,324	\$78,007	\$65,369	\$53,022	\$41,106	\$31,494
Increase (Decrease) in Estimated Liabilities	(115,600)	(208,200)	469,800	(600,900)	487,800	219,400	840,700	585,000	(85,000)	222,559
Administrative Expenses	21,303	19,663	18,421	18,479	18,198	17,053	16,285	15,305	15,416	14,625
Total Operating Expenses	\$61,821	(\$55,495)	\$604,412	(\$481,072)	\$593,322	\$314,460	\$922,354	\$653,327	(\$28,478)	\$268,678
OPERATING INCOME (LOSS)	\$252,278	\$341,443	(\$307,883)	\$780,561	(\$351,827)	(\$70,770)	(\$680,691)	(\$428,199)	\$229,414	(\$82,083)
NON-OPERATING REVENUES										
Investment Income	\$537,156	\$351,745	(\$369,021)	(\$73,039)	\$281,068	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)
Total Non-Operating Revenues	\$537,156	\$351,745	(\$369,021)	(\$73,039)	\$281,068	\$121,703	\$124,474	\$141,686	\$52,748	(\$61,080)
CHANGE IN UNRESTRICTED NET ASSETS	\$789,434	\$693,188	(\$676,904)	\$707,522	(\$70,759)	\$50,933	(\$556,217)	(\$286,513)	\$282,162	(\$143,163)
TOTAL UNRESTRICTED NET ASSETS										
Beginning of Year	(\$118,451)	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)	(\$118,700)
End of Year	\$670,983	(\$118,451)	(\$811,639)	(\$134,735)	(\$842,257)	(\$771,498)	(\$822,431)	(\$266,214)	\$20,299	(\$261,863)

Health Benefits Program Data

Total Enrollments by Health Plan

	Basic			Medicare			Total Enrollments (Subs) ¹
	Active	Retired	TOTAL	Active	Retired	TOTAL	
Blue Shield Access+	80,576	16,532	97,108	3	19,306	19,309	116,417
Blue Shield NetValue	50,357	7,721	58,078	0	2,530	2,530	60,608
CAHP	6,448	2,038	8,486	0	2,434	2,434	10,920
CCPOA	10,091	1,486	11,577	0	299	299	11,876
Kaiser	154,420	31,197	185,617	7	48,540	48,547	234,164
Kaiser/Out-of-State	9	441	450	0	1,060	1,060	1,510
PERS Choice	71,818	26,494	98,312	0	33,350	33,350	131,662
PERS Select	7,402	640	8,042	0	276	276	8,318
PERSCare	5,065	3,425	8,490	1	38,478	38,479	46,969
PORAC	5,815	2,274	8,089	0	880	880	8,969
TOTAL	392,001	92,248	484,249	11	147,153	147,164	631,413

Five-Year Enrollments

	2011	2010	2009	2008	2007
Total Covered Lives – Employees, Annuitants, & Dependents	1,354,987	1,309,902	1,286,349	1,267,122	1,240,976
Total Prime Lives – Employees & Annuitants	631,413	624,996	607,570	594,472	578,172

Basic & Supplemental Health Plan Total Enrollments

	Basic			Medicare			Total Enrollments (Subs) ¹
	Active	Retired	TOTAL	Active	Retired	TOTAL	
HMOs	285,362	55,891	341,253	10	71,436	71,446	412,699
Self-Funded PPOs	84,285	30,559	114,844	1	72,104	72,105	186,949
Association Plans	22,354	5,798	28,152	0	3,613	3,613	31,765
TOTAL	392,001	92,248	484,249	11	147,153	147,164	631,413

Participating Public Agency Summary

	2011	2010
Counties	29	29
Cities	302	302
School Employers	138*	123
Districts & Other Public Agencies	721*	711
TOTAL	1,190	1,165
TOTAL COVERED LIVES	565,553	548,551

*Three charter schools and the LA Office of Education were set up as Districts & Other Public Agencies due to the construction of their retirement contracts. We have moved them to the School Employers category for accuracy of the employer type in the 2011 CAFR.

Note:

¹ Total Enrollments (Subs) shows health plan subscribers only, not the dependents. The total covered lives — 1,354,987 — 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	247	Nevada	2,541
Butte	4,192	Placer	7,027
Colusa	735	Plumas	247
Contra Costa	2,739	Riverside	2,454
Glenn	1,118	San Benito	1,142
Humboldt	3,840	San Luis Obispo	5,035
Inyo	1,159	Santa Cruz	6,337
Lake	149	Shasta	5,027
Lassen	756	Siskiyou	1,649
Madera	3,150	Solano	5,219
Mariposa	1,131	Trinity	1,097
Modoc	607	Tuolumne	1,225
Mono	852	Yolo	3,425
Monterey	9,892	Yuba	1,813
Napa	3,259	Total Covered Lives	78,064

Cities (302 total)

Agoura Hills	98	Buena Park	910
Alameda	1,668	Burbank	2,867
Albany	194	Burlingame	803
Alhambra	910	Calabasas	230
Aliso Viejo	26	California City	115
American Canyon	160	Calimesa	2
Angels	77	Calistoga	111
Antioch	790	Camarillo	339
Arcadia	801	Campbell	326
Arroyo Grande	275	Canyon Lake	6
Artesia	111	Capitola	138
Atherton	141	Carlsbad	1,625
Atwater	249	Carmel-by-the-Sea	192
Auburn	166	Carpinteria	98
Avalon	170	Carson	1,105
Avenal	4	Cathedral City	554
Azusa	581	Cerritos	824
Baldwin Park	518	Chino	590
Barstow	479	Chino Hills	72
Bell	322	Citrus Heights	351
Bellflower	253	Clayton	58
Belmont	341	Coachella City	143
Belvedere	58	Colma	121
Beverly Hills	2,260	Colton	141
Biggs	23	Colusa	89
Bishop	183	Commerce	630
Blythe	249	Compton	1,828
Brawley	243	Concord	1,389
Brea	997	Corona	2,104
Brentwood	624	Coronado	490
Brisbane	207	Corte Madera	185
Buellton	36	Costa Mesa	1,591

Covina	403	Jackson	89
Crescent City	143	La Canada Flintridge	60
Cudahy	68	La Habra	635
Culver City	2,251	La Habra Heights	26
Cupertino	556	La Mesa	673
Cypress	394	La Mirada	271
Daly City	1,342	La Palma	168
Dana Point	109	La Puente	136
Davis	990	La Quinta	239
Del Rey Oaks	26	Laguna Niguel	130
Diamond Bar	94	Laguna Woods	13
Dixon	145	Lake Elsinore	215
Duarte	143	Lake Forest	141
Dublin	256	Lakewood	292
Eastvale	9	Larkspur	202
El Cajon	780	Lathrop	151
El Monte	944	Lawndale	115
El Segundo	1,095	Lemon Grove	185
Elk Grove	420	Lemoore	134
Emeryville	262	Lincoln	394
Encinitas	494	Live Oak	43
Etna	13	Lodi	1,084
Fairfax	64	Loma Linda	158
Farmersville	68	Lomita	124
Firebaugh	83	Lompoc	839
Fort Jones	11	Loomis	28
Foster, City of – Elected Officials	0	Los Alamitos	155
Fountain Valley	758	Los Altos	300
Fremont	2,079	Los Altos Hills	60
Fullerton	285	Los Banos	409
Garden Grove	1,640	Los Gatos	424
Gilroy	562	Lynwood	528
Glendora	396	Malibu	164
Goleta	83	Mammoth Lakes	173
Grand Terrace	60	Manhattan Beach	656
Grass Valley	251	Manteca	905
Gridley	128	Marina	196
Guadalupe	64	Martinez	162
Half Moon Bay	79	Maywood	60
Hanford	409	McFarland	58
Hawaiian Gardens	185	Menifee	28
Hawthorne	993	Menlo Park	637
Hayward	2,641	Millbrae	300
Hercules	192	Milpitas	1,186
Hesperia	209	Mission Viejo	283
Hidden Hills	6	Modesto	328
Highland	62	Montague	13
Hillsborough	283	Monte Sereno	11
Hollister	160	Montebello	1,056
Huntington Beach	1,101	Monterey	1,078
Huntington Park	665	Moorpark	145
Imperial Beach	113	Moreno Valley	637
Indian Wells	126	Morgan Hill	343
Indio	677	Morro Bay	258
Irone	32	Mt. Shasta	49
Irwindale	326	Murrieta	599
		Napa	194

Health Benefits Program Data (continued)

Cities (continued)

Newark	283	Rancho Cordova	81	San Pablo	341	Tiburon	96
Newport Beach	1,453	Rancho Mirage	198	San Rafael	1,374	Torrance	3,506
Norco	294	Rancho Santa Margarita	40	Sand City	19	Tustin	682
Norwalk	854	Red Bluff	141	Santa Ana	2,360	Twentynine Palms	60
Novato	388	Redlands	1,203	Santa Clara	2,151	Ukiah	19
Oakdale	202	Redwood City	1,642	Santa Clarita	609	Union City	562
Oakland	13,577	Reedley	296	Santa Cruz	1,842	Upland	701
Oceanside	281	Rialto	927	Santa Fe Springs	786	Vacaville	1,627
Ojai	107	Richmond	2,752	Santa Maria	843	Vallejo	1,791
Ontario	2,801	Ridgecrest	166	Santa Monica	594	Villa Park	21
Orange	1,517	Rio Vista	85	Santa Paula	130	Walnut	72
Orinda	75	Rocklin	637	Santa Rosa	831	Weed	32
Oxnard	1,957	Rolling Hills	17	Saratoga	134	West Covina	1,027
Pacific Grove	192	Rolling Hills Estates	66	Sausalito	196	West Hollywood	466
Pacifica	285	Rosemead	170	Scotts Valley	175	West Sacramento	200
Palm Desert	375	Roseville	3,159	Seal Beach	313	Westlake Village	38
Palm Springs	322	Ross	70	Selma	234	Westminster	895
Palo Alto	3,672	Salinas	1,167	Shasta Lake	126	Wildomar	15
Paradise	322	San Anselmo	170	Sierra Madre	164	Williams	62
Paramount	253	San Carlos	239	Signal Hill	375	Willows	72
Pasadena	4,264	San Clemente	443	Solana Beach	138	Winters	53
Patterson	177	San Dimas	160	Solvang	85	Woodlake	51
Perris	211	San Fernando	462	South El Monte	92	Woodland	912
Petaluma	752	San Francisco	158	South Gate	750	Woodside	45
Pico Rivera	481	San Gabriel	411	South Pasadena	439	Yorba Linda	264
Piedmont	239	San Jacinto	6	Stanton	124	Yountville	79
Pinole	347	San Juan Capistrano	207	Suisun City	185	Yreka	100
Pismo Beach	183	San Leandro	1,163	Sunnyvale	3,089	Yuba City	160
Placentia	462	San Luis Obispo	837	Temecula	249	Yucaipa	79
Pomona	1,951	San Marcos	149	Temple City	119	Yucca Valley	83
Port Hueneme	230	San Marino	256	Thousand Oaks	1,144	Total Covered Lives	168,398
Portola Valley	32	San Mateo	1,691				

Districts & Other Public Agencies (721 total)

Academic Senate for California Community Colleges	9	American Canyon Fire Protection District	45
Agoura Hills and Calabasas Community Center	19	Anderson Cemetery District	6
Alameda Corridor Transportation Authority	28	Anderson Fire Protection District	34
Alameda County Congestion Management Agency	38	Antelope Valley Mosquito and Vector Control District	15
Alameda County Fire Department	1,240	Apple Valley Fire Protection District	128
Alameda County Law Library	38	Aptos/La Selva Fire Protection Agency	98
Alameda County Mosquito Abatement District	47	Arbuckle-College City Fire Protection District	9
Alameda County Schools Insurance Group	2	Arcade Water District	0
Alameda County Transportation Authority	0	Arcata Fire Protection District	70
Alameda County Transportation Improvement Authority	23	Area 12 Agency on Aging	23
Alameda County Waste Management Authority	98	Arrowbear Park County Water District	19
Alameda County Water District	718	Arroyo Grande District Cemetery	9
Albany Municipal Services Joint Powers Authority	38	Associated Students California State University, San Bernardino	9
Alhambra Redevelopment Agency	9	Association of Bay Area Governments	200
Aliso Water Management Agency	0	Association of Monterey Bay Area Governments	21
Alliance of Schools for Cooperative Insurance Programs	53	Atascadero Cemetery District	15
Alpine Springs County Water District	6	Auburn Public Cemetery District	19
Altadena Library District	68	Aztec Shops, Ltd.	196
Amador County Superior Court	55	Banning-Cabazon Cemetery District	0
Amador Water Agency	117	Bardsdale Cemetery District	11

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Bay Area Air Quality Management District	1,048	California State University, Long Beach Foundation	322
Bay Area Library and Information System	4	California State University Los Angeles-USU Board	60
Bay Area Water Supply and Conservation Agency	17	California State University, Stanislaus Auxiliary and Business Services	21
Beach Cities Health District	111	California State University-Fresno Association, Inc.	354
Bear Mountain Recreation and Park District	11	Calleguas Municipal Water District	181
Beaumont District Library	19	Camarillo Health Care District	38
Beaumont Public Cemetery District	0	Cambria Cemetery District	4
Beaumont-Cherry Valley Recreation and Park District	19	Cambria Community Healthcare District	30
Beaumont-Cherry Valley Water District	68	Cambria Community Services District	111
Bella Vista Water District	75	Cameron Park Community Services District	28
Belmont-San Carlos Fire Department	192	Capistrano Bay Community Services District	2
Belvedere-Tiburon Joint Recreation	4	Capitol Area Development Authority	94
Belvedere-Tiburon Library Agency	21	Carmel Highlands Fire Protection District of Monterey County	2
Ben Lomond Fire Protection District	4	Carmel Regional Fire Ambulance Authority	11
Benicia City Housing Authority	23	Carmel Valley Fire Protection District	51
Bennett Valley Fire Protection District	6	Carmichael Water District	70
BETA Healthcare Group Risk Management Authority	132	Carpinteria Public Cemetery District	4
Big Bear Area Regional Wastewater Agency	43	Castaic Lake Water Agency	243
Big Bear City Airport District	19	Castro Valley County Fire Protection District	0
Big Bear City Community Services District	200	Castro Valley Sanitary District	64
Black Gold Cooperative Library System	15	Castroville Community Services District	13
Blanchard/Santa Paula Public Library District	26	Cayucos Sanitary District	13
Bonita-Sunnyside Fire Protection District	60	Cayucos-Morro Bay Cemetery District	4
Boulder Creek Fire Protection District	6	Central Contra Costa Transit Authority	462
Branciforte Fire Protection District	9	Central County Fire Department	328
Brannan-Andrus Levee Maintenance District	2	Central Fire Protection District of Santa Cruz County	213
Buena Park Library District	58	Central Marin Sanitation Agency	126
Butte County Air Quality Management District	21	Central Plumas Recreation and Park District	4
Butte County Association of Governments	23	Central Sierra Child Support Agency	81
Butte County In-Home Supportive Services Public Authority	9	Central Valley Regional Center, Inc.	763
Butte County Law Library	2	Cesar Chavez Student Center, Inc.	55
Butte County Superior Court	245	Channel Islands Beach Community Services District	15
Butte Local Agency Formation Commission	6	Chester Public Utility District	36
Byron, Brentwood, Knightsen Union Cemetery District	11	Children and Families Commission of San Luis Obispo County	4
Cal Poly Corporation	650	Chino Basin Watermaster	17
Calaveras County Superior Court	58	Chino Valley Independent Fire District	266
Calaveras County Water District	219	Chowchilla Cemetery District	11
Calaveras Public Utility District	17	Christian Valley Park Community Services District	0
California Administrative Services Authority	0	Citrus Pest Control District No. 2 of Riverside County	2
California Authority of Racing Fairs	26	Clear Creek Community Services District	21
California Bear Credit Union	58	Clearlake Oaks County Water District	0
California Dried Plum Board	11	Cloverdale Citrus Fair	0
California Fair Services Authority	94	Coachella Valley Association of Governments	26
California Fairs Financing Authority	53	Coachella Valley Mosquito and Vector Control District	104
California Interscholastic Federation, Central Coast Section	4	Coachella Valley Public Cemetery District	13
California Interscholastic Federation, North Coast Section	15	Coalinga-Huron Recreation and Park District	15
California Interscholastic Federation, Northern Section	2	Coastal Animal Services Authority	13
California Interscholastic Federation, San Diego Section	17	Coastal Developmental Services Foundation, DBA Westside Regional Center	428
California Interscholastic Federation, Southern Section	60	Coastal San Luis Resource Conservation	0
California Joint Powers Insurance Authority	64	Coastside Fire Protection District	60
California Joint Powers Risk Management Authority	15	Colusa County Superior Court	36
California Maritime Academy Foundation, Inc.	0	Colusa Mosquito Abatement District	6
California Municipal Utilities Association	13	Community College League of California	38
California State and Federal Employees No. 20 Credit Union	19	Compton Creek Mosquito Abatement District	2
California State University, Bakersfield Foundation	68	Conejo Recreation and Park District	202
California State University, Dominguez Hills Foundation	113		
California State University, Fresno Athletic Corporation	121		

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Consolidated Area Housing Authority of Sutter County	75	El Dorado Hills Community Services District	40
Contra Costa County Law Library	17	El Dorado Hills County Water District	155
Contra Costa County Schools Insurance Group	43	El Dorado Irrigation District	686
Contra Costa Fire Protection District	1,506	Emeryville Redevelopment Agency	0
Contra Costa Mosquito Vector Control Dist	79	Encina Wastewater Authority	126
Contra Costa Special Education Local Plan Area	19	Encinitas Fire Protection District	0
Contra Costa Transportation Authority	49	Encinitas Sanitary District	0
Cordelia Fire Protection District of Solano County	4	Esparto Community Services District	11
Corning Water District	6	Estero Municipal Improvement District	456
Costa Mesa Sanitary District	21	Fair Oaks Cemetery District	6
Cosumnes Community Services District	682	Fair Oaks Fire District	0
Cottonwood Cemetery District	4	Fair Oaks Recreation and Park District	38
Cottonwood Fire Protection District	11	Fairfield-Suisun Sewer District	121
Crescent City Harbor District	38	Fallbrook Healthcare District	6
Crestline Lake Arrowhead Water Agency	32	Feather River Air Quality Management District	11
Crestline Sanitation District	40	Feather Water District	9
CSAC Excess Insurance Authority	109	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	0
Cypress Recreation and Park District	0	Florin County Water District	19
Dairy Council of California	89	Foothill/Eastern Transportation Corridor Agency	162
Davis Cemetery District	6	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	11
Del Norte Healthcare District	6	Fort Ord Reuse Authority	26
Del Paso Manor Water District	11	Fresno County Law Library	11
Del Paso Manor Water District-Directors	2	Fresno Irrigation District	187
Del Puerto Water District	6	Fresno-Madera Area Agency on Aging	66
Del Rey Community Services District	9	Fruitridge Fire Protection District	4
Delta Diablo Sanitation District	200	Fullerton California State University, Associated Students	143
Delta Vector Control District	34	Fulton El-Camino Recreation and Park District	32
Denair Community Services District	13	Galt Fire Protection District	0
Desert Healthcare District	23	Garden Valley Fire Protection District	15
Diamond Springs/El Dorado Fire Protection District	64	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	9	Glenn County Superior Court	43
Donald P. and Katherine B. Loker University Student Union, Inc.	21	Glenn-Colusa Irrigation District	0
Dougherty Regional Fire Authority	23	Gold Coast Transit	290
Dublin San Ramon Services District	298	Gold Ridge Fire Protection District	23
Dunnigan Water District	6	Golden Sierra Job Training Agency	87
East Bay Dischargers Authority	15	Goleta Cemetery District	9
East Bay Regional Park District	132	Goleta Sanitary District	60
East Diablo Fire District	111	Goleta West Sanitary District	26
East Kern Airport District	85	Great Basin Unified Air Pollution Control District	70
East Palo Alto Sanitary District	26	Greater Anaheim Special Education Local Plan Area	40
East Quincy Services District	11	Greater Los Angeles County Vector Control District	168
East Valley Water District	158	Greater Vallejo Recreation District	113
Eastern Municipal Water District	1,321	Green Valley County Water District	4
Eastern Plumas Health Care District	320	Gridley Biggs Cemetery District	15
Eastern Sierra Community Services District	15	Grossmont Healthcare District	32
Eastern Sierra Transit Authority	43	Grossmont Schools Federal Credit Union	30
Eden Township Healthcare District	2	Guerneville Fire Protection District-Elect	0
El Camino Irrigation District	0	Half Moon Bay Fire Protection District	0
El Dorado County Fire Protection District	275	Hamilton Branch Fire Protection District	2
El Dorado County Transit Authority	45	Hamilton City Community Services District	4
El Dorado County Transportation Commission	13	Harbor Developmental Disabilities Foundation, Inc.	432
		Hayward California State University, Auxiliary Foundation, Inc.	181

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Heartland Communications Facility Authority	17	Los Angeles County Area 'E' Civil Defense and Disaster Board	2
Heritage Ranch Community Services District	26	Los Angeles County Law Library	158
Hesperia Fire Protection District	6	Los Angeles County Sanitation District No. 2	5,892
Hesperia Recreation and Park District	113	Los Angeles County West Vector Control District	77
Hesperia Water District	104	Los Angeles Memorial Coliseum Commission	72
Hilton Creek Community Services District	4	Los Osos Community Services District	19
Housing Authority of the City of Eureka	43	Lower Tule River Irrigation District	87
Housing Authority of the City of Los Angeles	1,461	Lumberjack Enterprises, Inc.	0
Housing Authority of the County of Santa Clara	439	Madera Cemetery District	58
Housing Authority of the County of Santa Cruz	149	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	209	Mammoth Lakes Mosquito Abatement District	2
Humboldt No. 1 Fire Protection District of Humboldt County	38	Management of Emeryville Services Authority	215
Humboldt State College University Center	126	March Joint Powers Authority	19
Humboldt Transit Authority	115	Marin Children and Families Commission	6
Hydesville County Water District	2	Marin County Housing Authority	136
Idyllwild Fire Protection District	36	Marin County Sanitary District No. 1	75
Indian Valley Community Services District	0	Marin Healthcare District	0
Indian Valley Health Care District	0	Marin Municipal Water District	882
Inland Empire Utilities Agency	590	Marinwood Community Services District	66
Intelcom Intelligent Telecommunications	45	Maxwell Public Utility District	6
Inverness Public Utility District	15	Mayers Memorial Hospital District	315
Ironhouse Sanitary District	102	McCloud Community Services District	26
Irvine Ranch Water District	741	Meadow Vista County Water District	11
Jamestown Sanitary District	17	Meiners Oaks County Water District	13
JRS Napa County Superior Court	9	Mendocino Coast Hospital District	577
Jurupa Community Services District	256	Mendocino County Russian River Flood Control and Water Conservation Improvement District	2
Kanawha Water District	9	Menlo Park Fire Protection District	343
Kensington Community Services District	45	Merced County Housing Authority	109
Kensington Fire Protection District	21	Mesa Consolidated Water District	128
Kentfield Fire Protection District	51	Metropolitan Transportation Commission	415
Kenwood Fire Protection District	6	Metropolitan Water District of Southern California	6,665
Kern County Council of Governments	58	Mid Carmel Valley Fire Protection District	9
Kern County Housing Authority	332	Midpeninsula Regional Open Space District	204
Kern County Law Library	6	Midway City Sanitary District	111
Kern Regional Center	403	Midway Heights County Water District	4
Kirkwood Meadows Public Utility District	23	Millville Masonic and Odd Fellows Cemetery District	4
Lake County Winegrape Commission	2	Mission Valley Regional Occupational Center/Program	64
Lake Don Pedro Community Services District	0	Mojave Desert Air Quality Management	68
Lake Hemet Municipal Water District	115	Mojave Water Agency	102
Lake Valley Fire Protection District	70	Monte Vista County Water District	55
Lakeside Fire Protection District	175	Montecito Fire Protection District	168
Las Gallinas Valley Sanitary District of Marin County	68	Monterey Bay Unified Air Pollution Control District	72
Lathrop-Manteca Fire Protection District	85	Monterey County Law Library	2
Leucadia Wastewater District	55	Monterey County Regional Fire Protection District	117
Levee District No. 1 of Sutter County	6	Monterey County Superior Court	452
Linda Fire Protection District	38	Monterey County Water Resources Agency	138
Linden-Peters Rural County Fire Protection District	36	Monterey Peninsula Airport District	104
Littlerock Creek Irrigation District	15	Monterey Peninsula Regional Park District	45
Live Oak Cemetery District	2	Monterey-Salinas Transit District	443
Livermore/Amador Valley Transit Authority	47	Moraga Fire Protection District	0
Local Agency Formation Commission of Monterey County	6	Moraga-Orinda Fire Protection District	317
Local Agency Formation Commission of San Luis Obispo County	0	Morongo Basin Transit Authority	51
Local Government Services Authority, a Joint Powers Authority	81	Mosquito and Vector Management District of Santa Barbara County	15
Lompoc Cemetery District	11	Moss Landing Harbor District	11
Lompoc Healthcare District	648		
Long Beach State University, Associated Students	138		

Health Benefits Program Data (continued)

Districts & Other Public Agencies (continued)

Mother Lode Job Training Agency	58	Palm Ranch Irrigation District	11
Mt. View Sanitary District of Contra Costa County	45	Palm Springs Cemetery District	13
Mt. Diablo Health Care District	4	Palo Verde Valley District Library	0
Mt. San Antonio College Auxiliary Services	100	Paradise Recreation and Park District	28
Muir Beach Community Services District	4	Paso Robles City Housing Authority	23
Municipal Pooling Authority	28	Peardale Chicago Park Fire Protection District	2
Murphys Sanitary District	0	Peninsula Health Care District	4
Murrieta Fire Protection District	141	Peninsula Library System	38
Napa County Mosquito Abatement District	23	Peninsula Traffic Congestion Relief Alliance	15
Napa County Superior Court	198	Penryn Fire Protection District	0
Napa County Transportation and Planning Agency	26	Pine Cove Water District	9
Napa Sanitation District	170	Pine Grove Mosquito Abatement District	2
Nevada Cemetery District	6	Pinedale County Water District	21
Nevada County Superior Court	147	Pioneer Cemetery District	6
Nevada Irrigation District	654	Pixley Irrigation District	15
Nevada-Sierra Regional IHSS Public Authority	11	Placer County Resource Conservation District	11
Newport Beach City Employees Federal Credit Union	9	Placer County Transportation Planning Agency	17
Nipomo Community Services District	38	Placer County Water Agency	498
North Bay Regional Center	398	Placer Mosquito and Vector Control District	34
North Bay Schools Insurance Authority	26	Planning and Service Area II Area Agency on Aging	6
North Coast Railroad Authority	4	Pleasant Valley Recreation and Park District	87
North Coast Unified Air Quality Management District	43	Plumas County Community Development Commission	30
North County Fire Protection District of Monterey County	102	Plumas Local Agency Formation Commission	2
North County Fire Protection District of San Diego County	173	Point Montara Fire Protection District	0
North County Regional Occupational Program Joint Powers Agency	6	Pomerado Cemetery District	15
North County Transit District	498	Pomona, California State Polytechnic University, Associated Students, Inc.	119
North Delta Water Agency	0	Port San Luis Harbor District	60
North Los Angeles County Regional Center, Inc.	809	Princeton-Codora-Glenn Irrigation District	11
North Marin Water District	164	Processing Strawberry Advisory Board	11
North State Cooperative Library System	11	Processing Tomato Advisory Board	9
North Tahoe Fire Protection District	134	Provident Irrigation District	13
Northern California Power Agency	496	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	13	Quincy Cemetery District	2
Northern Sierra Air Quality Management District	15	Quincy Community Services District	15
Northridge Water District	0	Rainbow Municipal Water District	4
Northridge, CSU, Associated Students	72	Ramona Cemetery District	11
Northstar Community Services District	85	Rancho Cucamonga Fire Protection District	324
Novato Fire Protection District	322	Rancho Murieta Community Services District	79
Novato Sanitary District	94	Rancho Simi Recreation and Park District	200
Oak Hill Cemetery District	0	Reclamation District No. 70	15
Oakland City Housing Authority	914	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	34
Orange County Vector Control District	141	Reclamation District No. 1001	36
Orinda Fire Protection District	0	Reclamation District No. 1601	4
Orland Cemetery District	0	Reclamation District No. 1660	0
Oro Loma Sanitary District	168	Redway Community Services District	11
Oroville Cemetery District	19	Regional Center of the East Bay	643
Oroville Mosquito Abatement District	2	Regional Council of Rural Counties	40
Oxnard Harbor District	92	Regional Government Services Authority	43
Pacific Fire Protection District	28	Regional Water Authority	17
Pajaro Valley Fire Protection Agency	0	Richardson Bay Sanitary District	17
Pajaro Valley Public Cemetery District	15	Rincon Del Diablo Municipal Water District	83
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Riverside County Air Pollution Control District	0	San Marcos Fire Protection District	0
Riverside County Housing Authority	2	San Mateo County Resource Conservation District	0
Riverside County Superior Court	0	San Mateo County Schools Insurance Group	11
Riverside County Transportation Commission	109	San Mateo County Transit District	1,847
Rodeo-Hercules Fire Protection District	70	San Miguel Community Services District	11
Roseville Public Cemetery District	19	San Miguel Consolidated Fire Protection District	360
Ross Valley Fire Service	119	San Ramon Valley Fire Protection District	584
Rubidoux Community Services District	4	San Simeon Community Services District	2
Ruth Lake Community Services District	0	Sanitary District No. 5 of Marin County	28
Sacramento Area Council of Governments	126	Santa Barbara County Association of Governments	51
Sacramento City Housing Authority	912	Santa Barbara County Law Library	6
Sacramento County Fire Protection District	0	Santa Clara County Health Authority	298
Sacramento County Public Law Library	47	Santa Clara County Law Library	2
Sacramento Metropolitan Air Quality Management District	166	Santa Cruz County Law Library	0
Sacramento Metropolitan Cable Television Commission	11	Santa Cruz County Regional Transportation Commission	45
Sacramento Metropolitan Fire District	2,288	Santa Cruz County Superior Court	275
Sacramento Regional Fire/EMS Communications Center	98	Santa Cruz Local Agency Formation Commission	6
Sacramento Regional Transit District	1,849	Santa Cruz Metropolitan Transit District	1,046
Sacramento Suburban Water District	147	Santa Cruz Regional 9-1-1	134
Sacramento Transportation Authority	4	Santa Fe Irrigation District	168
Salinas Valley Solid Waste Authority	75	Santa Maria Public Airport District	28
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San Bernardino County Transportation Authority	0	Sequoia Healthcare District	9
San Bernardino Economic Development Agency	72	Serra Cooperative Library System	9
San Bernardino, CSU, Student Union	45	Sewer Authority Mid-Coastside	32
San Diego Association of Governments	490	Shasta Area Safety Communications Agency	89
San Diego County Law Library	94	Shasta Community Services District	0
San Diego State University Associated Students	62	Shasta County Superior Court	298
San Dieguito Water District	43	Shasta Dam Area Public Utility District	0
San Elijo Joint Powers Authority	40	Shasta Mosquito and Vector Control District	40
San Francisco Bay Area Rapid Transit District	9,836	Shasta Valley Cemetery District	11
San Francisco Bay Area Water Emergency Transportation Authority	19	Sierra Lakes County Water District	19
San Francisco City and County Housing Authority	584	Sierra-Sacramento Valley Emergency Medical Services Agency	32
San Francisco City and County Redevelopment Agency	458	Silicon Valley Animal Control Authority	32
San Francisco Community College District Bookstore Auxiliary	36	Silveyville Cemetery District	9
San Francisco County Transportation Authority	75	Siskiyou County Superior Court	107
San Gabriel Valley Mosquito and Vector Control District	23	Smith River Community Services District	11
San Geronio Pass Water Agency	15	Solano County Mosquito Abatement District	30
San Jacinto Valley Cemetery District	34	Solano County Superior Court	464
San Joaquin County Housing Authority	343	Solano County Water Agency	19
San Joaquin County Mosquito and Vector Control District	115	Solano Transportation Authority	40
San Joaquin Hills Transportation Corridor Agency	0	Sonoma Marin Area Rail Transit District	21
San Jose State University Foundation	618	Sonoma State Enterprises, Inc.	2
San Jose State University, Associated Students	92	Sonoma Student Union Corporation	6
San Juan Water District	141	Soquel Creek Water District	134
San Lorenzo Valley Water District	51	South Bay Regional Public Communications Authority	119
San Luis Obispo Air Pollution Control District	40	South Bayside System Authority	211
San Luis Obispo, Cal Poly, Associated Students, Inc.	177	South County Area Transit	6
San Luis Obispo Council of Governments	32	South East Regional Reclamation Authority	0
San Luis Obispo County Pension Trust	11	South Feather Water and Power Agency	173
		South Kern Cemetery District	0

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South Placer Fire District	111	University Corporation	313
South Placer Municipal Utility District	62	University Glen Corporation	40
South San Luis Obispo County Sanitation District	19	Upland City Housing Authority	45
Southeast Area Social Services Funding Authority	49	Vacaville Fire Protection District	19
Southern California Association of Governments	354	Vacaville-Elmira Cemetery District	17
Southern California Library Cooperative	21	Vallejo Sanitation and Flood Control District	262
Southern California Public Power Authority	19	Valley County Water District	102
Southern California Regional Rail Authority	550	Valley Mountain Regional Center, Inc.	488
Southern Humboldt Community Healthcare District	115	Valley of the Moon Fire District	51
Southern Inyo Healthcare District	162	Valley of the Moon Water District	34
Southern San Joaquin Municipal Utility District	64	Valley Preparatory Academy, Inc.	0
Spartan Shops, Inc.	170	Valley Sanitary District	49
Squaw Valley Public Services District	47	Valley-Wide Recreation and Park District	64
State Assistance Fund for California Business and Industrial Corporation	23	Ventura County Law Library	17
Stanislaus County Housing Authority	256	Ventura County Transportation Commission	47
State Water Contractors	17	Ventura Port District	75
Stege Sanitary District	21	Ventura Regional Sanitation District	153
Stinson Beach County Water District	19	Veterans Home of California Post Fund	17
Strawberry Recreation District	6	Victor Valley Wastewater Reclamation Authority	89
Student Union of San Jose State University	64	Water Facilities Authority	17
Suisun Resource Conservation District	15	Weaverville Community Services District	17
Summit Cemetery District	40	Weaverville Fire Protection District	0
Sunnyslope County Water District	38	Weaverville Sanitary District	2
Superior Court of California County of San Luis Obispo	281	West Bay Sanitary District	58
Susanville Sanitary District	19	West Cities Communication Center	23
Sutter Cemetery District	26	West Cities Communication Center Joint Powers Authority	0
Sweetwater Springs Water District	23	West Contra Costa Healthcare District	13
Sylvan Cemetery District	9	West Contra Costa Integrated Waste Management Authority	13
Tahoe City Fire Protection District	0	West County Wastewater District	155
Tahoe City Public Utility District	111	West Plainfield Fire Protection District	0
Tahoe-Truckee Sanitation Agency	170	Western Canal Water District	23
Temecula Public Cemetery District	4	Western Riverside Council of Governments	40
Templeton Community Services District	49	Westlands Water District	375
Thermalito Water and Sewer District	26	Wildomar Cemetery District	9
Three Arch Bay Community Services District	2	Willow Creek Community Services District	6
Tower Foundation, San Jose State University	13	Willow Oak Fire District	0
Trabuco Canyon Water District	62	Willows Cemetery District	6
Tracy Rural County Fire Protection District	4	Wilton Fire Protection District	2
Transportation Agency for Monterey County	28	Winterhaven Water District	6
Tri-Counties Association for the Developmentally Disabled	539	Winters Cemetery District	11
Truckee Fire Protection District	132	Winters Fire Protection District	4
Truckee Sanitary District	92	Woodlake Fire District	6
Tulare County Housing Authority	119	Woodside Fire Protection District	181
Tulare Mosquito Abatement District	13	Yolo County Housing Authority	79
Tuolumne County Superior Court	0	Yolo County In-Home Supportive Services Public Authority	9
Tuolumne Fire District	4	Yolo County Public Agency Risk Management Insurance Authority	17
Tuolumne Regional Water District	0	Yolo County Superior Court	217
Tuolumne Utilities District	226	Yolo County Transit Authority	0
Turlock Mosquito Abatement District	32	Yolo County Transportation District	30
Twain Harte Community Services District	21	Yolo Emergency Communications Agency	79
Twin Cities Police Authority	155	Yolo-Solano Air Quality Management District	60
Ukiah Valley Fire District	15	Yuba County Water Agency	83
Union Public Utility District	11	Yuba Sutter Transit Authority	6
Union Sanitary District	413	Yuima Municipal Water District	2
United Water Conservation District	126	Total Covered Lives.	96,223

Health Benefits Program Data (continued)

School Employers (138 total)

Acalanes Union High School District	1,257	Los Angeles Community College District	14,946
Alameda City Unified School District	1,742	Los Angeles County Office of Education	8,471
Albany City Unified School District	895	Los Nietos Elementary School District	403
Alta-Dutch Flat Union Elementary School District	15	Lowell Joint Elementary School District	498
Antioch Charter Academy	0	Magnolia Elementary School District	1,299
Antioch Charter Academy II	28	Mare Island Technology Academy	102
Antioch Unified School District	2,837	Martinez Unified School District	848
Berryessa Union Elementary School District	1,702	Menlo Park City Elementary School District	622
Beverly Hills Unified School District	1,180	Mill Valley Elementary School District	567
Bonita Unified School District	1,657	Millbrae Elementary School District	392
Brisbane Elementary School District	160	Modesto City Elementary School District	4,758
Burbank Unified School District	1,150	Montebello Unified School District	7,602
Burlingame Elementary School District	441	Monterey Peninsula Unified School District	3,199
Campbell Union Elementary School District	1,421	Moreland Elementary School District	794
Campbell Union High School District	1,706	Morgan Hill Unified School District	1,572
Castaic Union Elementary School District	394	Mountain House Elementary School District	6
Centinela Valley Union High School District	1,796	Mt. Baldy Joint School District	13
Cerritos Community College District	1,930	Mt. Diablo Unified School District	7,161
Charter Learning Center	0	Mt. Pleasant Elementary School District	426
Chatom Union Elementary School District	32	Mt. San Antonio Community College District	3,131
Compton Unified School District	3,666	Napa Community College District	918
Connecting Waters	153	Napa Valley Unified School District	3,227
County School Services – Alameda County Schools	460	Natomas Unified School District	613
County School Services – Contra Costa County Schools	1,406	New Haven Unified School District	1,949
County School Services – Napa County Schools	432	Newark Unified School District	498
County School Services – Sacramento County Schools	1,874	Newman-Crows Landing Unified School District	354
County School Services – San Mateo County Schools	1,278	North Monterey County Unified School District	609
County Superintendent of Schools Office –		North Orange County Community College District	4,407
Riverside County Schools	4,083	Ocean Grove Charter School	92
Culver City Unified School District	1,431	Ohlone Community College District	767
Davis Joint Unified School District	1,250	Orange Unified School District	5,975
Duarte Unified School District	635	Orinda Union School District	584
Dublin Unified School District	526	Pacifica School District	878
Eastern Sierra Unified School District	58	Palos Verdes Peninsula Unified School District	2,339
El Camino Community College District	2,232	Paradise Elementary School District	30
El Dorado Union High School District	55	Pittsburg Unified School District	1,881
Empire Union Elementary School District	62	Pleasanton Unified School District	360
Fairfield-Suisun Unified School District	3,399	Ravenswood City Elementary School District	954
Fillmore Unified School District	856	Redwood City Elementary School District	1,983
Fremont Unified School District	4,232	Reed Union Elementary School District	343
Fremont Union High School District	175	Rio Hondo Community College District	1,534
Gavilan Joint Community College District	573	River Delta Joint Unified School District	371
Hartnell Community College District	277	Riverbank Unified School District	505
Hayward Unified School District	3,210	Ross Elementary School District	143
Healdsburg Unified School District	234	Ross Valley Elementary School District	488
Hillsborough City School District	300	Rowland Unified School District	2,910
Holtville Unified School District	2	Sacramento City Unified School District	6,620
Howell Mountain Elementary School District	28	San Bruno Park Elementary School District	558
John Swett Unified School District	326	San Carlos Elementary School District	471
Knightsen School District	53	San Leandro Unified School District	1,097
La Grange Elementary School District	4	San Mateo County Community College District	3,231
Las Lomitas Elementary School District	292	San Mateo-Foster City School District	2,024
Las Virgenes Unified School District	2,200	San Rafael City Elementary School District	677
Liberty Union High School District	1,074	San Rafael City High School District	665
Little Lake City Elementary School District	856	Santa Monica Community College District	2,486
Lodi Unified School District	4,260	Santa Monica-Malibu Unified School District	3,176
Los Altos Elementary School District	1,116	Saugus Union Elementary School District	1,172

Health Benefits Program Data (continued)

School Employers (continued)

Sequoia Union High School District	2,539	Turlock Joint Union High School District	0
Sky Mountain Charter School	85	Twin Rivers Unified School District	5,664
Sonoma Valley Unified School District	918	Union Elementary School District	741
South Pasadena Unified School District	807	Vacaville Unified School District	2,207
South San Francisco Unified School District	2,343	Valle Lindo Elementary School District	196
South Sutter Charter School	158	Vallejo City Unified School District	3,502
South Whittier School District	716	Walnut Valley Unified School District	748
Southeast Los Angeles County Regional Occupational Program	81	West Contra Costa Unified School District	9,344
Stanislaus County Office of Education	6	West Covina Unified School District	1,598
Stockton Unified School District	6,852	Whittier City Elementary School District	1,127
Temple City Unified School District	880	William S. Hart Union High School District	3,708
Turlock Joint Elementary School District	0	Wiseburn Elementary School District	373
Turlock Joint Unified School District	1,165	Total Covered Lives.	222,868

Supplemental Income Plans (SIP)

CalPERS provides members with the Supplemental Income Plans to save for retirement.

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

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, 2011, the CalPERS Supplemental Income 457 Plan was adopted by 722 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.

Participating Public Agency Summary

Agency	
Cities	108
Counties	17
Community College Districts, School Districts & County Offices of Education	153
Districts & Other Public Agencies	304
Police & Fire Districts	55
Water Districts	85
TOTAL	722

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.

Supplemental Income Plans (SIP) (continued)

SPOFF SUPPLEMENTAL PLAN

The State Peace Officers' and Firefighters' (SPOFF) Supplemental Plan (also known as State POFF Defined Contribution Plan), is an employer provided retirement benefit negotiated between the State of California and certain employee groups. The contributions are invested by CalPERS and credited to each participant's account along with any net earnings. The balance of the account is available to SPOFF participants only at retirement or upon permanent separation from all State employment.

SIP FUND LINEUP

The CalPERS Supplemental Income 457 Plan and Supplemental Contributions Plan 2010-11 investment line-up allows participants to choose from two styles of asset allocation funds, or build their own portfolio with the 12 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 as the member approaches retirement.

- Three Risk-Based Asset Allocation Funds
 - Conservative, Moderate and Aggressive.

Twelve 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.

Fees collected from participant accounts provide funding to administer the Plans and are assessed based on the investment options selected.

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

The CalPERS Long-Term Care program (LTC) is an insurance program that helps to provide financial protection 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, 2011, long-term care membership decreased 3.1 percent to 154,644. This slight decrease to Program membership may be attributable to the 2011 premium increase, member morbidity, and the

lack of an application period since 2008. Annual premiums as of June 30, 2011 were \$314.1 million.

The LTC program's total investments were approximately \$3.3 billion, with \$156.1 million paid out in benefits to its members during fiscal year 2010-11. The total benefits paid since the LTC program's inception in 1995 through June 30, 2011 is \$862 million.

The LTC program continues to be one of the largest of its kind in the nation, devoted to providing outstanding long-term care 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

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

SIP: Supplemental Income Plans

SPOFF: State Peace Officers' and Firefighters' Defined
Contribution Plan Fund

SCPF: Supplemental Contributions Program Fund

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