



CalPERS Actuary Report

June 30, 2011

Organization, Personnel and Technology
Item 6b
December 10, 2012

CalPERS Pension Plan – 2% @ 55

	FY2011/12	FY2012/13	FY2013/14
Valuation date	6/30/09	6/30/10	6/30/11
Total liability	\$1.48 billion	\$1.56 billion	\$1.67 billion
Funded %	87.1%	86.4%	84.5%
Discount rate	7.75%	7.75%	7.50%
Investment returns*			
FY2008/09	(23.4%)		
FY2009/10		11.6%	
FY2010/11			20.9%
FY2011/12			0.1%

2.3% average

* Source: "Facts at a Glance" on CalPERS website

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Investment returns*			
FY2000/01			
FY2001/02			
FY2002/03			
FY2003/04			
FY2004/05			
FY2005/06			
FY2006/07			
FY2007/08			
FY2008/09			
FY2009/10			
FY2010/11			
FY2011/12			0.1%

10-year average 7.7%

2.3% average

* Source: "Facts at a Glance" on CalPERS website

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	FY2011/12	FY2012/13	FY2013/14
Required contribution rate			
Employer	14.484%	14.998%	16.306%
Employee	<u>7.000%</u>	<u>7.000%</u>	<u>7.000%</u>
	21.484%	21.998%	23.306%



Increase 1.3%

Annual Contribution Rate

FY2012/13 rate	14.998%
Change in plan assumptions (lower discount rate)	0.728%
Change in financial results	<u>0.580%</u>
FY2013/14 rate	16.306%

Change in plan assumptions are phased-in over 2 years; without phase-in, rate would be 17.164%

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Annual pension cost	(Actual)	(MWD Projected)	(CalPERS Projected)
Employer share	\$27.1 million	\$28.2 million	\$34.0 million
Pick-up employee share	<u>\$13.2 million</u>	<u>\$13.2 million</u>	<u>\$14.6 million</u>
	\$40.3 million	\$41.4 million	\$48.6 million
Covered Payroll	\$187.6 million	\$188.1 million	\$208.5 million

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FY2013/14 – If Covered Payroll Increased 3% over FY2012/13

		FY 2013/14	
	FY2012/13	CalPERS	3% Increase
Required contribution rate			
Employer	14.998%	16.306%	16.306%
Employee	<u>7.000%</u>	<u>7.000%</u>	<u>7.000%</u>
	21.998%	23.306%	23.306%
Annual pension cost			
Employer share	\$28.2 million	\$34.0 million	\$31.6 million
Pick-up employee share	<u>\$13.2 million</u>	<u>\$14.6 million</u>	<u>\$13.5 million</u>
	\$41.4 million	\$48.6 million	\$45.1 million
	Budget \$42.4 M		\$44.7 M
Covered Payroll	\$188.1 million	\$208.5 million	\$193.7 million

Pension Funding Progress

\$ Millions



MWD's Funding Strategy

- Continue to fund and include in rates 100% of the employer share of actuarially determined annual required contribution
- Pursuant to bargaining unit MOU's, continue to fund and include in rates employer pick-up of employee's share of PERS contribution for employees hired before 1/1/2012

