



CALIFORNIA PUBLIC AGENCY OPTIONS TO ADDRESS CALPERS RATES

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Options To Address CalPERS Rates

- Realistic Short Term
- Plan For the Near Future
- Pie in the Sky

Realistic Short Term Options

- Where do you get the money from?
 - Pension Obligation Bond
 - Excess reserves/borrow from General Fund
 - One time payments
 - Additional employee/member contributions
- How do you use the money?
 - Additional payments to CalPERS
 - Establish an Internal Service Fund
 - Establish Supplemental (§115) Pension Trust

Plan For the Near Future

- Encourage Legislature to require CalPERS to allow hardship contribution rate substantially below anticipated rates
- Negotiate to have newly hired Classic employees get PEPRAs formulas
- Encourage CalPERS to allow more choice in funding policy (so those who want to pay more quickly, can do it easily)

Plan For the Near Future

- Encourage a change CalPERS policy to allow withdrawing employers to pay over time, and perhaps at a better discount rate if they agree to be liable for future investment losses.
 - But be careful of potential adverse implications for CalPERS as a whole

Pie In The Sky

■ California Supreme Court

- Current cases involve Pensionable Wages and Air Time purchase
- Far cry from lower benefit accruals for current employees

■ Legislative Changes

- Required even if the Supreme Court says they have been kidding over the past 60 years about the California Rule

Pie In The Sky

■ Ballot Initiative

- Likely to happen unless CA Supreme Court says the California Rule stays
- May not pass
- Will probably be tied up in Courts for years if it does pass