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 PEPRA 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 in 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.
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