

## Summary of Key Valuation Results

Below is a brief summary of key valuation results along with page references where more detailed information can be found.

### Required Employer Contributions — page 13

	Fiscal Year 2024-25	Fiscal Year 2025-26
Employer Normal Cost Rate	10.48%	10.24%
Unfunded Accrued Liability (UAL) Contribution Amount	\$15,213,167	\$16,987,448
Paid either as		
Option 1) 12 Monthly Payments of	\$1,267,764	\$1,415,621
Option 2) Annual Prepayment in July	\$14,720,888	\$16,437,755

### Member Contribution Rates — page 14

	Fiscal Year 2024-25	Fiscal Year 2025-26
Classic Member Contribution Rate	8.00%	8.00%
PEPRA Member Contribution Rate	7.75%	7.75%

### Projected Employer Contributions — page 17

Fiscal Year	Normal Cost (% of payroll)	Annual UAL Payment
2026-27	10.0%	\$11,131,000
2027-28	9.8%	\$11,769,000
2028-29	9.7%	\$13,218,000
2029-30	9.5%	\$13,476,000
2030-31	9.3%	\$13,680,000

### Funded Status — Funding Policy Basis — page 15

	June 30, 2022	June 30, 2023
Entry Age Accrued Liability (AL)	\$446,869,527	\$476,718,295
Market Value of Assets (MVA)	311,068,677	333,752,531
Unfunded Accrued Liability (UAL) [AL – MVA]	\$135,800,850	\$142,965,764
Funded Ratio [MVA ÷ AL]	69.6%	70.0%

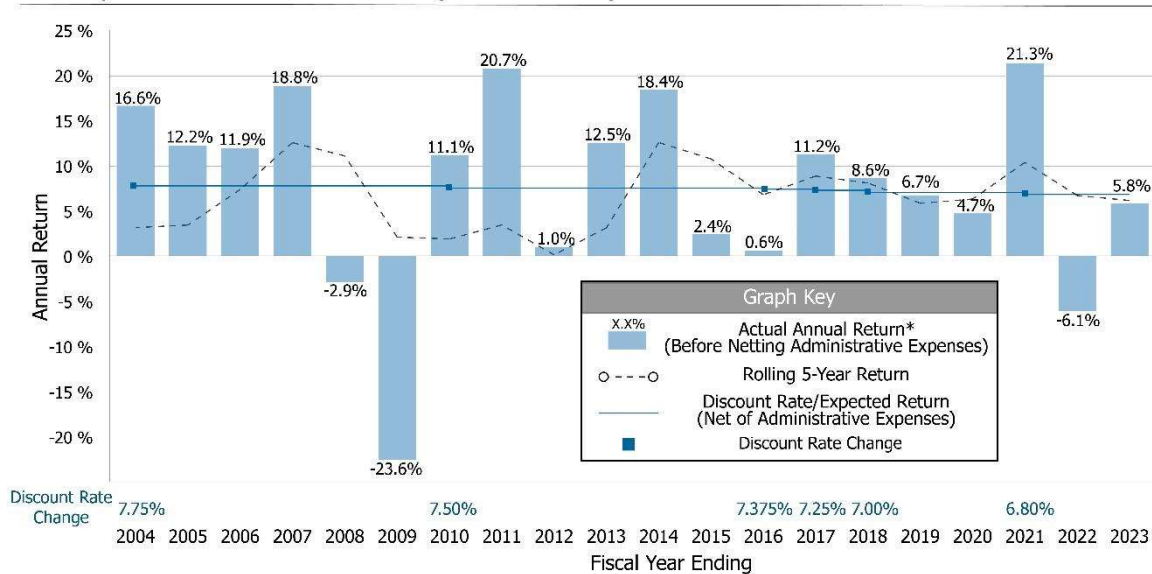
### Summary of Valuation Data — Page 73

	June 30, 2022	June 30, 2023
Active Member Count	673	696
Annual Covered Payroll	\$61,307,851	\$67,309,818
Transferred Member Count	141	152
Separated Member Count	225	239
Retired Members and Beneficiaries Count	452	487

## CalPERS History of Investment Returns

The following is a chart with the 20-year historical annual returns of the PERF for each fiscal year ending on June 30 as reported by the Investment Office. Investment returns reported are net of investment expenses but without reduction for administrative expenses. The assumed rate of return, however, is net of both investment and administrative expenses. Also, the Investment Office uses a three-month lag on private equity and real assets for investment performance reporting purposes. This can lead to a timing difference in the returns below and those used for financial reporting purposes. The investment gain or loss calculation in this report relies on final assets that have been audited and are appropriate for financial reporting. Because of these differences, the effective investment return for funding purposes in a single year can be higher or lower than the return reported by the Investment Office shown here.

History of Investment Returns (2004 - 2023)



\* As reported by the Investment Office with a 3-month lag on private equity and real assets and without any reduction for administrative expenses.

The table below shows annualized investment returns of the PERF for various time periods ending on June 30, 2023. Figures reported are net of investment expenses but without reduction for administrative expenses. These returns are the annual rates that if compounded over the indicated number of years would equate to the actual time-weighted investment performance of the PERF. It should be recognized that in any given year the rate of return is volatile. The portfolio has an expected volatility of 12.0% per year based on the most recent Asset Liability Management study. The realized volatility is a measure of the risk of the portfolio expressed as the standard deviation of the fund's total monthly return distribution, expressed as an annual percentage. Due to their volatile nature, when looking at investment returns, it is more instructive to look at returns over longer time horizons.

History of CalPERS Compound Annual Rates of Return and Volatilities					
	1 year	5 year	10 year	20 year	30 year
Compound Annual Return	5.8%	6.1%	7.1%	7.0%	7.5%
Realized Volatility	—	9.5%	7.8%	8.4%	8.8%

## Required Employer Contributions

The required employer contributions in this report do not reflect any cost sharing arrangement between the agency and the employees.

	Fiscal Year
<b>Required Employer Contributions</b>	<b>2025-26</b>
Employer Normal Cost Rate	10.24%
<i>Plus</i>	
Unfunded Accrued Liability (UAL) Contribution Amount	\$16,987,448
<i>Paid either as</i>	
1) Monthly Payment	\$1,415,621
<i>Or</i>	
2) Annual Prepayment Option*	\$16,437,755
The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) and the Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly(1) or prepaid annually(2) in dollars).	
* Only the UAL portion of the employer contribution can be prepaid ( <b>which must be received in full no later than July 31</b> ).	
For Member Contribution Rates see the following page.	

	Fiscal Year 2024-25	Fiscal Year 2025-26
<b>Normal Cost Contribution as a Percentage of Payroll</b>		
Total Normal Cost <sup>1</sup>	18.35%	18.10%
Offset due to Employee Contributions <sup>2</sup>	7.87%	7.86%
Employer Normal Cost	10.48%	10.24%
Projected Annual Payroll for Contribution Year	\$66,603,253	\$73,123,634
<b>Estimated Employer Contributions Based on Projected Payroll</b>		
Total Normal Cost	\$12,221,697	\$13,235,378
Expected Employee Contributions	5,241,676	5,747,518
Employer Normal Cost	6,980,021	7,487,860
Unfunded Liability Contribution	15,213,167	16,987,448
% of Projected Payroll (illustrative only)	22.84%	23.23%
Estimated Total Employer Contribution	\$22,193,188	\$24,475,308
% of Projected Payroll (illustrative only)	33.32%	33.47%

<sup>1</sup> The Total Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see Normal Cost by Benefit Group.

<sup>2</sup> This is the expected employee contributions, taking into account individual benefit formula and any offset from the use of a modified formula, divided by projected annual payroll. For member contribution rates above the breakpoint for each benefit formula, see Member Contribution Rates.

## Amortization Schedule and Alternatives (continued)

Date	Current Amortization Schedule		Alternative Schedules			
	Balance	Payment	15 Year Amortization		10 Year Amortization	
			Balance	Payment	Balance	Payment
6/30/2025	133,351,137	16,987,448	133,351,137	13,989,023	133,351,137	18,202,353
6/30/2026	124,863,492	11,130,880	127,962,186	13,989,023	123,607,959	18,202,353
6/30/2027	121,851,102	11,769,082	122,206,787	13,989,023	113,202,245	18,202,353
6/30/2028	117,974,328	13,218,073	116,060,021	13,989,024	102,088,942	18,202,353
6/30/2029	112,336,487	13,476,020	109,495,274	13,989,024	90,219,935	18,202,353
6/30/2030	106,048,697	13,680,337	102,484,124	13,989,024	77,543,835	18,202,353
6/30/2031	99,122,190	13,890,376	94,996,216	13,989,024	64,005,761	18,202,353
6/30/2032	91,507,615	13,711,038	86,999,130	13,989,024	49,547,098	18,202,353
6/30/2033	83,560,587	12,891,611	78,458,242	13,989,023	34,105,245	18,202,352
6/30/2034	75,919,991	12,510,324	69,336,575	13,989,024	17,613,347	18,202,352
6/30/2035	68,153,870	11,945,995	59,594,633	13,989,023		
6/30/2036	60,442,851	10,969,562	49,190,240	13,989,024		
6/30/2037	53,216,571	10,387,714	38,078,347	13,989,023		
6/30/2038	46,100,210	9,769,532	26,210,847	13,989,024		
6/30/2039	39,138,792	9,287,394	13,536,356	13,989,023		
6/30/2040	32,202,257	8,955,044				
6/30/2041	25,137,501	7,882,335				
6/30/2042	18,700,922	6,764,322				
6/30/2043	12,982,055	10,307,965				
6/30/2044	3,212,162	2,337,078				
6/30/2045	1,015,358	623,259				
6/30/2046	440,301	455,025				
6/30/2047						
6/30/2048						
6/30/2049						
<b>Total</b>		<b>222,950,414</b>		<b>209,835,353</b>		<b>182,023,528</b>
<b>Interest Paid</b>		<b>89,599,277</b>		<b>76,484,216</b>		<b>48,672,391</b>
<b>Estimated Savings</b>				<b>13,115,061</b>		<b>40,926,886</b>