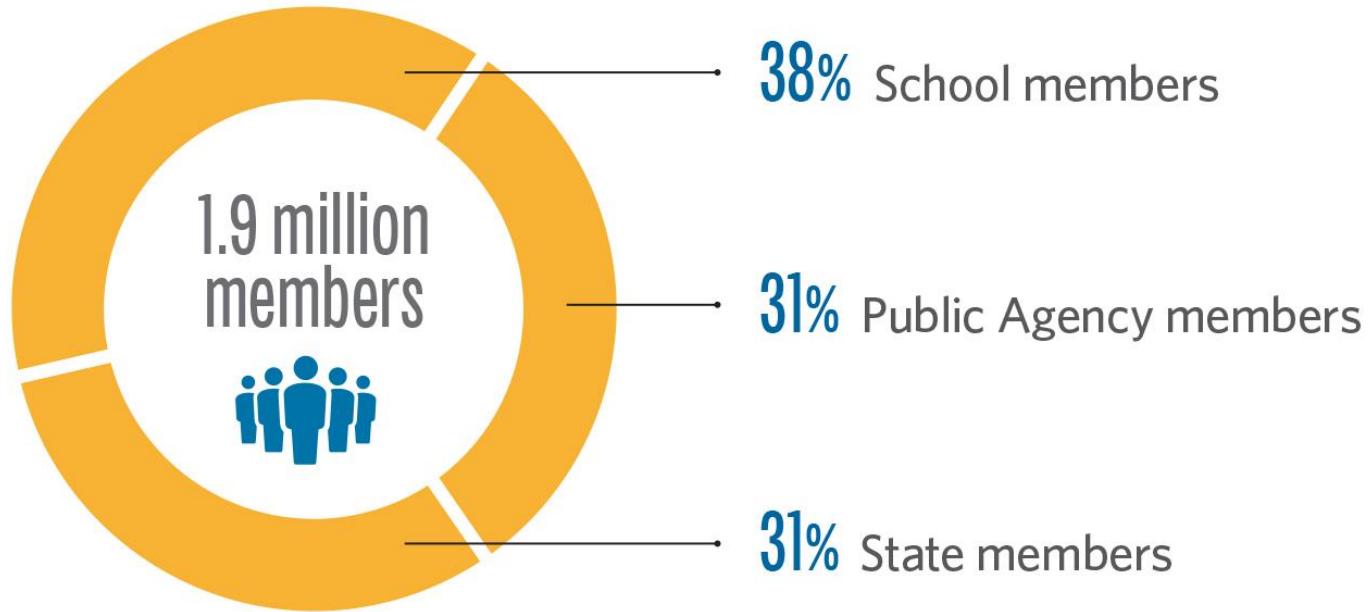


CalPERS Update: A Solid Foundation for the Future

California State Association of Counties
Government Finance & Administration Policy Committee

Marcie Frost, CalPERS CEO

May 17, 2018







\$2,876 Average allowance
for all retirees



64% Receive less than \$3,000

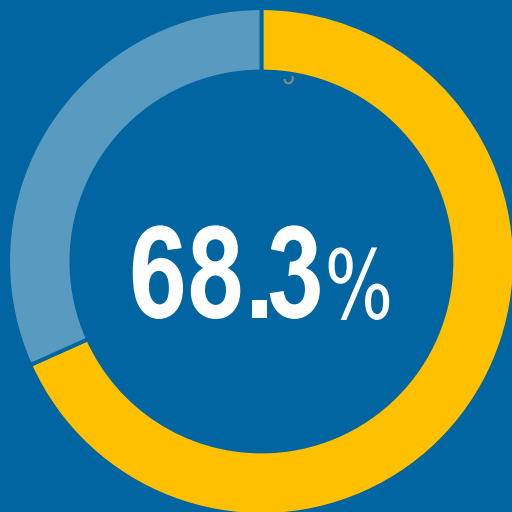


3% Earn pensions greater
than \$100,000

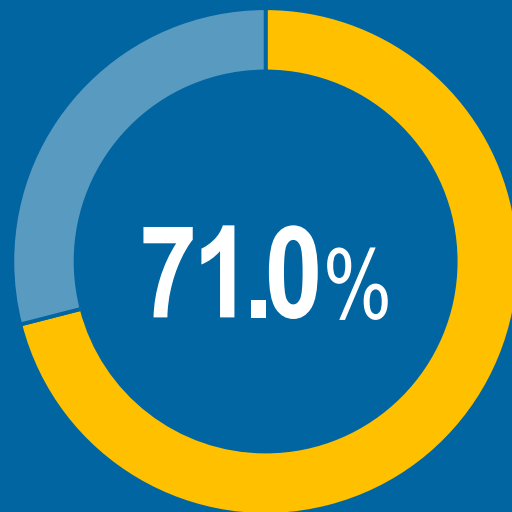


\$21.4 billion

Paid in pension benefits annually



Funded Status
FY 2015-16



Funded Status
Calendar Year 2017

Market Volatility Prompts Key Decisions

70%

70%

76%

73%

68%

71%

2012

2013

2014

2015

2016

2017 2018

PEPRA law

Discount rate lowered
from 7.75% to 7.5%

Additional \$6 billion from State

Steps to strengthen the fund:

- Discount rate
- Amortization policy

**Lower Discount
Rate**

7.5%



7%

**Shorter
Amortization**

30 yrs. → 20 yrs.

=

significant
long-term savings



1.5–2%
reduction

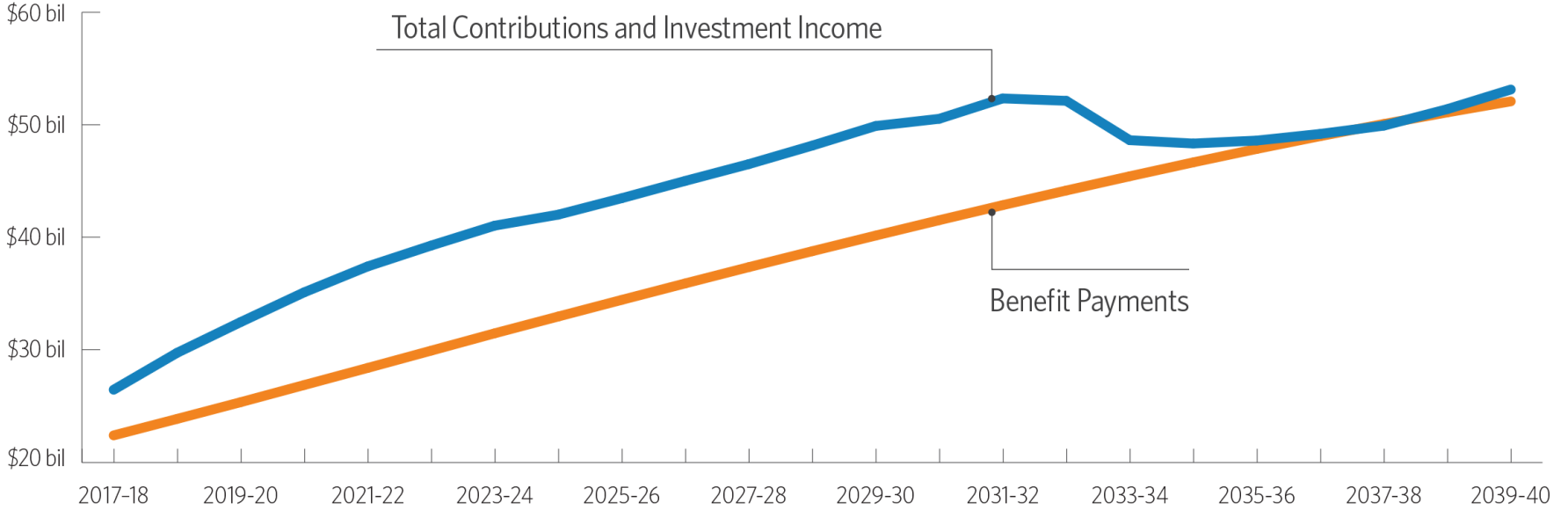


70%
in-house



\$170 mil.
savings

Total Fund Cash Flows are Improving





\$350 billion
assets



15.7%
investment returns



\$47 billion
increase

**CalPERS
Role Clarity**

**Engagement
vs.
Divestment**

ESG

The CalPERS Pension Buck

As of June 2017, CalPERS' income over the last 20 years demonstrates that every dollar spent on public employee pensions comes from the following sources:

61¢

CalPERS investment
earnings

26¢

CalPERS
employers

13¢

CalPERS
members

115 Trust

Education

**Focused on
Total Return**

Thank You