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Latest CalPERS Schools Valuation and Employer/Employee Contribution Released

As expected, with the release of the California Public Employees Retirement System (CalPERS) Board agenda for next week, the latest actuarial valuation was made public. The actuarial valuation identifies the extent to which the current and future assets of CalPERS are sufficient to pay the benefits promised to its members under current law.

The Board is scheduled to adopt the employer contribution rate of 18.062% for 2018-19, an increase of 2.531% from the previous fiscal year (15.531%) and higher than was projected in the last annual valuation report. Additionally, the Board is scheduled to adopt the PEPPRA member contribution rate of 7.00% beginning July 1, 2018, up from the current rate of 6.50%.

Over the next two valuations, expect that the discount rate, payroll growth, and inflation assumptions to be lowered as follows:

Valuation Date	Discount Rate	Payroll Growth	Inflation Assumption
June 30, 2017	7.375%	3.00%	2.75%
June 30, 2018	7.25%	2.875%	2.625%
June 30, 2019	7.00%	2.75%	2.50%

While the board agenda provides employer contribution rate projections past 2018-19, the official rates past 2018-19 will be based on actuarial valuations performed in the prior year. For more information, see [Finance and Administration Committee Agenda Item 7b](#).

—*Charlene Quilao*

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