

1900 Public Employees' Retirement System

The California Public Employees' Retirement System (CalPERS) administers retirement benefits for over 1.6 million active employees and retirees of state and local agencies in California. CalPERS also provides health benefits for nearly 1.3 million active and retired state, local government, and school employees and their family members. Benefits include retirement, disability, and survivor's retirement benefits; Social Security for state employees; and the development, negotiation, and administration of contracts with health maintenance organizations, group hospitals, and medical insurance plans. In addition, CalPERS administers a long-term care program for members and eligible individuals.

CalPERS is governed by a Board of Administration. The California Constitution provides that the Board of Administration has authority over the administration of the retirement system; therefore, the budget data presented here is for informational purposes only, with the exception of the component of the Health Benefits Program funded from the Public Employees' Contingency Reserve Fund.

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 Retirement	787.5	842.3	835.3	\$170,886	\$75,043	\$75,043
30 Health Benefits	186.8	197.2	197.2	24,463	26,606	26,749
40 Investment Operations	251.5	274.5	274.5	40,167	47,886	47,886
50 Administration	1,065.9	1,152.6	1,127.6	70,862	184,472	184,239
99 Unclassified (Benefit Payments)	-	-	-	17,885,756	19,473,039	20,970,289
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	2,291.7	2,466.6	2,434.6	\$18,192,134	\$19,807,046	\$21,304,206

FUNDING		2010-11*	2011-12*	2012-13*
0615	State Peace Officer's and Firefighters' Defined Contribution Plan Fund	\$33,484	\$38,173	\$41,762
0815	Judges' Retirement Fund	1,094	1,157	1,157
0820	Legislators' Retirement Fund	377	401	401
0822	Public Employees' Health Care Fund (PEHCF)	1,783,028	1,986,356	2,219,917
0830	Public Employees' Retirement Fund	16,306,943	17,707,265	18,966,767
0833	Annuitants' Health Care Coverage Fund	35,151	40,086	40,684
0849	Replacement Benefit Custodial Fund	7	7	7
0884	Judges' Retirement System II Fund	655	693	693
0950	Public Employees Contingency Reserve Fund	25,346	26,535	26,445
0995	Reimbursements	6,049	6,373	6,373
TOTALS, EXPENDITURES, ALL FUNDS		\$18,192,134	\$19,807,046	\$21,304,206

There are also non-add General Fund retirement contributions to CalPERS in the amounts of \$1,776,769 for 2010-11, \$1,933,223 for 2011-12, and \$1,833,302 for 2012-13. The Special Funds retirement contributions are \$969,147 for 2010-11, \$1,054,485 for 2011-12, and \$910,652 for 2012-13. The Non-Governmental Cost Funds retirement contributions are \$484,573 for 2010-11, \$527,243 for 2011-12, and \$402,853 for 2012-13. There are also non-add retirement contributions to CalPERS from the California State University in the amounts of \$403,786 General Fund and \$322 Non-Governmental Costs Funds for 2012-13. Also note that the expenditures for funds 0615, 0822, 0830, and 0833 include unclassified expenditures for benefit payments, which are detailed in the Detail of Appropriations and Adjustments.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code, Title 2, Division 5, Parts 3 and 5; and California Constitution, Article XVI, Section 17.

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$3	-	\$-	\$39	-
• Retirement Rate Adjustment	-	63	-	-	63	-

* Dollars in thousands, except in Salary Range.

1900 Public Employees' Retirement System - Continued

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
• Operational Efficiency Plan	-	-148	-	-	-148	-
• Miscellaneous Adjustments	-	916,276	-	-	2,413,394	-
Totals, Other Workload Budget Adjustments	\$-	\$916,188	-	\$-	\$2,413,348	-
Totals, Workload Budget Adjustments	\$-	\$916,188	-	\$-	\$2,413,348	-
Totals, Budget Adjustments	\$-	\$916,188	-	\$-	\$2,413,348	-

PROGRAM DESCRIPTIONS

10 - RETIREMENT

Through this program, CalPERS provides retirement planning education, service and disability retirement, refunds, and survivor and death benefits for employees of California public employers. CalPERS provides special benefits based on death or disability incurred in the line of duty for members in certain occupations. As of June 30, 2011, there were 1,103,426 active and inactive members, and 536,234 retirees, survivors, and beneficiaries under the CalPERS system.

Basic retirement benefits are generally based upon three factors: age at retirement, years of service, and final compensation. There are different formulas for each of the member categories, such as Miscellaneous, Industrial, Peace Officer/Firefighter, California Highway Patrol, and Safety. Over 50 contract options are available to local cities, counties, and districts that contract with CalPERS. Benefits are modified by the selection of one of several options and by the employee's membership category. A member's retirement and death benefits are determined by statute and/or contract provisions.

As of June 30, 2011, there were 3,103 public agency and school district employers providing CalPERS retirement, death, and survivor benefits to California public employees. CalPERS benefits are transferable for members who continue their careers with many other public employers in California as a result of agreements between CalPERS and other public agency retirement systems.

CalPERS also administers the Legislators' and Judges' Retirement Systems.

30 - HEALTH BENEFITS

The Health Benefits Branch program contracts with health maintenance organizations, claim administrators, employee associations, and others to provide health and long-term care insurance for state, California State University, and local public agency employees, retirees, and their dependents. The program negotiates and monitors health plan contracts; develops cost-effective programs; provides enrollment services to members and employers; and meets and confers with employee organizations and employer representatives.

Additionally, this program maintains demographic and statistical information systems; establishes standards for Basic, Supplement to Medicare, and Managed Medicare health plans; establishes and maintains health benefits coverage for all eligible employees and retirees; provides accurate and timely accounting for participating agencies; and serves as an impartial intermediary between CalPERS enrollees and insurance carriers in resolving claim and service disputes.

40 - INVESTMENT OPERATIONS

Through this program, CalPERS invests funds in various investment categories (stocks, bonds, real estate, etc.) for the purpose of minimizing the employers' contributions to the system needed to provide benefits to active participants, retired members, and their beneficiaries. Since CalPERS was established in 1932, assets have grown from \$800,000 to a total of \$237.5 billion, as of June 30, 2011.

50 - ADMINISTRATION

This program provides executive direction, specialized information, and administrative support necessary to administer all of the CalPERS programs. The various services include: Audits, Diversity Outreach, Executive, Fiscal Services, Human Resources, Information Technology Services, Legal, Enterprise Compliance, Governmental Affairs, Operation Support, Strategic Management Services, Public Affairs, and the Information Security Office.

EXPENDITURES BY CATEGORY

1 State Operations	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	2,291.7	2,471.4	2,439.4	\$147,010	\$167,116	\$171,229
Estimated Salary Savings	-	-4.8	-4.8	-	-303	-303

* Dollars in thousands, except in Salary Range.

1900 Public Employees' Retirement System - Continued

1 State Operations	Positions/Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
Net Totals, Salaries and Wages	2,291.7	2,466.6	2,434.6	\$147,010	\$166,813	\$170,926
Staff Benefits	-	-	-	59,466	55,505	51,535
Totals, Personal Services	2,291.7	2,466.6	2,434.6	\$206,476	\$222,318	\$222,461
OPERATING EXPENSES AND EQUIPMENT				\$99,902	\$111,689	\$111,456
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$306,378	\$334,007	\$333,917

4 Unclassified	Expenditures		
	2010-11*	2011-12*	2012-13*
Peace Officers' and Firefighters' Defined Contribution Benefits	\$33,484	\$38,173	\$41,762
Public Employees' Health Benefits	1,769,260	1,973,940	2,207,501
Public Employees' Retirement Benefits	16,049,505	17,422,594	18,682,096
Annuitants' Health Care Payments	33,507	38,332	38,930
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$17,885,756	\$19,473,039	\$20,970,289

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
0001 General Fund			
APPROPRIATIONS			
State Retirement Contribution to CalPERS (GF)	(\$1,776,769	(\$1,933,223	(\$1,833,302
)))
State Retirement Contribution to CalPERS (GF) CSU	-	-	(403,786)
TOTALS, EXPENDITURES	\$-	\$-	\$-
0494 Other - Unallocated Special Funds			
APPROPRIATIONS			
State Retirement Contribution to CalPERS (SF)	(\$969,147)	(\$1,054,485	(\$910,652)
)	
TOTALS, EXPENDITURES	\$-	\$-	\$-
0815 Judges' Retirement Fund			
APPROPRIATIONS			
015 Budget Act appropriation	(\$1,026)	(\$1,026)	(\$1,157)
Revised Exenditure Authority	(83)	(131)	-
State Constitution, Article XVI, Section 17	1,094	1,157	1,157
TOTALS, EXPENDITURES	\$1,094	\$1,157	\$1,157
0820 Legislators' Retirement Fund			
APPROPRIATIONS			
015 Budget Act appropriation	(\$339)	(\$339)	(\$401)
Revised Exenditure Authority	(47)	(62)	-
State Constitution, Article XVI, Section 17	377	401	401
TOTALS, EXPENDITURES	\$377	\$401	\$401
0822 Public Employees' Health Care Fund (PEHCF)			
APPROPRIATIONS			
015 Budget Act appropriation	(\$13,300)	(\$13,300)	(\$12,416)
Revised Exenditure Authority	(768)	(-884)	-
Government Code Section 22911 (PERSCARE Administrative costs)	13,768	12,416	12,416
TOTALS, EXPENDITURES	\$13,768	\$12,416	\$12,416
0830 Public Employees' Retirement Fund			

* Dollars in thousands, except in Salary Range.

1900 Public Employees' Retirement System - Continued

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
APPROPRIATIONS			
003 Budget Act appropriation	(\$1,128,405	(\$1,128,405	(\$1,029,681
)))
Revised Exenditure Authority	(-203,152)	(-98,724)	-
015 Budget Act appropriation	(281,224)	(281,224)	(284,671)
Revised Exenditure Authority	(-15,828)	(3,447)	-
State Constitution, Article XVI, Section 17	257,388	284,621	284,621
Government Code Section 20236 (Investment related bill analysis)	<u>50</u>	<u>50</u>	<u>50</u>
TOTALS, EXPENDITURES	\$257,438	\$284,671	\$284,671
0833 Annuitants' Health Care Coverage Fund			
APPROPRIATIONS			
015 Budget Act appropriation	(\$1,731)	(\$1,731)	(\$1,754)
Revised Exenditure Authority	(117)	(23)	-
Government Code Section 22940	<u>1,644</u>	<u>1,754</u>	<u>1,754</u>
TOTALS, EXPENDITURES	\$1,644	\$1,754	\$1,754
0849 Replacement Benefit Custodial Fund			
APPROPRIATIONS			
015 Budget Act appropriation	(\$10)	(\$10)	(\$7)
Revised Exenditure Authority	(-3)	(-3)	-
Government Code Section 21756	<u>7</u>	<u>7</u>	<u>7</u>
TOTALS, EXPENDITURES	\$7	\$7	\$7
0884 Judges' Retirement System II Fund			
APPROPRIATIONS			
015 Budget Act appropriation	(\$510)	(\$510)	(\$693)
Revised Exenditure Authority	(157)	(183)	-
State Constitution, Article XVI, Section 17	<u>655</u>	<u>693</u>	<u>693</u>
TOTALS, EXPENDITURES	\$655	\$693	\$693
0950 Public Employees Contingency Reserve Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$26,374	\$26,477	\$26,196
Allocation for employee compensation	45	23	-
Adjustment per Section 3.60	211	61	-
Adjustment per Section 3.90	-319	-124	-
Adjustment per Section 3.91	-610	-	-
Adjustment per Section 3.91 (b) Operational Efficiency Plan	-	-148	-
017 Budget Act appropriation	247	247	249
Adjustment per Section 3.60	5	2	-
Adjustment per Section 3.90	-	-3	-
Adjustment per Section 3.91	<u>-22</u>	<u>-</u>	<u>-</u>
Totals Available	\$25,931	\$26,535	\$26,445
Unexpended balance, estimated savings	<u>-585</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$25,346	\$26,535	\$26,445
0988 Other - Unallocated Non-Governmental Cost Funds			
APPROPRIATIONS			
State Retirement Contribution to CalPERS (NGC)	\$-	\$-	(\$402,853)
State Retirement Contribution to CalPERS (NGC) CSU	-	-	(322)
State Retirement Contribution to CalPERS (NGC)	<u>(484,573)</u>	<u>(527,243)</u>	<u>-</u>
TOTALS, EXPENDITURES	\$-	\$-	\$-
0995 Reimbursements			
APPROPRIATIONS			

* Dollars in thousands, except in Salary Range.

1900 Public Employees' Retirement System - Continued

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
Reimbursements	<u>\$6,049</u>	<u>\$6,373</u>	<u>\$6,373</u>
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$306,378	\$334,007	\$333,917
4 UNCLASSIFIED	2010-11*	2011-12*	2012-13*
0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund			
APPROPRIATIONS			
Government Code Sections 22960.45-22960.48 (benefits paid)	<u>\$33,484</u>	<u>\$38,173</u>	<u>\$41,762</u>
TOTALS, EXPENDITURES	\$33,484	\$38,173	\$41,762
0822 Public Employees' Health Care Fund (PEHCF)			
APPROPRIATIONS			
Government Code Section 22840.2 (benefits paid)	<u>\$1,769,260</u>	<u>\$1,973,940</u>	<u>\$2,207,501</u>
TOTALS, EXPENDITURES	\$1,769,260	\$1,973,940	\$2,207,501
0830 Public Employees' Retirement Fund			
APPROPRIATIONS			
Government Code Sections 20170-20178 benefits paid	\$15,124,253	\$16,392,913	\$17,652,415
Government Code Sections 20172 and 20208 (Other Investment-related expenses)	75,755	77,786	77,786
Government Code Section 20210 (External Investment Advisors)	<u>849,497</u>	<u>951,895</u>	<u>951,895</u>
TOTALS, EXPENDITURES	\$16,049,505	\$17,422,594	\$18,682,096
0833 Annuitants' Health Care Coverage Fund			
APPROPRIATIONS			
Government Code Sections 22940 (benefits paid)	<u>\$33,507</u>	<u>\$38,332</u>	<u>\$38,930</u>
TOTALS, EXPENDITURES	\$33,507	\$38,332	\$38,930
TOTALS, EXPENDITURES, ALL FUNDS (Unclassified)	\$17,885,756	\$19,473,039	\$20,970,289
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Unclassified)	\$18,192,134	\$19,807,046	\$21,304,206

FUND CONDITION STATEMENTS

	2010-11*	2011-12*	2012-13*
0615 State Peace Officer's and Firefighters' Defined Contribution Plan Fund ^N			
BEGINNING BALANCE	\$396,445	\$499,874	\$500,468
Prior year adjustments	<u>9,108</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$405,553	\$499,874	\$500,468
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments	88,739	38,740	38,786
299000 Employer Contributions	<u>39,066</u>	<u>27</u>	<u>-</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$127,805</u>	<u>\$38,767</u>	<u>\$38,786</u>
Total Resources	\$533,358	\$538,641	\$539,254
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1900 Public Employees' Retirement System (Unclassified)	33,484	38,173	41,762
Retirement Allowances	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$33,484</u>	<u>\$38,173</u>	<u>\$41,762</u>
FUND BALANCE	\$499,874	\$500,468	\$497,492
0822 Public Employees' Health Care Fund (PEHCF) ^N			
BEGINNING BALANCE	\$374,183	\$445,570	\$407,730
Prior year adjustments	<u>35,962</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$410,145	\$445,570	\$407,730
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			

* Dollars in thousands, except in Salary Range.

1900 Public Employees' Retirement System - Continued

	2010-11*	2011-12*	2012-13*
215000 Income From Investments (Interest)	22,447	137,076	137,076
221000 Contributions to Fiduciary Funds (Premiums)	1,796,035	1,811,459	1,972,882
Total Revenues, Transfers, and Other Adjustments	<u>\$1,818,482</u>	<u>\$1,948,535</u>	<u>\$2,109,958</u>
Total Resources	\$2,228,627	\$2,394,105	\$2,517,688
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	29	18	18
1900 Public Employees' Retirement System			
State Operations	13,768	12,416	12,416
Administrative Cost - PERS			
Unclassified	1,769,260	1,973,940	2,207,501
Administrative Cost - Controllers	(5,333)	(5,704)	(6,120)
Administrative Cost - Carriers	(63,588)	(74,478)	(75,700)
Medical Payments	(1,193,479)	(1,316,819)	(1,504,759)
Drug Payments	(506,860)	(576,938)	(620,922)
9670 Equity Claims of California Victim Compensation and Government Claims Board and (State Operations)	-	1	-
Total Expenditures and Expenditure Adjustments	<u>\$1,783,057</u>	<u>\$1,986,375</u>	<u>\$2,219,935</u>
FUND BALANCE	\$445,570	\$407,730	\$297,753

0830 Public Employees' Retirement Fund ^N

BEGINNING BALANCE	\$202,653,656	\$238,895,163	\$250,976,820
Prior year adjustments	<u>-2,198,183</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$200,455,473	\$238,895,163	\$250,976,820
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income From Investments	43,854,795	18,586,082	19,602,234
221000 Contributions to Fiduciary Funds	11,116,461	11,439,601	11,533,739
221000 Refunds of Contributions	-227,167	-242,833	-259,577
299000 Other	3,011	6,447	6,447
Total Revenues, Transfers, and Other Adjustments	<u>\$54,747,100</u>	<u>\$29,789,297</u>	<u>\$30,882,843</u>
Total Resources	\$255,202,573	\$268,684,460	\$281,859,663
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	467	375	381
1900 Public Employees' Retirement System			
State Operations	257,438	284,671	284,671
Support	(257,388)	(284,621)	(284,621)
Investment Related Bill Analysis (Government Code Section 20236)	(50)	(50)	(50)
Unclassified	16,049,505	17,422,594	18,682,096
Retirement Allowances	(14,123,911)	(15,284,092)	(16,539,573)
Death Benefits	(75,090)	(79,140)	(83,161)
External Investment Advisors	(849,497)	(951,895)	(951,895)
Other Investment-Related Expenses	<u>(75,755)</u>	<u>(77,786)</u>	<u>(77,786)</u>
Total Expenditures and Expenditure Adjustments	<u>\$16,307,410</u>	<u>\$17,707,640</u>	<u>\$18,967,148</u>
FUND BALANCE	\$238,895,163	\$250,976,820	\$262,892,515
Reserve for deficiencies	-479,641	-505,864	-511,755
Remaining assets available for future benefits	239,340,775	252,425,891	255,365,756

0833 Annuitants' Health Care Coverage Fund ^N

BEGINNING BALANCE	\$1,293,674	\$1,871,134	\$2,157,211
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* Dollars in thousands, except in Salary Range.

1900 Public Employees' Retirement System - Continued

	2010-11*	2011-12*	2012-13*
Prior year adjustments	-6,424	-	-
Adjusted Beginning Balance	\$1,287,250	\$1,871,134	\$2,157,211
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income from Investments	330,215	148,324	169,885
221000 Contributions to Fiduciary Funds	283,279	180,184	179,459
299001 State Prefunding of OPEB:	2,135	-	5,207
State BU5 State Contribution	1,601	-	-
State BU5 Member Contribution	534	-	995
State BU12 Member Contribution	-	-	2,350
State BU16 Member Contribution	-	-	1,862
State Income from Investments	1,271	557	856
Transfers and Other Adjustments:			
Operating Transfer Out	-	-2,900	-
Total Revenues, Transfers, and Other Adjustments	\$619,035	\$326,165	\$360,614
Total Resources	\$1,906,285	\$2,197,299	\$2,517,825
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	-	2	2
1900 Public Employees' Retirement System			
State Operations	1,644	1,754	1,754
Unclassified	33,507	38,332	38,930
Total Expenditures and Expenditure Adjustments	\$35,151	\$40,088	\$40,686
FUND BALANCE	\$1,871,134	\$2,157,211	\$2,477,139
0950 Public Employees Contingency Reserve Fund ^N			
BEGINNING BALANCE	\$10,304	\$15,690	\$14,728
Prior year adjustments	6,142	-	-
Adjusted Beginning Balance	\$16,446	\$15,690	\$14,728
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
215000 Income from Investments (Interest)	1,193	1,216	1,144
221000 Contributions to Fiduciary Funds (Administrative)	23,448	24,423	17,738
299400 Federal Governmental receipts for State Account for State Government Medicare Drug Subsidies	35,831	38,370	43,039
Total Revenues, Transfers, and Other Adjustments	\$60,472	\$64,009	\$61,921
Total Resources	\$76,918	\$79,699	\$76,649
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	51	36	36
1900 Public Employees' Retirement System (State Operations)	25,346	26,535	26,445
9650 Health and Dental Benefits for Annuitants (State Operations)	35,831	38,400	43,039
Total Expenditures and Expenditure Adjustments	\$61,228	\$64,971	\$69,520
FUND BALANCE	\$15,690	\$14,728	\$7,129

* Dollars in thousands, except in Salary Range.