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October 2011

MISCELLANEOUS PLAN OF THE CITY OF OCEANSIDE (EMPLOYER # 334)
Annual Valuation Report as of June 30, 2010

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2010 actuarial valuation report of your pension plan. This report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary is available to discuss the report with you.

Changes Since the Prior Year's Valuation

A temporary modification to our method of determining the actuarial value of assets and amortizing gains and losses was implemented for the valuations as of June 30, 2009 through June 30, 2011. The effect of those modifications continue in this valuation.

There may also be changes specific to your plan such as contract amendments and funding changes.

Further descriptions of general changes are included in the "Highlights and Executive Summary" section and in Appendix A, "Statement of Actuarial Data, Methods and Assumptions." The effect of the changes on your rate is included in the "Reconciliation of Required Employer Contributions."

Future Contribution Rates

The exhibit below displays the required employer contribution rate and Superfunded status for 2012/2013 along with estimates of the contribution rate for 2013/2014 and 2014/2015 and the probable Superfunded status for 2013/2014. The estimated rate for 2013/2014 is based solely on a projection of the investment return for fiscal 2010/2011, namely 20.0%. The estimated rate for 2014/2015 uses the valuation assumption of 7.75% as the investment return for fiscal 2011/2012. See Appendix D, "Investment Return Sensitivity Analysis", for rate projections under a variety of investment return scenarios. Please disregard any projections that we may have provided to you in the past.

Fiscal Year	Employer Contribution Rate	Superfunded?
2012/2013	19.194%	NO
2013/2014	19.5% (projected)	NO
2014/2015	19.8% (projected)	N/A

Member contributions (whether paid by the employer or the employee) are in addition to the above rates.

The estimates for 2013/2014 and 2014/2015 also assume that there are no future amendments and no liability gains or losses (such as larger than expected pay increases, more retirements than expected, etc.). **This is a very important assumption because these gains and losses do occur and can have a significant impact on your contribution rate.** Even for the largest plans, such gains and losses often cause a change in the employer's contribution rate of one or two percent and may be even larger in some less common instances. These gains and losses cannot be predicted in advance so the projected employer contribution rates are just estimates. Your actual rate for 2013/2014 will be provided in next year's report.

We are very busy preparing actuarial valuations for other public agencies and expect to complete all such valuations by the end of October. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, if at all possible, you wait until after October 31 to contact us with questions. If you have questions, please call (888) CalPERS (225-7377).

Sincerely,

ALAN MILLIGAN, MAAA, FCA, FSA, FCIA
Chief Actuary

ACTUARIAL VALUATION

as of June 30, 2010

for the MISCELLANEOUS PLAN of the CITY OF OCEANSIDE

(EMPLOYER # 334)

REQUIRED CONTRIBUTIONS FOR FISCAL YEAR July 1, 2012 – June 30, 2013

TABLE OF CONTENTS

ACTUARIAL CERTIFICATION 1

HIGHLIGHTS AND EXECUTIVE SUMMARY

Purpose of the Report 5
Required Contributions 5
Funded Status 5
Cost and Volatility 6
Changes Since the Prior Valuation 7

SUMMARY OF LIABILITIES AND RATES

Development of Accrued and Unfunded Liabilities 11
(Gain) / Loss Analysis 12
Schedule of Amortization Bases 13
Reconciliation of Required Employer Contributions 14
Employer Contribution Rate History 15
Funding History 15

SUMMARY OF ASSETS

Reconciliation of the Market Value of Assets 19
Development of the Actuarial Value of Assets 19
Asset Allocation 20
CalPERS History of Investment Returns 21

SUMMARY OF PARTICIPANT DATA

Summary of Valuation Data 25
Active Members 26
Transferred and Terminated Members 27
Retired Members and Beneficiaries 28

APPENDIX A

Statement of Actuarial Data, Methods and Assumptions

APPENDIX B

Summary of Major Benefit Options
Description of Principal Plan Provisions

APPENDIX C

GASB Statement No. 27

APPENDIX D

Investment Return Sensitivity Analysis

APPENDIX E

Glossary of Actuarial Terms

ACTUARIAL CERTIFICATION

To the best of our knowledge, this report is complete and accurate and contains sufficient information to disclose, fully and fairly, the funded condition of the MISCELLANEOUS PLAN OF THE CITY OF OCEANSIDE. This valuation is based on the member and financial data as of June 30, 2010 provided by the various CalPERS databases and the benefits under this plan with CalPERS as of the date this report was produced. It is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles, in accordance with standards of practice prescribed by the Actuarial Standards Board, and that the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.

The undersigned listed are actuaries for CalPERS. Both are members of the American Academy of Actuaries and the Society of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

NANCY E. CAMPBELL, ASA, MAAA
Enrolled Actuary
Supervising Pension Actuary, CalPERS
Plan Actuary

ALAN MILLIGAN, MAAA, FCA, FSA, FCIA
Chief Actuary

HIGHLIGHTS AND EXECUTIVE SUMMARY

- **PURPOSE OF THE REPORT**
- **REQUIRED CONTRIBUTIONS**
- **FUNDED STATUS**
- **COST AND VOLATILITY**
- **CHANGES SINCE THE PRIOR VALUATION**

Purpose of the Report

This report presents the results of the June 30, 2010 actuarial valuation of the MISCELLANEOUS PLAN OF THE CITY OF OCEANSIDE of the California Public Employees' Retirement System (CalPERS). The valuation was prepared by the Plan Actuary in order to:

- set forth the actuarial assets and accrued liabilities of this plan as of June 30, 2010;
- certify that the actuarially required employer contribution rate of this plan for the fiscal year July 1, 2012 through June 30, 2013 is 19.194%;
- provide actuarial information as of June 30, 2010 to the CalPERS Board of Administration and other interested parties; and
- provide pension information as of June 30, 2010 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Single Employer Defined Benefit Pension Plan.

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to termination or alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Required Contributions

	Fiscal Year 2011/2012	Fiscal Year 2012/2013
Required Employer Contributions		
Employer Contribution Required (in Projected Dollars)		
Payment for Normal Cost	$ 5,060,486	$ 4,762,434
Payment on the Amortization Bases	3,510,986	4,023,742
Total (not less than zero)	$ 8,571,472	$ 8,786,176
Annual Lump Sum Prepayment Option*	$ 8,257,466	$ 8,464,304
Employer Contribution Required (Percentage of Payroll)		
Payment for Normal Cost	10.412%	10.404%
Payment on the Amortization Bases	7.224%	8.790%
Total (not less than zero)	17.636%	19.194%

Funded Status

	June 30, 2009	June 30, 2010
Present Value of Projected Benefits	$ 324,129,796	$ 342,776,016
Entry Age Normal Accrued Liability	$ 265,726,922	$ 287,838,678
Actuarial Value of Assets (AVA)	221,030,367	236,506,447
Unfunded Liability (AVA)	$ 44,696,555	$ 51,332,231
Market Value of Assets (MVA)	$ 161,958,340	$ 186,792,239
Unfunded Liability (MVA)	103,768,582	101,046,439
Funded Status (MVA)	60.9%	64.9%
Superfunded Status	No	No

* Payment **must be** received by CalPERS before the first payroll of the new fiscal year and after June 30.

Cost and Volatility

Actuarial Cost Estimates in General

What will this pension plan cost? Unfortunately, there is no simple answer. There are two major reasons for the complexity of the answer. First, all actuarial calculations, including the ones in this report, are based on a number of assumptions about the future. These assumptions can be divided into two categories.

- Demographic assumptions include the percentage of employees that will terminate, die, become disabled, and retire in each future year.
- Economic assumptions include future salary increases for each active employee, and the assumption with the greatest impact, future asset returns at CalPERS for each year into the future until the last dollar is paid to current members of your plan.

While CalPERS has set these assumptions to reflect our best estimate of the real future of your plan, it must be understood that these assumptions are very long term predictors and will surely not be realized in any one year. For example, while the asset earnings at CalPERS have averaged more than the assumed return of 7.75% for the past twenty year period ending June 30, 2011, returns for each fiscal year ranged from -24% to +20.7%

Second, the very nature of actuarial funding produces the answer to the question of plan cost as the sum of two separate pieces.

- The Normal Cost (i.e., the future annual premiums in the absence of surplus or unfunded liability) expressed as a percentage of total active payroll.
- The Past Service Cost or Accrued Liability (i.e., the current value of the benefit for all credited past service of current members) which is expressed as a lump sum dollar amount.

The cost is the sum of a percent of future pay and a lump sum dollar amount (the sum of an apple and an orange if you will). To communicate the total cost, either the Normal Cost (i.e., future percent of payroll) must be converted to a lump sum dollar amount (in which case the total cost is the present value of benefits), or the Past Service Cost (i.e., the lump sum) must be converted to a percent of payroll (in which case the total cost is expressed as the employer's rate, part of which is permanent and part temporary). Converting the Past Service Cost lump sum to a percent of payroll requires a specific amortization period, and the employer rate will vary depending on the amortization period chosen.

Rate Volatility

As is stated above, the actuarial calculations supplied in this communication are based on a number of assumptions about very long term demographic and economic behavior. Unless these assumptions (terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year to year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise the employer's rates from one year to the next. Therefore, the rates will inevitably fluctuate, especially due to the ups and downs of investment returns.

Plans that have higher asset to payroll ratios produce more volatile employer rates due to investment return. On the following page we have shown your volatility index, a measure of the plan's potential future rate volatility. It should be noted that this ratio increases over time but generally tends to stabilize as the plan matures.

Rate Volatility		As of June 30, 2010
Market Value of Assets without Receivables	$	185,547,595
Payroll		41,587,082
Volatility Index		4.5

Changes since the Prior Valuation

Actuarial Assumptions

There were no changes made to the actuarial assumptions since the prior year's actuarial valuation. The only exception would be changes necessary to reflect a benefit amendment.

Actuarial Methods

A method change was adopted by the CalPERS Board in June 2009. We are in the second year of a 3-year temporary change to the asset smoothing method and the amortization of gains and losses in order to phase in the impact of the -24% investment loss experienced by CalPERS in fiscal year 2008-2009. The following changes were adopted:

- Increase the corridor limits for the actuarial value of assets from 80%-120% of market value to 60%-140% of market value on June 30, 2009
- Reduce the corridor limits for the actuarial value of assets to 70%-130% of market value on June 30, 2010
- Return to the 80%-120% of market value corridor limits for the actuarial value of assets on June 30, 2011 and thereafter
- Isolate and amortize all gains and losses during fiscal year 2008-2009, 2009-2010 and 2010-2011 over fixed and declining 30 year periods (as opposed to the current rolling 30 year amortization)

A complete description of all methods is in Appendix A. The detailed calculation of the actuarial value of assets is shown in the "Development of the Actuarial Value of Assets."

Benefits

The standard actuarial practice at CalPERS is to recognize mandated legislative benefit changes in the first annual valuation whose valuation date follows the effective date of the legislation. Voluntary benefit changes by plan amendment are generally included in the first valuation that is prepared after the amendment becomes effective even if the valuation date is prior to the effective date of the amendment.

This valuation generally reflects plan changes by amendments effective before the date of the report. Please refer to Appendix B for a summary of the plan provisions used in the valuation. The effect of any mandated benefit changes or plan amendments on the unfunded liability is shown in the "(Gain)/Loss Analysis" and the effect on your employer contribution rate is shown in the "Reconciliation of Required Employer Contributions". It should be noted that no change in liability or rate is shown for any plan changes which were already included in the prior year's valuation.

SUMMARY OF LIABILITIES AND RATES

- **DEVELOPMENT OF ACCRUED AND UNFUNDED LIABILITIES**
- **(GAIN) / LOSS ANALYSIS**
- **SCHEDULE OF AMORTIZATION BASES**
- **RECONCILIATION OF REQUIRED EMPLOYER CONTRIBUTIONS**
- **EMPLOYER CONTRIBUTION RATE HISTORY**
- **FUNDING HISTORY**

Development of Accrued and Unfunded Liabilities

1.	Present Value of Projected Benefits		
	a) Active Members	$	203,643,086
	b) Transferred Members		19,826,284
	c) Terminated Members		7,473,678
	d) Members and Beneficiaries Receiving Payments		111,832,968
	e) Total	$	342,776,016
2.	Present Value of Future Employer Normal Costs	$	30,244,042
3.	Present Value of Future Employee Contributions	$	24,693,296
4.	Entry Age Normal Accrued Liability		
	a) Active Members [(1a) - (2) - (3)]	$	148,705,748
	b) Transferred Members (1b)		19,826,284
	c) Terminated Members (1c)		7,473,678
	d) Members and Beneficiaries Receiving Payments (1d)		111,832,968
	e) Total	$	287,838,678
5.	Actuarial Value of Assets	$	236,506,447
6.	Unfunded Accrued Liability [(4e) – (5)]	$	51,332,231

(Gain)/Loss Analysis 6/30/09 – 6/30/10

To calculate the cost requirements of the plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is compared to the expected experience based on the actuarial assumptions. This results in actuarial gains or losses, as shown below.

A	**Total (Gain)/Loss for the Year***			
1.	Unfunded Accrued Liability (UAL) as of 6/30/09		$	44,696,555
2.	Expected Payment on the UAL during 2009/2010			2,103,563
3.	Interest through 6/30/10 [.0775 x (A1) - ((1.0775)^{½} - 1) x (A2)]			3,383,991
4.	Expected UAL before all other changes [(A1) - (A2) + (A3)]			45,976,983
5.	Change due to plan changes			0
6.	Change due to assumption change			0
7.	Expected UAL after all other changes [(A4) + (A5) + (A6)]			45,976,983
8.	Actual UAL as of 6/30/10			51,332,231
9.	Total (Gain)/Loss for 2009/2010 [(A8) - (A7)]		$	5,355,248
B	**Contribution (Gain)/Loss for the Year**			
1.	Expected Contribution (Employer and Employee)		$	10,495,931
2.	Interest on Expected Contributions			399,129
3.	Actual Contributions			10,986,148
4.	Interest on Actual Contributions			417,770
5.	Expected Contributions with Interest [(B1) + (B2)]			10,895,060
6.	Actual Contributions with Interest [(B3) + (B4)]			11,403,918
7.	Contribution (Gain)/Loss [(B5) - (B6)]		$	(508,858)
C	**Asset (Gain)/Loss for the Year**			
1.	Actuarial Value of Assets as of 6/30/09 Including Receivables		$	221,030,367
2.	Receivables as of 6/30/09			952,238
3.	Actuarial Value of Assets as of 6/30/09			220,078,129
4.	Contributions Received			10,986,148
5.	Benefits and Refunds Paid			(9,380,598)
6.	Transfers/Misc. Adjustments			11,589
7.	Expected Int. [.0775 x (C3) + ((1.0775)^{½} - 1) x ((C4) + (C5) + (C6))]			17,117,550
8.	Expected Assets as of 6/30/10 [(C3) + (C4) + (C5) + (C6) + (C7)]			238,812,818
9.	Receivables as of 6/30/10			1,244,644
10.	Expected Assets Including Receivables			240,057,462
11.	Actual Actuarial Value of Assets as of 6/30/10			236,506,447
12.	Asset (Gain)/Loss [(C10) - (C11)]		$	3,551,015
D	**Liability (Gain)/Loss for the Year**			
1.	Total (Gain)/Loss (A9)		$	5,355,248
2.	Contribution (Gain)/Loss (B7)			(508,858)
3.	Asset (Gain)/Loss (C12)			3,551,015
4.	Liability (Gain)/Loss [(D1) - (D2) - (D3)]		$	2,313,091
Development of the (Gain)/Loss Balance as of 6/30/10**				
1.	(Gain)/Loss Balance as of 6/30/09		$	6,928,688
2.	Payment Made on the Balance during 2009/2010			350,400
3.	Interest through 6/30/10 [.0775 x (1) - ((1.0775)$^{1/2}$ - 1) x (2)]			523,649
4.	Scheduled (Gain)/Loss Balance as of 6/30/10 [(1) - (2) + (3)]		$	7,101,937

* The Total (Gain)/Loss for 2009/2010 is being amortized over a fixed and declining 30-year period and is shown as "Special (Gain)/Loss" in the "Schedule of Amortization Bases" on the following page.

** This (Gain)/Loss represents the 6/30/10 balance of the accumulation of (gains)/losses through 6/30/08 and is amortized using a rolling 30-year period. Gains and losses incurred after 6/30/2011 will again accumulate to this base.

Schedule of Amortization Bases

There is a two year lag between the Valuation Date and the Contribution Fiscal Year.

- The assets, liabilities and funded status of the plan are measured as of the valuation date (June 30, 2010).
- The employer contribution rate determined by the valuation is for the fiscal year beginning two years after the valuation date (fiscal year 2012/2013).

This two year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and due to the need to provide public agencies with their employer contribution rates well in advance of the start of the fiscal year.

The Unfunded Liability is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The Unfunded Liability is rolled forward each year by subtracting the expected Payment on the Unfunded Liability for the fiscal year and adjusting for interest. The Expected Payment on the Unfunded Liability for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution Rate for the first fiscal year is determined by the actuarial valuation two years ago and the rate for the second year is from the actuarial valuation one year ago. The Normal Cost Rate for each of the two fiscal years is assumed to be the same as the rate determined by the current valuation. All expected dollar amounts are determined by multiplying the rate by the expected payroll for the applicable fiscal year, based on payroll as of the valuation date.

							Amounts for Fiscal 2012/2013		
Reason for Base	Date Established	Amortization Period	Balance 6/30/10	Expected Payment 2010/2011	Balance 6/30/11	Expected Payment 2011/2012	Balance 6/30/12	Scheduled Payment for 2012–2013	Payment as Percentage of Payroll
BENEFIT CHANGE	06/30/08	17	$21,703,856	$1,694,126	$21,627,356	$1,749,185	$21,487,775	$1,806,033	3.945%
(GAIN)/LOSS	06/30/08	30	$7,101,936	$426,478	$7,209,640	$432,946	$7,318,977	$439,512	0.960%
ASSUMPTION CHANGE	06/30/09	19	$13,611,065	$76,258	$14,586,765	$1,101,755	$14,573,588	$1,137,562	2.485%
SPECIAL (GAIN)/LOSS	06/30/09	29	$4,185,343	$0	$4,509,707	$270,812	$4,578,099	$279,614	0.611%
SPECIAL (GAIN)/LOSS	06/30/10	30	$5,355,249	$0	$5,770,281	$0	$6,217,478	$373,366	0.816%
PAYMENT (GAIN)/LOSS	06/30/10	30	$(625,218)	$(141,818)	$(526,462)	$(348,451)	$(205,561)	$(12,345)	(0.027%)
TOTAL			**$51,332,231**	**$2,055,044**	**$53,177,287**	**$3,206,247**	**$53,970,356**	**$4,023,742**	**8.790%**

The special (gain)/loss bases were established using the temporary modification recognized in the 2009, 2010 and 2011 annual valuations. Unlike the gain/loss occurring in previous and subsequent years, the gain/loss recognized in the 2009, 2010, and 2011 annual valuations will be amortized over fixed and declining 30 year periods so that these annual gain/losses will be fully paid off in 30 years.

Reconciliation of Required Employer Contributions

	Percentage of Projected Payroll	Estimated $ Based on Projected Payroll
1. Contribution for 7/1/11 – 6/30/12 (from prior year annual report)	17.636%	$ 8,571,472
2. Effect of changes since the prior year annual valuation		
a) Effect of unexpected changes in demographics and financial results	1.558%	713,346
b) Effect of plan changes	0.000%	0
c) Effect of changes in Assumptions	0.000%	0
d) Effect of change in payroll	-	(498,642)
e) Effect of elimination of amortization base	0.000%	0
f) Effect of changes due to Fresh Start	0.000%	0
g) Net effect of the changes above [Sum of (a) through (f)]	1.558%	214,704
3. Contribution for 7/1/12 – 6/30/13 [(1)+(2g)]	19.194%	8,786,176

The contribution actually paid (item 1) may be different if a prepayment of unfunded actuarial liability is made or a plan change became effective after the prior year's actuarial valuation was performed.

Employer Contribution Rate History

The table below provides a recent history of the employer contribution rates for your plan, as determined by the annual actuarial valuation. It does not account for prepayments or benefit changes made in the middle of the year.

Required By Valuation

Fiscal Year	Employer Normal Cost	Unfunded Rate	Total Employer Contribution Rate
2008 - 2009	8.320%	0.159%	8.479%
2009 - 2010	8.371%	0.782%	9.153%
2010 - 2011	10.683%	4.507%	15.190%
2011 - 2012	10.412%	7.224%	17.636%
2012 - 2013	10.404%	8.790%	19.194%

Funding History

The Funding History below shows the recent history of the actuarial accrued liability, the market value of assets, the actuarial value of assets, funded ratios and the annual covered payroll. The Actuarial Value of Assets is used to establish funding requirements and the funded ratio on this basis represents the progress toward fully funding future benefits for current plan participants. The funded ratio based on the Market Value of Assets is an indicator of the short-term solvency of the plan.

Valuation Date	Accrued Liability	Actuarial Value of Assets (AVA)	Market Value of Assets (MVA)	Funded Ratio AVA	Funded Ratio MVA	Annual Covered Payroll
06/30/06	$ 177,606,330	$ 176,754,615	$ 187,018,468	99.5%	105.3%	$ 33,929,574
06/30/07	197,099,559	192,236,398	222,069,966	97.5%	112.7%	39,800,897
06/30/08	232,543,630	207,379,041	210,863,439	89.2%	90.7%	42,087,226
06/30/09	265,726,922	221,030,367	161,958,340	83.2%	60.9%	44,155,811
06/30/10	287,838,678	236,506,447	186,792,239	82.2%	64.9%	41,587,082

SUMMARY OF ASSETS

- **RECONCILIATION OF THE MARKET VALUE OF ASSETS**
- **DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS**
- **ASSET ALLOCATION**
- **CALPERS HISTORY OF INVESTMENT RETURNS**

Reconciliation of the Market Value of Assets

1.	Market Value of Assets as of 6/30/09 Including Receivables	$	161,958,340
2.	Receivables for Service Buybacks as of 6/30/09		952,238
3.	Market Value of Assets as of 6/30/09		161,006,102
4.	Employer Contributions		6,386,554
5.	Employee Contributions		4,599,594
6.	Benefit Payments to Retirees and Beneficiaries		(9,161,203)
7.	Refunds		(219,272)
8.	Lump Sum Payments		(123)
9.	Transfers and Miscellaneous Adjustments		11,589
10.	Investment Return		22,924,354
11.	Market Value of Assets as of 6/30/10	$	185,547,595
12.	Receivables for Service Buybacks as of 6/30/10		1,244,644
13.	Market Value of Assets as of 6/30/10 Including Receivables	$	186,792,239

Development of the Actuarial Value of Assets

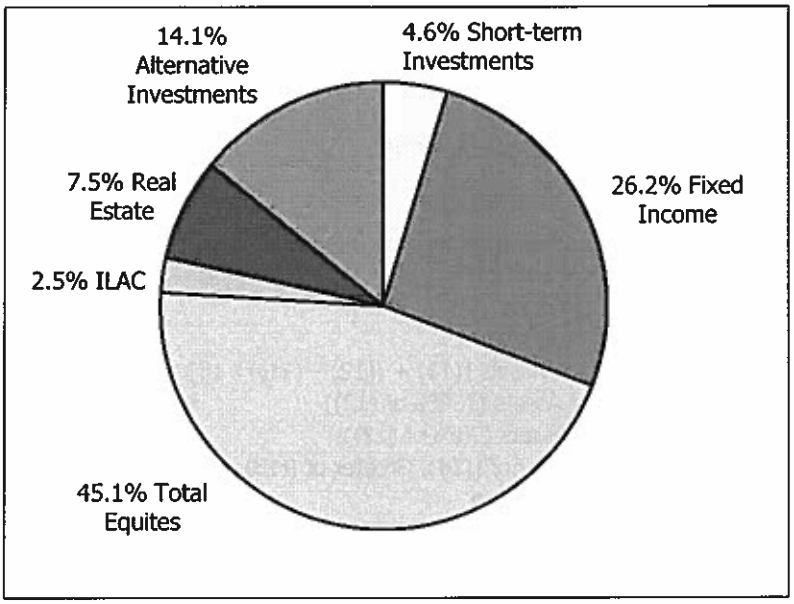
1.	Actuarial Value of Assets as of 6/30/09 Used For Rate Setting Purposes	$	221,030,367
2.	Receivables for Service Buybacks as of 6/30/09		952,238
3.	Actuarial Value of Assets as of 6/30/09		220,078,129
4.	Employer Contributions		6,386,554
5.	Employee Contributions		4,599,594
6.	Benefit Payments to Retirees and Beneficiaries		(9,161,203)
7.	Refunds		(219,272)
8.	Lump Sum Payments		(123)
9.	Transfers and Miscellaneous Adjustments		11,589
10.	Expected Investment Income at 7.75%		17,117,550
11.	Expected Actuarial Value of Assets	$	238,812,818
12.	Market Value of Assets as of 6/30/10	$	185,547,595
13.	Preliminary Actuarial Value of Assets [(11) + ((12) – (11)) / 15]		235,261,803
14.	Maximum Actuarial Value of Assets (130% of (12))		241,211,874
15.	Minimum Actuarial Value of Assets (70% of (12))		129,883,317
16.	Actuarial Value of Assets {Lesser of [(14), Greater of ((13), (15))]}		235,261,803
17.	Actuarial Value to Market Value Ratio		126.6%
18.	Receivables for Service Buybacks as of 6/30/10		1,244,644
19.	Actuarial Value of Assets as of 6/30/10 Used for Rate Setting Purposes	$	236,506,447

Asset Allocation

CalPERS follows a strategic asset allocation policy that identifies the percentage of funds to be invested in each asset class. The current target allocation was adopted by the Board in December 2010

The asset allocation and market value of assets shown below reflect the values of the Public Employees Retirement Fund (PERF) in its entirety as of June 30, 2010. The assets for CITY OF OCEANSIDE MISCELLANEOUS PLAN are part of the Public Employees Retirement Fund (PERF) and are invested accordingly.

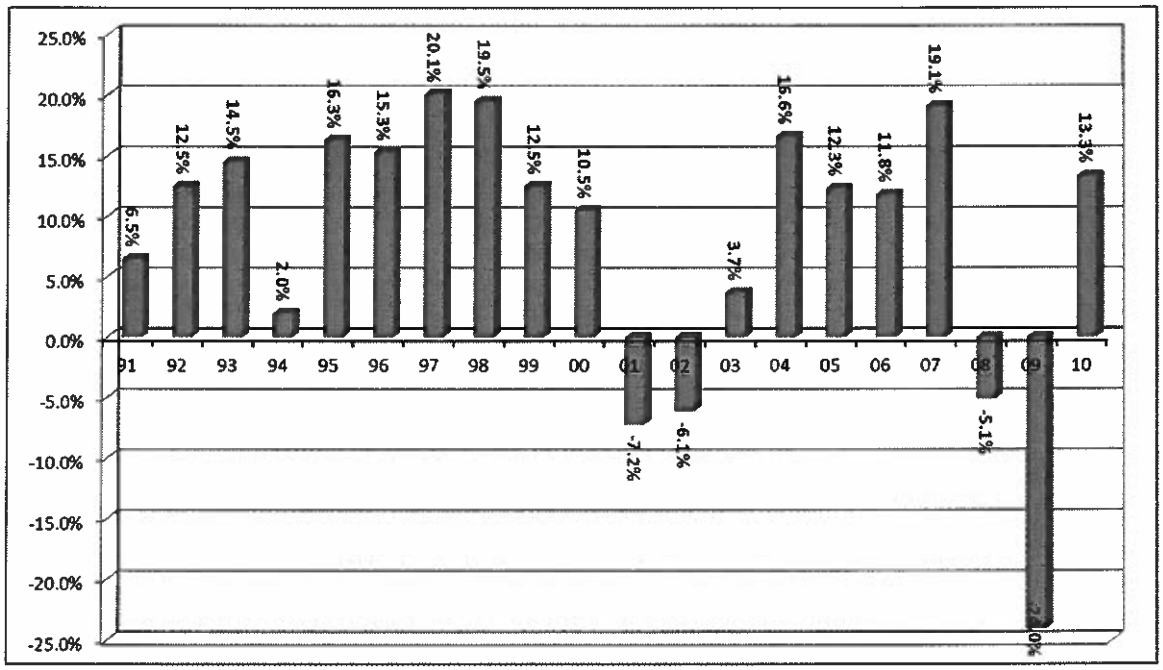
(A) Asset Class	(B) Market Value ($ Billion)	(C) Current Allocation	(D) Current Target
1) Short-term Investments	9.3	4.6%	4.0%
2) Total Global Fixed Income	53.4	26.2%	16.0%
3) Total Equities	91.9	45.1%	49.0%
4) Inflation Linked (ILAC)	5.0	2.5%	4.0%
5) Total Real Estate	15.2	7.5%	13.0%
6) Alternative Investments	28.7	14.1%	14.0%
Total Fund	203.5[1]	100.0%	100.0%



[1] Differences between investment values above and the values on the Summary of Investments on page 23 of the Comprehensive Annual Financial Report (Year Ended June 30, 2010) are due to differences in reporting methods. The Summary of Investments includes Net Investment Receivables/Payables.

CalPERS 20-Year History of Investment Returns

The following is a chart with historical annual returns of the Public Employees Retirement Fund for each fiscal year ending on June 30. Beginning with June 30, 2002 the figures are reported as gross of fees.



SUMMARY OF PARTICIPANT DATA

- **SUMMARY OF VALUATION DATA**
- **ACTIVE MEMBERS**
- **TRANSFERRED AND TERMINATED MEMBERS**
- **RETIRED MEMBERS AND BENEFICIARIES**

Summary of Valuation Data

	June 30, 2009	June 30, 2010
1. **Active Members**		
a) Counts	687	617
b) Average Attained Age	47.05	47.42
c) Average Entry Age to Rate Plan	35.40	35.28
d) Average Years of Service	11.65	12.14
e) Average Annual Covered Pay	$ 64,273	$ 67,402
f) Annual Covered Payroll	44,155,811	41,587,082
g) Projected Annual Payroll for Contribution Year	48,602,437	45,775,029
h) Present Value of Future Payroll	327,324,967	308,677,150
2. **Transferred Members**		
a) Counts	409	393
b) Average Attained Age	44.33	44.50
c) Average Years of Service	2.77	2.77
d) Average Annual Covered Pay	$ 86,967	$ 87,125
3. **Terminated Members**		
a) Counts	270	297
b) Average Attained Age	43.59	44.61
c) Average Years of Service	2.70	3.10
d) Average Annual Covered Pay	$ 39,923	$ 41,752
4. **Retired Members and Beneficiaries**		
a) Counts	744	787
b) Average Attained Age	70.83	70.83
c) Average Annual Benefits	$ 10,185	$ 12,504
5. **Active to Retired Ratio**	0.92	0.78

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities.

Active Members

Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one valuation group. This does not result in double counting of liabilities

Distribution of Active Members by Age and Service

Attained Age	Years of Service at Valuation Date						
	0-4	5-9	10-14	15-19	20-25	25+	Total
15-24	10	2	0	0	0	0	12
25-29	21	9	1	0	0	0	31
30-34	25	23	8	0	0	0	56
35-39	19	23	16	2	0	0	60
40-44	22	25	15	7	12	0	81
45-49	23	25	20	8	16	10	102
50-54	19	23	25	13	20	22	122
55-59	9	16	15	13	16	11	80
60-64	4	14	7	8	11	9	53
65 and over	1	5	6	3	3	2	20
All Ages	153	165	113	54	78	54	617

Distribution of Average Annual Salaries by Age and Service

Attained Age	Years of Service at Valuation Date						
	0-4	5-9	10-14	15-19	20-25	25+	Average
15-24	$40,239	$48,838	$0	$0	$0	$0	$41,672
25-29	47,972	48,294	51,157	0	0	0	48,168
30-34	54,570	59,890	64,736	0	0	0	58,207
35-39	63,596	62,962	76,293	67,373	0	0	66,865
40-44	73,000	77,121	75,060	64,958	72,078	0	73,822
45-49	61,954	67,305	65,983	71,673	78,925	75,046	68,763
50-54	67,524	71,430	77,098	74,569	75,913	76,474	73,962
55-59	58,908	67,419	60,490	65,316	69,205	70,118	65,549
60-64	54,589	68,485	60,768	82,856	71,667	87,903	72,544
65 and over	41,703	66,361	55,266	59,915	56,869	80,691	60,842
All Ages	$59,389	$66,550	$69,266	$70,814	$73,233	$76,976	$67,402

Transferred and Terminated Members

Distribution of Transfers to Other CalPERS Plans by Age and Service

Attained Age	Years of Service at Valuation Date							Average Salary
	0-4	5-9	10-14	15-19	20-25	25+	Total	
15-24	3	0	0	0	0	0	3	$79,709
25-29	28	0	0	0	0	0	28	82,236
30-34	55	2	0	0	0	0	57	84,319
35-39	47	3	0	0	0	0	50	86,345
40-44	58	5	3	0	0	0	66	89,896
45-49	43	6	2	0	2	0	53	89,682
50-54	47	16	6	2	1	0	72	88,409
55-59	30	3	4	0	2	0	39	92,563
60-64	12	5	2	1	0	0	20	74,120
65 and over	4	1	0	0	0	0	5	86,183
All Ages	327	41	17	3	5	0	393	87,125

Distribution of Terminated Participants with Funds on Deposit by Age and Service

Attained Age	Years of Service at Valuation Date							Average Salary
	0-4	5-9	10-14	15-19	20-25	25+	Total	
15-24	2	0	0	0	0	0	2	$47,026
25-29	24	1	0	0	0	0	25	40,709
30-34	40	2	0	0	0	0	42	38,269
35-39	41	5	0	0	0	0	46	44,653
40-44	27	6	0	0	0	0	33	43,858
45-49	38	5	2	1	0	0	46	40,750
50-54	22	10	10	1	2	0	45	48,413
55-59	27	4	3	1	1	0	36	36,429
60-64	10	2	2	1	1	0	16	40,216
65 and over	6	0	0	0	0	0	6	28,632
All Ages	237	35	17	4	4	0	297	41,752

Retired Members and Beneficiaries

Distribution of Retirees and Beneficiaries by Age and Retirement Type*

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 30	0	0	0	0	1	1	2
30-34	0	0	0	0	1	0	1
35-39	0	0	0	0	0	0	0
40-44	0	1	2	0	0	0	3
45-49	0	4	5	0	0	0	9
50-54	12	10	2	0	0	3	27
55-59	67	10	2	0	0	3	82
60-64	125	10	1	1	0	9	146
65-69	89	8	2	0	0	9	108
70-74	84	4	4	1	0	21	114
75-79	88	14	3	1	0	28	134
80-84	50	2	2	1	0	19	74
85 and Over	48	0	0	0	0	39	87
All Ages	563	63	23	4	2	132	787

Distribution of Average Annual Amounts for Retirees and Beneficiaries by Age and Retirement Type*

Attained Age	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 30	$0	$0	$0	$0	$327	$4,476	$2,402
30-34	0	0	0	0	94	0	94
35-39	0	0	0	0	0	0	0
40-44	0	6,090	123	0	0	0	2,112
45-49	0	9,402	148	0	0	0	4,261
50-54	13,714	8,167	352	0	0	5,186	9,722
55-59	21,863	11,024	1,171	0	0	6,379	19,470
60-64	15,789	9,796	570	10,282	0	22,306	15,638
65-69	16,638	6,486	1,330	0	0	8,158	14,896
70-74	13,929	4,553	2,731	6,102	0	10,700	12,544
75-79	12,548	6,230	3,691	6,629	0	8,047	10,705
80-84	9,147	10,431	128	6,059	0	9,083	8,880
85 and Over	7,759	0	0	0	0	3,740	5,958
All Ages	$14,543	$8,123	$1,283	$7,268	$211	$8,196	$12,504

Retired Members and Beneficiaries (continued)

Distribution of Retirees and Beneficiaries by Years Retired and Retirement Type*

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Total
Under 5 Yrs	163	7	3	0	1	35	209
5-9	140	11	3	1	1	36	192
10-14	96	15	4	2	0	30	147
15-19	84	11	6	1	0	6	108
20-24	36	10	2	0	0	3	51
25-29	29	6	2	0	0	11	48
30 and Over	15	3	3	0	0	11	32
All Years	563	63	23	4	2	132	787

Distribution of Average Annual Amounts for Retirees and Beneficiaries by Years Retired and Retirement Type*

Years Retired	Service Retirement	Non-Industrial Disability	Industrial Disability	Non-Industrial Death	Industrial Death	Death After Retirement	Average
Under 5 Yrs	$23,355	$12,172	$790	$0	$327	$11,963	$20,639
5-9	12,528	10,601	355	6,629	94	7,316	11,155
10-14	12,252	7,731	862	8,192	0	8,379	10,635
15-19	11,328	8,381	3,006	6,059	0	5,159	10,174
20-24	7,396	3,495	1,506	0	0	9,853	6,544
25-29	5,567	6,667	482	0	0	4,072	5,150
30 and Over	4,775	8,943	206	0	0	3,915	4,442
All Years	$14,543	$8,123	$1,283	$7,268	$211	$8,196	$12,504

* Counts of members do not include alternate payees receiving benefits while the member is still working. Therefore, the total counts may not match information on page 25 of the report. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

APPENDICES

- **APPENDIX A - STATEMENT OF ACTUARIAL DATA, METHODS AND ASSUMPTIONS**
- **APPENDIX B - SUMMARY OF PRINCIPAL PLAN PROVISIONS**
- **APPENDIX C - GASB STATEMENT NO. 27**
- **APPENDIX D – INVESTMENT RETURN SENSITIVITY ANALYSIS**
- **APPENDIX E – GLOSSARY OF ACTUARIAL TERMS**

APPENDIX A

- **STATEMENT OF ACTUARIAL DATA, METHODS AND ASSUMPTIONS**