



CALSTRS®

2023 Review of Funding Levels and Risks

November 2023 Board Meeting

Risks to the funding plan

A hand is shown holding a fan of wooden blocks, which are arranged in a semi-circle. The background is dark and out of focus, with some light streaks. The overall image conveys a sense of risk or uncertainty.

Investment risk

Potential for lower returns and increased market volatility.

Longevity risk

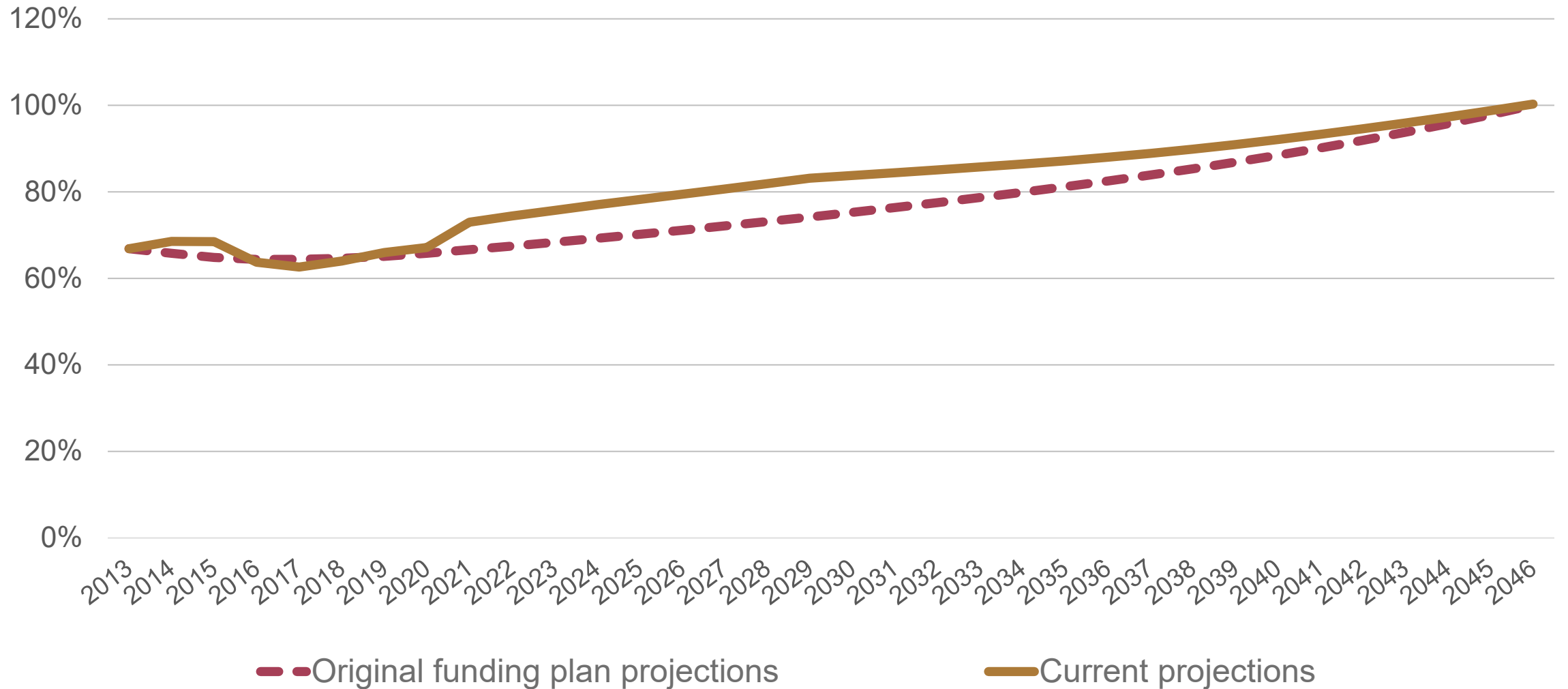
Members living longer in retirement.

Membership and payroll growth risk

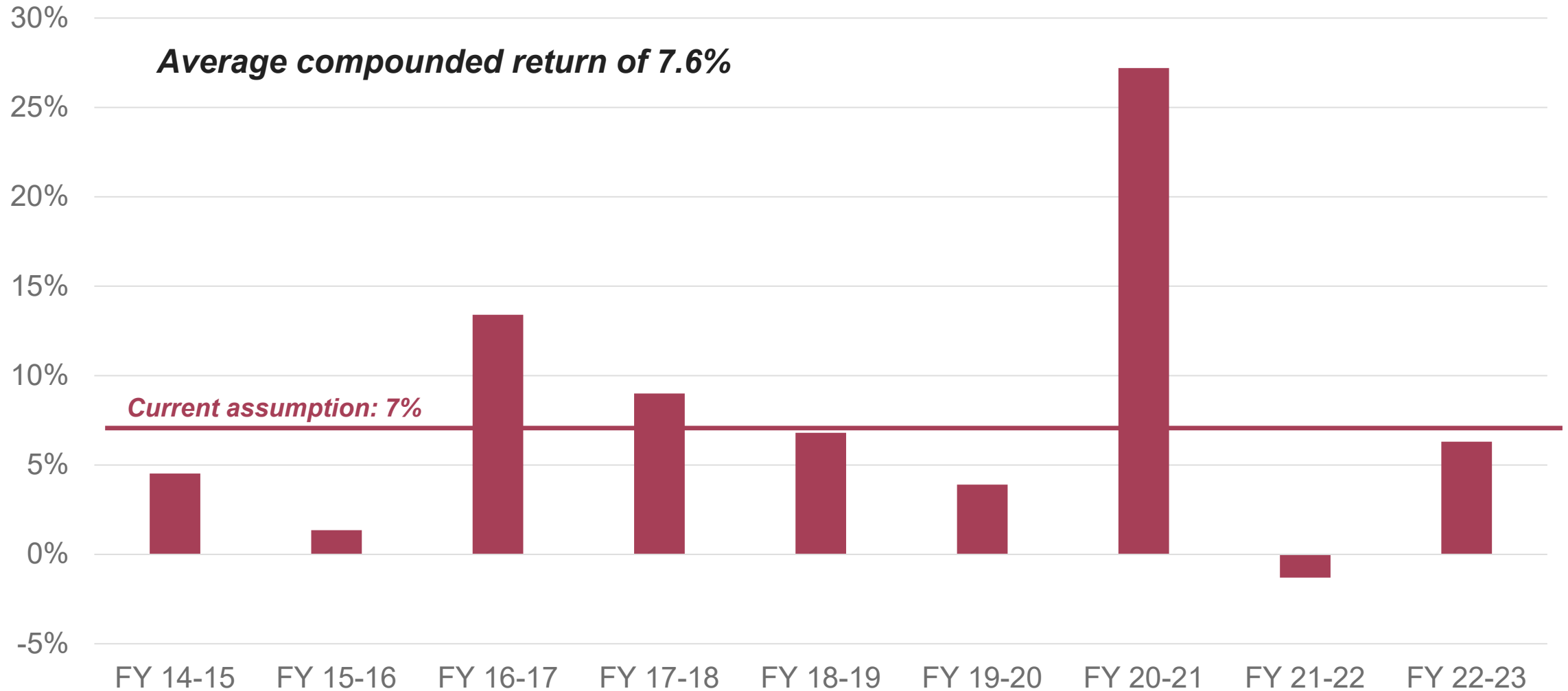
Affects incoming contributions if membership base declines.

Projected funded status

(Assumes 7% investment return each year into the future and 3.5% payroll growth)

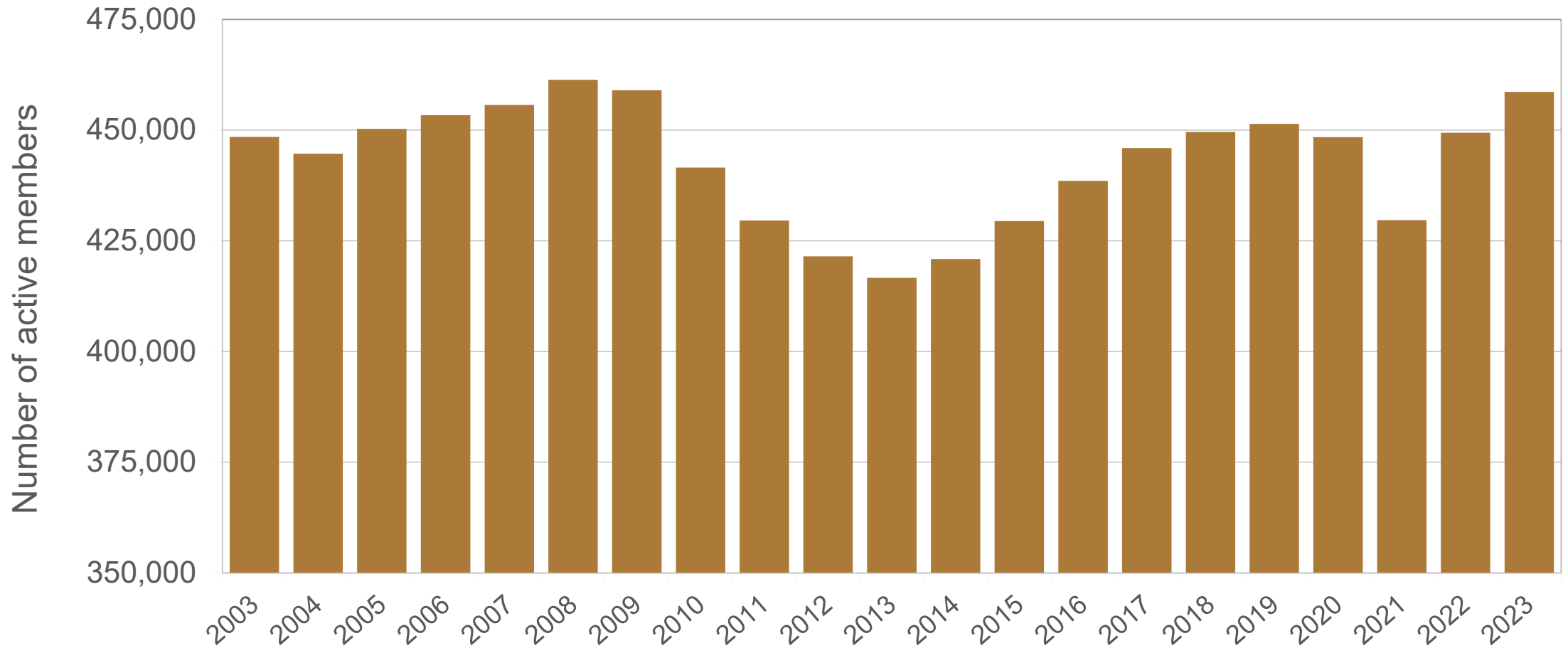


Investment performance since June 2014

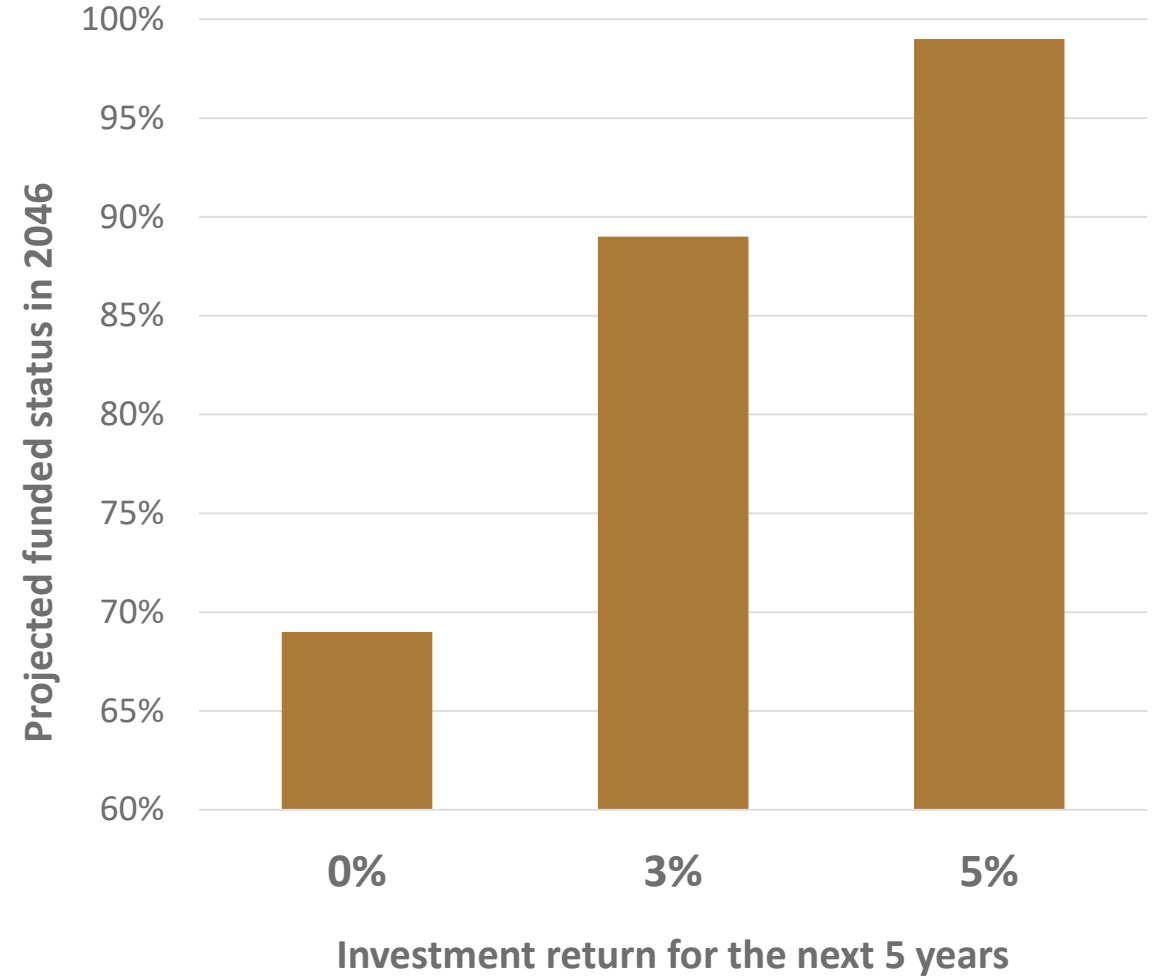
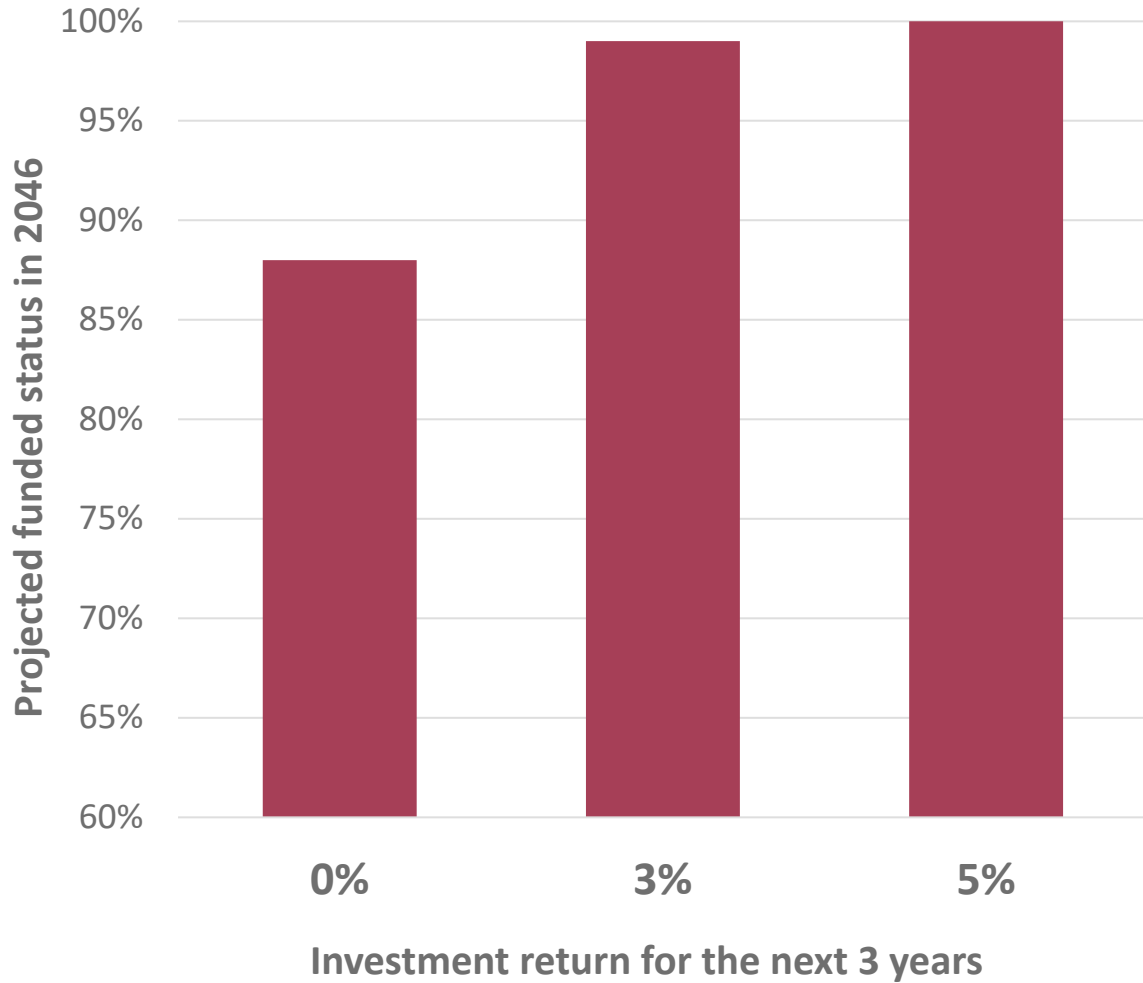


Number of active members

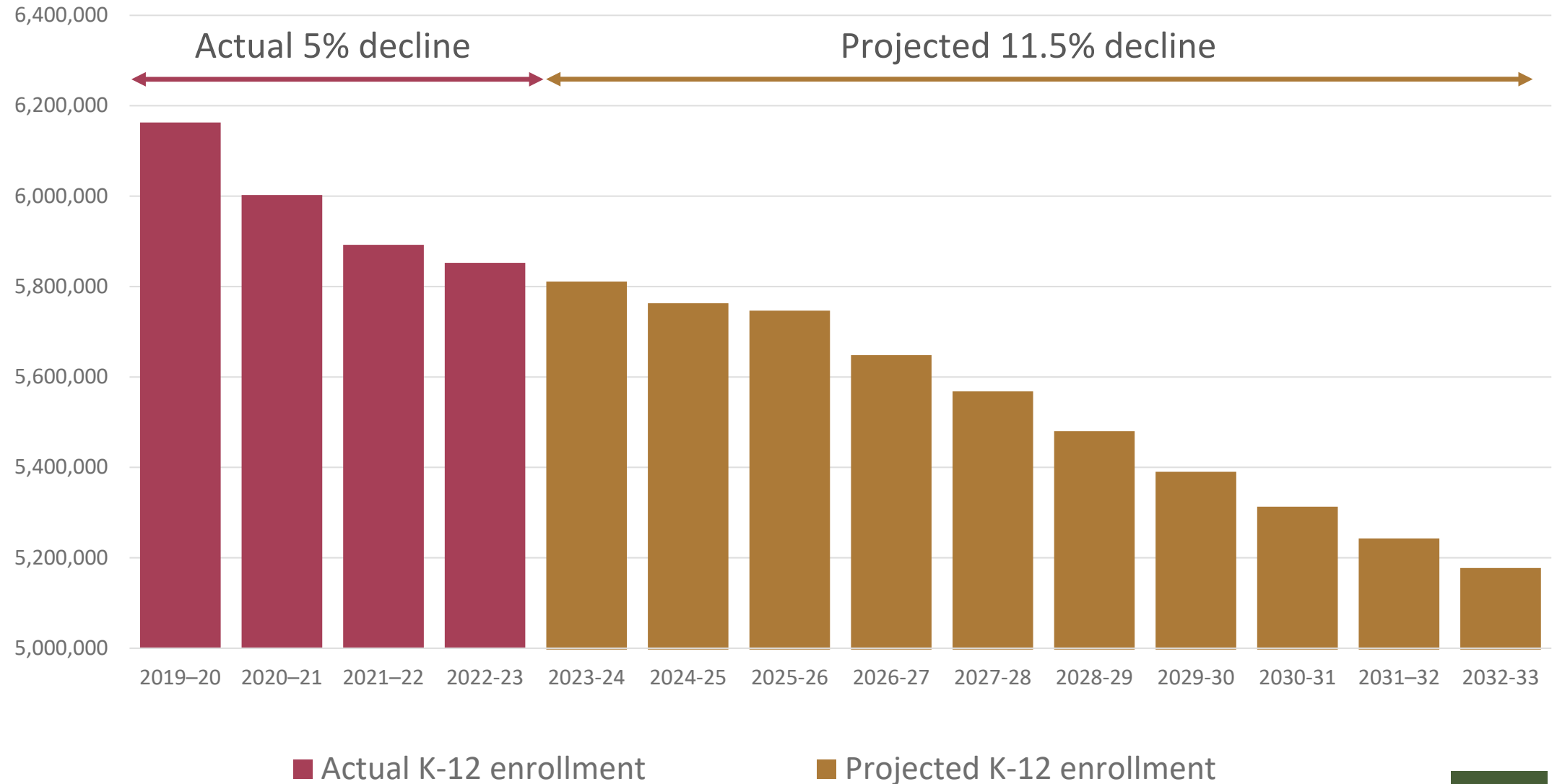
(Last 20 years – Defined Benefit Program only)



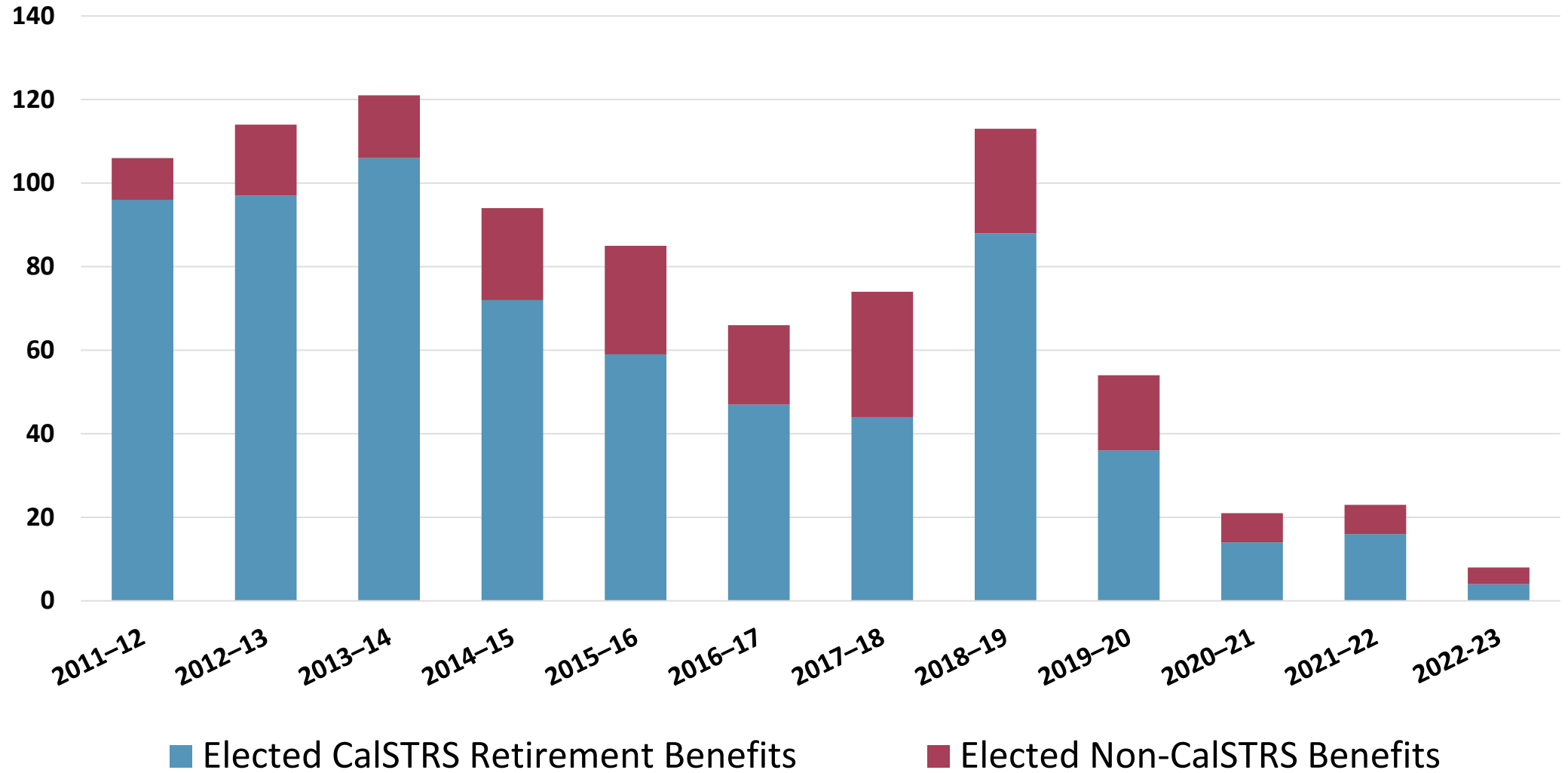
Potential impact of short-term investment performance



Projected K-12 enrollment



Number of new charter schools



Upcoming board items

- January 2024
 - Review of actuarial assumptions
- March 2024
 - Funding plan progress report
 - Lump sum death benefit policy
- May 2024
 - Actuarial valuations

Questions?