



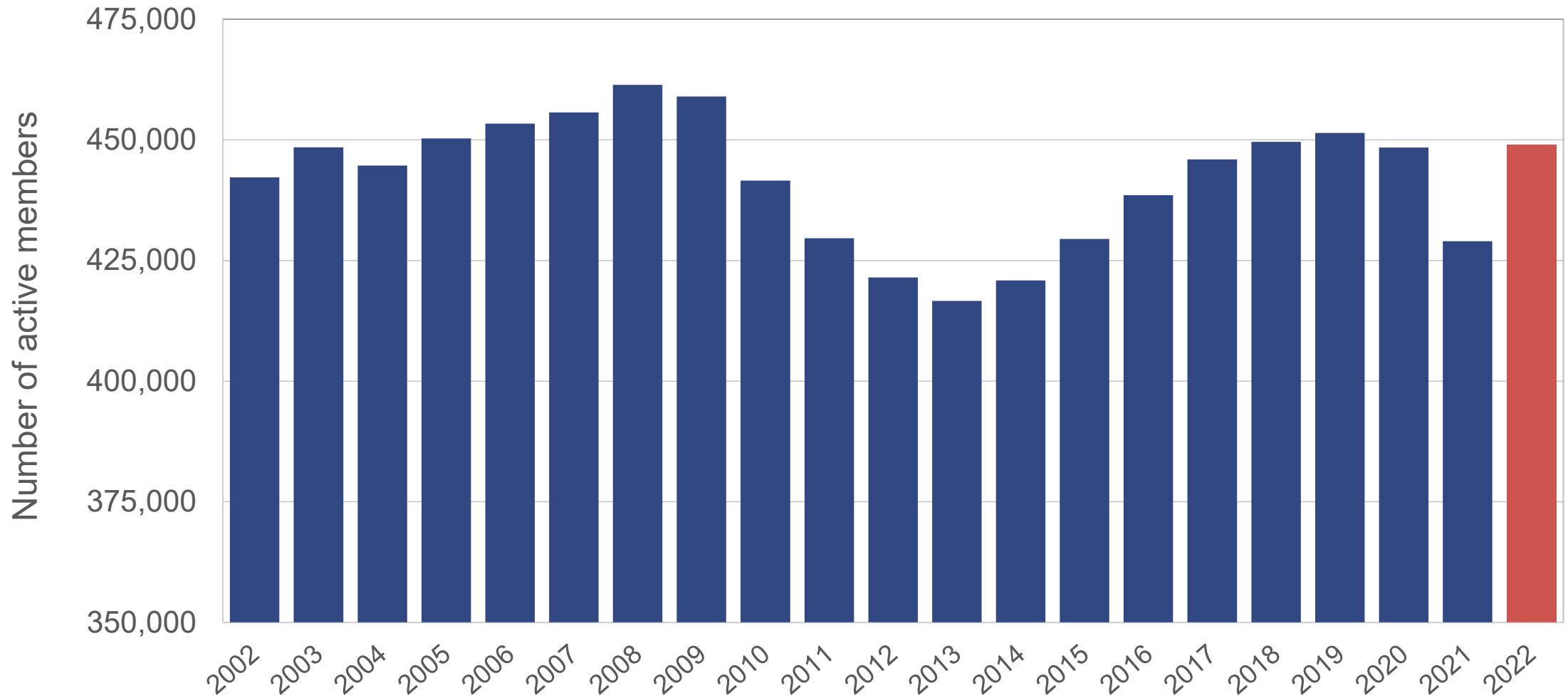
CALSTRS

Actuarial Valuation of the Defined Benefit Program as of June 30, 2022

May 2023 Board Meeting

Number of active members

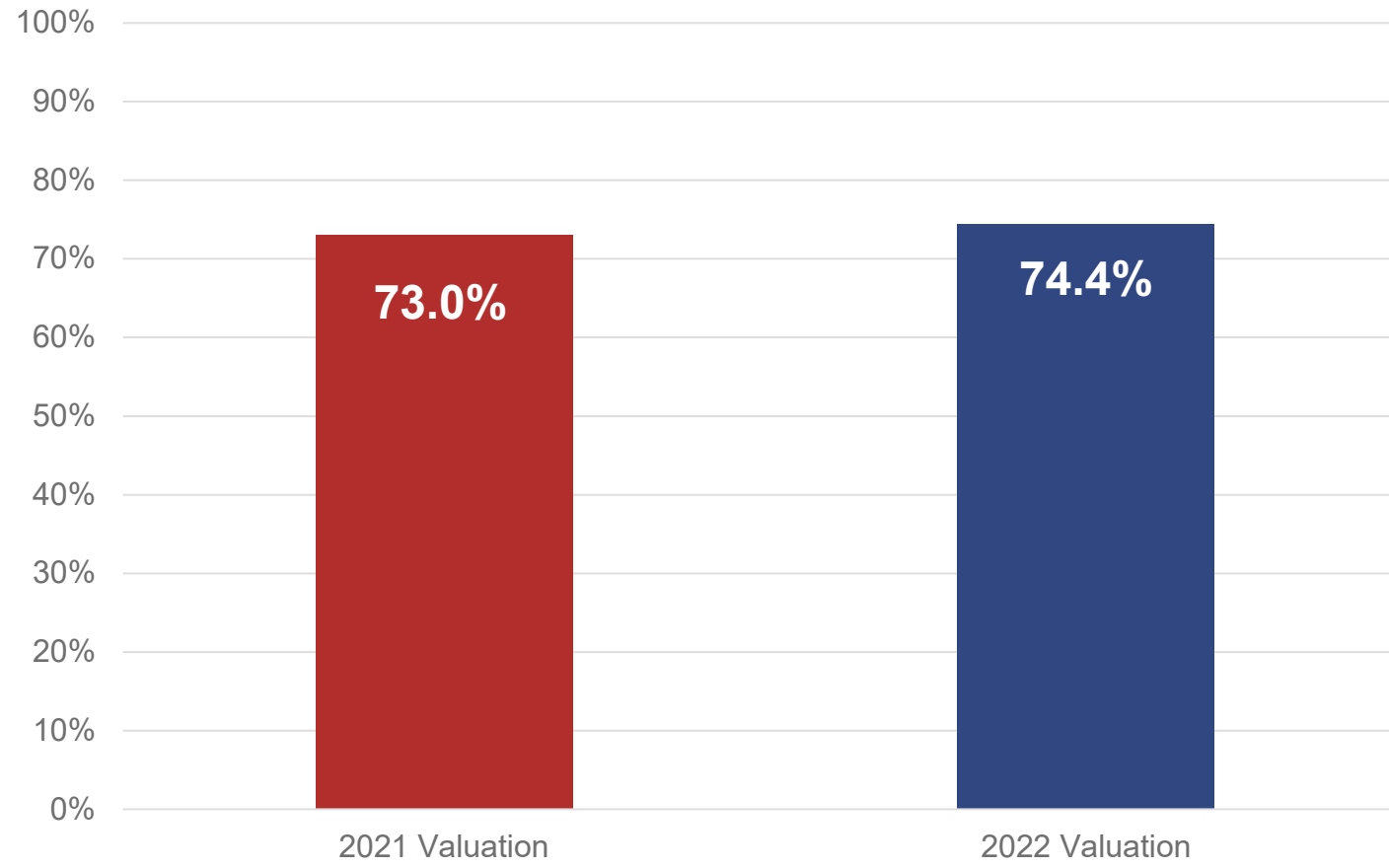
(Last 20 years – Defined Benefit Program only)



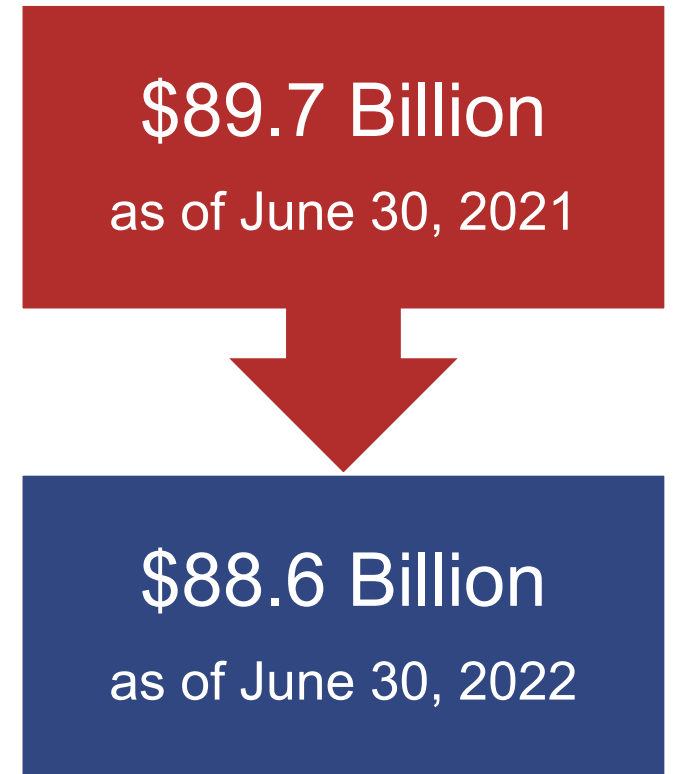
Slight improvements in funding levels

(Still benefiting from the 27% return in 2020-21)

Funded Status



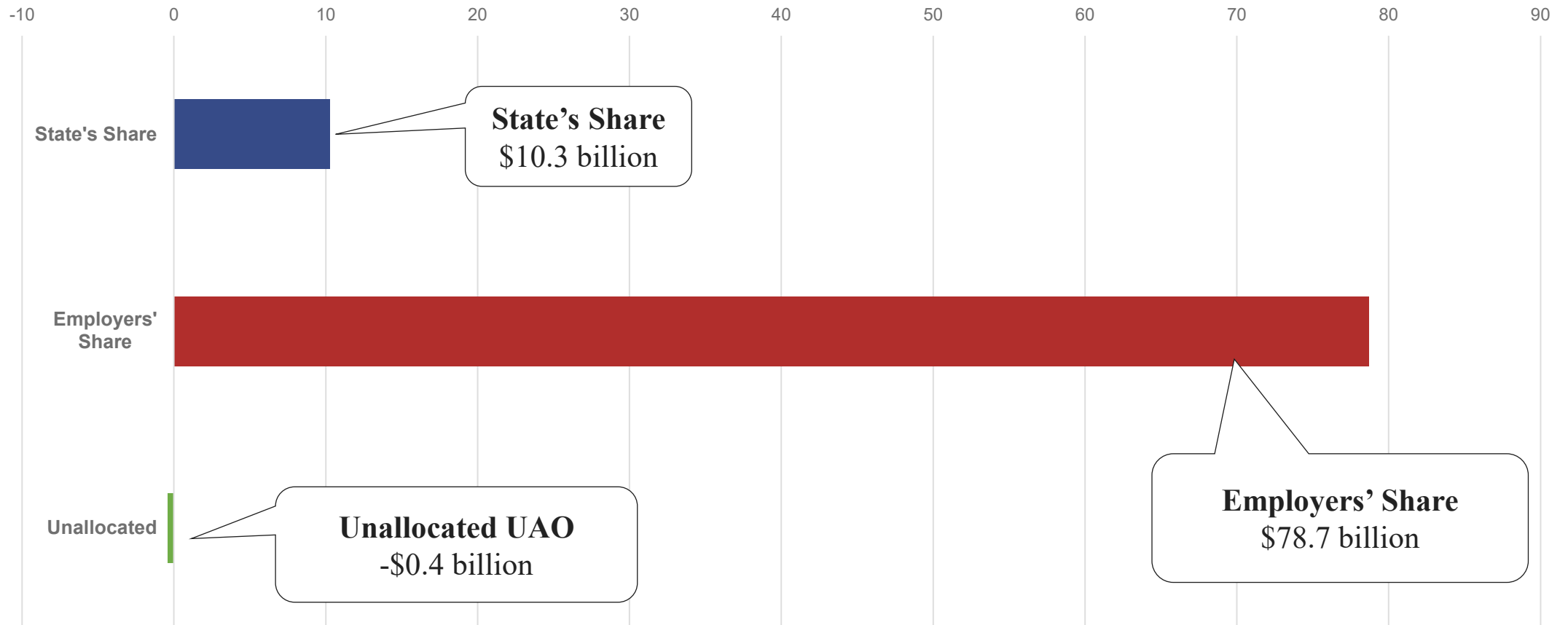
Unfunded Actuarial Obligation



Breakdown of the Unfunded Actuarial Obligation

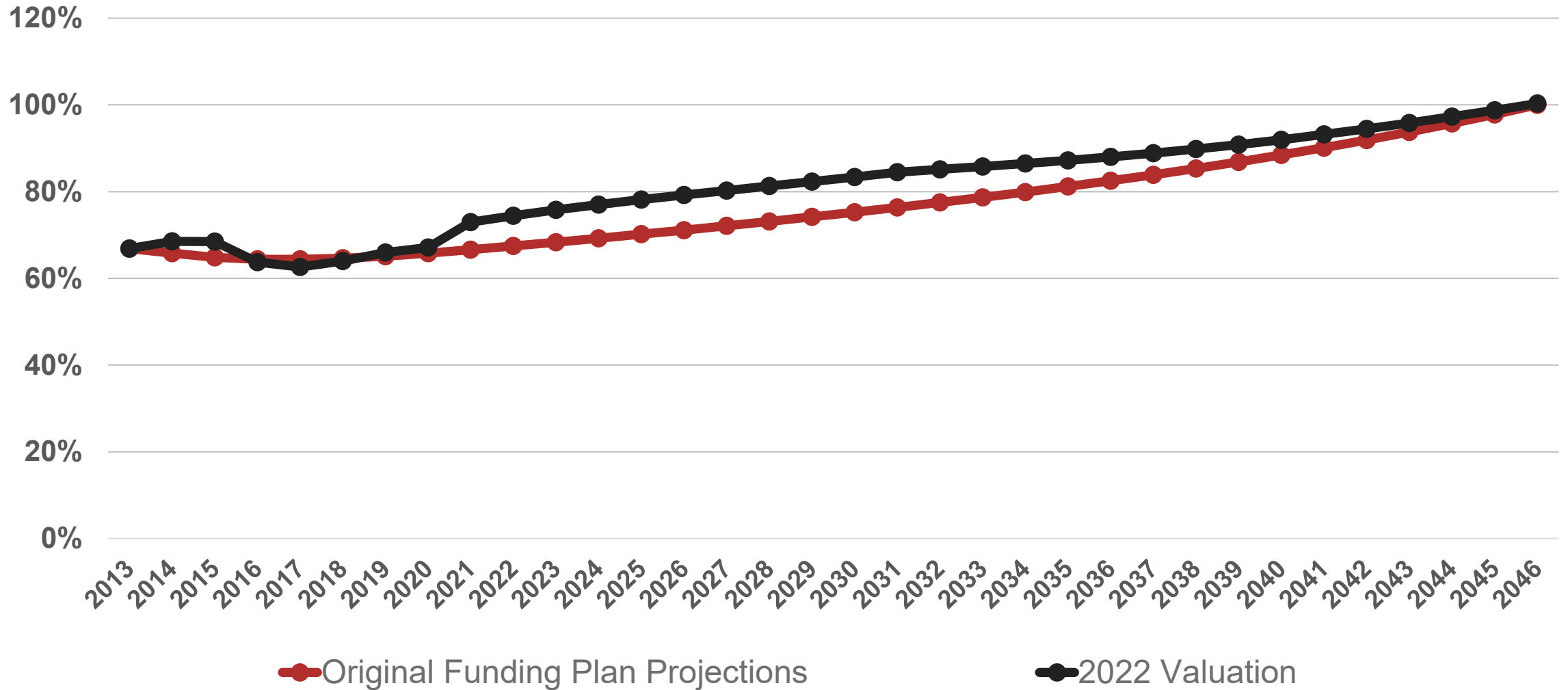
(Based on the June 30, 2022 Actuarial Valuation of the DB Program)

Unfunded Actuarial Obligation (\$88.6 billion)



Projected funded status

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

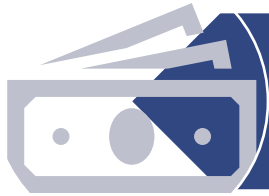


Are contribution rate increases needed?

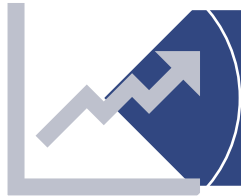
	Current contribution rate	Rate increase needed for FY 2023-24?	Year share is projected to be eliminated if rate remains unchanged
State	8.328%	No	2028
Employers	19.10%	No	2045

* The state also contributes 2.5% of payroll to SBMA, CalSTRS inflation protection program.

Monitoring emerging risks



Price inflation

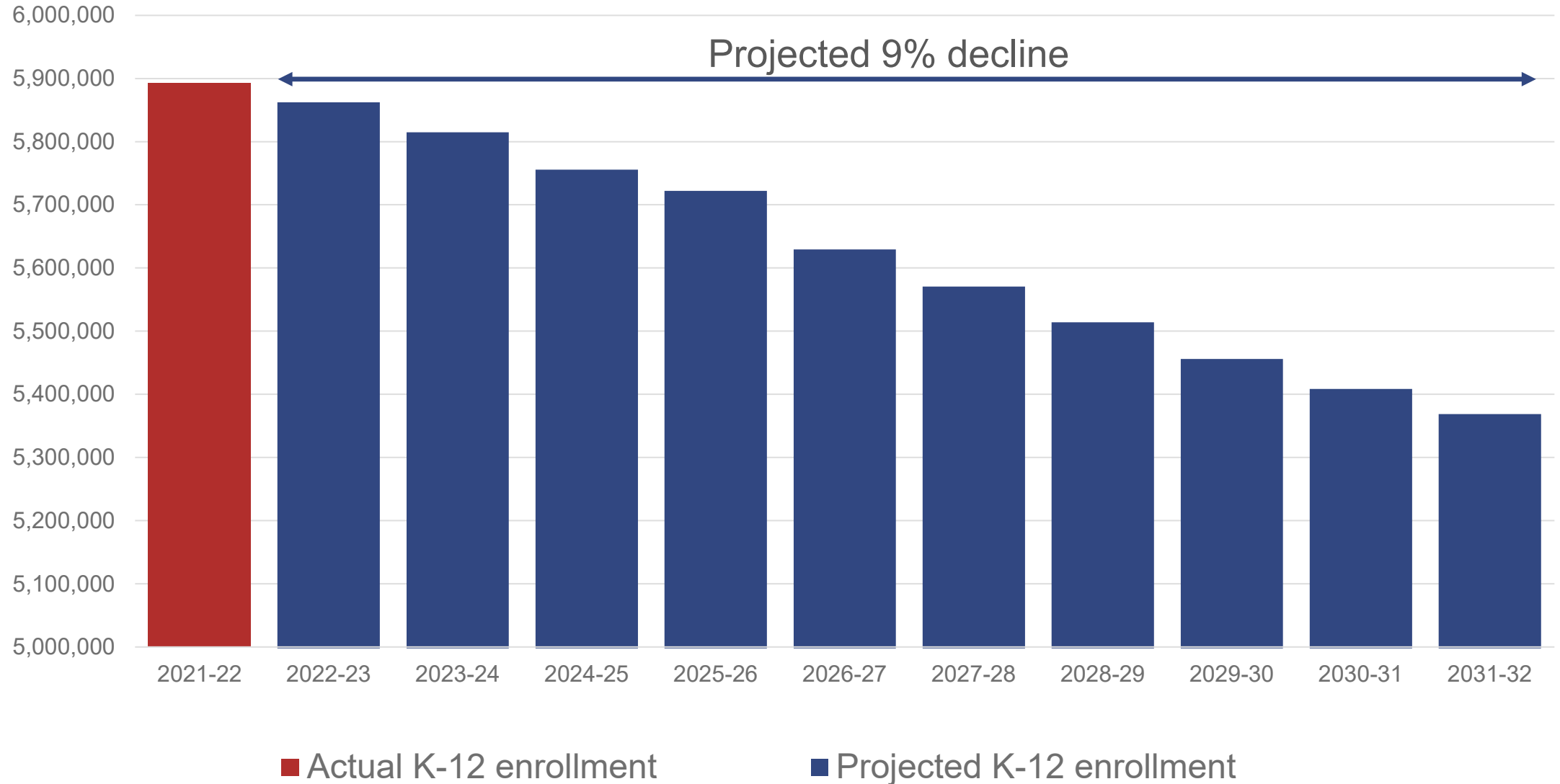


Investment return



K-12 enrollment

Projected K-12 enrollment



Next fiscal year

- Review of actuarial assumptions
 - Experience study report to be presented in January 2024
- 5-year check point with the California Legislature
 - Next report on the progress of funding plan due June 30, 2024

Recommendation for board adoption

	Effective July 1, 2023
State Supplemental Contribution Rate	6.311%
Employer Supplemental Contribution Rate	10.850%
Normal Cost for 2% at 62 Members	18.394%

Questions?