

CALSTRS

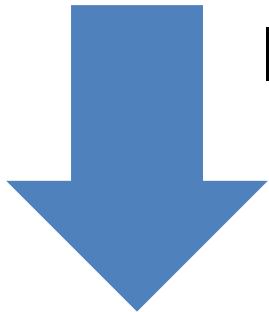
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

# Actuarial Funding Update

*David Lamoureux*



## Key Assumption Change Reflected in New Valuation



### Investment Return Expectation

- *Reduced from 7.25% to 7.00% consistent with the February 2017 board decision.*
- *No immediate impact on employer contribution rates.*

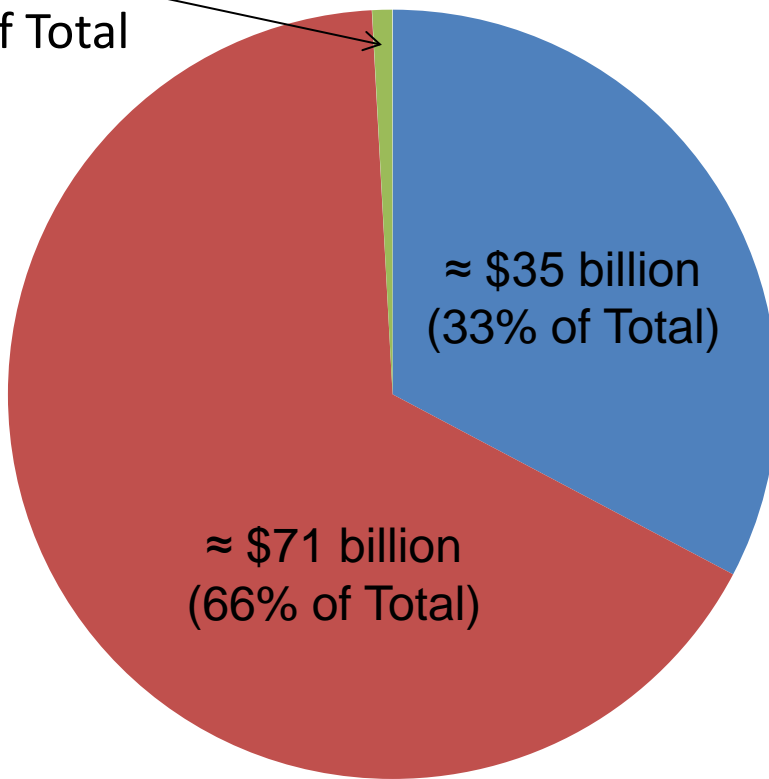
## Key Results of June 30, 2017 Valuation

Valuation Date	Funded Status	Unfunded Liability
June 30, 2016	63.7%	\$97 billion
June 30, 2017	62.6%	\$107 billion

## Breakdown of the Unfunded Liability

(as of June 30, 2017)

<\$0.5 billion  
<1% of Total



■ State Responsibility

■ Employer Responsibility

■ Unallocated

## Employer Contribution Rates

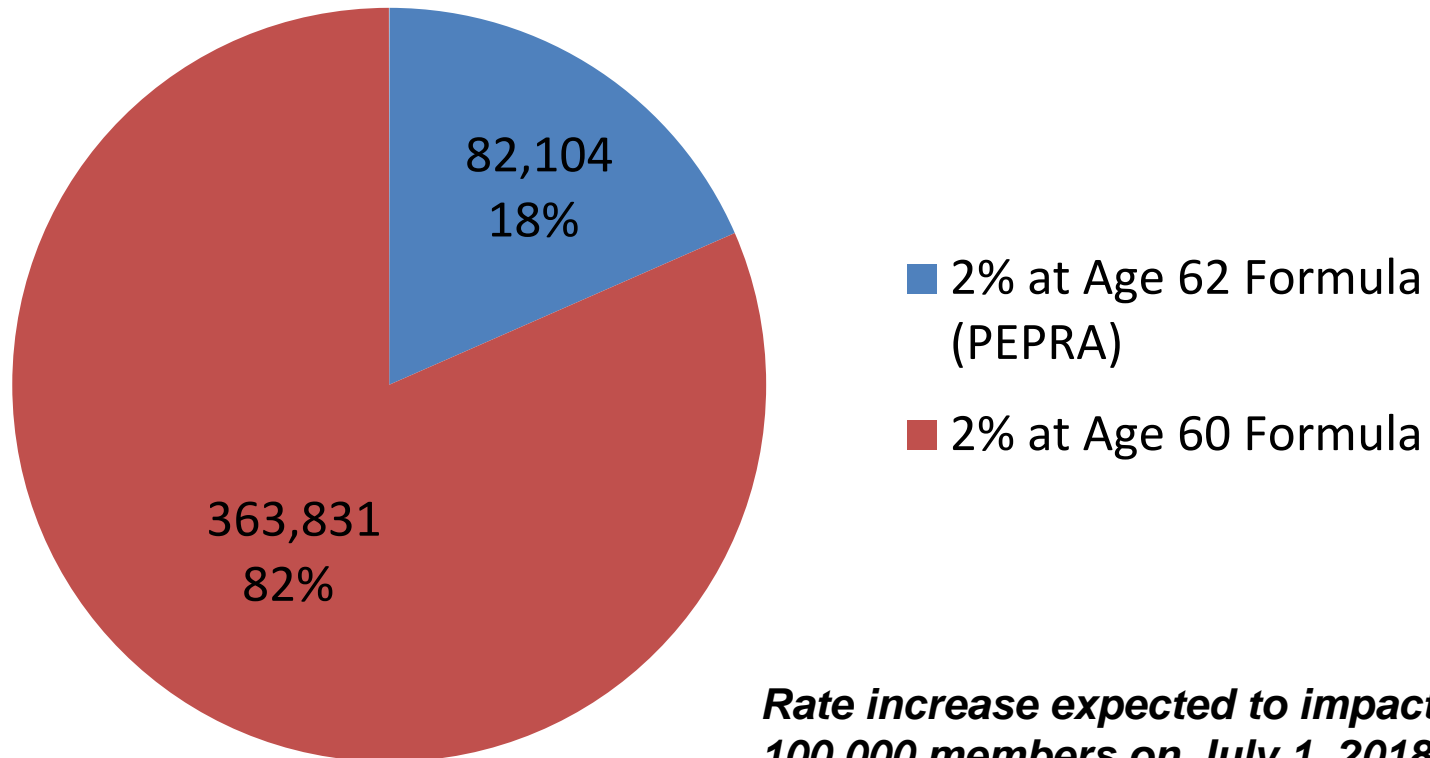
Fiscal Year	Employer Contribution Rate (% of Payroll)
2017-18	14.43%
2018-19	16.28%
2019-20	18.13%
2020-21	19.10%
2021-22 and beyond	Set by the Board

## Member Contribution Rate

Fiscal Year	2% at 60 Member Contribution Rate	2% at 62 Member Contribution Rate
2017-18	10.25%	9.205%
2018-19	10.25%	10.205%



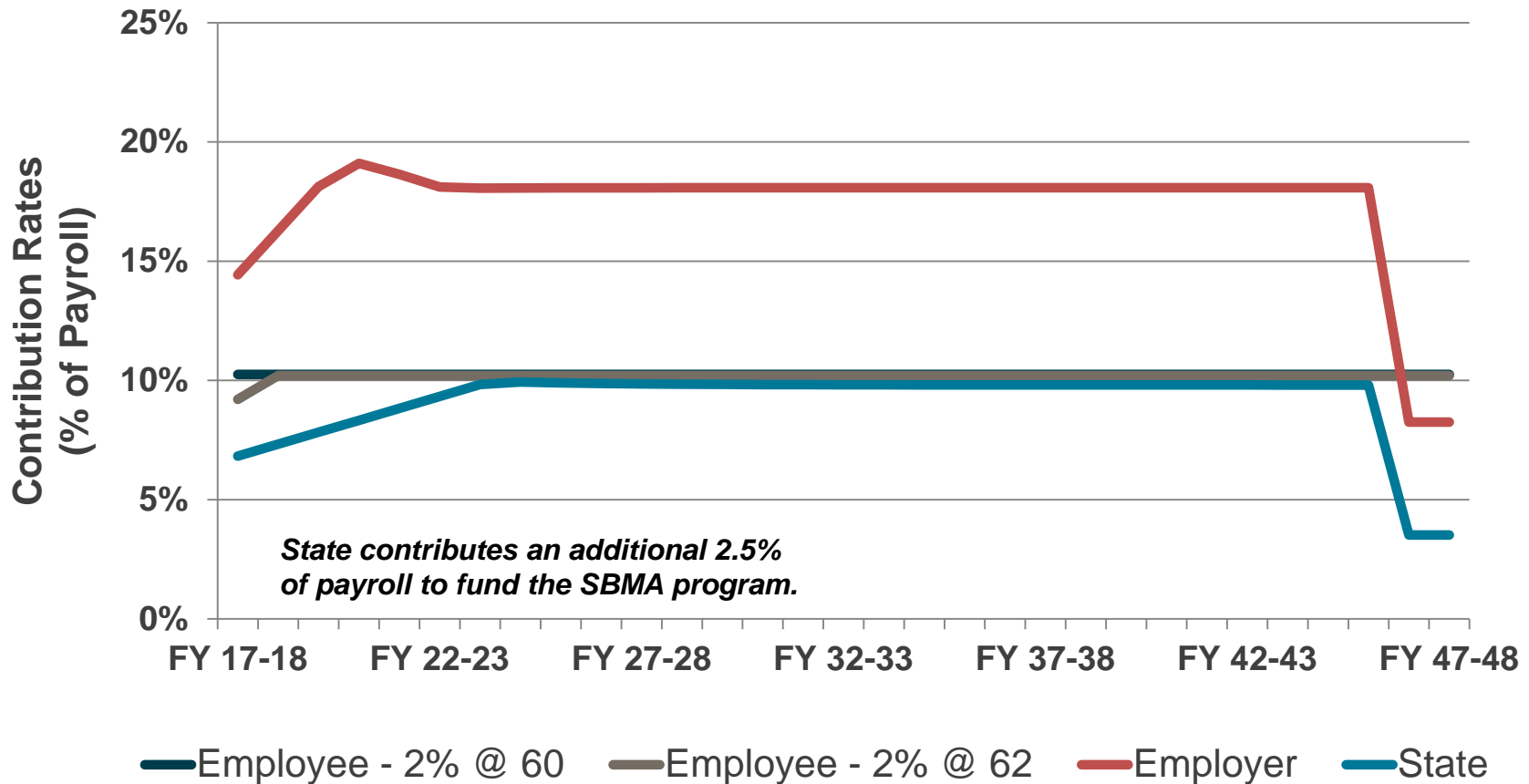
## Count of CalSTRS Active Members (As of June 30, 2017)



*Rate increase expected to impact  
100,000 members on July 1, 2018*

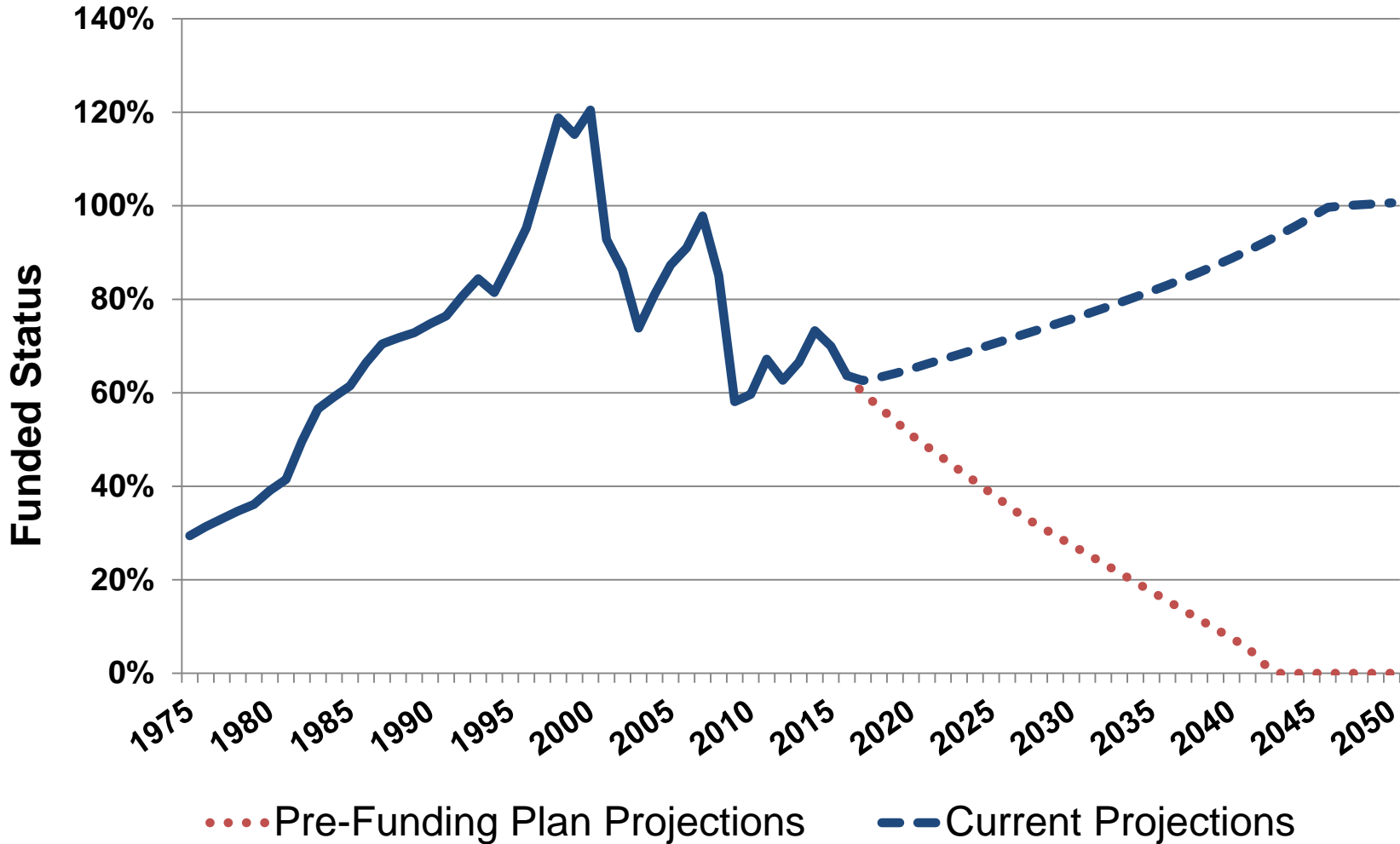
# Projected Contribution Rates

(Based on June 30, 2017 Actuarial Valuation)



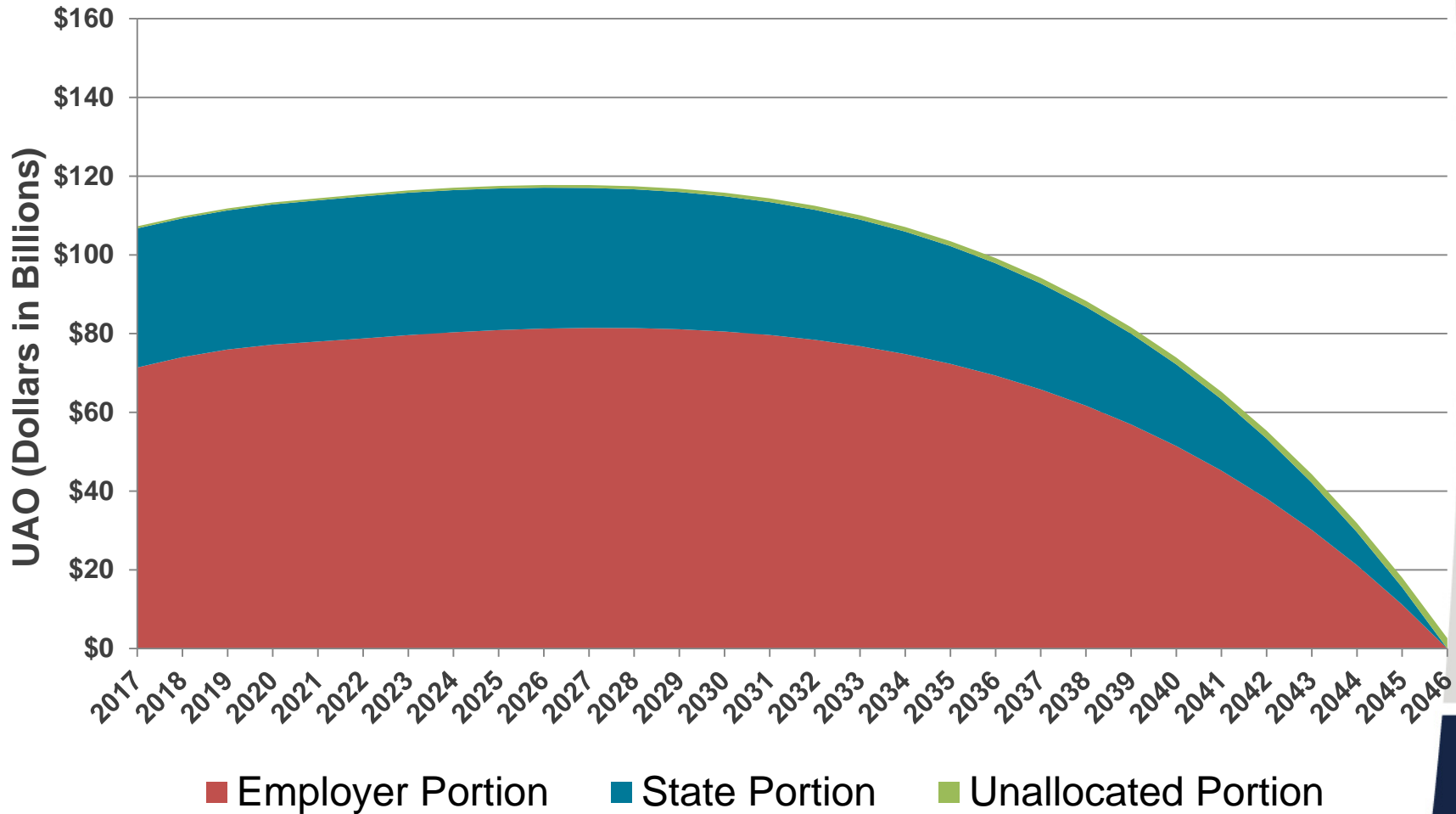


## CalSTRS Historical and Projected Funded Status (Based on June 30, 2017 Actuarial Valuation)



## Projected Unfunded Actuarial Obligation

(Based on June 30, 2017 Actuarial Valuation)




## Defined Benefit Supplement and Cash Balance

<b>Program</b>	<b>Funded Status (as of June 30, 2017)</b>	<b>Recommended Additional Earnings Credit</b>
Defined Benefit Supplement (DBS)	122%	4.12%
Cash Balance	120%	3.62%

## Next Board Meeting

- **May 10<sup>th</sup> board meeting**

- Review results of June 30, 2017 Actuarial Valuation.
- Board expected to adopt State contribution rate increase of 0.5% of payroll.
- Board expected to adopt 2% at 62 normal cost  1% increase in PEPR rate.
- Board expected to adopt AEC for DBS and Cash Balance.
- Board to review lump sum death benefit and SBMA levels.

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