

CalPERS and OPEB Unfunded Actuarial Liability (UAL)



CalPERS and OPEB UALs

- California Public Employees' Retirement System (CalPERS)
 - Defined Benefit Retirement Plan
- Other Post-Employment Benefits (OPEB)
 - Retiree Health
- Unfunded Actuarial Liability (UAL)
 - Difference between the present value of promised future benefits and the current value of assets set aside to pay for them



OPEB 100% Funded



FY27 Payments =
Actuarial Determined Contribution (ADC)

CalPERS Pension Funding as of 6/30/25

- Miscellaneous Plan
 - Funded 68.4%
 - Unfunded Accrued Liability is \$110.0M
 - FY26 UAL Payment \$10.3M

- Safety Plan
 - Funded 69.9%
 - Unfunded Accrued Liability is \$104.7M
 - FY26 UAL Payment \$9.5M



Section 115 Trust

- Assets in PARS Section 115 Trust
 - \$10.0M as of 6/30/25
 - \$3.5M approved contribution at Mid-Year



Potential Funding Approaches

- Where Additional Contributions Can Be Made
 - Section 115 Trust
 - CalPERS
- How Contributions Could Be Funded
 - Budgeted
 - Based on Budget Residual or Other Savings



Potential Savings

	\$2M/YR	\$6M/YR	\$10M/YR
Potential Savings	\$26.7M	\$42.4M	\$55.1M
Years Saved	Two	Five	Eight



Staff Recommendation

- Build Section 115 Trust
 - Budget Residual
 - Other Savings (OPEB)



Questions

