



California Public Employees' Retirement System
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June 2, 2014

CalPERS ID: 4589482285
 Employer Name: TOWN OF LOS GATOS
 Rate Plan: SAFETY PLAN

Re: Lump Sum Payment to reduce 2014-2015 pooled employer contribution rates

Dear Requestor:

As requested, 2014-2015 employer contribution rate information on your lump sum payment follows.

If you are aware of others interested in this information (i.e. payroll staff, county court employees, port districts, etc.), please inform them.

The information is based on the most recent annual valuation and assumes payment *by June 30, 2014* and no further contractual or financing changes taking effect before June 30, 2015. The Side Fund resulting from risk pooling valued at **(\$4,534,538)** (including any adjustments due to plan amendments, vouchers, golden handshakes, etc.) as of June 30, 2014, will be reduced or eliminated by a lump sum payment in the amount of **\$4,534,538**. Any later adjustments due to plan amendments, vouchers, golden handshakes, or financing changes could increase or reestablish a negative side fund.

We will not be able to say what the 2015-2016 employer contribution rate is until we complete the 2013 valuation in October.

The change in your 2014/2015 employer contribution rate after you make the proposed lump sum payment is displayed in the "Change to 2014/2015 Total Employer Rate" line below.

Valuation as of June 30, 2012	Pre-Payment	Post-Payment
Projected 6/30/2014 Side Fund (SF)	(\$4,534,538)	
Proposed Lump Sum Pmt by 6/30/2014	\$4,534,538	
Revised projected 7/1/2014 SF		\$0
2014-2015 Employer Contribution Rate		
Risk Pool's Net Employer Normal Cost	17.453%	17.453%
Risk Pool's Payment on Amortization Bases	9.428%	9.428%
Surcharges for Class 1 Benefits		
a) FAC 1	0.968%	0.968%
b) PRSA	1.707%	1.707%
Phase out of Normal Cost Difference	0.000%	0.000%
Amortization of Side Fund	14.311%	0.000%
Total Employer Contribution Rate	43.867%	29.556%
Amortization Period	7 years	N/A
Change to 14/15 Total Employer Contribution Rate		(14.311%)