

CalPERS Chronology

- 1991 – Governor Pete Wilson signs legislation reducing pensions and bringing the analysis of contributions and funding under the legislative and executive branches
- 1992 - Labor unions sponsor and back Proposition 162, approved by 51% of the voters, to return control of the pension funds to CalPERS actuaries
- 1999 – CalPERS is further strengthened with the passage of SB 400, legislation written and sponsored by CalPERS and signed into law by Grey Davis expanding pension benefits and codifying the now infamous 3% at 50 vesting formula for safety employees
- 2003 – CalPERS, still suffering from the losses of the collapse of the tech bubble reduces their investment return assumptions from 8.25% to 7.75% resulting in higher funding costs, however there is a two year delay before these show up in participant funds
- 2005 – CalPERS expands the range to consider a plan “funded” from 90-110% to 80-120% to counteract the effects of the reduced investment returns
- 2009 – CalPERS loses \$55 billion or 23.5% of fund value
- 2009 – GASB 45 is implemented requiring municipal funds to begin funding OPEBS doubling the annual contributions required by MMWD
- 2009 – CalPERS adopts a 30 year amortization plan for losses incurred in 2008-2009 market downturn requiring estimated contributions beginning at \$850 annually and increasing for the next 30 years
- 2009 – CalPERS adopts 3 year smoothing that requires a reduced contribution of \$250 million in 2010 with the remainder due in 2011 and 2012.
- 2009-2010? – CalPERS changes inflation forecast raising the value of 7.75% estimated returns in calculating underfunding
- 2010 – CalPERS actuaries require \$300 million contribution to cover miscalculation of lifespan used in assumptions
- 2010 – CalPERS actuaries require \$50 million contribution to cover miscalculation of number of employees retiring in 2008-2009 work year