

Business Requirements Document

SR83959 – 2013-2014 CalPERS 1959 Survivor Rate Adjustment

Information Technology Services

Office of the President

Document Information

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1st draft	06/25/2013	
1.1	06/26/2013	B. Burkart – added UPAY and letter.

Document Approvals

Role	Name	Signature	Date
Controller	Peggy Arrivas		

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1 Overview

Modify PPS to update the CalPERS 1959 Survivor Rate for the 2013-2014 fiscal year.

1.1 Background

The California Public Employees Retirement System (CalPERS) 1959 Survivor Benefit Rate is changing as of July 1, 2013. CalPERS announced the new rate on June 25, 2013. These rates usually adjust on an annual basis. This adjustment is for eligible survivors of participating CalPERS members who die while actively employed and covered by CalPERS.

1.2 Objectives

- Current Process – The 2012-2013 rate is 5.45
- Proposed Process – The Gross – to - Net Table must be updated with the new rate of 5.35

Deadline – The change takes effect for the first payroll period that ends in July 2013. Campuses should update the tables after processing June earnings.

1.3 Related Projects & Dependencies

N/A

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1.4 Stakeholders

Acronym	Description	Role
*	Authorize	Has ultimate signing authority for any changes to the document
R	Responsible	Responsible for creating this document
A	Accountable	Accountable for accuracy of this document (e.g. project manager)
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C	Consulted	Provides input
I	Informed	Must be informed of any changes

Name	Position	*	R	A	S	C	I
Marcia Johnson	Sr. Admin. Analyst		X				X
John Barrett	Director			X	X	X	X
Peggy Arrivas	Controller	X					

1.5 Proposed Strategy

N/A

1.6 Glossary

N/A

2 Product/Solution Scope

2.1 Included in Scope

Eligible survivors of participating CalPERS members who die while actively employed.

2.2 Excluded from Scope

Survivors of employees not covered under the CalPERS retirement plan.

2.3 Assumptions & Constraints

N/A

2.4 Outstanding Items

N/A

3 Business Services and Processes

N/A

4 Business Rules

N/A

5 Business Requirements

5.1 User Requirements

N/A

5.2 Functional Requirements

Req ID	Requirement Type	Requirement Description	Priority [L/M/H]	Comments
R0001	Control Table Updates	Gross - to- Net Table Update per attached UPAY	H	

5.3 Reporting Requirements

N/A

6 Non-Functional Requirements

N/A

7 External References

N/A



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Reference No.:
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Special:

Circular Letter

June 25, 2013

TO: **ALL STATE EMPLOYERS**

SUBJECT: **STATE 1959 SURVIVOR MONTHLY PREMIUMS
FOR FISCAL YEAR 2013-2014**

The purpose of this Circular Letter is to inform you that the CalPERS Board of Administration approved the required premiums for the State 5th Level pool of the 1959 Survivor Program on June 19, 2013. The 1959 Survivor Benefit Program is an employer contract provision that provides monthly benefits for eligible survivors of participating members who die while actively employed.

The required employer and employee premiums for fiscal year 2013-2014 for the State 5th Level of 1959 Survivor Benefits are \$5.35 each, per member per month.

The employee premium for the 1959 Survivor Program is defined in the Public Employees' Retirement Law to be \$2.00 per member per month until the total required premium for the benefit level exceeds \$4.00 per member per month. Once the total premium required exceeds \$4.00, the premium is shared equally by the employer and employee.

The funded ratio of the State 5th Level pool on a market value basis is currently 71.6%. The required employer and employee premiums for the 1959 Survivor Program may vary from year to year due to investment returns and mortality gains and losses experienced by the pool.

The purpose of this transmittal is information only; the State Controller's Office will be collecting the required premiums from state agencies at a later date.

To view the full valuation report visit:

<http://www.calpers.ca.gov/eip-docs/about/pubs/employer/2012-59survivor.pdf>

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

ALAN MILLIGAN
Chief Actuary