

**DEL PUERTO WATER DISTRICT*****STAFF REPORT/ACTION ITEM REQUEST***

**BOD Meeting Date:** July 17, 2024

**Title:** CalPERS FY 2024-25 Annual Unfunded Actuarial Liability Prepayment Option

**Background Information:** Annual CalPERS contributions are made up of two components: Normal Cost and the Unfunded Actuarial Liability (UAL). The Normal Cost represents the actuarial present value of benefits that are attributed to the current year, and is collected as a percentage of payroll. UAL represents the actuarial present value of benefits that CalPERS will fund that are attributed to prior years. Beginning with FY 2020, CalPERS collects this component as a set dollar amount. The District can only prepay the UAL portion of the CalPERS payments and cannot prepay Normal Cost contributions.

**Issues for Consideration/Discussion:** The following payment options for the UAL are available: Pay the UAL monthly or pay a discounted annual UAL amount at the beginning of the CalPERS fiscal year. The monthly UAL payment option for the Classic Members plan totals \$79,387 and the alternative Annual Lump Sum Prepayment amount is \$76,818, resulting in a \$2,569 (3.4%) reduction in this UAL payment. The monthly UAL payment option for the PEPRAs Members plan totals \$1,225 and the alternative Annual Lump Sum Prepayment amount is \$1,185, resulting in a \$40 (3.4%) reduction in this UAL payment.

The UAL annual prepayment is simply an alternative to twelve monthly payments, which provides a discount of one-half year of interest at the assumed rate of return (currently 6.8%).

**Staff Recommendation:** Authorize General Manager to prepay California Public Employees Retirement System Annual Unfunded Actuarial Liability contributions for CalPERS Fiscal Year 2024-25.

**Budget Action Requirement (if applicable):** The District would attain a total cost savings of \$2,609, which equates to a 3.4% rate of return.



California Public Employees' Retirement System  
P.O. Box 942715, Sacramento, CA 94229-2715

888 CalPERS (or 888-225-7377)  
TTY: (877) 249-7442 Fax: (800) 959-6545  
www.calpers.ca.gov

California Public Employees' Retirement System

July 01, 2024

Anthea G Hansen  
Del Puerto Water District  
P.O. BOX 1596  
PATTERSON, CA 95363

Business Unit: 1900  
CalPERS ID: 7038407484  
Invoice Number: 100000017588513  
Invoice Date: July 01, 2024  
Payment Due Date: July 31, 2024

Description	Amount				
<p>Annual Unfunded Accrued Liability as of the June 30, 2022 Actuarial Valuation for Rate Plan Identifier 3904.</p> <p>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.</p> <p>Your agency's monthly amount due toward the Unfunded Accrued Liability is:</p> <table data-bbox="212 940 763 1008"> <tr> <td>Amount</td> <td>Due Date</td> </tr> <tr> <td>\$6,615.58</td> <td>July 31, 2024</td> </tr> </table> <p>If you would like to prepay the entire Annual Payment toward your Plan's Unfunded Accrued Liability, you can submit the Annual Lump Sum Prepayment amount of \$76,818.00 to the invoice number above by July 31, 2024 instead of the monthly amount listed.</p> <p>Please refer to the June 30, 2022 Actuarial Valuation report for the details of this calculation. Reports are available at CalPERS On-Line or by visiting <a href="http://www.mycalpers.ca.gov">www.mycalpers.ca.gov</a></p> <p>Unfunded Accrued Liability contributions are to be paid in full by the payment due date each month. Payments that are not received in full on or before this date will be assessed interest on the total outstanding balance due (Public Employees' Retirement Law § 20572 (b)). Please note that this monthly statement is a demand for payment in accordance with Public Employees' Retirement Law § 20572 (a).</p> <p><b>For questions concerning your invoice, please call our CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) and ask to be referred to the Financial Office.</b></p>	Amount	Due Date	\$6,615.58	July 31, 2024	
Amount	Due Date				
\$6,615.58	July 31, 2024				
<b>Total Due</b>	<b>\$6,615.58</b>				



15

Please pay this statement using Electronic Funds Transfer (EFT) debit or Automated Clearing House (ACH) credit method. Please visit [www.mycalpers.ca.gov](http://www.mycalpers.ca.gov) to schedule a debit EFT payment or call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) for information regarding EFT ACH credit payments. Please allow two banking days prior to the due date for payments to be received at CalPERS on time.

If you need to pay by check or money order, make sure it includes your agency's CalPERS ID, Invoice Number, and is payable to the California Public Employees' Retirement System. Please mail to the following address:

CalPERS  
Financial Reporting & Accounting Services Division  
Cash and Payment Processing Unit  
P.O. Box 942703  
Sacramento, CA 94229-2703

California Public Employees' Retirement System  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

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Page 2 of 2



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14



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California Public Employees' Retirement System

July 01, 2024

Anthea G Hansen  
Del Puerto Water District  
P.O. BOX 1596  
PATTERSON, CA 95363

Business Unit: 1900  
CalPERS ID: 7038407484  
Invoice Number: 100000017588522  
Invoice Date: July 01, 2024  
Payment Due Date: July 31, 2024

Description	Amount				
<p>Annual Unfunded Accrued Liability as of the June 30, 2022 Actuarial Valuation for Rate Plan Identifier 27123.</p> <p>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability Contribution Amount.</p> <p>Your agency's monthly amount due toward the Unfunded Accrued Liability is:</p> <table border="0"> <tr> <td>Amount</td> <td>Due Date</td> </tr> <tr> <td>\$102.08</td> <td>July 31, 2024</td> </tr> </table> <p>If you would like to prepay the entire Annual Payment toward your Plan's Unfunded Accrued Liability, you can submit the Annual Lump Sum Prepayment amount of \$1,185.00 to the invoice number above by July 31, 2024 instead of the monthly amount listed.</p> <p>Please refer to the June 30, 2022 Actuarial Valuation report for the details of this calculation. Reports are available at CalPERS On-Line or by visiting <a href="http://www.mycalpers.ca.gov">www.mycalpers.ca.gov</a></p> <p>Unfunded Accrued Liability contributions are to be paid in full by the payment due date each month. Payments that are not received in full on or before this date will be assessed interest on the total outstanding balance due (Public Employees' Retirement Law § 20572 (b)). Please note that this monthly statement is a demand for payment in accordance with Public Employees' Retirement Law § 20572 (a).</p> <p><b>For questions concerning your invoice, please call our CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) and ask to be referred to the Financial Office.</b></p>	Amount	Due Date	\$102.08	July 31, 2024	
Amount	Due Date				
\$102.08	July 31, 2024				
<b>Total Due</b>	<b>\$102.08</b>				



17

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18