



Actuarial Office
P.O. Box 942709
Sacramento, CA 94229-2709
Telecommunications Device for the Deaf - (916) 795-3240
(888) CalPERS (225-7377) FAX (916) 795-2744

REC'D IN FINANCE
NOV 30 2009

October 2009

**SAFETY PLAN OF THE CITY OF PALM SPRINGS (EMPLOYER # 355)
Annual Valuation Report as of June 30, 2008**

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2008 actuarial valuation report of your pension plan. This report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary is available to discuss the report with you.

Changes Since the Prior Year's Valuation

There may be changes specific to your plan such as contract amendments and funding changes. There are no other material changes since the prior valuation.

Future Contribution Rates

The exhibit below displays the required employer contribution rate and Superfunded status for 2010/2011 along with an estimate of the contribution rate and the probable Superfunded status for 2011/2012. The estimated rate for 2011/2012 is based solely on a projection of the investment return for fiscal 2008/2009, namely -28.0%. Please disregard any projections that we may have provided to you in the past.

Fiscal Year	Employer Contribution Rate	Superfunded?
2010/2011	24.626%	NO
2011/2012	28.2% (projected)	NO

Member contributions (whether paid by the employer or the employee) are in addition to the above rates.

The estimate for 2011/2012 also assumes that there are no future amendments and no liability gains or losses (such as from larger than expected pay increases, more retirements than expected, etc.). **This is a very important assumption because these gains and losses do occur and can have a significant effect on your contribution rate.** Even for the largest plans, such gains and losses often cause a change in the employer's contribution rate by one or two percent, even larger in some less common instances. These gains and losses cannot be predicted in advance so the projected employer contribution rate for 2011/2012 is just an estimate. In addition, your employer contribution rate can vary dramatically because short term experience does not conform to the long term actuarial assumptions. Also, the current financial market volatility has impacted the CalPERS trust fund and will impact future employer rates. Last, the CalPERS Board has adopted a new smoothing policy. Please refer to the Cost and Volatility and Subsequent Events sections of the Highlights & Executive Summary for more information. Your actual rate for 2011/2012 will be provided in next year's report.

We are very busy preparing actuarial valuations for other public agencies and expect to complete all such valuations by the end of October. We understand that you might have a number of questions about these results. While we are very interested in discussing these results with your agency, in the interest of allowing us to give every public agency their result, we ask that, if at all possible, you wait until after October 31 to contact us with questions. If you have questions, please call (888) CalPERS (225-7377).

Sincerely,

Ronald L. Seeling, Ph.D., FCA, ASA, MAAA
Enrolled Actuary
Chief Actuary, CalPERS



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MISCELLANEOUS PLAN OF THE CITY OF PALM SPRINGS (EMPLOYER # 355)
Annual Valuation Report as of June 30, 2008

Dear Employer,

As an attachment to this letter, you will find a copy of the June 30, 2008 actuarial valuation report of your pension plan. This report contains important actuarial information about your pension plan at CalPERS. Your CalPERS staff actuary is available to discuss the report with you.

Changes Since the Prior Year's Valuation

There may be changes specific to your plan such as contract amendments and funding changes. There are no other material changes since the prior valuation.

Future Contribution Rates

The exhibit below displays the required employer contribution rate and Superfunded status for 2010/2011 along with an estimate of the contribution rate and the probable Superfunded status for 2011/2012. The estimated rate for 2011/2012 is based solely on a projection of the investment return for fiscal 2008/2009, namely -28.0%. Please disregard any projections that we may have provided to you in the past.

Fiscal Year	Employer Contribution Rate	Superfunded?
2010/2011	14.910%	NO
2011/2012	17.1% (projected)	NO

Member contributions (whether paid by the employer or the employee) are in addition to the above rates.

The estimate for 2011/2012 also assumes that there are no future amendments and no liability gains or losses (such as from larger than expected pay increases, more retirements than expected, etc.). **This is a very important assumption because these gains and losses do occur and can have a significant effect on your contribution rate.** Even for the largest plans, such gains and losses often cause a change in the employer's contribution rate by one or two percent, even larger in some less common instances. These gains and losses cannot be predicted in advance so the projected employer contribution rate for 2011/2012 is just an estimate. In addition, your employer contribution rate can vary dramatically because short term experience does not conform to the long term actuarial assumptions. Also, the current financial market volatility has impacted the CalPERS trust fund and will impact future employer rates. Last, the CalPERS Board has adopted a new smoothing policy. Please refer to the Cost and Volatility and Subsequent Events sections of the Highlights & Executive Summary for more information. Your actual rate for 2011/2012 will be provided in next year's report.

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