

## CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRACT AMENDMENT PROCEDURES

### REQUESTING AN ACTUARIAL VALUATION

The [Optional Benefits Listing \(PERS-CON-40\)](#) provides basic information on the optional benefits available to contracting agencies and employer cost information. For some optional benefits, the employer cost varies and an actuarial valuation is required.

If the proposed benefit requires an actuarial valuation, an authorized representative of the agency may submit a request for an actuarial valuation via the my|CalPERS online system. The cost analysis furnished for each valuation requested will provide the expected increase to the employer contribution rate if the contract is amended.

An agency cannot provide different retirement benefits for any subgroup, including, but not limited to bargaining units or non-represented groups within the membership classifications listed above (Section 20479).

Actuarial valuations for public agency contract amendments cost \$300 each. Actuarial valuations for the establishment of new public agency contract with CalPERS cost \$900 each. New public agency contracts requiring a local system transfer will be charged a one-time administrative fee of \$2100. Payment for actuarial valuations is due prior to approval for processing. Your agency will receive an invoice via my|CalPERS. Work will not begin on the valuation until payment is received.

Agencies requesting a valuation for an amendment or new agency valuation must provide the applicable employee organizations with a copy of each valuation within five days of receipt.

### AMENDING THE CONTRACT

***Retirement Contract Services Unit will provide the documents for adoption by the agency's governing body.*** If the agency attempts to expedite the amendment process by proceeding without the documents provided by CalPERS, legal review would be required which could delay the anticipated effective date of the amendment.

If an actuarial valuation is not required for the optional benefit, you may utilize the my|CalPERS online system to request the initial contract documents. The Employer Representative assigned to your agency will prepare the initial documents and will provide them to you within 30 days of your request. If an actuarial valuation is required, you may view your valuation online via the my|CalPERS system and you can request a contract amendment. Initial contract documents will be provided to you within 30 days of receiving the request.

The initial set of documents includes a Resolution of Intention declaring the agency's intent to amend the contract, an exhibit copy of the amended contract, various certification forms, ballots when required, and detailed instructions.

Follow the instructions precisely and return the necessary documents promptly. Contact CalPERS if you have questions:

**California Public Employees' Retirement System  
Financial Office  
P.O. Box 942703  
Sacramento, CA 94229-2703  
Telephone (888) CalPERS (or 888-225-7377)  
www.calpers.ca.gov**

The final set of documents includes two original contracts as amended for execution by the governing body and any other forms necessary to complete the amendment. The completed documents will be reviewed for compliance with the Public Employees' Retirement Law (PERL) and one of the two original contracts signed by the agency will be returned to the agency after it has been executed by CalPERS.

### **EMPLOYEE ELECTIONS**

An amendment to the contract, which changes the employees' rate of contribution, requires a secret ballot election among the employees affected. The contract cannot be amended if a majority of the affected members vote to disapprove the proposed plan. This election must follow adoption of the Resolution of Intention and precede adoption of the final documents.

### **PUBLICATION OF COSTS**

Government Code Section 7507 requires the future annual costs of the proposed contract amendment be made public at a public meeting at least two weeks prior to adoption of the governing body's final action.

### **FINAL ACTION**

Government Code Section 20471 requires adoption of the final documents (second/final reading of the ordinance for cities, counties or towns; or final resolution for districts or other agencies) be no earlier than 20 days after adoption of the Resolution of Intention to amend the contract.

### **AMENDMENT EFFECTIVE DATE**

No change in employee or employer contribution rates – the effective date of the amendment may be as early as the day following the effective date of the final action of the governing body.

Change in employee or employer contribution rates – the effective date of the amendment cannot be earlier than the first day of a payroll period following the effective date of the final action of the governing body.

### **OPERATIVE DATE**

Amendments which require an adjustment to the retiree/beneficiary monthly benefit payments shall become operative the first of the month following the date which is 30 days after receipt of the final documents in the CalPERS Sacramento office.