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March 30, 2011

Dear Finance Manager,

In our continued effort to promote greater transparency and be an honest broker of information on pensions, we are pleased to present you with our new *Local Elected Official Toolkit on Pension Funding and Retiree Health Benefits Funding*. We strongly encourage you to share this toolkit with your local elected officials.

The pension funding toolkit provides a high level overview of CalPERS operations and is designed to provide elected officials important information about defined benefit plans, the funding of pensions, retiree health benefits and contracting.

#### **Toolkit Section Overview**

- *Retirement Plans* includes a comparison of defined benefit plans and defined contribution plans, how defined benefit plans provide employers with human resource management tools, and a description of the CalPERS defined benefit (DB) plan.
- *Funding Retirement Benefits* includes actuarial funding basics of the defined benefit plan and sample valuations, which highlight information you may be interested in.
- *Funding Retiree Health Benefits* includes information on the California Employers' Retiree Benefit Trust administered by CalPERS to help public agencies prefund retiree health benefits and other post-employment benefits (OPEB) costs.
- *Contracting for Benefits* includes things to consider when contracting for the CalPERS DB plan and suggested questions an elected official may want to ask, how to contract for and amend your CalPERS DB plan, and how to contract for other CalPERS administered benefits.

I hope the information in this toolkit will help you and your elected officials better understand the CalPERS DB plan and how it is funded, as well as provide information about the prefunding of retiree health benefits and OPEB. Additional copies of the toolkit can be downloaded on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). Go to the "For Employers" tab, select "Employer Forms and Publications Directory," and then "Publications."

Sincerely,

Handwritten signature of Anne Stausboll in black ink.

ANNE STAUSBOLL  
Chief Executive Officer

Enclosure