

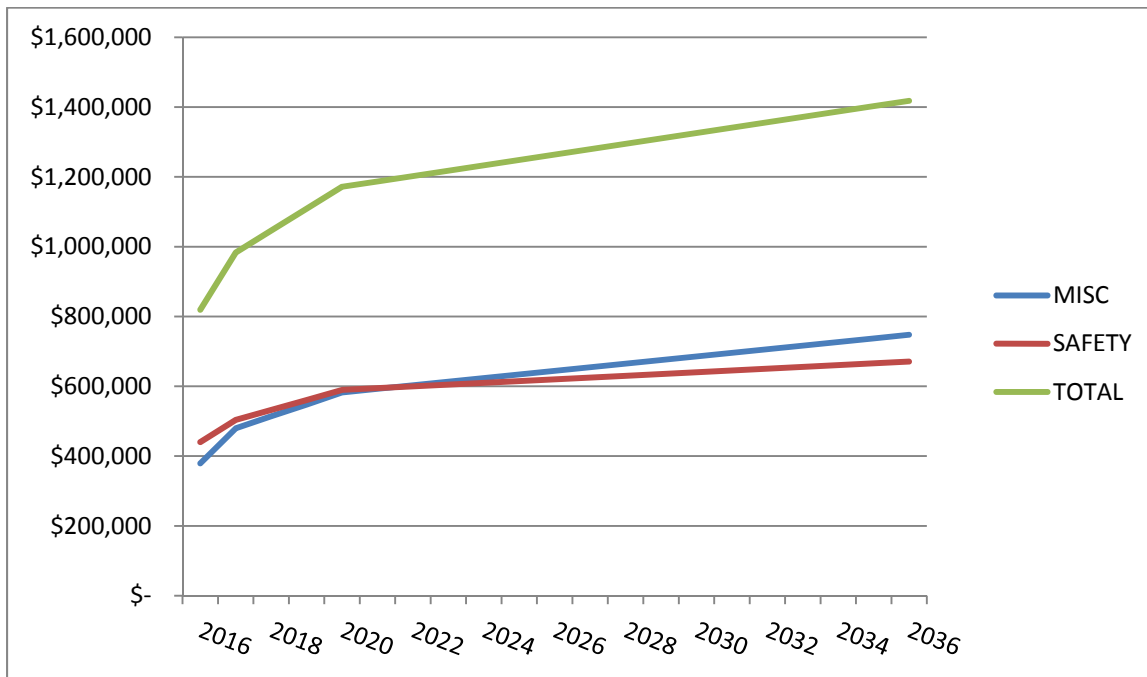
# ALPINE COUNTY – IMPACT FROM RECENT CALPERS INVESTMENT POLICY CHANGE

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CalPERS will cut the fund’s investment allocation from riskier investments such as stocks and increase the fund’s investment allocation to safer more stable investments such as bonds and treasuries causing the discount rate used to determine employer contributions to decrease from 7.5% to 6.5% over a period of twenty years. CalPERS considers this necessary to smooth out volatility and because retirees outnumber active workers.

One possible fiscal scenario of the general fund impact (including Sheriff Personnel) is shown below assuming cutting the discount rate from 7.5% to 6.5% will cause employer contributions to increase by 50% over the twenty year period. The chart below assumes no salary growth.

This is only a very rough estimate based on information provided by CalPERS and investment advisories. Only CalPERS actuarial valuations can determine the true impact.



Does not include impact from PEPPA where CLASSIC members retire and are replaced by PEPPA members whose contribution rates are substantially lower.