

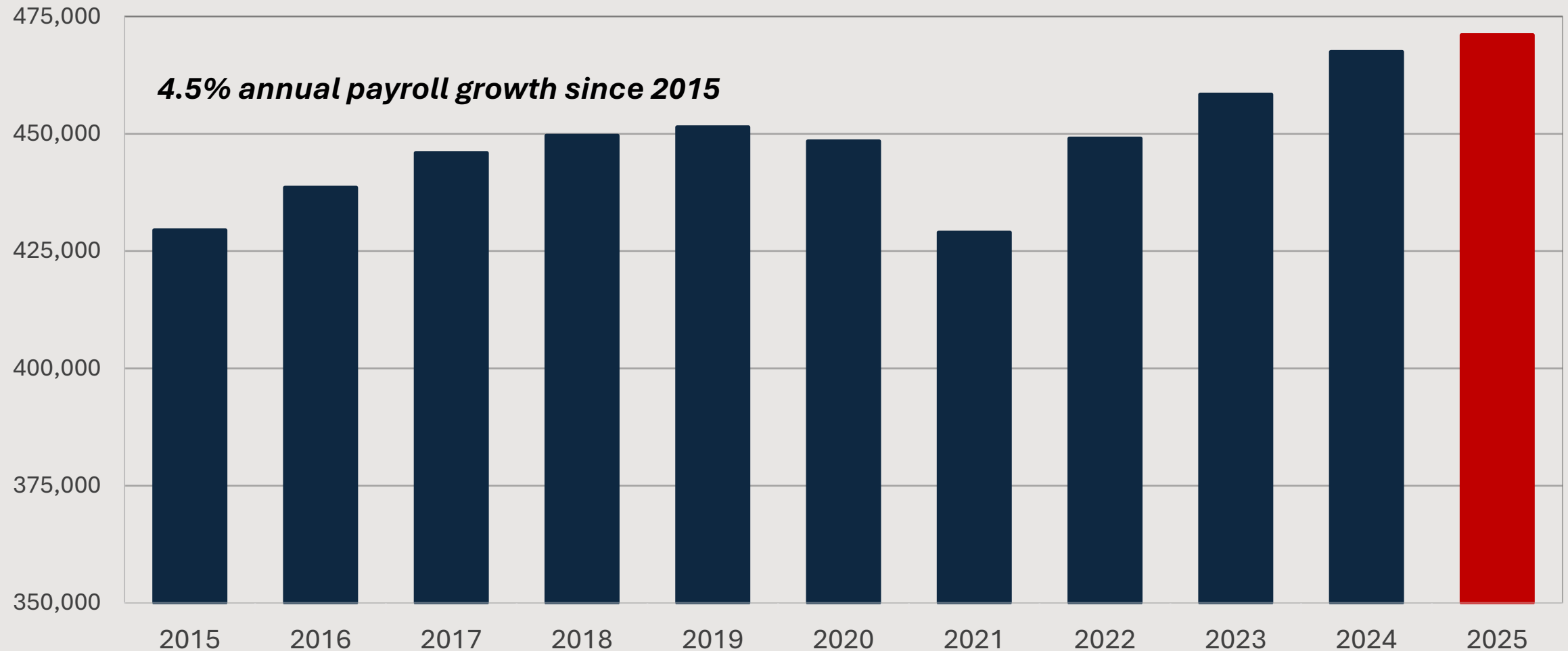
# Actuarial Valuation of the Defined Benefit Program as of June 30, 2025

May 2026 Board Meeting

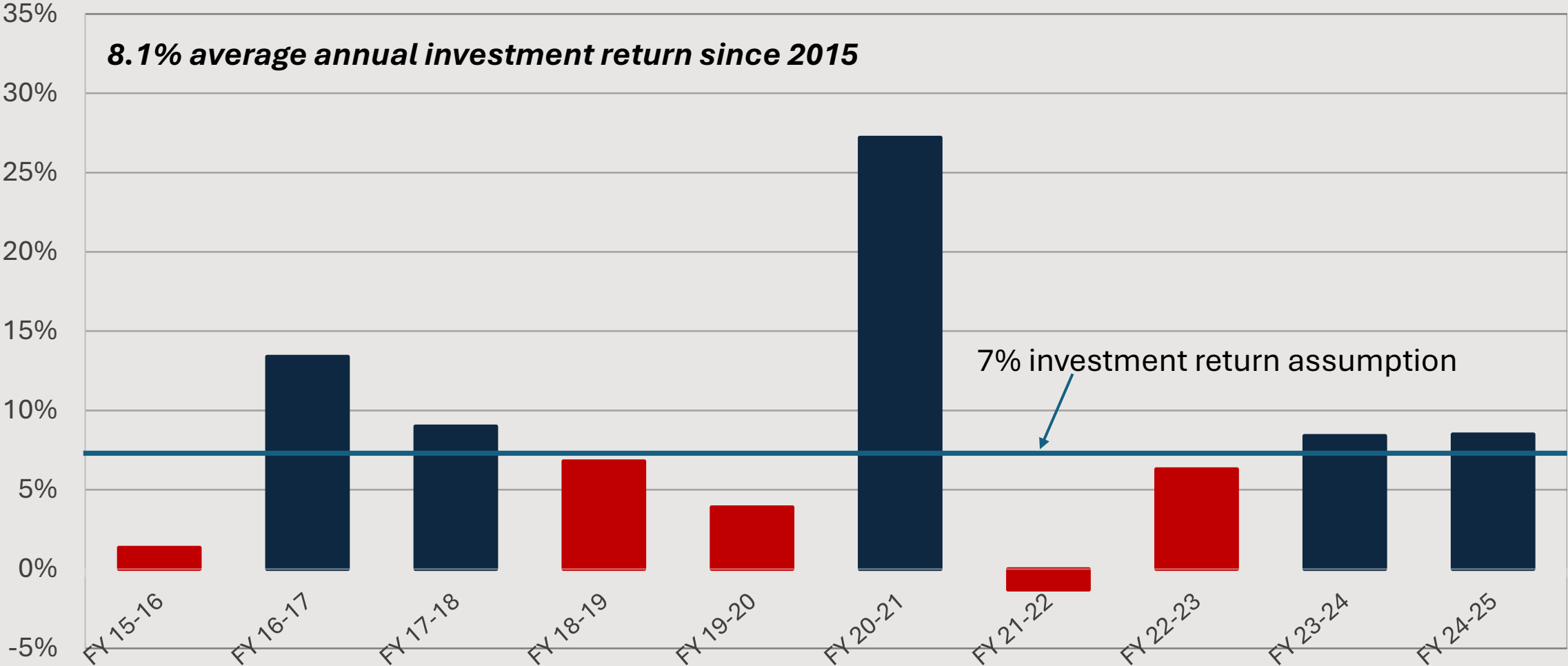
CALSTRS®



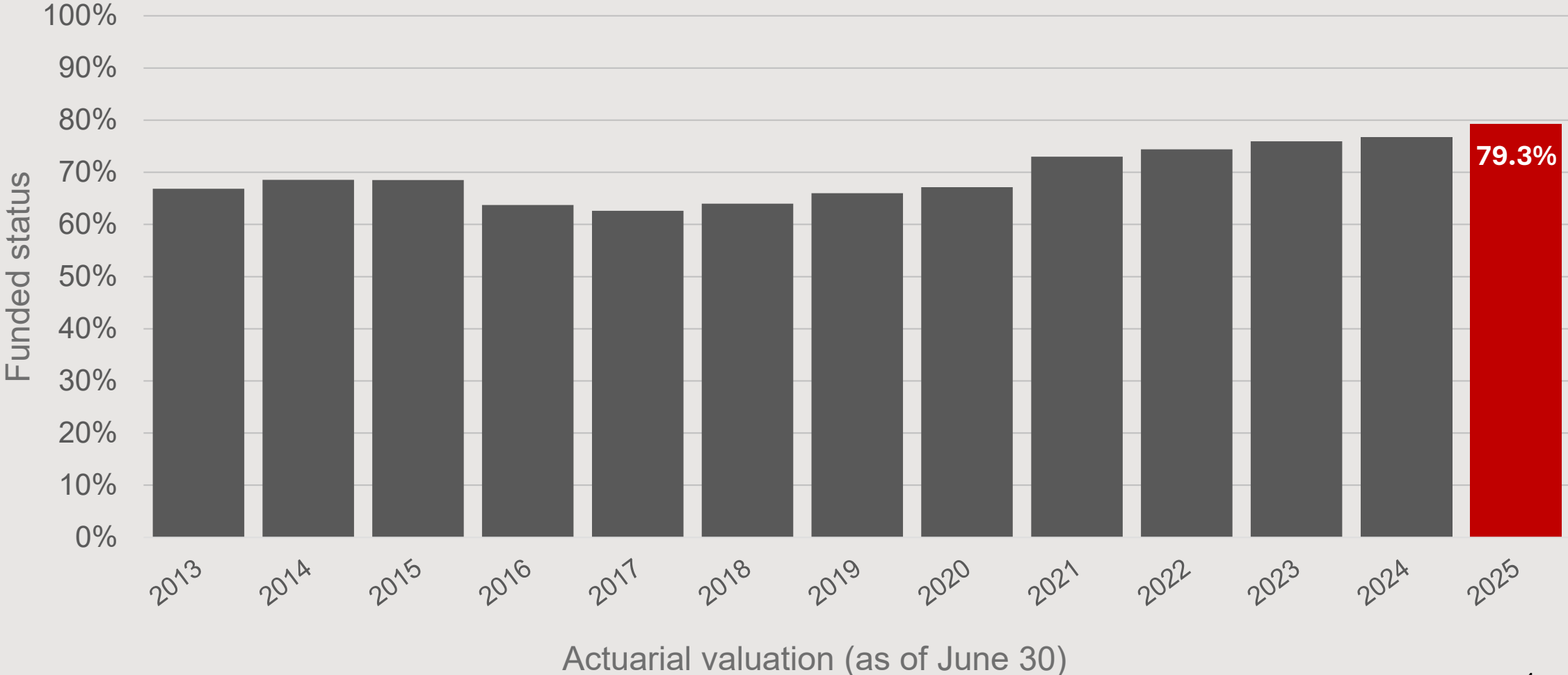
# Last 10 years - growth in the number of active CalSTRS members



# Last 10 years - investment performance has exceeded target

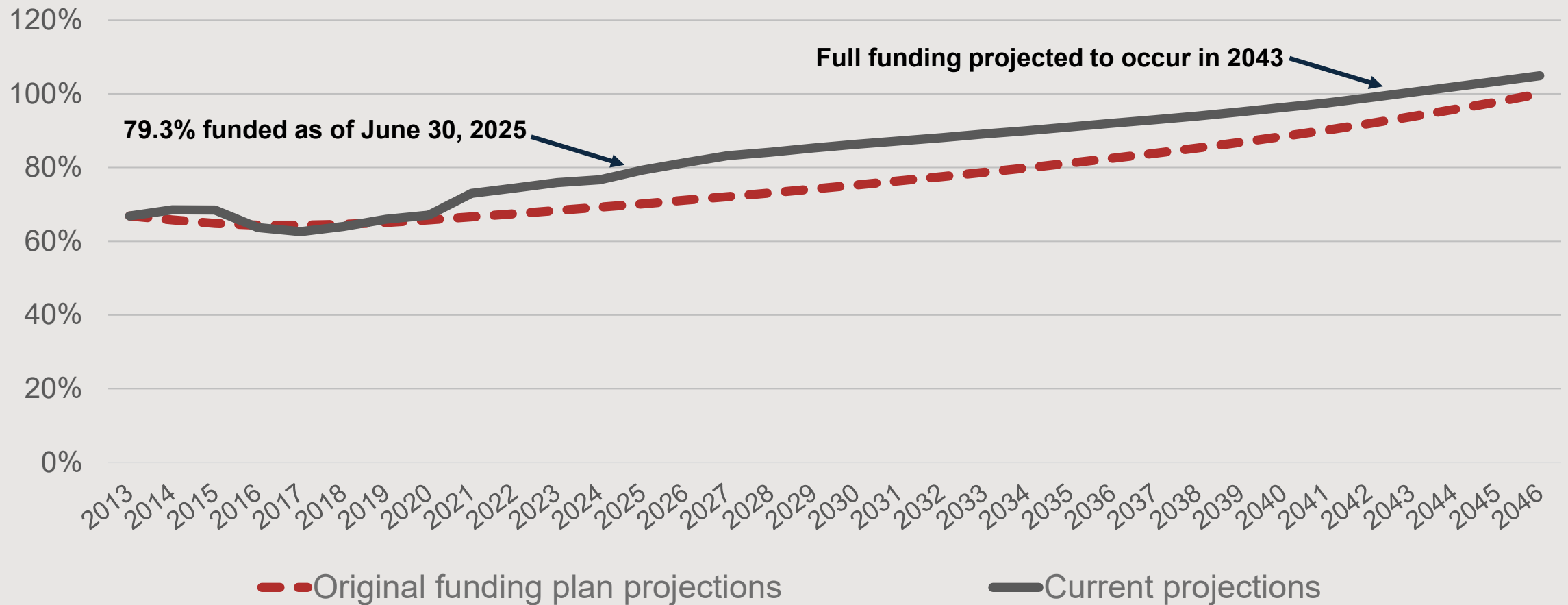


# Improving funded levels

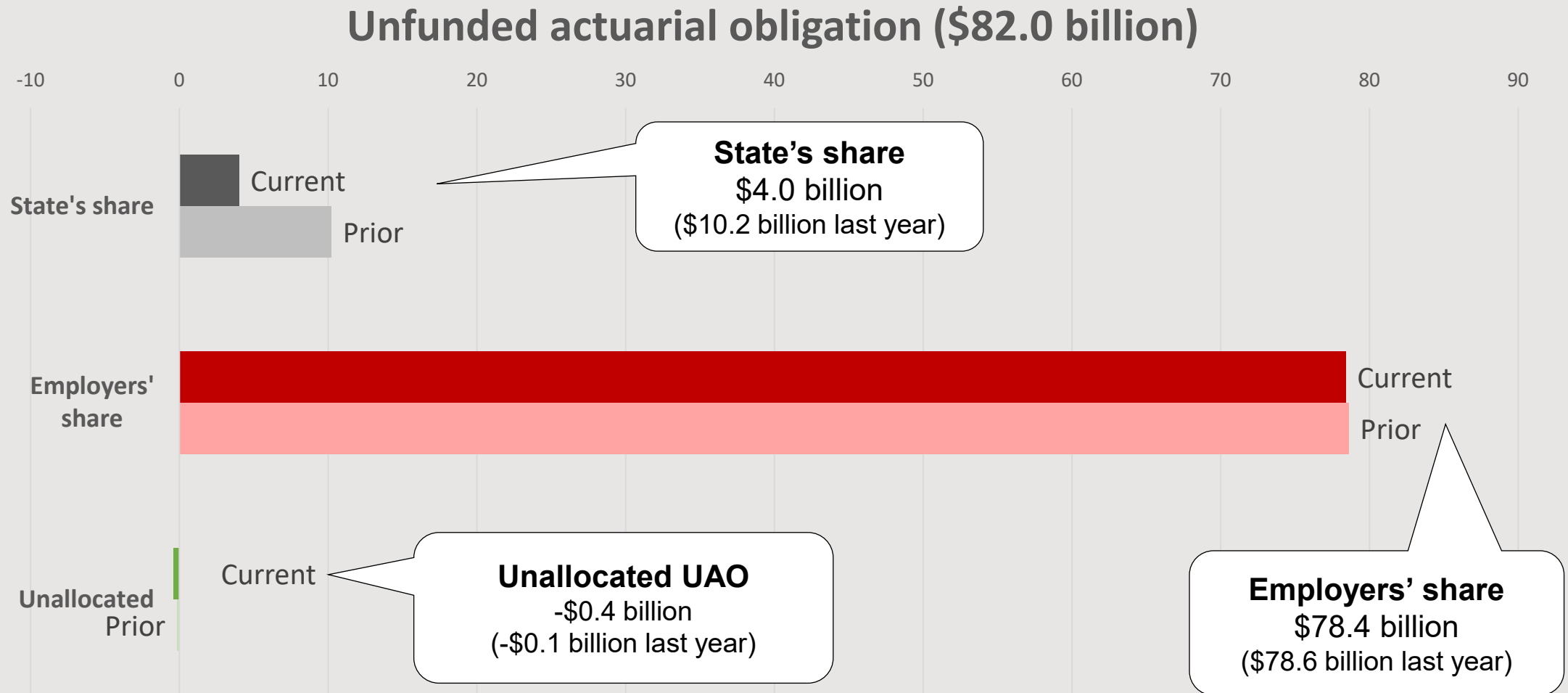


# Projected funded status

(Assumes 7% investment return each year into the future and 3.25% payroll growth)



# Breakdown of the Unfunded Actuarial Obligation



# Are contribution rate increases needed?

(Assumes 7% investment return each year into the future and 3.25% payroll growth)

	Current contribution rate	Rate increase needed for FY 2026-27?	Year share is projected to be eliminated if rate remains unchanged <sup>2</sup>
State <sup>1</sup>	10.828%	No	2026
Employers	19.10%	No	2043

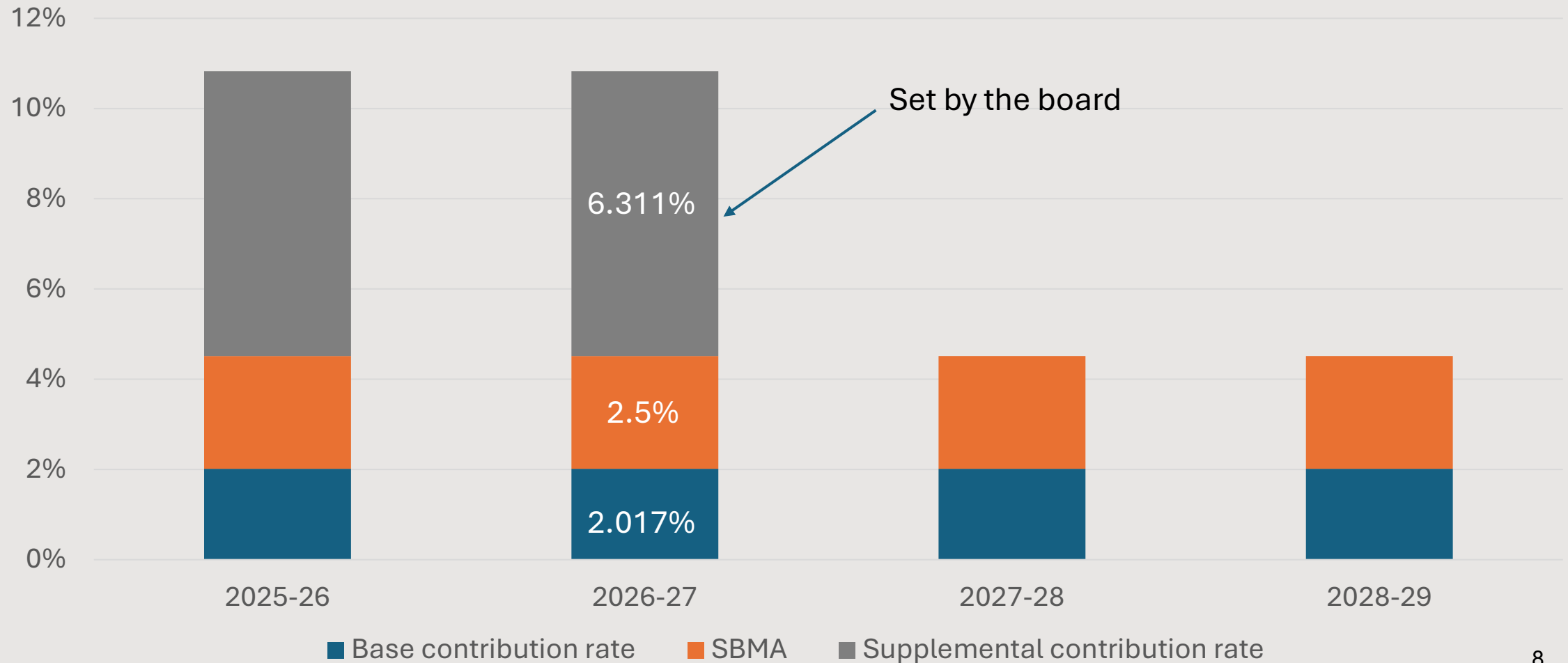
**Notes:**

1- The state contribution rate includes the 2.5% of payroll the state contributes to SBMA, CalSTRS inflation protection program.

2- Assumes 7% investment return each year into the future and 3.25% payroll growth.

# Projected state contribution rate

(Assumes 7% investment return each year into the future and 3.25% payroll growth)



# Impact of investment performance on future state contribution rate



# Recommendation for board adoption

	Effective July 1, 2026
State Supplemental Contribution rate	6.311%
Employer Supplemental Contribution rate	10.850%
Normal cost for 2% at 62 members	18.393%

Total contribution rate will remain at 10.828% for the state and 19.1% for the employers.

# Questions?

