

**SOUTH PLACER MUNICIPAL UTILITY DISTRICT POLICIES**

<b>Policy Name:</b>	<b>2576 – FUNDING OF CALPERS UNFUNDED ACTUARIAL LIABILITY</b>		
<b>Approval Authority:</b>	SPMUD BOARD OF DIRECTORS	<b>Adopted:</b>	09/07/17
<b>Resolution No.</b>	17-30	<b>Revised:</b>	

**PURPOSE**

This policy establishes a funding strategy for the unfunded accrued liability (UAL) allocated to the District by CalPERS due to underfunding or pension fund losses.

**POLICY STATEMENT**

Section 1. General

Chapter 5 of the Municipal Utility District Act provides that the Board of Directors may establish, administer, and fund a retirement system for the District. It is the Policy of the Board of Directors to fund, in full, the unfunded accrued liabilities UAL allocated to the District by adopting a retrospective theory of funding. Furthermore, in accordance with Government Accounting Standards Board (GASB) Statement No. 68 the District must recognize this UAL and establish standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures.

Section 2. CalPERS Payment of the UAL

The District shall secure reports periodically issued by CalPERS or other actuarial qualified to prepare such a report, documenting the District’s share of the pension fund’s UAL. The Board of Directors establishes this policy for payment of the UAL over a 20-year amortization schedule recommended by CALPERS.

Section 3. Prepayment of the UAL balance

Nothing in this policy shall prevent the District, at the sole discretion of the Board of Directors, from prepayment of the outstanding balance of the UAL allocated to the District.