

California Actuarial Advisory Panel

**Minutes of
September 28, 2012**

**Locations:
State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814**

1. Call to Order

Chair Milligan called the meeting to order at 9:30 AM and called the roll.

Present: Sacramento: Alan Milligan, John Bartel, Graham Schmidt, Leslie Finertie, Paul Angelo

Nick Collier, Principal and Consulting Actuary, Milliman, was present as CalSTRS designated representative, to replace Rick Reed. However, the formal letter was not yet provided, and he was not given the oath of office during the meeting. Mr. Collier participated as a member of the public.

Absent: Harold Loeb

SCO Staff: Lindsey Ross, Administrative Analyst
Shawn Silva, Staff Counsel
Scott Taylor, Fiscal Analyst

2. Approval of Minutes of the August 24, 2012 Meeting

Mr. Bartel moved and Mr. Schmidt seconded to approve the minutes of the August 24, 2012 meeting without amendment. **The motion passed 5-0.**

3. Work Plan

The Panel changed Work Plan Item #13 to read "Review and comment on issues related to AB 340." The Panel split the working group into two work groups, the first a Non-PERS/STRS Work Group of Mr. Schmidt, Mr. Angelo, and Mr. Bartel. The second work group, a PERS/STRS Work Group of Mr. Milligan, Mr. Collier, and Mr. Bartel.

4. Current Legislation

This item was tabled for further discussion later in the meeting.

5. Next Meeting

The Panel changed the next meeting date to November 5, 2012, from 10:30 AM to 4:00 PM and requested that staff schedule the following meeting for December 19, 2012, at 9:30 AM to 3:30 PM.

6. Defining the Range of Model Funding Policies and Practices Working Group Update

Mr. Angelo updated the Panel on the Working Group's progress on responses received, and expected an expanded discussion of scope and applicability at the next meeting.

A member of the public asked for clarification of AB 340's treatment (amortization) of surplus.

7. Society of Actuaries (SOA) Research Project – Call for Essays

Mr. Schmidt and Mr. Angelo updated the Panel on the SOA symposium.

8. Gain sharing including disclosure, funding, and statutory issues.

Mr. Schmidt briefed the Panel on the Working Group's progress.

9. Developing Pricing and Disclosure Standards For Public Sector Benefit Improvements Working Group Update

Ms. Finertie briefed the Panel on the Working Group's progress.

Mr. Milligan called for a break in the meeting at 10:35 AM and resumed the meeting at 10:51 AM.

4. Current Legislation

The Panel returned to Agenda Item #4. The Panel discussed AB 340 and identified several issues to be addressed by the Working Groups to put in a formal CAAP response. The Panel decided to call a full CAAP meeting on October 12, 2012 to discuss and finalize the AB 340 document. This meeting will be in addition to the November and December meetings.

Members of the public were invited to join the general discussion.

Mr. Milligan called for a break in the meeting at 11:55 AM and resumed the meeting at 12:30 PM.

The Panel continued to discuss AB 340.

10. Public Comment

There was no additional public comment.

11. Adjournment

Mr. Schmidt moved and Mr. Angelo seconded to adjourn the meeting. **The motion passed 5-0, and the Panel adjourned at 2:13 PM.**

DRAFT