

# CalPERS looks to cut financial risk

By Melody Petersen, Los Angeles Times

California taxpayers have never paid more for public worker pensions, but it's still not enough to cover the rising number of retirement checks written by the state's largest pension plan.

Even before the stock market's recent fall, staffers at the California Public Employees' Retirement System were worried about what they call "negative cash flows."

The shortfalls – which totaled \$5 billion last year – are created when contributions from taxpayers and public employees who are still working aren't enough to cover monthly checks sent to retirees.

To make up the difference, CalPERS must liquidate investments.

Because the more conservative investments are expected to reduce CalPERS' future financial returns, taxpayers would have to pick up even more of the cost of workers' pensions.

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