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## Circular Letter

April 16, 2015

TO: **STATE EMPLOYERS**

SUBJECT: **2015-16 STATE EMPLOYER CONTRIBUTION RATES**

The purpose of this Circular Letter is to inform you of the following employer contribution rates that were approved by the California Public Employees' Retirement System's (CalPERS) Board of Administration on April 15, 2015. These rates become effective with the first payroll period that ends in July 2015 and is in effect for the 2015-16 Fiscal Year:

| <b><u>MEMBER CATEGORY</u></b>          | <b><u>EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COMPENSATION</u></b> |
|--|---|
| State Miscellaneous Member First Tier  | 25.068%   |
| State Miscellaneous Member Second Tier | 24.389%   |
| State Industrial Member                | 17.775%   |
| State Safety Member                    | 18.082%   |
| California Highway Patrol Member       | 45.406%   |
| Peace Officer/Firefighter Member       | 37.338%   |

The employer contribution rate will continue to vary annually. The California State Legislature may adopt higher contribution rates than the ones in the table above, to redirect savings resulting from increases in member contribution rates for various state members that became effective July 1, 2013, July 1, 2014 and July 1, 2015. Government Code section 20683.2(c) of the Public Employees' Retirement Law specifies that the "savings realized by the state employer as a result of the employee contribution rate increases required by this section shall be allocated to any unfunded liability, subject to appropriation in the annual Budget Act." The Legislature adopted the increased rates for 2014-15, and it is anticipated that the Legislature will also adopt them for 2015-16.

The rates that include the additional contribution are located in the table below:

| <b>Member Category</b>                 | <b>Actuarially Required Employer Contribution for 2015-16</b> | <b>Additional Statutory Contribution to Offset Increased Member Contributions</b> | <b>Total Contribution 2015-16</b> |
|--|---|---|-----------------------------------|
| State Miscellaneous Member First Tier  | 25.068%   | 0.082%  | 25.150%                           |
| State Miscellaneous Member Second Tier | 24.389%   | 0.889%  | 25.278%                           |
| State Industrial Member                | 17.775%   | 0.881%  | 18.656%                           |
| State Safety Member                    | 18.082%   | 1.182%  | 19.264%                           |
| California Highway Patrol Member       | 45.406%   | 1.319%  | 46.725%                           |
| Peace Officer/Firefighter Member       | 37.338%   | 1.647%  | 38.985%                           |

Note that in the event that a state budget is not passed by July 1, 2015, the actuarially required contribution rates set by the CalPERS Board will remain in effect.

Additional information is in the Finance and Administration Committee Agenda item dated April 14, 2015, item 8b. This can be found at [www.calpers.ca.gov](http://www.calpers.ca.gov) under About CalPERS, Board & Committee Meetings, Meeting Agendas. Further, the complete actuarial valuation report with additional information about how rates could change beyond the 2015-16 fiscal year is expected to be available on the CalPERS website this summer.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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Chief Actuary