



California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (or **888-225-7377**)
TTY: (877) 249-7442
www.calpers.ca.gov

Reference No.:
Circular Letter No.: 200-024-14
Distribution: IV, V, X
Special:

Circular Letter

May 15, 2014

TO: **STATE EMPLOYERS**

SUBJECT: **2014/15 STATE EMPLOYER CONTRIBUTION RATES**

The purpose of this Circular Letter is to inform you of the following employer contribution rates in respect of pension benefits that were approved by the California Public Employees' Retirement System's (CalPERS) Board of Administration on April 16, 2014. These rates become effective with the first payroll period that ends in July 2014 and is in effect for the 2014/15 fiscal year:

<u>MEMBER CATEGORY</u>	<u>EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COMPENSATION</u>
State Miscellaneous Member First Tier	24.198%
State Miscellaneous Member Second Tier	23.510%
State Industrial Member	17.286%
State Safety Member	18.156%
California Highway Patrol Member	42.175%
Peace Officer/Firefighter Member	35.180%

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 and July 1, 2014. 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 2013-14, and it is anticipated that the Legislature will also adopt them for 2014-15.

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

Member Category	Actuarially Required Employer Contribution for 2014-15	Additional Statutory Contribution to Offset Increased Member Contributions	Total Contribution 2014-15
State Miscellaneous Member First Tier	24.198%	0.082%	24.280%
State Miscellaneous Member Second Tier	23.510%	0.727%	24.237%
State Industrial Member	17.286%	0.848%	18.134%
State Safety Member	18.156%	1.182%	19.338%
California Highway Patrol Member	42.175%	1.319%	43.494%
Peace Officer/Firefighter Member	35.180%	1.647%	36.827%

Note that in the event that a state budget is not passed by July 1, 2014, the actuarially required contribution rates set by the CalPERS Board will remain in effect.

Additional information can be found in the agenda item that was presented to the CalPERS Board. This can be found at www.calpers.ca.gov. Further, the complete actuarial valuation report with additional information about how rates could change beyond the 2014/15 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**).

ALAN MILLIGAN
Chief Actuary