

## ATTACHMENT 6



### NORMAL COST CHART State Only

The Normal Cost is determined using the Entry Age Cost method. Some important features of this method are that the costs are dependent upon a member's entry age in the plan and benefit level of the plan. In general the lower the entry age the lower the total normal cost.

Note that future costs may vary as the entry age of the members change.  
FAC means Final Average Compensation.

	STATE PLANS	TOTAL NORMAL COST	EMPLOYEE CONTRIBUTION <sup>2</sup>	Range of Breakpoints <sup>3</sup>	Average Effective Member Rate <sup>4</sup>	Employer Normal Cost
P	State Miscellaneous (Including CSU) - 2% @ 62	12.9%	6% - 11%	\$317 - \$513	6.3%	6.6%
E	State Industrial - 2% @ 62	15.4%	6% - 11%	\$317 - \$513	7.7%	7.7%
P	State Safety - 2% @ 57	18.2%	11%	\$317	10.3%	7.9%
R	POFF (90% of current members) - 2.5% @ 57	22.1%	11% - 13%	\$238 - \$863	10.2%	11.9%
A	POFF (10% of current members) - 2.7% @ 57	23.3%	13%	\$863	11.9%	11.4%
	CHP - 2.7% @ 57	21.2%	11.5%	\$863	9.6%	11.6%
C	State Miscellaneous - 2% @ 60 & 3 Year FAC	15.2%	5% - 11%	\$317 - \$513	6.1%	9.1%
L	State Miscellaneous - 2% @ 55 <sup>1</sup>	15.7%	5% - 11%	\$317 - \$513	6.6%	9.1%
A	State Industrial - 2% @ 60 & 3 Year FAC	17.0%	5% - 11%	\$317 - \$513	8.0%	9.0%
S	State Industrial - 2% @ 55 <sup>1</sup>	18.7%	5% - 11%	\$317 - \$513	7.9%	10.8%
S	State Safety - 2% @ 55 & 3 Year FAC	18.9%	11%	\$317	10.3%	8.6%
I	State Safety - 2.5% @ 60 & 3 Year FAC	20.1%	11%	\$317	10.5%	9.6%
C	State Safety - 2.5% @ 55 <sup>1</sup>	22.9%	11%	\$317	10.5%	12.4%
	State POFF - 2.5% @ 55 & 3 Year FAC	25.4%	8% - 13%	\$238 - \$863	10.6%	14.8%
	State POFF - 3% @ 55 & 3 Year FAC	29.2%	8% - 13%	\$238 - \$863	11.0%	18.2%
	State POFF - 3% @ 50 <sup>1</sup>	28.1%	8% - 13%	\$238 - \$863	11.5%	16.6%
	CHP - 3% @ 55 & 3 Year FAC	26.3%	11.5%	\$863	10.0%	16.3%
	CHP - 3% @ 50 <sup>1</sup>	26.6%	11.5%	\$863	10.4%	16.2%
	State Miscellaneous - 2nd Tier	11.4%	3.75%	-	3.75%	7.7%

**Notes:**

- 1- For State plans, most current employees have benefits based on a final one year compensation period while new hires' benefits are based on a final three compensation period.
- 2- Employee contribution rates are based on rates in effect during Fiscal Year 2015-16.
- 3- Employees only make contributions to the pension plan based on salaries earned above the breakpoint.
- 4- The average effective member rate was calculated based on data as of June 30, 2014 and is reflective of the breakpoint and the different contribution rates paid by members within the same plans. For example, a member earning \$6,000 a month with an 8% contribution rate and a breakpoint of \$513 will pay \$438.96 and have an effective contribution rate of 7.316% of salary. This is calculated as  $(\$6,000 - \$513) * 8\%$  divided by \$6,000.