

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.

As of the June 30, 2016 valuation

State Plans	Total Normal Cost	Employee Contribution ²	Range of Breakpoints ³	Average Effective Member Rate ^{4, 5}	Employer Normal Cost	
P E P R A	State Miscellaneous (Including CSU) - 2% @ 62	14.4%	6% - 11%	\$317 - \$513	6.9%	7.5%
	State Miscellaneous - 2nd Tier 2% @ 62 ⁵	12.8%	3.75%	\$0	3.4%	9.4%
	State Industrial - 2% @ 62	15.7%	6% - 11%	\$317 - \$513	7.8%	7.9%
	State Safety - 2% @ 57	17.9%	11%	\$317	10.3%	7.6%
	POFF (90% of current members) - 2.5% @ 57	22.5%	11% - 13%	\$238 - \$863	10.5%	12.0%
	POFF (10% of current members) - 2.7% @ 57	23.6%	13%	\$863	9.6%	14.0%
	CHP - 2.7% @ 57	21.8%	11.5%	\$863	10.0%	11.8%
C L A S S I C	State Miscellaneous - 2% @ 60 & 3 Year FAC	15.5%	5% - 11%	\$317 - \$513	6.6%	8.9%
	State Miscellaneous - 2% @ 55 ¹	16.1%	5% - 11%	\$317 - \$513	6.8%	9.3%
	State Miscellaneous - 2nd Tier 2% @ 55 ⁵	12.2%	3.75%	\$0	3.4%	8.8%
	State Industrial - 2% @ 60 & 3 Year FAC	17.3%	5% - 11%	\$317 - \$513	8.2%	9.1%
	State Industrial - 2% @ 55 ¹	19.1%	5% - 11%	\$317 - \$513	8.0%	11.1%
	State Industrial - 2nd Tier 2% @ 55 ⁵	14.7%	3.75%	\$0	3.3%	11.4%
	State Safety - 2% @ 55 & 3 Year FAC	19.3%	11%	\$317	10.4%	8.9%
	State Safety - 2.5% @ 60 & 3 Year FAC	20.9%	11%	\$317	10.6%	10.3%
	State Safety - 2.5% @ 55 ¹	23.3%	11%	\$317	10.5%	12.8%
	State POFF - 2.5% @ 55 & 3 Year FAC	26.8%	8% - 13%	\$238 - \$863	10.8%	16.0%
	State POFF - 3% @ 55 & 3 Year FAC	29.2%	8% - 13%	\$238 - \$863	10.7%	18.5%
	State POFF - 3% @ 50 ¹	28.7%	8% - 13%	\$238 - \$863	11.4%	17.3%
	CHP - 3% @ 55 & 3 Year FAC	27.1%	11.5%	\$863	10.3%	16.8%
	CHP - 3% @ 50 ¹	27.5%	11.5%	\$863	10.5%	17.0%
B L E N D E D	State Miscellaneous	15.732%	3.75% - 11%	\$0 - \$513	6.8%	9.0%
	State Industrial	18.235%	3.75% - 11%	\$0 - \$513	7.9%	10.4%
	State Safety	21.870%	11%	\$317	10.4%	11.4%
	POFF	27.917%	8% - 13%	\$238 - \$863	11.3%	16.6%
	CHP	27.214%	11.5%	\$863	10.5%	16.8%

(1) 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 at the valuation date.

(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, 2016 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 percent contribution rate and a breakpoint of \$513 will pay \$438.96 and have an effective contribution rate of 7.316 percent of salary. This is calculated as $(\$6,000 - \$513) * 8\%$ divided by \$6,000.

(5) Reflects the Total Normal cost assuming conversion to Tier 1 benefits for members with Tier 2 service.