

## DEVELOPMENT OF MEMBER CONTRIBUTION RATES FOR STATE BARGAINING UNITS 9, 10, AND 16

Pursuant to Government Code Sections 20683.4 through 20683.72, Members of State Bargaining Units 9, 10, and 16 are required to contribute at least 50 percent of the total annual normal cost of their pension benefit. The total normal cost is remeasured annually as part of the actuarial valuation. If the total normal cost of the category changes<sup>1</sup> by one percent or more from the total normal cost determined as of June 30, 2015, the new member rate shall be 50 percent of the new normal cost rounded to the nearest quarter percent. Subsequently, if the total normal cost of the category changes<sup>1</sup> by one percent or more from the basis at that time, the new member rate shall be 50 percent of the new normal cost rounded to the nearest quarter percent.

The table below shows the determination of the Member contribution rates based on 50 percent of the Total Normal Cost for each respective plan on June 30, 2018.

	Basis for Current Rate (June 30, 2015)		Rates Effective July 1, 2019			
	Total Normal Cost	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
<b>BU 9</b>						
State Miscellaneous <sup>2</sup>	15.48%	8.0%	16.88%	1.40%	Yes	8.5%
State Industrial <sup>2</sup>	18.02%	9.0%	18.26%	0.24%	No	9.0%
State Safety	21.73%	11.0%	23.19%	1.46%	Yes	11.5%
<b>BU 10</b>						
State Miscellaneous <sup>2</sup>	15.48%	8.0%	16.88%	1.40%	Yes	8.5%
State Industrial <sup>2</sup>	18.02%	9.0%	18.26%	0.24%	No	9.0%
State Safety	21.73%	11.0%	23.19%	1.46%	Yes	11.5%
<b>BU 16</b>						
State Miscellaneous <sup>2</sup>	15.48%	10.0%	16.88%	1.40%	No	10.0%
State Industrial <sup>2</sup>	18.02%	10.0%	18.26%	0.24%	No	10.0%
State Safety	21.73%	11.0%	23.19%	1.46%	Yes	11.5%

(1) For BU 9, the member rate will be adjusted only if the Total Normal Cost increases by one percent or more and the annual increase in member rate is limited to 0.5 percent. For BU 10, the member rate will be adjusted if the Total Normal Cost increases or decreases by one percent or more and the annual change in member rate is limited to 1.0 percent. For BU 16, the member rate will initially be adjusted if the Total Normal Cost increases by one percent or more; subsequently, the member rate will be adjusted if the Total Normal Cost increases or decreases by one percent or more.

(2) The member rate shown here is for a member who participates in Social Security. If there are any members of these groups who do not participate in Social Security, the Member Rate is currently 1 percent higher than the rate shown here.