

MEMBER CONTRIBUTION RATES FOR STATE BARGAINING UNITS 5, 9, 10, AND 16

Pursuant to Government Code section 20683, members of State Bargaining Units 5, 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. Initially, if the total normal cost of the category changes¹ 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 changes¹ 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 effective July 1, 2020 based on 50 percent of the total normal cost for each respective plan as of June 30, 2019. For State Bargaining Unit 9, these cost sharing provisions expire June 30, 2020 and member rates will revert on July 1, 2020 to previous levels as shown below.

	Basis for Current Rate			Rates Effective July 1, 2020			
	Total Normal Cost	Actuarial Valuation Date	Member Rate	Total Normal Cost	Change	Change Needed	Member Rate
BU 5							
State Miscellaneous ²	15.48%	6/30/2015	8.00%	16.68%	1.20%	Yes	8.25%
California Highway Patrol	26.45%	6/30/2015	11.50%	29.57%	3.12%	Yes	12.50% ³
BU 9							
State Miscellaneous ²	16.88%	6/30/2018	8.50%	N/A	N/A	Yes	8.00%
State Industrial ²	18.02%	6/30/2015	9.00%	N/A	N/A	No	9.00%
State Safety	23.19%	6/30/2018	11.50%	N/A	N/A	Yes	11.00%
BU 10							
State Miscellaneous ²	16.88%	6/30/2018	8.50%	16.68%	(0.20%)	No	8.50%
State Industrial ²	18.02%	6/30/2015	9.00%	18.13%	0.11%	No	9.00%
State Safety	23.19%	6/30/2018	11.50%	22.90%	(0.29%)	No	11.50%
BU 16							
State Miscellaneous ²	15.48%	6/30/2015	10.00%	16.68%	1.20%	No	10.00%
State Industrial ²	18.02%	6/30/2015	10.00%	18.13%	0.11%	No	10.00%
State Safety	23.19%	6/30/2018	11.50%	22.90%	(0.29%)	No	11.50%

(1) Provisions by Bargaining Unit:

- BU 5: 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.
- BU 9: 50 percent of normal cost sharing expires June 30, 2020. Member rates will revert on July 1, 2020 to previous levels as shown above.
- 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.
- 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. The member rate for members of these groups who do not participate in Social Security is currently 1 percent higher than the rate shown here.

(3) Assuming the Total Normal Cost does not increase or decrease by one percent or more from 29.57 percent in the upcoming valuations, the member rate is scheduled to increase to 13.50 percent effective July 1, 2021, 14.50 percent effective July 1, 2022, and 14.75 percent effective July 1, 2023.