Revised State Employer and Employee Contribution Rates

Finance & Administration Committee
September 14, 2021
Overview

• Actuarial valuation date – **June 30, 2020**
  - Determines required employer/employee contributions for FY 2021-22

• Rates have changed from what was approved in April 2021
  - Member contribution rates have been renegotiated with California Department of Human Resources (CalHR)
Significant Events Since April 2021 Board Meeting

• Changes to member contribution rates for certain groups
  - Bargaining Unit 5 has initiated their agreement to contribute 50% of the normal cost rate
  - Bargaining Unit 9 has reinstated their agreement to contribute 50% of the normal cost rate
Revised Employer Rates

<table>
<thead>
<tr>
<th></th>
<th>Original Rate (Approved by Board April 2021)</th>
<th>Impact of Increased Member Contributions</th>
<th>Revised Total Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Miscellaneous</td>
<td>29.18%</td>
<td>(0.06%)</td>
<td>29.12%</td>
</tr>
<tr>
<td>California Highway Patrol</td>
<td>62.39%</td>
<td>(0.93%)</td>
<td>61.46%</td>
</tr>
</tbody>
</table>
## Total FY 2021-22 Contributions by Plan

<table>
<thead>
<tr>
<th>Plan</th>
<th>Revised Total Employer Contribution for FY 2021-22</th>
<th>Additional Statutory Contribution to Offset Increased Member Contributions</th>
<th>Final Total Contribution FY 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Miscellaneous</td>
<td>29.12%</td>
<td>0.10%</td>
<td>29.22%</td>
</tr>
<tr>
<td>California Highway Patrol</td>
<td>61.46%</td>
<td>1.32%</td>
<td>62.78%</td>
</tr>
</tbody>
</table>
Member Contributions – Bargaining Units 5 and 9

• Provisions vary slightly by BU
• Member contributions effective July 1, 2021:
  - Patrol members in BU 5: increase from 11.50% to 12.50%
  - Miscellaneous members in BU 5: increase from 8.00% to 8.25%
  - Miscellaneous members in BU 9: increase from 8.00% to 8.50%
  - Safety members in BU 9: increase from 11.00% to 11.50%