



California Public Employees' Retirement System  
P.O. Box 942709  
Sacramento, CA 94229-2709  
**(888) CalPERS** (or 888-225-7377)  
TTY: (877) 249-7442  
[www.calpers.ca.gov](http://www.calpers.ca.gov)

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## Circular Letter

July 11, 2012

**TO: ALL STATE EMPLOYERS**

**SUBJECT: REVISED 2012/2013 STATE EMPLOYER CONTRIBUTION RATES**

The purpose of this Circular Letter is to inform you of a revised rate for State employers for the 2012-2013 fiscal year.

On May 6, 2012, the CalPERS Board approved the minimum required contribution rate for State employers for fiscal year 2012-2013. The rates adopted by the CalPERS Board used a phase-in approach to mitigate the impact of the change in price inflation and discount rate assumptions approved by the Board earlier this year. The CalPERS Board stated at the May meeting that the rates it approved were the minimum required rates and that the State could choose to contribute higher rates if it preferred not to phase-in the impact of the assumption changes.

In June, the Governor signed the budget approved by the California State Legislature. As part of the budget, the State legislature approved employer contribution rates to CalPERS that were higher than those adopted by the Board earlier this year. These contribution rates reflect the full cost impact of the change in actuarial assumptions instead of the two-year phase-in adopted by the Board. Below is a table comparing the minimum employer contribution rates adopted by the CalPERS Board on May 16, 2012 and the employer contribution rates approved by the Legislature in June 2012.

Member Category	Minimum Contribution Rate Approved by the CalPERS Board	Employer Contribution Rate Adopted by the State Legislature
State Miscellaneous Member First Tier	19.651%	20.503%
State Miscellaneous Member Second Tier	19.605%	20.457%
State Industrial Member	15.773%	16.302%
State Safety Member	17.052%	17.503%
California Highway Patrol Member	32.474%	33.728%
Peace Officer/Firefighter Member	29.186%	30.297%

CalPERS will implement the higher rates approved by the Legislature. The employer contribution rates adopted by the Legislature become effective with the first payroll period that ends in July 2012.

The employer contribution rates will continue to vary annually. For additional information, visit CalPERS On-Line at [www.calpers.ca.gov](http://www.calpers.ca.gov).

If you have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

ALAN MILLIGAN  
Chief Actuary