



California Public Employees' Retirement System  
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## Actuarial

# Circular Letter

May 18, 2018

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**To:** All School Employers  
**Subject:** 2018-19 School Employer and Employee Contribution Rates

### Purpose

The purpose of this Circular Letter is to inform you of the following employer and employee pension contribution rates approved by the CalPERS Board of Administration on April 17, 2018. These rates become effective with the first payroll period that ends in July 2018 and are in effect for fiscal year (FY) 2018-19.

### Employer Contribution

The Employer contribution rate for FY 2018-19 will be 18.062 percent. The employer contribution rate will continue to vary annually and is expected to increase as the impact of lowering the discount rate assumption is phased-in.

### Employee (Member) Contributions

With the enactment of the California Public Employees' Pension Reform Act (PEPRA), PEPRA members are required to contribute at least 50 percent of the total annual normal cost of their pension benefit. PEPRA contains a provision that states when the total normal cost changes by more than 1 percent of the payroll, the member contribution rate must be adjusted to half of the new normal cost. For FY 2018-19, the total normal cost for PEPRA school members has changed by more than 1 percent of payroll from the base total normal cost. As a result, the member contribution rate for PEPRA members is set to 7.0 percent. Classic members will continue to contribute 7.0 percent of reportable compensation.

Additional information can be found on the CalPERS website in [Agenda Item 7b](#) from the Finance & Administration Committee meeting held on April 17, 2018. The complete actuarial valuation report is expected to be available on the CalPERS website this summer.

## **Questions**

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

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