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# Actuarial Circular Letter

October 9, 2020 Circular Letter: 200-049-20 Distribution: IV, V, X

To:State Employers, Agricultural Districts, and State Colleges and UniversitiesSubject:2020-21 California Highway Patrol Employer and Employee Contribution Rates

#### Purpose

The purpose of this Circular Letter is to inform you of the employer and employee pension contribution rates for Patrol Members for the 2020-21 fiscal year approved by the CalPERS Board of Administration (the board) on September 16, 2020.

### **Employer Contributions for Highway Patrol Members**

The employer contribution rate initially adopted by the board in April 2020 anticipated a 1% increase in the member contribution rate, effective July 1, 2020. As a result of collective bargaining, this increase has been suspended, which necessitates an increase in the required employer contribution rate as shown below.

	Employer Contribution Rate
Original Employer Rate (adopted April 2020)	58.84%
Change due to change in Member Rate	0.92%
Revised Employer Rate	59.76%
Additional Statutory Contribution (20683.2)	1.32%
Final Employer Contribution Rate	61.08%

# Member Contribution Rate for State Bargaining Unit 5

Pursuant to Government Code section 20683.9, members of state Bargaining Unit 5 are required to contribute at least 50% of the total annual normal cost of their pension benefit. When originally adopted, the statute limited the annual increase in the member rate to 1% per year, which would have meant an increase in the member rate of 1%, effective July 1, 2020. The increase has been suspended, and the member rate will remain at 11.50% for the 2020-21 fiscal year.

Bargaining Unit 5	<b>Basis Valuation Date</b>	Total Normal Cost	Member Rate
California Highway Patrol	6/30/15	26.45%	11.50%

The member rate established applies to compensation in excess of \$863 per month.

# Additional Information

More information can be found on the CalPERS website in the Finance & Administration Committee meeting, agenda <u>item 6a (PDF)</u> on September 15, 2020. The complete State Actuarial Valuation as of June 30, 2019 is expected to be available on the CalPERS website this fall.

#### Questions

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

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