



California Public Employees' Retirement System
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Actuarial Circular Letter

June 18, 2021

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To: All School Employers
Subject: School Employer and Employee Contribution Rates for Fiscal Year 2021-22

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 20, 2021. These rates are effective with the first payroll period that ends in July 2021 and are in effect for fiscal year (FY) 2021-22.

Employer Contribution

The employer contribution rate for FY 2021-22 will be 22.91%. This reflects a \$330 million supplanting payment associated with the State of California's supplemental contribution under Government Code section 20825.2, which reduced the FY 2021-22 employer rate by 2.16%.

Employee (Member) Contributions

With the enactment of the California Public Employees' Pension Reform Act (PEPRA), PEPRA members are required to contribute at least 50% of the total normal cost rate of their pension benefit. PEPRA contains a provision that states when the total normal cost rate changes by more than 1% of payroll, the member contribution rate must be adjusted to half of the new normal cost rate. For FY 2021-22, the total normal cost rate for PEPRA school members has not changed by more than 1% of payroll since the last member rate adjustment. As a result, the member contribution rate for PEPRA members will remain at 7.00%. The member contribution rate for Classic members is set by statute and will also remain at 7.00%.

Additional information can be found on the CalPERS website in [Agenda Item 6d \(PDF\)](#) from the Finance & Administration Committee meeting held on April 19, 2021. The complete actuarial valuation report is expected to be available on the CalPERS website later this year.

Questions

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

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