



California Public Employees' Retirement System
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Actuarial Circular Letter

September 9, 2021

Circular Letter: 200-053-21

Distribution: IV, V, X

To: State Employers, Agricultural Districts, and State Colleges and Universities
Subject: 2021-22 Revised Employee and Proposed Employer Contribution Rates

Purpose

The purpose of this Circular Letter is to inform you of the following revised state employee pension contribution rates and proposed state employer contribution rates for the 2021-22 fiscal year, which will be presented to the CalPERS Board of Administration (board) in September 2021.

Member Contribution Rates for State Bargaining Units 5 and 9

Pursuant to Government Code sections 20683.6 through 20683.62 and 20683.9 through 20683.91, members of state Bargaining Units 5 and 9 are required to contribute at least 50% of the total annual normal cost of their pension benefit. For Bargaining Unit 5, member rates are based on the current total normal cost rates. For Bargaining Unit 9, member rates are returning, for one year, to the level established prior to the July 1, 2020 expiration of the normal cost-based cost sharing agreement.

Provisions further vary by bargaining unit. More information can be found on the CalHR website under [Bargaining/Contracts](#).

The tables below show the determination of the member contribution rates based on 50% of the total normal cost for each rate plan.

Rates Effective July 1, 2021

| Bargaining Unit 5 | Basis for Current Rate | | | Rates Effective July 1, 2021 | | | |
|--|-------------------------------|-----------------------------|--------------------|-------------------------------------|---------------|----------------------|--------------------|
| | Total Normal Cost | Basis Valuation Date | Member Rate | Total Normal Cost | Change | Change Needed | Member Rate |
| State Miscellaneous ¹ | 15.48% | 6/30/15 | 8.00% | 16.48% | 1.00% | Yes | 8.25% |
| California Highway Patrol ² | 26.45% | 6/30/15 | 11.50% | 29.26% | 2.81% | Yes | 12.50% |

| Bargaining Unit 9³ | Member Rate Effective July 1, 2019 | Member Rate Effective July 1, 2020 | Member Rate Effective July 1, 2021 |
|--------------------------------------|---|---|---|
| State Miscellaneous ¹ | 8.50% | 8.00% | 8.50% |
| State Industrial ¹ | 9.00% | 9.00% | 9.00% |
| State Safety | 11.50% | 11.00% | 11.50% |

¹ The member rate shown here is for a member who participates in Social Security. The member rate is 1% higher than the rate shown here for anyone who does not participate in Social Security.

² Assuming the total normal cost does not increase or decrease by more than 1% from 29.26% in the upcoming valuations, the member rate is scheduled to increase to 13.50% effective July 1, 2022, 14.50% effective July 1, 2023, and 14.75% effective July 1, 2024.

³ The 50% of normal cost sharing expired June 30, 2020. Member rates reverted on July 1, 2020 to previous levels and are returning to fiscal year 2019-20 levels, effective July 1, 2021.

State Employer Contribution Rates

The employer contribution rates initially adopted by the board in April 2021 used the previously known member contribution rates that were to be effective July 1, 2021. As a result of collective bargaining, the member contribution rates summarized above will be higher than previously anticipated. Consistent with board policy, these changes will be reflected in the employer contribution rates as soon as possible. The employer contribution rates for fiscal year 2021-22 shown below will be presented to the board in September for adoption.

| Member Category | Actuarially Required Employer Contribution for Fiscal Year 2021-22 | Change Due to Change in Member Rate | Additional Statutory Contribution to Offset Increased Member Contributions | Total Employer Contribution for Fiscal Year 2021-22 |
|---------------------------|---|--|---|--|
| State Miscellaneous | 29.18% | (0.06%) | 0.10% | 29.22% |
| California Highway Patrol | 62.39% | (0.93%) | 1.32% | 62.78% |

Additional Information

More information can be found in [Agenda Item 6a \(PDF\)](#) on the CalPERS website in the Finance & Administration Committee meeting scheduled for September 14, 2021. The complete state actuarial valuation report 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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