

ELECTING INTO THE FIRST TIER RETIREMENT FORMULA ON A PROSPECTIVE (FUTURE) BASIS

Your decision to elect into the First Tier retirement formula for your future service will require you to have increased monthly retirement contributions deducted from your pay for all future State Miscellaneous or Industrial service. Your past Second Tier service will remain under the Second Tier retirement formula. You have the right to convert your past Second Tier service to the First Tier retirement formula at any time prior to retirement, as long as you remain a member of CalPERS.

Worksheet: Estimating First Tier Retirement Contributions

By electing the First Tier retirement formula on a *prospective* (future) basis, First Tier retirement contributions will be deducted from your paycheck effective the first day of the pay period following the date CalPERS receives your Election Document.

Your First Tier retirement contributions will be based on your monthly gross earnings, reduced by an exemption amount, and then multiplied by your contribution rate. The exemption amount depends upon whether or not you contribute to Social Security. These retirement contributions will be deducted from your monthly earnings on a tax-deferred basis.

Examples How to Calculate Your Monthly First Tier Retirement Contribution Amount			Calculate Your Monthly First Tier Retirement Contribution Amount
	Contributes to Social Security	Does not Contribute to Social Security	
1. Gross monthly earnings	\$3,000	\$3,000	\$ _____
2. Minus exemption amount (\$513 or \$317)*	<u>- \$513</u>	<u>- \$317</u>	- _____
3. Multiplied by your contribution rate*	\$2,487 <u>x .08</u>	\$2,683 <u>x .09</u>	\$ _____ x _____
4. Equals your monthly First Tier retirement contribution amount	\$198.96	\$241.47	\$ _____

***IMPORTANT:** The above chart is for illustration purposes only. The exemption amounts and contribution rates are subject to change. Please refer to your current bargaining unit agreement.