Summary of New Agency Normal Cost Rate for New Agencies

The table below can be used to estimate your employer Normal Cost Rate if you were to request a new agency valuation. Please note that this table should be used for plans with less than 100 actives members. For plans with over 100 active members, the numbers below can be used as a general guide but the final cost will ultimately depend on plan demographics. To do this follow these steps:

1. Find the base rate based on the retirement formula and fiscal year.
2. Add in the surcharge for any additional benefits you plan to offer your employees.
3. Add 1 and 2 together to get your estimated new agency valuation rate.

For example, if you the benefits offered were 2%@62 with 50% PRSA you would pay:

  7.87%+0.81% = 8.68% in fiscal year 2024-25

This summary is for informational purposes only and in NO WAY replaces the need for a valuation. If you contract for any percentage of prior service higher than 0%, there will likely be an unfunded liability. An unfunded liability contribution would be due in addition to the total you find in step 3.

The employee contribution rate depends on the benefits your agency contracts for are not disclosed in the table below. They will be determined and disclosed in the new agency valuation. To find out more about the assumptions used to determine these costs, you can refer to Section 2 of the annual valuations here.

Miscellaneous Plans	FY 2023-24	FY 2024-25
Retirement Formula	**2% at Age 62**	**2% at Age 62**
Benefit base rate	7.68%	7.87%
One Year Final Compensation	N/A	N/A
25% PRSA	0.82%	0.81%
50% PRSA	0.82%	0.81%
3% Annual COLA*	0.48%	0.45%
4% Annual COLA*	0.48%	0.45%
5% Annual COLA*	0.48%	0.45%
IDR For Local Miscellaneous Members	0.32%	0.32%
Increased IDR Allowance to 75% of Compensation	0.60%	0.53%
Employee Cost Sharing	varies	varies

∗ Surcharges for COLAs are currently identical whether you contract for 3%, 4% or 5%. This may not be the case in the future as CalPERS reviews the costs of these amendment every few years.