Date: July 26, 2013

To: Human Resources Officers
Benefits Officers

From: Evelyn Nazario
Associate Vice Chancellor
Human Resources Management & CO HR Services

Subject: Revised CSU Contribution Rates for CalPERS Retirement Coverage – Fiscal Year 2013/2014

Overview

Audience: Human Resources Officers, Benefits Officers, and/or campus designee(s) responsible for administering benefits

Action Items: None (Information only)

Affected Employee Groups/Units: All employees eligible for CalPERS retirement coverage

Summary

This technical letter announces the revised 2013/2014 CSU contribution rates for CalPERS retirement as a result of the recent passage of the “Budget Act of 2013,” (AB 110). The State Controller’s Office will implement the changes.

The California Public Employees’ Retirement System (CalPERS) Board of Administration approved the employer contribution retirement rates for fiscal year 2013/2014. The new rates were announced in CalPERS Circular Letter 200-032-13 dated June 21, 2013. Subsequent to this circular letter, the California State Legislature approved higher rates than those adopted by the CalPERS Board. The new rates are announced in the State Controller's Office (SCO) Payroll Letter #13-008, dated July 15, 2013 (Attachment A), and are effective as of the July 2013 pay period. There is no change to the employee contribution rates as previously communicated.

The CSU retirement contribution rates for employers and employees covered by the CalPERS Member Categories are listed in the table on the next page:
<table>
<thead>
<tr>
<th>Member Category</th>
<th>CSU Employee Group</th>
<th>Employer Contribution Rate for FY 2013/14</th>
<th>Member Contribution Rate for FY 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Miscellaneous – Tier 1</td>
<td>All other CSU Employees (Payroll Codes: 00, 08, 20, 2N, 2Z, 4U)</td>
<td>21.203%</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>6%</td>
</tr>
<tr>
<td>State Peace Officer/Firefighter</td>
<td>MPP Directors and Lieutenants of Public Safety (Payroll Codes: 53, 54, 3Q, 3R, 3W, 3Z)</td>
<td>31.320%</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10.5%</td>
</tr>
<tr>
<td>State Safety</td>
<td>E99 – Police Officer Intermittent, Non-represented (Class Code 8347) (Payroll Codes: 82, 83, 1M, 1U)</td>
<td>17.905%</td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9%</td>
</tr>
<tr>
<td>State Peace Officer/Firefighter</td>
<td>Unit 8 (Payroll Codes: 51, 52, 3G, 3H, 3N, 3P)</td>
<td>39.320%* or 41.820%*</td>
<td>0%**</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0%**</td>
</tr>
</tbody>
</table>

*Includes employee contribution rate currently paid by CSU. Classic Member’s rate is 8% and the New Member’s rate is 10.5%.
**Based on the current collective bargaining agreement (09/18/2012 - 06/30/2014).

CalPERS Circular Letter 200-024-13 announced the elimination of the retirement contribution offset amount for new CalPERS members (as of 1/1/2013) impacted by the Public Employees’ Pension Reform Act (PEPRA) of 2013. Additional information is forthcoming.

**Please note:** Payroll codes for retirement plans were updated in Technical Letter HR/EHDB 2012-03 and can also be found in the Personnel Information Management System (PIMS) manual at: http://www.calstate.edu/hrpims/pims/index.html.

**CMS Processing Instructions**
The CSU retirement contribution rates are used in the CMS Baseline Absence Management GAAP Reports. The system will be updated to include changes as appropriate. Additional information will be provided in a future CMS communication.

Questions regarding this technical letter may be directed to Human Resources Management at (562) 951-4411. This technical letter is also available on the Human Resources Management website at: http://www.calstate.edu/HRAdm/memos.shtml

EN/rk

Attachment
DATE: July 15, 2013

TO: All Agencies/Campuses in the Uniform State Payroll System

FROM: Lisa Crowe, Chief
Personnel/Payroll Services Division

RE: 2013/2014 RETIREMENT EMPLOYER CONTRIBUTIONS

With the recent enactment of the 2013/14 Budget Act (AB0110), the new employer retirement contribution rates are as follows:

- Miscellaneous-1st Tier 21.203%
- Miscellaneous-2nd Tier 21.355%
- State Industrial 16.446%
- State Safety 17.905%
- Highway Patrol 35.935%
- Peace Officer/Firefighter 31.320%

The 2013/14 employer retirement contribution rates were implemented with payrolls reflecting an issue date of July 9, 2013 or later.

The new employer contribution rates will be published in the next update of the Payroll Procedures Manual. If you have any questions regarding the new employer retirement contribution rates, agencies and campuses please contact the Customer Contact Center at (916) 372-7200.

LC:CJ:PMAB
Circular Letter

July 26, 2013

TO: STATE EMPLOYERS

SUBJECT: UPDATED 2013/14 STATE EMPLOYER CONTRIBUTION RATES

The purpose of this Circular Letter is to inform you of a change to state employer contribution rates. With the passage of the 2013 Budget Act, the California State Legislature adopted the following employer contribution rates for the 2013-14 fiscal year. Note that these rates are higher than the minimum required rates set by the CalPERS Board. The Legislature adopted these higher contribution rates to redirect savings that resulted from increases in member contribution rate for various State members that became effective July 1, 2013. Government Code section 20683.2(c) of the Public Employees’ Retirement Law specifies that the “savings realized by the state employer as a result of the employee contribution rate increases required by this section shall be allocated to any unfunded liability, subject to appropriation in the annual Budget Act.”

The following rates become effective with the first payroll period that ends in July 2013.

<table>
<thead>
<tr>
<th>MEMBER CATEGORY</th>
<th>EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Miscellaneous Member First Tier</td>
<td>21.203%</td>
</tr>
<tr>
<td>State Miscellaneous Member Second Tier</td>
<td>21.355%</td>
</tr>
<tr>
<td>State Industrial Member</td>
<td>16.446%</td>
</tr>
<tr>
<td>State Safety Member</td>
<td>17.905%</td>
</tr>
<tr>
<td>Peace Officer/Firefighter Member</td>
<td>31.320%</td>
</tr>
<tr>
<td>California Highway Patrol Member</td>
<td>35.935%</td>
</tr>
</tbody>
</table>

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

DAVID LAMOUREUX
Deputy Chief Actuary