

THE CALIFORNIA STATE UNIVERSITY
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Date: July 19, 2005

Code: **TECHNICAL LETTER**
HR/Benefits 2005-16

To: Human Resources Directors
Benefits Representatives

From: Cathy Robinson 
Assistant Vice Chancellor
Human Resources Administration

Subject: **1959 Survivor Benefit, Fifth Level, Premium Contribution Increase**

In May 2005, the California Public Employees' Retirement System (CalPERS) Board of Administration approved fiscal year 2005/06 premiums for the 1959 Survivor Benefit Program, Fifth Level. The total premium for this benefit has increased to \$11.30 per month per eligible California State University (CSU) employee. In accordance with Government Code (GC) 21581, the CSU contribution will be set at \$5.65 per month per eligible employee and the employee's contribution will be set at \$5.65 per month, effective July 1, 2005.

Background

Government Code Sections 21574.7 and 21581 provide survivor benefits to CalPERS members who do not have Social Security coverage and die while employed by the CSU. The benefit is intended to serve as a replacement for survivor benefits that would otherwise be provided by Social Security. GC 21581 details the cost sharing formula for the total monthly premium. In general, the law requires employees to pay \$2 per month for the benefit and the employer pays the remaining premium amount as long as the monthly premium does not exceed \$4. Once the premium exceeds \$4, a "cost-sharing" formula takes effect and the employer and employee must split the cost of the total premium.

Employee Notification and Processing Update

Campuses are responsible for notifying employees participating in this benefit of the increase in their monthly premium contributions. Employees can be identified by Retirement Account Codes (PIMS Item 505) 00, 20, 51, 52, 53 and 54.

The State Controller's Office (SCO) will make the necessary changes to ensure the premium increase is reflected on the employees' pay warrants effective with the July 2005 pay period. It is important to note that the total monthly contribution of \$5.65 will be shown as two deductions. Deduction Code 077, the current 1959 Survivor Benefit contribution deduction, will continue to reflect a \$2 monthly employee contribution. The SCO will use Deduction

Distribution:

CSU Presidents	Payroll Managers
Vice Chancellor, Human Resources	Director, SOSS
Vice Presidents, Administration	State Controller's Office

Code 078 to deduct the remaining \$3.65. It is our understanding the employer's contribution will be charged to the CSU at the end of the fiscal year.

If you have any questions, please call systemwide Human Resources at (562) 951-4411. This technical letter also is available on the Human Resources Administration's Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

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