



California Public Employees' Retirement System
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Actuarial Circular Letter

June 27, 2019

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Distribution: XII, XVI

To: All School Employers
Subject: 2019-20 School Employer and Employee Contribution Rates

Purpose

The purpose of this Circular Letter is to inform you of the following employer and employee pension contribution rates approved by the CalPERS Board of Administration on April 17, 2019 and modified by Senate Bill 90 (SB 90), which is anticipated to be signed by the Governor. This bill will add section 20825.2 to the Government (Gov.) Code. These rates become effective with the first payroll period that ends in July 2019 and are in effect for fiscal year (FY) 2019-20.

Employer Contribution

The employer contribution rate for FY 2019-20 will be 19.721 percent. This represents a reduction of 1.012 percent in the employer contribution rate due to Gov. Code section 20825.2(a) from the 20.733 percent adopted by the Board on April 17, 2019.

Employee (Member) Contributions

With the enactment of the California Public Employees' Pension Reform Act (PEPRA), PEPRA members are required to contribute at least 50 percent of the total annual normal cost of their pension benefit. PEPRA contains a provision that states when the total normal cost changes by more than 1 percent of the payroll, the member contribution rate must be adjusted to half of the new normal cost. For FY 2019-20, the total normal cost for PEPRA school members has not changed by more than 1 percent of payroll from the base total normal cost. As a result, the member contribution rate for PEPRA members will remain at 7 percent. Classic members will continue to contribute 7 percent of reportable compensation.

Additional information can be found on the CalPERS website in [Agenda Item 6d \(PDF\)](#) from the Finance & Administration Committee meeting held on April 16, 2019. The complete actuarial valuation report is expected to be available on the CalPERS website this summer.

Questions

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

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