

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Employee Retirement Contribution Rate Increase effective July 1, 2014	REFERENCE NUMBER: 2014-015
DATE ISSUED: 6/20/2014	SUPERSEDES:

This memorandum should be forwarded to:

TO: **Budget Officers**
 Personnel Officers
 Personnel Transactions Supervisors
 Personnel Transactions Staff
 Employee Relations Officers

FROM: Department of Human Resources
 Benefits and Training Division

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The employee retirement contribution rates will increase for certain state employees pursuant to the Public Employees' Pension Reform Act of 2013 and CalPERS law. The information below provides the required employee retirement contribution increases for excluded, exempt, and represented employees by retirement category.

- **Second Tier Members (miscellaneous/industrial)** – rate increases by 1.5 annually as determined by CalPERS actuaries. The employee contribution increases from 1.5 percent to 3 percent.
- **PO/FF Members** under Bargaining Unit 6 and related excluded and exempt employees – rate increases by 1 percent from 12 percent to 13 percent.
- **Safety Members** under Bargaining Units 1, 3, 4, 7, 9, 10, 11, 14, 15, 17, 20, 21 and related Excluded and Exempt employees – rate increases by 1 percent from 10 percent to 11 percent.
- **Safety Members** – excluded and exempt employees related to Bargaining Units 12, 13, 16, 18, and 19 – rate increases by 1 percent from 10 percent to 11 percent.
- **PO/FF Members** under Bargaining Unit 7 and related excluded and exempt employees – rate increases by 1.5 percent from 11.5 percent to 13 percent.
- **PO/FF Members** under Bargaining Unit 8 and related excluded and exempt employees – rate increases by 1.5 percent from 11.5 percent to 13 percent.

Payroll Process

Departmental personnel offices are not required to take any action. The State Controller's Office (SCO) will process a mass update to capture the employee retirement contribution changes. SCO will also issue a pay letter that will provide additional information.

If an employee transfers from one position to another position, the retirement contribution may be different depending on the retirement category or bargaining unit. Personnel staff can verify the accurate retirement contribution by reviewing the bargaining unit contracts located on the CalHR website at www.calhr.ca.gov.

Questions related to state employee retirement contribution changes should be directed to CalHR as provided in this memorandum. If you have questions related to CalPERS membership eligibility and benefit information, please contact CalPERS at (888) 225-7377 or visit the CalPERS website at www.calpers.ca.gov.

/s/Darlene Schell

Darlene Schell, Chief
Benefits and Training Division