Service Request: SR83371
Title: CalPERS 2011 Interim Rate Adjustment

Objective:
Modify PPS to update the PERS State Employer Rate that was effective January 1, 2011 until June 30, 2011.

Project Type:
PPS modification

Requested by:
Payroll Coordination and Tax Services

Analyst:
Business analyst: Marcia Johnson
Requirements analyst:

Urgency:
Urgent.

Implementation Deadline:
The change must be available for campuses to update the tables after the processing of May earnings. This rate will be in effect for June earnings only. A new rate will be effective with July earnings.
Statement of Business Need:

On December 15, 2010, the CalPERS Board of Administration approved new State employer rates effective between January 1, 2011 and June 30, 2011. These new rates reflect the higher member contributions agreements made between the State and various employee unions earlier in 2010. The notice from CalPERS concerning the rate change was not received by Payroll Coordination so the change was not implemented. UCLA brought the rate change to our attention. The new rates are as follows:

- PERS Employer Contribution Rate 17.528%
- PERS FICA Employer Contribution Rate 17.528%

Background:

CalPERS approved the new rates on December 15, 2010 however Payroll Coordination was not aware of the change until it was brought to our attention by UCLA. This applies to University employees who worked for a State agency covered under the CalPERS retirement plan and who continued to be covered under that plan as a UC employee.

Proposed Process:

The System Parameter Table must be updated with the new rate. The change must be available for campuses to update the tables after the processing of May earnings. This rate will be in effect for June earnings only. A new rate will be effective with July earnings.

Attachments:

UPAY 559
CalPERS Circular Letter
<table>
<thead>
<tr>
<th>A/C ID</th>
<th>TBL NO.</th>
<th>PARAM NO.</th>
<th>VALUE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>01</td>
<td>13.0</td>
<td>17.528</td>
<td>PERS EMLR CONTR</td>
</tr>
<tr>
<td>C</td>
<td>01</td>
<td>13.1</td>
<td>17.528</td>
<td>PERS FICA EMLR CONT</td>
</tr>
</tbody>
</table>

PREPARED BY: [Signature]  DATE: 5/18/11
APPROVED BY: [Signature]  DATE: 5/18/11

RETN: UNTIL ACTION TAKEN
Circular Letter

TO: STATE EMPLOYERS

SUBJECT: UPDATED STATE EMPLOYER RATES OF CONTRIBUTION

The State reached agreements with some employee unions from August to November 2010 to include lower retirement benefits for new hires and higher member contributions for the Bargaining Units ratifying those agreements.

On December 15, 2010, the CalPERS Board of Administration approved new State employer rates effective between January 1, 2011 and June 30, 2011. These new rates reflect the higher member contributions agreements made between the State and various employee unions earlier this year. The new State employer rates are as follows and will become effective with the first payroll period that ends in January 2011:

<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>17.528%</td>
</tr>
<tr>
<td>State Miscellaneous Member Second Tier</td>
<td>16.442%</td>
</tr>
<tr>
<td>State Industrial Member</td>
<td>14.683%</td>
</tr>
<tr>
<td>State Safety Member</td>
<td>15.702%</td>
</tr>
<tr>
<td>California Highway Patrol Member</td>
<td>29.956%</td>
</tr>
<tr>
<td>Peace Officer/Firefighter Member</td>
<td>28.556%</td>
</tr>
</tbody>
</table>

If you have any questions, please contact the CalPERS Employer Contact Center at 888 CalPERS (or 888-225-7377).

Alan Milligan, Chief Actuary
Actuarial & Employer Services Branch

California Public Employees' Retirement System
www.calpers.ca.gov