MEMORANDUM

TO: Personnel Management Liaisons (PML)

SUBJECT: Retirement Contribution Increase for State Employees Subject to the California State Teachers’ Retirement System Effective July 2016

DATE ISSUED: June 2, 2016

REFERENCE NUMBER: 2016-014

SUPERSEDES: 2015-016

This memorandum should be forwarded to:

Personnel Officers
Employee Relations Officers
Personnel Transactions Supervisors

FROM: California Department of Human Resources
Benefits Division

CONTACT: Desi Rodrigues, Retirement Program Manager
(916) 324-9400
Fax: (916) 322-3769
Email: desi.rodrigues@calhr.ca.gov

Chapter 47, Statutes of 2014 (AB 1469) was signed into law on June 24, 2014. This legislation established a plan to address the California State Teachers’ Retirement System (CalSTRS) unfunded liability by increasing retirement contribution rates annually effective July 1, 2014 through July 1, 2016.

The purpose of this memorandum is to inform you of the CalSTRS member retirement contribution increases effective July 1, 2016, for eligible state employees subject to CalSTRS membership.

Retirement Contribution Increases

- CalSTRS members who are not subject to the Public Employees’ Pension Reform Act of 2013 (PEPRA) will see an increase from 9.20 to 10.25 percent.
- CalSTRS PEPRA members will see an increase from 8.56 to 9.205 percent.

The State Controller’s Office will implement the contribution increases for all state employees subject to CalSTRS membership. Departments must notify eligible employees of the CalSTRS retirement contribution increases that will be reflected in the employee’s pay warrant effective July 2016 pay period.
If you have questions related to this PML, please contact Desi Rodrigues.

/s/Belinda Collins

Belinda Collins, Chief
Benefits Division