

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Retirement Formula and Employee Contribution Changes – Bargaining Units 5, 8, 12, 16, 18, and 19	REFERENCE NUMBER: 2010-022
DATE ISSUED: September 28, 2010	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transaction Supervisors
Personnel Transaction Staff
Labor Relations Staff**

FROM: Department of Personnel Administration
Julie Chapman, Chief Deputy Director

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The State negotiated new labor contracts with six labor organizations for bargaining units 5, 8, 12, 16, 18, and 19. The agreements provide changes to the retirement benefits for new employees (with no prior state employment) and retirement contribution increases for all employees in these bargaining units. “Prior state employment” includes any state service (such as Part-time, Seasonal, or Temporary employment) that can be purchased as CalPERS service credit.

A summary of the changes by bargaining unit is provided as follows:

California Association of Highway Patrol (Bargaining Unit 5)

Retirement Information	Effective Date	New Formula and Contribution
New Employee Retirement Benefit Formula -Patrol	First hired on or after October 31, 2010	-3% at age 55 formula based on 3-Year Final Compensation
Current & new patrol members -Retirement Contribution Increase	Effective September 1, 2010	-8% in excess of \$863 plus redirect 2% retiree health prefunding contribution to retirement.
Cadet Retirement Formula & Contribution	-Formula change – First hired on or after October 31, 2010 -No change to contribution – based on MOU agreement	-2% at age 60 formula based on 3-Year Final Compensation -5% in excess of \$513

California Department of Forestry and Fire (Bargaining Unit 8)

Retirement Information	Effective Date	New Formula and Contribution
New Employee Retirement Benefit Formula – -Peace Officers/Firefighters -Miscellaneous/Industrial/ARP	First hired on or after October 31, 2010	-3% at age 55 formula based on 3-Year Final Compensation (PO/FF) -2% at age 60 formula based on 3-Year Final Compensation (Misc./Ind.)
Current & new members -Retirement Contribution Increase	Effective October 1, 2010 (PO/FF) Effective September 1, 2010 (Miscellaneous/Industrial/ARP)	-10% in excess of \$238 (PO/FF); including “extended work week pay” -10% in excess of \$513 in Social security (Misc/Ind.) -11% in excess of \$317 not in Social security (Misc/Ind.)

International Union of Operating Engineers (Bargaining Unit 12)

Retirement Information	Effective Date	New Formula and Contribution
New Employees: -Miscellaneous/Industrial/ARP -State Safety	First hired on or after September 1, 2010	-2% at age 60 formula based on 3-Year Final Compensation (misc./Ind.) -2% at age 55 based on 3-Year Final Compensation (Safety)
Current & new members -Retirement Contribution Increase	Effective September 1, 2010	-10% in excess of \$513 in Social security (Misc/Ind.) -11% in excess of \$317 not in Social security (Misc/Ind.) -11% in excess of \$317 (safety)

Union of American Physicians and Dentists (Bargaining Unit 16)

Retirement Information	Effective Date	New Formula and Contribution
New Employees: -Miscellaneous/Industrial/ ARP -State Safety	First hired on or after September 1, 2010	-2% at age 60 Formula based on 3-Year Final Compensation (misc/Ind.) -2% at age 55 based on 3-Year Final Compensation (safety)
Current & new members -Retirement Contribution Increase	Effective September 1, 2010	-10% in excess of \$513 in Social security (Misc/Ind.) -11% in excess of \$317 not in Social security (Misc/Ind.) -11% in excess of \$317 (safety)

California Association of Psychiatric Technicians (Bargaining Unit 18)

Retirement Information	Effective Date	New Formula and Contribution
New Employees: -Miscellaneous/Industrial/ ARP -State Safety	First hired on or after September 1, 2010	-2% at age 60 retirement based on 3-Year Final Compensation misc/Ind.) -2% at age 55 based on 3-Year Final Compensation (safety)
Current & new members -Retirement Contribution Increase	Effective September 1, 2010	-10% in excess of \$513 in Social security (Misc/Ind.) -11% in excess of \$317 not in Social security (Misc/Ind.) -11% in excess of \$317 (safety)

American Federal of State, County and Municipal Employees (Bargaining Unit 19)

Retirement Information	Effective Date	New Formula and Contribution
New Employees: -Miscellaneous/Industrial/ ARP -State Safety	First hired on or after September 1, 2010	-2% at age 60 formula based on 3-Year Final Compensation (misc/Ind.) -2% at age 55 based on 3-Year Final Compensation (safety)
Current & new members -Retirement Contribution Increase	Effective September 1, 2010	-10% in excess of \$513 in Social security (Misc/Ind.) -11% in excess of \$317 not in

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Payroll Processing and Retirement Codes

The State Controller's Office has issued Personnel Letter #10-020 and subsequent letters will be issued to provide additional instructions along with new retirement codes.

DPA is updating the Alternate Retirement Program (ARP) [Eligibility Worksheet](#) on DPA's web site (under HR Staff tab). The worksheet assists personnel staff in determining ARP eligibility and which ARP retirement code to apply.

A subsequent PML will be issued to clarify the transfer rule and criteria including examples to assist personnel staff. Please contact Desi Rodrigues if you have questions regarding retirement changes. Her contact information is provided above.

/s/ Julie Chapman

Julie Chapman, Chief Deputy Director