



2023-24 School Employer and Employee Contribution Rates

April 19, 2023

Circular Letter: 200-021-23

Distribution: XII, XVI

To: All School Employers

Purpose

The purpose of this Circular Letter is to inform you of the following employer and employee pension contribution rates approved by the California Public Employees' Retirement System (CalPERS) Board of Administration on April 18, 2023. These rates will be in effect for fiscal year (FY) 2023-24.

Employer Contribution

The employer contribution rate for FY 2023-24 will increase from 25.37% to 26.68% of payroll, effective with the first payroll period ending in July 2023.

Employee (Member) Contributions

There will be no changes in the member contribution rates in FY 2023-24 for school employees. In accordance with the Public Employees' Pension Reform Act (PEPRA), PEPRA members employed by schools are required to contribute at least 50% of the total normal cost rate of their pension benefit. PEPRA contains a provision that states when the total normal cost rate changes by more than 1% of payroll, the member contribution rate must be adjusted to half of the new normal cost rate. For FY 2023-24, the total normal cost rate for PEPRA school members has not changed by more than 1% of payroll since the last member rate adjustment. As a result, the member contribution rate for PEPRA members will remain at 8.00%. The member contribution rate for classic members is set by statute and

will remain at 7.00%.

Additional Information

Additional information can be found on the CalPERS website in agenda item 5d (PDF) from the Finance & Administration Committee meeting held on April 17, 2023. The complete actuarial valuation report is expected to be available on the CalPERS website later this year.

Questions

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

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Actuarial Office

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