



May 22, 2014

On Friday, the Senate Budget Committee adopted an alternative proposal to provide 100% funding to the California State Teachers Retirement System over the next 33 years. The alternative meets the same funding goals of the governor, but phases in the increases on employers and most employees more slowly in the early years and more steeply in the later years. The increased contributions under both plans would commence July 1, 2014.

Proposed STRS Contribution Rates Governor's Proposal				
	Employer	Employee (pre-2013 hire date)	Employee (post- 2013 hire date)	State
2013-14	8.25%	8%	8%	3.1%
2014-15	9.5	9.2	8.08	3.45
2015-16	11.1	10.25	8.56	4.89
2016-17	12.7	10.25	9.21	6.33
2017-18	14.3	10.25	9.21	6.33
2018-19	15.9	10.25	9.21	6.33
2019-20	17.5	10.25	9.21	6.33
2020-21	19.1	10.25	9.21	6.33
Share of Solution	\$42B	\$12B		\$20B

Proposed STRS Contribution Rates Senate's Proposal				
	Employer	Employee (pre-2013 hire date)	Employee (post- 2013 hire date)	State
2013-14	8.25%	8%	8	3.04%
2014-15	8.88	8.15	8.15	3.45
2015-16	9.81	9.20	8.56	4.89
2016-17	11.81	10.25	9.21	6.33
2017-18	14.25	10.25	9.21	6.33
2018-19	17.75	10.25	9.21	6.33
2019-20	18.75	10.25	9.21	6.33
2020-21	19.10	10.25	9.21	6.33
Share of Solution	\$42B	\$12B		\$20B

Sincerely,

Scott Lay
President and Chief Executive Officer, The League