

COMMUNITY COLLEGE UPDATE

What Are the CalSTRS Employee Contribution Rates?

Q. Your Dartboard shows the California State Teachers' Retirement System (CalSTRS) contribution rates for employers, but can't the employee contribution rate also change? What is that rate now?

A. There are two different groups of CalSTRS members, and they are paying different rates. The first group, those who became members of CalSTRS before the California Public Employees' Pension Reform Act of 2012 (PEPRA), which became effective on January 1, 2013, are referred to as 2% at 60 members. They experienced an increase of their contribution rate as follows:

CalSTRS 2% at 60 Members (Pre-PEPRA)	
Year	Contribution Rate
Up Through 2013-14	8.00%
2014-15	8.15%
2015-16	9.20%
2016-17 and Beyond	10.25%

As indicated above, the contribution rate for CalSTRS 2% at 60 members is no longer increasing under current law.

The second group is the post-PEPRA group and is referred to as 2% at 62 members. PEPRA requires that these members pay one-half of the normal cost of their benefits, so each year CalSTRS prepares the calculation based upon the most recent actuarial valuation in order to determine whether the contribution rate for this group needs to be adjusted. Here are the rates for the 2% at 62 members:

CalSTRS 2% at 62 Members (Post-PEPRA)	
Year	Contribution Rate
Up Through 2013-14	8.00%
2014-15	8.15%
2015-16	8.56%
2016-17	9.205%
2017-18	9.205%
2018-19	10.205%
2019-20	10.205%

Unlike the contribution rate of the 2% at 60 members, the contribution rate applicable to the 2% at 62 members can continue to change year to year.