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FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

CalPERS Rates Projected to Decrease



BY CHARLENE QUILAO

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The California Public Employees' Retirement System (CalPERS) recently posted an addendum to the Schools Pool Actuarial Valuation report as of June 30, 2020, and corresponding employer and employee contribution rates.

The June 30, 2020, Schools Pool Actuarial Valuation report (including community colleges) sets the current year (2021-22) employer contribution rate at 22.91%, but it does not include projected contribution rates for the outyears beginning in 2022-23 because the CalPERS Experience Study and Review of Actuarial Assumptions were not completed prior to the release of the report. The projected contributions will be determined during the April 2022 CalPERS Board meeting (Schools Pool Actuarial Valuation as of June 30, 2021) with the projected future employer contribution rates beginning in 2022-23:

	2021-22 ¹	2022-23	2023-24	2024-25	2025-26	2026-27
Old Projected Rates	22.91%	26.10%	27.10%	27.70%	27.80%	27.60%
New Projected Rates	22.91%	25.40%	25.20%	24.60%	23.60%	22.50%

¹Reflects the supplanting payment under Government Code Section 20825.2, which served to reduce the employer contribution rate for fiscal year 2021-22 by 2.16%

The new projected rates are a reflection of the 2020-21 investment gains of approximately \$11,086 million and the decrease in costs of new hires in the low-cost benefit tiers.

Member Contribution Rates

Under the Public Employees' Pension Reform Act (PEPRA), new members hired on or after January 1, 2013, are required to contribute 50.00% of the total annual normal cost of their pension benefit as determined by the actuary. PEPRA school members currently contribute 7.00% of their salary; however, it is estimated to increase to 8.00% in 2022-23. The contribution rate for school members not subject to the PEPRA (i.e., classic members) is set by statute and remains at 7.00% of salary.

For additional information, the addendum to the Schools Pool Actuarial Valuation (as of June 30, 2020) can be found [here](#).