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Date: June 20, 2014
To: Directors, Business and Human Resources
Managers, Payroll and Human Resources
From: Gary Stine, MPA, Director, Support Services

Subject: REVISED 2014-15 Employer Payroll Expense Rates – CalPERS/CalSTRS

The following is a revised summary of employer payroll expense rates for fiscal year 2014-2015 which reflects an increase to the STRS employer contribution rate included in Assembly Bill (AB) 1469, a 2014-2015 State Budget trailer bill.

Please note that the STRS employer contribution rate for 2014-2015 will increase to 8.88% (from 8.25%). AB 1469 includes language which increases this rate annually until reaching 19.1% in fiscal year 2020-2021. A schedule of future employer, employee, and State STRS rate increases has been attached to this notice for your reference. County systems will be adjusted accordingly.

Fiscal Year 2014-2015 California School Employer Rates

STRS Employer Contribution Rates		
2% at 60 Members	Employer Rate	Maximum Wage Limit
Employer Contribution	8.88%	N/A*
Reduced Workload / Elected Official	10.259%	N/A*
2% at 62 Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution	8.88%	\$137,941
Elected Official	8.25%	\$137,941
PERS Employer Contribution Rates		
Classic Members	Employer Rate	Maximum Wage Limit
Employer Contribution	11.771%	N/A*
New Members (PEPRA)	Employer Rate	Maximum Wage Limit
Employer Contribution (OASDI District)	11.771%	\$115,064
Employer Contribution (Non-OASDI)	11.771%	\$138,077
Unemployment Insurance Rate	0.05%	

**IRS 401(a)(17) pensionable wage limit of \$260,000 applies to members first hired after 7/1/1996*

Calendar Year 2014 Federal Employer and IRS Standard Mileage Rates

Federal Employer Rates			
Payroll Tax	Employer Rate	Maximum Wage Limit	Tax Withholding Limit
OASDI	6.2%	\$117,000	\$7,254
Medicare	1.45%	N/A	N/A
IRS Standard Business Mileage	56 cents per mile		

If you have any questions, please contact Praveen Chaudhri at (714) 966-4280 or via email at vchaudhri@ocde.us.

Enclosures

cc: Assistant Superintendents, Business
Assistant Superintendents, Human Resources
Vice Chancellors, Business
Vice Chancellors, Human Resources

California State Teachers' Retirement System (CalSTRS)

Schedule of Contribution Rate Increases

Employer Contribution Rate

Fiscal Year	% Increase	Contribution Rate
2013-14		8.25%
2014-15	0.63%	8.88%
2015-16	1.85%	10.73%
2016-17	1.85%	12.58%
2017-18	1.85%	14.43%
2018-19	1.85%	16.28%
2019-20	1.85%	18.13%
2020-21 and beyond	0.97%	19.10%

Member Contribution Rate (2% at 60) – Non-PEPRA

Fiscal Year	% Increase	Contribution Rate
2013-14		8.00%
2014-15	0.15%	8.15%
2015-16	1.05%	9.20%
2016-17 and beyond	1.05%	10.25%

Member Contribution Rate (2% at 62) – PEPRA

Fiscal Year	% Increase	Contribution Rate
2013-14		8.00%
2014-15	0.15%	8.15%
2015-16	0.41%	8.56%
2016-17 and beyond	0.645%	9.205%

State Contribution Rate

Fiscal Year	% Increase	Contribution Rate
2013-14		2.017%
2014-15	1.437%	3.454%
2015-16	1.437%	4.891%
2016-17 and beyond	1.437%	6.328%

Schedule of increases included in Assembly Bill (AB) 1469