

2014 Funding Plan Contribution Rates

The following table shows the increased contribution rate for the Defined Benefit Program, the unchanged rate for Defined Benefit Supplement compensation and the difference between the two that results in excess contributions on compensation earned for service in excess of one school year. CalSTRS will return excess member and employer contributions to the employer that remitted the contributions associated with the excess service credit. Employers are responsible for returning excess member contributions to employees.

Effective Date	2% at 60 Members			2% at 62 Members ¹			Employers		
	DB	DBS	Excess	DB	DBS	Excess	DB	DBS ²	Excess
7/1/2014	8.150%	8.000%	0.150%	8.150%	8.000%	0.150%	8.880%	8.250%	0.630%
7/1/2015	9.200%	8.000%	1.200%	8.560%	8.000%	0.560%	10.730%	8.250%	2.480%
7/1/2016	10.250%	8.000%	2.250%	9.205%	8.000%	1.205%	12.580%	8.250%	4.330%
7/1/2017	10.250%	8.000%	2.250%	9.205%	8.000%	1.205%	14.430%	8.250%	6.180%
7/1/2018	10.250%	8.000%	2.250%	9.205%	8.000%	1.205%	16.280%	8.250%	8.030%
7/1/2019	10.250%	8.000%	2.250%	9.205%	8.000%	1.205%	18.130%	8.250%	9.880%
7/1/2020	10.250%	8.000%	2.250%	9.205%	8.000%	1.205%	19.100%	8.250%	10.850%
7/1/2021	10.250%	8.000%	2.250%	9.205%	8.000%	1.205%	19.100% ³	8.250%	10.850%

1. Pursuant to the Public Employees' Pension Reform Act of 2013, the base 2% at 62 member contribution rate is approximately one half of the normal cost of benefits for the Defined Benefit Program and is required to be adjusted if the normal cost changes by more than 1 percent from the time of the last contribution adjustment in 2013. These contribution rates assume no change is required.

2. The Defined Benefit Supplement contribution rate includes 0.25 percent to pay for the cost of service credit in the Defined Benefit program for unused sick leave. The remaining 8 percent employer contribution is credited to member accounts.

3. Beginning in the 2021-22 school year, the Teachers' Retirement Board is required to adjust the employer contribution rate by no more than 1 percent per year up to 20.25 percent to eliminate the remaining unfunded liability by June 30, 2046, for service credit earned prior to July 1, 2014. These contribution rates assume no adjustment is required.