

**FISCAL YEAR 2014-15
CREDITABLE COMPENSATION LIMITS FOR
DEFINED BENEFIT CALSTRS 2% AT 62 MEMBERS
AND
CASH BALANCE PARTICIPANTS SUBJECT TO PEPRA**

The purpose of this circular is to alert employers that the creditable compensation limit for Defined Benefit CalSTRS 2% at 62 members and Cash Balance participants subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA) has changed for the 2014-15 fiscal year. The creditable compensation limit applies to compensation creditable to the Defined Benefit (DB), the Defined Benefit Supplement (DBS), and the Cash Balance (CB) Benefit programs.

PEPRA limits creditable compensation that may be counted toward CalSTRS retirement benefits for DB CalSTRS 2% at 62 members or CB participants subject to PEPRA. Education Code sections 22119.3 and 26139.5 specify the compensation limit is 120 percent of the 2013 Social Security wage base and is adjusted annually based on changes to the Consumer Price Index for All Urban Consumers (CPI-U): U.S. City Average for the month of February, rounded to the nearest thousandth, to take effect on July 1, 2014.

The compensation limit for DB CalSTRS 2% at 62 members and CB participants subject to PEPRA effective July 1, 2014, through June 30, 2015, is \$137,941.

If you have an employee who will earn compensation in excess of this limit, please contact your CalSTRS Member Account Services Employer Representative for reporting instructions. Employer and member contributions to the DB, the DBS, and the CB Benefit programs should not be taken on the excess amount.

If you have any questions regarding this circular, please contact your CalSTRS Member Account Services Representative.