



Contribution Rate Increases

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Employer Advisory Committee Meeting

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Member DB Contribution Rate Increases

Date of Increase	AB 1469 Increases	
	CalSTRS 2% at 60	CalSTRS 2% at 62
July 1, 2014	8.15%	8.15%
July 1, 2015	9.20%	8.56%*
July 1, 2016	10.25%	9.205%*

* The contribution rates for CalSTRS 2% at 62 for 2015-16 and 2016-17 are based on the current normal cost of the program, and are subject to change based on an annual actuarial valuation.

Employer DB Contribution Rate Increases

Date of Increase	Base Employer Contribution Rate	AB 1469 Increases	
		Increase	Total
July 1, 2014	8.25%	.63%	8.88%
July 1, 2015	8.25%	2.48%	10.73%
July 1, 2016	8.25%	4.33%	12.58%
July 1, 2017	8.25%	6.18%	14.43%
July 1, 2018	8.25%	8.03%	16.28%
July 1, 2019	8.25%	9.88%	18.13%
July 1, 2020	8.25%	10.85%	19.10%
July 1, 2046	8.25%	Increase from prior rate ceases in 2046-47	

DBS only Limited Term Enhancement (LTE) contributions

- Limited Term Enhancements are credited directly to a member's DBS account. LTE contributions can only be reported for CalSTRS 2% at 60 members.
- DBS only LTE contributions are reported as Assignment Code 71
- The DBS contribution rates for LTE Assignment Code 71 reporting is unchanged at 8% for members and 8.25% for the employer
- Assignment Code 72 are one time payments, credited directly to a member's DB account for CalSTRS 2% at 62 at the DB contribution rate

Impact on Employer Reporting

If employer payroll systems do not allow for multiple contribution rates for a single individual, the employer can make online corrections in Secure Employer Website (SEW).

Example: An employer submits DB reported lines at the lower rate of 8.0%. All DB lines receive edit code 079. The employer can make online corrections to increase the contribution amount and rate for DB lines to 8.15%.

Example: An employer submits DBS and LTE AS71 reporting at the higher rate of 8.15%. All DBS lines receive edit code 078. The employer can make online corrections to lower the contribution amount and rate for DBS lines to 8%.

Business Rule Edits

- Business rule edits 078 and 079 are in place to ensure the correct contribution rates are used
- Business rule edit 078 advises when the contribution amount is too high
- Business rule edit 079 advises when the contribution amount is too low
- Both business rule edits calculate the contributions due. The calculation provided for DBS lines will not be correct. Do not use this calculated amount.

Excess contributions

- AB 1469 requires CalSTRS to return excess contributions to the employer
- Contributions that are transferred from DB to DBS during the annual update process are for excess service credit earned in one year
- CalSTRS will determine excess contributions annually and return contributions to employers

Variance Reports and V001 Edit

- Employers who submit Limited Term Enhancement DBS only lines with Assignment Code 71 will receive variance edits V001-V04. This edit is received when the calculated member contribution amount does not equal the reported member contribution amount on the contribution line, page, district and county levels.
- The V001-V004 edits do not prevent files from being transmitted
- Employers may disregard this message and upload their files as long as the V001-V004 edits are not accompanied by the 078 or 079 edits
- If the V001-V004 edit is accompanied by the 078 or 079 edits then the contribution rate is incorrect and must be changed before the file can be uploaded
- August 1, 2014, variance reports will be updated and will be accurate but you will still receive the variance errors.

Questions?



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