



California State Teachers'
Retirement System
Executive Office
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November 21, 2013

TO: All County Superintendents of Schools
District Superintendents of Schools
Community College Districts and
Other Employing Agencies

FROM: Jack Ehnes
Chief Executive Officer

SUBJECT: Employer Directive 2013-05
Permissive Service Credit Contribution Rate for Defined Benefit Program for the
Balance of Fiscal Year 2013-14.

PURPOSE

The purpose of this directive is to communicate the Defined Benefit Program Permissive Service Credit Contribution Rates that have been adopted by the Teachers' Retirement Board, and are effective January 1, 2014 through June 30, 2014.

SCOPE

This directive applies to all county superintendents of schools, school districts, community college districts, and other employing agencies that employ persons to perform creditable service under the CalSTRS Defined Benefit (DB) Program.

DISCUSSION

Members may purchase permissive service credit, which is service credit related to activities that were previously undertaken by the member. Examples of permissive service credit include, but are not limited to, teaching at a state college or university in California; employment in a public school in another state; maternity/paternity leave; and military leave. The member can only purchase service credit if the service is not covered by another public retirement system.



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Prior to January 2013, eligible DB Program members could purchase nonqualified service credit, also known as air-time. Authorization to purchase nonqualified service credit was eliminated on January 1, 2013, under Chapter 296, Statutes of 2012 (AB 340).

On November 6, 2013, the Teachers' Retirement Board adopted the following contribution rates for the purchase of permissive service credit based upon the specific age of member at the time of purchase. Prior to this time, contribution rates were based on the age of the member in ten year cohorts. The rates below are effective January 1, 2014 through June 30, 2014.

Age	CalSTRS 2% at 60 Benefit Structure	CalSTRS 2% at 62 Benefit Structure
Below 28	15.8%	13.7%
28	16.1%	13.9%
29	16.2%	14.0%
30	16.4%	14.0%
31	16.5%	14.1%
32	16.7%	14.4%
33	16.8%	14.6%
34	17.2%	14.9%
35	17.2%	14.9%
36	17.6%	15.2%
37	17.6%	15.2%
38	17.8%	15.5%
39	18.1%	15.8%
40	18.6%	16.2%
41	19.0%	16.6%
42	19.4%	16.9%
43	19.8%	17.3%
44	20.1%	17.5%
45	20.5%	17.9%
46	20.7%	18.1%
47	21.2%	18.5%
48	21.8%	19.1%
49	22.3%	19.4%
50	22.8%	19.9%
51	23.4%	20.4%
52	24.0%	20.9%
53	24.7%	21.5%
54	25.5%	22.2%
55	25.9%	22.6%
56	26.7%	23.2%
57	27.3%	23.8%
58	28.1%	24.5%

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Permissive service credit and contribution rates for the DB Program, effective January 1, 2014 through June 30, 2014, continued:

Age	CalSTRS 2% at 60 Benefit Structure	CalSTRS 2% at 62 Benefit Structure
59	28.9%	25.2%
60	29.6%	25.8%
61	30.4%	26.6%
62	30.8%	27.0%
63	30.9%	28.0%
64	30.3%	29.2%
65	29.6%	29.6%
66	29.0%	29.0%
67	28.1%	28.1%
68	27.5%	27.5%
69	26.7%	26.7%
70	25.8%	25.8%
71	25.3%	25.3%
72	24.2%	24.2%
73 and above	22.1%	22.1%

For permissive service credit and contribution rates in effect prior to January 1, 2014, please refer to Employer Directive 2013-03.

The board will adopt rates and present value factors for Fiscal Year 2014-15 at its April 2014 meeting.

ACTION

Please refer questions concerning this directive to your CalSTRS Member Account Services Representative.