

Defined Benefit Program (DB) Contribution Rates

| EMPLOYEE FORMULA | FY 15-16 (Effective July 1, 2015) | | FY 16-17 (Effective July 1, 2016) | | FY 17-18 (Effective July 1, 2017) | | FY 18-19 (Effective July 1, 2018) | |
|------------------|--------------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|--------------------------------------|---------------|
| | EMPLOYEE RATE | EMPLOYER RATE | EMPLOYEE RATE | EMPLOYER RATE | EMPLOYEE RATE | EMPLOYER RATE | EMPLOYEE RATE | EMPLOYER RATE |
| 2% at 60 | 9.200% | 10.730% | 10.250% | 12.580% | 10.250% | 14.430% | 10.250% | 16.280% |
| 2% at 62 | 8.560% | 10.730% | 9.205% | 12.580% | 9.205% | 14.430% | 10.205% | 16.280% |

Defined Benefit Supplement (DBS) Program Contribution Rates

| EMPLOYEE FORMULA | UP TO FY 17-18 (Effective July 1, 2017) | | FY 18-19 (Effective July 1, 2018) | |
|------------------|--|---------------|--------------------------------------|---------------|
| | EMPLOYEE RATE | EMPLOYER RATE | EMPLOYEE RATE | EMPLOYER RATE |
| 2% at 60 | 8.000% | 8.250% | 8.000% | 8.250% |
| 2% at 62 | 8.000% | 8.250% | 9.000% | 8.250% |

Please note the increase in employee contribution rate for FY 18-19 for 2% at 62 members.

DBS contribution rates are set in statute for 2% at 60 members; 8% of the employer contribution is credited to the member's DBS Program account and 0.25% goes to the DB Program to pay for the cost of service credit for unused sick leave.

The difference in the DB vs DBS contribution rates is what causes the employee/employer Excess Contribution Refunds, which are transacted on a monthly basis.

Reduced Workload Program (RWP)

| Program | Employer Rate FY 2018-19 |
|-------------------------------------|-----------------------------|
| Reduced Workload Program - 2% at 60 | 16.280% |
| Reduced Workload Program - 2% at 62 | N/A |

CalSTRS 2% at 62 members are not eligible to participate in RWP until at least 2023.

Other Limits for Fiscal Year 2018-19

Unused Sick Leave Service Credit: Present Value Factor is 0.333 through June 30, 2019.

Post Retirement Earnings Limit: \$45,022.00

Compensation Limit Internal Revenue Code Section 401(a)(17): \$275,000.00

- For all persons who became a CalSTRS DB member or CB participant on or after July 1, 1996.
- Employee and employer contributions stop when the limit is reached.

Creditable Compensation Limit for 2% at 62 Members (FY 18-19): \$146,230.00

- 120% of the social security wage limit adjusted annually.
- Employee and employer contributions stop when the limit is reached.

Interest Rates for Penalties and Interest: 7.00% for late monthly report and late contribution remittance.

Future Employee and Employer Contribution Rates

AB 1469 allows for the annual review of employee contributions to the Defined Benefit Program. Employee contributions increased for member and employers beginning July 2014.