



**Los Angeles County
Office of Education**

**INFORMATIONAL
BULLETIN # 6719**
Rev: 6/20/2023

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Debra Duardo, M.S.W., Ed.D., *Superintendent*

June 20, 2023

TO: Chief Business Officials
Chief Personnel Officials
HRS Coordinators
Payroll Managers
Los Angeles County K-12 Schools and Community College Districts
Regional Occupational Programs/Centers (ROP/Cs) and HRS Charter Schools

FROM: Talina Ornelas
Retirement Systems Coordinator
Division of School Financial Services

SUBJECT: **2023-2024 CalSTRS Rates**

The following are the California State Teachers' Retirement System (CalSTRS) rates for 2023-2024 fiscal year. These rates are effective beginning with July **earnings/accruals**.

Normal DB Contribution Rate	Old Rate	New Rate
Employee-Member 2% at 60 (Classic)	10.25%	10.25%
Employee-Member 2% at 62 (PEPRA)	10.205%	10.205%
Regular Interest Rate	7.00%	7.00%
Normal DB Contribution Rate	Old Rate	New Rate
Employer 2% at 60 (Classic)	19.10%	19.10%
Employer 2% at 62 (PEPRA)	19.10%	19.10%
Interest Rate for Cash Balance Benefit	2.09%	3.35%
Interest Rate for Defined Benefit Supplement	2.09%	3.49%
Contribution Rate for Reduced Workload	19.10%	19.10%
Contribution Rate for Elected Officials	19.10%	19.10%
Factor Rate for Service Credit for Excess Sick Leave	0.335%	0.335%
DBS Contribution Rate	Old Rate	New Rate
Employee-Member 2% at 60 (Classic)	8.00%	8.00%
Employee-Member 2% at 62 (PEPRA)	9.00%	9.00%
DBS Contribution Rate	Old Rate	New Rate
Employer 2% at 60 (Classic)	8.25%	8.25%
Employer 2% at 62 (PEPRA)	8.25%	8.25%

The annual compensation limit for CalSTRS 2% at 60 DB members in effect for July 1, 2023 through June 30, 2024 is **\$330,000**. The compensation limit for CalSTRS 2% at 62 DB members and CB participants subject to PEPRA effective July 1, 2023 through June 30, 2024 is **\$176,614**.

If you have any questions, please contact Talina Ornelas at (562) 922-6295 or via e-mail Ornelas_Talina@lacoed.edu.

Approved:
Nkeiruka Benson, Director
Division of School Financial Services

TO:sm
Attachments
SFS-A60-2022-2023

Employer Information Circular

Volume 39; Issue 1

February 22, 2023

PENSION PLAN LIMITS FOR TAX YEAR 2023

The purpose of this circular is to alert employers to the Internal Revenue Service pension plan limits for tax year 2023 and to inform employers of the creditable compensation limit under the Teachers' Retirement Law for California State Teachers' Retirement System (CalSTRS) members and participants who are subject to the California Public Employees' Pension Reform Act of 2013 (PEPRA). CalSTRS is not authorized to give tax advice; accordingly, if you have any questions about these or any other Internal Revenue Code (IRC) sections, please contact your tax advisor or the Internal Revenue Service.

The following limits apply to benefits paid and compensation creditable to the Defined Benefit (DB), the Defined Benefit Supplement (DBS) and the Cash Balance Benefit (CB) programs.

Internal Revenue Code Section 401(a)(17) Compensation Limit

IRC section 401(a)(17) limits creditable compensation that may be counted toward a CalSTRS retirement benefit for all persons who became a CalSTRS DB member or CB participant on or after July 1, 1996.

The annual compensation limit in effect for July 1, 2022, through June 30, 2023, is \$305,000. The annual compensation limit in effect for July 1, 2023, through June 30, 2024, is \$330,000.

A list of past IRC section 401(a)(17) limits can be found in the attached appendix.

If you have an employee who will earn compensation in excess of this limit *and* the employee became a CalSTRS member or participant on or after July 1, 1996, please contact your CalSTRS employer representative for reporting instructions. Do not remit employer or member contributions to the DB, DBS or CB Benefit programs on any compensation that exceeds the limit.

Creditable Compensation Limit for CalSTRS 2% at 62 DB Members and CB Participants Subject to the California Public Employees' Pension Reform Act of 2013

PEPRA limits creditable compensation that may be counted toward a CalSTRS retirement benefit for all CalSTRS DB members and CB participants subject to the act. All persons first hired on or after January 1, 2013, are subject to PEPRA and are known as CalSTRS 2% at 62 DB members and CB participants subject to PEPRA.

The creditable compensation limit is applicable to compensation creditable to the DB, DBS and CB Benefit programs combined and is based on 120% of the 2013 Social Security contribution and benefit base, adjusted annually for changes to the Consumer Price Index for All Urban Consumers: U.S. City Average.

The creditable compensation limit for CalSTRS 2% at 62 DB members and CB participants subject to PEPPRA for July 1, 2022, through June 30, 2023, is \$166,617.

If you have an employee who will earn creditable compensation in excess of this limit, please contact your CalSTRS employer representative for reporting instructions. Do not remit employer or member contributions to the DB, DBS or CB Benefit programs on any compensation that exceeds the limit.

CalSTRS will publish a separate employer information circular to inform employers of the compensation limits for CalSTRS 2% at 62 DB members and CB participants subject to PEPPRA that will be effective July 1, 2023.

Internal Revenue Code Section 415(b) Retirement Benefit Limit

IRC section 415(b) limits the amount of annual retirement benefits that may be received from a tax-qualified pension plan. The annual retirement benefits payable from the CalSTRS DB and CB Benefit programs are subject to the dollar limits imposed by IRC section 415(b).

The limitation on the annual benefit for CalSTRS members or participants, age 65, who participate in the DB or CB Benefit programs is \$225,213 for the 2023 calendar year.

The limit assumes a 2% at 60 benefit formula and is actuarially adjusted for retirement before and after age 65. For example, the 2023 limit for members age 55 with less than 30 years of service is \$133,691; the 2023 limit for members at age 55 with more than 30 years of service is \$135,971; and the 2023 limit for members age 70 is \$230,186.

Any retirement benefits in excess of the limit that are payable to CalSTRS 2% at 60 DB members and CB participants not subject to PEPPRA are payable from the Replacement Benefits Program administered by CalSTRS. No action is required by employers to initiate payment of benefits under the Replacement Benefits Program.

Under federal law, if members or participants were paying the Medicare Part A payroll tax when employed, payments from the Replacement Benefits Program will also be subject to the payroll tax deduction. CalSTRS will work with the member regarding any tax deductions under this part. CalSTRS 2% at 62 DB members and CB participants subject to PEPPRA are not eligible for the Replacement Benefits Program.

If you have any questions regarding this circular, please contact CalSTRS Employer Services at EmployerHelp@CalSTRS.com.

Appendix for IRC Section 401(a)(17) Compensation Limit

Federal Calendar Year	CalSTRS Plan Year	Compensation Limit
1996	1996-1997	\$150,000
1997	1997-1998	\$160,000
1998	1998-1999	\$160,000
1999	1999-2000	\$160,000
2000	2000-2001	\$170,000
2001	2001-2002	\$170,000
2002	2002-2003	\$200,000
2003	2003-2004	\$200,000
2004	2004-2005	\$205,000
2005	2005-2006	\$210,000
2006	2006-2007	\$220,000
2007	2007-2008	\$225,000
2008	2008-2009	\$230,000
2009	2009-2010	\$245,000
2010	2010-2011	\$245,000
2011	2011-2012	\$245,000
2012	2012-2013	\$250,000
2013	2013-2014	\$255,000
2014	2014-2015	\$260,000
2015	2015-2016	\$265,000
2016	2016-2017	\$265,000
2017	2017-2018	\$270,000
2018	2018-2019	\$275,000
2019	2019-2020	\$280,000
2020	2020-2021	\$285,000
2021	2021-2022	\$290,000
2022	2022-2023	\$305,000
2023	2023-2024	\$330,000

May 24, 2023

TO: All County Superintendents of Schools
District Superintendents of Schools
Community College Districts
County Offices of Education and
Charter School Administrators

FROM: Cassandra Lichnock
Chief Executive Officer

SUBJECT: Employer Directive 2023-02
Supersedes Employer Directive 2022-05
Fiscal Year 2023–24 Creditable Compensation Limit for CalSTRS 2% at 62
Defined Benefit Program Members and Cash Balance Benefit Program
Participants Subject to PEPPRA, and Reporting Requirement for Creditable
Compensation that Exceeds the Annual Creditable Compensation Cap

PURPOSE:

The purpose of this employer directive is to inform employers of the 2023–24 fiscal year limit on creditable compensation for CalSTRS 2% at 62 Defined Benefit (DB) Program members and Cash Balance (CB) Benefit Program participants subject to the California Public Employees' Pension Reform Act of 2013 (PEPPRA), and reporting requirements when reporting creditable compensation that is above the annual creditable compensation cap.

SCOPE:

This directive contains information for county superintendent of schools, school districts, community college districts, charter schools, and any agency that employs any CalSTRS 2% at 62 DB members or CB participants subject to PEPPRA.

DISCUSSION:

PEPPRA limits creditable compensation that may be counted toward CalSTRS retirement benefits for CalSTRS 2% at 62 DB members and CB participants subject to PEPPRA. Education Code sections 22119.3 and 26139.5 specify the compensation limit shall not exceed 120% of the "contribution and benefit base" as determined under Section 430(b) of the Social Security Act (42 U.S.C. Sec. 430(b)) on January 1, 2013. The compensation limit 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, with the adjustments becoming effective annually on July 1.

The compensation limit for CalSTRS 2% at 62 DB members and CB participants subject to PEPRA effective July 1, 2023, through June 30, 2024, is \$176,614.

A list of past PEPRA creditable compensation limits can be found in the attached appendix.

REPORTING REQUIREMENTS:

In order to comply with the cap on creditable compensation requirements of PEPRA, compensation reporting requirements and four business edits (MO-B116, MO-B117, MO-B118 and MO-B119) are in place to facilitate and ensure proper reporting of compensation over the annual compensation cap, and the associated contributions.

CalSTRS 2% at 62 DB Members:

When a CalSTRS 2% at 62 DB member's compensation is below or at the annual creditable compensation cap, report the member's full annualized pay rate, actual creditable compensation earned, and member and employer contributions due based on the actual creditable compensation earned as usual.

When a CalSTRS 2% at 62 DB member's compensation exceeds the annual creditable compensation cap, the member's full annualized pay rate and actual compensation earned are required to be reported to the DB Program in order for service credit to be accurately calculated. However, neither the member nor employer contributions should be remitted to CalSTRS for creditable compensation that exceeds the annual creditable compensation cap.

Example:

For Fiscal Year 2013-14, the annual creditable compensation cap was \$136,440. A CalSTRS 2% at 62 DB member had an annualized pay rate of \$180,000, which was paid \$15,000 per month for 12 months with no additional assignments or creditable compensation paid. To ensure the member was credited with the appropriate amount service credit, the employer must report the full annualized pay rate and the actual creditable compensation earned. However, reporting contributions is dependent on if the creditable compensation earned is below or exceeds the compensation cap.

A member being paid \$15,000 a month yielded a year-to-date total reported earnings of \$135,000 within nine months. Therefore, the member's monthly earnings of \$15,000, with 8% in member contributions and 8.25% in employer contributions, was reported as normal, with a creditable earnings indicator of '*' to denote member creditable earnings, for each pay period from July 2013 to March 2014 as follows:

- Pay Rate: \$15,000
- Earnings: \$15,000
- Member Contributions: \$1,200 (8% of creditable earnings)
- Employer Contributions: \$1,237.50 (8.25% of creditable earnings)

- Creditable Earnings Indicator (position 89 of the raw data file): '*'

The member's annual creditable compensation exceeded the compensation cap in April 2014; therefore, the reporting of the April service must be split into two reporting lines as follows:

Line 1: Report the member's full annualized pay rate, with earnings and member and employer contributions up to the creditable compensation cap, with a creditable earnings indicator of '*' to denote member creditable earnings:

- Pay Rate: \$15,000
- Earnings: \$1,440
- Member Contributions: \$115.20 (8% of creditable earnings)
- Employer Contributions: \$118.80 (8.25% of creditable earnings)
- Creditable Earnings Indicator (position 89 of the raw data file): '*'

Line 2: Report the member's full annualized pay rate, with earnings above the creditable compensation cap with no contributions, with a creditable earnings indicator of 'C' to denote member creditable earnings are over the compensation cap.

- Pay Rate: \$15,000
- Earnings: \$13,560
- Member Contributions: \$0.00
- Employer Contributions: \$0.00
- Creditable Earnings Indicator (position 89 of the raw data file): 'C'

All of the member's remaining creditable compensation for May 2014 and June 2014 exceeds the annual creditable compensation cap; therefore, all additional reporting should reflect the full annualized pay rate and the actual creditable compensation earned with no contributions associated, with a creditable earnings indicator of 'C' to denote member creditable earnings are over the compensation cap as follows:

- Pay Rate: \$15,000
- Earnings: \$15,000
- Member Contributions: \$0.00
- Employer Contributions: \$0.00
- Creditable Earnings Indicator (position 89 of the raw data file): 'C'

If you submit contributions on creditable compensation above the cap, business edit MO-B116 will be triggered in the Secure Employer Website (SEW), informing you that \$0.00 contributions are due.

If a portion of a member's creditable compensation reaches the cap and the rest of the creditable compensation exceeds the cap, business edit MO-B117 provides a resolution on how to properly report the data.

A creditable compensation indicator of 'C' is required in the Creditable Earnings Indicator field (position 89 of the raw data file) when no contributions are due because the creditable compensation is above the compensation cap. This allows reporting of compensation above the cap with \$0.00 contributions. Business edit MO-B118 will be triggered if the creditable earnings indicator is not 'C' and all the creditable compensation is above the cap. Additionally, business edit MO-B119 will be triggered if the creditable earnings indicator is 'C' and the creditable compensation is at or below the cap for a CalSTRS 2% at 62 DB member OR if it is placed on a contribution line for a CalSTRS 2% at 60 DB member.

Please refer to the *SEW F496 File Specification* document available in Reference Items section of SEW for further information about these and other edits.

CB Participants Subject to PEPRA:

If you have a CB participant who is subject to PEPRA who is about to reach the annual creditable compensation cap, please contact your CalSTRS Employer Help representative for further instruction.

If you have any questions regarding the information in this Employer Directive, please contact your CalSTRS Employer Help representative by emailing EmployerHelp@CalSTRS.com.

Appendix

PEPRA Creditable Compensation Limit by Fiscal Year

Fiscal Year	Effective Dates	Creditable Compensation Limit
2023-24	July 1, 2023–June 30, 2024	\$176,614
2022-23	July 1, 2022–June 30, 2023	\$166,617
2021-22	July 1, 2021–June 30, 2022	\$154,418
2020-21	July 1, 2020–June 30, 2021	\$151,837
2019-20	July 1, 2019–June 30, 2020	\$148,423
2018-19	July 1, 2018–June 30, 2019	\$146,230
2017-18	July 1, 2017–June 30, 2018	\$143,082
2016-17	July 1, 2016–June 30, 2017	\$139,320
2015-16	July 1, 2015–June 30, 2016	\$137,941
2014-15	July 1, 2014–June 30, 2015	\$137,941
2013-14	July 1, 2013–June 30, 2014	\$136,440



California State Teachers'
Retirement System
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June 2, 2023

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

FROM: Cassandra Lichnock
EXECUTIVE OFFICE

SUBJECT: Employer Directive 2023-03
Supersedes Employer Directive 2022-06
Contribution and Interest Rates and Present Value Factor for Fiscal Year 2023–
2024

PURPOSE:

This directive communicates the following rates and present value factors for the Defined Benefit (DB), Defined Benefit Supplement (DBS) and Cash Balance (CB) Benefit programs, as set forth in statute and as adopted by the Teachers' Retirement Board (board):

- Member and Employer Contribution Rates – DB, DBS and CB Benefit programs
- Regular and Credited Interest Rates – DB Program
- Minimum Interest Rate – CB Benefit Program and DBS Program
- Penalties and Interest Rate – DB Program and CB Benefit Program
- Permissive Service Credit Contribution Rate – DB Program
- Employer Contribution Rates for Elected Officials of Employee Organizations and Reduced Workload Program
- Present Value Factor for Unused Excess Sick Leave Service Credit

Please note the factors used to calculate the cost of CalSTRS Two-Year Retirement Incentives are included in a separate directive.

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 DB, DBS and CB Benefit programs.

DISCUSSION:

Member and Employer Contribution Rates – DB Program:

Each employer must contribute to CalSTRS a specified percentage of the total creditable compensation earned by the employees who are members of the DB Program.

Member and employer contribution rates are set in Education Code sections 22901, 22950 and 22951 for the DB Program. Effective July 1, 2014, Chapter 47, Statutes of 2014 (AB 1469–Bonta), added Sections 22901.7 and 22950.5 to the Education Code, which mandate additional member and employer contributions for creditable compensation for service performed on or after July 1, 2014.

Pursuant to Chapter 47, Statutes of 2014, CalSTRS 2% at 60 member contributions will no longer increase after July 1, 2016. CalSTRS 2% at 62 members are required to pay one half of the normal cost of their benefits as a result of the Public Employees’ Pension Reform Act of 2013 (PEPRA), and CalSTRS is required to adjust the contribution rate accordingly.

Pursuant to Chapter 47, Statutes of 2014, the employer contribution rate increased by a statutorily defined amount annually through 2020–21. Starting with fiscal year 2021–22, the board may make additional annual adjustments not to exceed a maximum amount of 20.25%.

The DB Program member and employer contribution rates are as follows:

Fiscal Year Creditable Service Performed In	DB Member Contribution Rate CalSTRS 2% at 60	DB Member Contribution Rate CalSTRS 2% at 62	DB Employer Contribution Rate
Prior to 7/1/2014	8.00%	8.00%	8.25%
2014–15	8.15%	8.15%	8.88%
2015–16	9.20%	8.56%	10.73%
2016–17	10.25%	9.205%	12.58%
2017–18	10.25%	9.205%	14.43%
2018–19	10.25%	10.205%	16.28%
2019–20	10.25%	10.205%	17.10% ¹
2020–21	10.25%	10.205%	16.15% ¹
2021–22	10.25%	10.205%	16.92% ¹
2022–23	10.25%	10.205%	19.10%
2023–24	10.25%	10.205%	19.10%

¹ The 2020–21 state budget re-directed the supplemental payment paid by the state on behalf of employers as part of the 2019–20 state budget. The supplemental payment was used to reduce the contribution rate for employers by 1.03% of payroll in 2019–20, 2.95% of payroll in 2020–21 and 2.18% of payroll in 2021–22.

Member and Employer Contribution Rates – DBS Program:

Employer and member contribution rates are set in statute for the DBS Program. Effective July 1, 2014, Chapter 47, Statutes of 2014, specifies that the amount of required member contributions creditable to the DBS Program remains 8.00% for CalSTRS 2% at 60 members and remains half of the normal cost rate, as adopted by the board, for CalSTRS 2% at 62 members pursuant to Education Code section 22901.

The employer contribution rate for compensation that is creditable to the DBS Program for all CalSTRS members remains 8.25% pursuant to Education Code sections 22950 and 22951. Of this amount, 8.00% is credited to the member's DBS account, and 0.25% is credited to the DB Program to pay for the cost of service credit for unused sick leave.

If CalSTRS collects contributions in excess of the rates established in Education Code sections 22901, 22950 and 22951 on compensation creditable to the member's DBS account, CalSTRS is required to return the excess member and employer contribution amounts to the employer, and the employer is required to return the excess member contributions to the employee.

The DBS Program member and employer contribution rates are as follows:

	Contribution Rates for 2% at 60	Contribution Rates for 2% at 62	Education Code Section
DBS Employer Contribution Rate:	8.25%	8.25%	22905, 22950, 22951
DBS Member Contribution Rate:	8.00%	9.00%	22901, 22905

Participant and Employer Contribution Rates – CB Benefit Program:

Pursuant to Education Code section 26504, the participant and employer contribution rates for the CB Benefit Program may be negotiated through the collective bargaining process and may vary by employer, provided all the statutory minimum contribution rates for the CB Benefit Program are met.

Chapter 559, Statutes of 2013 (AB 1381–PER&SS), amended Education Code section 26504 to allow CB contribution rates that were bargained for prior to January 1, 2014, to remain in effect as outlined in the collective bargaining agreement for CB participants whose bargaining agreements were still in effect as of January 1, 2014. However, employers cannot negotiate new collective bargaining agreements or extend, renew or amend current bargaining agreements in which the employee contribution rate is less than the employer contribution rate.

Interest Rates:

Regular Interest Rate means an interest rate that is equal to the actuarially assumed rate of return on investments on assets of the DB Program and is adopted annually by the board as a plan amendment with respect to the DB Program. The Regular Interest Rate is used by the DB Program to charge interest on (1) previously refunded retirement contributions when a member elects to redeposit those contributions, and (2) installment payments for the (a) redeposit of contributions or (b) purchase of additional service credit. This rate is also used to charge employers interest on delinquent contributions and for reporting penalties. Finally, if there is a delay in the initial allowance payment, CalSTRS pays the benefit recipient interest on the allowance payment at the Regular Interest Rate.

The *Credited Interest Rate* is the interest that is credited to members' DB accumulated retirement contributions for service performed after June 30, 1935, excluding all accumulated contributions while being paid an allowance. The Credited Interest Rate is adopted annually by the board as a plan amendment with respect to the DB Program.

The *Minimum Interest Rate* is the rate used to credit interest to participant and member account balances with respect to the CB Benefit and DBS programs, respectively. The Minimum Interest Rate for both the CB Benefit and DBS programs is adopted annually by the board as a plan amendment.

CalSTRS must assess penalties and interest on employers for late reports and late or insufficient contributions to the DB, DBS and CB Benefit programs. The interest is assessed at the Regular Interest Rate.

The rates for fiscal year 2023–24 are as follows:

	Rate for FY 2023–24	Rate for FY 2022–23	Education Code Section
Regular Interest Rate	7.00%	7.00%	22162
Credited Interest Rate: Defined Benefit Program	3.49%	0.43%	22216
Minimum Interest Rate: Cash Balance Benefit Program	3.35%	2.09%	26604
Minimum Interest Rate: Defined Benefit Supplement Program	3.49%	2.09%	25005
Interest Rate for Late Remittance Contributions	7.00%	7.00%	23003, 26303
Penalty Rate for Late or Unacceptable Monthly Reports	7.00%	7.00%	23006, 23008, 26301, 26302

Permissive Service Credit Contribution Rate – DB Program:

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 or paternity leave, and military leave.

For fiscal year 2023–24, the board elected to maintain the permissive service credit rates that were in effect for fiscal year 2022–23. The permissive service credit contribution rates for fiscal year 2023–24 are as follows.

Age	CalSTRS 2% at 60 Rates for FY 2023–24	CalSTRS 2% at 62 Rates for FY 2023–24
Below 28	21.5%	18.8%
28	21.5%	18.8%
29	21.5%	18.8%
30	21.5%	18.8%
31	21.5%	18.8%
32	21.5%	18.8%
33	21.5%	18.8%
34	21.5%	18.8%
35	21.5%	18.8%
36	21.5%	18.9%
37	21.6%	18.9%
38	21.8%	19.0%
39	21.9%	19.2%
40	22.1%	19.3%
41	22.3%	19.5%
42	22.6%	19.8%
43	22.8%	20.0%
44	23.1%	20.3%
45	23.5%	20.6%
46	23.8%	20.9%
47	24.2%	21.3%
48	24.7%	21.7%
49	25.1%	22.1%
50	25.6%	22.5%
51	26.1%	23.0%
52	26.7%	23.5%
53	27.2%	24.0%
54	27.8%	24.5%
55	28.5%	25.1%
56	29.1%	25.7%

Age	CalSTRS 2% at 60 Rates for FY 2023–24	CalSTRS 2% at 62 Rates for FY 2023–24
57	29.8%	26.3%
58	30.6%	27.0%
59	31.3%	27.7%
60	32.1%	28.4%
61	32.9%	29.1%
62	33.8%	29.9%
63	34.7%	30.7%
64	34.3%	31.5%
65	33.6%	32.4%
66	32.9%	32.3%
67	32.2%	31.6%
68	31.5%	30.9%
69	30.8%	30.2%
70	30.0%	29.5%
71	29.2%	28.7%
72	28.4%	28.0%
73 and above	27.6%	27.2%

Employer Contribution Rates for Elected Officials and Reduced Workload Program:

Each year, the board adopts employer contribution rates for members who are on a compensated leave of absence to serve as an elected official of an employee organization and for members who participate in the Reduced Workload Program (RWP) during the new fiscal year.

The employer contribution rates for CalSTRS 2% at 60 and CalSTRS 2% at 62 Elected Officials and RWP participants are as follows:

	Employer Rate for FY 2023–24	Employer Rate for FY 2022–2023	Education Code Section
Elected Officials of Employee Organization	19.10%	19.10%	22711
Reduced Workload Program	19.10%	19.10%	22713

Unused Excess Sick Leave Service Credit:

The present value factor used to calculate the cost of a member's allowance attributable to unused excess sick leave days for July 1, 2023, through June 30, 2024, remains the same as the previous fiscal year. The cost of unused excess sick leave service credit must be paid to CalSTRS by the employer before the member can receive the benefit.

The present value factor for unused excess sick leave service credit is as follows:

	Rate for FY 2023–24	Rate for FY 2022–23	Education Code Section
Present Value Factor for Unused Excess Sick Leave Service Credit	0.335	0.335	22311.7, 22718

ACTION:

When reporting the member contribution rates for creditable compensation reported to the DB Program for creditable service performed on or after July 1, 2023, report the rates as follows on the F496:

- Retirement formula 2% at 60 rate of 10.25%: Report as 1025, blank or zeros
- Retirement formula 2% at 62 rate of 10.205%: Report as blank or zeros

This employer directive does not take precedence over the law. A copy of the current Teachers' Retirement Law is available on SEW under reference items or online at calstrs.com/information-about-calstrs.

If you have any questions regarding this employer directive, please contact EmployerHelp@CalSTRS.com.