

**CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
CONTRIBUTION RATE PACKET FOR  
JANUARY 1, 2013 THROUGH JUNE 30, 2014  
FOR ADDITIONAL TIERS**



**CONTRA COSTA COUNTY  
EMPLOYEES RETIREMENT ASSOCIATION  
1355 Willow Way, Suite 221, Concord, CA 94520-5728  
Telephone: (925) 521-3960, Fax: (925) 646-5747**

# CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## TABLE OF CONTENTS

<u>Page</u>	<u>Description</u>
i	Memo from Retirement CEO
1-6	Resolution for Employer and Employee Rates & Non-refundability Discount Factors (Exhibits A through E)
7	Examples for Subvention and Employee Cost Sharing



CONTRA COSTA COUNTY  
EMPLOYEES RETIREMENT ASSOCIATION  
1355 Willow Way, Suite 221, Concord, CA 94520-5728  
Telephone: (925) 521-3960, Fax: (925) 646-5747

# MEMO

Date: February 13, 2013

To: Interested Parties and Participating Employers

From: Marilyn Leedom, Retirement Chief Executive Officer

Subject: Additional Contribution Rates for CCCERA Members Effective January 1, 2013

---

At its January 9, 2013 meeting, the Retirement Board reviewed and accepted the actuary's report titled PEPRA New Tiers of Benefits for New Members. This report establishes employer and employee contribution rates for members entering CCCERA on or after January 1, 2013 who are subject to the new PEPRA benefit formulas. At the same meeting, the Retirement Board adopted these employer and employee contribution rates, which become effective January 1, 2013.

At its February 13, 2013 meeting, the Retirement Board reviewed and adopted the actuary's recommended contribution rates for additional tiers not included in the January report. (For those who were not able to attend this meeting, a copy of the actuary's reports can be found on CCCERA's website at [www.cccera.org](http://www.cccera.org) under the Publications link.)

Enclosed are the rates to be used effective January 1, 2013 through June 30, 2014 for members subject to the new PEPRA benefit formulas. These rates are an addendum to the contribution rates for the periods July 1, 2012 through June 30, 2013 and July 1, 2013 through June 30, 2014 adopted by the Retirement Board October 12, 2011 and August 29, 2012, respectively, which are still in effect for employees with membership dates prior to January 1, 2013. Please note the following:

- ✓ **The attached rates are effective January 1, 2013 through June 30, 2013 and July 1, 2013 through June 30, 2014 and have not yet been adopted by the County Board of Supervisors.**
- ✓ **The rates are BEFORE ANY EMPLOYER SUBVENTION as may be allowed under Gov. Code §7522.30(f).**  
The rates quoted here are the employer and employee required rates without taking into consideration any employer subvention of employee contributions. A convenient methodology for adding subvention, if permitted pursuant to §7522.30(f), is included for your use located on page 7.
- ✓ **The rates are BEFORE ANY INCREASE IN EMPLOYEE RATE as may be required by Gov. Code §7522.30(c) or (e).**  
If any employee's rate needs to be increased to comply with these sections, both employee and employer rates would need to be adjusted accordingly. A convenient methodology is included for your use located on page 7.



CONTRA COSTA COUNTY  
EMPLOYEES RETIREMENT ASSOCIATION  
1355 Willow Way, Suite 221, Concord, CA 94520-5728  
Telephone: (925) 521-3960, Fax: (925) 646-5747

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Order on \_\_\_\_\_, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

SUBJECT: Approving Contribution Rates to be charged                      Resolution No. \_\_\_\_\_  
by the Contra Costa County  
Employees’ Retirement Association.

Pursuant to Government Code Section 31454 and on recommendation of the Board of the Contra Costa County Employees’ Retirement Association, BE IT RESOLVED that the following contribution rates are approved to be effective for the periods January 1, 2013 through June 30, 2013 and July 1, 2013 through June 30, 2014.

- I. Basic Retirement Benefit Rate Component (payable as a % of compensation)
- II. Cost of Living Program Rate Component (payable as a % of compensation)
- III. Non-refundability Discount Factors

For the period January 1, 2013 through June 30, 2013

- A. For General Members PEPRA Tiers 4 & 5 (Sec. 7522.20(a))  
See attached Exhibit A
- B. For Safety Members PEPRA Tiers D & E (Sec. 7522.25(d))  
See attached Exhibit B

For the period July 1, 2013 through June 30, 2014

- C. For General Members PEPRA Tiers 4 & 5 (Sec. 7522.20(a))  
See attached Exhibit C
- D. For Safety Members PEPRA Tiers D & E (Sec. 7522.25(d))  
See attached Exhibit D
- E. Employer Contribution Rate for General Tier 1 County Members  
with Membership Dates on or after January 1, 2011 (Sec. 31676.16)  
See attached Exhibit E

\*The Pension Obligation Bonds (POB) issued by the County in March 1994 and April 2003, affected contribution rates for certain County employers. The following non-County employers who participate in the Retirement Association are referred to as “Districts”. All other departments/employers are referred to as “County” including the Superior Court of California, Contra Costa County.

- \*Bethel Island Municipal Improvement District
- \*Byron, Brentwood Knightsen Union Cemetery District
- \*Central Contra Costa Sanitary District
- \*Contra Costa County Employees’ Retirement Association
- \*Contra Costa Housing Authority
- \*Contra Costa Mosquito and Vector Control District
- \*Local Agency Formation Commission (LAFCO)
- \*Rodeo Sanitary District
- \*In-Home Supportive Services Authority
- \*First 5 - Children & Families Commission
- \*East Contra Costa Fire Protection District
- \*Rodeo-Hercules Fire Protection District
- \*San Ramon Valley Fire Protection District

\*\*Contra Costa County Fire Protection District and Moraga-Orinda Fire Protection District issued Pension Obligation Bonds in 2005 which affected contribution rates for these two employers. Subsequently, Con Fire has made additional payments to CCCERA for its UAAL in 2006 and 2007.

## CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## EMPLOYER AND EMPLOYEE CONTRIBUTION RATES EFFECTIVE FOR JANUARY 1, 2013 THROUGH JUNE 30, 2013 for PEPRA MEMBERS

## GENERAL PEPRA TIERS

PEPRA Tier 4 (3% COLA) BASIC

Employer  
Member

PEPRA Tier 4 (3% COLA) COL

Employer  
Member

*Non-Refundability Factor*

Cost Group #1			Cost Group #3	Cost Group #4	Cost Group #5	Cost Group #6
County	Districts without POB	Districts with POB	Central Contra Costa Sanitary District	Contra Costa Housing Authority	Contra Costa County Fire Protection District	Districts without POB
16.26%	21.34%	14.11%	31.49%	17.88%	14.38%	14.79%
7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%
6.03%	10.10%	5.90%	13.97%	10.83%	6.58%	6.41%
2.68%	2.68%	2.68%	2.68%	2.68%	2.68%	2.68%
<b>0.9552</b>	<b>0.9552</b>	<b>0.9552</b>	<b>0.9558</b>	<b>0.9532</b>	<b>0.9561</b>	<b>0.9544</b>

PEPRA Tier 5 (3%/4% COLA) BASIC

Employer  
Member

PEPRA Tier 5 (3%/4% COLA) COL

Employer  
Member

*Non-Refundability Factor*

Cost Group #2	
County	Districts without POB
15.68%	20.76%
6.89%	6.89%
5.75%	9.82%
2.36%	2.36%
<b>0.952</b>	<b>0.952</b>

Cost Group  
Cost Group #1

Employer Name

County General  
LAFCO  
CC Mosquito & Vector Control District  
Bethel Island Municipal Improvement District  
First 5 - Children and Families Commission  
Contra Costa County Employees' Retirement Association  
Superior Court  
East Contra Costa Fire Protection District  
Moraga-Orinda Fire Protection District  
Rodeo-Hercules Fire Protection District  
San Ramon Valley Fire Protection District

PEPRA Tier 4 & 5 (2% COLA) BASIC

Employer  
Member

PEPRA Tier 4 & 5 (2% COLA) COL

Employer  
Member

*Non-Refundability Factor*

County	
Cost Group #1	Cost Group #2
Tier 4	Tier 5
16.22%	15.73%
7.61%	6.84%
4.99%	4.82%
1.64%	1.41%
<b>0.9552</b>	<b>0.952</b>

Cost Group #2

County General  
In-Home Supportive Services  
CC Mosquito & Vector Control District  
Superior Court

Cost Group #3

Central Contra Costa Sanitary District

Cost Group #4

Contra Costa Housing Authority

Cost Group #5

Contra Costa County Fire Protection District

Cost Group #6

Rodeo Sanitary District  
Byron Brentwood Cemetery District

## CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## EMPLOYER AND EMPLOYEE CONTRIBUTION RATES EFFECTIVE FOR JANUARY 1, 2013 THROUGH JUNE 30, 2013 for PEPRA MEMBERS

## SAFETY PEPRA TIERS

PEPRA Safety Tier D BASIC

Employer

Member

PEPRA Safety Tier D COL

Employer

Member

**Non-Refundability Factor**

Cost Group #7	Cost Group #8		Cost Group #10	Cost Group #11	Cost Group #12
County	Contra Costa County Fire Protection District	East Contra Costa Fire Protection District	Moraga-Orinda Fire Protection District	San Ramon Valley Fire Protection District	Rodeo-Hercules Fire Protection District
28.36%	19.34%	40.28%	16.70%	33.03%	33.64%
11.08%	11.08%	11.08%	11.08%	11.08%	11.08%
17.55%	18.09%	34.05%	15.26%	17.65%	17.72%
4.67%	4.67%	4.67%	4.67%	4.67%	4.67%
<b>0.9703</b>	<b>0.9706</b>	<b>0.9706</b>	<b>0.9722</b>	<b>0.9717</b>	<b>0.9735</b>

PEPRA Safety Tier E BASIC

Employer

Member

PEPRA Safety Tier E COL

Employer

Member

**Non-Refundability Factor**

Cost Group #9
County (DSA only)
27.60%
10.38%
15.50%
2.62%
<b>0.9715</b>

Cost Group

Cost Group # 7

Cost Group # 8

Cost Group # 9

Cost Group # 10

Cost Group # 11

Cost Group # 12

Employer Name

County Safety

Contra Costa County Fire Protection District  
East Contra Costa Fire Protection District

County Safety - DSA hires since January 1, 2007

Moraga-Orinda Fire Protection District

San Ramon Valley Fire Protection District

Rodeo-Hercules Fire Protection District

## CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## EMPLOYER AND EMPLOYEE CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2013 THROUGH JUNE 30, 2014 for PEPRA MEMBERS

## GENERAL PEPRA TIERS

PEPRA Tier 4 (3% COLA) BASIC

Employer

Member

PEPRA Tier 4 (3% COLA) COL

Employer

Member

*Non-Refundability Factor*

Cost Group #1			Cost Group #3	Cost Group #4	Cost Group #5	Cost Group #6
County	Districts without POB	Districts with POB	Central Contra Costa Sanitary District	Contra Costa Housing Authority	Contra Costa County Fire Protection District	Districts without POB
18.25%	23.72%	12.63%	34.83%	18.95%	17.94%	15.40%
7.57%	7.57%	7.57%	7.57%	7.57%	7.57%	7.57%
<i>0.9838</i>			<i>0.9729</i>	<i>0.9761</i>	<i>0.9937</i>	<i>0.9031</i>

PEPRA Tier 5 (3%/4% COLA) BASIC

Employer

Member

PEPRA Tier 5 (3%/4% COLA) COL

Employer

Member

*Non-Refundability Factor*

Cost Group #2	
County	Districts without POB
17.67%	23.14%
6.89%	6.89%
6.15%	10.53%
2.36%	2.36%
<i>0.9465</i>	<i>0.9465</i>

Cost Group  
Cost Group #1Employer Name

County General

LAFCO

CC Mosquito &amp; Vector Control District

Bethel Island Municipal Improvement District

First 5 - Children and Families Commission

Contra Costa County Employees' Retirement Association

Superior Court

East Contra Costa Fire Protection District

Moraga-Orinda Fire Protection District

Rodeo-Hercules Fire Protection District

San Ramon Valley Fire Protection District

PEPRA Tier 4 & 5 (2% COLA) BASIC

Employer

Member

PEPRA Tier 4 & 5 (2% COLA) COL

Employer

Member

*Non-Refundability Factor*

County	
Cost Group #1	Cost Group #2
Tier 4	Tier 5
18.21%	17.72%
7.61%	6.84%
5.39%	5.22%
1.64%	1.41%
<i>0.9838</i>	<i>0.9465</i>

Cost Group #2

County General

In-Home Supportive Services

CC Mosquito &amp; Vector Control District

Superior Court

Cost Group #3

Central Contra Costa Sanitary District

Cost Group #4

Contra Costa Housing Authority

Cost Group #5

Contra Costa County Fire Protection District

Cost Group #6

Rodeo Sanitary District

Byron Brentwood Cemetery District

## CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## EMPLOYER AND EMPLOYEE CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2013 THROUGH JUNE 30, 2014 for PEPRA MEMBERS

## SAFETY PEPRA TIERS

PEPRA Safety Tier D BASIC

Employer

Member

PEPRA Safety Tier D COL

Employer

Member

**Non-Refundability Factor**

Cost Group #7	Cost Group #8		Cost Group #10	Cost Group #11	Cost Group #12
County	Contra Costa County Fire Protection District	East Contra Costa Fire Protection District	Moraga-Orinda Fire Protection District	San Ramon Valley Fire Protection District	Rodeo-Hercules Fire Protection District
33.31%	23.65%	45.18%	21.59%	36.57%	43.76%
11.08%	11.08%	11.08%	11.08%	11.08%	11.08%
20.07%	19.82%	36.23%	18.73%	18.84%	22.29%
4.67%	4.67%	4.67%	4.67%	4.67%	4.67%
<b>0.9966</b>	<b>0.9596</b>	<b>0.9596</b>	<b>0.9813</b>	<b>0.9894</b>	<b>0.9772</b>

PEPRA Safety Tier E BASIC

Employer

Member

PEPRA Safety Tier E COL

Employer

Member

**Non-Refundability Factor**

Cost Group #9 County (DSA only)
32.55%
10.38%
18.02%
2.62%
<b>0.8852</b>

Cost Group

Cost Group # 7

Cost Group # 8

Cost Group # 9

Cost Group # 10

Cost Group # 11

Cost Group # 12

Employer Name

County Safety

Contra Costa County Fire Protection District  
East Contra Costa Fire Protection District

County Safety - DSA hires since January 1, 2007

Moraga-Orinda Fire Protection District

San Ramon Valley Fire Protection District

Rodeo-Hercules Fire Protection District



## CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EMPLOYER CONTRIBUTION RATES EFFECTIVE FOR JULY 1, 2013 THROUGH JUNE 30, 2014 for Members with Membership Date on or after January 1, 2011

Cost Group #1	
GENERAL TIERS - ENHANCED	
<u>Tier 1 BASIC Enhanced 2% @ 55</u>	
First \$350 monthly & in Social Security	15.38%
Excess of \$350 monthly & in Social Security	23.07%
All Eligible \$ if <b>NOT</b> in Social Security	23.07%
<u>Tier 1 COL Enhanced 2% @ 55</u>	
First \$350 monthly	4.98%
Excess of \$350 monthly	7.46%
All Eligible \$ if <b>NOT</b> in Social Security	7.46%
<b>Non-Refundability Factor</b>	<b>0.9838</b>

## CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

### **SUBVENTION**

Under PEPRA, the standard is that employees pay at least 50 percent of normal costs and that employers not pay any of the required employee contribution, with some exceptions. Gov. Code §7522.30(f) allows the terms (regarding the employee's required contribution) of a contract, including a memorandum of understanding, that is in effect on January 1, 2013, to continue through the length of a contract. This means that it is possible that an employer will subvent a portion of a PEPRA member's required contribution until the expiration date of the current contract, so long as it has been determined that the contract has been impaired.

Employee rate – Decrease the employee's rate by the subvention percent (i.e. 50%, 75%, etc.).

Employer rate – Increase the employer's rate by a **percent** of the employee's decrease using the applicable refundability factor:

**EXAMPLE FOR COST GROUP #3:** If the subvention percent is 50%,  
Employee rates should be decreased by  $7.57\% \times 50\% = 3.785\%$   
The employer rate should be increased by  $3.785\% \times 0.9558 = 3.6177\%$

**CAUTION** – these rates are for employer **subvention**, NOT employer **pick-up** of employee contribution rates. When an employer **subvents**, the contribution subvented is not placed in the member's account and is therefore not available to the member as a refund. For this reason, the employer pays the contribution at a discount (i.e. "Non-Refundability Factor").

Employer **pick-ups** of employee contributions are those made under Section 414 (h)(2) of the Internal Revenue Code. These contributions are added to the member's account, are available to the member as a refund and are considered by CCCERA a part of the member's compensation for retirement purposes.

### **EMPLOYEE PAYMENT OF EMPLOYER COST**

There are two reasons why the attached contribution rates may need to be adjusted to increase the employee portion.

Gov. Code §7522.30(c) requires that an employee's contribution rate be at least equal to that of similarly situated employees.

Gov. Code §7522.30(e) allows the employee contributions to be more than one-half of the normal cost rate if the increase has been agreed to through the collective bargaining process.

If you need to increase the employee contribution rate for any reason, you will need to adjust both employee and employer rates:

Employee rate – Increase the employee's rate by the desired percent of payroll.

Employer rate – Decrease the employer's rate by a **percent** of the cost-sharing percent of payroll using the applicable refundability factor:

**EXAMPLE FOR TIER E COST GROUP #9:** If the required increase in the employee rate is 1.0%,  
Employee rates should be increased by 1.0%.  
The employer rate should be decreased by  $1.0\% \times 0.9715 = 0.9715\%$