

Srisukwatana, Thanaphat

From: Avalos, Elizabeth
Sent: Friday, March 02, 2007 5:43 PM
To: AllCounty
Cc: Pena, Roberto; Van Wyk, Becky
Subject: New Employee Contribution Rates

Attachments: combined rate tables 030907.pdf; 2006 combined rates.pdf

Dear Member,

I have attached revised **(lower)** employee retirement contribution rates, which were approved and recommended by the Board of Retirement on February 21st and adopted by the Board of Supervisors on February 27th. The revised rates reflect the elimination of both (a) the Unfunded Actuarial Accrued Liability (UAAL) portion of the Cost of Living (COL) benefit, and (b) the "phase in" of member contribution increases that began in July 2004. In addition, the revised safety contribution rates include a slight modification to the safety salary assumption that had been identified by The Segal Company during its audit of the 2005 actuarial valuation.

The UAAL is merely a component of the cost of living contribution that is included in both the basic and settlement retirement deductions. Please note these corrections will decrease your retirement contribution deductions but will **not completely eliminate any of the current retirement contribution totals displayed on your check stub**. If you are interested in the detail contribution components that makes up your total retirement contribution deduction, please refer to the detailed rate tables that are available on FCERA's website.

The attached revised contribution rates ([combined rate tables 030907.pdf](#)) will become effective with the March 9th paycheck for County employees for the remainder of the fiscal year (through the first paycheck in July 2007). The rate changes will become effective, generally with the first pay check received in March for district employees, depending upon each district's ability to implement the changes to its payroll. I have also attached the current retirement contribution rates ([2006 combined rates.pdf](#)) for your reference.

As you will see, the revised contribution rates for the remainder of the fiscal year are lower than the contribution rates you have been paying since the beginning of the fiscal year. Please note that to compare the new total contribution deduction to your current total contribution deduction, County employees will need to add both retirement contribution deduction amounts reported on their check stub.

Please note that FCERA is working on preparing a "retirement contribution calculator" that will be available on the website to aid you in estimating the impact that the new rates will have on your retirement contribution. We anticipate having the calculator available on our website by 3/6/07. In the meantime, to calculate your new retirement contribution amount using the attached rate tables, as follows:

- Take your biweekly compensation earnable amount (base pay plus certain earn codes) and subtract the Social Security reduction factor of \$162.00 (all County employees and some District employees are integrated with Social Security) to calculate your adjusted base.
- Multiply the adjusted base amount (calculated above) by your combined high rate factor for your age of entry into FCERA. Be sure to use the age from the table for your membership classification (General or Safety) and your retirement tier (Tier I or Tier II) from the attached tables.
- Multiply \$162.00 by the combined low rate factor for your age of entry into FCERA. Be sure to use the age from the table for your membership classification (General or Safety) and your retirement tier (Tier I or Tier II) from the attached tables.
- Add these two figures together for your total retirement contribution amount.

Please note that the Social Security reduction factor does not apply to members employed by agencies not integrated with Social Security (i.e. North Central Fire Protection District and Fresno Madera Area Agency on Aging). Therefore, those members should "skip" the Social Security reduction factor calculation and use only the high rate factor for all your compensation earnable.



combined rate
tables 030907.pd...



2006 combined
rates.pdf (44 KB...

Please contact me if you have additional questions. Thank you.

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