

*BU 10 Retirement Implementation from CalPERS*  
*September 15, 2014*

- All impacted members will be reported with the full pay increase as Pay Rate (salary) in my|CalPERS effective 7/1/14 and will pay full contributions on their total earnings.
- For those members who retire during FY 14/15, they are entitled to 33.33% of the increase that exceeds 5% for every month in which they work during the fiscal year. If they do not work the entire FY, then their final comp would be averaged with the lower salary from a previous FY. For example, in referencing the pay letter, Supervising Mechanical Engineer, CalTrans received an 8.01% increase, \$9,134 to \$9,866 for the bottom of the salary scale. If a member in this class retires at the end of FY14/15, they would be entitled to 5% of the increase plus 33.33% of 3.01% (amount of increase greater than 5%) or 1% for a total of 6% (\$9,682.04). In the case of a Senior Ergonomic Specialist, State Comp Insurance Fund they receive a 32.40% increase, \$5,746 to \$7,608 for the bottom of the salary scale. If a member in this class retires at the of FY14/15 they would be entitled to 5% of the increase plus 33.33% of 27.40% (amount of increase greater than 5%) or 9.132% for a total of 14.132% (\$6,558.02).
- For those members who retire during FY 15/16, they are entitled to 66.66% of the increase that exceeds 5% for every month in which they work during the fiscal year. If they do not work the entire FY, then their final comp would be averaged with the 33.33% increase from the previous FY and any other lower salary from previous FYs depending on their contracted final comp period.
- For those members who retire during FY 16/17, they are entitled to 100% of the increase that exceeds 5% for every month in which they work during the fiscal year. If they do not work the entire FY, then their final comp would be averaged with the 66.66% increase from the previous FY and any other lower salary from previous FYs depending on their contracted final comp period.
- As stated in the legislation, no refunds of member contributions are returned when a member retires prior to earning 100% of the pay increase towards final compensation despite paying for it since July 2014.
- The 2% pay increase awarded as part of the governor's budget would already be included as part of final comp regardless of retirement date and will not be part of any phase in.