

Required Employer Contribution

	Fiscal Year	
Required Employer Contribution	2018-19	
Employer Normal Cost Rate	20.556%	
<i>Plus Either</i>		
1) Monthly Employer Dollar UAL Payment	\$	13,171.36
<i>Or</i>		
2) Annual Lump Sum Prepayment Option	\$	152,532
<p><i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).</i></p> <p><i>Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.</i></p> <p><i>§ 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.</i></p>		

	Fiscal Year 2017-18	Fiscal Year 2018-19
Development of Normal Cost as a Percentage of Payroll¹		
Base Total Normal Cost for Formula	27.603%	28.405%
Surcharge for Class 1 Benefits ²		
a) FAC 1	1.108%	1.140%
Phase out of Normal Cost Difference ³	0.000%	0.000%
Plan's Total Normal Cost	28.711%	29.545%
Formula's Expected Employee Contribution Rate	8.988%	8.989%
Employer Normal Cost Rate	19.723%	20.556%
Projected Payroll for the Contribution Fiscal Year	\$ 1,376,676	\$ 1,293,726
Estimated Employer Contributions Based on Projected Payroll		
Plan's Estimated Employer Normal Cost	\$ 271,522	\$ 265,938
Plan's Payment on Amortization Bases ⁴	121,260	158,056
% of Projected Payroll (illustrative only)	8.808%	12.217%
Estimated Total Employer Contribution	\$ 392,782	\$ 423,994
% of Projected Payroll (illustrative only)	28.531%	32.773%

¹ The results shown for Fiscal Year 2017-18 reflect the prior year valuation and may not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2016.

² Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

³ The normal cost difference is phased out over a five year period. The phase out of normal cost difference is 100 percent for the first year of pooling, and is incrementally reduced by 20 percent of the original normal cost difference for each subsequent year. This is non-zero only for plans that joined a pool within the past 5 years. Most plans joined a pool June 30, 2003, when risk pooling was implemented.

⁴ See page 9 for a breakdown of the Amortization Bases.

Required Employer Contribution

	Fiscal Year
Required Employer Contribution	2018-19
Employer Normal Cost Rate	13.428%
<i>Plus Either</i>	
1) Monthly Employer Dollar UAL Payment	\$ 12,412.09
<i>Or</i>	
2) Annual Lump Sum Prepayment Option	\$ 143,739

*The total minimum required employer contribution is the **sum** of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) **plus** the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).*

*Only the UAL portion of the employer contribution can be prepaid (**which must be received in full no later than July 31**). Plan Normal Cost contributions will be made as part of the payroll reporting process. If there is contractual cost sharing or other change, this amount will change.*

§ 20572 of the Public Employees' Retirement Law assesses interest at an annual rate of 10 percent if a contracting agency fails to remit the required contributions when due.

	Fiscal Year 2017-18	Fiscal Year 2018-19
Development of Normal Cost as a Percentage of Payroll¹		
Base Total Normal Cost for Formula	19.000%	19.521%
Surcharge for Class 1 Benefits ²		
a) FAC 1	0.626%	0.643%
b) PRSA	0.795%	0.872%
c) 50% IDR for Miscellaneous	0.339%	0.344%
Phase out of Normal Cost Difference ³	0.000%	0.000%
Plan's Total Normal Cost	20.760%	21.380%
Formula's Expected Employee Contribution Rate	7.951%	7.952%
Employer Normal Cost Rate	12.809%	13.428%
 Projected Payroll for the Contribution Fiscal Year	 \$ 696,031	 \$ 779,864
Estimated Employer Contributions Based on Projected Payroll		
Plan's Estimated Employer Normal Cost	\$ 89,155	\$ 104,720
Plan's Payment on Amortization Bases ⁴	121,468	148,945
% of Projected Payroll (illustrative only)	17.452%	19.099%
 Estimated Total Employer Contribution	 \$ 210,623	 \$ 253,665
% of Projected Payroll (illustrative only)	30.261%	32.527%

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