

## Required Employer Contribution

	Fiscal Year		Fiscal Year	
	2016-17 <sup>1</sup>		2017-18	
<b>Required Employer Contribution</b>				
Employer Normal Cost Rate		12.768%		12.809%
<i>Plus Either</i>				
1) Monthly Employer Dollar UAL Payment	\$	8,558.34	\$	10,122.32
<i>Or</i>				
2) Annual Lump Sum Prepayment Option	\$	99,053	\$	117,154

*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		Fiscal Year	
	2016-17 <sup>1</sup>		2017-18	
<b>Development of Normal Cost as a Percentage of Payroll</b>				
Base Total Normal Cost for Formula		18.957%		19.000%
Surcharge for Class 1 Benefits <sup>3</sup>				
a) FAC 1		0.626%		0.626%
b) PRSA		0.795%		0.795%
c) 50% IDR for Miscellaneous		0.339%		0.339%
Phase out of Normal Cost Difference <sup>4</sup>		0.000%		0.000%
Plan's Total Normal Cost		20.717%		20.760%
Formula's Expected Employee Contribution Rate		7.949%		7.951%
Employer Normal Cost Rate		12.768%		12.809%
Projected Payroll for the Contribution Fiscal Year	\$	933,626	\$	696,031
<b>Estimated Employer Contributions Based on Projected Payroll</b>				
Plan's Estimated Employer Normal Cost	\$	119,208	\$	89,155
Plan's Payment on Amortization Bases <sup>2</sup>		102,700		121,468
Total Employer Contribution <sup>5</sup>	\$	221,908	\$	210,623

<sup>1</sup> The results shown for Fiscal Year 2016-17 reflect the prior year valuation and do not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2015.

<sup>2</sup> See page 8 for a breakdown of the Amortization Bases.

<sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>4</sup> 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.

<sup>5</sup> As a percentage of projected payroll the UAL contribution is 17.452 percent for an estimated total employer contribution rate of 30.261 percent.

## Required Employer Contribution

Required Employer Contribution	Fiscal Year	
	2016-17 <sup>1</sup>	2017-18
<b>Employer Normal Cost Rate</b>	<b>19.536%</b>	<b>19.723%</b>
<i>Plus Either</i>		
<b>1) Monthly Employer Dollar UAL Payment</b>	<b>\$ 8,019.02</b>	<b>\$ 10,105.00</b>
<i>Or</i>		
<b>2) Annual Lump Sum Prepayment Option</b>	<b>\$ 92,811</b>	<b>\$ 116,953</b>

*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.*

Development of Normal Cost as a Percentage of Payroll	Fiscal Year	
	2016-17 <sup>1</sup>	2017-18
Base Total Normal Cost for Formula	27.415%	27.603%
Surcharge for Class 1 Benefits <sup>3</sup>		
a) FAC 1	1.108%	1.108%
Phase out of Normal Cost Difference <sup>4</sup>	0.000%	0.000%
Plan's Total Normal Cost	28.523%	28.711%
Formula's Expected Employee Contribution Rate	8.987%	8.988%
Employer Normal Cost Rate	19.536%	19.723%
 Projected Payroll for the Contribution Fiscal Year	 \$ 1,249,378	 \$ 1,376,676
<b>Estimated Employer Contributions Based on Projected Payroll</b>		
Plan's Estimated Employer Normal Cost	\$ 244,073	\$ 271,522
Plan's Payment on Amortization Bases <sup>2</sup>	96,228	121,260
Total Employer Contribution <sup>5</sup>	\$ 340,301	\$ 392,782

<sup>1</sup> The results shown for Fiscal Year 2016-17 reflect the prior year valuation and do not take into account any lump sum payment, side fund payoff, or rate adjustment made after June 30, 2015.

<sup>2</sup> See page 8 for a breakdown of the Amortization Bases.

<sup>3</sup> Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>4</sup> 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.

<sup>5</sup> As a percentage of projected payroll the UAL contribution is 8.808 percent for an estimated total employer contribution rate of 28.531 percent.