

CUCAMONGA VALLEY WATER DISTRICT

California Public Employees' Retirement System (CalPERS)

<p>Retirement Formulas and Benefit Factor</p>	<p>Your retirement formula is determined by District's contract with CalPERS.</p> <p>Your benefit factor is the percentage of pay to which you are entitled for each year of service. It is determined by your age at retirement and the retirement formula that was contracted by the District with CalPERS.</p> <p>District Retirement Formulas</p> <table border="1" data-bbox="505 443 1451 611"> <thead> <tr> <th></th> <th>Tier I</th> <th>Tier II</th> <th>Tier III (PEPRA)</th> </tr> </thead> <tbody> <tr> <td>Local Miscellaneous</td> <td>2.5%@55</td> <td>2%@60</td> <td>2%@62</td> </tr> </tbody> </table>		Tier I	Tier II	Tier III (PEPRA)	Local Miscellaneous	2.5%@55	2%@60	2%@62
	Tier I	Tier II	Tier III (PEPRA)						
Local Miscellaneous	2.5%@55	2%@60	2%@62						
<p>Public Employees' Pension Reform Act (PEPRA)</p>	<p>The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement are applied, and places compensation limits on members. The greatest impact is felt by new CalPERS members.</p> <p>As defined by PEPRA, a new member includes:</p> <ul style="list-style-type: none"> • A new hire who joined CalPERS for the first time on or after January 1, 2013, and who has no prior membership in another California public retirement system. • A member who joined CalPERS prior to January 1, 2013, who, on or after January 1, 2013, is hired by a different CalPERS employer following a break in service of more than six months. • A new hire who joins CalPERS for the first time on or after January 1, 2013, and who was a member of another California public retirement system prior to that date, but who is not subject to reciprocity upon joining CalPERS. <p>All members who don't fall into the definitions above are considered classic members. Classic members will retain the existing benefit enrollment levels for future service with the same employer.</p> <p>The District's classic benefit tier is Tier 2 - 2% @60</p>								
<p>Retirement Contributions</p>	<p>Employee contributions vary based on the employee's retirement benefit formula and can change each year:</p> <table border="1" data-bbox="505 1520 1451 1759"> <thead> <tr> <th>HIRED PRIOR TO 1/11/2011 (2.5% @55)</th> <th>HIRED ON OR AFTER 1/12/2011 (2% @60)</th> <th>HIRED AFTER 1/1/2013 (2% @62) PEPRA*</th> </tr> </thead> <tbody> <tr> <td>8% of gross income</td> <td>7% of gross income</td> <td>7.25% of gross income</td> </tr> </tbody> </table> <p>*Employer Contributions are set by CalPERS each fiscal year and are subject to change.</p> <p>Employees do not participate in Social Security only Medicare withholding of 1.45%.</p>	HIRED PRIOR TO 1/11/2011 (2.5% @55)	HIRED ON OR AFTER 1/12/2011 (2% @60)	HIRED AFTER 1/1/2013 (2% @62) PEPRA*	8% of gross income	7% of gross income	7.25% of gross income		
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<p>CalPERS Compensation Limits for Classic and PEPRA Members</p>	<p>Employees who became members of CalPERS on or after 7/1/1996, are subject to the IRC 401(a) (17) limit, which restricts the amount of compensation that can be used to calculate the CalPERS retirement benefit. For 2021, the limit is \$290,000.</p> <p>Employees who become new members of CalPERS on or after 1/1/2013, and deemed PEPRA members, are subject to a compensation cap of \$153,671 for the 2021 calendar year for employees who are not subject to Social Security.</p> <p>Each year CalPERS issues a Circular Letter announcing the IRC section 401(a)(17) limit for the calendar year.</p> <p>Compensation limits for both classic and PEPRA members do not limit the salary an employer can pay; they limit the amount of compensation considered the defined benefit plan.</p>
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