

City of Laguna Niguel Employer and Employee Retirement Contribution Rates



July 2015

The City of Laguna Niguel contracts with the California Public Employees Retirement System (PERS) to provide pension benefits to full-time City employees and PERS-eligible part-time City employees. PERS offers defined benefit retirement plans that provide retired employees with a regular monthly payment based on retirement age, years of service and final compensation. The PERS retirement program is funded through a combination of employer contributions, employee contributions and investment earnings. In Laguna Niguel, the PERS Benefit Formula and the Employer and Employee contribution rates vary based on the employee's date of hire (see charts below).

The City and its City employees have agreed to pension reforms to reduce future pension costs. Employees hired after March 23, 2012 are placed on the lower PERS 2% at Age 60 Benefit Formula. As of July 2013, all PERS-eligible City employees will be paying the full 7% employee contribution rate. New employees hired after January 1, 2013 are placed on the lowest PERS 2% at Age 62 Benefit Formula, per the Public Employees' Pension Reform Act (PEPRA). As required by CalPERS, new employees contribute at least half of the normal cost of benefits.

PERS-eligible full-time and part-time City employees do not receive Social Security credits/benefits. Part-time City employees who are not eligible for enrollment in PERS are enrolled in the Federal Social Security Program.

**1. FULL-TIME CITY EMPLOYEES AND PERS ELIGIBLE PART-TIME EMPLOYEES HIRED BEFORE MARCH 23, 2012
PERS 2% AT 55 BENEFIT FORMULA**

Employer Contribution	12.008%
Employee Contribution	7.0%

**2. FULL-TIME CITY EMPLOYEES AND PERS ELIGIBLE PART-TIME EMPLOYEES HIRED AFTER MARCH 23, 2012
PERS 2% AT 60 BENEFIT FORMULA**

Employer Contribution	6.709%
Employee Contribution	7.0%

**3. *NEW CITY EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2013
PERS 2% AT 62 BENEFIT FORMULA**

Employer Contribution	6.237%
Employee Contribution	6.25%

*New Employees as defined by the Public Employees' Pension Reform Act (PEPRA)

4. PART-TIME CITY EMPLOYEES COVERED BY SOCIAL SECURITY AND INELIGIBLE FOR PERS

Employer Contribution	6.2%
Employee Contribution	6.2%

Note: Contribution rates are based on a percentage of each City employee's base salary.