

Date: December 29, 2020

To: All StanCERA Plan Sponsors

From: Natalie Davis, Fiscal Services Manager

Re: Government Code Section 7522.10(d)(1)
Income and Contribution Limits for Tier 6 Members

The maximum pensionable compensation allowed for Tier 6 plan members is adjusted annually. The adjustment is calculated by the California Actuarial Advisory Panel each year and reported to Stanislaus County Employees' Retirement Association as soon as it becomes available.

The calculation begins with the 2020 calendar year maximum of \$126,291 for those included in the federal Social Security system and \$151,549 for those not included in the federal Social Security system. That number is then adjusted, based on the annual changes to the Consumer Price Index for All Urban Consumers (CPI-U) by dividing the CPI-U from the September 2020 by the September 2019 CPI-U rounded to the nearest thousandth.

- $260.280 / 256.759 = 1.014$

Applying the annual adjustment to the 2020 limits yields the following limits for calendar year 2021:

- $\$126,291 \times 1.014 = \$128,059$ (included in the federal Social Security system)
- $\$151,549 \times 1.014 = \$153,671$ (not included in the federal Social Security system)

Please make all necessary adjustments to your payroll systems to discontinue member contributions on pensionable compensation in excess of the 2021 compensation limits effective January 1, 2021.

Cc: Deanne Corbiser
Rick Santos