

Employer Information Circular

Volume 20; Issue 5

March 22, 2004

REPORTING CHARTER SCHOOLS TO CalSTRS

The purpose of this circular is to remind employers of the requirements of Education Code Section 47611 regarding the employer's responsibility to report retirement contributions and other information to the California State Teachers' Retirement System (CalSTRS) for eligible employees of charter schools that have elected CalSTRS for their retirement system coverage.

If a charter school elects to participate in CalSTRS, as prescribed in Education Code Section 47611, then all provisions of Part 13 (commonly referred to as Teachers' Retirement Law) commencing with Education Code Section 22000 apply. All earnings for creditable service, as defined in Education Code Section 22119.5, performed by employees at the charter schools must be reported like any other earnings for creditable service performed at a public school in the district that granted the charter. A detailed guide, *Employer Creditable Compensation Guide*, is available upon request. The guide can assist employers in determining if compensation is creditable and how to report it.

Please refer to Administrative Directive No. 96-01 dated March 13, 1996, and Administrative Directive No. 2001-01 dated January 19, 2001, for detailed instructions for establishing and reporting retirement contributions and other information to CalSTRS. Both of these directives are available on the CalSTRS Web Site at www.calstrs.com.

Failure to report earnings for creditable service for CalSTRS members employed in the charter schools creates the potential to negatively affect CalSTRS' ability to pay accurate and timely benefits when those members retire. The CalSTRS mission is securing the financial future and sustaining the trust of California educators, which cannot be done if all retirement information for all educators is not reported.

CalSTRS has the statutory authority to assess penalties pursuant to Education Code Section 23006. The Board may assess penalties for late or unacceptable reports based on the sum of the employer and employee contributions required for the report at a rate of interest equal to the regular interest rate or \$500, whichever is greater. CalSTRS has the authority to reject the county's entire report due to failure to report earnings for creditable service performed by

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employees of charter schools. The penalty can be assessed to the county which then has the authority to assess the district. In order to avoid potential penalty assessments, it is imperative that all employers report earnings for creditable service performed by employees of the charter schools within their jurisdiction.

If you have any questions or need clarification of your responsibilities, please contact the CalSTRS Employer Services technician responsible for your county.