

Read the following information and instructions before completing the CalSTRS Activation Packet (ES1796). Type or print in dark ink and initial all corrections. For timely processing, complete all fields and signatures and submit all supporting documents.

BACKGROUND INFORMATION

Prior to submitting retirement reports and contributions to CalSTRS, a new Charter School, Pre-K-12 School District or Community College District must apply for CalSTRS activation of a reporting account called Report Unit ID (RU ID). Application for CalSTRS Activation ES1796 Form must be fully completed and submitted with supporting documents.

CalSTRS offers the following benefit programs to members. For more details on these programs please follow the links here. The default retirement plan for CalSTRS Activation is DB and DBS. If you are interested in offering CB please contact us for more information.

- Defined Benefit Program - [DB](#)
- Defined Benefit Supplement Program - [DBS](#)
- Cash Balance Benefit Program - [CB](#)
- [Pension2®](#) Voluntary Supplemental Savings Plan

INSTRUCTIONS AND DEFINITIONS

SECTION 1: SCHOOL INFORMATION

- **School Name** – School/District/College name
- **CDS Code** – 14-digit County-District-School Code is a unique number assigned to a California public school by the California Department of Education (CDE).
- **County** – The county boundary of the school's location
- **School Type** – Select the most appropriate type of school
 - **Community College District**
 - **Non-Charter Pre-K-12 School or School District**
 - **Other School Types** - ROP, JPA, Adult Schools
 - **Charter School**
- **For Charter School, provide the following:**
 - **Charter Number** – 4-digit tracking number assigned by the State Board of Education (SBE)
 - **Chartering Authority** – The administrative authority whose governing board approved the charter petition. Chartering Authority can either be the School District, the County Office of Education (COE), or the State Board.

- **CMO** – Charter Management Organization or the non-profit public benefit organization of the charter school

- **Mailing Address** – The mailing address of the school
- **Site Address** – The physical location of the school
- **Activation Contact Name(s)** – Name(s) of the point of contact for activation application
- **Email(s)** – Email address(es) of the Activation Contact Name(s)
- **Telephone(s)** – Phone number(s) of the Activation Contact Name(s)

SECTION 2: CALSTRS RETIREMENT REPORTING

- **Report Unit ID** – This is assigned by the County Office of Education (COE). The 5-digit code consists of the first 2 for the County Code, and next 3 for the school's unit code.
- **CalSTRS Start Date** – The start date of CalSTRS service due for CalSTRS reporting and contributions
- **School Open Date** – The opening date of school operation; first day of classroom instruction
- **Retirement Processing Office** – The District, Third Party/Back Office Vendor, or the CMO office processing retirement data and submitting retirement reports to COE.
- **Retirement Mailing Address** – The mailing address of the Retirement Processing Office
- **Retirement Contact Names(s)** – The contact person(s) at the Retirement Processing Office
- **Retirement Email(s)** – The email address(es) of the Retirement Contact Name(s)
- **Retirement Telephone(s)** – The phone number(s) of the Retirement Contact Name(s)
- **Payroll Processing Office** – The District, Third Party/Back Office Vendor, or the CMO office processing payroll and/or submitting retirement contributions to COE.
- **Payroll Mailing Address** – The mailing address of the Payroll Processing Office
- **Payroll Contact Names(s)** – The contact person(s) at the Payroll Processing Office
- **Payroll Email(s)** – The email address(es) of the Payroll Contact Name(s)
- **Payroll Telephone(s)** – The phone number(s) of the Payroll Contact Name(s)

SECTION 3: EMPLOYER PICK-UP OF MEMBER CONTRIBUTIONS (EPMC)

If employer chose to implement the provisions of EPMC, mark the following checkbox AND provide the required information.

- The Governing Board has pursued action to provide EPMC for employees who are members of CalSTRS.
- **Date Adopted by the Governing Board** – The date when the governing board adopted the EPMC Resolutions
 - **Effective Date** – The effective date of the adopted EPMC Resolutions; EPMC effective date may be equal to and not later than CalSTRS Start Date.
 - **Board Minutes or Memorandum** – The approved board minutes or executed memorandum adopting the EPMC Resolutions
 - **Executed Resolutions** – EPMC Resolutions with signatures and dates. See Examples page for Resolution language.

SECTION 4: PRE-TAX DEDUCTIONS FOR VOLUNTARY RECEIVABLE

If employer chose to implement the provisions of Pre-Tax Deductions for Voluntary Receivable, mark the following checkbox AND provide the required information.

- The Governing Board has pursued action to provide Pre-Tax Deductions for Voluntary Receivable for employees who are members of CalSTRS.
- **Date Adopted by the Governing Board** – The date when the governing board adopted the Pre-Tax Deductions for Voluntary Receivable Resolutions
 - **Effective Date** – The effective date of the adopted Pre-Tax Deductions for Voluntary Receivable Resolutions may not be later than; the resolutions effective date may be equal to and not later than CalSTRS Start Date.
 - **Board Minutes or Memorandum** – The approved board minutes or executed memorandum adopting Pre-Tax Deductions for Voluntary Receivable Resolutions
 - **Executed Resolutions** – Resolutions with signatures and dates. See Examples page for Resolution language.

SECTION 5: REQUIRED SIGNATURE

Official School Representative – School Administrator, CBO, CEO, Principal, Superintendent. Print name and title of the official representative; affix signature and date.

SECTION 6: SUPPORTING DOCUMENTS

Supporting documents must be submitted along with this activation form.

Charter Schools:

1. Board Minutes, Memorandums, Resolutions or any form of official documents from the authorizing governing board substantiating the adoption of the charter petition, operational agreement, this application, the EPMC Resolutions, and the Voluntary Deductions Resolutions
2. Electronic Copy of all official documents including but not limited to charter petition, any material revisions, memorandum of understanding or operational agreement, official board documents per Item 1, CDE registration
3. Email this completed form with Items 1 and 2 to CharterSchoolQuestions@calstrs.com.

Non-Charter Schools, Community Colleges:

1. Board Minutes, Memorandum, Resolutions or any form of official documents from the authorizing governing board substantiating the adoption of the proposal to establish the school district/community college entity, operational agreement, this application, the EPMC Resolutions, the Voluntary Deductions Resolutions
2. Electronic Copy of all official documents including but not limited to official proposals, any material revisions, memorandum of understanding or operational agreement, official board documents per Item 1, CDE registration or Board of Community Colleges (for CCDs)
3. Email this completed form with Items 1 and 2 to EmployerHelp@calstrs.com.

QUESTIONS AND SUBMISSION

Please submit *completed Application for CalSTRS Activation* packet ES1796 and all supporting documents via email.

Charter schools, please contact CharterSchoolQuestions@CalSTRS.com.

Non-charter schools, including community colleges, please contact EmployerHelp@CalSTRS.com.

IRS APPROVED MODEL OF EMPC RESOLUTION

WHEREAS, the _____ School District [_____ County Superintendent of Schools] has the authority to implement the provisions of section 414(h)(2) of the Internal Revenue Code (IRC); and
WHEREAS, the Teachers' Retirement Board of the California State Teachers' Retirement System (CalSTRS) adopted its resolution of IRC section 414(h)(2) on May 17, 1985; and
WHEREAS, the Internal Revenue Service has stated on August 27, 1985, that the implementation of the provisions of IRC section 414(h)(2) pursuant to the resolution of the Teachers' Retirement Board would satisfy the legal requirements of IRC section 414(h)(2); and
WHEREAS, the _____ School Board [_____ County Superintendent of Schools] has determined that even though the implementation of the provisions of IRC section 414(h)(2) is not required by law, the tax benefit offered by IRC section 414(h)(2) should be provided to its employees who are members of CalSTRS.

NOW, THEREFORE, BE IT RESOLVED:

- I. That the School District [County Superintendent of Schools] will implement the provisions of IRC section 414(h)(2) by making employee contributions to CalSTRS on behalf of its employees who are members of CalSTRS. "Employees contributions" shall mean those contributions to CalSTRS which are deducted from the salary of employees and are credited to individual employees' accounts.
- II. That the contributions made by the School District [County Superintendent of Schools] to CalSTRS, although designated as employee contributions, are being paid by the School District [County Superintendent of Schools] in lieu of contributions by the employees who are members of CalSTRS.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the School District [County Superintendent of Schools] to CalSTRS.
- IV. That the School District [County Superintendent of Schools] shall pay to CalSTRS the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the amount of the contributions designated as employee contributions and paid by the School District [County Superintendent of Schools] to CalSTRS on behalf of an employee shall be the entire contribution required of the employee by the Teachers' Retirement Law (California Education Code sections 22000 et seq.)
- VI. That the contributions designated as employee contributions made by the School District [County Superintendent of Schools] to CalSTRS shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by CalSTRS.
- VII. That the School District [County Superintendent of Schools] shall make no contributions designated as employee contributions until CalSTRS has developed and implemented procedures for administering the provisions of Section 414(h)(2) of the Internal Revenue Code and until CalSTRS has officially notified the School District [County Superintendent of schools] that it will accept contributions pursuant to Section 414(h)(2) of the Internal Revenue Code.

PRE-TAX DEDUCTIONS FOR VOLUNTARY RECEIVABLE RESOLUTION

WHEREAS, Internal Revenue Code (IRC) Section 414(h)(2) permits employer "pickup" of the employee portion of contributions to a retirement plan, thereby resulting in tax deferral of employee contributions; and
WHEREAS, under the California State Teachers' Retirement System (CalSTRS) plan conditions, members may be allowed to redeposit contributions previously withdrawn plus interest and/or purchase permissive service credit;
NOW THEREFORE, BE IT RESOLVED, that in order to permit tax deferral for these additional amounts, an employee shall enter into a binding irrevocable payroll deduction authorization and such employee shall not have the option of choosing to receive the amounts directly instead of having them paid by the employer to CalSTRS;
BE IT FURTHER RESOLVED, that additional amounts herein specified, through payroll deduction from salary, are designated as being picked up by the employer and paid by the employer in accordance with CalSTRS retirement plan requirements.

**Application for CalSTRS
Activation**
ES1796 REV 05/20

[For CalSTRS' Official Use Only]

CALSTRS[®]
California State Teachers' Retirement System
P.O. Box 15275, MS 17
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

This activation is for Defined Benefit (DB) and Defined Benefit Supplement (DBS) Retirement Plans.
If you would like to offer the Cash Balance (CB) Retirement Plan, please contact us for more information.

Section 1: School Information

SCHOOL NAME

CDS CODE

COUNTY

SCHOOL TYPE

COMMUNITY COLLEGE DISTRICT: CDS CODE not applicable
 NON-CHARTER PRE-K-12 SCHOOL
 OTHER SCHOOL TYPE (ROP, JPA, ADULT EDUCATION, CHILD CARE)
 CHARTER SCHOOL: Please provide the following additional information for Charter School Type only:
 CHARTER NUMBER: _____
 CHARTERING AUTHORITY: _____
 CMO: _____

MAILING ADDRESS

SITE ADDRESS

ACTIVATION CONTACT NAME(S)

1. _____
2. _____

EMAIL(S)

1. _____
2. _____

TELEPHONE(S)

1. _____
2. _____



Section 2: CalSTRS Retirement Reporting Information

REPORT UNIT ID ASSIGNED BY COE	
CALSTRS START DATE	
SCHOOL OPEN DATE	
RETIREMENT PROCESSING OFFICE	
RETIREMENT MAILING ADDRESS	
RETIREMENT CONTACT NAME(S)	1. 2.
RETIREMENT EMAIL(S)	1. 2.
RETIREMENT TELEPHONE(S)	
PAYROLL PROCESSING OFFICE	
PAYROLL MAILING ADDRESS	
PAYROLL CONTACT NAME(S)	1. 2.
PAYROLL EMAIL(S)	1. 2.
PAYROLL TELEPHONE(S)	

Section 3: Employer Pick-Up of Member Contributions - Tax Treatment of Member Contributions

Employer “pick-up” of member contributions (EPMC) is a program set forth in the provision of Internal Revenue Code section 414(h)(2) whereby employee contributions are non-taxable when they are reported as paid by the employer. The EPMC may be picked up for the purpose of deferring taxes provided the contributions are deducted from the member’s salary. These contributions are still considered part of the employee’s compensation for everything except tax treatment.

If an employer chooses to implement the provisions of EPMC, the governing board of that employer must take formal action to adopt a resolution in conformance with the IRS approved model resolution. Adoption of the EPMC resolution requires all CalSTRS members to be covered. If a resolution for EPMC is not adopted, only non tax-deferred contributions can be reported to CalSTRS.

Select One:

- The Governing Board is not pursuing action to provide EPMC for employees who are members of CalSTRS at this time.
- The Governing Board has pursued action to provide EPMC for employees who are members of CalSTRS. Please provide the following:
 - Date Adopted by the Governing Board _____
 - EPMC Pre-Tax Receivable Effective Date _____
 - Required Board Documents:
 - Board minutes or official memorandum adopting pre-tax EPMC
 - Executed EPMC Resolution – see Examples page for resolution language

Section 4: Pre-Tax Deductions for Voluntary Receivable Resolution (see Examples page for explanation)

The Internal Revenue Service (IRS) has ruled that CalSTRS members may elect to have their payments for voluntary receivables (redeposits or previously withdrawn contributions, permissive or nonqualified service credit purchase) qualify as tax-deferred payments if certain conditions are met, including that the employer must adopt a resolution to offer tax-deferred payroll deduction installment payments to employees for voluntary receivables. If an employer does not adopt a resolution for tax-deferred payroll deductions, only non tax-deferred payroll deductions may be offered for voluntary income.

For more information regarding employer reporting of payroll deductions for accounts receivables, please refer to Employer Directive 2010-02 available for download at CalSTRS.com/employer-and-administrative-directives.

Select One:

- The Governing Board is not pursuing action to provide pre-tax deductions for voluntary receivables for employees who are members of CalSTRS at this time.

- The Governing Board has pursued action to provide pre-tax deductions for voluntary receivables for employees who are members of CalSTRS. Please provide the following:
 - Date Adopted by the Governing Board _____
 - Voluntary Deductions Pre-Tax Receivable Effective Date _____
 - Required Board Documents:
 - Board minutes or official memorandum adopting Pre-Tax Deductions for Voluntary Receivable
 - Executed Pre-Tax Deductions for Voluntary Receivable Resolution - see Examples page for resolution language

Section 5: Required Signature

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. I understand that perjury is punishable by imprisonment for up to four years (Penal Code section 126).

I understand it is unlawful to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering a benefit administered by CalSTRS and it may result in penalties, including restitution, up to one year imprisonment and a fine of up to \$5,000 (Education Code section 22010).

PRINT NAME OF OFFICIAL SCHOOL REPRESENTATIVE	
POSITION TITLE	
OFFICIAL'S SIGNATURE	SIGNATURE DATE

Section 6: Supporting Documents

Please attach the following supporting documents with the completed activation form.

Charter School

1. Governing Board Minutes, Official Memorandum or Resolutions on the following:
 - a. Adopting the Final Charter Petition
 - b. Adopting the option to offer CalSTRS Retirement Plans and CalSTRS Activation Application
 - c. If pursuing Pre-Tax EPMC: Adopting the EPMC Resolutions
 - d. If pursuing Pre-Tax Voluntary Deductions: Adopting the Voluntary Receivable Resolutions
2. Electronic Copy of the following:
 - a. Charter Petition – Final and approved version
 - b. Executed Memorandum of Understanding or Operational Agreement
 - c. Executed EPMC Resolution
 - d. Executed Voluntary Receivable Resolution
 - e. Registration to the California Department of Education - Application or Notice for a CDS Code
3. Email completed packet to CharterSchoolQuestions@CalSTRS.com

Community College District, Non-Charter Schools Pre-K-12 School/School District, JPA, ROP, Adult Education, Child Care:

1. Governing Board Minutes, Official Memorandum or Resolution on the following:
 - a. Adopting the proposal to form and establish the school
 - b. Adopting the operations agreement or board policy
 - c. Adopting the option to offer CalSTRS Retirement Plans and CalSTRS Activation Application
 - d. If pursuing Pre-Tax EPMC: Adopting the EPMC Resolution
 - e. If pursuing Pre-Tax Voluntary Deductions: Adopting the Voluntary Receivable Resolution
2. Electronic Copy of Memorandum of Understanding, Operational Agreement, or Board Policy
3. Electronic Copy of the official registration to the State:
 - a. For Pre-K-12: Registration to California Department of Education - Application or Notice for a CDS Code
 - b. For Community College: Registration to California Community Colleges
4. Email completed packet to EmployerHelp@CalSTRS.com