From:	Lena Young-Gallardo
Sent:	Wednesday, July 20, 2022 7:56 PM
To:	BSD-CBO List; BSD-FinMgrsMeet List; Newpy List; Persadmin List; BSD-Community College
Cc:	BSD-ExecutiveStaffList
Subject:	CalPERS Out of Class Reporting FY 2021-22
Attachments:	Bulletin -CalPERS Reporting Out-of-Class Hours Worked.pdf; CalPERS Out-of-Class-Reporting Guide 3-5-22.pdf

Good evening,

Please see the attached bulletin for details on reporting CalPERS Out of Class Hours. While CalPERS still has not issued their Annual Notice, the hours for fiscal year 2021-22 must be reported through myCalPERS no later than July 30, 2022. The most recent CalPERS reporting guide is also attached for your convenience.

Thanks,
Lena

Transforming lives through education
Lena Young-Gallardo, Director
District Financial Services
San Bernardino County Superintendent of Schools
760 E. Brier Drive, San Bernardino, CA 92408
P: 909.388.5701 | F: 909.388.5735
http://www.sbcss.k12.ca.us

DATE: July 20, 2022

TO: Chief Business Officials, Directors of Fiscal Services, Personnel Administrators, and Payroll Technicians
             San Bernardino County School Districts (K-12, Community Colleges, ROP's)

SUBJECT: CalPERS Reporting Out-of-Class Hours Worked

Effective January 1, 2018, Assembly Bill (AB) 1487 added Government Code (GC) Section 20480 which requires agencies to report hours worked in an out-of-class position to the California Public Employees' Retirement System (CalPERS). CalPERS states that the purpose of this legislation is to create transparency and to give others an opportunity to be in the vacant position. This mandate pertains to both CalPERS Classic and PEPRA members.

CalPERS requires employers to certify Out-of-Class appointments through myCalPERS. Attached are the detailed step-by-step instructions given by CalPERS on how to use the new employer verification pages. District Financial Services has given those individuals at your district who currently have access to myCalPERS, the ability to report out-of-class hours. If you need a list of these individuals, please email Michelle Johnston at Michelle.Johnston@sbcss.net. Your district will be required to either report out-of-class hours or confirm there are no out-of-class hours to report by July 29, 2022.

Beginning June 2019, CalPERS will mail up to two notification letters to each employer's preferred address on file.

1. <u>Annual Notice</u>: CalPERS will send this letter in June to advise employers that the out-of-class hours reporting is due by July 30 for the prior fiscal year.

2. <u>Failure to Comply Notice</u>: CalPERS will send this letter in August to employers that did not submit the out-of-class hours report.

Below are some definitions outlined in GC Section 20480:

- **Out-of-Class** is an appointment of an employee to an upgraded position or higher classification by the employer or governing board or body in a vacant position for a limited duration.
- **Vacant Position** is a position that is vacant during recruitment for a permanent appointment. "Vacant position" does not refer to a position that is temporarily available due to an employee's leave of absence.

GC Section 20480 parts (a) to (e) require that:

a) Employees assigned to an out-of-class position can work a maximum of 960 hours in a fiscal year. *Remember to include hours docked when reporting the total hours worked.* The employee can work two different out-of-class assignments in which neither should exceed the 960-hour limit without penalty.

Business Services • Richard De Nava, Assistant Superintendent

District Financial Services • Lena Young-Gallardo, Director
760 East Brier Drive • San Bernardino, CA 92408 • P: 909.388.5701 • F: 909.388.5735 • www.sbcss.net

b) Employers must track and report the hours that an employee worked within thirty (30) days after the end of the fiscal year (by July 30th).

c) As customary, compensation paid to the employee should be delineated in a collective bargaining agreement or a publicly available pay schedule.

d) Penalties: Employers who violate GC Section 20480 will be assessed penalties equal to three times the employee and employer contributions for the difference between the compensation paid for the out-of-class appointment and the compensation paid and reported to the system for the member's permanent position. If the employee worked 961 hours, the penalty will be calculated on the total 961 hours (not the 1-hour excess). In addition, the district will be invoiced $200 by CalPERS for administrative expenses.

e) Employees are not liable for exceeding the 960 hours. Employers are prohibited from passing on the penalties to employees.

Example:

The Director position is vacant because the Director retired. The Assistant Director is temporarily appointed to the Director's position to continue daily business operations while recruitment is in progress. The hours that the Assistant Director works while in the Director position, must be reported per GC Section 20480.

Another employee is then appointed to backfill the Assistant Director's position. Because this position belongs to the Assistant Director, it is not a true vacancy and therefore the employee's hours should not be reported to CalPERS.

In the scenario above, only one position will result in an out-of-class appointment according to GC Section 20480. For the purpose of this law, out-of-class hours reporting is only required for truly vacant positions.

If you have any questions regarding this bulletin, please contact Michelle Johnston at Michelle.Johnston@sbcss.net.

Sincerely,

Ted Alejandre
County Superintendent of Schools

Signed Lena Young-Gallardo
Lena Young-Gallardo, Director
District Financial Services

LYG:kb
Attachments

myCalPERS Out-of-Class Reporting

Student Guide

March 5, 2022

CalPERS

Introduction

Using myCalPERS, employers are responsible for reporting out-of-class hours worked in vacant positions

myCalPERS allows you to:

- Verify out-of-class hours to report
- Submit records for employees who meet out-of-class hours worked criteria
- View penalties that have been assessed in accordance with Gov. Code section 20480
- Associate labor agreements and salary schedules to out-of-class records, and
- View and pay out-of-class receivables and administrative penalties

Disclaimer

As a security safeguard, business partner and participant information has been masked within the figures in this procedure guide.

System Access

If you are unable to view or process these scenarios, contact your agency's system access administrator to update your myCalPERS access.

Training Opportunities

Prior to taking a myCalPERS training, new users should review the Introduction to myCalPERS for Business Partners (PDF) student guide and take a Business Rules class. Business rules summarizes the laws defined by the California Public Employees' Retirement Law (PERL).

Contents

Unit 1: Out-of-Class Reporting

An "out-of-class appointment" as an appointment to an upgraded position or higher classification by an employer or governing board or body into a vacant position for a limited duration.

A "vacant position" refers to a position that is **vacant during recruitment** for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence.

Employer Notifications

CalPERS will mail up to two notification letters to all contracting public agency and school employers to their preferred address in myCalPERS.

Annual Notification – (June)
The notice informs all public agency and school employers to report all out-of-class appointments in myCalPERS by July 30 for the prior fiscal year.

Failure to Comply Notification – (August)
All non-compliant public agency and school employers that report payroll directly to CalPERS will be informed that we have not received the required information. Penalties and/or administrative fees may be assessed.

Out of Class Reporting Timeline

June 2019	July 2019	August 2019	June 2020

Annual Notice
June
The notice informs employers to report all Out-of-Class appointments in mylCalPERS by July 30th for the prior fiscal year.

07/01/19 – 07/31/19
Window is now available for employers to start reporting. Every Public Agency and School needs to report Out-of-Class validations.

Failure to Comply Notice
August
The notice informs non-compliant employers that CalPERS has yet to receive required information and that penalties and/or administrative fees may be assessed.

Penalties

Penalties incurred with reporting out-of-class appointments are anticipated to be generated the following June after the out-of-class review period. For example, reporting out-of-class appointments for fiscal year 2019/2020 completed by July 30, 2020 will be invoiced June 2021.

Employers who violate this provision must make payments to CalPERS equal to three times the amount of the difference between member and employer contributions for the out-of-class appointment and the member and employer contributions reported to the system for the member's permanent position. The penalty shall be applied for the entire period(s) the member served in an out-of-class appointment. In addition, the employer will be responsible for a $200 fee to cover administrative expenses.

Penalties paid to the system are not normal contributions or additional contributions that would usually be credited to an employee's individual PERS account. The employee shall bear no liability, obligation, or expense because of the unlawful actions of the employer.

Contents

Scenario 1: Report No Out-of-Class Appointments
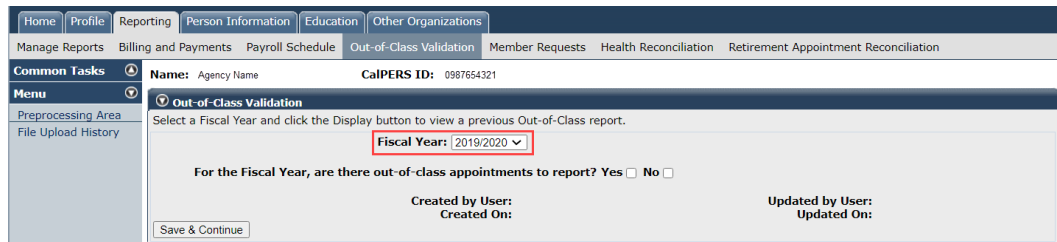
Using the out-of-class validation process, you will report that there are no out-of-class appointments for the fiscal year by June 30.

Step Actions

Step 1	Select the **Reporting** global navigation tab.
Step 2	Select the **Out-of-Class Validation** local navigation link.
Step 3	Within the Out-of-Class Validation section, select from the Fiscal Year drop-down list.
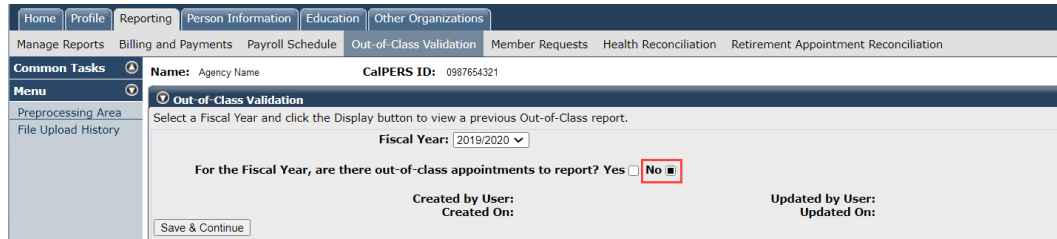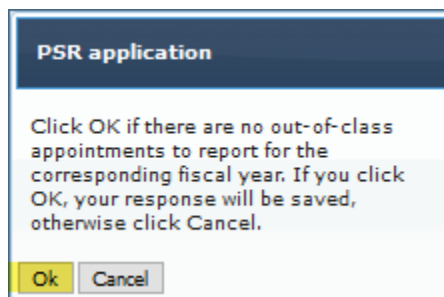
Step 4	Within the Out-of-Class Validation section, select the **No** check box.

Step 5	Select the **Save & Continue** button.
Step 6	Select the **Ok** button.

You have completed this scenario.

Scenario 2: Report Out-of-Class Appointments

CalPERS requires employers to verify out-of-class hours worked in each vacant position by June 30.

Scenario

Using the out-of-class validation process, you will:

- Verify there are out-of-class hours to report
- Submit records for employees who meet the out-of-class hours worked criteria
- View penalties that were assessed in accordance with Gov. Code section 20480
- Associate labor agreements and salary schedules to out-of-class records

System Logic

Begin and end dates must be within selected fiscal year.
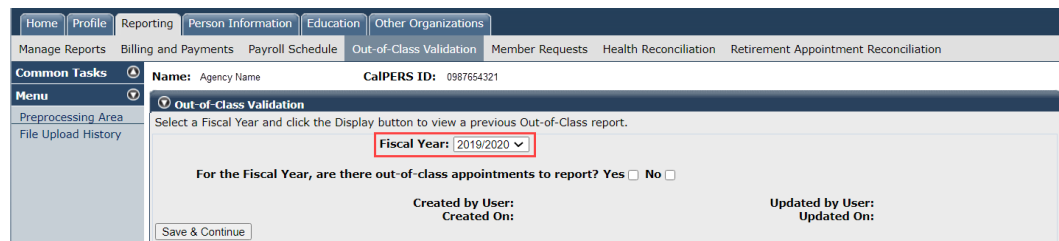
Step Actions

Out-of-Class Validation

Step 1	Select the **Reporting** global navigation tab.
Step 2	Select the **Out-of-Class Validation** local navigation link.
Step 3	Within the Out-of-Class Validation section, select from the Fiscal Year drop-down list.
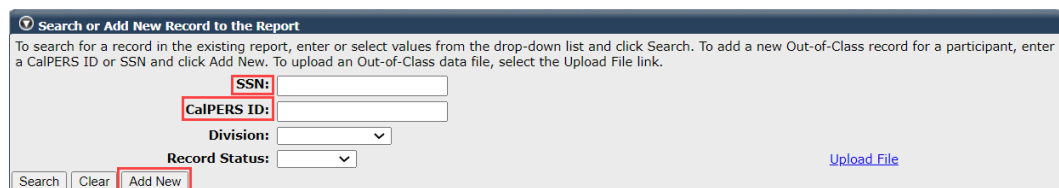
Step 4	Within the Out-of-Class Validation section, keep the **Yes** check box checked.
Step 5	Select the **Save & Continue** button.
Step 6	Within the Search or Add New Record to the Report section, enter the employee's **SSN** or **CalPERS ID** in the appropriate field.
Step 7	Select the **Add New** button.

Step 8	Within the Out-of-Class Appointment Validation section, is the Out-of-Class Appointment a vacant position?

Yes: Select the **Yes** check box, then continue to step 9

No: Select the **No** check box. The following error message will display: Due to the position not being vacant and recruited for, the record does not meet the criteria for an Out-of-Class appointment and does not require further validation information. |
| Step 9 | Select the **Return to View Records** link to either add a new person or update the report status to **No** if no additional record is required.

You have completed this scenario. |
| Step 10 | Within the Out-of-Class Appointment Validation section, is the Out-of-Class Appointment in a recruitment?
Yes: Select the **Yes** check box, then continue to step 12

No: Select the **No** check box. The following error message will display: Due to the position not being vacant and recruited for, the record does not meet the criteria for an Out-of-Class appointment and does not require further validation information. |
| Step 11 | Select the **Return to View Records** link to either add a new person or update the report status to **No** if no additional record is required.

You have completed this scenario. |
| Step 12 | Within the Maintain Record Details section, enter the **Begin** and **End Dates**. |
| Step 13 | Select the appropriate **Appointment** radio button. |

Maintain Record Details
Provide the date range for the Out-Of-Class assignment and then select Display.
Begin Date: * 7/1/2020   End Date: * 8/14/2020
Appointment: * ○ 92103579 : City of Elk Grove - Miscellaneous - 12/10/2014

Active Appointment

Step 14   Within the Active Appointment subsection, complete all appropriate fields pursuant to information for the member's original appointment before working in an out-of-class appointment.

Note: Within the **Total Earnings** field, enter what the employee would have earned if they worked in the original position during the out-of-class-period.

Out-of-Class Appointment

Step 15   Within the Out-of-Class Appointment subsection, complete all appropriate fields pursuant to information for the out-of-class appointment.

Note: For the **Total Earnings** and **Total Paid Additional Compensation for Out-of-Class Appointment**, report the actual amount paid to the member for the entire reporting period, even if the compensation was not reported to CalPERS through regular payroll reporting.

Out-of-Class Hours Reported

Step 16   Within the Out-of-Class Hours Reported subsection, complete the **Total Out-of-Class Hours Worked for this Period** field. Include vacation, sick leave, or overtime hours the employee received paid compensation.

View Penalties

Step 17   Within the Penalty subsection, select the **Calculate** button.
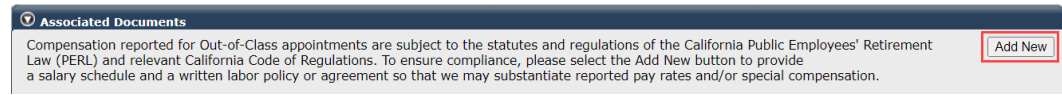
Associate Labor Agreements/Salary Schedules

Step 19	Do you need to provide a salary schedule or written labor policy/agreement? **Yes**: Continue to step 20 **No**: Skip to step 33
Step 20	Within the Associated Documents section, select the **Add New** button. **Associated Documents** Compensation reported for Out-of-Class appointments are subject to the statutes and regulations of the California Public Employees' Retirement Law (PERL) and relevant California Code of Regulations. To ensure compliance, please select the Add New button to provide a salary schedule and a written labor policy or agreement so that we may substantiate reported pay rates and/or special compensation. [Add New]
Step 21	Within the Document Search section, populate the following fields as necessary. **Document Search** Use search criteria below to identify required documents. If a document is not found, select the Upload Document link to add a required document. Employer: Agency Name Division: Effective Date: ___ to ___ Document Type: ___ Document Status: All ___ Position Title/Group: ___ [Search] [Clear]
Step 22	Select the **Search** button.
Step 23	Do you need to upload a new document? **Yes:** Continue to step 24 **No**: Continue to step 31
Step 24	In the Search Results section, select the **Upload Document** link. **Search Results** [Associate to Appointment] [Inactivate Document]　　　　Upload Document
Step 25	Within the Upload Compensation Review Supporting Document section, select the **Browse** button. **Upload Compensation Review Supporting Document** Employer: Agency Name　　　　Document Type: Pay Schedule Path:* [Choose File] No file chosen Document Name:* ___ Effective Date:* ___　　Position Title/Group: ___ [Save] [Cancel]
Step 26	Select the supporting PDF document.
Step 27	Select the **Open** button.
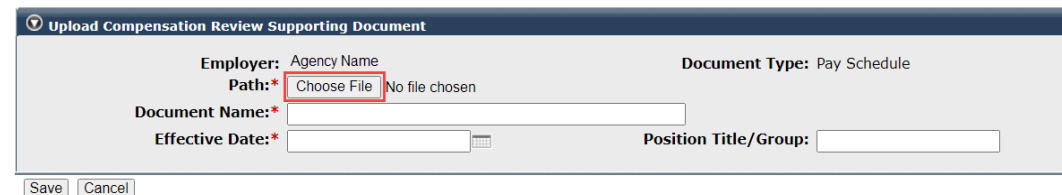
Step 27	Within the Upload Compensation Review Supporting Document section, complete the Position Tile/Group field.

Step 29	Select the **Save** button.
Step 30	Within the Search Results section, select appropriate document check box(s).

Step 31	Select the **Associate to Appointment** button.

Step 32	Select the **Return** button in the bottom left corner.
Step 33	Select the **Save & Exit** button.
Step 34	Within the Records Present in the Report section, your out-of-class record displays.

You have completed this scenario.

Scenario 3: Out-of-Class File Upload

You will report your out-of-class validations through file upload.

Step Actions

Step 1	Select the **Reporting** global navigation tab.
Step 2	Select the **Out-of-Class Validation** local navigation link.
Step 3	Within the Out-of-Class Validation section, select from the **Fiscal Year** drop-down list.

Step 4	Within the Out-of-Class Validation section, keep the **Yes** check box checked.
Step 5	Select the **Save & Continue** button.
Step 6	Within the Search or Add New Record to the Report section, select the **Upload File** link.

Step 7	Within the Upload File section, select the **Browse** button.

Step 8	Select the CSV document.
Step 9	Select the **Upload File** button.
Step 10	Once your out-of-class appointment has been uploaded and the file status displays as "Ready," select the **F5** key on your keyboard to refresh your totals.

Step 11   Your file has been validated and displays the number of records in the Valid and Error columns.

File Type	Upload Date ▼	File Status	Batch Job Status	File Name	Valid	Error	Total
Out-of-Class Appointments	04/19/2019	Accepted	Completed	20190412125022_000_10055.csv	9	0	9

View Your Reported Out-of-Class Appointments

Step 12   Select the **Reporting** global navigation tab.

Step 13   Select the **Out-of-Class Validation** local navigation link.

Step 14   Within the Records Present in the Report section, your out-of-class record displays.

Records Present in the Report

Only records with a status of Reported, Reviewed-Invalid, or Error can be deleted. Please contact the CalPERS Customer Contact Center for assistance deleting records with any other status type.

Select All   Delete

Show 25 ∨ entries

Showing 1 to 9 of 9 entries   First   Previous   1   Next   Last

	SSN	CalPERS ID	Business Partner	Name	Out-of-Class Position Title	Reporting Period	Total FY Hours Worked	Penalty	Record Status
☐	xxx-xx-9999	0123456789	Agency Name	Emily Jones	SSM I	01/09/2019 - 03/09/2019	280.0	0.00	Reported

You have completed this scenario.

Unit 2: Maintaining Supporting Documents

In this unit, you will learn how to maintain your supporting documents used for out-of-class validations.

Contents

Scenario 1: Upload New Supporting Documents

You will upload a new salary schedule or written labor policy/agreement.

Step Actions

Step 1	Select the **Reporting** global navigation tab.

Step 2	Select the **Maintain Employer Supporting Documents** left-side navigation link.

Step 3	Within the Document Search section, complete all necessary fields.

Step 4	Select the **Search** button.

Step 5	In the Search Results section, select the **Upload Document** link.

Step 6	Within the Upload Compensation Review Supporting Document section, select the **Choose File** button.

Step 7	Select the supporting PDF document.

Step 8	Select the **Open** button.

Step 9   Complete the Upload Compensation Review Supporting Document section,
                including the Position Tile/Group field.

Upload Compensation Review Supporting Document	
Employer: Agency Name	**Document Type:** Pay Schedule
Path: * [Choose File] Payroll Schedule.pdf	
Document Name: * [ ]	
Effective Date: * [ ] 🔳	**Position Title/Group:** [ ]

[Save] [Cancel]

Step 10   Select the **Save** button.

                You have completed this scenario.

Scenario 2: Update Supporting Document Details

You will update supporting document details such as the document name, effective date, or position/title group.

Step Actions

Step 1	Select the **Reporting** global navigation tab.

Step 2	Select the **Maintain Employer Supporting Documents** left-side navigation link.

Step 3	Within the Document Search section, complete all necessary fields.

Step 4	Select the **Search** button.

Step 5	Within the Search Results section, locate the appropriate supporting document, then select the **Update Details** link.

Step 6 Update the Upload Compensation Review Supporting Document section.

Step 7 Select the **Save** button.

    You have completed this scenario.

Scenario 3: Inactivate Supporting Documents

You will inactivate a supporting document.

Step Actions

Step 1   Select the **Reporting** global navigation tab.

Step 2   Select the **Maintain Employer Supporting Documents** left-side navigation link.

Step 3   Within the Document Search section, complete all necessary fields.

Step 4   Select the **Search** button.

Step 5   Within the Search Results section, select appropriate document check box(s).

Step 6   Select the **Inactivate Document** button.

You have completed this scenario.

Scenario 4: Reactivate Supporting Documents

Scenario

You will reactivate a supporting document.

Step Actions

Step 1	Select the **Reporting** global navigation tab.

Step 2	Select the **Maintain Employer Supporting Documents** left-side navigation link.

Step 3	Within the Document Search section, complete all necessary fields.

Step 4	Select the **Search** button.

Step 5	Within the Search Results section, find the appropriate inactive supporting document, then select the **Update Details** link.

Step 6	Select the **Reactivate Document** button.

You have completed this scenario.

CalPERS Resources

Obtain more information by visiting the CalPERS website at www.calpers.ca.gov.

- **Out-of-Class Reporting Data Element Definitions Document (PDF)**
  Pathway: Pathway: CalPERS website > Employers > myCalPERS Technical Requirements > Technical Resources > Employers (+) Reporting Out-of-Class Hours Worked (section) > Out-of-Class Hours Worked Reporting (PDF)

- **Out-of-Class Reporting Frequently Asked Questions (PDF)**
  Pathway: Pathway: CalPERS website > Employers > myCalPERS Technical Requirements > Technical Resources > Employers (+) Reporting Out-of-Class Hours Worked (section) > Frequently Asked Questions (PDF)

- **myCalPERS Student Guides & Resources**
  Pathway: CalPERS website > Employers > I Want To...: Access myCalPERS Student Guide

- **Online Classes for Employers (PDF)**
  Pathway: CalPERS website > Employers > I Want To...: Access myCalPERS Student Guide > Online Classes for Employers (PDF)

- **Employer Education Schedule (PDF)**
  Pathway: CalPERS website > Employers > I Want To...: Access myCalPERS Student Guide > Employer Education Schedule (PDF)

- **myCalPERS Technical Requirements**
  Pathway: CalPERS website > Employers > myCalPERS Technical Requirements

- **Public Agency & Schools Reference Guide (PDF)**
  Pathway: CalPERS website > Employers > Policies & Procedures > Reference & Health Guides > Public Agency & Schools Reference Guide (PDF)

- **Circular Letters**
  Pathway: CalPERS website > Employers > Policies & Procedures > Circular Letters

- **Public Employees' Retirement Law (PERL)**
  Pathway: CalPERS website > About > Laws, Legislation & Regulations > Public Employees' Retirement Law (PERL)

- **myCalPERS Employer Reports (Cognos) Catalog**
  Pathway: CalPERS website > Employers > myCalPERS Technical Requirements > myCalPERS Employer Reports (Cognos) Catalog

CalPERS Contacts

Email

- To contact the employer educators for questions and inquiries, email **calpers_employer_communications@calpers.ca.gov.**
- To contact the Employer Response Team for assistance with your most critical, complex, or time-sensitive issues, email **ert@calpers.ca.gov.**
- To contact CalPERS Membership Unit for questions regarding membership eligibility or if a non-contributory employee does not have the Earned Period No Contribution and No Service in the Transaction Type drop-down list, email **membership_reporting@calpers.ca.gov.**
- To contact the Compensation Compliance & Review Unit for special compensation questions and inquiries, email **mou_review@calpers.ca.gov.**

Phone or Fax

You can reach CalPERS at **888 CalPERS** (or **888**-225-7377), Monday through Friday, 8:00 a.m. to 5:00 p.m., except on state holidays.

- TTY: (877) 249-7442 (This number does not accept voice calls)
- CalPERS centralized fax number: (800) 959-6545
- Employer Response Team phone number: (800) 253-4594

Submit Inquiry

You can send secure messages through myCalPERS. Expand the **Common Tasks** left-side navigation folder and select the **Submit Inquiry** link to submit a question or request.