EXTERNAL FISCAL SERVICES
PAYROLL & RETIREMENT
MANUAL



Revised 5/7/2020

EXTERNAL FISCAL SERVICES PAYROLL & RETIREMENT MANUAL

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PAYROLL YEAR-END:

☐ *June Payrolls:*

There are 3 Payrolls to process for June

IMPORTANT: Initiate pay for each June Payroll prior to submitting and/or running the following reports.

How To:

- Go to *HR/Payroll-Payroll-Payroll Status* and Press Go
  - ✔ This will take you to the list.
  - ✔ Highlight and Open the 6/30/2020 Regular, process and submit as you normally would
  - ✔ Run the Pay01, Pay22, Pay99 and Pay15 reports
- Return to the list *(HR/Payroll-Payroll-Payroll Status)*
  - ✔ Do ***not*** submit
  - ✔ Highlight the 6/30/2020 July Prior Year
  - ✔ From the magnifying glass, snap shot the three reports (Pay01, Pay22 and Pay99) and print
  - ✔ Verify no Labor Errors
- Return to the list again *(HR/Payroll-Payroll-Payroll Status)*
  - ✔ Do ***not*** submit
  - ✔ Highlight the 6/30/2020 August Prior Year
  - ✔ From the magnifying glass, snap shot the three reports (Pay01, Pay22 and Pay99) and print
  - ✔ Verify no Labor Errors
- Email production@scoe.org certification page and Pay01 report, signed by supervisor or an administrator, for all three 6/30/2019 payrolls identifying on each report "Regular", "July Prior Year" and "August Prior Year"
  - ✔ Do this even when there are zero dollars
  - ✔ Send all 3 payrolls in one email but 3 separate attachments.

☐ ***Retirement Reports:***

Prior to submitting payroll run the Retire01, 02 and 09 reports (STRS and PERS qualifying reports)

- When the employee qualifies in June:
  - ✔ For CalPERS – bring them into membership even if they won't be paid again until August/September
  - ✔ For CalSTRS – bring them into membership even if they won't be paid again until August/September (this change went into effect July 1, 2018)

☐ ***Reporting Out-of-Class Hours Worked***

(see Circular Letter: 200-018-19, dated 6/07/2019 and Reporting Out-of-Class Student Guide, dated 1/18/2020)

Effective January 1, 2018 employers are required to begin tracking out-of-class appointments.

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an Out-of-Class appointment to mean an appointment to an upgraded position or higher classification by an employer or governing board or body due to a vacancy 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.

There is a new myCalPERS reporting process to provide employers the ability to report Out-of-Class hours worked in vacant positions in accordance with Government (Gov.) Code section 20480.

Previously, CalPERS provided an *Out-of-Class Appointment Employer Certification* form designed to allow employers the ability to manually submit information to CalPERS. This form will no longer be accepted. Employers are required to certify Out-of-Class appointments through myCalPERS.
To access this functionality, go to myCalPERS, select the **Reporting** global navigation tab. Select the **Out-of-Class Validation** local navigation link. *(see MyCalPERS Reporting Out-of-Class Appointments student guide)*

Calpers will mail up to two notification letters to each employer's preferred address on file, as identified in myCalPERS. There are penalties for employers who violate this provision.

EDD 2ND QUARTER FILING

1. Reference the New Quarterly Return Process flow chart and documentation
   (*forms can be found in Escape under SCOE Resources/Forms)*

2. July 1, 2020 is the due date for filing 2nd quarter to EDD and is delinquent if not filed by July 31, 2020.

3. SDI must be filed and paid electronically either through the district's clearing account or by credit card (caution, the credit card vendor charges a 2.3% administrative fee).

4. Remember to complete the Multiple Worksite Report (BLS3020) if applicable.

5. Always submit a Report of New Employee(s) (DE 34) within 20 days of their start-of work date.

California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
(888) CalPERS (or **888**-225-7377) | TTY: (877) 249-7442
www.calpers.ca.go

Announcements

Circular Letter

June 7, 2019
Circular Letter: 200-018-19
Distribution: VI, XII, XVI

To: **All Public Agencies and School Employers**
Subject: **Reporting Out-of-Class Hours Worked (New mylCalPERS Functionality)**

Purpose

The purpose of this Circular Letter is to inform you of new mylCalPERS functionality designed to provide employers the ability to report Out-of-Class hours worked in accordance with Government (Gov.) Code section 20480. The new functionality within mylCalPERS allows you to:

1. Certify there are Out-of-Class hours to report
2. Submit records for employees who meet Out-of-Class hours worked criteria
3. Associate labor agreements and salary schedules to Out-of-Class records
4. View penalties that may be assessed in accordance with Gov. Code section 20480
5. View receivables and pay invoices for assessed penalties

Prior Communication

On April 27, 2018, the California Public Employees' Retirement System (CalPERS) published Circular Letter 200-021-18 (PDF) to inform Public Agencies and School Employers that Gov. Code section 20480 became effective January 1, 2018. The letter detailed employer responsibilities for tracking and reporting hours worked in a vacant position.

As an attachment to the Circular Letter, CalPERS provided an *Out-of-Class Appointment Employer Certification* form designed to allow employers the ability to manually submit information to CalPERS.

Effective July 1, 2019, the *Out-of-Class Appointment Employer Certification* form will no longer be accepted. Employers are required to certify Out-of-Class appointments through mylCalPERS.

Letters to Employers

Beginning June 2019, CalPERS will mail up to two (2) notification letters to each employer's preferred address on file, as identified in mylCalPERS.

Letter	When	What
Annual Notice	During the month of June	The notice informs employers to report all Out-of-Class appointments in mylCalPERS by July 30 for the prior fiscal year.
Failure to Comply Notice	During the month of 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.

Gov. Code section 20480

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an Out-of-Class appointment to mean an appointment to an upgraded position or higher classification by an employer or governing board or body due to a vacancy for a limited duration.

For purposes of this section, a "vacant position" refers to a position that is vacant during a 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.

Penalties

Employers who violate this provision must make payments to the system equal to three times the employee and employer contributions that would otherwise be paid to the system on the difference between the compensation paid for the Out-of-Class appointment and the compensation that otherwise may have been paid and reported to the system for the employee's permanent position in accordance with a publicly available pay schedule. The penalty shall be applied for the entire period the employee works in an Out-of-Class

appointment. In addition, the employer will be responsible for a fee of $200 to cover administrative expenses.

Penalties paid to the system are not normal contributions or additional contributions that would normally 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.

Additional Resources

The following resources are available on the CalPERS website for employers:

- mylCalPERS Reporting Out-of-Class Appointments Student Guide (PDF) provides detailed steps on how to use the new employer verification pages.
- Out-of-Class Reporting Data Element Definitions Document (PDF) is a mylCalPERS technical resource that provides electronic file data element definitions found within an Out-of-Class record.
- Out-of-Class Reporting Frequently Asked Questions (PDF) provides a list of the most commonly asked questions submitted by Public Agencies and School Employers.

To view Gov. Code section 20480 in its entirety, go to leginfo.legislature.ca.gov.

Questions

If you have any questions, call our CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Renee Ostrander, Chief
Employer Account Management Division

NEW QUARTERLY RETURN PROCESS: *Effective with 2017 1st Quarter*

1. Run Escape's Pay91a for the appropriate quarter

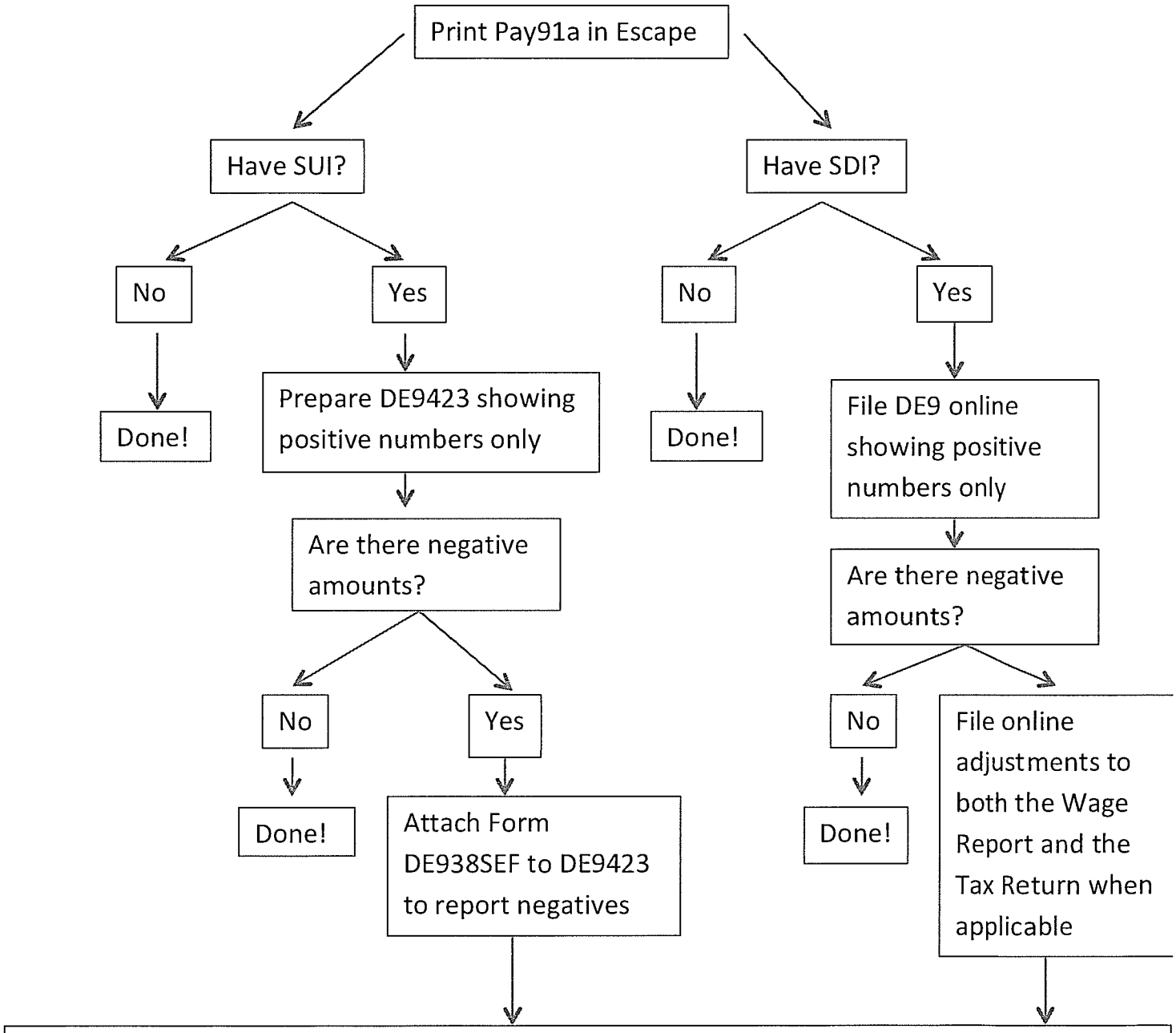
2. Report SUI Wages on Form DE9423
    a. Complete Line A using the Number of Employees Paid found on the last page of the Pay91a
    b. Line B is the Total SUI Wages on the last page of the Pay91a
        i. When there are Negative Amounts, Line B is the *Positive* SUI Wages amount
    c. Line C is the Total SUI Wages on Line B multiplied by the Employer SUI contribution rate (current Payroll Rates can be found on Escape's Home Page). This amount should be the same Total SUI Deducted amount found on the last page of the Pay91a
        i. When there are Negative Amounts, Line C is the *Positive* SUI Deducted amount
    d. Line D is left blank when *there are no negative amounts*
        i. When there are Negative Amounts, Line D is the *Negative* SUI Deducted amount
    e. Line E is the Total SUI Taxes Due and the amount you owe (Line C minus Line D)
    f. When there are Negative Amounts, also complete Form DE938SEF to report adjustments to prior quarters

3. Report SDI Wages (if applicable) on EDD's website and make payment electronically either by scheduling EDD to pull the funds from the district's clearing account (after funds have been deposited to the account to cover the payment) or by credit card
    a. Report the Total SDI Wages (SDI Capped Wages when applicable)
        i. When there are Negative Amounts, use the *Positive* SDI Wages amount and *Positive* SDI Deducted amount
    b. When there are Negative amounts also file online an adjustment to both the Wage Report and the Tax Return when applicable

4. Send to Janelle Sarsfield at SCOE:
    a. Copy of the Pay91a – Only the page with "There are no negative amounts for this Org" or when there are negatives, the last page with the Negative Totals
    b. Copy of the DE9423
    c. Copy of the DE9 (if applicable)

NEW DISTRICT QUARTERLY RETURN FLOWCHART

Effective with 2017 1st Quarter



Send to SCOE:

1. Copy of Pay91a (only the page with "There are no negative amounts for this Org" or the last page with the Negative Totals)
2. Copy of DE9423
3. Copy of DE9 (if applicable)

PAYROLL NEW FISCAL YEAR:

☐ Addon Review:

In light of the recent CalSTRS and CalPERS audits and audit finding in Sonoma County, LEAs are encouraged to review their addons on a regular basis. It is the LEA's responsibility to ensure employees' compensation, retirement and payroll taxes are reported accurately. A good means by which to ensure creditable compensation is reported to CalSTRS and CalPERS in compliance with retirement law is to review addons, comparing the set up in Escape to the LEA's Contract/Agreement/MOU and to snap shot the employee's pay each time employee's pay is changed.
(See CalSTRS Coding Chart and CalPERS Coding Chart in Retirement Section)

➢ Classified Vacation Pay for a CalSTRS Election Employee:

CalSTRS has clarified that vacation pay is creditable for classified employees as long as it is not a lump sum cash vacation pay-out and refers to Ed Code 11229.2(a)(3) and 22119.3(a)(1).

In general, STRS Members do not have vacation pay, however, for Classified Employees who elected to remain in STRS while performing classified duties, vacation earnings would be creditable compensation. All employees in the Job Class must have the same benefits.

A new Addon will need to be created in Escape for Classified STRS Members with Vacation Pay. Because Bargaining Unit Agreements are different for all Districts, please email helpdesk@scoe.org and they will work individually with each District.

The following pages are examples of Incorrect and Correct Set-Up for Classified STRS Vacation Earnings Reporting to STRS.

Classified STRS Vacation Earnings: **INCORRECTLY** Set-Up and Not Reporting to STRS

Gross to Net

Time Sheet Site

EARNINGS	Pay Period Employee	Pay Period Other	Pay Period Rate	Calendar Year To Date Employee	Calendar Year To Date Other	Calendar Year To Date Subj Gross
POSITION #11-11(0)			2,652.67	13,926.54		
POSITION #11-12(0)	1,499.61		2,856.40	1,499.61		
ADD-ON (VAC1) Vacation			17.27	725.34		
ADD-ON (VAC1) Vacation	77.70		18.50	77.70		
Total	1,577.31	.00		16,229.19	.00	

REDUCTIONS	Employee	Employer	Subj Gross	Employee	Employer	Subj Gross
(STRS) STRS	153.71	256.43	1,499.61	1,581.17	2,523.65	15,426.15
(HW1PRE) dual	940.87			940.87		
(HW1PRE) H & W Kasier				2,707.92		
(HW4PRE) dual	85.44			85.44		
(HW4PRE) H & W Dental				224.22		
Total	1,180.02	256.43		5,539.62	2,523.65	

S/B $1,577.31 to include vacation earnings

TAXES						
(FIT) [S 0] Federal Withholding	1.73		397.29	846.83		10,689.57
(SIT) [S 0 :0] State Withholding			397.29	111.96		10,689.57
(MEDICARE) Medicare	7.99	7.99	551.00	177.91	177.91	12,270.74
(SDI) SDI	5.51		551.00	122.69		12,270.74
(SUI) Unemployment Ins		.28	551.00		6.16	12,270.74
(WORKCOMP) Workers Comp		24.13	1,577.31		257.11	16,229.19
Total	15.23	32.40		1,259.39	441.18	

DEDUCTIONS / CONTRIBUTIONS						
(HW2) dual		785.93			785.93	
(HW2) HW Kaiser					8,509.68	
(HW4) dual		72.12			72.12	
(HW4) HW Dental					721.14	
Total	.00	858.05		.00	10,088.87	

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:18AM

CL0S #1 - Class10 Month Sep-Jun — **Retirement and Benefits**

Pay Period 1, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CLS#2 - Ending 08/31/19 on 09/10/19)

Time Sheet Site

STRS RETIREMENT DETAIL	MB	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #11-12(0)	R 1	57	2,856.40	3	1,499.61	1	153.71	09/01/19	09/30/19	*	256.43
Retirement Total					1,499.61		153.71				256.43

Should include vacation earnings

STRS REPORTED 9/2019 Regular	MB	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	R 1	57	2,856.40	3	1,499.61	1	153.71	09/01/19	09/30/19	*
Retirement Total					1,499.61		153.71			

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:18AM

Classified STRS Vacation Earnings: **CORRECTLY** Set-Up and Reporting to STRS

ll Snapshot

Gross to Net

Status Future

Time Sheet Site

Approved
Last Calc'd EGRAVES, 9/9/19 7:40 am

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Calendar Year To Date Employee	Calendar Year To Date Other	Subj Gross
POSITION #11-11(0)			2,652.67	13,926.54		
POSITION #11-12(0)	1,499.61		3,004.40	1,499.61		
ADD-ON (VAC1) Vacation			17.27	725.34		
ADD-ON (VACSTRS) Vacation	77.70		18.50	77.70		
Total	1,577.31	.00		16,229.19	.00	

REDUCTIONS	Employee	Employer	Subj Gross	Employee	Employer	Subj Gross
(STRS) STRS	161.67	269.72	1,577.31	1,589.13	2,536.94	15,503.85
(HW1PRE) dual	940.87			940.87		
(HW1PRE) H & W Kasier				2,707.92		
(HW4PRE) dual	85.44			85.44		
(HW4PRE) H & W Dental				224.22		
Total	1,187.98	269.72		5,547.58	2,536.94	

Correct Subject Gross includes vacation earnings

TAXES						
(FIT) [S 0] Federal Withholding	.93		389.33	846.03		10,681.61
(SIT) [S 0 :0] State Withholding			389.33	111.96		10,681.61
(MEDICARE) Medicare	7.99	7.99	551.00	177.91	177.91	12,270.74
(SDI) SDI	5.51		551.00	122.69		12,270.74
(SUI) Unemployment Ins		.28	551.00		6.16	12,270.74
(WORKCOMP) Workers Comp		24.13	1,577.31		257.11	16,229.19
Total	14.43	32.40		1,258.59	441.18	

DEDUCTIONS / CONTRIBUTIONS						
(HW2) dual		785.93			785.93	
(HW2) HW Kaiser					8,509.68	
(HW4) dual		72.12			72.12	
(HW4) HW Dental					721.14	
Total	.00	858.05		.00	10,088.87	

Selection

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Generated for Erin Graves (EGRAVES), Sep 9 2019 7:40AM

CL0S #1 - Class10 Month Sep-Jun — Retirement and Benefits

Pay Period 1, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CLS#2 - Ending 08/31/19 on 09/10/19)

Approved
Last Calc'd EGRAVES, 9/9/19 7:40 am

STRS RETIREMENT DETAIL	M B R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #11-12(0)	1	57	3,004.40	3	1,499.61	1	153.71	09/01/19	09/30/19	*	256.43
ADD-ON (VACSTRS) Vacation	1	57	3,004.40	3	77.70		7.96	09/01/19	09/30/19	*	13.29
Retirement Total					1,577.31		161.67				269.72

Now correctly reporting vacation earnings to STRS

STRS REPORTED 9/2019 Regular	M B R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	3,004.40	3	1,577.31	1	161.67	09/01/19	09/30/19	*
Retirement Total					1,577.31		161.67			

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:40AM

☐ ***Signature Authorization:***

A new Signature Authorization Form is required to be completed each new fiscal year. The LEA can use the form when making additions and deletions, when appropriate, during the fiscal year.

- The form requires the superintendent's signature each time a change is made.
- Submit completed form each new fiscal year prior to 7/1.

(Signature Authorization form can be found in Escape under SCOE Resources/Forms)

➢***Social Security Number Verification Service (SSNVS):***

W-2 Forms that contain name and Social Security Number (SSN) combinations that do not match Social Security Administration (SSA) records, are suspended and the funds are not applied to the employee. Therefore, it is critical to verify all employees SSN. To Register, go to:

www.ssa.gov/employer/ssnv.htm

The Social Security Number Verification Service

Login to SSNVS

SSNVS Overview

There are two Internet verification options you can use to verify that your employee names and Social Security numbers (SSN) match Social Security's records. You can:

- Verify up to 10 names and SSNs (per screen) online and receive immediate results. This option is ideal to verify new hires.
- Upload overnight files of up to 250,000 names and SSNs and usually receive results the next government business day. This option is ideal if you want to verify an entire payroll database or if you hire a large number of workers at a time.

While the service is available to all employers and third-party submitters, it can only be used to verify current or former employees and only for wage reporting (Form W-2) purposes.

Why Should I Verify Names and SSNs Online

- Correct names and SSNs on W-2 wage reports are the keys to the successful processing of your annual wage report submission.
- It's faster and easier to use than submitting your requests paper listings or using Social Security's telephone verification option.
- Results in more accurate wage reports.
- Saves processing costs and reduces the number of W-2c's.
- Allows Social Security to give the proper credit to your employees' earnings record, which will be important information in determining their Social Security benefits in the future.

Steps to Register for SSNVS

Step 1: Register to Use SSNVS

Step 2: Request Access and Activation Code

Step 3: Activation Code is Mailed to Your Employer

Step 4: Login to Use the Service

NOTE

For more detailed instructions on registering and/or using SSNVS, see the Social Security Number Verification Service Handbook.

You'll need the following information about yourself and your company:

Name
SSN
Date of Birth
Type of Employer
EIN
Company Name, Address and Telephone Number
Email Address

SIGNATURE AUTHORIZATION FORM

TO: Sonoma County Office of Education

FROM: _____ # _____

(School District or Charter School)

FISCAL YEAR: _____/_____

Complete this section for annual listings of authorized signatures or to add employees to the list.

This is an: ___ Annual Listing ___ Addition

Indicate items the following persons are authorized to sign for:

A – Payroll Warrants **B** – AP Warrants

Name (Type or Print)	Signature	Circle Items Authorized
		A B
		A B
		A B
		A B
		A B
		A B
		A B
		A B

Permissible to send Payroll AV? ____YES ____NO

Note: Authorizations remain in effect for the entire fiscal year or until a request for change or deletion is filed with External Fiscal Services.

Complete this section to delete authorized signatures.

The following person(s) should be deleted from the signature authorization list:

Name _____

Name _____

Name _____

DISTRICT SUPERINTENDENT DATE

PLEASE SEND ORIGINAL FORM TO: SCOE BUSINESS SERVICES

ATTN: DIRECTOR EXTERNAL PAYROLL AND FINANCE

Revised 7/2/2018

➢ ***EDD New Hire Reporting:***

New Hire Reporting to EDD is a requirement

☐ ***Contract Days:***

Email the helpdesk and cc Alli Britton your FY2020/2021 certificated contract days and hours (if changing) with a list of addons that need updating

☐ ***New Contracts:***

With the first payroll in July, send contract/documentation for Superintendent's, CBO's and Payroll Tech's salary (email production@scoe.org)

- Audit check for reasonableness and for any changes in salary

☐ ***Balance Sheet Outside of Escape:***

All LEAs should have a balance sheet outside of Escape for balancing payroll. Payroll is only as good as the information entered.

- Sign up for CASBO's 3- Day Payroll Certification class and learn to compute salary wages from Gross to Net Pay

☐ ***Payroll Guide:***

For your reference we have included in the following pages the Payroll Guide IT rolled out in September 2018.

☐ ***Initiate Pay:***

Always initiate Pay before beginning payroll and again prior to submitting payroll

☐ ***Payroll Errors:***

Always address and account for all errors on the Pay22a Payroll Errors report *prior* to submitting payroll

- Retirement Errors: contact Alli Britton for STRS and Maria Aguayo for PERS

New Hire Reporting for Employment Development Department

Reporting Requirements

All California employers must report all of their new or rehired employees who work in California to the New Employee Registry within 20 days of their start-of-work date, which is the first day of work. Any employee that is rehired after a separation of at least 60 consecutive days must also be reported within 20 days. Employers who report electronically must submit two files each month that are not less than 12 days and not more than 16 days apart. No report should be submitted if there are no new or rehired employees to report.

You are required by law to report the following:

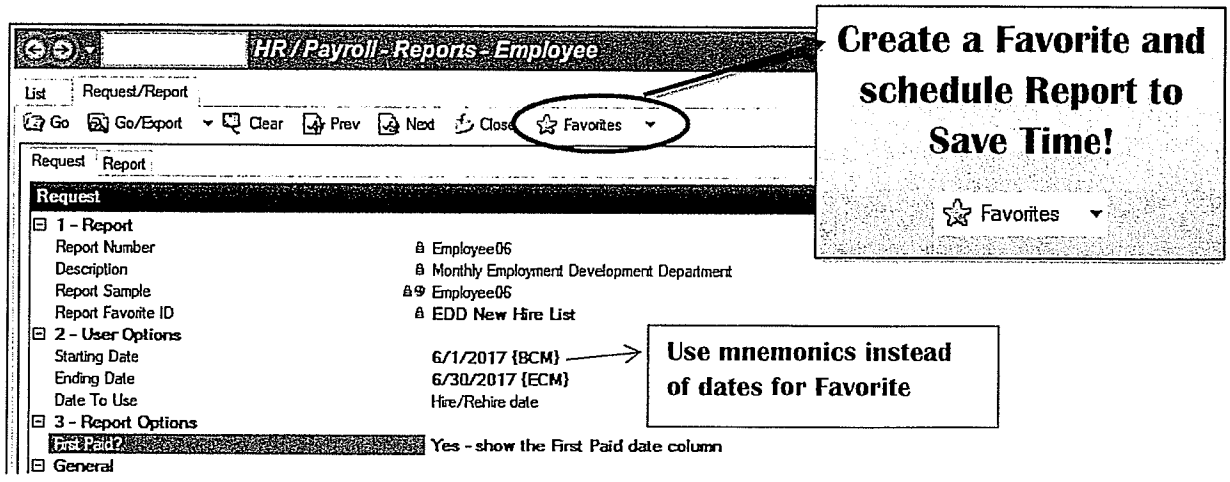
- **Employer's:**
  - California employer payroll tax account number
  - Federal employer identification number
  - Business name and address
  - Contact person and phone number
- **Employee's:**
  - First name, middle initial and last name.
  - Social Security number
  - Home address
  - Start-of-work date

Escape Report

Employee06 – Monthly Employment Development Department

This report is to help you prepare for submission of monthly data to the EDD. It prints all necessary information, such as the district name & address, federal and state tax ID and district contact name. It prints the following information for new hires and rehires for a month: name, social security number, home address and hire date.

Go to HR/Payroll – Reports – Employee – Employee06



New Hire Reporting for Employment Development Department

Report Options

User Options

- Starting hire date : Enter a date or use mnemonics
- Ending hire date: Enter a date or use mnemonics
- Date to Use: Hire/Rehire Date (default) or First Paid Date
- First Paid Date: Use the lookup to decide if you want the First Paid Date column to show on the report

Sort Options

a) Employee Name – Sorted by employee name, then date hired/rehired
b) Excel Extract — Sorted by last name. Creates a simple list that can be saved as an Excel file. The list includes org ID, emp ID, employee name, the FULL social security number, street, city, state, zip, hire/rehire date and the first paid date. It lists the header once: no breaks or subtotals.

Do not press GO for an Excel Export. Instead, choose the Excel Data option from the Go/Export task to launch Microsoft Excel with the data from the report.

Special Considerations

This report may show the FULL social security number

The ability to view the full social security number is controlled by user permissions. If you have user permissions to the View SSN task in the HR/Payroll-Employment-Employee Management activity, then you have the permissions necessary to see the full SSN. If you do not have access to this task, the report will not show the full SSN regardless of what you select in the SSN report parameter.

The contact name and phone number on this report comes from the Organization record.

If you select Hire/Rehire Date for the Date to Use, the later of two will be used to determine if the employee meets the selection criteria. On the report, next to the Last Hired column is an indicator showing if the date displayed is the hire date (H) or the rehire date (R).

Employee06a EDD New Hire

New Hires 06/01/2017 through 06/30/2017

Employee	SS#	Street	City	State	Zip	First Paid	Last Hired
Contact Linda Daugherty Sonoma County Office of Education 5340 Skylane Blvd Santa Rosa, CA 95403			Federal Ids: 946002635 State Ids: 8004219-5				
Eb			Petaluma	CA	94952		06/12/2017(H)
Fe			Santa Rosa	CA	95401		06/13/2017(H)
Ru			Forestville	CA	95436		06/12/2017(H)
Sa			Santa Rosa	CA	95403		06/05/2017(H)
W			Rohnert Park	CA	94928		06/12/2017(H)

Employee Name, SSN and address

Scheduled Reports can be found *in HR/Payroll-My Reports*

Employment Development Department
State of California

INFORMATION SHEET

REPORTING NEW EMPLOYEES AND INDEPENDENT CONTRACTORS

As a business or government entity doing business in California, you are required to report certain information on employees and independent contractors you hire to the Employment Development Department (EDD).

This information will assist in locating parents who are delinquent in their child support payments.

The reporting requirements for both new employees and independent contractors are listed below.

NEW EMPLOYEE REPORTING

Background

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act, requiring all employers to report certain information on newly hired and rehired employees. The federal requirement was implemented by California effective July 1, 1998.

Reporting Requirements for California Employers

California employers are required to report information on newly hired or rehired employees **who work in California** to the EDD's New Employee Registry (NER). However, multistate employers may elect to report electronically all newly hired or rehired employees to one state in which they have employees. The State of California encourages multistate employers to report California employees to the California NER.

Who Must Be Reported

NEWLY HIRED EMPLOYEES are those individuals who have not previously been included on your payroll.

REHIRED EMPLOYEES are those individuals who were previously included on your payroll, left your employment, and were rehired after a separation of at least 60 consecutive days.

An individual is considered a new hire or rehire on their first day of work.

When to Report

Information on newly hired or rehired employees must be reported within 20 days of their start-of-work date.

Employers who choose to report electronically must submit two transmissions each month that are not less than 12 or more than 16 days apart.

INDEPENDENT CONTRACTOR REPORTING

Background

In 1999, California enacted a law requiring businesses and government entities to report similar information on independent contractors. This requirement was effective January 1, 2001.

Reporting Requirements for Businesses and Government Entities Doing Business in California

Any business or government entity (defined as a "service-recipient") that is required to file federal Form 1099-MISC for services performed by an independent contractor (defined as a "service-provider") must report. A service-recipient means any individual, person, corporation, association, or partnership, or agent thereof, doing business in California, deriving trade or business income from sources within this state, or in any manner in the course of trade or business subject to the laws of this state. An independent contractor is defined as an individual who is not an employee of the business or government entity for California purposes and who receives compensation or executes a contract for services performed for that business or government entity either in or outside of California.

Who Must Be Reported

Any individual whom the business or government entity is required to provide a federal Form 1099-MISC for services performed as an independent contractor. This does not include an independent contractor who is a corporation, general partnership, limited liability partnership, or limited liability company. In general, independent contractors who are sole proprietors are to be reported.

When to Report

You must report independent contractor information to the EDD within 20 days of EITHER making payments totaling $600 or more for services performed OR entering into a contract for $600 or more for services performed, whichever is earlier. If the threshold is met, reporting is required in each calendar year, but only once in a calendar year.

NEW EMPLOYEE REPORTING
(continued)

Required Information

The following information must be reported to the EDD:

Employer Information

- Business name, address, and phone number
- EDD employer payroll tax account number
- Federal employer identification number
- Contact person

Employee Information

- First name, middle initial, and last name
- Social Security number
- Address
- Start-of-work date

Reporting Methods

Employers may elect any of the following methods to report new employee information to the EDD:

- File online using any of the options available with the EDD e-Services for Business. Visit the website at **www.edd.ca.gov/e-Services_for_Business** to choose the option best for you.
- File a *Report of New Employee(s),* DE 34, form.
- File a copy of the employee's Form W-4. You must add the date the employee started working for you, your California employer payroll tax account number, and Federal employer identification number to the Form W-4.

Where to Send Reports

Employment Development Department
PO Box 997016, MIC 96
West Sacramento, CA 95799-7016
Fax: 916-319-4400

Additional Information

For further assistance, please contact the Taxpayer Assistance Center at 888-745-3886, or visit the nearest Employment Tax Office listed in the *California Employer's Guide,* DE 44, or access the EDD website at **www.edd.ca.gov/Payroll_Taxes/**.

INDEPENDENT CONTRACTOR REPORTING
(continued)

Required Information

The following information that applies must be reported to the EDD:

Business or Government Entity Information

- Business name, address, and phone number
- Federal employer identification number, EDD Employer payroll tax account number, and/or Social Security number

Independent Contractor Information

- First name, middle initial, and last name
- Social Security number
- Address
- Start date of contract or date $600 or more is paid
- Amount of contract (including cents)
- Contract expiration date
- Ongoing contract (check box if applicable)

Reporting Methods

Business and government entities may elect any of the following methods to report independent contractor information to the EDD:

- File online using any of the options available with the EDD e-Services for Business. Visit the website at **www.edd.ca.gov/e-Services_for_Business** to choose the option best for you.
- File a *Report of Independent Contractor(s),* DE 542, form.

Where to Send Reports

Employment Development Department
PO Box 997350, MIC 96
Sacramento, CA 95899-7350
Fax: 916-319-4410

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. Requests for services, aids, and/or alternate formats need to be made by calling 888-745-3886 (voice) or TTY 800-547-9565.

This information sheet is provided as a public service and is intended to provide nontechnical assistance. Every attempt has been made to provide information that is consistent with the appropriate statutes, rules, and administrative and court decisions. Any information that is inconsistent with the law, regulations, and administrative and court decisions is not binding on either the Employment Development Department or the taxpayer. Any information provided is not intended to be legal, accounting, tax, investment, or other professional advice.

Table of Contents

- District Directory
- Payroll Documents
  - Published Salary Schedules
  - Published Stipend Schedule(s)
  - Published School Year Calendar
  - Union Dues Structure
  - List of Reduced Workload Employees
  - Account Code Cheat Sheet
- Bargaining Unit Agreements
  - Certificated
  - Classified
  - Memorandum of Understanding
- Health and Welfare Benefit Plans and Rates
- Section 125 Vendor, Plans, and Rate Sheet

- Forms
  - New Hire Checklist
  - Personnel Action Form (PAF)
    - Use for New Hires, Changes, Terminations
  - Payroll Duties Annual Timeline
  - STRS/PERS Codes
  - Employee Management Tab Dates
- Payroll Processing/Submission Workflow
  - Monthly Balancing Template
  - Leave Processing
  - Payroll Processing

New Hire Check List for Payroll Processing

Employee Name_____ Employee Number_____

In **ESCAPE**, Employee Management, **Verify** each **Tab** to **Personnel Action Form (PAF)**

Pay Cycle

☐CEOA = Cert 10 Month Aug-May
☐CE1A = Cert 10 Month Aug-Jun
☐CE2J = Cert 12 Month Jul-Jun
☐CL0A = Cls 10 Month Aug-May
☐CL1A = Cls 11 Month Aug-Jun
☐CL2J = Cls 12 Month Jul-Jun

Employment Eligibility Verification

☐Attach I9 and back up documents to Employee Management Record in ESCAPE

Tax

Tax exemptions based on W4/DE4
☐Attach tax forms to Employee Management Record in ESCAPE
Certificated NOT Subject to SDI
STRS Members NOT Subject to OASDI

Retirement

Retirement status per SEW and/or CalPers
PERS Work Schedule = 400 Hourly (CSEA)
173 Monthly (Class Mgmt & Confidential)

ACH

Account Number and Bank Routing Number
☐ Attach Direct Deposit form to Employee Management Record in ESCAPE

Deductions

☐Union Dues ☐Voluntary_____

☐Other_____

Contributions

☐Life Insurance ☐Other_____

Assignment

Enter and Confirm Position, FTE, Calendar, Salary Placement
Late Starts 1.0 FTE Use Pay Distribution Option: {Normal – First Month Adjust}
☐ Attach PAF to Employee Management Record in ESCAPE
☐ Attach PAF to Employee Management Record in ESCAPE

Addons

☐Paid Vacation ☐Longevity ☐Masters/Doctorate

☐Other_____

Benefits

☐Medical ☐Dental ☐Vision

☐Add Employee Name, Number and Gross to Monthly Balancing Transmittal

PERSONNEL ACTION FORM

EMPLOYEE

Name _____ School Year _____

Address _____ Phone _____

Social Security # _____ Date of Birth _____

TB Expiration _____ Ethnicity _____ Race _____

ACTION

Position Title _____ Site _____

☐ Certificated ☐ Classified ☐ Management ☐ Confidential ☐ Supplementary Payroll

☐ **Hire**

Salary Placement _____ Longevity _____

Hire Date _____ Benefits Start _____ FP Date _____

FTE _____ Hrs/Day _____ Mo/Days year _____

Position is ☐ New ☐ Replaces _____

Medical Plan _____ Coverage _____ ☐ Dental ☐ Vision

Position # _____ Person Type _____ Employee Type _____

AdditionalEarnings: ☐ Masters ☐ Doctorate ☐ Extra Days _____

Email Advice of Deposit Yes ___ No

☐ **Stipend**

Position _____ Annual Amount _____

☐ **Terminate**

☐ Resignation ☐ Retirement ☐ Other

Last Paid Day _____ S/L Balance _____ Vac Earned _____

Retiree Benefits ☐ Yes ☐ No Benefits End _____

☐ **LOA**

☐ 20% ☐ 40% ☐ 60% ☐ 80% ☐ 100% Type _____

5-Mo Sub Diff Effective _____ Return to Work _____

☐ **Change**

☐ FTE/Hrs ☐ Salary Placement ☐ Classification Effective Date _____

From _____ To _____

☐ **Dock Salary**

#Hours/Days _____ Dates _____

☐ **Pay Off**

☐ Comp time Hrs _____ ☐ Vac Hrs/Days ☐ Bonus Days _____

☐ **Allocation of**

S/L hrs _____ Vac hrs/days _____ Vac Pd or Issued _____

☐ Original ☐ Addition ☐ Reduction

☐ **Other** _____

_____

_____

APPROVALS

Human Resources Manager Signature _____ Date _____

Business Manager Signature _____ Date _____

_____

☒ COPY TO PAYROLL

☐

ESCAPE - PERS Retirement Codes

4/21/2017

Member Status	Code
Member	1
Non-Member or Retiree	2

Plan Option	Code
New	N
Pre2013	O

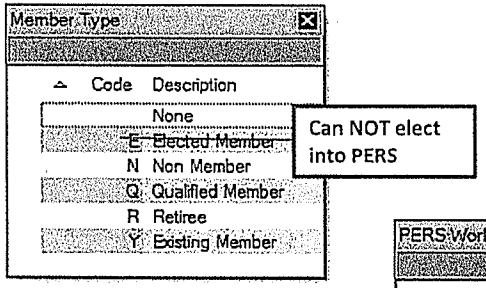
Member Type	Code
None	
Non Member	N
Qualified Member	Q
Retiree	R
Existing	Y

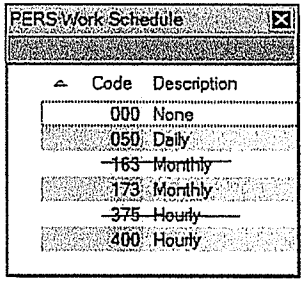
Work Schedule	Code
None	000
Daily	**050**
Monthly	**173**
Hourly	**400**

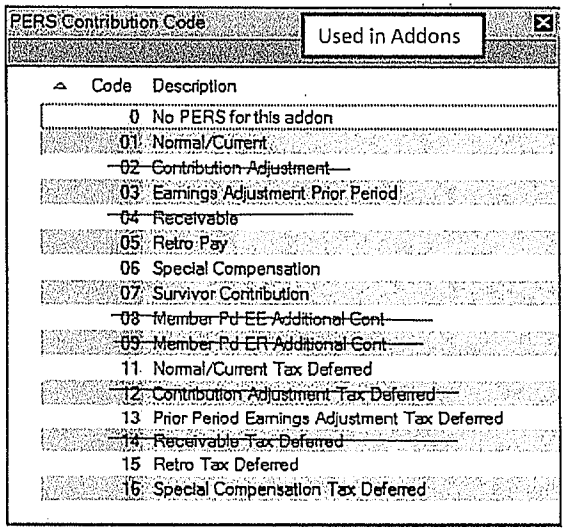
Contribution	Code
No PERS for this addon	00
Normal/Current	01
Earnings Adjustment Prior Period	03
Retro Pay	05
Special Compensation	06
Survivor Contribution	07
Normal/Current Tax Deferred	11
Prior Prd Ernqs Adjustment Tax Deferred	13
Retro Tax Deferred	15
Special Compensation Tax Deferred	16

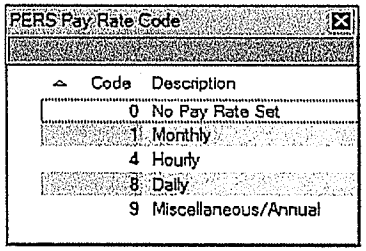
PERS	CODE
No Pay Rate Set	0
Monthly	1
Hourly	4
Daily	8
Miscellaneous/Annual	9

Retirement	OASDI	Medicare
PERS Member	Yes	Yes
STRS Member	NO	Yes
Non-Member	Yes	Yes
PERS Retiree working in Classified	NO	Yes
STRS Retiree working in Classified	Yes	Yes
PERS Retiree working in Certificated	Yes	Yes
STRS Retiree working in Certificated	NO	Yes









Escape - Employment Management Tabs

TAB	Assignment Date	Termination Date
Employment	Hire **Date**	Term Date
Pay Cycle	First of the **Month**	Last of the Month
Taxes	First of the **Month**	Last of the Month
STRS Retirement	First **Day** of Membership	Term Date
PERS Retirement	First **Day** of Membership	Term Date
ACH	First of the **Month**	Last of the Month
Deductions	First of the **Month**	Last of the Month
Contributions	First of the **Month**	Last of the Month
Assignment	Hire **Date**	Term Date
Addons	First of the **Month**	Last of the Month

Effective as of 2/1/19

Subject to change due to system updates and process changes

ABC School District - Payroll Variances to Prior Month - MM/DD/YYYY Regular Payroll

Employee	(ID)SSN4	EE Count	MM/DD/YYYY Gross		MM/DD/YYYY Gross		Increase / (Decrease)	Reason(s) for Change:
Person Type 1 - Certificated								
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
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							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
Total Certificated		0	$0.00		$0.00		$0.00	

Person Type 2 - Classified								
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
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							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
							$0.00	
Total Classified		0	$0.00		$0.00		$0.00	

Total Classified & Certificated:	0	$0.00	$0.00	$0.00

MM/DD/YYYY Pay 03 Balance	116			Pay 15 Difference Total
Spreadsheet Balance	0	$0.00	$0.00	Spreadsheet Difference Total
Discrepancy	116	$0.00	$0.00	Discrepancy

Total Current Month Gross and EE Count on spreadsheet should equal bottom line Gross on Pay 03

Increase/Decrease Column Total on spreadsheet should equal bottom line difference on Pay 15a

Payroll Procedures

Regular Payroll

☐ **Process Leaves**
HR/Payroll > Employment >Leave Status

☐ **Initiate Pay**
HR/Payroll > Processes >Initiate Payroll Requests

☐ **Run and Print balancing reports**
HR/Payroll > Reports
☐Pay03 – Payroll Detail with Grosses
Run 2 separate reports filtered by Certificated, and Classified
☐Pay15a- Payroll Differences (Earnings)

☐ **Post Gross to Balancing Payroll Spreadsheet**
☐Use Gross from Pay03 report
☐Verify differences from Pay 15a report and add reason to Balancing Payroll Spreadsheet

☐ **Search for Payroll Errors**
HR/Payroll > Adjust Pay >
Filter by Pay Date in Section 3, and Have Errors in Section 7
☐Resolve errors
- Types of errors include General, Labor, PERS and STRS. ***Payroll cannot be processed with a Labor error.*** Search "Resolving Pay Compute Errors" in the Help Task for troubleshooting assistance on correcting errors.
- No Negative Net Pay
- Work with SCOE retirement technicians to resolve/permit retirement errors

☐ **Initiate Pay**
HR/Payroll > Processes >Initiate Payroll Requests

☐ **Run Retiree Qualifying Reports**
HR/Payroll > Reports
☐Retire01 – STRS Qualifying Report for Substitute Employee
☐Retire02 – STRS Qualifying Report for Part Time Employee
☐Retire09 – PERS Qualifying
- If qualifying Retirement Status needs to be updated in Employee Management Record, employee needs to be notified, SCOE Retirement Technicians need to be notified

☐ **Print Reports and Give to CBO/Business Manager for Approval**
HR/Payroll > Reports
☐Pay03 – Payroll Detail with Grosses
☐Pay15a- Payroll Differences (Earnings)
☐Pay22- Payroll Errors
☐Payroll Balancing Spreadsheet

☐ **Submit & Print Reports**
HR/Payroll > Payroll > Payroll Status > Go > Open > Tasks > Submit
Use snapshot to print reports: Payroll Status, Payroll Summary, Payroll Errors

☐ **Obtain Approval Signatures**
Have CBO/Business Manager sign last page of each report
☐Pay 99 - Payroll Status
☐Pay 01 - Payroll Summary
☐Pay 22 - Payroll Errors
☐Pay 15a – Payroll Differences (Earnings)
☐Payroll Balancing Spreadsheet

☐ **Submit Payroll reports to SCOE**
Scan and email signed reports to: Production@scoe.org by noon of due date clean copies of:
☐Pay 99 - Payroll Status
☐Pay 01 - Payroll Summary
☐Pay 22 - Payroll Errors
☐Pay 15a – Payroll Differences (Earnings)
☐Payroll Balancing Spreadsheet

☐ **Paycheck Distribution**
☐Pick up checks from SCOE 2 days after submission
☐Run Pay 19 – Site Check Listing and group checks according report
☐Mail Checks on payday, NOT EARLIER
☐Distribute paychecks to sites on day of payday by 8:00a with Pay 19 – Site Check Listing report. Have sites obtain employee signature for hard copy checks that are picked up from the office and return signature page to Payroll when completed.

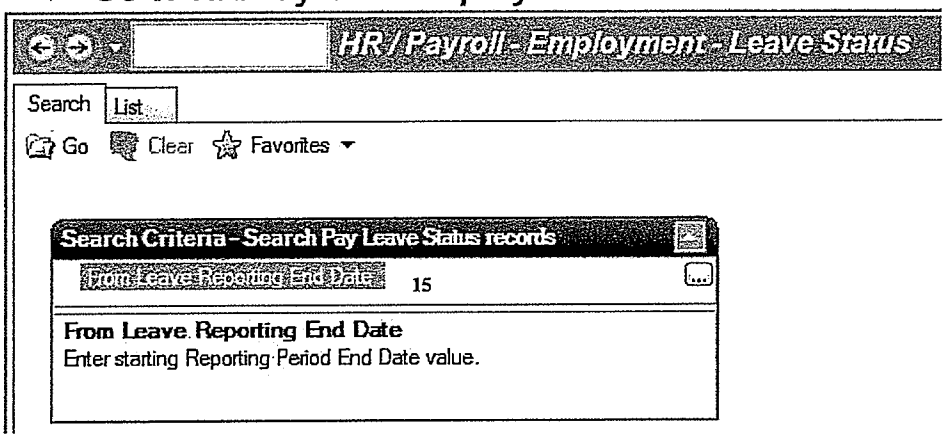
☐ **Voluntary Deduction Check Distribution**
☐Run Pay 17 – Vendor Detail Report
☐Mail page(s) specific to Vendor with check

Leave Processing

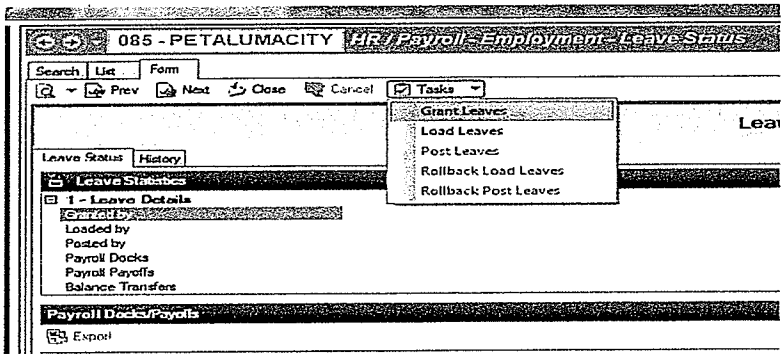
Granting Leaves is part of the Payroll Process. You must Grant, Load and Post Leaves prior to Payroll Submission. You can grant leaves as many times as need during the month to capture all the assignment changes. We recommend you grant leaves at the beginning of the month and again prior to submitting payroll. The last grant should be processed as least one or two days prior to each Regular Payroll Deadline, to give time for research & adjustments.

Leave Cutoff is the 15th of the Month for balances printed on the Pay Stubs. This does not mean that you have to grant on the 1st or have all entries in by the 15th.

➢ *Go to HR/Payroll > Employment >Leave Status*



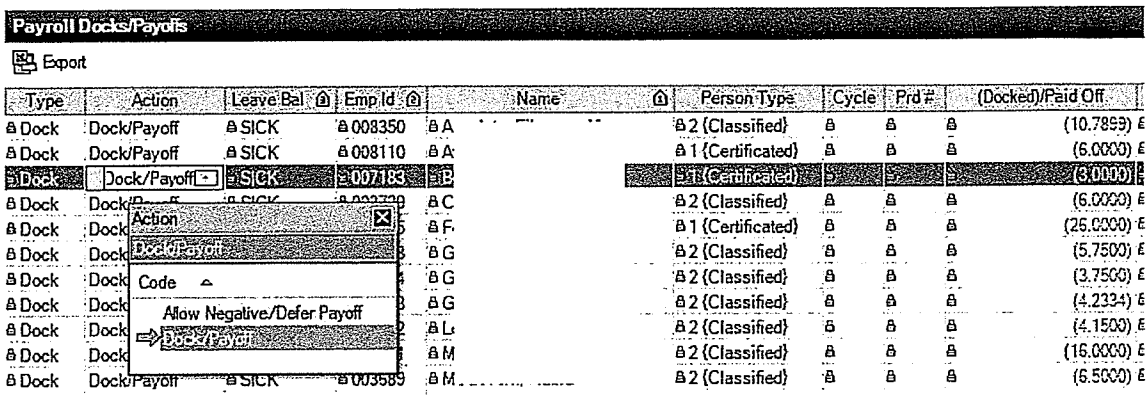
- From Leave Reporting End Date: Enter 15 for current Leave Status
- Click Go
- Click on current Payroll Period to Open
- Go to Task; Grant Leaves (Wait until process is complete), Close & reopen to refresh; Leave Grant Status Message will be "Finished Calculating…"



- Go back to Task; Load Leaves; Yes

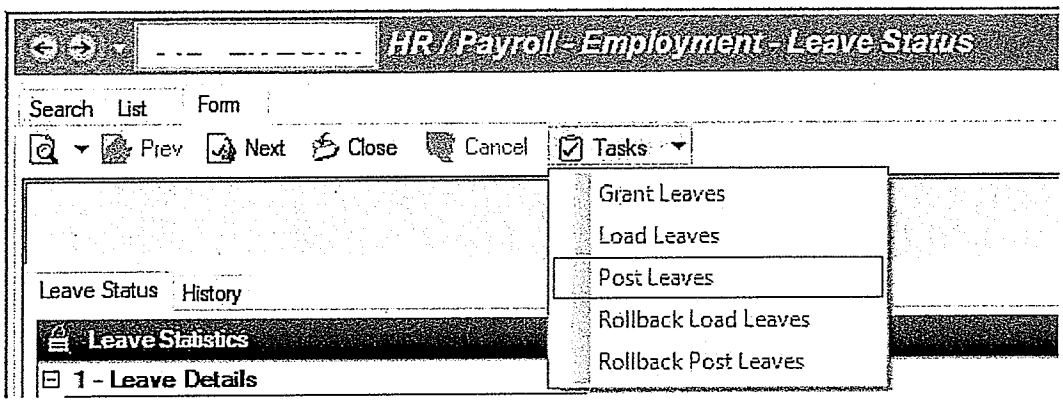
- Payroll Docks may come up in column
- Click to Open; Click Hour Glass; Click Leave Docks/Payoffs to get list of employees
- Print list of employees to determine if dock is valid or not (Manual dock may have already been processed

➢ In Action column; Click on Dock/Payroll to dropdown menu to change to ***Allow Negative to override*** or leave as dock if valid



➢ After Review Go Back to Task to Post

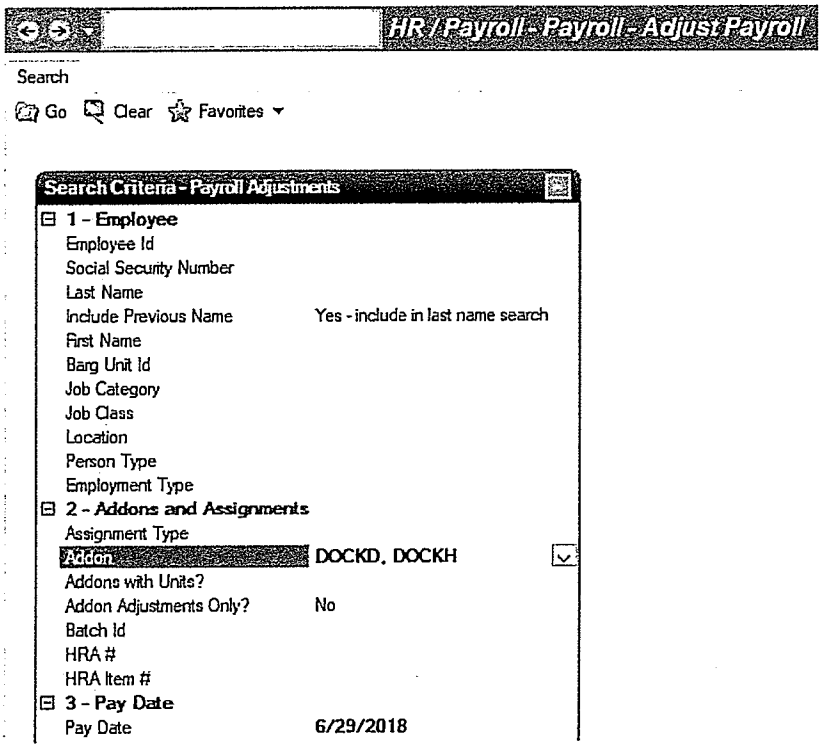
- Posting will "lock" the Leave Transactions to be able to submit payroll
- If needed you can Rollback Loading or Posting to make any corrections ***prior*** to final submission of Payroll



If Dock/Payroll then go to Adjust Pay to get amounts for docks to balance Payroll Spreadsheet. Or revisions can be made to docks if necessary

➢ *Go to HR/Payroll > Payroll>Adjust Payroll*
Search for the Docks created by the Leave Status to verify that it calculated as expected. NOTE: Double check those with multiple assignments with different pay rates and account codes that the system allocated as expected.

- Addon: DOCKD, DOCK H or use menu to search
- Pay Date
- Click Go to get list



Once you have verified and balanced, you are ready to Submit Payroll

Payroll Procedures
Supplemental Payroll

☐ **Enter Earnings**

This procedure will vary by districts. The options for entering earnings are:

- Input Extra Duty timesheet and Substitute earnings in Adjust Pay by Employee
  - *HR/Payroll > Payroll > Adjust Pay > Filter by Pay Date > Open*
- Input in an Additional Pay Batch & Post to Adjust Pay
  - *HR/Payroll > Employment > Additional Pay > New*
- Create an Additional Pay Batch in an Excel template and import to Escapeand Post to Adjust Pay
  - *HR/Payroll > Employment > Additional Pay > New*

☐ **Initiate Pay**

HR/Payroll > Processes >Initiate Payroll Requests

☐ **Run and Print balancing reports**

HR/Payroll > Reports

☐Pay03 – Payroll Detail with Grosses

Run 2 separate reports filtered by Certificated, and Classified

☐Pay13- Payroll Adjustments

☐ **Run Tape to Balance**

☐Use Gross from Pay03 report

☐Verify balances from tape to Pay 03 report

☐ **Search for Payroll Errors**

HR/Payroll > Adjust Pay >
Filter by Pay Date in Section 3, and Have Errors in Section 7

☐Resolve errors

- Types of errors include General, Labor, PERS and STRS. ***Payroll cannot be processed with a Labor error.*** Search "Resolving Pay Compute Errors" in the Help Task for troubleshooting assistance on correcting errors.
- No Negative Net Pay
- Work with SCOE retirement technicians to resolve/permit retirement errors

☐ **Initiate Pay**

HR/Payroll > Processes >Initiate Payroll Requests

☐ **Run Retiree Qualifying Reports**

HR/Payroll > Reports

☐Retire01 – STRS Qualifying Report for Substitute Employee

☐Retire02 – STRS Qualifying Report for Part Time Employee

☐Retire09 – PERS Qualifying

- If qualifying Retirement Status needs to be updated in Employee Management Record, employee needs to be notified, SCOE Retirement Technicians need to be notified

☐ **Print Reports and Give to CBO/Business Manager for Approval**
HR/Payroll > Reports
☐Pay03 – Payroll Detail with Grosses
☐Pay13 – Payroll Adjustments
☐Pay22- Payroll Errors
☐Timecards

☐ **Submit & Print Reports**
HR/Payroll > Payroll > Payroll Status > Go > Open > Tasks > Submit
Use snapshot to print reports: Payroll Status, Payroll Summary, Payroll Errors

☐ **Obtain Approval Signatures**
Have CBO/Business Manager sign last page of each report
☐Pay 99 - Payroll Status
☐Pay 01 - Payroll Summary
☐Pay 22 - Payroll Errors
☐Pay 13 – Payroll Adjustments

☐ **Submit Payroll reports to SCOE**
Scan and email signed reports to: Production@scoe.org by noon of due date clean copies of:
☐Pay 99 - Payroll Status
☐Pay 01 - Payroll Summary
☐Pay 22 - Payroll Errors
☐Pay 13 – Payroll Adjustments

☐ **Paycheck Distribution**
☐Pick up checks from SCOE 2 days after submission
☐Run Pay 19 – Site Check Listing and group checks according report
☐Mail Checks on payday, NOT EARLIER
☐Distribute paychecks to sites on day of payday by 8:00a with Pay 19 – Site Check Listing report. Have sites obtain employee signature for hard copy checks that are picked up from the office and return signature page to Payroll when completed.

☐ **Voluntary Deduction Check Distribution**
☐Run Pay 17 – Vendor Detail Report
☐Mail page(s) specific to Vendor with check

https://www.irs.gov/affordable-care-act/employers

Affordable Care Act Tax Provisions for Employers

The Affordable Care Act, or health care law, contains benefits and responsibilities for employers. The size and structure of your workforce determines what applies to you. An employer's size is determined by the number of its full-time employees, including full-time equivalents.

For help with determining the size of your workforce each year, see our page on Determining if an Employer is an Applicable Large Employer.



Small Employers

Small employers, generally those with fewer than 50 full-time employees, may be eligible for credits and other benefits.

> More...



Large Employers

An applicable large employer, generally those with 50 or more full-time employees, including full-time equivalents.

> More...

If you have no employees, the information in the section below does not apply to you. However, other provisions, such as the insurance provider fee, or the branded prescription drug fee, may affect your organization. For a list of ACA tax provisions, visit the Affordable Care Act Tax Provisions page.

Why does the size of an employer's workforce matter?

- If you have fewer than 25 full-time employees, including full-time equivalent employees, you may be eligible for a Small Business Health Care Tax Credit to help cover the cost of providing coverage.
- Generally, employers with 50 or fewer employees may be eligible to buy coverage through the Small Business Health Options Program or (SHOP Marketplace). Learn more at HealthCare.gov.

- If you have 50 or more full-time employees, including full-time equivalent employees, you are an applicable full-time employer and need to issue statements to employees and file an annual information return reporting whether and what health insurance you offered employees. ALEs are subject to the employer shared responsibility provisions.
- Some states allow employers with up to 100 employees to buy coverage through the Small Business Health Options Program, or SHOP Marketplace.
- Regardless of size, all employers that provide self-insured health coverage to employees must file an annual return reporting certain information for each covered employee and provide the same information to covered individuals.

Certain affiliated employers with common ownership or employers that are part of a controlled group are considered part of an aggregated group. In this case, you must aggregate, or combine, your employees to determine your workforce size. Learn more on the page for Determining if an Employer is an Applicable Large Employer.

Applicable large employers can find resources and the latest news at the Applicable Large Employer Information Center.

Employer Topics

HealthCare.gov
Small Business Health Care Tax Credit and the SHOP Marketplace
Employer Shared Responsibility Provisions
Information Reporting by Applicable Large Employers
Information Reporting by Providers of Minimum Essential Coverage
Affordable Care Act Information Return AIR Program
ACA Information Center for Tax Professionals

Related Links

Small Business Administration
Department of Labor

What is AB1522?

AB 1522 Requires California Employers to Update Paid Sick Leave Policies

On September 10, 2014, Governor Brown signed ***AB 1522*** into law (the "***Healthy Workplaces, Healthy Families Act of 2014"***). The new law requires many California employers to provide paid sick leave benefits to their employees.

In short, the new law requires the following:

1. Employees who work 30 or more days within a year from the commencement of their employment are now entitled to accrue paid sick days at a rate of "no less than one [1] hour for every 30 hours worked." This means that a full-time employee who works 40 hours per week would be entitled to accrue up to 8.6 days of paid sick time off per year. The total number of accrued sick days will depend on the number of hours per week that an employee is normally scheduled to work.
2. Employers may choose to limit the employee's annual use of paid sick leave benefits to 24 hours or 3 days per year. Similarly, the employer may choose to limit the annual amount of accrued paid sick leave to 48 hours or 6 days per year. In other words, although a full-time employee working 40 hours per week can accrue up to 8.6 paid sick days, the employer may cap the amount of paid sick benefits used to 24 hours or 3 days and limit the overall annual accrual amount to 48 hours or 6 days.
3. The rate of pay for paid sick leave is the employee's regular hourly wage (which includes commission or piece rate pay), and employers must pay out sick leave benefit payments to employees no later than the payday for the next payroll period after the sick leave was taken.
4. Employers are required to provide written notice on the designated pay dates that sets forth the amount of paid sick leave benefits available to the employee. This notice may be given to the employee on either the itemized wage statement or a separate written document.
5. The law contains various exclusions, and has specific provisions that apply where an employer already provides paid time off.

Reference Website: *http://www.dir.ca.gov/DLSE/ab1522*

- All other errors, IT has been reaching out to Payroll Techs to work with them on correcting the set-up in Escape that is causing the errors

☐ ***Retirement Reports:***

Prior to submitting payroll run the Retire01, 02 and 09 reports (STRS and PERS qualifying reports)

- When the employee qualifies in June:
  - ✔ For CalPERS – bring them into membership even if they won't be paid again until August/September
  - ✔ For CalSTRS – bring them into membership even if they won't be paid again until August/September (this change went into effect July 1, 2018)

☐ ***Payroll Submission Reports:***

The certification form and Pay01 Payroll Summary report for submission, should be signed by either the immediate supervisor of the Payroll Tech or by an administrator and emailed to production@scoe.org by noon the day payroll is due (see google calendar for payroll deadlines & Escape/SCOE Resources/Forms for revised certification form)

☐ ***Pay31 W2 Errors Report:***

Run the Pay31 W2 Errors Report after each payroll to address W2 errors now rather than later

- Box 12 Out of Range Errors can be corrected now – *work with IT*
- Address Errors can be corrected now – *work with IT*
- Monitor FIT, SIT, OASDI and Medicare Out of Range and Calculation Errors – *work with Erin Graves*

LEA PAYROLL CERTIFICATION FORM

Email signed form and Pay01 to: production@scoe.org by Noon the day Payroll is Due

LEA Name: _____ LEA No:_____

Payroll Dated: _____ Payroll Submitted: _____

☐ Regular Payroll ☐ Supplemental Payroll ☐ Manual Payroll

☐ Charter Mid-Month Payroll Accrual: ☐ July Prior Year
☐ August Prior Year

Payroll Gross $_____

Payroll Net $_____

_____ Date: _____
Payroll Technician

CHECKLIST FOR CBO'S

Please check each applicable report verifying reviewed and approved:

☐ Pay01 Payroll Summary *(email with certification form)*
☐ Pay99 Payroll Status
☐ Pay22 Payroll Errors *(any remaining errors have been verified by SCOE Business Services Retirement Analysts and/or IT)*
☐ Pay15 Payroll Adjustments *(with Regular Payroll)*
☐ Pay13 Payroll Adjustments *(with Supplemental Payroll)*
☐ Pay99 Employee Payroll Snapshot *(as applicable with Manual Payroll)*

LEA AUTHORIZED SIGNATURE:

_____ Date: _____

By signing this form I certify that I have validated correct compensation, retirement and payroll tax reporting, have reviewed the reports as appropriate and approve the above payroll totals.

Revised 7/2019

PAYROLL MISCELLANEOUS:

☐ *Independent Contractors vs Employees:*

It is critical to correctly classify individuals when hired. If audited and determined an incorrect classification, employer may be held liable for employment taxes for that employee and there may be penalties.

On January 1, 2020, AB 5 officially became law. A worker is presumed to be an employee unless the employer can show all three conditions of the ABC test are met. SCLS anticipate that in most situations, individuals providing services to educational agencies will need to be classified as employees rather than independent contractors. SCLS recommends that educational agencies ensure that their current independent contractor relationship complies with Labor Code Section 2750.2 (see attached SCLS Legal Update dated 9/27/2019).

For CalSTRS and CalPERS Retirees Working as Independent Contractor, see Retirement Section

SCLS

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OF CALIFORNIA

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LEGAL UPDATE

September 27, 2019

To: **Superintendents, Member School Districts (K-12)**

From: **Loren W. Soukup, Senior Associate General Counsel** LS

Subject: **AB 5 - Independent Contractors**
Memo No. 25-2019

On September 18, 2019, the Governor approved Assembly Bill ("AB") 5, effective January 1, 2020, codifying the California Supreme Court decision *Dynamex Operations West, Inc. v. Superior Court* (2018) 4 Cal.5th 903, which created a new "ABC" test for classifying independent contractors. A copy of AB 5 is included with this Legal Update for your convenience. Please refer to our office's Legal Update 17-2018, dated August 22, 2018, for more information about the *Dynamex* decision.

AB 5 provides that for purposes of the provisions of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is A) free from the control and direction of the hiring entity in connection with the performance of the work; B) the person performs work that is outside the usual course of the hiring entity's business; and C) the person is customarily engaged in an independently established trade, occupation, or business.

AB 5, through its adoption of Labor Code section 2750.3, provides that if a court rules that the *Dynamex* ABC test cannot be applied, then the determination of employee or independent contractor status shall be governed by the test adopted in *S. G. Borello & Sons, Inc. v. Department of Industrial Relations* (1989) 48 Cal.3d 341, which applied an arguably less stringent six-part test.

Labor Code section 2750.3 further lists out over thirty exempted occupations which are subject to the *Borello* test rather than the *Dynamex* test, including but not limited to, certain licensed health care professionals, lawyers, architects, engineers, private investigators, accountants, and others performing work under a contract for professional services, with another business entity, or pursuant to a

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subcontract in the construction industry.

Lastly, AB 5 amended Section 621 of the Unemployment Insurance Code to redefine the definition of "employee" to include an individual providing labor or services for remuneration who has the status of an employee rather than an independent contractor, unless the hiring entity demonstrates that the individual meets all of the specified conditions, including that the individual performs work that is outside the usual course of the hiring entity's business.

While AB 5 primarily codifies the *Dynamex* decision, which has been in place since last year, the legislation clarified the application of these rules to educational agencies. As such, we anticipate that in most situations individuals providing services to educational agencies will need to be classified as employees rather than independent contractors. Failing to properly classify an individual as an employee could result in back pay and fines for failure to pay federal Social Security and payroll taxes, unemployment insurance, workers compensation benefits, and for violation of various federal and state statutes and regulations governing retirement, wages, and hours. As such, we recommend that educational agencies ensure that their current independent contractor relationships comply with Labor Code section 2750.3.

Please contact our office with questions regarding this Legal Update or any other legal matter.

The information in this Legal Update is provided as a summary of law and is not intended as legal advice. Application of the law may vary depending on the particular facts and circumstances at issue. We, therefore, recommend that you consult legal counsel to advise you on how the law applies to your specific situation.

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Assembly Bill No. 5

CHAPTER 296

An act to amend Section 3351 of, and to add Section 2750.3 to, the Labor Code, and to amend Sections 606.5 and 621 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

[Approved by Governor September 18, 2019. Filed with Secretary of State September 18, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

AB 5, Gonzalez. Worker status: employees and independent contractors.

Existing law, as established in the case of Dynamex Operations West, Inc. v. Superior Court of Los Angeles (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee for purposes of claims for wages and benefits arising under wage orders issued by the Industrial Welfare Commission. Existing law requires a 3-part test, commonly known as the "ABC" test, to establish that a worker is an independent contractor for those purposes.

Existing law, for purposes of unemployment insurance provisions, requires employers to make contributions with respect to unemployment insurance and disability insurance from the wages paid to their employees. Existing law defines "employee" for those purposes to include, among other individuals, any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee.

This bill would state the intent of the Legislature to codify the decision in the Dynamex case and clarify its application. The bill would provide that for purposes of the provisions of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that the person is free from the control and direction of the hiring entity in connection with the performance of the work, the person performs work that is outside the usual course of the hiring entity's business, and the person is customarily engaged in an independently established trade, occupation, or business. The bill, notwithstanding this provision, would provide that any statutory exception from employment status or any extension of employer status or liability remains in effect, and that if a court rules that the 3-part test cannot be applied, then the determination of employee or independent contractor status shall be governed by the test adopted in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341 (Borello). The bill would exempt specified occupations from the application of Dynamex, and would instead provide that these occupations are governed by Borello. These exempt occupations would include, among others, licensed insurance agents, certain licensed health care professionals, registered securities broker-dealers or investment advisers, direct sales salespersons, real estate licensees, commercial fishermen, workers providing licensed barber or cosmetology services, and others performing work under a contract for professional services, with another business entity, or pursuant to a subcontract in the construction industry.

The bill would also require the Employment Development Department, on or before March 1, 2021, and each March 1 thereafter, to issue an annual report to the Legislature on the use of unemployment insurance in the commercial fishing industry. The bill would make the exemption for commercial fishermen applicable only until January 1, 2023, and the exemption for licensed manicurists applicable only until January 1, 2022. The bill

would authorize an action for injunctive relief to prevent employee misclassification to be brought by the Attorney General and specified local prosecuting agencies.

This bill would also redefine the definition of "employee" described above, for purposes of unemployment insurance provisions, to include an individual providing labor or services for remuneration who has the status of an employee rather than an independent contractor, unless the hiring entity demonstrates that the individual meets all of specified conditions, including that the individual performs work that is outside the usual course of the hiring entity's business. Because this bill would increase the categories of individuals eligible to receive benefits from, and thus would result in additional moneys being deposited into, the Unemployment Fund, a continuously appropriated fund, the bill would make an appropriation. The bill would state that addition of the provision to the Labor Code does not constitute a change in, but is declaratory of, existing law with regard to violations of the Labor Code relating to wage orders of the Industrial Welfare Commission. The bill would also state that specified Labor Code provisions of the bill apply retroactively to existing claims and actions to the maximum extent permitted by law while other provisions apply to work performed on or after January 1, 2020. The bill would additionally provide that the bill's provisions do not permit an employer to reclassify an individual who was an employee on January 1, 2019, to an independent contractor due to the bill's enactment.

Existing provisions of the Labor Code make it a crime for an employer to violate specified provisions of law with regard to an employee. The Unemployment Insurance Code also makes it a crime to violate specified provisions of law with regard to benefits and payments.

By expanding the definition of an employee for purposes of these provisions, the bill would expand the definition of a crime, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Digest Key

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: yes

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Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares all of the following:

(a) On April 30, 2018, the California Supreme Court issued a unanimous decision in Dynamex Operations West, Inc. v. Superior Court of Los Angeles (2018) 4 Cal.5th 903 (Dynamex).

(b) In its decision, the Court cited the harm to misclassified workers who lose significant workplace protections, the unfairness to employers who must compete with companies that misclassify, and the loss to the state of needed revenue from companies that use misclassification to avoid obligations such as payment of payroll taxes, payment of premiums for workers' compensation, Social Security, unemployment, and disability insurance.

(c) The misclassification of workers as independent contractors has been a significant factor in the erosion of the middle class and the rise in income inequality.

(d) It is the intent of the Legislature in enacting this act to include provisions that would codify the decision of the California Supreme Court in Dynamex and would clarify the decision's application in state law.

(e) It is also the intent of the Legislature in enacting this act to ensure workers who are currently exploited by being misclassified as independent contractors instead of recognized as employees have the basic rights and protections they deserve under the law, including a minimum wage, workers' compensation if they are injured on the job, unemployment insurance, paid sick leave, and paid family leave. By codifying the California Supreme Court's landmark, unanimous Dynamex decision, this act restores these important protections to potentially several million workers who have been denied these basic workplace rights that all employees are entitled to under the law.

(f) The Dynamex decision interpreted one of the three alternative definitions of "employ," the "suffer or permit" definition, from the wage orders of the Industrial Welfare Commission (IWC). Nothing in this act is intended to affect the application of alternative definitions from the IWC wage orders of the term "employ," which were not addressed by the holding of Dynamex.

(g) Nothing in this act is intended to diminish the flexibility of employees to work part-time or intermittent schedules or to work for multiple employers.

SEC. 2. Section 2750.3 is added to the Labor Code, to read:

2750.3. (a) (1) For purposes of the provisions of this code and the Unemployment Insurance Code, and for the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration shall be considered an employee rather than an independent contractor unless the hiring entity demonstrates that all of the following conditions are satisfied:

(A) The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(B) The person performs work that is outside the usual course of the hiring entity's business.

(C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

(2) Notwithstanding paragraph (1), any exceptions to the terms "employee," "employer," "employ," or "independent contractor," and any extensions of employer status or liability, that are expressly made by a provision of this code, the Unemployment Insurance Code, or in an applicable order of the Industrial Welfare Commission, including, but not limited to, the definition of "employee" in subdivision 2(E) of Wage Order No. 2, shall remain in effect for the purposes set forth therein.

(3) If a court of law rules that the three-part test in paragraph (1) cannot be applied to a particular context based on grounds other than an express exception to employment status as provided under paragraph (2), then the determination of employee or independent contractor status in that context shall instead be governed by the California Supreme Court's decision in S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341 (Borello).

(b) Subdivision (a) and the holding in Dynamex Operations West, Inc. v. Superior Court of Los Angeles (2018) 4 Cal.5th 903 (Dynamex), do not apply to the following occupations as defined in the paragraphs below, and instead, the determination of employee or independent contractor status for individuals in those occupations shall be governed by Borello.

(1) A person or organization who is licensed by the Department of Insurance pursuant to Chapter 5 (commencing with Section 1621), Chapter 6 (commencing with Section 1760), or Chapter 8 (commencing with Section 1831) of Part 2 of Division 1 of the Insurance Code.

(2) A physician and surgeon, dentist, podiatrist, psychologist, or veterinarian licensed by the State of California pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, performing professional or medical services provided to or by a health care entity, including an entity organized as a sole proprietorship, partnership, or professional corporation as defined in Section 13401 of the Corporations Code. Nothing in this subdivision shall apply to the employment settings currently or potentially governed by collective bargaining agreements for the licensees identified in this paragraph.

(3) An individual who holds an active license from the State of California and is practicing one of the following recognized professions: lawyer, architect, engineer, private investigator, or accountant.

(4) A securities broker-dealer or investment adviser or their agents and representatives that are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Authority or licensed by the State of California under Chapter 2 (commencing with Section 25210) or Chapter 3 (commencing with Section 25230) of Division 1 of Part 3 of Title 4 of the Corporations Code.

(5) A direct sales salesperson as described in Section 650 of the Unemployment Insurance Code, so long as the conditions for exclusion from employment under that section are met.

(6) A commercial fisherman working on an American vessel as defined in subparagraph (A) below.

(A) For the purposes of this paragraph:

(i) "American vessel" has the same meaning as defined in Section 125.5 of the Unemployment Insurance Code.

(ii) "Commercial fisherman" means a person who has a valid, unrevoked commercial fishing license issued pursuant to Article 3 (commencing with Section 7850) of Chapter 1 of Part 3 of Division 6 of the Fish and Game Code.

(iii) "Working on an American vessel" means the taking or the attempt to take fish, shellfish, or other fishery resources of the state by any means, and includes each individual aboard an American vessel operated for fishing purposes who participates directly or indirectly in the taking of these raw fishery products, including maintaining the vessel or equipment used aboard the vessel. However, "working on an American vessel" does not apply to anyone aboard a licensed commercial fishing vessel as a visitor or guest who does not directly or indirectly participate in the taking.

(B) For the purposes of this paragraph, a commercial fisherman working on an American vessel is eligible for unemployment insurance benefits if they meet the definition of "employment" in Section 609 of the Unemployment Insurance Code and are otherwise eligible for those benefits pursuant to the provisions of the Unemployment Insurance Code.

(C) On or before March 1, 2021, and each March 1 thereafter, the Employment Development Department shall issue an annual report to the Legislature on the use of unemployment insurance in the commercial fishing industry. This report shall include, but not be limited to, reporting the number of commercial fishermen who apply for unemployment insurance benefits, the number of commercial fishermen who have their claims disputed, the number of commercial fishermen who have their claims denied, and the number of commercial fishermen who receive unemployment insurance benefits. The report required by this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(D) This paragraph shall become inoperative on January 1, 2023, unless extended by the Legislature.

(c) (1) Subdivision (a) and the holding in Dynamex do not apply to a contract for "professional services" as defined below, and instead the determination of whether the individual is an employee or independent contractor shall be governed by Borello if the hiring entity demonstrates that all of the following factors are satisfied:

(A) The individual maintains a business location, which may include the individual's residence, that is separate from the hiring entity. Nothing in this subdivision prohibits an individual from choosing to perform services at the location of the hiring entity.

(B) If work is performed more than six months after the effective date of this section, the individual has a business license, in addition to any required professional licenses or permits for the individual to practice in their profession.

(C) The individual has the ability to set or negotiate their own rates for the services performed.

(D) Outside of project completion dates and reasonable business hours, the individual has the ability to set the individual's own hours.

(E) The individual is customarily engaged in the same type of work performed under contract with another hiring entity or holds themselves out to other potential customers as available to perform the same type of work.

(F) The individual customarily and regularly exercises discretion and independent judgment in the performance of the services.

(2) For purposes of this subdivision:

(A) An "individual" includes an individual providing services through a sole proprietorship or other business entity.

(B) "Professional services" means services that meet any of the following:

(i) Marketing, provided that the contracted work is original and creative in character and the result of which depends primarily on the invention, imagination, or talent of the employee or work that is an essential part of or necessarily incident to any of the contracted work.

(ii) Administrator of human resources, provided that the contracted work is predominantly intellectual and varied in character and is of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time.

(iii) Travel agent services provided by either of the following: (I) a person regulated by the Attorney General under Article 2.6 (commencing with Section 17550) of Chapter 1 of Part 3 of Division 7 of the Business and Professions Code, or (II) an individual who is a seller of travel within the meaning of subdivision (a) of Section 17550.1 of the Business and Professions Code and who is exempt from the registration under subdivision (g) of Section 17550.20 of the Business and Professions Code.

(iv) Graphic design.

(v) Grant writer.

(vi) Fine artist.

(vii) Services provided by an enrolled agent who is licensed by the United States Department of the Treasury to practice before the Internal Revenue Service pursuant to Part 10 of Subtitle A of Title 31 of the Code of Federal Regulations.

(viii) Payment processing agent through an independent sales organization.

(ix) Services provided by a still photographer or photojournalist who do not license content submissions to the putative employer more than 35 times per year. This clause is not applicable to an individual who works on motion pictures, which includes, but is not limited to, projects produced for theatrical, television, internet streaming for any device, commercial productions, broadcast news, music videos, and live shows, whether

distributed live or recorded for later broadcast, regardless of the distribution platform. For purposes of this clause a "submission" is one or more items or forms of content produced by a still photographer or photojournalist that: (I) pertains to a specific event or specific subject; (II) is provided for in a contract that defines the scope of the work; and (III) is accepted by and licensed to the publication or stock photography company and published or posted. Nothing in this section shall prevent a photographer or artist from displaying their work product for sale.

(x) Services provided by a freelance writer, editor, or newspaper cartoonist who does not provide content submissions to the putative employer more than 35 times per year. Items of content produced on a recurring basis related to a general topic shall be considered separate submissions for purposes of calculating the 35 times per year. For purposes of this clause, a "submission" is one or more items or forms of content by a freelance journalist that: (I) pertains to a specific event or topic; (II) is provided for in a contract that defines the scope of the work; (III) is accepted by the publication or company and published or posted for sale.

(xi) Services provided by a licensed esthetician, licensed electrologist, licensed manicurist, licensed barber, or licensed cosmetologist provided that the individual:

(I) Sets their own rates, processes their own payments, and is paid directly by clients.

(II) Sets their own hours of work and has sole discretion to decide the number of clients and which clients for whom they will provide services.

(III) Has their own book of business and schedules their own appointments.

(IV) Maintains their own business license for the services offered to clients.

(V) If the individual is performing services at the location of the hiring entity, then the individual issues a Form 1099 to the salon or business owner from which they rent their business space.

(VI) This subdivision shall become inoperative, with respect to licensed manicurists, on January 1, 2022.

(d) Subdivision (a) and the holding in Dynamex do not apply to the following, which are subject to the Business and Professions Code:

(1) A real estate licensee licensed by the State of California pursuant to Division 4 (commencing with Section 10000) of the Business and Professions Code, for whom the determination of employee or independent contractor status shall be governed by subdivision (b) of Section 10032 of the Business and Professions Code. If that section is not applicable, then this determination shall be governed as follows: (A) for purposes of unemployment insurance by Section 650 of the Unemployment Insurance Code; (B) for purposes of workers compensation by Section 3200 et seq.; and (C) for all other purposes in the Labor Code by Borello. The statutorily imposed duties of a responsible broker under Section 10015.1 of the Business and Professions Code are not factors to be considered under the Borello test.

(2) A repossession agency licensed pursuant to Section 7500.2 of the Business and Professions Code, for whom the determination of employee or independent contractor status shall be governed by Section 7500.2 of the Business and Professions Code, if the repossession agency is free from the control and direction of the hiring person or entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(e) Subdivision (a) and the holding in Dynamex do not apply to a bona fide business-to-business contracting relationship, as defined below, under the following conditions:

(1) If a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation ("business service provider") contracts to provide services to another such business ("contracting business"), the determination of employee or independent contractor status of the business services

provider shall be governed by Borello, if the contracting business demonstrates that all of the following criteria are satisfied:

(A) The business service provider is free from the control and direction of the contracting business entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(B) The business service provider is providing services directly to the contracting business rather than to customers of the contracting business.

(C) The contract with the business service provider is in writing.

(D) If the work is performed in a jurisdiction that requires the business service provider to have a business license or business tax registration, the business service provider has the required business license or business tax registration.

(E) The business service provider maintains a business location that is separate from the business or work location of the contracting business.

(F) The business service provider is customarily engaged in an independently established business of the same nature as that involved in the work performed.

(G) The business service provider actually contracts with other businesses to provide the same or similar services and maintains a clientele without restrictions from the hiring entity.

(H) The business service provider advertises and holds itself out to the public as available to provide the same or similar services.

(I) The business service provider provides its own tools, vehicles, and equipment to perform the services.

(J) The business service provider can negotiate its own rates.

(K) Consistent with the nature of the work, the business service provider can set its own hours and location of work.

(L) The business service provider is not performing the type of work for which a license from the Contractor's State License Board is required, pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code.

(2) This subdivision does not apply to an individual worker, as opposed to a business entity, who performs labor or services for a contracting business.

(3) The determination of whether an individual working for a business service provider is an employee or independent contractor of the business service provider is governed by paragraph (1) of subdivision (a).

(4) This subdivision does not alter or supersede any existing rights under Section 2810.3.

(f) Subdivision (a) and the holding in Dynamex do not apply to the relationship between a contractor and an individual performing work pursuant to a subcontract in the construction industry, and instead the determination of whether the individual is an employee of the contractor shall be governed by Section 2750.5 and by Borello, if the contractor demonstrates that all the following criteria are satisfied:

(1) The subcontract is in writing.

(2) The subcontractor is licensed by the Contractors State License Board and the work is within the scope of that license.

(3) If the subcontractor is domiciled in a jurisdiction that requires the subcontractor to have a business license or business tax registration, the subcontractor has the required business license or business tax registration.

(4) The subcontractor maintains a business location that is separate from the business or work location of the contractor.

(5) The subcontractor has the authority to hire and to fire other persons to provide or to assist in providing the services.

(6) The subcontractor assumes financial responsibility for errors or omissions in labor or services as evidenced by insurance, legally authorized indemnity obligations, performance bonds, or warranties relating to the labor or services being provided.

(7) The subcontractor is customarily engaged in an independently established business of the same nature as that involved in the work performed.

(8) (A) Paragraph (2) shall not apply to a subcontractor providing construction trucking services for which a contractor's license is not required by Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, provided that all of the following criteria are satisfied:

(i) The subcontractor is a business entity formed as a sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation.

(ii) For work performed after January 1, 2020, the subcontractor is registered with the Department of Industrial Relations as a public works contractor pursuant to Section 1725.5, regardless of whether the subcontract involves public work.

(iii) The subcontractor utilizes its own employees to perform the construction trucking services, unless the subcontractor is a sole proprietor who operates their own truck to perform the entire subcontract and holds a valid motor carrier permit issued by the Department of Motor Vehicles.

(iv) The subcontractor negotiates and contracts with, and is compensated directly by, the licensed contractor.

(B) For work performed after January 1, 2020, any business entity that provides construction trucking services to a licensed contractor utilizing more than one truck shall be deemed the employer for all drivers of those trucks.

(C) For purposes of this paragraph, "construction trucking services" mean hauling and trucking services provided in the construction industry pursuant to a contract with a licensed contractor utilizing vehicles that require a commercial driver's license to operate or have a gross vehicle weight rating of 26,001 or more pounds.

(D) This paragraph shall only apply to work performed before January 1, 2022.

(E) Nothing in this paragraph prohibits an individual who owns their truck from working as an employee of a trucking company and utilizing that truck in the scope of that employment. An individual employee providing their own truck for use by an employer trucking company shall be reimbursed by the trucking company for the reasonable expense incurred for the use of the employee owned truck.

(g) Subdivision (a) and the holding in Dynamex do not apply to the relationship between a referral agency and a service provider, as defined below, under the following conditions:

(1) If a business entity formed as a sole proprietor, partnership, limited liability company, limited liability partnership, or corporation ("service provider") provides services to clients through a referral agency, the determination whether the service provider is an employee of the referral agency shall be governed by Borello, if the referral agency demonstrates that all of the following criteria are satisfied:

(A) The service provider is free from the control and direction of the referral agency in connection with the performance of the work for the client, both as a matter of contract and in fact.

(B) If the work for the client is performed in a jurisdiction that requires the service provider to have a business license or business tax registration, the service provider has the required business license or business tax registration.

(C) If the work for the client requires the service provider to hold a state contractor's license pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, the service provider has the required contractor's license.

(D) The service provider delivers services to the client under service provider's name, rather than under the name of the referral agency.

(E) The service provider provides its own tools and supplies to perform the services.

(F) The service provider is customarily engaged in an independently established business of the same nature as that involved in the work performed for the client.

(G) The service provider maintains a clientele without any restrictions from the referral agency and the service provider is free to seek work elsewhere, including through a competing agency.

(H) The service provider sets its own hours and terms of work and is free to accept or reject clients and contracts.

(I) The service provider sets its own rates for services performed, without deduction by the referral agency.

(J) The service provider is not penalized in any form for rejecting clients or contracts. This subparagraph does not apply if the service provider accepts a client or contract and then fails to fulfill any of its contractual obligations.

(2) For purposes of this subdivision, the following definitions apply:

(A) "Animal services" means services related to daytime and nighttime pet care including pet boarding under Section 122380 of the Health and Safety Code.

(B) "Client" means a person or business that engages a service contractor through a referral agency.

(C) "Referral agency" is a business that connects clients with service providers that provide graphic design, photography, tutoring, event planning, minor home repair, moving, home cleaning, errands, furniture assembly, animal services, dog walking, dog grooming, web design, picture hanging, pool cleaning, or yard cleanup.

(D) "Referral agency contract" is the agency's contract with clients and service contractors governing the use of its intermediary services described in subparagraph (C).

(E) "Service provider" means a person or business who agrees to the referral agency's contract and uses the referral agency to connect with clients.

(F) "Tutor" means a person who develops and teaches their own curriculum. A "tutor" does not include a person who teaches a curriculum created by a public school or who contracts with a public school through a referral company for purposes of teaching students of a public school.

(3) This subdivision does not apply to an individual worker, as opposed to a business entity, who performs services for a client through a referral agency. The determination whether such an individual is an employee of a referral agency is governed by subdivision (a).

(h) Subdivision (a) and the holding in Dynamex do not apply to the relationship between a motor club holding a certificate of authority issued pursuant to Chapter 2 (commencing with Section 12160) of Part 5 of Division 2 of the Insurance Code and an individual performing services pursuant to a contract between the motor club and a third party to provide motor club services utilizing the employees and vehicles of the third party and, instead, the determination whether such an individual is an employee of the motor club shall be governed by Borello, if the motor club demonstrates that the third party is a separate and independent business from the motor club.

(i) (1) The addition of subdivision (a) to this section of the Labor Code by this act does not constitute a change in, but is declaratory of, existing law with regard to wage orders of the Industrial Welfare Commission and violations of the Labor Code relating to wage orders.

(2) Insofar as the application of subdivisions (b), (c), (d), (e), (f), (g), and (h) of this section would relieve an employer from liability, those subdivisions shall apply retroactively to existing claims and actions to the maximum extent permitted by law.

(3) Except as provided in paragraphs (1) and (2) of this subdivision, the provisions of this section of the Labor Code shall apply to work performed on or after January 1, 2020.

(j) In addition to any other remedies available, an action for injunctive relief to prevent the continued misclassification of employees as independent contractors may be prosecuted against the putative employer in a court of competent jurisdiction by the Attorney General or by a city attorney of a city having a population in excess of 750,000, or by a city attorney in a city and county or, with the consent of the district attorney, by a city prosecutor in a city having a full-time city prosecutor in the name of the people of the State of California upon their own complaint or upon the complaint of a board, officer, person, corporation, or association.

SEC. 3. Section 3351 of the Labor Code, as amended by Section 33 of Chapter 38 of the Statutes of 2019, is amended to read:

3351. "Employee" means every person in the service of an employer under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed, and includes:

(a) Aliens and minors.

(b) All elected and appointed paid public officers.

(c) All officers and members of boards of directors of quasi-public or private corporations while rendering actual service for the corporations for pay. An officer or member of a board of directors may elect to be excluded from coverage in accordance with paragraph (16), (18), or (19) of subdivision (a) of Section 3352.

(d) Except as provided in paragraph (8) of subdivision (a) of Section 3352, any person employed by the owner or occupant of a residential dwelling whose duties are incidental to the ownership, maintenance, or use of the dwelling, including the care and supervision of children, or whose duties are personal and not in the course of the trade, business, profession, or occupation of the owner or occupant.

(e) All persons incarcerated in a state penal or correctional institution while engaged in assigned work or employment as defined in paragraph (1) of subdivision (a) of Section 10021 of Title 8 of the California Code of Regulations, or engaged in work performed under contract.

(f) All working members of a partnership or limited liability company receiving wages irrespective of profits from the partnership or limited liability company. A general partner of a partnership or a managing member of a limited liability company may elect to be excluded from coverage in accordance with paragraph (17) of subdivision (a) of Section 3352.

(g) A person who holds the power to revoke a trust, with respect to shares of a private corporation held in trust or general partnership or limited liability company interests held in trust. To the extent that this person is deemed to

be an employee described in subdivision (c) or (f), as applicable, the person may also elect to be excluded from coverage as described in subdivision (c) or (f), as applicable, if that person otherwise meets the criteria for exclusion, as described in Section 3352.

(h) A person committed to a state hospital facility under the State Department of State Hospitals, as defined in Section 4100 of the Welfare and Institutions Code, while engaged in and assigned work in a vocation rehabilitation program, including a sheltered workshop.

(i) Beginning on July 1, 2020, any individual who is an employee pursuant to Section 2750.3. This subdivision shall not apply retroactively.

SEC. 4. Section 606.5 of the Unemployment Insurance Code is amended to read:

606.5. (a) Whether an individual or entity is the employer of specific employees shall be determined pursuant to subdivision (b) of Section 621, except as provided in subdivisions (b) and (c).

(b) As used in this section, a "temporary services employer" and a "leasing employer" is an employing unit that contracts with clients or customers to supply workers to perform services for the client or customer and performs all of the following functions:

(1) Negotiates with clients or customers for such matters as time, place, type of work, working conditions, quality, and price of the services.

(2) Determines assignments or reassignments of workers, even though workers retain the right to refuse specific assignments.

(3) Retains the authority to assign or reassign a worker to other clients or customers when a worker is determined unacceptable by a specific client or customer.

(4) Assigns or reassigns the worker to perform services for a client or customer.

(5) Sets the rate of pay of the worker, whether or not through negotiation.

(6) Pays the worker from its own account or accounts.

(7) Retains the right to hire and terminate workers.

(c) If an individual or entity contracts to supply an employee to perform services for a customer or client, and is a leasing employer or a temporary services employer, the individual or entity is the employer of the employee who performs the services. If an individual or entity contracts to supply an employee to perform services for a client or customer and is not a leasing employer or a temporary services employer, the client or customer is the employer of the employee who performs the services. An individual or entity that contracts to supply an employee to perform services for a customer or client and pays wages to the employee for the services, but is not a leasing employer or a temporary services employer, pays the wages as the agent of the employer.

(d) In circumstances which are in essence the loan of an employee from one employer to another employer wherein direction and control of the manner and means of performing the services changes to the employer to whom the employee is loaned, the loaning employer shall continue to be the employer of the employee if the loaning employer continues to pay remuneration to the employee, whether or not reimbursed by the other employer. If the employer to whom the employee is loaned pays remuneration to the employee for the services performed, that employer shall be considered the employer for the purposes of any remuneration paid to the employee by the employer, regardless of whether the loaning employer also pays remuneration to the employee.

SEC. 5. Section 621 of the Unemployment Insurance Code is amended to read:

621. "Employee" means all of the following:

(a) Any officer of a corporation.

(b) Any individual providing labor or services for remuneration has the status of an employee rather than an independent contractor unless the hiring entity demonstrates all of the following conditions:

(1) The individual is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact.

(2) The individual performs work that is outside the usual course of the hiring entity's business.

(3) The individual is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

(c) (1) Any individual, other than an individual who is an employee under subdivision (a) or (b), who performs services for remuneration for any employing unit if the contract of service contemplates that substantially all of those services are to be performed personally by that individual either:

(A) As an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or drycleaning services, for their principal.

(B) As a traveling or city salesperson, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, their principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations.

(C) As a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by that person that are required to be returned to that person or a designee thereof.

(2) An individual shall not be included in the term "employee" under the provisions of this subdivision if that individual has a substantial investment in facilities used in connection with the performance of those services, other than in facilities for transportation, or if the services are in the nature of a single transaction not part of a continuing relationship with the employing unit for whom the services are performed.

(d) Any individual who is an employee pursuant to Section 601.5 or 686.

(e) Any individual whose services are in subject employment pursuant to an election for coverage under any provision of Article 4 (commencing with Section 701) of this chapter.

(f) Any member of a limited liability company that is treated as a corporation for federal income tax purposes.

SEC. 6. No provision of this measure shall permit an employer to reclassify an individual who was an employee on January 1, 2019, to an independent contractor due to this measure's enactment.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

☐ *Calculating OT Pay Rate:*

As a result of the Flores vs City of San Gabriel, the Ninth Circuit Court of Appeal's decision regarding regular rate of pay, for purposes of calculating the overtime rate, is specific to FLSA's regular rate of pay. The ruling does not affect the regular rate of pay used under Ed Code 45128. FLSA defines overtime as a workweek longer than forty hours, whereas Ed Code 45128 defines overtime "to include any time required to be worked in excess of eight hours in any one day and in excess of 40 hours in any calendar week."

The Public Employees' Retirement Law includes Government Code 20635.1 for which overtime is the service performed by the employee in excess of 40 hours of work per week. For part-time employees this means additional services rendered up to 40 hours per week are reportable at the employee's normal monthly rate of pay. This law remains in effect and unchanged by the Flores case.

Under FLSA, the total cash in-lieu payments must be "bona fide". In the Flores decision the court did not give a clear definition of a "bona fide" plan, but held if the total amount of cash in-lieu an agency pays to employees is more than 40% of the benefits plan payments as a whole, the plan is not "bona fide". If the plan is not "bona fide", all the employer's contributions to the plan, in addition to cash in-lieu, must be included in the regular rate. Please be reminded: Under both RESIG and CVT, "benefit eligible" employees are prohibited to receive a cash in-lieu of benefits.

It is recommended LEAs reach out to their legal counsel for advice on how this court decision may impact your district and to ensure compliance.

Excerpt from HR/Payroll User Group Meeting, 9/13/2017:

CASBO presented at their annual conference last April the new potential pitfalls regarding cash-in-lieu of health benefits in relation to the regular rate of pay used to pay overtime. Likewise, School Service put out a report in September 2016 on how to calculate the overtime pay rate with longevity and cash-in-lieu. The regular rate of pay, for purposes of calculating the overtime rate, must include all forms of regular monthly compensation including longevity, cash-in-lieu, degree stipend and most other regular additions to base salary. This requires you to know what pay must be included, calculating the value of the pay on a workweek basis and including the value of the pay in the regular rate calculation. For purposes of calculating the overtime rate, the regular rate of pay is the total remuneration for employment in any workweek divided by the total hours actually worked by the employee in that workweek (see example below):

In this example, Jane earns $20/hour and worked 44 hours in her 40 hours, 5 days work period. Jane is also paid $100 per month in bilingual pay. Jane has also opted-out of medical coverage under the LEA's Section 125 and receives $800/month in Cash in-Lieu.

1. Multiply total hours worked times base:
   44 $20 = $880.00

2. Calculate the work week value of bilingual pay:
   $100 X 12 months divided by 52 weeks = $23.08/week

3. Calculate the work week value of the Cash in-Lieu:
   $800 X 12 months divided by 52 weeks = $184.62/week

4. Calculate Jane's Regular Rate by dividing the total amount earned by total hours worked:
   $880 + $23.08 + $184.62 = $1,087.70/44 hours = $24.72 Regular Rate of Pay

Another consideration requires looking at the cash-in-lieu payments relative to an employer's total contributions to the plan. Under FLSA, the total cash-in-lieu payments must be "incidental" to the total plan payments. If the total cash-in-lieu payments are greater than 40% of the total plan payments, the payments are more than "incidental" and the plan is not "bona fide". This means all payments to the plan must be included in the regular rate.

You must perform a plan-wide analysis (not employee-by-employee):

Step 1: Identify the plans and all plan participants (total number of employees)
Step 2: Identify Total Plan Payments:
Cash-in-lieu + Payments Employer made to the plan to cover premiums = Total Plan Payments
Step 3: Calculate cash-in-lieu payments as a percentage of the Total Plan Payments
Step 4: If the percentage is over 40%, this may be considered more than "incidental" (not bona fide) in which case all payments to the plan must be included in the regular rate.

It is strongly recommended LEA's reach out to their legal counsel for advice on how this court decision may impact your district, to ensure compliance with the OT regulations and for advice when developing policy.

United States Code, Title 29

USC Title 29

Chapter 8. Fair Labor Standards. Maximum hours

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(a) Employees engaged in interstate commerce; additional applicability to employees pursuant to subsequent amendatory provisions.

(1) Except as otherwise provided in this section, no employer shall employ any of his employees who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, for a workweek longer than forty hours unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed.

(2) No employer shall employ any of his employees who in any workweek is engaged in commerce or in the production of goods for commerce, or is employed in an enterprise engaged in commerce or in the production of goods for commerce, and who in such workweek is brought within the purview of this subsection by the amendments made to this Act [29 USC 201 et seq.] by the Fair Labor Standards Amendments of 1966--

(A) for a workweek longer than forty-four hours during the first year from the effective date of the Fair Labor Standards Amendments of 1966,

(B) for a workweek longer than forty-two hours during the second year from such date, or

(C) for a workweek longer than forty hours after the expiration of the second year from such date,

unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which he is employed.

(b) Employment pursuant to collective bargaining agreement; employment by independently owned and controlled local enterprise engaged in distribution of petroleum products. No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed--

(1) in pursuance of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that no employee shall be employed more than one thousand and forty hours during any period of twenty-six consecutive weeks; or

(2) in pursuance of an agreement, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that during a specified period of fifty-two consecutive weeks the employee shall be employed not more than two thousand two hundred and forty hours and shall be guaranteed not less than one thousand eight hundred and forty hours (or not less than forty-six weeks at the normal number of hours worked per week, but not less than thirty hours per week) and not more than two thousand and eighty hours of employment for which he shall receive compensation for all hours guaranteed or worked at rates not less than those applicable under the agreement to the work performed and for all hours in excess of the guaranty which are also in excess of the maximum workweek applicable to such employee under subsection (a) or two thousand and eighty in such period at rates not less than one and one-half times the regular rate at which he is employed; or

(3) by an independently owned and controlled local enterprise (including an enterprise with more than one bulk storage establishment) engaged in the wholesale or bulk distribution of petroleum products if--

(A) the annual gross volume of sales of such enterprise is less than $ 1,000,000 exclusive of excise taxes,

(B) more than 75 per centum of such enterprise's annual dollar volume of sales is made within the State in which such enterprise is located, and

(C) not more than 25 per centum of the annual dollar volume of sales of such enterprise is to customers who are engaged in the bulk distribution of such products for resale,

and such employee receives compensation for employment in excess of forty hours in any work-week at a rate not less than one and one-half times the minimum wage rate applicable to him under section 6 [29 USC 206],

and if such employee receives compensation for employment in excess of twelve hours in any workday, or for employment in excess of fifty-six hours in any workweek, as the case may be, at a rate not less than one and one-half times the regular rate at which he is employed.

(c), (d) [Repealed]

(e) "Regular rate" defined. As used in this section the "regular rate" at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf of, the employee, but shall not be deemed to include--

(1) sums paid as gifts; payments in the nature of gifts made at Christmas time or on other special occasions, as a reward for service, the amounts of which are not measured by or dependent on hours worked, production, or efficiency;

(2) payments made for occasional periods when no work is performed due to vacation, holiday, illness, failure of the employer to provide sufficient work, or other similar cause; reasonable payments for traveling expenses, or other expenses, incurred by an employee in the furtherance of his employer's interests and properly reimbursable by the employer; and other similar payments to an employee which are not made as compensation for his hours of

employment;

(3) Sums paid in recognition of services performed during a given period if either, (a) both the fact that payment is to be made and the amount of the payment are determined at the sole discretion of the employer at or near the end of the period and not pursuant to any prior contract, agreement, or promise causing the employee to expect such payments regularly; or (b) the payments are made pursuant to a bona fide profit-sharing plan or trust or bona fide thrift or savings plan, meeting the requirements of the Administrator set forth in appropriate regulations which he shall issue, having due regard among other relevant factors, to the extent to which the amounts paid to the employee are determined without regard to hours of work, production, or efficiency; or (c) the payments are talent fees (as such talent fees are defined and delimited by regulations of the Administrator) paid to performers, including announcers, on radio and television programs;

(4) contributions irrevocably made by an employer to a trustee or third person pursuant to a bona fide plan for providing old-age, retirement, life, accident, or health insurance or similar benefits for employees;

(5) extra compensation provided by a premium rate paid for certain hours worked by the employee in any day or workweek because such hours are hours worked in excess of eight in a day or in excess of the maximum workweek applicable to such employee under subsection (a) or in excess of the employee's normal working hours or regular working hours, as the case may be;

(6) extra compensation provided by a premium rate paid for work by the employee on Saturdays, Sundays, holidays, or regular days of rest, or on the sixth or seventh day of the workweek, where such premium rate is not less than one and one-half times the rate established in good faith for like work performed in nonovertime hours on other days;

(7) extra compensation provided by a premium rate paid to the employee, in pursuance of an applicable employment contract or collective-bargaining agreement, for work outside of the hours established in good faith by the contract or agreement as the basic, normal, or regular workday (not exceeding eight hours) or workweek (not exceeding the maximum workweek applicable to such employee under subsection (a)), where such premium rate is not less than one and one-half times the rate established in good faith by the contract or agreement for like work performed during such workday or workweek; or

(8) any value or income derived from employer-provided grants or rights provided pursuant to a stock option, stock appreciation right, or bona fide employee stock purchase program which is not otherwise excludable under any of paragraphs (1) through (7) if--

(A) grants are made pursuant to a program, the terms and conditions of which are communicated to participating employees either at the beginning of the employee's participation in the program or at the time of the grant;

(B) in the case of stock options and stock appreciation rights, the grant or right cannot be exercisable for a period of at least 6 months after the time of grant (except that grants or rights may become exercisable because of an employee's death, disability, retirement, or a change in corporate ownership, or other circumstances permitted by regulation), and the exercise price is at least 85 percent of the fair market value of the stock at the time of grant;

(C) exercise of any grant or right is voluntary; and

(D) any determinations regarding the award of, and the amount of, employer-provided grants or rights that are based on performance are--

(i) made based upon meeting previously established performance criteria (which may include hours of work, efficiency, or productivity) of any business unit consisting of at least 10 employees or of a facility, except that, any determinations may be based on length of service or minimum schedule of hours or days of work; or

(ii) made based upon the past performance (which may include any criteria) of one or more employees in a given period so long as the determination is in the sole discretion of the employer and not pursuant to any prior contract.

(f) Employment necessitating irregular hours of work. No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under subsection (a) if such employee is employed pursuant to a bona fide individual contract, or pursuant to an agreement made as a result of collective bargaining by representatives of employees, if the duties of such employee necessitate irregular hours of work, and the contract or agreement (1) specifies a regular rate of pay of not less than the minimum hourly rate provided in subsection (a) or (b) of section 6 [29 USC 206(a) or (b)] (whichever may be applicable) and compensation at not less than one and one-half times such rate for all hours worked in excess of such maximum workweek, and (2) provides a weekly guaranty of pay for not more than sixty hours based on the rates so specified.

(g) Employment at piece rates. No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of the maximum workweek applicable to such employee under such subsection if, pursuant to an agreement or understanding arrived at between the employer and the employee before performance of the work, the amount paid to the employee for the number of hours worked by him in such workweek in excess of the maximum workweek applicable to such employee under such subsection--

(1) in the case of an employee employed at piece rates, is computed at piece rates not less than one and one-half times the bona fide piece rates applicable to the same work when performed during nonovertime hours; or

California LEGISLATIVE INFORMATION

EDUCATION CODE - EDC

TITLE 2. ELEMENTARY AND SECONDARY EDUCATION [33000 - 64100] *(Title 2 enacted by Stats. 1976, Ch. 1010.)*

DIVISION 3. LOCAL ADMINISTRATION [35000 - 45460] *(Division 3 enacted by Stats. 1976, Ch. 1010.)*

PART 25. EMPLOYEES [44000 - 45460] *(Part 25 enacted by Stats. 1976, Ch. 1010.)*

CHAPTER 5. Classified Employees [45100 - 45460] *(Chapter 5 enacted by Stats. 1976, Ch. 1010.)*

ARTICLE 1. Employment [45100 - 45139] *(Article 1 enacted by Stats. 1976, Ch. 1010.)*

45128. The governing board of each district shall provide the extent to which, and establish the method by which ordered overtime is compensated. The board shall provide for such compensation or compensatory time off at a rate at least equal to time and one-half the regular rate of pay of the employee designated and authorized to perform the overtime.

Overtime is defined to include any time required to be worked in excess of eight hours in any one day and in excess of 40 hours in any calendar week. If a governing board establishes a workday of less than eight hours but seven hours or more and a workweek of less than 40 hours but 35 hours or more for all of its classified positions or for certain classes of classified positions, all time worked in excess of the established workday and workweek shall be deemed to be overtime. The foregoing provisions do not apply to classified positions for which a workday of fewer than seven hours and a workweek of fewer than 35 hours has been established, nor to positions for which a workday of eight hours and a workweek of 40 hours has been established, but in which positions employees are temporarily assigned to work fewer than eight hours per day or 40 hours per week when such reduction in hours is necessary to avoid layoffs for lack of work or lack of funds and the consent of the majority of affected employees to such reduction in hours has been first obtained.

For the purpose of computing the number of hours worked, time during which an employee is excused from work because of holidays, sick leave, vacation, compensating time off, or other paid leave of absence shall be considered as time worked by the employee.

This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

(Enacted by Stats. 1976, Ch. 1010.)

☐ *Half-Day Sub Pay:*

The pay rate used when calculating an employee's half-day sub pay should be the pay rate of the full-time pay rate on the LEA's board approved salary schedule. When the sub addon is set up correctly, it will calculate the annual pay rate using the full-time pay rate and report this annual pay rate to CalSTRS. It is believed many LEAs may instead be doubling the half-day pay rate and using this pay rate to calculate and compensate the employee the half-day pay.

CalSTRS is currently working on a solution to correctly report ½ day sub pay without overstating or understating their service credit.

Scenario:
The full-time rate on the board approved salary schedule is $120. The half-day rate on the board approved salary schedule is $80. The employee worked 1 half-day. The total number of possible STRS Days Per Year is 179. The following is how to enter this in Adjust Pay:

- When the addon is set up correctly, the Rate 1 Amount will automatically populate $120
- The number of units to use to pay a sub for one half-day is .6667

This will pay the employee the $80 for the half-day and the addon used will report the full-time annual pay rate of $21,480.00 ($120/day X 179 STRS Days Per Year). It would seem this is more correct than using a pay rate that isn't on a board approved salary schedule at least until we received direction from CalSTRS that indicates differently.

☐ *Minimum Wage Rate Effective Date:*

When a new state minimum wage rate is effective January 1st, work performed on or after that date is subject to the new higher minimum wage rate. Work performed prior to that date is subject to the prior rate, even though it is being paid after January 1st.

☐ ***Same Day Meal Reimbursements or Allowances:***

IRS response faxed 03/04/2015: *"You occasionally reimburse at a per meal per diem, and/or at actual verified cost, employees for their meals incurred while traveling out of the area for your business, which does not involve overnight travel. Overnight travel generally means that the employee must be traveling away from the general tax home area substantially longer than an ordinary day's work and needs to obtain substantial sleep or rest to meet the demands of the work while away from home.*

The IRS Code provides that meals are non-deductible personal expenses, unless paid or incurred during overnight travel away from a taxpayer's (or employees) ordinary place of business for business purposes. When an employer pays an employee's meals while on business travel that does not meet the "overnight rule" described above, in the form of actual cost reimbursement or a per meal per diem, the payment is deemed to be a payment of an employee's personal living expenses and thus a taxable fringe benefit. As a taxable fringe benefit, the payment is required to be included in the employee's wages for Federal employment tax purposes (See Internal Revenue Code Section 132 and 262).

Exceptions to the preceding general rule regarding meal allowances and reimbursements not involving travel away from home overnight are as follows:

1. *Reimbursements or allowances provided to employees while entertaining customers if the entertainment is directly-related or associated to a substantial business discussion for a clear business reason in a clear business setting (see Income Tax Regulations Section 1.274-2(c) and (d);*
2. *Reimbursements for meal expenses directly related to and necessary for attending business meetings or conventions of certain exempt organizations (including chambers of commerce, business leagues,*

trade or professional associations) when attendance is required by the employer (Regulations Section 1.274-2(d)(3)). For this exception to be applicable, the employer-paid meal must be provided at the site of the meeting or convention, with the employee not eligible for meal reimbursement if they take their meal elsewhere; or,

3. *De minimis occasional meal reimbursement provided the following conditions are met (see Regulations Section 1.132-6(d) (2)):*
    a. *The meal is reasonable in value and is not provided regularly or frequently,* ***and****;*
    b. *Overtime work necessitates an extension of the employee's normal work schedule,* ***and****;*
    c. *The meal is provided to enable the employee to work overtime. Meals provided on the employer's premises that are consumed during the overtime period, or meal money expended for meals consumed during that period, satisfy this condition.*

Reimbursements for employees' lunches' incident to out-of-area travel, not involving an overnight stay will not qualify for this exception."

It was recommended we "*should prospectively either (1) not reimburse employees for meals incurred during none overnight business travel unless one of the preceding exceptions are applicable, or (2) include these meal reimbursements in the recipient employee's wages for Federal employment tax purposes."*

For additional resources, please see IRS Publication 15b and 5137.

➢ ***Retirement Incentives:***

Retirement Incentives are considered to be wages. They should be processed through payroll, subject to income tax withholding, SDI, Medicare and OASDI as applicable (go to IRS.gov/Pub15).

When the employer gives the employee a choice of when and how a retirement incentive will be paid, Constructive Receipt doctrine applies (Non-qualified Deferred Compensation Audit Techniques Guide) and **the total value is taxable at the time the offer is accepted**. For more information use this link: https://www.ors.gov/businesses/corporations/nonqualified-deferred-compensation-audit-techniques-guide.

Adjustments would need to be made to the W2 reflecting the total value of the retirement incentive the employee accepted. The process for this requires a review of the contract to determine what the true lump sum value is. Each succeeding year would require adjustments to payroll, when applicable, because monthly payments would now not be taxable.

NOTE: In order to avoid the tax implications of Constructive Receipt, it is recommended the LEA determine how the incentives are to be paid.

CalSTRS Retirement Implications:

When a creditable retirement incentive has been offered to a retiring employee, and the employee accepts the offer, the compensation would be creditable because it should be reported with the date that either the offer was given or the offer was accepted.

Always email a copy of the retirement incentive agreement to the helpdesk for review to determine whether the incentive is STRS creditable.

CalPERS Retirement Implications:

Per PERL (Public Employees' Retirement Law) 570. Final Settlement Pay "Final settlement pay" means any pay or cash conversions of employee benefits in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. Final settlement pay is excluded from payroll reporting to PERS, in either payrate or compensation earnable.

PAYROLL TAXES:

☐ *OASDI AND SECTION 218 AGREEMENTS:*

The Section 218 Agreement covers positions, not individuals. If the position is covered, then the employee contributes to OASDI. On the following page is the State Social Security Administrator cheat sheet (also found in the IRS Publication 963) for determining whether OASDI and/or Medicare should be withheld.

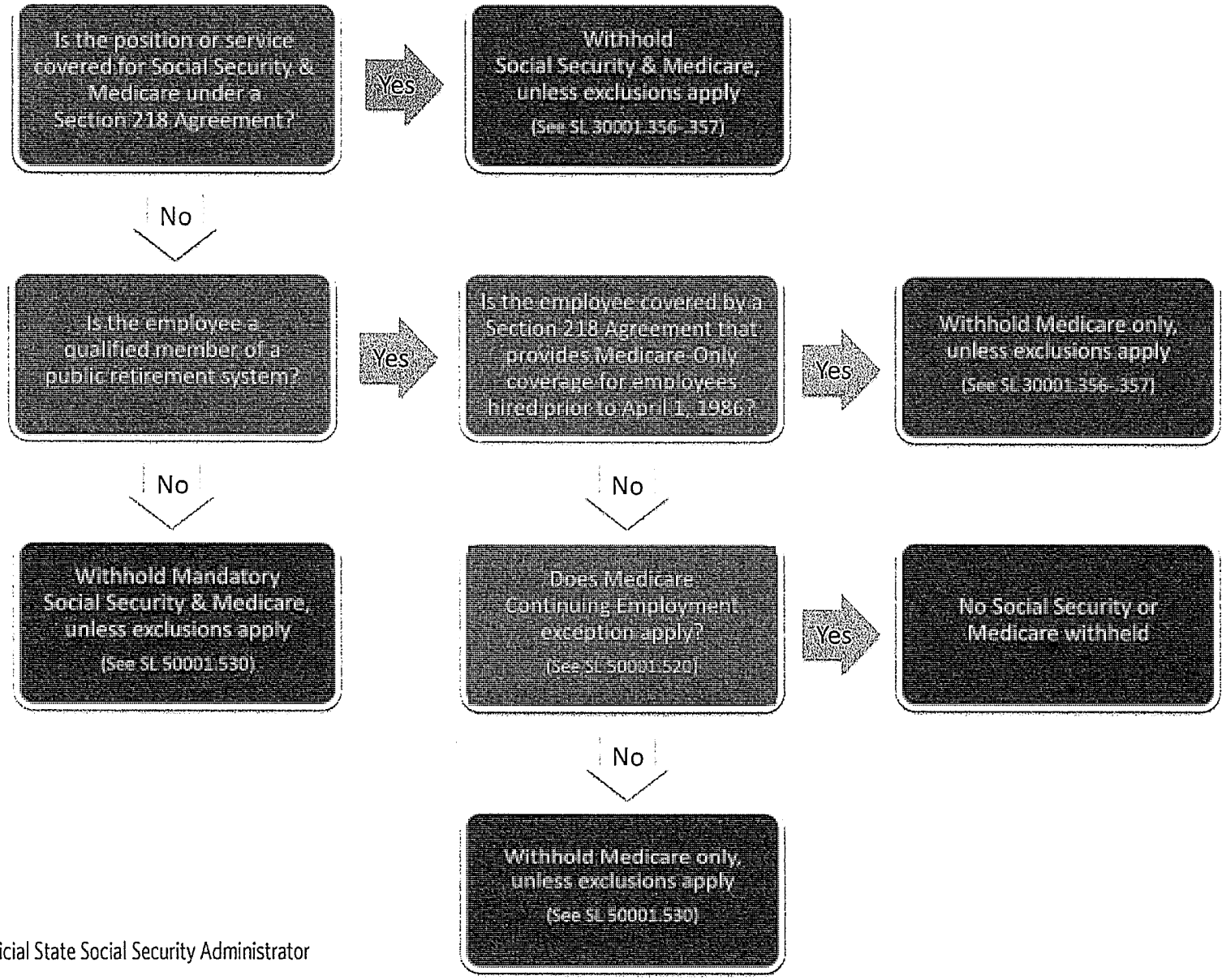
Effective July 2, 1991, Public Law mandated OASDI and Medicare coverage for State and Local government employees who are not members of a public retirement system and not covered by a Section 218 Agreement.

LEAs are encouraged to review their existing Section 218 Agreement and determine whether there have been changes that require modifications to the existing Section 218 Agreement.

All new employees hired on or after 4/1/1986 are mandatorily covered by Medicare. There was a window of opportunity for which employees hired prior to April 1, 1986, could opt out of medicare. All employees who retire/terminate employment, and later return to work, are now considered new employees and medicare is mandatory, regardless of age and even if receiving medicare benefits.

Effective January 1, 2005, state and local government employers are required to provide Form SSA-1995 to all new employees not covered by social security before their employment begins (see form in STRS Retirement section). Form SSA-1945 explains the potential effects of the provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security.

Should Social Security and/or Medicare be withheld?



Official State Social Security Administrator

OASDI/MEDICARE QUALIFICATIONS
EFFECTIVE JULY 1, 1991

EMPLOYEE TYPE	MEDICARE	OASDI
STRS Member - full or part-time certificated position hired before 4/1/1986	NO	NO
STRS Member - full or part-time certificated position hired after 3/31/1986 or who has elected into Medicare	YES	NO
STRS/PERS Member - full time in another district. Hired to work concurrently for your district	YES	YES
PERS Member - Classified Position under a Section 218 Agreement	YES	YES
PERS Member - hired before 4/1/1986 and Classified Position not under a Section 218 Agreement (Some COEs)	NO	NO
PERS Member - hired after 3/31/1986 and Classified Position not under a Section 218 agreement (Some COEs)	YES	NO
Employee - non participant member of a district retirement plan	YES	YES
Employee a Member of a district Alternative Retirement Plan, hired after 3/31/1986	YES	NO
STRS Retiree - rehired in a Certificated position after 3/31/1986	YES	NO
STRS Retiree - rehired into a Classified position (EC 45134)	YES	YES
PERS Retiree - rehired into a Classified position after 3/31/1986	YES	NO
PERS Retiree - rehired into a Certificated position	YES	YES

Note: Highlights are additions and changes I made for clarification.

➢ ***Cash In-Lieu:***

Cash in-lieu is a taxable fringe benefit regardless of whether the individual is a current employee or a retiree. Cash in-lieu compensation should run through payroll and all applicable payroll taxes apply.

➢ ***Domestic Partners - Registered vs Non-Registered:***

See SCLS Legal Update Memo No. 26-2019 dated October 11, 2019 on the following pages regarding Domestic Partners.

FEDERAL: "Federal law does not recognize domestic partners as having the same standing as a spouse or qualified dependent when it comes to the taxation of an employee's benefits." Therefore, when an employee elects to add their domestic partner to their health benefits, the employee must be taxed on the fair market value of the domestic partner benefit (taxable fringe benefit). SCLS has provided examples of how to determine the fair market value whether it is a composite or tiered rate. However, in some cases your medical carrier provides the Fair Market Value of benefits for you.

Use this dollar amount in conjunction with the appropriate domestic partner addon throughout the calendar year. This will tax the employee accordingly for the domestic partner. When there is a mid-year insurance rate change, verify with the carrier the fair market value and change the dollar amount of the domestic partner addon when necessary.

STATE: On the other hand, "California law requires that employers provide the same benefits to employees with registered domestic partners as would be provided to spouses of employees". California Revenue and Tax Code Section 17021.7 extends tax benefits to registered domestic partners and their partner's dependent's health coverage and excludes coverage amounts from the employee's gross income (*not* a taxable fringe benefit).

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LEGAL UPDATE

October 11, 2019

To: **Superintendents, Member School Districts (K-12)**

From: **Kaitlyn Schwendeman, Schools Legal Counsel** KAS

Subject: **Updated Taxation of Domestic Partner Benefits**
Memo No. 26-2019

Our office is reissuing this Legal Update on the taxation of domestic partner benefits, last issued in 2010 as Legal Update 30-2010, with the current legal status, in response to inquiries for updated guidance in this area. If your district has any questions regarding the taxation of these employees, please do not hesitate to reach out to our office for further guidance.

Federal Law

Federal law does not recognize domestic partners as having the same standing as a spouse or qualified dependent when it comes to the taxation of an employee's benefits. As such, federal law requires that the employer compute the fair market value of domestic partner benefits and include this in the gross income of the employee as compensation, if the employee elects for their eligible domestic partner to receive benefits through an employer-sponsored plan. This income must be reported in the employee's W-2 and is subject to withholding for income, Social Security and Medicare taxes. In addition, the income is also considered wages for Federal Insurance Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA).

Exception: A domestic partner may qualify as a "dependent" under Internal Revenue Code ("IRC") section 105(b). If so, they would be treated as any other qualified dependent and their benefits would not be included in the employee's gross income. In order for a domestic partner to qualify as a "dependent" under section 105(b), all of the following requirements must be met:

1. Live with the employee for the full taxable year, except for temporary absences such as vacation, military service or education.
2. Is a citizen or legal resident of the United States.
3. Is not a qualifying dependent for anyone else under section 152 of the IRC.
4. Receive more than one half of their support from the employee.[1]

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[1] IRC section 152.

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If your plan offers coverage to the child of an employee's domestic partner, the same dependent analysis would apply. If the domestic partner's child cannot meet all of the above criterion, then the fair market value of the benefits for the child must be computed and included as income for the employee.

> *Note*: Practically speaking, it is unlikely that a domestic partner's child would qualify under the dependent test, as the child would most likely be considered the dependent of the domestic partner (and thus would fail criteria #3). Therefore, it is likely any benefits extended on behalf of the child would be taxable as wages to the employee.

California Law

California law requires that employers provide the same benefits to employees with registered domestic partners as would be provided to spouses of employees.[2]

California Family Code section 297 defines domestic partners as two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring. A registered domestic partnership is created when both persons have filed a Declaration of Domestic Partnership with the Secretary of State, and at the time of filing, all of the following requirements are met:

1. Neither person is married to someone else or is a member of another domestic partnership with someone else that has not been terminated, dissolved, or adjudged a nullity.
2. The two persons are not related by blood in a way that would prevent them from being married to each other in this State.
3. Both persons are at least 18 years of age.[3]
4. Both persons are capable of consenting to the domestic partnership.

> *Note:* As of July 30, 2019, the requirements to form a domestic partnership have been amended. Previously, domestic partnerships in California could only be formed between same sex partners or opposite sex partners where one or both persons were over 62 years of age. These requirements have been repealed.

Employers are not required to verify an employee's claim of a registered domestic partnership. The Fair Employment and Housing Act protects employees from discrimination on the basis of marital status; if employers do not currently have a policy of seeking documentation of marital status from employees, they should not request documentation of domestic partnership status. Similarly, the California Insurance Equity Act provides that insurance carriers can only require documentation of domestic partnership if they also require proof of marriage.

California Revenue and Tax Code section 17021.7 requires that a registered domestic partner of a taxpayer be treated as a spouse or former spouse of that taxpayer for most purposes. This code section extends tax benefits to registered domestic partners and their partner's dependent's health coverage, and excludes coverage amounts from the employee's gross income.

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[2] Employers are not required by law to provide the same benefits to unregistered domestic partners, though some districts extend such benefits by policy or regulation.

[3] There is an exception within the law for domestic partners under the age of 18, if both partners obtain the consent of their parents and a court order granting permission, as well as meet other requirements, set forth in the law. Family Code section 297.1.

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Conclusion

In light of the above, qualified domestic partner benefit coverage amounts shall be excluded from California taxation if the employee meets the domestic partnership test and is registered with the State. In that case, the fair market value of the domestic partner's benefits shall only be classified as income for federal tax purposes (except in the rare circumstance where the domestic partner qualifies as a dependent under IRC section 104(b)). However, if the employee does not meet California eligibility, the benefits shall be considered income for both state and federal tax purposes.

Fair Market Value of Benefits

If it is determined that the domestic partner's benefits must be classified as taxable income to the employee, the employer must determine the fair market value of the benefits. The IRS does not provide any official guidance on how to determine the fair market value, however, there are two generally accepted methods:

- Tiered Rates: The difference between the amount the employer would contribute for the employee alone and the amount the employer would contribute for coverage of an employee and a spouse and/or dependents (as applicable).

- Composite Rates: If the employer pays a composite rate for employees, it must use the computed fair market value percentage formulas as determined by the coverage carrier. The employer will have to contact its carrier for this information.

Examples of Tiered Rate:

- Employee + 1: An employee has no children, but does have a registered domestic partner. The medical plan they are enrolled in has an Employee + 1 rate of $450.00/mo. The Employee Only rate is $300.00/mo. The difference is $150.00/mo. Thus, the increase in taxable income to the employee would be $150.00 per month plus any applicable Social Security and Medicare taxes.

- Employee + 2 (One Dependent of Domestic Partner): An employee has a domestic partner and the domestic partner has one child (who is not a dependent of the employee). The medical plan they are enrolled in has an Employee + 2 rate of $550.00/mo. The Employee rate is $300.00. The difference is $250.00/mo. Since the employer must tax the fair market value of both the domestic partner and the child's benefits, the increase in taxable income to the employee would be $250.00 per month plus any applicable Social Security and Medicare taxes.

Please contact our office with questions regarding this Legal Update or any other matter.

The information in this Legal Update is provided as a summary of law and is not intended as legal advice. Application of the law may vary depending on the particular facts and circumstances at issue. We, therefore, recommend that you consult legal counsel to advise you on how the law applies to your specific situation.

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➢ ***DE-4 Military Spouse Box is Checked:***

See next two pages

☐ ***Student Workers:***

Students employed by a public or private educational institution where they are enrolled and regularly attending classes, qualifies for the student FICA exception and therefore are exempt from Social Security and Medicare. However, be mindful of when students work during the summer break and are not attending classes as they would be subject to Social Security until they return to school.

The student working during the summer does not quality for the student FICA exception because she is not enrolled and regularly attending classes. This statement should be qualified in two ways:

1. If the individual otherwise qualifies for the student FICA exception, he would qualify with respect to service performed during an entire pay period of a month or less that falls partially within the academic term and partially outside it.
2. The student FICA exception applies during normal school breaks of 5 weeks or less. If the student worked during a one-week Spring vacation, he might qualify for the student FICA exception (Rev. Proc. 2005-11, Section 7.05).

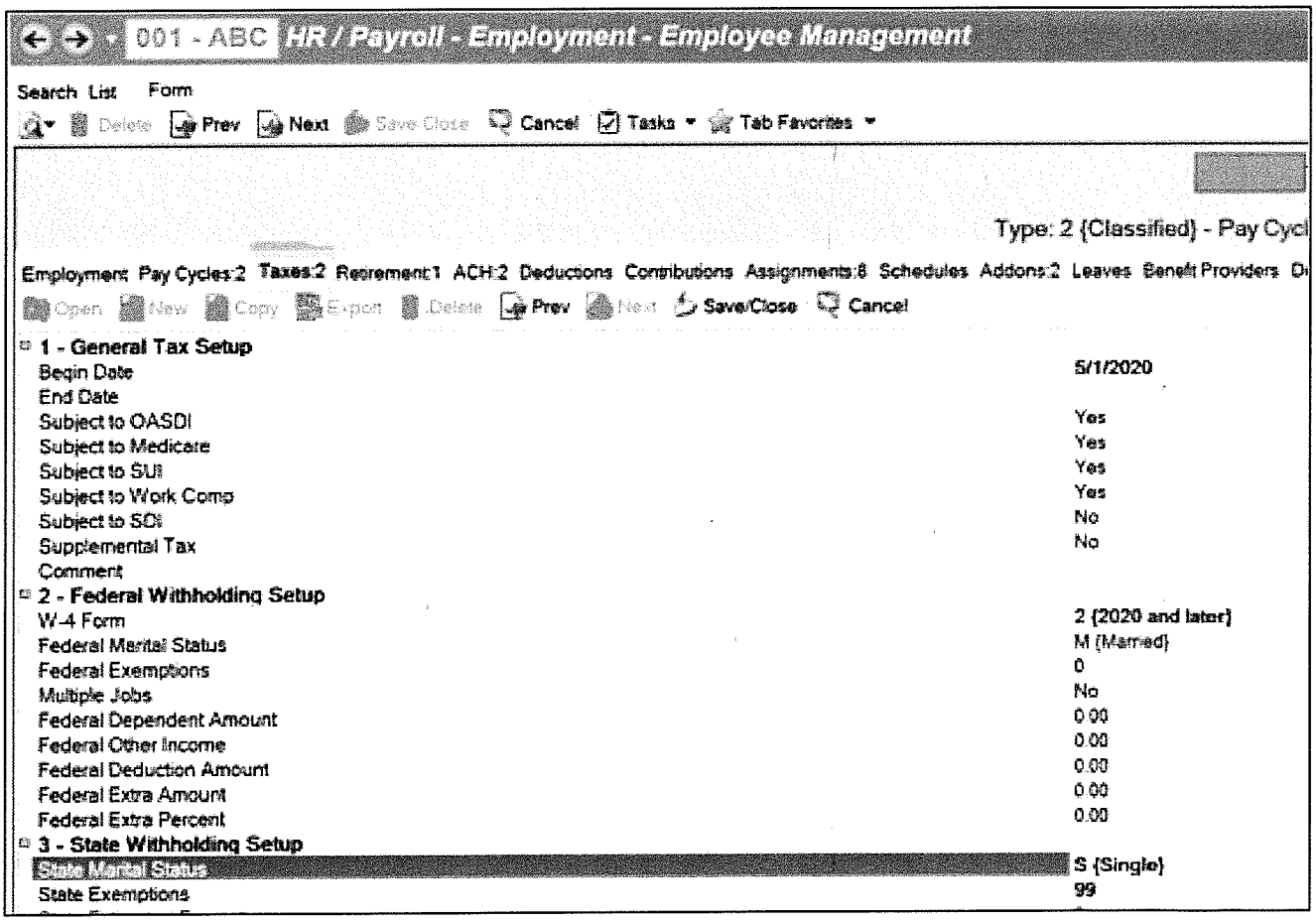
When EDD DE-4 Military Spouse Box is Checked

The DE-4 form has been modified and provides a specific line for military spouse to attest under penalty of perjury exemption from State of California withholdings. If an audit is performed, it may be requested from the employer, or the employee, to verify the tax exemption. Two example documents that meet verification requirements are a recent service member's Leave and Earnings Statement or the Military Spouse's driver's license. A copy of the driver's license is part of the I-9 requirement.

ESCAPE Tax Tab Setup

Step 1 - *Go to HR/Payroll – Employment – Employee Management – Tax Tab*

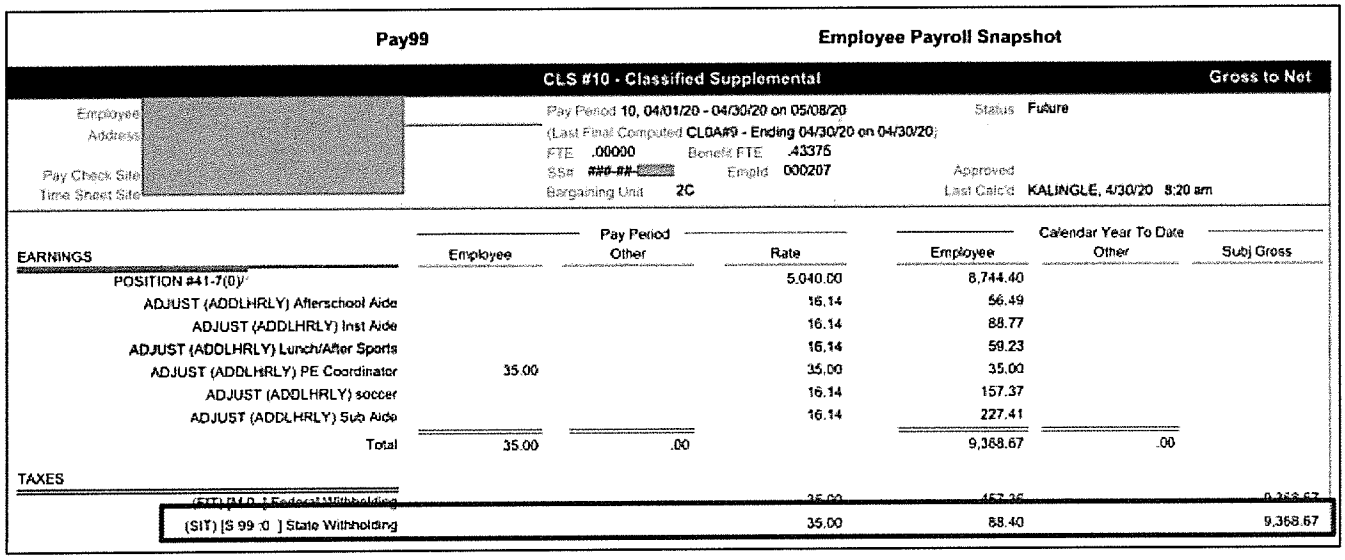
- State Marital Status: S {Single}
- State Exemptions: 99
- Save/Close



This will still report State Wages. For reporting purposes, there should be no State Wages. At the end of each quarter need to zero out subject gross wages in Adjust Pay for the employee using the Z-SIT Addon. It is on this last payroll of the quarter that you will know the year-to-date total for that ending quarter.

Step 2 – *Go to HR/Payroll – Payroll – Adjust Payroll*

- Highlight or Open the Pay Period at end of Quarter
- Go to the Preview Button and select the Employee Payroll to review the Pay99 Report
- Get the Amount of the State Withholdings Subject Gross
- Add the Z-SIT Addon with a negative amount



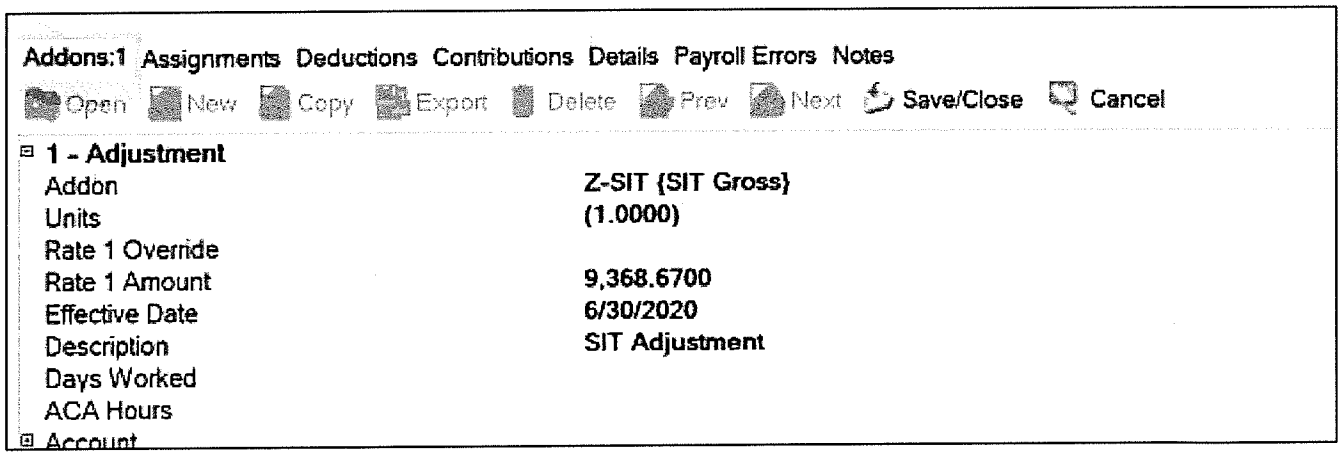
Pay99 — **Employee Payroll Snapshot**

CLS #10 - Classified Supplemental — Gross to Net

Employee
Address
Pay Check Site
Time Sheet Site

Pay Period 10, 04/01/20 - 04/30/20 on 05/08/20 — Status Future
(Last Final Computed CL0A#9 - Ending 04/30/20 on 04/30/20)
FTE .00000 — Benefit FTE .43375
SS# ###-##-#### — Empld 000207 — Approved
Bargaining Unit 2C — Last Calc'd KALINGLE, 4/30/20 8:20 am

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Calendar Year To Date Employee	Calendar Year To Date Other	Subj Gross
POSITION #41-7(0)			5,040.00	8,744.40		
ADJUST (ADDLHRLY) Afterschool Aide			16.14	56.49		
ADJUST (ADDLHRLY) Inst Aide			16.14	88.77		
ADJUST (ADDLHRLY) Lunch/After Sports			16.14	59.23		
ADJUST (ADDLHRLY) PE Coordinator	35.00		35.00	35.00		
ADJUST (ADDLHRLY) soccer			16.14	157.37		
ADJUST (ADDLHRLY) Sub Aide			16.14	227.41		
Total	35.00	.00		9,368.67	.00	
TAXES						
(FIT) [M 0] Federal Withholding			35.00	157.35		9,368.67
(SIT) [S 99 :0] State Withholding			35.00	88.40		9,368.67



Addons:1 Assignments Deductions Contributions Details Payroll Errors Notes

Open New Copy Export Delete Prev Next Save/Close Cancel

1 - Adjustment

Addon	**Z-SIT {SIT Gross}**
Units	**(1.0000)**
Rate 1 Override	
Rate 1 Amount	**9,368.6700**
Effective Date	**6/30/2020**
Description	**SIT Adjustment**
Days Worked	
ACA Hours	
Account	

NOTE: Employees claiming EXEMPT on form W4 are required to complete a new W4 form no later than February 15 of each year. If the employee fails to complete a new W4 form by the 2/15 date, the employer is required to withhold as single and no allowances.

☐ ***Foreign Teachers:***

Nonresident Aliens (not passed green card test):

- Nonresident alien scholars, professors, teachers, trainees, researchers, physicians, au pairs, summer camp workers and other non-student aliens temporarily present in the US in J-1 or Q-1/Q-2 nonimmigrant status are exempt from U.S. Social Security and Medicare taxes on wages paid to them for services performed within the US as long as such services are allowed by US Citizenship and Immigration Services for these nonimmigrants statuses and such services are performed to carry out the purpose for which such visas were issued to them:
  - ✔ Exempt Employments includes:
    - Employment as a professor, teacher or researcher
    - Employment as a physician, au pair, summer camp worker or any other non-student category of exchange visitor

- Nonimmigrants (permanent residence outside the US here on temporary basis):
  - ✔ The IRS Code grants an exemption from Social Security and Medicare taxes to nonimmigrant scholars, teachers, researchers, etc. temporarily present in the US in J-1, Q-1 or Q-2 status. Both the IRS and the Social Security Act exempt the above name nonimmigrants from Social Security/Medicare taxes for as long as these nonimmigrants are "NONRESIDENT ALIENS" in J-1, Q-1 or Q-2 status.
    - Exception:
      - Foreign scholars, teachers, researchers, etc. in J-1, Q-1 or Q-2 nonimmigrant status who have been in the US more than two calendar years are RESIDENT ALIENS and are liable for Social Security/Medicare taxes. It is the calendar year of entry which is counted toward the two calendar years (i.e. a foreign teacher

who enters the US on December 31, 2017 counts 2017 as the first of his two years as an "exempt individual".

- Alien Scholars, teachers, trainees, or researchers in J-1, Q-1 or Q-2 status who change to a nonimmigrant status other than J-1, Q-1 or Q-2 will become liable for Social Security/Medicare taxes in most cases on the very day of the change of status.

- Totalization Agreements:
  - ✔ The US has entered into treaty agreements with several nations. These agreements must be taken into account when determining whether any alien is subject to the Federal income taxes imposed by the Internal Revenue Code.

STEPS FOR TAX TREATY EXEMPTIONS

1. **Income Tax Treaties:**
   Income tax treaties provide some exemptions from U.S. federal income taxes. When the tax treaty provides an income tax exemption, the employee must file Form 8233 with the withholding agent to claim a tax treaty exemption on income.

2. **Auditing Tips:**
   - ✔ Each Form 8233 must report the U.S. TIN of the treaty claimant, or the treaty claim is invalid (Treas. Reg 1.1441-1(e)(4)(vii))
   - ✔ Verify the tax treaty exemption, because the IRS examiner will
   - ✔ Form 8233 is good for the tax year and the income listed

3. **Employer Reporting Requirements:**
   The employer must report exempt wages under a tax treaty to a non-resident alien on Forms 1042 and 1042-S by March 15

Nonresident alien employee's Form W-4.

When completing Forms W-4, nonresident aliens are required to:

- Not claim exemption from income tax withholding,
- Request withholding as if they're single, regardless of their actual marital status,
- Claim only one allowance (if the nonresident alien is a resident of Canada, Mexico, or South Korea, or a student or business apprentice from India, he or she may claim more than one allowance), and
- Write "Nonresident Alien" or "NRA" above the dotted line on line 6 of Form W-4.

If you maintain an electronic Form W-4 system, you should provide a field for nonresident aliens to enter nonresident alien status instead of writing "Nonresident Alien" or "NRA" above the dotted line on line 6.



A nonresident alien employee may request additional withholding at his or her option for other purposes, although such additions shouldn't be necessary for withholding to cover federal income tax liability related to employment.

Form 8233.

If a nonresident alien employee claims a tax treaty exemption from withholding, the employee must submit Form 8233 with respect to the income exempt under the treaty, instead of Form W-4. For more information, see *Pay for Personal Services Performed* in the *Withholding on Specific Income* section of Pub. 515 and the Instructions for Form 8233.

☐ ***Exchange and Sojourn Teachers:***

CalSTRS has determined that the exclusion to membership found in ed code 22601: "Persons service as exchange teachers or sojourn teachers from outside of this state are excluded from membership in the plan," applies only to teachers who are employed in an exchange/sojourn program, as part of a 2 year agreement with the employer. It is the employer's responsibility to determine the basis of employment when considering what retirement plan or benefits to offer their employees.

- *Effective July 1, 2018, CalSTRS no longer requires reporting Exchange and Sojourn Teachers*

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

Employer Information Circular

Volume 23; Issue 13 **October 22, 2007**

Exchange and Sojourn Teachers

This circular is provided to address a request from employers on information and guidance concerning "exchange" or "sojourn" teachers. CalSTRS is required to apply and enforce the provisions of Education Code §22601[1], and does not have any authority to grant CalSTRS membership to any individual who is working as either an "exchange" or "sojourn" teacher based on the definitions set forth in §44853 and §44856.

CalSTRS has determined that the exclusion to membership found in §22601: "Persons serving as exchange teachers or sojourn teachers from outside of this state are excluded from membership in the plan," applies only to teachers who are employed in an exchange/sojourn program, as part of an agreement with the employer. It is the employer's responsibility to determine the basis of employment when considering what retirement plan or benefits to offer their employees.

For purposes of defining an exchange or sojourn teacher, employers are directed to determine if a teacher is being employed based on the provisions of §44853 or §44856. Any teacher employed with an employer through the process established in §44853 or §44856 is considered an "exchange" or "sojourn" teacher and subject to exclusion to CalSTRS membership (§22601), irrespective of their visa status.

If a teacher continues working beyond the terms of the exchange or sojourn formal program, the membership exclusion to CalSTRS does not apply. Employers are reminded that service performed while a teacher is considered exchange or sojourn, is not available for purchase as permissive service credit (§22803).

44853.

The governing board of any school district, subject to the rules and regulations prescribed by the state board, may enter into an agreement with the proper authorities of any foreign country, or of any state, territory, or possession of the United States, or other district within the state, for the exchange and employment of regularly credentialed employees and employees of public schools of any foreign country, state, territory, or possession, or other district within this state. Any certificated person employed as provided in this section shall be known as an "exchange certificated employee." No exchange shall be made without the consent of the employee to be exchanged.

Due consideration shall be given to the general qualifications and professional status of the exchange employee as compared to the general qualifications and professional status of the employee for whom exchanged. However, it shall not be a requirement that an exchange certificated employee be a teacher of the same subject or grade, or both, as the employee for whom exchanged. If the service authorized is other than teaching, it shall not be a requirement that the service be at the same grade level or that the service be exactly the same as the employee for whom exchanged.

A person shall not be employed as an exchange employee by a school district in the state unless he or she holds the necessary valid credential or credentials issued by the Commission on Teacher Credentialing authorizing the person to serve in a position requiring certification qualifications in the school district proposing to employ the person. The commission may establish minimum standards for the credentials for exchange certificated employees, provided that no exchange certificated employee shall be required to pay a fee or other charge for the issuance of any necessary valid credential or credentials authorizing him or her to serve in a position requiring certification qualifications in any school district in this state.

An exchange agreement may be made for a period not to exceed three years.

At the end of the assignment period, the exchange, with the consent of all parties, may be made complete and permanent.

(Amended by Stats. 2009, Ch. 53, Sec. 11. Effective January 1, 2010.)

44856.

The governing board of a school district, for the purposes of providing bilingual instruction, foreign language instruction, or cultural enrichment, in the schools of the district, subject to the rules and regulations of the state board, may conclude arrangements with the proper authorities of a foreign country, or of a state, territory, or possession of the United States, for the hiring of bilingual teachers employed in public or private schools of a foreign country, state, territory, or possession. To be eligible for employment, the teacher must speak English fluently. Any persons employed pursuant to this section shall be known as a "sojourn certificated employee."

A person shall not be hired as a sojourn certificated employee by a school district unless he or she holds the necessary valid credential or credentials issued by the Commission on Teacher Credentialing authorizing the person to serve in a position requiring certification qualifications in the school district proposing to employ him or her. The person may be employed for a period not to exceed two years, except that thereafter the period of employment may be extended from year to year for a total period of not more than five years upon verification by the employing district that termination of the employment would adversely affect an existing bilingual or foreign language program or program of cultural enrichment, and that attempts to secure the employment of a certificated California teacher qualified to fill the position have been unsuccessful. The commission shall establish minimum standards for the credentials for sojourn certificated employees.

(Amended by Stats. 2010, Ch. 328, Sec. 42. Effective January 1, 2011

MANUAL PAYROLL:

☐ ***Stop Payments:***

(Check Status Request form can be found in Escape under SCOE/Resources)

- Allow 1 full week before requesting a stop payment
- Always complete a Manual Payroll Request form when requesting a stop payment or void for a paycheck

☐ ***Manual Payrolls:***

(Manual Payroll Request form and Manual Payroll Procedures can be found in Escape under SCOE/Resources)

- Manual Payroll is ran once per month, check the Production Calendar
- Manual Payroll Request form and/or reports should be signed by either the immediate supervisor of the Payroll Tech or by an administrator
- When employee picking up, employee *must* bring photo id
- Mark either "Cancel" (page 1) or "Reissue" (page 2) whichever applies
- When a Reissue, indicate whether district will pick up or send AV (can only be sent AV if allowed on Signature Authorization form)
- When creating manual payroll you may need to override the retirement dates in the Retirement section using the prior month's Service Begin and Service End Dates
- The Contribution Code default is 03 Earnings Adjustment Prior Period (Manual Payroll is similar to Supplemental and is considered current month)
  - ✔ As appropriate change Contribution Code to either
    - 1 Normal/Current
    - 11 Normal/Current Tax Deferred or
    - 0 Non-Member

- When requesting a Cancel for a previously terminated employee, remember to create or copy the terminated employee's pay cycle, taxes, and retirement

- Check Manual Payroll for errors before submitting to SCOE.
  - ✔ In Manual Payroll, open person, select Tasks-Open all tabs, click Open all tabs and errors show at the bottom of the screen
- Alli Britton and Maria Aguayo often process adjustments on the manual payroll
  - ✔ Janelle Sarsfield will contact the district to find out whether the district would like to pick up the check or to send AV

Sonoma County Office of Education
Manual Payroll Procedures

Returned ACH

- SCOE notified by county of returned deposit (can be within 2-5 days of pay date)
- SCOE creates manual check (using C-Series system)
- Check available same day after 3:30pm

Employee Lost check

Option 1

- District sends completed Check Status Request form along with copy of check from pay history to SCOE
- District completes Manual Payroll Request form requesting a Reissue and includes a copy of the affidavit
- SCOE initiates Cancel/Re-Issue on next Manual Cycle

Option 2

- District sends completed Check Status Request form along with copy of check from pay history to SCOE
- District completes Manual Payroll Request form requesting a Cancel only and includes a copy of the affidavit
- SCOE initiates Cancel/Reverse
- District can either Reprocess Pay on the Manual Payroll (only when the employee has not been paid on a subsequent payroll) and establish the receivable using the Repay procedures attached,
- *OR* correct pay history on the next open pay cycle for the employee using the Repay procedures attached
- District pays employee on AP or with a Revolving check

Option 3

- *When next Payroll Cycle is soon enough,* District sends completed Check Status Request form along with copy of check from pay history to SCOE
- District completes Manual Payroll Request form requesting a Cancel only and includes a copy of the affidavit
- SCOE initiates Cancel/Reverse
- District pays employee on next Payroll Cycle and includes any applicable deductions and contributions

Sonoma County Office of Education
Manual Payroll Procedures

Employee Underpaid or Not Paid

Option 1

- District Creates Manual Pay for employee
- District completes Manual Pay Request form and sends to SCOE with reports
- SCOE submits and employee is paid on next manual pay cycle

Option 2

- District pays the employee on the next open pay cycle for the employee and includes any applicable deductions and contributions

Option 3

- District pays employee on AP or Revolving using REPAY procedures attached
- Employee is paid immediately (revolving) or during next AP cycle

Employee Overpaid (prior to EE receiving pay)

- District sends completed Manual Payroll Request form requesting a Cancel only and includes the original check with VOID written across the check
- SCOE initiates Cancel/Reverse

Option 1

- District can Reprocess Pay on the Manual Payroll (only when the employee has not been paid on a subsequent payroll) and pay the employee the corrected amount

Option 2

- District pays the employee on the employee's next open pay cycle and includes any applicable deductions and contributions

Option 3

- District pays employee on AP or Revolving using REPAY procedures attached

Employee Overpaid and Check Cashed

- Notify Employee and make arrangements, in writing, to collect from the employee's pay either by the end of the fiscal year or within 12 months.
- Have employee sign written notice

Use regular and supplemental cycles for:

- Vacations payouts
- Adjustments and refunds

Sonoma County Office of Education
Manual Payroll Procedures

Employee REPAY — paid from Revolving account

From HR/Payroll – Payroll – Adjust Pay *Performed by Payroll Person*

- Find next open cycle for employee (or create on Manual Payroll)
- Recalc pay to verify that all changes have been applied
- Print snapshot to capture current Net Pay
- Enter addons as necessary for missing/short pay
- Recalc pay again
- Enter Deductions and Contributions as necessary
- Recalc pay again
- View/Print new snapshot and calc difference between new Net Pay and old Net Pay
- Add new deduction — REPAY
    - Amount is net pay difference
    - Vendor is "district general fund"
- Recalc pay again
- Verify that Net Pay is back to old amount
- Pay employee net amount from revolving account.
- Replenish revolving account out of object 9213

Sonoma County Office of Education
Manual Payroll Procedures

Employee REPAY — paid from next AP cycle

From HR/Payroll – Payroll – Adjust Pay *Performed by Payroll Person*

- Find next open cycle for employee (or create on Manual Payroll)
- Recalc pay to verify that all changes have been applied
- Print snapshot to capture current Net Pay
- Enter addons as necessary for missing/short pay
- Recalc pay again
- Enter Deductions and Contributions as necessary
- Recalc pay again
- View/Print new snapshot and calc difference between new Net Pay and old Net Pay
- Add new deduction — REPAY
    - Amount is net pay difference
    - Vendor is "district general fund"
- Recalc pay again
- Verify that Net Pay is back to old amount

From Finance – AP – Enter Employee Payments *Performed by AP Person*

- Enter first few characters of employee's last name and press <F4>. Choose employee from list.
- Amount is net pay difference
- Account number is general fund, object 9213. (For example: 01- -- - -9213- -)
- Enter remaining payment fields as necessary. It's a good idea to reference pay cycle in either invoice number or comment fields. For example, make invoice number = PY042817 if repay is on 4/28/17 pay cycle.
- Submit payment

  Employee is paid net amount on next AP cycle.

RETIREMENT:

➢ *CalSTRS Contributions Rates for Fiscal Year 2019/2020:*

- CalSTRS contribution rates for new (2% @ 62) members is 10.205%
- Pre (2% @ 60) is 10.250%
- Employer Contribution Rate is 17.1% and is expected to be 18.4% for 2020/2021

☐ *CalSTRS – New Employee:*

1. Check the STRS SEW website and verify employee's DB (Defined Benefit) status in REAP
   - ✔ Member
   - ✔ Non-Member
   - ✔ SR-Retired
   - ✔ Refunded – treat as a non-member, unless the position that the employee is taking is a qualifying position, then make them a member
   - ✔ DR or DA – Disability Retired – report as a non-member
     - Print a copy of the REAP screen and send to Alli Britton
2. If already a member of STRS, verify the retirement formula (2% @ 60 or 2% @ 62)
3. If not a member of STRS, check Iron Box and verify whether employee has a signed permissive election form (ES350) on file. If the employee is not found in Iron Box or SEW/REAP, have them fill out an ES350 and send to Alli Britton
   - ✔ Permissive Election form (ES0350) is used anytime an employee is performing creditable service, but is excluded from mandatory membership.

4. Escape Set-Up:
    1. Go to HR/Payroll-Employment-Employee Management
    2. Set up the Retirement Tab accordingly
        - Plan Option: O (Pre 2013) when membership status on SEW/REAP is 2% @ 60
        - Plan Option: N (New) when membership status on SEW/REAP is 2% @ 62

5. Employee99 Report:
    - ✔ Print and send an Emp99 report to Alli Britton for all new certificated employees, whether they are in STRS or not (this report is in place of filling out the old NOE forms)
        - Include all full-time employees, substitute teachers or retirees

6. Membership Qualifications:
    - ✔ An employee hired in a full-time position becomes a DB member on the 1st day of employment
        - Do not combine multiple positions to determine full time status
    - ✔ An employee hired to work 50% or more of a full-time contract, becomes a DB member on the 1st day of employment (new as of 1/1/2020)
    - ✔ Long Term Substitute who works 100 or more complete days in one district becomes a DB member on the 1st day of the following pay period
    - ✔ Part-time employees hired on an hourly or daily basis who works 60 hours or 10 days in a single pay period and district, becomes a DB member on the 1st day of the following pay period
    - ✔ Effective July 1, 2018, membership must be established regardless of whether additional service is performed after the threshold is met or the threshold is met during the last pay period of the school year
        - Membership is not retroactive for an employee that met the threshold in June 2018

EMPLOYMENT STATUS	ASSNMT CODE	MANDATORY STRS MEMBERSHIP BEGINS	ES350
Full-Time	57	First day of employment	No
Part-Time Contracted 50% -99%	57	First day of employment (new rule)	No
Part-Time Hourly	55	First day of following pay period after working 60 hours in one month	Yes
Part-Time Daily	55	First day of following pay period after working 10 days in one month	Yes
Substitute	54	First day of the following pay period after working 100 days in one FY	Yes

7. Permissive Membership and Retirement System Election forms:
   (forms can be found in Escape under SCOE/Resources)
   - ✔ Permissive Election form (ES0350) - use any time a certificated employee is performing creditable service, but is excluded from mandatory membership
     - This form is used to make election to become a CalSTRS Defined Benefit Program member.
     - Election can be made at any time while employed to perform creditable service
     - Employers must provide membership information to eligible employees within 30 days of hire
     - Election is applied for all subsequent service
     - The form must be received by CalSTRS within 60 days from the date of the employee's signature
       - Send the original form ES350 to Alli Britton
     - Membership in the Defined Benefit Program can be effective no earlier than the first day of employment to perform creditable service or the first day of the pay period in which the election is made, whichever is later
     - Do not submit ES350 form to CalSTRS for employees who are already established CalSTRS members
     - CalSTRS does not need copies of the ES350 form when the employee is declining

Permissive Membership-Instructions

CALSTRS

If you are employed to perform creditable service in a position that is excluded from mandatory membership in the CalSTRS' Defined Benefit (DB) Program, you may use this form to elect DB Program membership at any time while employed to perform creditable service.

A permissive election of membership in the DB Program applies to all future creditable service performed for the same or another employer, including any non-member or CalSTRS Cash Balance Benefit (CB) Program service you are currently performing. You may be entitled to elect coverage by the CB Program or California Public Employees' Retirement System (CalPERS) for future eligible service as allowed by law. Please work with your employer if you believe you are entitled to make one of these elections.

A permissive election of membership in the DB Program is irrevocable. Membership may only be cancelled if you terminate all employment to perform creditable service and refund your accumulated retirement contributions from the CalSTRS DB Program.

SECTION 1: EMPLOYEE INFORMATION (TO BE COMPLETED BY EMPLOYEE)

Provide the following information:

- CalSTRS Client ID* or Social Security Number
- Last Name, First Name and Middle Initial
- Mailing Address**, City, State and Zip Code
- Date of Birth
- Email Address
- Telephone Number

*If you have already been employed to perform creditable service you will have a CalSTRS Client ID, even if you were not formerly a member. Please provide your CalSTRS Client ID, if you have one, in lieu of your Social Security Number.

**To establish residency for tax purposes, we ask that you provide a street address. Be sure to include any street, apartment or suite number. If your post office does not deliver mail to your street address, you may enter your box number instead. If you reside outside the United States, use the CITY – STATE – ZIP field to provide your foreign address. If you receive your mail in care of a third party, enter "c/o" followed by the third party's name and address.

SECTION 2: EMPLOYEE ELECTION (TO BE COMPLETED BY EMPLOYEE)

If you want to elect membership in the CalSTRS DB Program:

- Check the appropriate box
- Provide your requested membership date***

***You will begin contributing to the DB Program as of your membership date. Your membership date can be no earlier than the first day of the pay period in which your election is made, or your first day of employment, whichever is later. Work with your employer to select the most beneficial, valid membership date you are eligible for. Electing an invalid membership date will require a revision to your election form and may result in delayed contributions to CalSTRS.

If you do not want to elect membership in the CalSTRS DB Program at this time, check the appropriate box.

SECTION 3: REQUIRED SIGNATURE (TO BE COMPLETED BY EMPLOYEE)

Sign the form and date your signature.
Return the form to your employer.

SECTION 4: EMPLOYEE POSITION INFORMATION (TO BE COMPLETED BY EMPLOYER)

Provide the position hire date – the date in which the employee was hired to perform creditable service in the position they are making this election for. CalSTRS defers to the employer as to the date in which you consider an employee to be hired. Provide the position title – the title of the position the employee is performing creditable service in.

SECTION 5: EMPLOYER INFORMATION AND CERTIFICATION (TO BE COMPLETED BY EMPLOYER)

Verify the employee is eligible for the requested membership date.

Provide the following information:

- The employer (county or district) name
- County and district code
- Name and title of employer official completing the form

Sign the form and date your signature.
Submit the form to CalSTRS and retain a copy.

Permissive Membership-Instructions

CALSTRS

SUBMITTING THE FORM

This form should be submitted to CalSTRS by the employer. CalSTRS must receive this form within 60 days after the employee's signature date and, if applicable, prior to the submission of contributions. Submit the form by mail or the Secure Employer Website.

Mail to:	CalSTRS P.O. Box 15275, MS 17 Sacramento, CA 95851-0275
Secure Employer Website:	Attach the form to a secure message and submit via SEW

Please do not submit this form via email as it may contain personally identifiable information.

QUESTIONS

Employee – contact your employer

Employer – contact CalSTRS Employer Help

Permissive Membership

ES 0350 REV 03/20

[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

PERMISSIVE MEMBERSHIP ELECTION AND/OR ACKNOWLEDGEMENT OF RECEIPT OF CALSTRS DEFINED BENEFIT PROGRAM MEMBERSHIP INFORMATION

This form is used to permissively elect membership in the CalSTRS Defined Benefit Program and/or to acknowledge receipt of information provided by an employer about the right to elect membership in the CalSTRS Defined Benefit Program. Please read all instructions before completing the form.

Section 1: Employee Information (to be completed by employee)

Provide either your CalSTRS Client ID or Social Security number.

CLIENT ID

SOCIAL SECURITY NUMBER

LAST NAME

FIRST NAME

MI

ADDRESS (number, street, apt or suite no.)

CITY

STATE

ZIP CODE

DATE OF BIRTH (MM/DD/YYYY)

EMAIL ADDRESS

TELEPHONE

Section 2: Employee Election (to be completed by employee)

Check One:

☐ **I elect membership in the CalSTRS Defined Benefit Program as of:** _____

MEMBERSHIP DATE (MM/DD/YYYY)**

I understand this election applies to all future creditable service performed for any current or future employer unless another election is made as allowed by law. I understand my membership is irrevocable and may only be cancelled by terminating all employment to perform creditable service and receiving a refund of my accumulated retirement contributions from the CalSTRS Defined Benefit Program.

**Membership Date may be no earlier than the first day of the pay period in which the election is made, or the first day of employment, whichever is later. Please work with your employer to select the most beneficial, valid membership date.

☐ **I decline membership in the CalSTRS Defined Benefit Program at this time**

I understand that I can elect membership in the CalSTRS Defined Benefit Program at any time while I am employed to perform creditable service.

ES0350

CALSTRS Client ID: OR SSN:

Section 3: Required Signature (to be completed by employee)

I certify that I have received information from my employer concerning the CalSTRS Defined Benefit Program and understand the criteria for membership in the program.

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement, including a false statement regarding my marital status, for the purpose of using it, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in penalties, including restitution, of up to one year in jail and/or a fine of up to $5,000 (Education Code section 22010). It may also result in any document containing such false representation being voided. 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).

EMPLOYEE SIGNATURE	DATE (MM/DD/YYYY)

Section 4: Employee Position Information (to be completed by employer)

POSITION TITLE	POSITION HIRE DATE

Section 5: Employer Information and Certification (to be completed by employer)

Required Signature

I certify that the above-named employee was provided information about their right to elect membership in the CalSTRS Defined Benefit Program and, if electing membership, is eligible to elect membership in the CalSTRS Defined Benefit Program as of the membership date provided.

I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statement for the purpose of using it, or allowing it to be used, to obtain, receive, continue, increase, deny or reduce any benefit administered by CalSTRS and it may result in penalties, including restitution, of up to one year in jail and/or a fine of up to $5,000 (Education Code section 22010). It may also result in any document containing such false representation being voided. 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).

EMPLOYER OFFICIAL'S SIGNATURE	DATE (MM/DD/YYYY)
EMPLOYER NAME	COUNTY AND DISTRICT CODE
EMPLOYER OFFICIAL'S NAME AND TITLE	

✔ Retirement System Election form (ES0372) – use when employee is a member of one retirement system and is performing service that mandates membership in another retirement system and wants to elect to remain in their current retirement system.

- Ed Code Section 22509 requires that within 10 working days of hire, an employer must provide all employees, who have the right to make this election, with the information regarding their election rights and must make available written information about the retirement systems to assist the employee in making an election.
- Employee has 60 days from hire date in the new position to make this election
- The form must be received by CalSTRS within 60 days of the signature date.

Retirement System Election

ES 0372 rev 01/19

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

RETIREMENT SYSTEM ELECTION AND ACKNOWLEDGEMENT OF RECEIPT OF RETIREMENT SYSTEM INFORMATION

PLEASE READ THE ATTACHED INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.

SECTION 1: MEMBER INFORMATION AND ELECTION (to be completed by employee)

NAME (LAST, FIRST, MIDDLE INITIAL) | FULL SOCIAL SECURITY NUMBER

A member of **CalSTRS** who becomes employed in a new position by the same or a different school district, a community college district, a county superintendent of schools, limited state employment or the Board of Governors of the California Community Colleges, as defined in Education Code sections 22508 and 22508.5, to perform service that *requires* membership in a different public retirement system will have that service credited with that other public retirement system unless the member files a written election (within 60 days after the date of hire) to have that service covered by CalSTRS, pursuant to Education Code section 22508(a) or 22508.5(a).

I am a member of CalSTRS who has accepted employment to perform service that *requires* membership in a different public retirement system and am eligible to elect to continue retirement system coverage under CalSTRS.

I elect coverage in: (please choose one)

- ☐ CA State Teachers' Retirement System (CalSTRS)
- ☐ CA Public Employee's Retirement System (CalPERS) *
- ☐ A Different Public Retirement System identified here: _____

OR

A member of **CalPERS** who was employed by a school employer, Board of Governors of the California Community Colleges or State Department of Education within 120 days before the member's date of hire, or who has at least five years of CalPERS credited service, as defined in Government Code section 20309, and who is subsequently employed to perform creditable service that requires membership in the Defined Benefit Program of CalSTRS, will have that service credited with CalSTRS unless the member files a written election (within 60 days after the date of hire) to have the service credited with CalPERS, pursuant to Government Code section 20309.

I am a member of CalPERS who has accepted employment to perform service that requires membership in the CalSTRS Defined Benefit Program, and am eligible to elect to continue coverage under CalPERS.

I elect coverage in: (please choose one)

- ☐ CA State Teachers' Retirement System (CalSTRS)
- ☐ CA Public Employee's Retirement System (CalPERS) *

With my signature below, I certify that I have received information from my employer regarding my eligibility to elect membership for this position as described on this form. I fully understand that this election is irrevocable. I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering or receiving a benefit administered by CalSTRS and it may result in up to one year in jail and/or a fine of up to $5,000 pursuant to Education Code section 22010.

EMPLOYEE SIGNATURE | DATE

SECTION 2: EMPLOYER CERTIFICATION (to be completed by employer and County Office of Education)

With my signature below, I certify that I have provided information to the above employee regarding his/her eligibility to elect membership for this position, pursuant to Education Code section 22509. I certify the employee meets the qualifications to make a retirement system election, pursuant to Education Code sections 22508 or 22508.5, or Government Code section 20309.

EMPLOYEE POSITION INFORMATION:

POSITION HIRE DATE | POSITION EFFECTIVE DATE | POSITION TITLE

SELECT ONE: ☐Credentialed ☐Classified ☐State Service

EMPLOYER INFORMATION:

CO/DIST/STATE DEPT NAME | CALSTRS REPORT UNIT CODE

SCHOOL/STATE OFFICIAL'S NAME | TITLE | PHONE NUMBER

SIGNATURE OF SCHOOL/STATE OFFICIAL | DATE

COUNTY OFFICIAL'S NAME | TITLE | PHONE NUMBER

SIGNATURE OF COUNTY OFFICIAL | *CalPERS Employer Code:

ES0372

Retirement System Election – Information and Instructions

The following instructions are to assist you and your employer in completing the *Retirement System Election* form (ES372). Please read the instructions and information for retirement system coverage before completing the form. Please type or print legibly in dark ink.

INFORMATION

A member of the CalSTRS Defined Benefit Program who becomes employed by a school district, a community college district, a county superintendent of schools, limited state departments, or the California Community Colleges Board of Governors to perform service that requires membership in a different public retirement system, may elect to receive credit under the CalSTRS Defined Benefit Program for such service by completing a *Retirement System Election* form (ES372) within 60 days after the hire date *requiring* membership in the other system, and CalSTRS must receive the completed form within 60 days of the signature date. If the CalSTRS member does not elect to continue as a member of CalSTRS, all service subject to coverage by the other public retirement system will be reported to that retirement system. (Education Code sections 22508, 22508.5 and 22509)

A member of CalPERS who was employed by a school employer, Board of Governors of the California Community Colleges, or State Department of Education within 120 days before the member's date of hire, or who has at least five years of CalPERS credited service, and who accepts employment to perform creditable service that requires membership by the CalSTRS Defined Benefit Program, may elect to receive credit under CalPERS for such service by submitting a Retirement System Election form (ES372) to CalPERS, within 60 days after the hire date of employment requiring membership in CalSTRS. If the CalPERS member does not elect to continue as a member of CalPERS, all CalSTRS creditable service will be reported to CalSTRS. (Government Code section 20309).

Education Code section 22509 requires that within 10 working days of hire, an employer must provide all employees who have the right to make this election with the information regarding their election rights and must make available written information about the retirement systems to assist the employee in making an election.

SECTION 1: MEMBER INFORMATION AND ELECTION

Section 1 must be completed by the employee with assistance from the employer. Please complete all entries in Section 1.

EMPLOYEE NAME and SOCIAL SECURITY NUMBER – Enter employee's full name, and full Social Security Number.

RETIREMENT SYSTEM COVERAGE:
If you are a member of CalSTRS and have accepted employment to perform service that requires membership in a different public retirement system, mark the box next to the coverage you elect.

If you are a member of CalPERS and have accepted employment to perform service that requires membership in CalSTRS, mark the box next to the coverage you elect.

EMPLOYEE SIGNATURE – Sign and date the form. By signing this document, you certify that you have received information from your employer regarding your right to the Retirement System Election. You also certify that you understand this election is irrevocable, and that it is a crime 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 which may result in up to one year in jail and a fine of up to $5,000. (Education Code section 22010)

Submit the signed and dated *Retirement System Election* form (ES372) to your employer. Retain a copy for your records.

For general membership information, contact CalSTRS by calling 800-228-5453, or write to CalSTRS at P.O. Box 15275, MS 17, Sacramento, CA 95851-0275.

SECTION 2: EMPLOYER CERTIFICATION

Section 2 must be completed by the employer and the County Office of Education. Please complete the employer certification only after the employee has completed Section 1. Employees must qualify for membership before they can retirement system elect.

EMPLOYER:

POSITION HIRE DATE – Enter the date the employee was hired in the position.

POSITION EFFECTIVE DATE – Enter the first date that service was/will be performed by the employee in the new position.

POSITION TITLE – Enter employee's new position title and check the box next to the applicable position type.

CO/DIST CODE/STATE DEPARTMENT – Enter the appropriate county and district codes. Example: Kern County, Edison Elementary would be 15-012, and CA Department of Education would be 59-174.

EMPLOYER CERTIFICATION – Print school or state official's name, title and phone number, and sign and date the form.

Submit the completed form to the County Office of Education.

If you represent a state department, submit the form directly to CalSTRS and send a copy to the other public retirement system.

COUNTY OFFICE OF EDUCATION:
Print the County official's name, title and phone number, and sign and date the form.

Retain a copy for your and the employee's files.

SUBMIT THE FORM:

The *Retirement System Election* form (ES372) must be submitted to the retirement system elected by the employee and a copy submitted to the retirement system that would normally cover the service. For additional requirements, please see the Information section.

Mail completed forms to:

CalSTRS	CalPERS
P.O. Box 15275, MS 17	P.O. Box 942709
Sacramento, CA 95851-0275	Sacramento, CA 94229-2709

CalSTRS also accepts the form via fax, at 916-414-5476, or by secure messaging via the Secure Employer Website.

Form SSA-1945, Statement Concerning Your Employment in a Job Not Covered by Social Security:

(form can be found in Escape under SCOE/Resources)

- ✔ Effective January 1, 2005, all state and local government employers who hire new employees not covered by Social Security are required to provide Form SSA-1945 to the new employee before employment begins.
- ✔ Keep original and mail a copy to: Member Account Services, CalSTRS, P.O. Box 15275, Sacramento, CA 95851-0275.

Name Changes:

For name changes, have the employee fill out STRS form AS1040, sign and attach a copy of their social security or DL with their new name. Send completed form with required backup to Alli Britton (do not mail to STRS). SCOE will make a copy for our records and then send to STRS via their Secure Messaging system. *(form can be found in Escape under SCOE/Resources)*

☐ ***Retirement Begin and End Dates:***

For STRS members, the Retirement Begin and End Dates are always the first day of the month and the last day of the month unless their membership date was effective mid-month or their last day worked was mid-month. In those cases, the Retirement Begin and End Dates are the actual mid-month dates.

Social Security Administration

Statement Concerning Your Employment in a Job Not Covered by Social Security

Employee Name _____ **Employee ID#** _____

Employer Name _____ **Employer ID#** _____

Your earnings from this job are not covered under Social Security. When you retire, or if you become disabled, you may receive a pension based on earnings from this job. If you do, and you are also entitled to a benefit from Social Security based on either your own work or the work of your husband or wife, or former husband or wife, your pension may affect the amount of the Social Security benefit you receive. Your Medicare benefits, however, will not be affected. Under the Social Security law, there are two ways your Social Security benefit amount may be affected.

Windfall Elimination Provision

Under the Windfall Elimination Provision, your Social Security retirement or disability benefit is figured using a modified formula when you are also entitled to a pension from a job where you did not pay Social Security tax. As a result, you will receive a lower Social Security benefit than if you were not entitled to a pension from this job. For example, if you are age 62 in 2013, the maximum monthly reduction in your Social Security benefit as a result of this provision is $395.50. This amount is updated annually. This provision reduces, but does not totally eliminate, your Social Security benefit. For additional information, please refer to Social Security Publication, "Windfall Elimination Provision."

Government Pension Offset Provision

Under the Government Pension Offset Provision, any Social Security spouse or widow(er) benefit to which you become entitled will be offset if you also receive a Federal, State or local government pension based on work where you did not pay Social Security tax. The offset reduces the amount of your Social Security spouse or widow(er) benefit by two-thirds of the amount of your pension.

For example, if you get a monthly pension of $600 based on earnings that are not covered under Social Security, two-thirds of that amount, $400, is used to offset your Social Security spouse or widow(er) benefit. If you are eligible for a $500 widow(er) benefit, you will receive $100 per month from Social Security ($500 - $400=$100). Even if your pension is high enough to totally offset your spouse or widow(er) Social Security benefit, you are still eligible for Medicare at age 65. For additional information, please refer to Social Security Publication, "Government Pension Offset."

For More Information

Social Security publications and additional information, including information about exceptions to each provision, are available at www.socialsecurity.gov. You may also call toll free 1-800-772-1213, or for the deaf or hard of hearing call the TTY number 1-800-325-0778, or contact your local Social Security office.

I certify that I have received Form SSA-1945 that contains information about the possible effects of the Windfall Elimination Provision and the Government Pension Offset Provision on my potential future Social Security Benefits.

Signature of Employee _____ **Date** _____

Form SSA-1945 (01-2013)
Destroy Prior Editions

Information about Social Security Form SSA-1945 Statement Concerning Your Employment in a Job Not Covered by Social Security

New legislation [Section 419(c) of Public Law 108-203, the Social Security Protection Act of 2004] requires State and local government employers to provide a statement to employees hired January 1, 2005 or later in a job not covered under Social Security. The statement explains how a pension from that job could affect future Social Security benefits to which they may become entitled.

Form SSA-1945, **Statement Concerning Your Employment in a Job Not Covered by Social Security,** is the document that employers should use to meet the requirements of the law. The SSA-1945 explains the potential effects of two provisions in the Social Security law for workers who also receive a pension based on their work in a job not covered by Social Security. The Windfall Elimination Provision can affect the amount of a worker's Social Security retirement or disability benefit. The Government Pension Offset Provision can affect a Social Security benefit received as a spouse, surviving spouse, or an ex-spouse.

Employers must:

- Give the statement to the employee prior to the start of employment;
- Get the employee's signature on the form; and
- Submit a copy of the signed form to the pension paying agency.

Social Security will not be setting any additional guidelines for the use of this form.

Copies of the SSA-1945 are available online at the Social Security website, www.socialsecurity.gov/online/ssa-1945.pdf. Paper copies can be requested by email at ofsm.oswm.rqct.orders@ssa.gov or by fax at 410-965-2037. The request must include the name, complete address and telephone number of the employer. Forms will not be sent to a post office box. Also, if appropriate, include the name of the person to whom the forms are to be delivered. The forms are available in packages of 25. Please refer to Inventory Control Number (ICN) 276950 when ordering.

Request for Name Change

AS 1040 (rev 05/19)

CALSTRS
California State Teachers' Retirement System
P.O. Box 15275, MS 85
Sacramento, CA 95851-0275
800-228-5453
CalSTRS.com

Use this form to authorize CalSTRS to change your name in our system. Please use black or blue ink, print clearly and complete all sections. Your request for a name change will be processed if the information below is legible and you include one of the required authoritative documents.

Member Information

NAME now on CalSTRS Account (LAST, FIRST, INITIAL)

CLIENT ID OR SOCIAL SECURITY NUMBER

CHANGE NAME to: (LAST, FIRST, INITIAL)

MAILING ADDRESS

DATE OF BIRTH (MM/DD/YYYY)

CITY | STATE | ZIP CODE

( ) HOME TELEPHONE

MEMBER'S SIGNATURE

SIGNATURE DATE (MM/DD/YYYY)

Authoritative Documents

A **copy** of one of these documents must accompany this request form. Please do not send original documents.

- Marriage certificate
- Court order indicating the name change has been filed
- Social Security card (your new name must match the name on your Social Security card)
- Passport ID page or Passport Card
- California Driver's License or California State ID
- U.S. Military ID

Mail or Fax

Please mail or fax this form and the required authoritative document to:

CalSTRS
P.O. Box 15275
Sacramento, CA 95851-0275

Fax 916-414-5474

AS1040

☐ ***Reporting Member and Employer CalSTRS Contributions***

Months Working vs Months Compensated for CalSTRS Reporting:
Salary is paid as earned but, paid as earned can also mean contractually earned. As such, if a member performs creditable service over a 10-month period, but there is a contractual agreement to pay that member over a 12-month period, the employer can report the member's creditable service over the 12-month period, in line with the contractual agreement. However, on the other hand, *for example,* if a Class of Employees contract reads they shall be paid over a 10-month period (August – May), but the employees are working in June, the compensation is creditable for 2%@60, but not creditable for 2% @62. The reason is because the Class of Employees are not being paid in each pay period in which the service is performed.

It is essential to review contracts for next Fiscal Year 2020/2021 and change Pay Cycles accordingly to bring the LEA into compliance.

☐ ***Pay22 Error Report:***

Always review the Pay22 report for STRS errors and correct these errors prior to submitting payroll.

- When having trouble correcting these errors, contact Alli Britton
- When Alli determines the correction cannot be made by the LEA, she will give the okay to submit payroll with the error(s), as long as the errors are not fatal.
- Alli will make the correction when she does the reporting

☐ ***Reduced Workload:***

CalSTRS approved Reduced Workload Programs allows eligible employees to reduce their workload to part-time duties and receive the full time basis entitlement of service credit. It is important to recognize the employee and the employer contributions must be made based on a full-time contract in order for the employee to receive the full time basis entitlement of service credit. With the proper set up in Escape this works smoothly for those employees with only one assignment and working the full school year at a reduced FTE. Employees with multiple assignments or who work 1 semester on and 1 semester off require manual adjustments to their payroll in order for contributions to be made on a full time contract and report correctly to STRS. If you have anyone on Reduce Workload that has more than one assignment or who is working only a portion of the school year, please contact Alli Britton and she can work with you to determine the proper manual adjustments needed to ensure the employee's full year service credit.

- The deadline to get these applications to STRS is 6/30. In order for them to be approved, you will need to have the signed application to Alli by 6/22 or sooner, for the employee to be approved by STRS prior to the start of the new fiscal year. Applications that are not submitted before the deadline date are subject to denial from STRS.
- When reporting RWP to STRS, make sure you have set them up in Escape correctly; they must be reported with an assignment code 36. The contribution rates are then figured off the pay rate and not the earnings; this is also true for any stipends that are reported on the position.
- If you have an employee that is going to work the RWP as one semester on and one semester off, please contact Alli Britton. These employees require manual adjustments in order to collect double the contributions for the 5 months they are working so on the 5 months they are off, their contributions are still being reported to STRS.
- Retros that are done for RWP employees, cannot be processed through the payroll retro process; these have to be calculated

manually (upon request, we can provide you with an excel worksheet for calculating Retroactive Pay for RWP).

- Any questions on this process or the set-up for employees on RWP, please contact Alli Britton.

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

California State Teachers'
Retirement System
Executive Office
PO Box 15275
Sacramento, CA 95851-0275
www.CalSTRS.com

December 27, 2017

TO: All County Superintendents of Schools
District Superintendents of Schools
Community College Districts
Charter Schools

FROM: Jack Ehnes
EXECUTIVE OFFICE

SUBJECT: Employer Directive 2017-07
Supersedes Employer Information Circular Volume 26, Issue 3
Reduced Workload Program

PURPOSE:

This directive provides information regarding the Reduced Workload Program, including changes enacted by Chapter 298, Statutes of 2017 (Assembly Bill 1325).

SCOPE:

This directive contains information for county offices of education, school districts, charter schools and community college districts.

DISCUSSION:

Education Code section 22713 governs the Reduced Workload Program, which allows Defined Benefit Program members who meet eligibility requirements to reduce their workload from a full-time position to a part-time position that is at least 50 percent of the time the employer requires for the full-time position.

For each school year the member's workload is reduced in accordance with this program, the member will be paid for the reduced work schedule, but the member's CalSTRS contributions will be based on an amount the member would have contributed if the member had performed creditable service for that position on a full-time basis. The member will receive a full year of service credit for each year the member participates in the Reduced Workload Program. The member will also be entitled to have his or her final compensation calculated based on the final compensation the member would have earned if he or she had worked full time.

Employer Eligibility

To offer the Reduced Workload Program to members, an employer must:

- Adopt regulations pursuant to Education Code section 44922 or 87483.
- Maintain the necessary records to separately identify each member who participates in the Reduced Workload Program.

Member Eligibility

To be eligible to participate in the Reduced Workload Program, a member must:

- Be age 55 or older prior to the start of the school term of the first school year the member participates in the program.
- Have at least 10 years of CalSTRS service credit in the Defined Benefit Program prior to the start of the school term of the first school year the member participates in the program.
- Be employed by a county office of education, school district, charter school or community college district that offers the program.
    - If the member is employed by a school district or county office of education, the member must be a prekindergarten through grade 12 certificated employee who does not hold a position with a salary above the maximum salary of a school principal for the employer.
- Have been employed on a full-time basis to perform creditable service under the Defined Benefit Program for each of the five school years immediately preceding the first school year in which the member's workload is reduced, without having a break in service.
    - Service in multiple assignments cannot be aggregated for the purposes of determining full-time employment.
    - Employer-approved leaves of absence and unpaid absences from the performance of creditable service for personal reasons do not constitute a break in service.
    - The period of time during which a member previously participated in the Reduced Workload Program, if applicable, will be considered full-time employment provided the agreement to reduce the member's workload was not terminated during that year.
    - If the member previously service retired, the time during which the member was retired for service constitutes a break in service.

Agreement to Reduce Workload

Participation in the Reduced Workload Program must be exercised at the request of the member and documented in a written agreement between the member and employer. The agreement must be in effect prior to the start of the school term of the first school year for which the agreement applies and must include the following requirements:

- The total amount of time in which a member reduces his or her workload shall not exceed 10 school years.

- The reduced workload shall be equal to at least one-half of the time the employer requires for full time in that position.
- The member shall be paid creditable compensation that is the pro rata share of the creditable compensation the member would have been paid for that position had the member not reduced his or her workload.
- For each school year the member's workload is reduced, the member shall contribute to the Teachers' Retirement Fund the amount that the member would have contributed had the member performed creditable service for that position on a full-time basis.
- For each school year the member's workload is reduced, the employer shall contribute to the Teachers' Retirement Fund at a Reduced Workload Program contribution rate, adopted annually by the Teachers' Retirement Board, on the creditable compensation the member would have been paid had the member performed creditable service for that position on a full-time basis.

Participation in the Reduced Workload Program

The employer shall certify the member's eligibility for participation in the Reduced Workload Program on the *Reduced Workload Program Eligibility Certification Application* form (ES1161). The current version of the application is available on CalSTRS.com/Forms, or through the forms ordering system on the Secure Employer Website.

CalSTRS must receive and approve a completed *Reduced Workload Program Eligibility Certification Application* form prior to the start of the school term of the first school year during which the member's workload is reduced. CalSTRS will communicate the approval or denial of the application to the member, employer and report source.

Once CalSTRS approves a member's participation in the Reduced Workload Program, the employer must:

- Report the member's compensation for the position each school year using the applicable Reduced Workload Program Assignment Code listed in the F496 File Specification.
- Remit member contributions equal to the amount the member would have contributed had the member performed creditable service for the position on a full-time basis.
- Remit employer contributions at the Reduced Workload Program contribution rate for the applicable school year on the creditable compensation the member would have been paid had the member performed creditable service for that position on a full-time basis.

In order to correctly calculate contributions due and retirement benefits payable, remuneration in addition to salary associated with a position for which the member is participating in the Reduced Workload Program should be reported with a pay rate based on the remuneration in addition to salary the member would have earned had the member not reduced his or her workload.

For example, if a member is working an 80 percent contract and the employer prorates the member's master's stipend from $1,000 to $800, the employer should report the $800 compensation as remuneration in addition to salary with an annual pay rate of $1,000.

Termination of Participation in the Reduced Workload Program

The agreement to participate in the Reduced Workload Program shall be terminated if any of the following occur:

- The member's employment is terminated prior to the end of the school term. Termination of employment includes but is not limited to retirement, resignation or death.
- The member performs less than 50 percent of the days or hours the employer requires for full time in that position pursuant to Education Code section 21138.5.
- The member and employer mutually agree to terminate participation.

If an agreement to participate in the Reduced Workload Program is terminated, the employer must notify CalSTRS within 30 days of termination of the agreement. If the agreement is terminated before completion of a school term, the employer must also re-report the member's compensation for the school year in which the agreement was terminated so that member and employer contributions are due based on the actual compensation the member earned at the normal contribution rates.

Effective January 1, 2018:

- Participation in the Reduced Workload Program is not automatically terminated if a member performs creditable service on a full-time basis when the member was supposed to have a reduced workload. Therefore, unless the member and employer have a mutual agreement to terminate participation in the program, the school years in which a member performs creditable service on a full-time basis will still be included in the 10-school year maximum for which the member is permitted to participate in the program.
- If an employee whose agreement was terminated wishes to participate in the program again, any subsequent agreement to reduce the member's workload must meet all the eligibility requirements and a new *Reduced Workload Program Eligibility Certification Application* (ES-1161) must be submitted to CalSTRS.

ACTION

To participate in the Reduced Workload Program you must:

- Adopt regulations pursuant to Education Code section 44922 or 87483.
- Enter into a written agreement with each eligible member who wants to participate in the Reduced Workload Program and who also meets the requirements to participate in the Reduced Workload Program.
- Maintain the necessary records to separately identify each member who participates in the Reduced Workload Program.

- Certify a member's eligibility to participate in the program to CalSTRS on the *Reduced Workload Program Eligibility Certification Application* prior to the beginning of the school term of the first school year in which the employee's workload is reduced.

Once CalSTRS approves an employee's participation in the Reduced Workload Program:

- Report compensation earned in the position for which the member's workload is reduced using the applicable Reduced Workload Program Assignment Code from the F496 File Specification.
    - Report remuneration in addition to salary associated with the reduced workload position with a pay rate equal to the remuneration in addition to salary the member would have earned had the member's workload not been reduced.
- Remit member contributions equal to the amount the member would have contributed had the member performed creditable service for the position on a full-time basis.
- Remit employer contributions at the Reduced Workload Program contribution rate for the applicable school year on the creditable compensation the member would have been paid had the member performed creditable service for that position on a full-time basis.

If an agreement to reduce a member's workload is terminated:

- Notify CalSTRS within 30 days after the date the agreement it terminated.
- If the school term was not completed, re-report the member's compensation without the Reduced Workload Program Assignment Code so that contributions are due on the actual compensation the member earned at the normal contribution rates.

This Employer Directive does not take precedence over the law. If you have any questions regarding this Employer Directive, please email EmployerHelp@CalSTRS.com or call 877-277-5778.

Reduced Workload Program Eligibility Certification

ES 1161 (REV 01/18)

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

Please thoroughly read the attached instructions before completing this form. Please type or print legibly in dark ink. This form must be submitted to, and approved by, CalSTRS prior to the start of the school term of the first school year in which a member's workload is reduced.

SECTION 1: MEMBER INFORMATION

MEMBER NAME (LAST, FIRST, INITIAL)	CLIENT ID OR SOCIAL SECURITY NUMBER
COUNTY CODE/NAME	DISTRICT CODE/NAME

SECTION 2: REDUCED WORKLOAD PROGRAM ELIGIBILITY REQUIREMENTS	YES	NO
1. The governing board of the employer or a county superintendent of schools has established regulations that allow employees who are members of the DB program to participate in the Reduced Workload Program.		
2. The member has met all of the following requirements: • Member is 55 or older prior to the start of the school term of the first school year in which the member's workload is reduced. • Member has at least 10 years of service credit prior to the start of the school term of the first year in which the member's workload is reduced. • Member has been employed in a full-time position to perform creditable service under the DB program each year of the five school years immediately preceding the first year in which the member's workload is reduced, without having a break in service. • Member is employed by a school district or county office of education as a PreK-12 certificated employee who does not hold a position with a salary greater than that of school principal *OR* is employed by a community college district (community colleges have no salary limit).		
3. A written agreement exists between the employer and the member that: • Is in effect prior to the beginning of the school term of the first year in which the member's workload is reduced. • Requires member to work at least 50 percent of a full-time position. • Includes member and employer contribution information.		
4. Total amount of time in which member reduces his/her workload is not more than 10 school years.		

Note: If the response to any of the above items is "NO," the member may not be eligible to participate in the Reduced Workload Program. Please contact CalSTRS immediately for final determination.

DATE OF AGREEMENT	SCHOOL TERM BEGIN DATE	FULL-TIME SALARY	PERCENTAGE OF FULL-TIME POSITION
		$	%

SECTION 3: EMPLOYER CERTIFICATION AND SIGNATURE

I understand it is unlawful to make a knowingly false material statement, to knowingly fail to disclose a material fact or to otherwise provide false information with the intent to use it, or allow it to be used, to obtain, receive, continue or increase a benefit administered by CalSTRS. I hereby certify by submitting the information on this form is true and correct and that the member is eligible to participate in the Reduced Workload Program as described in Education Code sections 22713.

OFFICIAL'S NAME & TITLE	OFFICIAL'S SIGNATURE	DATE

CalSTRS USE ONLY	CalSTRS SIGNATURE	APPROVAL DATE

ES1161

Reduced Workload Program Eligibility Certification - Instructions

Read these instructions before completing this form. Print or type in dark ink. Initial all corrections.

Use this *Reduced Workload Program Eligibility Certification* form to verify the member's eligibility for the Reduced Workload Program, per Education Code section 22713. This form must be submitted to, and approved by, CalSTRS prior to the start of the school term of the first school year in which the member's workload is reduced.

SECTION 1—MEMBER INFORMATION

Enter member's full name, Client ID or Social Security Number, county code and name, and district code and name.

SECTION 2—REDUCED WORKLOAD PROGRAM ELIGIBILITY REQUIREMENTS

Per Education Code section 22713 specific requirements must be met for any member to participate in the Reduced Workload Program. Review each part 1 through 4, and check the corresponding "YES" or "NO" box that is applicable to the member meeting each requirement. If the response to any of the requirements is "NO," the member may not be eligible to participate in the Reduced Workload Program. Please contact CalSTRS immediately for final determination.

Date of Agreement is the date in which the agreement between the employer and member is established for the member to participate in the Reduced Workload Program. The date of the agreement must be before the school term begin date.

School Term is defined as a minimum period of 35 weeks beginning the first day and ending the last day creditable service is required to be performed by a member employed on a full-time basis.

Full-Time Salary is the annualized pay rate the member participating in the Reduced Workload Program would have earned if he or she were to be employed full-time in the position.

Percentage of Full-Time Position means the percentage of time the member will be reducing his or her full-time position to. The member must work at least 50% of the time the employer requires for full-time employment in that position.

SECTION 3—EMPLOYER CERTIFICATION AND SIGNATURE

Sign and date this form before submitting it to CalSTRS. This form will not be accepted without a signature and date.

SUBMIT

This form must be submitted to, and approved by, CalSTRS prior to the start of the school term of the first school year in which the member's workload is reduced.

Mail form: CalSTRS
P.O. Box 15275, MS 17
Sacramento, CA 95851-0275

Fax form: (916) 414 - 5476

Email form: Submit form electronically via secure messaging on the Secure Employer Website (SEW)

QUESTIONS

For information regarding the Reduced Workload Program or this form, please contact your CalSTRS Employer Services representative at EmployerHelp@CalSTRS.com

Reduced Workload Program (RWP)

Introduction

RWP was created to help CalSTRS members with the transition into retirement.
RWP allows members to reduce their workload to part-time duties, defined as at least 50% of full time and receive the full time basis entitlement of service credit. Participation is available only if the employer offers the program.

RWP Eligibility

Member eligibility for participation in the RWP includes:

- Participation is by mutual agreement and may be revoked only with mutual consent of the employer and the member. The agreement to reduce workload shall be in effect at the beginning of the school year.
- Minimum of 10 years of credited service
- No break in service in the last five years – sabbaticals, other approved leaves of absence, and unpaid absences from the performance of creditable service for personal reasons from full-time employment do not constitute a break in service
- Member must be at least age 55
- Participation may not exceed 10 years (off and on participation within the 10-year period is permitted)
- Reduced workload shall be at least 50% of the time the employer requires for full-time employment
- Contributions shall be paid based on the full-time contract

Other provisions include the following:

- Participation eligibility shall be verified by the employer, CalSTRS, and CalPERS.
- Member and employer contributions are based on a full-time contract.
- Employer shall maintain records identifying members participating RWP

Continued on next page

RWP, Continued

Example of Retroactive Pay Rate Adjustment for RWP reporting

Retroactive Pay Rate Adjustments (Contribution Code 5)

To determine the pay rate:

- Calculate the difference between the old and new monthly pay rates.
- Multiply that amount by the number of months affected by the retroactive increase.

$$3800.00 - 3600.00 = 200.00 \text{ X } 2 = 400.00$$

To determine the earnings:

- Calculate the difference between the old and new monthly earnings.
- Multiply that amount by the number of months affected by the retroactive increase.

$$1900.00 - 1800.00 = 100.00 \text{ X } 2 = 200.00$$

Note: This method of adjustment is strictly limited to retroactive pay rate increases, and must not be used to attempt to change the earned to earnable ratio.

Rpt Unit	Mem Code	As Cd	Pay		Earnings	Contribution			Service Period		Srvc Crdt	Pre/ Post	Period	FY	Flag
			Rate	Cd		Rate	Cd	Amount	Begin	End					
12345	1	36	3600.00	3	1800.00	0.0800	1	288.00	09/01/2007	09/30/2007			MO03		A
12345	1	36	3600.00	3	1800.00	0.0800	1	288.00	10/01/2007	10/31/2007			MO04		A
12345	1	36	400.00	0	200.00	0.0800	5	32.00	09/01/2007	10/31/2007			MO04		A
12345	1	36	3800.00	3	1900.00	0.0800	1	304.00	11/01/2007	11/30/2007			MO05		A

Continued on next page

☐ ***Hiring Back a CalSTRS Retiree:***

See Employer Directive 2020-02 dated March 3, 2020 and use as a checklist for when hiring back a CalSTRS retiree.

- The Annual Postretirement Earnings Limits for DB Retirees for the 2020/2021 fiscal year is $47,713.
- Ed Code 22461 requires employers to notify retired STRS members of the earnings limit and employment restrictions upon retaining their service.
- Should a CalSTRS retiree earn compensation for performing retired member activities during the 180-calendar day separation-from-service period or in excess of the annual postretirement earnings limit, Ed Code Sections 24214(g) and 24214.5(h) requires STRS to reduce the member's retirement benefit dollar for dollar
- Retirees are subject to an earnings limit; this includes any earnings paid to a retiree as an independent contractor
    - When Contracts for professional services are submitted:
        - Look-up membership status in CalSTRS SEW/REAP
        - When membership status is "SR" for STRS Retired, complete SCOE's CalSTRS Retiree Earnings Paid Through Accounts Payable form and send it, along with a copy of the invoice(s) to SCOE's retirement desk (Alli Britton).
            - The invoice amount(s) will be included on the next CalSTRS retirement report.
        - Complete CalSTRS Form ES-732 Employer Certification of Independent Contractor Status and retain in the retiree's file. (*these forms can be found in Escape under SCOE Resources/Forms)*
- Members who retire with CalSTRS retirement incentive under Education Code Section 22714 (better known as Golden Handshake) will lose the increased service credit attributable to the retirement incentive if they return to employment in any job, including substitute teaching, within five years of receiving the incentive with the LEA that granted the retirement incentive. These retirees are also prohibited to reinstate CalSTRS membership and cannot have received unemployment within one year of the effective date of their retirement.

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

California State Teachers' Retirement System
Executive Office
PO Box 15275
Sacramento, CA 95851-0275
CalSTRS.com

March 3, 2020

TO: All County Superintendents of Schools
District Superintendents of Schools
Charter School Administrators
Community College Districts
Other Employing Agencies

FROM: Jack Ehnes
Chief Executive Officer

SUBJECT: Employer Directive 2020–02
Supersedes Employer Directive 2019–01
Postretirement Earnings Limit and Disability Allowance Earnings Limit for the 2019–20 and 2020–21 Fiscal Years, and Disability Retirement Earnings Limit for the 2020 Calendar Year

PURPOSE

This employer directive is intended to inform and remind employers of:

- The application of the earnings limit for retired CalSTRS members.
- The annual postretirement earnings limit for the 2019–20 fiscal year.
- The annual postretirement earnings limit for the 2020–21 fiscal year.
- The postretirement separation-from-service requirement for retired CalSTRS members and retired CalSTRS participants during the first 180 calendar days from their retirement date with CalSTRS.
- Requirements for requesting an exemption from the separation-from-service requirement.
- Restriction on hiring retired CalSTRS members and retired CalSTRS participants in classified positions.
- Retirement incentive restrictions.
- Requirements for employer communication regarding the earnings limits and, if applicable, the retirement incentive restrictions when hiring retired CalSTRS members. Also, the employer requirements regarding maintaining accurate records and reporting postretirement earnings to CalSTRS.
- The CalSTRS postretirement excess earnings notification process.
- The disability retirement earnings limit for the 2020 calendar year.
- The disability allowance earnings limit for the 2019–20 and 2020–21 fiscal years.

SCOPE

This directive contains information for county superintendents of schools, school districts, charter schools, community college districts and any agency that employs retired members of the Defined Benefit (DB) Program (referred to in this directive as "retired CalSTRS members") or retired participants of the Cash Balance (CB) Benefit Program (referred to in this directive as "retired CalSTRS participants") to perform retired member or retired participant activities or that employs CalSTRS members receiving either a Disability Allowance or Disability Retirement benefit in any capacity.

DISCUSSION

Application of Postretirement Earnings Limits
Sections 24214 and 24214.5 of the Education Code impose limitations on retired CalSTRS members who return to work and perform retired member activities. Section 22164.5 of the Education Code defines "retired member activities" as one or more of the activities identified in subdivision (b), (c) or (d) of Education Code section 22119.5 or subdivision (b), (c) or (d) of Education Code section 26113 when performed as either an employee of an employer, an employee of a third party (except under certain circumstances) or an independent contractor within the California public school system.

Section 26812 of the Education Code imposes limitations on retired CalSTRS participants who return to work and perform retired participant activities. Section 26135.7 of the Education Code defines "retired participant activities" as one or more of the activities identified in subdivision (b), (c) or (d) of Education Code section 22119.5 or subdivision (b), (c) or (d) of Education Code section 26113 when performed as either an employee of an employer, an employee of a third party (except under certain circumstances) or an independent contractor within the California public school system.

The annualized rate of pay for retired member activities or retired participant activities may not be less than the minimum, nor can it exceed the maximum, paid by the employer to other employees performing comparable duties.

Notable differences between reportable compensation in active membership and postretirement employment include:

- Education Code section 22164.5, subdivisions (a)(2) and (3).
- Education Code section 24214, subdivision (f)(2).
- Education Code section 24214.5, subdivision (a)(2).
- Education Code section 26135.7, subdivisions (a)(2) and (3).
- Education Code section 26812, subdivision (d)(2).

Retired CalSTRS members and retired CalSTRS participants employed by a third party are excluded from the postretirement earnings limits and related provisions provided they meet all the following criteria:

- The retired CalSTRS member or retired CalSTRS participant is employed by a third-party employer that does not participate in a California public pension system;
- The activities performed by the retired CalSTRS member or retired CalSTRS participant are not normally performed by employees of an employer; and
- The retired CalSTRS member or retired CalSTRS participant performs an assignment of 24 months or less.

Employer reporting of retired CalSTRS members and retired CalSTRS participants who are employed by a third party under the narrow conditions above is not required. CalSTRS has not identified any example of service that would meet these criteria.

Annual Postretirement Earnings Limit for the 2019–20 and 2020–21 Fiscal Years

The postretirement earnings limit for retired CalSTRS members for the 2019–20 *fiscal* year is $46,451.

The postretirement earnings limit for retired CalSTRS members for the 2020–21 *fiscal* year is $47,713.

Pursuant to Education Code section 24214, the limit is adjusted annually by CalSTRS and is equal to one-half of the median final compensation amount for all members who retired for service during the fiscal year ending in the previous calendar year.

If a retired CalSTRS member earns compensation for performing retired member activities in excess of the annual postretirement earnings limit, Education Code section 24214(g) requires CalSTRS to reduce the member's retirement benefit dollar for dollar, until the member has repaid the amount of compensation that was earned in excess of the annual earnings limit. The amount of the reduction in an individual month shall be no more than the monthly allowance payable in that month, and the total amount of the reduction shall not exceed the amount of the annual allowance payable for the fiscal year in which the excess compensation was earned after any reductions due to the separation-from-service requirement.

There is no annual earnings limit for retired CalSTRS participants.

Separation-From-Service Requirement

Pursuant to Education Code section 24214.5, there is a 180-calendar day separation-from-service requirement for all retired CalSTRS members, regardless of age, during which the postretirement compensation limit for the performance of retired member activities is zero dollars ($0).

If a retired CalSTRS member earns compensation for performing retired member activities during the 180-calendar day separation-from-service period, Education Code section 24214.5(h) requires CalSTRS to reduce the member's retirement benefit dollar for dollar, until the member

has repaid the amount of compensation that was earned during the separation-from-service period. The amount of the reduction in an individual month shall be no more than the monthly allowance payable in that month, and the total amount of the reduction shall not exceed the amount of the allowance payable during the first 180 calendar days after the most recent retirement date.

This restriction is in addition to the annual postretirement earnings limit. Any amount the retired CalSTRS member receives during the first 180 calendar days of retirement will also count against the annual postretirement earnings limit for the appropriate fiscal year.

Pursuant to Education Code section 26812, the 180-calendar day separation-from-service requirement applies to Cash Balance Benefit Program annuitants, regardless of age.

Pursuant to Education Code section 26806, if a retired CalSTRS participant receives a lump-sum retirement benefit, the benefit is not payable until 180 calendar days after the date employment was terminated. If a participant electing a lump-sum benefit performs creditable service during the 180-calendar day separation-from-service period, the retirement application will be automatically canceled.

Exemption to the Separation-From-Service Requirement

There is a narrow exemption from the 180-calendar day separation-from-service requirement for a retired CalSTRS member or retired CalSTRS participant under certain circumstances. To qualify for this exemption, the retired CalSTRS member or retired CalSTRS participant must be at or above normal retirement age at the time the compensation is earned (age 60 for CalSTRS 2% at 60 members and participants not subject to the California Public Employees' Pension Reform Act of 2013 [PEPRA], and age 62 for CalSTRS 2% at 62 members and participants subject to PEPRA). In addition, the employer must appoint the retired CalSTRS member or retired CalSTRS participant to a critically needed position that has been approved by the governing body of the employer in a public meeting as reflected in a resolution. The resolution for the appointment must be adopted before the retired CalSTRS member or retired CalSTRS participant begins performing retired member or retired participant activities under the exemption. The resolution approving the appointment may not be placed on a consent calendar.

The resolution must express the intent to seek an exemption from the 180-calendar day separation-from-service requirement and include the following specific information and findings:

- The nature of the employment.
- A finding that the appointment is needed to fill a critically needed position before the 180-calendar day separation-from-service requirement is fulfilled.
- A finding that the member or participant did not receive a retirement incentive or any financial inducement to retire from any public employer.
- A finding that the termination of employment of the retired CalSTRS member or retired CalSTRS participant with the employer is not the basis for the need to acquire the services of the member or participant.

When applying for the separation-from-service requirement exemption, the superintendent, the county superintendent of schools or the chief executive officer of a community college must complete the *Request for Separation-from-Service Requirement Exemption* (SR-1897) form, which is available in "Reference Items" on the Secure Employer Website. CalSTRS must receive this form and the aforementioned resolution indicating the above information to substantiate the eligibility of the retired CalSTRS member or retired CalSTRS participant for the exemption before the member or participant begins performing service under the exemption. CalSTRS must notify the employer and the retired CalSTRS member or retired CalSTRS participant within 30 days of receiving the resolution and all required documentation whether the activities performed will be subject to or exempt from the 180-calendar day separation-from-service requirement.

If the separation-from-service requirement exemption is approved, the retired CalSTRS member will only be exempt from the separation-from-service requirement. Any earnings during the 180-calendar day period will still be subject to the annual postretirement earnings limit for a retired CalSTRS member.

Education Code sections 24214.5 and 26812 clarify what constitutes a "financial inducement to retire" that would prohibit a retired CalSTRS member or retired CalSTRS participant from being eligible for an exemption from the separation-from-service requirement.

Classified Position Restrictions

Education Code section 45134 precludes retired CalSTRS members and retired CalSTRS participants from employment in classified positions in the California public school system, except for as an aide in certain circumstances.

Retired CalPERS Postretirement Employment Restrictions

If the employee is a CalSTRS and CalPERS member, ask the employee to contact CalPERS at 888-225-7377 to determine the impact that returning to work would have on the CalPERS benefit.

Retirement Incentive Restrictions

Members who retired with a CalSTRS retirement incentive under Education Code section 22714 will lose the increased service credit attributable to the retirement incentive if they return to employment in any job, including substitute teaching, within five years of receiving the incentive with the school district, community college district or county office of education that granted the retirement incentive.

Employer Requirements for Notification of Postretirement Earnings Limits and Employment Restrictions, and Required Reporting of Postretirement Earnings

Upon retaining the services of a retired CalSTRS member, Education Code section 22461 requires employers to notify the member of the earnings limitations, and the employment restrictions for those who receive retirement incentives, regardless of whether the retired CalSTRS member performs the services as an employee of the employer, an employee of a third party or an independent contractor. Employers must also report the retired member's earnings to

CalSTRS each month. All postretirement earnings must be reported with Member Code 2 and Assignment Code 61.

CalSTRS Postretirement Excess Earnings Notification Process
CalSTRS sends an *Initial Postretirement Earnings Letter* to the retired CalSTRS member when postretirement earnings are initially reported by the employer. The *Initial Postretirement Earnings Letter* informs the member of the current earnings limit and describes what occurs if the limit is exceeded. When the employer reports postretirement earnings equal to one-half of the annual postretirement earnings limit, CalSTRS sends a second letter, the *Postretirement Earnings Mid-Limit Letter,* notifying the member of the dollar amount reported to date and reminding the member of the consequences of exceeding the earnings limit.

When a retired CalSTRS member or retired CalSTRS participant violates the 180-calendar day separation-from-service requirement or a retired CalSTRS member exceeds the annual postretirement earnings limit, CalSTRS sends a letter notifying the member or participant that the excess earnings will be withheld from the applicable monthly retirement benefit. CalSTRS gives at least a 30-day notice before commencing collection. If the earnings were reported to CalSTRS in error, the employer is responsible for correcting the previous reporting and notifying CalSTRS that corrected contribution lines were submitted.

Application and Amount of the 2020 Disability Retirement Earnings Limit
The disability retirement earnings limit for the 2020 *calendar* year is $32,400. The limit applies to all earnings regardless of whether the member is self-employed or employed in any capacity in either the public or private sector. The limit is adjusted annually by the Teachers' Retirement Board, if necessary, by the amount of change in the California Consumer Price Index.

Application and Amount of the 2019–20 and 2020–21 Disability Allowance Earnings Limit
The disability allowance earnings limit for the 2019–20 and 2020–21 *fiscal* years is calculated individually for each member based on the member's indexed final compensation amount. Members receiving a disability allowance benefit are also subject to individual monthly and continuous six-month earnings limits based on the member's indexed final compensation. The various limits apply to all earnings regardless of whether the member is self-employed or employed in any capacity in either the public or private sector.

SUMMARY OF REQUIRED ACTIONS

In accordance with Education Code section 22461, upon retaining the services of a retired CalSTRS member either as an employee of an employer, an employee of a third party or an independent contractor within the California public school system, the employer is required to:

- Notify the retired CalSTRS member of all earnings limits and the retirement incentive employment restrictions, if applicable.
- Maintain accurate records of the retired CalSTRS member's earnings.
- Report those earnings to the retired CalSTRS member and to CalSTRS monthly, using Member Code 2 and Assignment Code 61, regardless of the method of payment or the fund from which the payments were made.

To learn more about postretirement earnings limitations, visit CalSTRS.com/general-information/working-after-retirement. If you have questions regarding the postretirement earnings limit, contact us by email at postretirement@calstrs.com or leave a voicemail at 916-414-5967.

☐ *Exchange and Sojourn Teachers:*

CalSTRS has determined that the exclusion to membership found in ed code 22601: "Persons service as exchange teachers or sojourn teachers from outside of this state are excluded from membership in the plan," applies only to teachers who are employed in an exchange/sojourn program, as part of a 2 year agreement with the employer. It is the employer's responsibility to determine the basis of employment when considering what retirement plan or benefits to offer their employees.

CALSTRS
HOW WILL YOU SPEND YOUR FUTURE?

Employer Information Circular
Volume 23; Issue 13 **October 22, 2007**

Exchange and Sojourn Teachers

This circular is provided to address a request from employers on information and guidance concerning "exchange" or "sojourn" teachers. CalSTRS is required to apply and enforce the provisions of Education Code §22601[1], and does not have any authority to grant CalSTRS membership to any individual who is working as either an "exchange" or "sojourn" teacher based on the definitions set forth in §44853 and §44856.

CalSTRS has determined that the exclusion to membership found in §22601: "Persons serving as exchange teachers or sojourn teachers from outside of this state are excluded from membership in the plan," applies only to teachers who are employed in an exchange/sojourn program, as part of an agreement with the employer. It is the employer's responsibility to determine the basis of employment when considering what retirement plan or benefits to offer their employees.

For purposes of defining an exchange or sojourn teacher, employers are directed to determine if a teacher is being employed based on the provisions of §44853 or §44856. Any teacher employed with an employer through the process established in §44853 or §44856 is considered an "exchange" or "sojourn" teacher and subject to exclusion to CalSTRS membership (§22601), irrespective of their visa status.

If a teacher continues working beyond the terms of the exchange or sojourn formal program, the membership exclusion to CalSTRS does not apply. Employers are reminded that service performed while a teacher is considered exchange or sojourn, is not available for purchase as permissive service credit (§22803).

44853.

The governing board of any school district, subject to the rules and regulations prescribed by the state board, may enter into an agreement with the proper authorities of any foreign country, or of any state, territory, or possession of the United States, or other district within the state, for the exchange and employment of regularly credentialed employees and employees of public schools of any foreign country, state, territory, or possession, or other district within this state. Any certificated person employed as provided in this section shall be known as an "exchange certificated employee." No exchange shall be made without the consent of the employee to be exchanged.

Due consideration shall be given to the general qualifications and professional status of the exchange employee as compared to the general qualifications and professional status of the employee for whom exchanged. However, it shall not be a requirement that an exchange certificated employee be a teacher of the same subject or grade, or both, as the employee for whom exchanged. If the service authorized is other than teaching, it shall not be a requirement that the service be at the same grade level or that the service be exactly the same as the employee for whom exchanged.

A person shall not be employed as an exchange employee by a school district in the state unless he or she holds the necessary valid credential or credentials issued by the Commission on Teacher Credentialing authorizing the person to serve in a position requiring certification qualifications in the school district proposing to employ the person. The commission may establish minimum standards for the credentials for exchange certificated employees, provided that no exchange certificated employee shall be required to pay a fee or other charge for the issuance of any necessary valid credential or credentials authorizing him or her to serve in a position requiring certification qualifications in any school district in this state.

An exchange agreement may be made for a period not to exceed three years.

At the end of the assignment period, the exchange, with the consent of all parties, may be made complete and permanent.

(Amended by Stats. 2009, Ch. 53, Sec. 11. Effective January 1, 2010.)

44856.

The governing board of a school district, for the purposes of providing bilingual instruction, foreign language instruction, or cultural enrichment, in the schools of the district, subject to the rules and regulations of the state board, may conclude arrangements with the proper authorities of a foreign country, or of a state, territory, or possession of the United States, for the hiring of bilingual teachers employed in public or private schools of a foreign country, state, territory, or possession. To be eligible for employment, the teacher must speak English fluently. Any persons employed pursuant to this section shall be known as a "sojourn certificated employee."

A person shall not be hired as a sojourn certificated employee by a school district unless he or she holds the necessary valid credential or credentials issued by the Commission on Teacher Credentialing authorizing the person to serve in a position requiring certification qualifications in the school district proposing to employ him or her. The person may be employed for a period not to exceed two years, except that thereafter the period of employment may be extended from year to year for a total period of not more than five years upon verification by the employing district that termination of the employment would adversely affect an existing bilingual or foreign language program or program of cultural enrichment, and that attempts to secure the employment of a certificated California teacher qualified to fill the position have been unsuccessful. The commission shall establish minimum standards for the credentials for sojourn certificated employees.

(Amended by Stats. 2010, Ch. 328, Sec. 42. Effective January 1, 2011

☐ *CalSTRS Excess Sick Leave Days:*

Ed Code 22170.5 provides that "basic sick leave day" means the equivalent of one day's paid leave of absence per pay period (of at least four weeks). It further provides that "excess sick leave days" means the day or total number of days granted by an employer for paid leave of absence in excess of basic sick leave.

To determine unused excess sick leave days:

1. First deduct sick leave usage from any unused sick leave balances as of July 1, 1986
2. Next deduct sick leave usage from basic sick leave days granted after June 30, 1986
3. Last deduct sick leave usage from any excess sick leave days granted after June 30, 1986

CalSTRS will bill the last employer for the present-value cost of the unused excess sick leave reported on the CalSTRS Express Benefit Report form SR 0554E.

NOTE: Per CalSTRS Benefits, HFA (Healthy Families Act) sick leave is not excess sick leave, and should be included in the base sick leave reported on the Express Benefits Report Form.

☐ *Express Benefit Report Form:*

When entering the last work day on the Express Benefit Report form, keep in mind when the last day of earnings for the individual is.

Example #1: Employee's last work day is 6/8, the retirement date is 6/9 but his last paycheck is 5/31. This affects the 36 month calculation and can short the retiree's benefit. Instead, on the form cross out "Last Day of Work" and write "Last Day of Earnings" and enter the 5/31 date.

Example #2: Employee's last work day is 5/31, but his last paycheck is 6/30. In order for the employee to receive his full year's service credit, enter 6/1 as the "Last Day Work". CalSTRS understands this is not a true statement, but allows for this only in the month of June. The employee's retirement date can then be 6/2.

☐ ***New Pension Solution Project to Replace SEW:***

CalSTRS New Pension Solution Project is scheduled to soft launch in late 2019/early 2020. This will be a non-production environment for employers providing employer education and training. Full implementation scheduled for late 2021.

Over the next few months, CalSTRS Employer Readiness Team will be communicating with Escape to get tentative timelines on the systems changes and deployments. When there is additional information from Escape and CalSTRS that impacts the LEA, we will let you know.

☐ ***Retros:***

Complete the Retroactive Pay Notification form and email to helpdesk@scoe.org and IT will work with you. Whenever possible use Escape's Retro Payroll process.

When certificated Retro Pay is not paid to all employees in the Class of Employees employed during the stated time-frame, including terminated employees, it is not creditable to anyone in the Class. CalSTRS legislative team has provided the following determination and direction:

A Class of Employees is set when the employees actually do the work. Accordingly, the district has two options:

1. Pay a Retro to everyone that was in the Class of Employees, thus making it creditable to CalSTRS, or

2. Exclude the employees who weren't employed with the district at the time the retro was paid, thus making it non-creditable for all employees

Non-creditable Retroactive compensation for creditable service affects the employees for whom this would otherwise be one of their highest years for calculating their retirement benefit.

When calculating and reporting Retroactive Salary Adjustments, log onto CalSTRS and look-up the member's DB Contribution Lines. It is important to understand Retros are based on Pay Rate, not on the number of days worked.

The following pages are from CalSTRS Employer Reporting Handbook for calculating and reporting Retroactive Pay Rate Adjustments. Upon request, we can provide you with an excel worksheet for calculating Retroactive Pay.

NOTE: Retroactive Pay Rate Adjustments for employees on RWP (Reduced Workload Program), cannot be processed through the Payroll Retro process; these have to be calculated manually and reported differently than what is indicated in the following pages. Upon request, we can provide you with an excel worksheet for calculating Retroactive Pay for RWP.

Sonoma County Office of Education
IT and Business Services Division

Procedure for Retroactive Pay Notification Form

The purpose of the Retroactive Pay Notification form is to notify the County Office of Education of when LEAs are planning for a retroactive pay adjustment including one-time bonus/off-schedule. We realize retroactive pay adjustments most commonly happen only once a year and that there can be turnover in payroll staffing. Therefore, we would like to provide you and staff the support and guidance necessary to navigate the retroactive pay process.

Receiving the information requested in a timely manner allows our IT and Business Services divisions the opportunity to review the signed agreement(s) and new salary schedule(s) so that we may better serve the LEA.

Please complete the attached Retroactive Pay Notification form and email to helpdesk@scoe.org and IT will work with you.

Sonoma County Office of Education
IT and Business Services Division

Retroactive Pay Notification Form

Sonoma County
Office of Education

5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

LEA Retro Information	
LEA Name:	
Contact Name:	
Contact Phone/Email:	
Date of Retro Pay:	
Escape HR/Payroll Fields	
Retro Period Coverage Dates (Earnings From/Thru) From:_____ Thru:_____	
Bargaining Unit/Group*:	
Salary Schedule(s):	
Addon(s) to Include**:	

**Please submit separate form for each bargaining unit or group.*

***Consider including addons for docks, positive and negative adjustments, and vacation and longevity pay unless otherwise specified in agreement.*

Check all that Apply:

☐ Classified ☐ Certificated ☐ Certificated RWL ☐ Management

☐ Other:_____

Retro Payroll Features (check all that apply):

☐ On Salary Schedule

☐ One-Time Bonus

☐ Active Employees Only (NOT Creditable for all)

☐ Include Terminated (Creditable for all)

Required Attachments:

☐ Copy of Signed Agreement (submit signed letter detailing terms if no bargained agreement)

☐ New Salary Schedule(s)

_____

LEA Authorized Signature *Date*

Email completed form to helpdesk@scoe.org

Retroactive Pay Rate Adjustments

Contribution Code 5

Retroactive Pay Rate Adjustment or CC5

Sample Worksheet

Retroactive Pay Increase Worksheet

Step 1:

New Pay Rate _____

Old Pay Rate - _____

Difference = _____

Step 2:

Total Earnings at Old Pay Rate _____

Old Pay Rate ÷ _____

Service Credit (S/C Factor) = _____

Step 3:

Enter Step 1 Answer (Difference Amount) _____

Step 2 Answer (S/C Factor) x _____

Amount of the Retro Earnings = _____

Example

From September through November, this teacher's pay rate was $4,761.08. September through November was reported as:

Rpt Unit	Mem Code	As Cd	Pay		Earnings	Contribution			Service Period		Srvc Crdt	Pre/ Post	Period	FY	Flag
			Rate	Cd		Rate	Cd	Amount	Begin	End					
01222	1	57	4761.08	3	4761.08		1		09/01/2007	09/30/2007	0.1000		MO03		A
01222	1	57	4761.08	3	4500.00		1		10/01/2007	10/31/2007	0.0945		MO04		A
01222	1	57	4761.08	3	4761.08		1		11/01/2007	11/30/2007	0.1000		MO05		A
01222	1	55	13000.00	0	350.00		1		11/01/2007	11/30/2007	0.0269		MO05		A

Continued on next page

Retroactive Pay Rate Adjustment, Continued

Example (continued)

Step 1. Calculate the difference between the new pay rate and the old pay rate:

$$\begin{array}{r} 4999.13 \\ -\ 4761.08 \\ \hline 238.05 \end{array}$$

Step 2. Add the earnings at the old pay rate and divide by the old pay rate. Add earnings only from the contract that is being adjusted.

$$\begin{array}{r} 4761.08 \\ +\ 4500.00 \\ \hline 4761.08 \\ 14022.16 \end{array} \qquad \begin{array}{r} 14022.16 \\ \div\ 4761.08 \\ \hline \textbf{2.945 S/C Factor} \end{array}$$

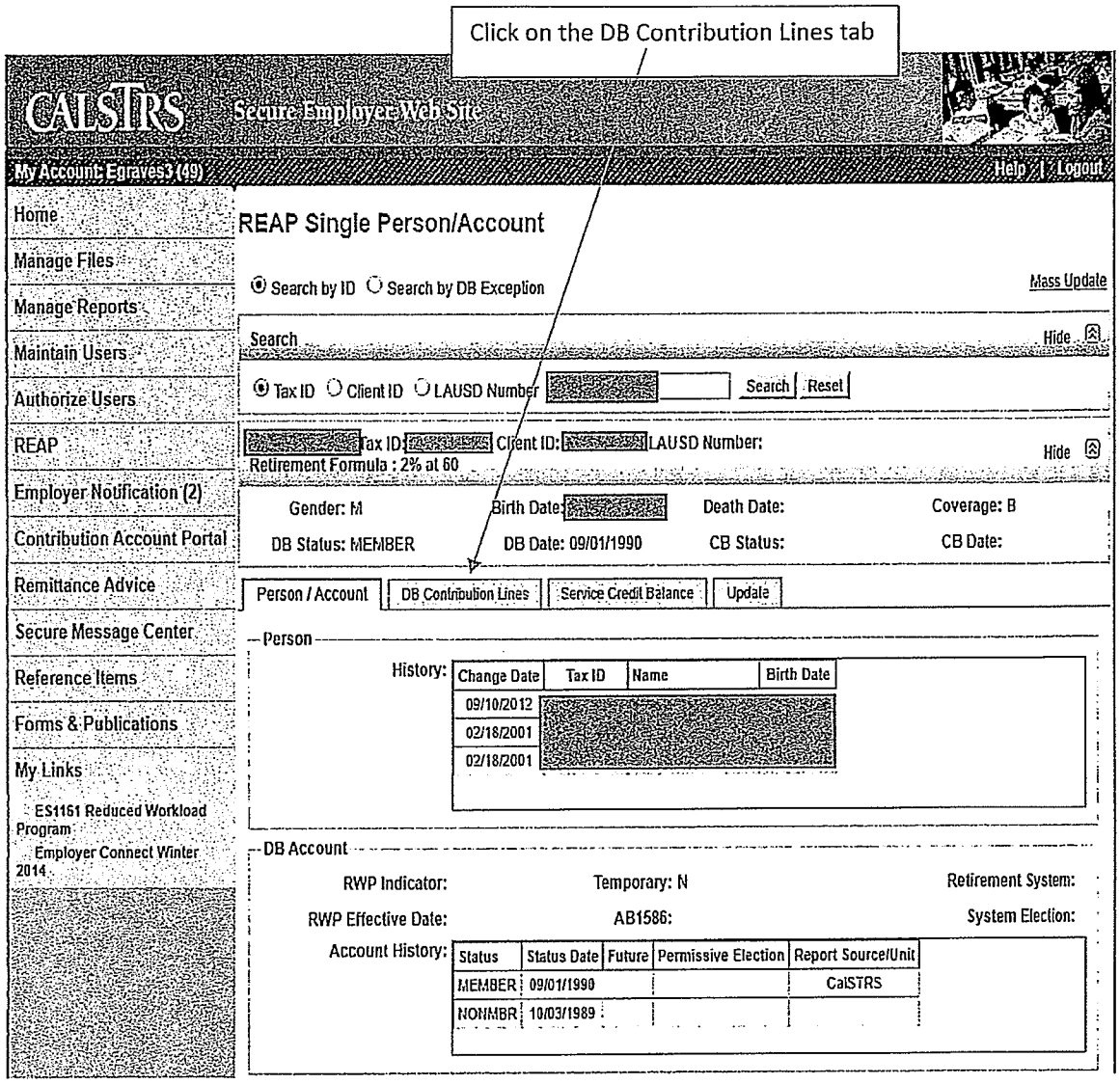
Step 3. Multiply the answer from Step 1 by the answer from Step 2.

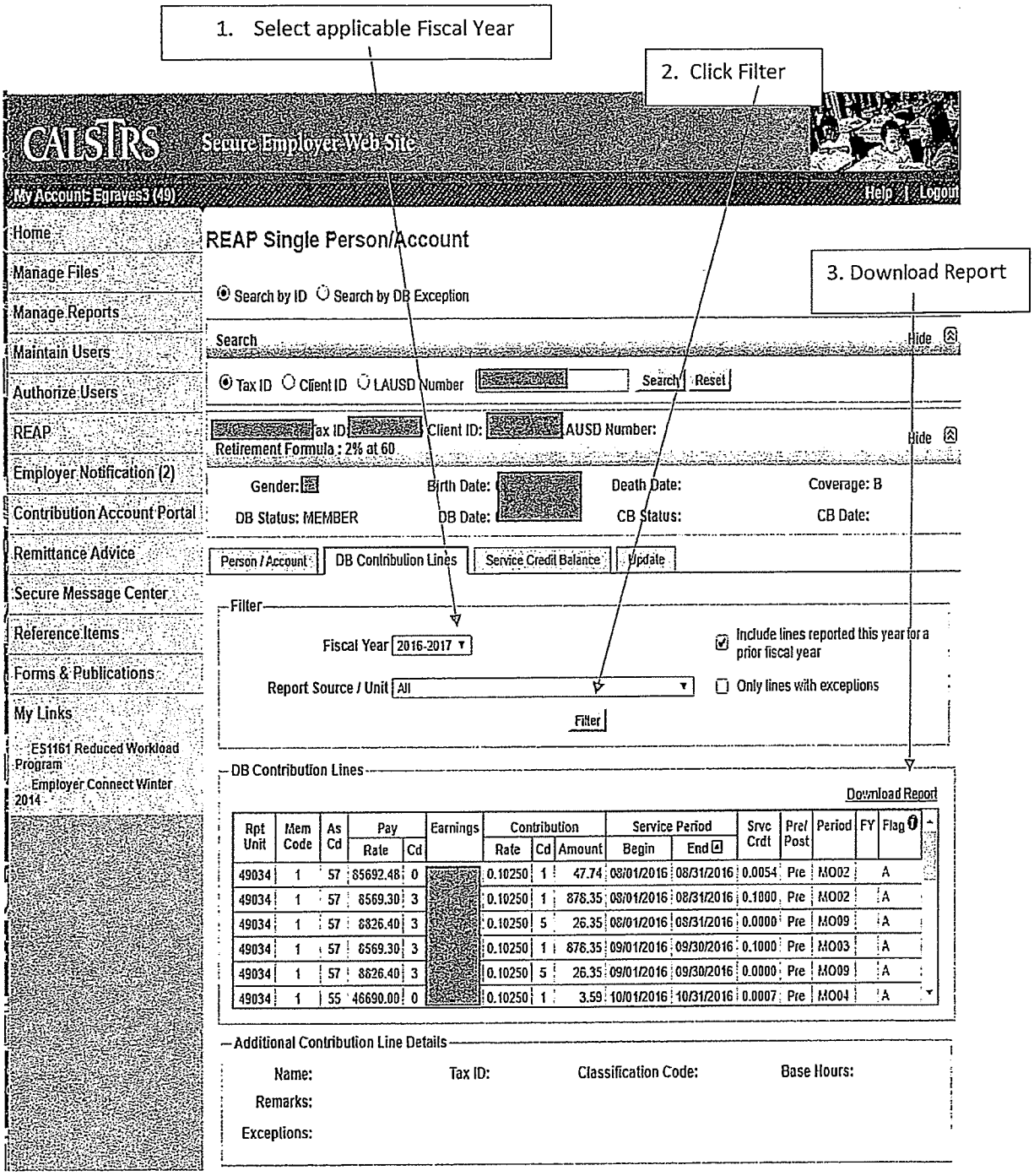
$$\begin{array}{r} 238.05 \\ \times\ 2.945 \\ \hline \textbf{701.06 CC5} \end{array}$$

Report CC5 as:

Rpt Unit	Mem Code	As Cd	Pay		Earnings	Contribution			Service Period		Srvc Crdt	Pre/ Post	Period	FY	Flag
			Rate	Cd		Rate	Cd	Amount	Begin	End					
01222	1	57	4999.13	3	701.06		5		09/1/2007	11/30/2007	0.0000		MO05		A
01222	1	57	4999.13	3	4999.13		1		12/01/2007	12/31/2007	0.1000		MO06		A

Return to Chapter 4 Content


Click on the DB Contribution Lines tab
CALSTRS
Secure Employer Web Site
My Account: Egraves3 (49)
Help | Logout
Home
Manage Files
Manage Reports
Maintain Users
Authorize Users
REAP
Employer Notification (2)
Contribution Account Portal
Remittance Advice
Secure Message Center
Reference Items
Forms & Publications
My Links
ES1161 Reduced Workload Program
Employer Connect Winter 2014
REAP Single Person/Account
Search by ID
Search by DB Exception
Mass Update
Search
Hide
Tax ID
Client ID
LAUSD Number
Search
Reset
Tax ID:
Client ID:
LAUSD Number:
Hide
Retirement Formula : 2% at 60
Gender: M
Birth Date:
Death Date:
Coverage: B
DB Status: MEMBER
DB Date: 09/01/1990
CB Status:
CB Date:
Person / Account
DB Contribution Lines
Service Credit Balance
Update
Person
History:
Change Date
Tax ID
Name
Birth Date
09/10/2012
02/18/2001
02/18/2001
DB Account
RWP Indicator:
Temporary: N
Retirement System:
RWP Effective Date:
AB1586:
System Election:
Account History:
Status
Status Date
Future
Permissive Election
Report Source/Unit
MEMBER
09/01/1990
CalSTRS
NONMBR
10/03/1989


1. Select applicable Fiscal Year
2. Click Filter
3. Download Report
CALSTRS
Secure Employee Web Site
My Account: Egraves3 (49)
Help | Logoff
Home
Manage Files
Manage Reports
Maintain Users
Authorize Users
REAP
Employer Notification (2)
Contribution Account Portal
Remittance Advice
Secure Message Center
Reference Items
Forms & Publications
My Links
E51161 Reduced Workload Program
Employer Connect Winter 2014
REAP Single Person/Account
Search by ID
Search by DB Exception
Search
Hide
Tax ID
Client ID
LAUSD Number
Search
Reset
Tax ID:
Client ID:
AUSD Number:
Retirement Formula : 2% at 60
Hide
Gender:
Birth Date:
Death Date:
Coverage: B
DB Status: MEMBER
DB Date:
CB Status:
CB Date:
Person / Account
DB Contribution Lines
Service Credit Balance
Update
Filter
Fiscal Year 2016-2017
Include lines reported this year for a prior fiscal year
Report Source / Unit All
Only lines with exceptions
Filter
DB Contribution Lines
Download Report
Rpt Unit | Mem Code | As Cd | Pay Rate | Pay Cd | Earnings | Contribution Rate | Contribution Cd | Contribution Amount | Service Period Begin | Service Period End | Srvc Crdt | Pre/ Post | Period | FY | Flag
49034 | 1 | 57 | 85692.48 | 0 | | 0.10250 | 1 | 47.74 | 08/01/2016 | 08/31/2016 | 0.0054 | Pre | MO02 | | A
49034 | 1 | 57 | 8569.30 | 3 | | 0.10250 | 1 | 878.35 | 08/01/2016 | 08/31/2016 | 0.1000 | Pre | MO02 | | A
49034 | 1 | 57 | 8826.40 | 3 | | 0.10250 | 5 | 26.35 | 08/01/2016 | 08/31/2016 | 0.0000 | Pre | MO09 | | A
49034 | 1 | 57 | 8569.30 | 3 | | 0.10250 | 1 | 878.35 | 09/01/2016 | 09/30/2016 | 0.1000 | Pre | MO03 | | A
49034 | 1 | 57 | 8826.40 | 3 | | 0.10250 | 5 | 26.35 | 09/01/2016 | 09/30/2016 | 0.0000 | Pre | MO09 | | A
49034 | 1 | 55 | 46690.00 | 0 | | 0.10250 | 1 | 3.59 | 10/01/2016 | 10/31/2016 | 0.0007 | Pre | MO04 | | A
Additional Contribution Line Details
Name:
Tax ID:
Classification Code:
Base Hours:
Remarks:
Exceptions:

CALSTRS

DB Contribution Line Report

Person Name: [redacted]
Tax ID:
Client ID:
LAUSD Number:

Created Date: 9/11/2018 10:55:36 AM

This is the member's Old Pay Rate

This is the member's Service Period Begin and End Dates

Exceptions and non Exceptions are included

			Pay			Contribution			Service Period					AB1644		
Report Unit	Member Code	As Code	Rate	Code	Earnings	Rate	Code	Amount	Begin	End	Service Credit	Pre/Post	Period	Reported Fiscal Year	Class Code	Base Hours	Flags
49034	1	57	85692.48	0		0.10250	1	47.74	08/01/2016	08/31/2016	0.0054	Pre	MO02			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	08/01/2016	08/31/2016	0.1000	Pre	MO02			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	08/01/2016	08/31/2016	0.0000	Pre	MO09			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	09/01/2016	09/30/2016	0.1000	Pre	MO03			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	09/01/2016	09/30/2016	0.0000	Pre	MO09			0	A
49034	1	55	46690.00	0		0.10250	1	3.59	10/01/2016	10/31/2016	0.0007	Pre	MO04			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	10/01/2016	10/31/2016	0.1000	Pre	MO04			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	10/01/2016	10/31/2016	0.0000	Pre	MO09			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	11/01/2016	11/30/2016	0.1000	Pre	MO05			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	11/01/2016	11/30/2016	0.0000	Pre	MO09			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	12/01/2016	12/31/2016	0.1000	Pre	MO06			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	12/01/2016	12/31/2016	0.0000	Pre	MO09			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	01/01/2017	01/31/2017	0.1000	Pre	MO07			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	01/01/2017	01/31/2017	0.0000	Pre	MO09			0	A
49034	1	57	8569.30	3		0.10250	1	878.35	02/01/2017	02/28/2017	0.1000	Pre	MO08			0	A
49034	1	57	8826.40	3		0.10250	5	26.35	02/01/2017	02/28/2017	0.0000	Pre	MO09			0	A
49034	1	57	8826.40	3		0.10250	1	904.71	03/01/2017	03/31/2017	0.1000	Pre	MO09			0	A
49034	1	55	88264.00	0		0.10250	1	102.50	04/01/2017	04/30/2017	0.0113	Pre	MO10			0	A
49034	1	57	8826.40	3		0.10250	1	904.71	04/01/2017	04/30/2017	0.1000	Pre	MO10			0	A
49034	1	55	88264.00	0		0.10250	1	179.38	05/01/2017	05/31/2017	0.0198	Pre	MO11			0	A
49034	1	57	8826.40	3		0.10250	1	904.71	05/01/2017	05/31/2017	0.1000	Pre	MO11			0	A

☐ ***CalSTRS Creditable Service:***

CalSTRS has broken out Ed Code and Retirement Law regarding creditable service and creditable compensation. In the following pages please find included CalSTRS simplified language as well as the Ed Code language.

The basic requirement for preK-12 District & COE employees is the position must require certification qualifications set by the CTC (Commission on Teacher Credentialing) per Ed Code Section 44001.

The basic requirement for charter school employees is the employee must be working for an approved charter and the charter must be eligible for state apportionment per Ed Code Section 22119.5(a)(3). Note that charter school teachers of core and college preparatory classes are subject to CTC requirements; Charter school teachers of noncore and noncollege preparatory classes are not subject to CTC requirements, but are still creditable service (see Ed Code Section 47605(l)).

Per Ed Code Section 22119.5(b)(1), the work of teachers, instructors, district interns and academic employees employed in the instructional program for students, including adult education, regional occupational program and child care/pre-k.

Per Ed Code Section 22119.5(b)(2), the work of counselors working with students and guiding them; educational, vocational, and guidance counseling and placement services.

Per Ed Code Section 22119.5(b)(3), the work of educators that plan or research course studies and evaluate the courses of study to be used in California public schools.

Per Ed Code Section 22119.5(b)(4), selecting, creating, demonstrating or evaluating instructional materials for California public schools and other services related to California public school curriculum.

Per Ed Code Section 22119.5(b)(5), the hiring, selecting, in-service training, mentoring, etc of teachers, principals or other personnel who will be involved in the instructional program.

Per Ed Code Section 22119.5(b)(6), the work of nurses, physicians, speech therapists, psychologists, audiometrists, audiologists and other California public school health professionals (even though CTC qualification isn't required)

Per Ed Code Section 22119.5(b)(7), services as a California public school librarian (actual librarian, not the assistant).

Per Ed Code Section 22119.5(b)(8), activities connected with enforcement of the laws relating to compulsory education, the coordination of child welfare activities involving the school and home and school adjustment pupils.

Per Ed Code Section 22119.5(b)(9), the work of those who provide supervision for positions previously mentioned and the administration of duties previously mentions (position must have CTC requirements)

Per Ed Code Section 22119.5(c), the activities described in (b) when performed by superintendent, community college presidents and chancellors and consulting teachers employed to participate in Peer Assistance and Review (PAR).

Per Ed Code Section 22119.5(d), activities that are an outgrowth of the instructional and guidance programs of the school when performed in addition to other creditable activities for the same employer in the same

year. These activities do not require a credential, but enhance student education.

Per Ed Code Section 22119.5(e), the CalSTRS board has final authority to decide what is creditable if not already specified.

Education Code Section 22119.6 allows for grandfathering misreported service. Service is creditable if all of the following are true:

- It was not creditable service as defined in Ed Code Section 22119.5
- It was performed for an employer and reported to CalSTRS on or before 12/31/2015
- If the member remains in the same position, grandfathering continue

§ 22119.5. "Creditable service"

(a) "Creditable service" means any of the activities described in subdivision (b) performed for any of the following employers:

(1) A prekindergarten through grade 12 employer, including the state, in a position requiring certification qualifications as designated in regulations adopted by the Commission on Teacher Credentialing pursuant to Section 44001.
(2) A community college employer by a faculty member, as defined in Section 87003, in an academic position, as defined in subdivision (b) of Section 87001, or by an educational administrator, as defined in subdivision (b) of Section 87002, subject to the appropriate minimum standards adopted by the Board of Governors of the California Community Colleges pursuant to Section 87356, or pursuant to a contract between a community college district and the United States Department of Defense to provide vocational training.
(3) A charter school employer under the provisions of an approved charter for the operation of a charter school for which the charter school is eligible to receive state apportionment.
(b) The types of activities are any of the following:
(1) The work of teachers, instructors, district interns, and academic employees employed in the instructional
program for pupils, including special programs such as adult education, regional occupation programs, child care centers, and prekindergarten programs pursuant to Section 22161.
(2) Education or vocational counseling, guidance, and placement services.
(3) The work of employees who plan courses of study to be used in California public schools, or research connected with the evaluation or efficiency of the instructional program.
(4) The selection, collection, preparation, classification, demonstration, or evaluation of instructional materials of any course of study for use in the development of the instructional program in California public schools, or other services related to California public school curriculum.
(5) The examination, selection, in-service training, mentoring, or assignment of teachers, principals, or other similar personnel involved in the instructional program.
(6) The work of nurses, physicians, speech therapists, psychologists, audiometrists, audiologists, and other California public school health professionals.
(7) Services as a California public school librarian.
(8) Activities connected with the enforcement of the laws relating to compulsory education, coordination of child welfare activities involving the school and the home, and the school adjustment of pupils.
(9) The work of employees who are responsible for the supervision of persons or administration of the duties described in this subdivision.
(c) "Creditable service" also means any of the activities described in subdivision (b) when they are performed for an employer by:
(1) Superintendents of California public schools, and presidents and chancellors of community college employers.
(2) Consulting teachers employed by an employer to participate in the California Peer Assistance and Review Program for Teachers pursuant to Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25 of Division 3 of Title 2.
(d) "Creditable service" also means the performance of California public school activities related to, and an outgrowth of, the instructional and guidance program of the California public school when performed for the same employer for which the member is performing any of the activities described in subdivision (b) or (c).
(e) The board shall have final authority for determining creditable service to cover any activities not already specified.

2015 Amendment: Substituted the section for the former section which read:
"(a) 'Creditable service' means any of the following activities performed for an employer in a position requiring a credential, certificate, or permit pursuant to this code, or under the appropriate minimum standards adopted by the Board of Governors of the California Community Colleges, or under the provisions of an approved charter for the operation of a charter school for which the charter school is eligible to receive state apportionment, or pursuant to a contract between a community college district and the United States Department of Defense to provide vocational training:
"(1) The work of teachers, instructors, district interns, and academic employees employed in the instructional program for pupils, including special programs such as adult education, regional occupation programs, child care centers, and prekindergarten programs pursuant to Section 22161.
"(2) Education or vocational counseling, guidance, and placement services.
"(3) The work of directors, coordinators, and assistant administrators who plan courses of study to be used in California public schools, or research connected with the evaluation or efficiency of the instructional program.
"(4) The selection, collection, preparation, classification, demonstration, or evaluation of instructional materials of any course of study for use in the development of the instructional program in California public schools, or other services related to school curriculum.
"(5) The examination, selection, in-service training, or assignment of teachers, principals, or other similar personnel involved in the instructional program.
"(6) School activities related to, and an outgrowth of, the instructional and guidance program of the school when performed in addition to other activities described in this section.
"(7) The work of nurses, physicians, speech therapists, psychologists, audiometrists, audiologists, and other school health professionals.
"(8) Services as a school librarian.
"(9) The work of employees who are responsible for the supervision of persons or administration of the duties described in this section.
"(b) 'Creditable service' also means the work of superintendents of California public schools.
"(c) The board shall have final authority for determining creditable service to cover any activities not already specified."

☐ ***Creditable Compensation***:

Class of Employees:

"Class of employees" means a number of employees considered as a group because they

- Are employed to perform similar duties
- Are employed in the same type of program
- Or share other similarities related to the nature of the work being performed

(1) Similarity of the job duties being performed

(A) Job duties are those activities described as creditable service in 22119.5

(B) The job duties grouped within each paragraph or subdivision of 22119.5 are deemed similar

(C) A class of employees can be for employees whose position is comprised of two or more job duties

(D) Outgrowth activities will fall under the class of employees for the member's regular duties

(E) Employer must demonstrate that job duties for a **class of one** are in common use by at least two other employers

(2) Employment in same type program

- An educational program established pursuant to state or federal law
- Or under your Local Control and Accountability Plan (LCAP) effective 10/1/2017

(3) The employees share other similarities related to the nature of the work being performed (rare if seen at all)

§ 22112.5. "Class of employees"

(a) "Class of employees" means a number of employees considered as a group because they are employed to perform similar duties, are employed in the same type of program, or share other similarities related to the nature of the work being performed.

(b) A class of employees may be comprised of one person if no other person employed by the employer performs similar duties, is employed in the same type of program, or shares other similarities related to the nature of the work being performed and that same class is in common use among other employers.

(c) The board shall have the right to override the determination by an employer as to whether or not a group or an individual constitutes a "class of employees" within the meaning of this section.

(d) The amendments to this section during the 1995–96 Regular Session of the Legislature shall be deemed to have become operative on July 1, 1996.

Prohibited Classes of Employees:

A class of employees cannot be based on the following criteria:

(1)Retirement formula or retirement program

(2)Age or service credit

(3)Restructure or characterization of compensation

(4)An option or requirement for one or more employees to work:

- Longer or shorter days, or
- More or fewer days per year
    i. Except when the class of employees is established under a different state or federal program, or
    ii. Except as provided in Section 22138.5(c) of the Ed Code for full time in community college

(5)Members performing only outgrowth activities

- Outgrowth is not creditable on its own

☐ ***Creditable Compensation for CalSTRS 2% @ 60 Members:***

Creditable Compensation Regulations for Salary:

- Clarified that certain types of compensation were not creditable
- Introduced the idea of restructure
  - Restructure: moving compensation into or out of salary
- Restructured amounts must meet the clarified definition of salary

Salary:

"Salary" meets all of the following requirements:

- Paid in cash by an employer to an employee for the performance of creditable service
- Salary has to be explicitly characterized as salary on a contract, salary schedule or employment agreement
- Used as a basis for future pay increases
  - Exception: not required for outgrowth activities
  - Exception: not required for mentoring effective 10/1/2017
- Paid without a requirement by the employer for proof of expenditure

Employers must establish a compensation earnable for all assignments for which an employee will earn salary

- "Compensation earnable" means the creditable compensation a person could earn in a school year for creditable service performed on a full-time basis as defined by Education Code Section 22115

Education Code Section 22115, Outgrowth as Salary:

- If an employer provides additional compensation for outgrowth activities, the employer must establish a compensation earnable
- Compensation earnable for outgrowth activities must be reported at the lowest pay rate used for other creditable service activities:
  - Performed by the member
  - For the same employer
  - During the same school year

Remuneration That is Paid in Addition to Salary (Creditable Compensation Regulations Section 27401):

- Is paid in accordance with a publicly available written contractual agreement
- Is not associated with the performance of additional service
- Is paid to all in a class of employees, in the same dollar amount, same percentage of salary or same percentage of the amount being distributed
  - If it can be paid in more than one manner, it is not creditable – even when paid in cash
- Compensation for meeting any of the following qualifications or requirements:
  - Possession or attainment of a certificate, license, special credential or advanced degree
  - Career or service longevity
  - Hiring, transfer or retirement
    - Retirement only when still a current CalSTRS member
  - Position that is hazardous or difficult to staff
  - Number of students exceeds the maximum contractual amount
  - Achievement of a performance benchmark
  - Compensation that is paid based on availability of funds

Creditable Compensation Includes:

- Remuneration paid for the use of sick leave, vacation or other employer-approved paid leave
- Member contributions that are picked up by an employer pursuant to Section 22903 or 22904 (pre-tax contributions)
- Amounts deducted from the member's salary for deferred compensation plans, annuity contracts, retirement or insurance plans, etc.

Compensation That is Paid a Limited Number of Times:

Is creditable to the DBS (Defined Benefit Supplement) Program if compensation is creditable as remuneration in addition to salary and:

- The number of payments is stated,
- It has a specified end date, or
- It is otherwise not permanent

Creditable Compensation Does NOT Include (Creditable Compensation Regulations Section 27500):

- Amounts not deducted from a member's salary
    - Compensation paid in addition to salary that is contingent upon the purchase of any items listed in Ed Code Section 22119.2(a)(5) is deemed covered by the employer and not creditable compensation
    1. Fringe Benefits
    2. Expenses paid by an employer
    3. Expenses reimbursed by an employer
        - Including allowances, cash in-lieu of good or service and cash remaining
- Severance pay, including lump-sum and installment payments or money paid in excess of salary or wages to a member as compensatory damages or as a compromise settlement
- Anything CalSTRS board decides is not creditable

§ 22119.2. "Creditable compensation" (2% at 60)

(a) "Creditable compensation" means remuneration that is paid in cash by an employer to all persons in the same class of employees for performing creditable service in that position. Creditable compensation shall include:

(1) Salary or wages paid in accordance with a publicly available written contractual agreement, including, but not limited to, a salary schedule or employment agreement.

(2) Remuneration that is paid in addition to salary or wages, provided it is paid to all persons who are in the same class of employees in the same dollar amount, the same percentage of salary or wages, or the same percentage of the amount being distributed.

(3) Remuneration that is paid for the use of sick leave, vacation leave, or an employer-approved compensated leave of absence, except as provided in paragraph (4) of subdivision (c).

(4) Member contributions that are picked up by an employer pursuant to Section 22903 or 22904.

(5) Amounts that are deducted from a member's remuneration, including, but not limited to, deductions for participation in a deferred compensation plan; deductions to purchase an annuity contract, tax-deferred retirement plan, or insurance program; and contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title 26 of the United States Code.

(6) Any other payments the board determines to be "creditable compensation."

(b) Any creditable compensation determined by the system to have been paid to enhance a member's benefits shall not be credited under the Defined Benefit Program. Contributions on that compensation shall be credited to the Defined Benefit Supplement Program. A presumption by the system that creditable compensation was paid to enhance a member's benefits may be rebutted by the member or by the employer on behalf of the member. Upon receipt of sufficient evidence to the contrary, a presumption by the system that creditable compensation was paid to enhance the member's benefits may be reversed.

(c) "Creditable compensation" does not mean and shall not include:

(1) Remuneration that is not paid in cash or is not paid to all persons who are in the same class of employees.

(2) Remuneration that is paid for service that is not creditable service pursuant to Section 22119.5 or 22119.6.

(3) Remuneration that is paid in addition to salary or wages if it is not paid to all persons in the same class of employees in the same dollar amount, the same percentage of salary or wages, or the same percentage of the amount being distributed pursuant to paragraph (2) of subdivision (a).

(4) Remuneration that is paid in exchange for the relinquishment of unused accumulated leave.

(5) Payments, including, but not limited to, those for participation in a deferred compensation plan; to purchase an annuity contract, tax-deferred retirement plan, or insurance program; and for contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title 26 of the United States Code when the cost is covered by an employer and is not deducted from the member's salary.

(6) Fringe benefits provided by an employer.

(7) Expenses paid or reimbursed by an employer.

(8) Severance pay, including lump-sum and installment payments, or money paid in excess of salary or wages to a member as compensatory damages or as a compromise settlement.

(9) Any other payments the board determines not to be "creditable compensation."

(d) An employer or individual who knowingly or willfully reports compensation in a manner inconsistent with subdivision (a) or (c) may be subject to prosecution for fraud, theft, or embezzlement in accordance with the Penal Code. The system may establish procedures to ensure that compensation reported by an employer is in compliance with this section.
(e) For purposes of this section, remuneration shall be considered paid if distributed to any person in the same class of employees who meets the qualifications or requirements specified in a publicly available written contractual agreement, including, but not limited to, a collective bargaining agreement or an employment agreement, as a condition of receiving the remuneration.
(f) This definition of "creditable compensation" reflects sound principles that support the integrity of the retirement fund. Those principles include, but are not limited to, consistent treatment of compensation throughout a member's career, consistent treatment of compensation among an entire class of employees, consistent treatment of compensation for the position, preventing adverse selection, and excluding from compensation earnable remuneration that is paid to enhance a member's benefits. The system shall determine the appropriate crediting of contributions between the Defined Benefit Pro-gram and the Defined Benefit Supplement Program according to these principles, to the extent not otherwise specified pursuant to this part.
(g) The section shall become operative on July 1, 2002.
(h) This section shall not apply to a member subject to the California Public Employees' Pension Reform Act of 2013.

§ 27602. Compensation That is Paid a Limited Number of Times (2% at 60)

(a) Compensation is creditable to the Defined Benefit Supplement account if compensation was restructured into salary or remuneration in addition to salary as described in subdivision (c) of Section 27400 or subdivision (b) of Section 27401, and is paid a limited number of times, has a specified end date, or is otherwise not permanent.
(b) Contributions for remuneration in addition to salary that is paid pursuant to Section 27401 shall be credited to the member's Defined Benefit Supplement account if the compensation is not ongoing, as limited by either of the following:
(A) The number of times is specified in law or in a publicly available written contractual agreement.
(B) The compensation is not scheduled to continue.

☐ ***Creditable Compensation for CalSTRS 2% @ 62 Members:***

Creditable Compensation Must Be:

- Paid each pay period in which creditable service is performed for that position
- Paid in cash by an employer
- Paid to all in the class of employees
- Paid according to a publicly available written contract or agreement

Creditable Compensation Includes:

- Pay for the use of sick leave, vacation and employer approved leaves
- Pre-taxed member contributions
- Amounts deducted from the member's compensation for deferred compensation plans, annuity contracts, retirement plans, insurance, etc.
- Salary for service in excess of one year

Creditable Compensation Does NOT Include:

- Amounts not paid in cash or not paid to all in the class of employees
- Amounts paid for service that is not creditable
- Amounts not paid each period that creditable service is performed for that position
- Amounts paid for giving up (relinquishing) unused leave
- Payments covered by the employer for deferred compensation plans, annuity contracts, retirement plans, insurance, etc.
- Fringe benefits
- Expenses paid or reimbursed by the employer
- Severance pay, compensatory damages or compromise settlements paid in excess of salary
- Anything paid to enhance a member's benefit
- Compensation paid in place of benefits
- Any one-time or ad hoc payments
- Allowances, reimbursement, and payments for things like housing, vehicles, uniforms, etc.

- Any bonuses that don't fit the criteria in 22119.3(a)
  - Not paid in cash, by an employer, to all in the class according to a written contract or agreement, etc.
  - Any payments CalSTRS board determines to be not creditable

☐ ***CalSTRS Questions?***

Alli Britton, abritton@scoe.org, Ph #524-2651, Fax #578-0487

§ 22119.3. "Creditable compensation" (2% at 62)

(a) "Creditable compensation" for members who are subject to the California Public Employees' Pension Reform Act of 2013 means remuneration that is paid each pay period in which creditable service is performed for that position. Creditable compensation shall be paid in cash by an employer to all persons in the same class of employees in accordance with a publicly available written contractual agreement, including, but not limited to, a salary schedule or employment agreement. Creditable compensation shall include:

(1) Remuneration that is paid for the use of sick leave, vacation leave, or an employer-approved compensated leave of absence, except as provided in paragraph (4) of subdivision (b).

(2) Member contributions that are picked up by an employer pursuant to Section 22903 or 22904.

(3) Amounts that are deducted from a member's remuneration, including, but not limited to, deductions for participation in a deferred compensation plan; deductions to purchase an annuity contract, tax-deferred retirement plan, or insurance program; and contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title 26 of the United States Code.

(4) Notwithstanding paragraphs (6) and (8) of subdivision (c) of Section 7522.34 of the Government Code, remuneration that is paid for creditable service that exceeds one year in a school year.

(b) "Creditable compensation" does not mean and shall not include:

(1) Remuneration that is not paid in cash or is not paid to all persons who are in the same class of employees.

(2) Remuneration that is paid for service that is not creditable service pursuant to Section 22119.5 or 22119.6.

(3) Remuneration that is not paid each pay period in which creditable service is performed for that position.

(4) Remuneration that is paid in exchange for the relinquishment of unused accumulated leave.

(5) Payments, including, but not limited to, those for participation in a deferred compensation plan; to purchase an annuity contract, tax-deferred retirement plan, or insurance program; and for contributions to a plan that meets the requirements of Section 125, 401(a), 401(k), 403(b), 457(b), or 457(f) of Title 26 of the United States Code when the cost is covered by an employer.

(6) Fringe benefits provided by an employer.

(7) Expenses paid or reimbursed by an employer.

(8) Severance pay, including lump sum and installment payments, or money paid in excess of salary or wages to a member as compensatory damages or as a compromise settlement.

(9) Creditable compensation determined by the system to have been paid to enhance a member's benefit.

(10) Compensation paid to the member in lieu of benefits provided to the member by the employer or paid directly by the employer to a third party other than the system for the benefit of the member.

(11) Any one-time or ad hoc payments made to a member.

(12) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniform.

(13) Any bonus paid in addition to compensation described in subdivision (a).
(14) Any other payments the board determines not to be "creditable compensation."
(c) (1) Except for purposes of calculating credited service in the Defined Benefit Program and for reporting compensation earnable on or after January 1, 2013, creditable compensation in any fiscal year shall not exceed:
(A) One hundred twenty percent of the "contribution and benefit base," as determined under Section 430(b) of the Social Security Act (42 U.S.C. Sec. 430(b)), on January 1, 2013, for a member whose service is not included in the federal system.
(B) One hundred percent of the "contribution and benefit base," as determined under Section 430(b) of the Social Security Act (42 U.S.C. Sec. 430(b)), on January 1, 2013, for a member whose service is included in the federal system pursuant to any changes in state or federal law enacted on or after January 1, 2013.
(2) The system shall adjust the limit based on the annual changes to the Consumer Price Index for All Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average for the month of February in the fiscal year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average for the month of February of the previous year rounded to the nearest thousandth. Notwithstanding paragraph (1) of subdivision (d) of Section 7522.10 of the Government Code, the adjustment shall be effective annually on July 1, beginning July 1, 2014.
(3) The Legislature reserves the right to modify the requirements of this subdivision with regard to all members subject to this subdivision, except that the Legislature may not modify these provisions in a manner that would result in a decrease in benefits accrued prior to the effective date of the modification.
(4) This subdivision shall apply to compensation paid during the 2013–14 fiscal year and each fiscal year thereafter.
(d) An employer or individual who knowingly or willfully reports compensation in a manner inconsistent with subdivision (a) or (b) may be subject to prosecution for fraud, theft, or embezzlement in accordance with the Penal Code. The system may establish procedures to ensure that compensation reported by an employer is in compliance with this section.
(e) For purposes of this section, remuneration shall be considered paid if distributed to any person in the same class of employees who meets the qualifications or requirements specified in a publicly available written contractual agreement, including, but not limited to, a collective bargaining agreement or an employment agreement, as a condition of receiving the remuneration.
(f) This definition of "creditable compensation" reflects sound principles that support the integrity of the retirement fund. Those principles include, but are not limited to, consistent treatment of compensation throughout a member's career, consistent treatment of compensation among an entire class of employees, consistent treatment of compensation for the position, preventing adverse selection, and excluding from creditable compensation remuneration that is paid to enhance a member's benefits. The system shall determine the appropriate crediting of contributions according to these principles, to the extent not otherwise specified pursuant to this part. A presumption by the system that creditable compensation was paid to enhance the member's benefits may be rebutted by the member or by the employer on behalf of the member. Upon receipt of sufficient evidence to the contrary, a presumption by the system that creditable compensation was paid to enhance the member's benefits may be reversed.

CalSTRS Coding

Salary:

Creditable Service:

See Ed Code 22119.5 for what constitutes Creditable Service

Creditable Compensation for 2% @ 60 Members (Pre-2013):

Must meet all the requirements of Ed Code 22119.5. *Must review the LEA's contracts and MOUs to determine whether compensation meets the requirements to be creditable compensation.*

Creditable Compensation for 2% @ 62 Members (New):

Must meet all the requirement of Ed Code 22119.3. *Must review the LEA's contracts and MOUs to determine whether compensation meets the requirements to be creditable compensation*

Code	Position	Details
Assignment Code **57**	Full time Contract Part time Contract (50%-99%)	PreK – 12
Assignment Code **54**	Substitute Employee	PreK – 12
Assignment Code **55**	Part Time Hourly or Daily Outgrowth	PreK - 12
Assignment Code **36**	Reduced Workload Program	PreK - 12

Outgrowth:

Falls under Salary (Ed Code 22119.5(6): Activities that are an outgrowth of the instructional and guidance programs, enhancing student education (getting students engaged), when performed in addition to other creditable activities for the same employer in the same school year.

Compensation earnable for outgrowth activities must be reported at the lowest pay rate for other creditable service activities.

Retirement Formula	Details
2% @ 60 (Pre-2013)	Credited to the DB Account, Earning Service Credit
2% @ 62 (New)	*When Paid Each Pay Period in Which the Creditable Service is Performed,* Credited to the DB Account, Earning Service Credit

Based on Retirement Law in Effect as of: April 2019

Remuneration that is Paid in Addition to Salary:
Falls under Special Compensation.

Must meet the requirements of Creditable Compensation Regulations Section 27401. It is commonly for:

- Possession or attainment of a certificate, license, special credential or advanced degree
- Career or service longevity
- Hiring, transfer or retirement
- Position that is hazardous or difficult to staff
- Number of students exceeds the maximum contractual amount
- Achievement of a performance benchmark
- Compensation that is paid based on availability of funds

Code	Retirement Formula	Details
Assignment Code **57** Pay Code **0** Contribution Code **6**	2% @ 60 (Pre-2013)	Ongoing Payment Credited to the DB Account
Assignment Code **71** Pay Code **0** Contribution Code **6**	2% @ 60 (Pre-2013)	One-Time or Limited Term Payment Credited to the **DBS** Account
Assignment Code **72** Pay Code **0** Contribution Code **6**	2% @ 62 (New)	Ongoing Payment Credited to the DB Account
Assignment Code **57** Pay Code **0** Contribution Code **0**	2% @ 62 (New)	One-Time or Limited Term Payment *Not* Creditable

NOTE: Assignment Code 72 is going away at some point.

Creditable Compensation does not mean and shall not include:

- For 2% @ 60 Members (Pre-2013), see Ed Code 22119.5(c)(1-9))
- For 2% @ 62 Members (New), see Ed Code 22119.3(b)(1-14)

Type	2% @ 60 (Pre-2013)	2% @ 62 (New)
Fringe Benefits	Not Creditable	Not Creditable
Expenses Paid by Employer	Not Creditable	Not Creditable
Expenses Reimbursed by Employer	Not Creditable	Not Creditable
Cash in-Lieu	Not Creditable	Not Creditable
Severance Pay	Not Creditable	Not Creditable
Amounts not paid each period that creditable service is performed for that position	Creditable	Not Creditable
Any One-Time or Ad Hoc Payments	Creditable	Not Creditable

☐ *CalPERS Passwords:*

1. MyCalPERS passwords are valid for 60 days
2. Contact Maria 524-2655 or maguayo@scoe.org if your password expires
3. You can reset it yourself if you receive the warning prior to expiration

Instructions:

- ✔ Go to MyCalPERS
- ✔ Home tab
- ✔ Click on "Contact Personal Security Settings"
- ✔ Edit password

☐ *New Employees:*

1. Look up all new employees in both CalPERS and CalSTRS even if they do not qualify. This includes substitutes and retirees. They could be an existing member or a retiree of either system.
2. Verify whether or not the employee is eligible for PERS
   - ✔ Permanent Full-Time – 40 hours per week
   - ✔ Currently a member through another district – **check MyCalPERS**
   - ✔ Full-time for a temporary appointment in excess of 6 months
   - ✔ Part-time averaging at least 20 hours per week, for at least one year
3. Monitor for CalPERS qualification: (Retire09 report)
   - ✔ Worked 1,000 hours or 125 days in a fiscal year. Includes service with different districts within the same county. Membership is effective on the first day of the month following qualification
4. MyCalPERS
   - ✔ Go to the Person Record tab and enter the new employee social security number
   - ✔ Verify if employee is currently a member (new or classic?) or a retiree
   - ✔ If the new employee is being hired in a non-qualifying position,

it is important to confirm whether they are an existing member through previous employment

✔ Print a snapshot of the screen to include with the enrollment form and Membership Reciprocal Self-Certification form

☐ ***Enrollment Forms:***

1. Complete and email (do not fax)enrollment forms to Maria Aguayo (maguayo@scoe.org) ***before payroll is submitted.*** Original copies are not required. **Please use the most current enrollment form dated 1/18/19.**

✔ Enrollment forms should be processed prior to paying employee to reduce PERS payroll errors

✔ If you are hiring a CalPers retiree in a classified position, an enrollment form is required. This enables Calpers to track the retiree hours (not to exceed 960 hours in a fiscal year). This is due within 30 days of the date of hire. There is a $200 fee for late enrollments.

✔ If you are "separating" an employee for any reason, the "Effective Date of Action" is the day after the last day the employee worked for your district.

✔ Retiring employees – the same Effective Date of Action rule applies. Include any unused sick leave (in hours) in the box designated for this purpose

✔ Name changes – Include which form of documentation was provided in order to make this change and the effective date. There is a box designated for this purpose. A social security card or marriage license is required for name changes

✔ Address changes can be made for active members only. If a retiree or former employee requests an address change, they should be instructed to contact CalPERS directly

PERS ENROLLMENT / CHANGE FORM

District Name _____ District # _____

Emp Id [ ] Full Name [ ]

CalPERS ID# [ ] Gender [ ]

Mailing Address [ ]

Daytime Ph # [ ]

Effective Date of Action [ ] Original Hire Date [ ]

Type of Action

Appointment/Membership	[ ]
Appointment - Sub/Retiree	[ ]
Separation	[ ]
Name Change*	[ ]
Address Change	[ ]
PERS Retirement**	[ ]

Leave of Absence:

Begin Leave	[ ]
End Leave	[ ]
Leave Type	[ ]

****If PERS Retirement - district must certify the following:**

Unused Sick Leave (in hours) [ ]

***If name change - what was form of verification?** [ ] **Eff. Date?** [ ]

Is member subject to Local Alternate Retirement Plan (Gov Code Section 20306)? Yes [ ] No [ ]

Member subject to Social Security? Yes [ ] No [ ]

Is member participating in '59 Survivor Benefits? Yes [ ] No [ ]

Optional Member? Yes [ ] No [ ]

Is this a STRS covered position for which the member elects CalPERS enrollment? Yes [ ] No [ ]

Is employee working 10 mos [ ] 11 mos [ ] 12 mos [ ]

Is employee a PERS Retired Annuitant Yes [ ] No [ ]

_____ _____ _____

Certified by (written) Signature Date

SEND THIS FORM TO SCOE ALONG WITH PERS RECIPROCAL SELF-CERTIFICATION FORM PERS-EAMD-801 (6/18) AND SCREEN PRINT OF MYCALPERS SEARCH RESULTS

(1/18/2019)

☐ ***Notice of Exclusion from CalPERS Membership:***

CalPERS Form 139 Notice of Exclusion from CalPERS Membership should be completed for each new employee whose position is excluded from CalPERS membership

☐ ***Member Reciprocal Self-Certification Form:***

1. Reciprocity is an agreement among public retirement systems to allow members to separate from one public employer and enter into employment with another public employer within a specific time limit without losing some valuable retirement and related benefit rights
   - ✔ **All new employees should be asked to fill out a Member Reciprocal Self-Certification Form upon hire. Please use The most current form dated 6/2018**
   - ✔ There are specific instructions for both the employer and employee attached to the form
   - ✔ Send (email) this form along with the enrollment form and snapshot of MyCalPERS person search results to Maria
   - ✔ Keep a copy of the form on file for auditing purposes

☐ ***New vs. Classic (Pre-2013):***

1. A new member is defined in PEPRA as any of the following:
   - ✔ A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, who has <u>no prior membership in any California Public Retirement System</u>
   - ✔ A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who is <u>not eligible for reciprocity with another California Public Retirement System</u>
   - ✔ A member who first established CalPERS membership prior to January 1, 2013, and who is <u>rehired by a different CalPERS employer after a break in service of greater than six months</u>

2. A Classic member is any of the following:

✔ An employee enrolled in PERS prior to January 1, 2013 that is still currently a member. Including "inactive" members and members that have refunded

✔ A new hire who does not fall under the definition of "PEPRA"

NOTICE OF EXCLUSION FROM CalPERS MEMBERSHIP

1. SOCIAL SECURITY NUMBER	Your employer has contracted with the California Public Employees' Retirement System (CalPERS) to provide an employee benefit package which includes service retirement, death, and disability benefits.

2. CURRENT NAME (LAST) (FIRST) (MIDDLE)

3. NAME OF PUBLIC AGENCY	4. DEPARTMENT OR SCHOOL DISTRICT	5. JOB OR POSITION TITLE

6. TERM OF APPOINTMENT	7. IF TEMPORARY, ENTER NEAREST NUMBER OF WHOLE MONTHS THE APPOINTMENT IS EXPECTED TO LAST.	8. APPOINTMENT DATE
☐ PERMANENT ☐ TEMPORARY	MONTHS	MM / DD / YYYY

9. TIME BASE

☐ FULL-TIME ☐ INDETERMINATE ☐ PART-TIME IF PART TIME, ENTER THE FRACTION OF FULL TIME:

In your present position with this agency, you are excluded from CalPERS membership because:

☐ 1. Your full-time seasonal or limited term appointment is limited to 6 months or less.

☐ 2. Your part-time appointment is limited to less than an average of 20 hours per week for less than one year.

☐ 3. Your appointment is an on-call, intermittent, emergency, substitute, or other irregular basis which excludes you from membership until you have worked 1,000 hours (or 125 days if paid on per diem basis) this fiscal year.

☐ 4. Your position is excluded by law or by contract agreement which excludes:
_____ Enter contract exclusion (for Public Agencies only).

☐ 5. You are an independent contractor.

☐ 6. You are employed to render professional legal service to a city.
Exceptions: Persons holding the office of city attorney, deputy city attorney, or assistant city attorney.

☐ 7. You are employed as a student aide by a school district in a position established for students only and you are attending school in the same district (for County Schools only).

NOTE: If you are a member of CalPERS by previous employment (either you have funds on deposit or service credit), exclusions 1, 2, and 3 do not apply to you and you should be a member in your present position. Be sure to notify your employer to complete a (PERS-1) Member Action Request Form or appoint via ACES to report your employment to CalPERS.

If you believe that your employment does qualify you for CalPERS membership, ask your employer for an explanation. You can also contact CalPERS directly by sending a letter stating the reasons why you feel you should be a member to the Employer Account Management Division, Membership Management Section, P.O. Box 942709, Sacramento, CA 94229-2709.

SIGNATURE OF CERTIFYING OFFICER	TITLE	DATE

SIGNATURE OF EMPLOYEE	DATE

NOTE: Benefits provided by CalPERS are described in the "CalPERS Benefits" information booklet available from your employer.

PERS-EAMD-139 (3/17)



California Public Employees' Retirement System
P.O. Box 942709 Sacramento, CA 94229-2709
888 CalPERS (or 888-225-7377)
TTY: (877) 249-7442 | Fax: (916) 795-4166
www.calpers.ca.gov

Employer Account Management Division

Dear Member,

The California Public Employees' Retirement System (CalPERS) requires all members hired after January 1, 2013 complete the ***Reciprocal Self-Certification Form (PERS-EAMD-801)*** to provide essential information that will be used by your employer to enroll you in CalPERS membership.

This form obtains information regarding your membership in other qualifying public retirement systems and *must be returned to your employer within 10 business days of receipt.* Use the instructions provided on the back of the form and reference the List of Qualifying Public Retirement Systems for assistance. Information regarding your membership in a defined benefit plan for any of the listed qualifying public retirement system must be provided. **However, information related to CalPERS membership should not be included when completing this form, as this data is already stored in the CalPERS system.**

It is your responsibility to ensure the accuracy and completeness of the information you provide. Inaccurate information may result in adjustments to your account which could lead to adverse impacts such as incurring financial obligations that you and your employer will be responsible to fulfill.

For more information regarding the ***Reciprocal Self-Certification Form***, please visit our website at **www.calpers.ca.gov**.

Please note: The completion of the ***Reciprocal Self-Certification Form*** does not establish reciprocity, nor is it a request to establish reciprocity. To request that reciprocity be established, download the **When You Change Retirement Systems (PUB 16)** publication to obtain the **Confirmation of Intent to Establish Reciprocity When Changing Retirement Systems (PERS-CASD-255)** form. This publication is available at **www.calpers.ca.gov**.

Sincerely,

Membership Services

Enclosures: List of Qualifying Public Retirement Systems in California, ***Reciprocal Self-Certification Form***, and Directions for Completing Reciprocal Self-Certification Form

List of Qualifying Public Retirement Systems in California

Name of Public Retirement System	Qualifications:
Alameda County Employees' Retirement Association^	
City and County of San Francisco Employees' Retirement System*	
City of Concord Retirement System*	
City of Costa Mesa Public Retirement System*	Safety only
City of Fresno Retirement System	
City of Pasadena Fire and Police Retirement System	Fire and police only
City of San Clemente*	Non-safety (miscellaneous) only
Contra Costa County Employees' Retirement Association^	
Contra Costa Water District	
East Bay Municipal Utility District	
East Bay Regional Park District	Safety only
Fresno County Employees' Retirement Association^	
Imperial County Employees' Retirement Association^	
Judges Retirement System II	
Kern County Employees' Retirement System^	
Legislators' Retirement System	
Los Angeles City Employees' Retirement System	Non-safety (miscellaneous) only; L.A. Fire and Police Pension System and L.A. Water and Power Employees' Retirement System not eligible
Los Angeles County Employees' Retirement Association^	
Los Angeles County Metropolitan Transportation Authority	Non-contract Employees' Retirement Income Plan, formerly Southern California Rapid Transit District
Marin County Employees' Retirement Association^	
Mendocino County Employees' Retirement Association^	
Merced County Employees' Retirement Association^	
Oakland Municipal Employees' Retirement System (City of Oakland)	Non-safety (miscellaneous) only
Orange County Employees' Retirement System^	
Sacramento City Employees' Retirement System*	
Sacramento County Employees' Retirement System^	Defined benefit plan only; cash balance plans not eligible
San Bernardino County Retirement Association^	
San Diego City Employees' Retirement System	Defined benefit plan only; cash balance plans not eligible
San Diego County Employees' Retirement Association^	
San Joaquin County Employees' Retirement Association^	
San Jose Federated City Employees' Retirement System	
San Luis Obispo County Pension Trust	
San Mateo County Employees' Retirement Association^	
Santa Barbara County Employees' Retirement System^	
Sonoma County Employees' Retirement Association^	
Stanislaus County Employees' Retirement Association^	
State Teachers' Retirement System	Defined benefit plan only; cash balance plans not eligible
Tulare County Employees' Retirement Association^	
University of California Retirement Program	Defined benefit plan only; cash balance plans not eligible
Ventura County Employees' Retirement Association^	

*=Also CalPERS-covered agency ^=1937 Act Counties

California Public Employees' Retirement System
P.O. Box 942709 Sacramento, CA 94229-2709
888 CalPERS (or 888-225-7377)
TTY: (877) 249-7442 | Fax: (916) 795-4166
www.calpers.ca.gov

Reciprocal Self-Certification Form

*Complete the following information and return this form to your personnel office **within 10 business days.** To ensure this form is completed correctly, please reference the enclosed List of Qualifying Public Retirement Systems and instructions.*

Section 1. Member Information

Member Name: (Last)	(First)	(Middle)
Date of Birth:	CalPERS ID:	

Membership Status in Qualifying Public Retirement Systems:

☐ I have not been a member of a qualifying public retirement system in California. (skip to section 3)

☐ I have membership in a defined benefit plan under a qualifying public retirement system in California other than CalPERS. (complete section 2 with membership information for each qualifying public retirement system)

Section 2. Qualifying Reciprocal Membership Information

Name of Most Recent Public Retirement System:	Membership Date: / /	Separation Date*: / /	☐Retired* or ☐Refunded* Date: / /
Name of Prior Public Retirement System:	Membership Date: / /	Separation Date*: / /	☐Retired* or ☐Refunded* Date: / /
Name of Prior Public Retirement System:	Membership Date: / /	Separation Date*: / /	☐Retired* or ☐Refunded* Date: / /

**Please provide dates, if applicable. Not all sections may be applicable for each Public Retirement System.*

Section 3. Sign and Certify

I understand that by accepting employment in a qualified public retirement system, I am subject to the applicable laws and regulations of that system. **I also understand that completing this form is not a request to establish reciprocity.**

I hereby certify that the foregoing information has been verified with the qualifying public retirement system as true and correct and any information found to be incorrect may require corrections to my CalPERS account including, but not limited to, my retirement enrollment level and adjustments to my member contributions. CalPERS may make any necessary corrections to my account to ensure I am properly enrolled and eligible to receive the correct retirement benefits.

Member Signature: *Date:*

Section 4. To Be Completed by Employer Only

Name of CalPERS Agency:	
CalPERS Business Partner ID:	Member's Enrollment Eligibility Date:
Designee of Employer: (print name)	Designees' Title:
Designee Signature:	*Date:*

The employer must retain this form in the member's file for auditing purposes.

For more direction regarding how to process the Reciprocal Self-Certification Form, please refer to our employer reference guides.

Instructions for Completing the Reciprocal Self-Certification Form

Section 1. Member Information	• Complete the required fields with your name, date of birth, and CalPERS ID. • Check **one** of the appropriate boxes to indicate if you have had membership in a defined benefit plan in one of the qualifying public retirement systems named on the enclosed list. – If you **have not** been a member of any of the qualifying public retirement systems, mark the first box and skip to section 3. – If you **have** membership in a defined benefit plan of any of the qualifying public retirement systems on the enclosed list, mark the second box and continue to section 2. – This form is to obtain information regarding your membership in <u>other</u> qualifying public retirement systems; **do not include CalPERS membership on this form.**
Section 2. Qualifying Reciprocal Membership Information	• In the first column, titled "Name of Public Retirement System," list the name of any qualifying public retirement systems you are a member of a defined benefit plan. – If you are a member of multiple qualifying public retirement systems, please provide the name of each system beginning with the most recent in descending order. – **Please reference the enclosed List of Qualifying Public Retirement Systems in California. Only systems named on this list should be provided on the Reciprocal Self-Certification Form.** • In the second column, titled "Membership Date," list your membership date in the qualifying public retirement system. – You must provide a full date, including month, date, and year, which corresponds to each qualifying public retirement system listed. – If you are unsure of your membership date, please contact the qualifying public retirement system to confirm information prior to completing the form. • In the third column, titled "Separation Date," list your separation date from the qualifying public retirement system. – This section may not be applicable for all qualifying public retirement systems. If you have not separated from the qualifying public retirement system, leave this field blank. – If you have separated from the qualifying public retirement system, you must provide a full date including month, date, and year. – If you are unsure of your separation date, please contact the qualifying public retirement system to confirm information prior to completing the form. • In the fourth column, titled "Retired or Refunded," indicate if you have retired or refunded from the qualifying public retirement system. – This section may not be applicable for all qualifying public retirement systems. If you have not retired or refunded from the qualifying public retirement system, leave this field blank. – If you have retired or refunded from the qualifying public retirement system, mark the appropriate box and provide a full date including month, date, and year. – Retired: You have separated from the qualifying public retirement system and receive a monthly retirement allowance. – Refunded: You have terminated your membership in the qualifying public retirement system by withdrawing your contributions.
Section 3. Sign and Certify	• Please read the statement. Then, sign your name and date the document before returning it to your personnel office.

Privacy Notice

The privacy of personal information is of the utmost importance to CalPERS. The following information is provided to you in compliance with the Information Practices Act of 1977 and the Federal Privacy Act of 1974.

Information Purpose

The information requested is collected pursuant to the Government Code (sections 20000 et seq.) and will be used for administration of Board duties under the Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to comply may result in CalPERS being unable to perform its functions regarding your status.

Please do not include information that is not requested.

Social Security Numbers

Social Security numbers are collected on a mandatory and voluntary basis. If this is CalPERS' first request for disclosure of your Social Security number, then disclosure is mandatory. If your Social Security number has already been provided, disclosure is voluntary. Due to the use of Social Security numbers by other agencies for identification purposes, we may be unable to verify eligibility for benefits without the number.

Social Security numbers are used for the following purposes:

1. Enrollee identification
2. Payroll deduction/state contributions
3. Billing of contracting agencies for employee/employer contributions
4. Reports to CalPERS and other state agencies
5. Coordination of benefits among carriers
6. Resolving member appeals, complaints, or grievances with health plan carriers

Information Disclosure

Portions of this information may be transferred to other state agencies (such as your employer), physicians, and insurance carriers, but only in strict accordance with current statutes regarding confidentiality.

Your Rights

You have the right to review your membership files maintained by the System. For questions about this notice, our Privacy Policy, or your rights, please write to the CalPERS Privacy Officer at 400 Q Street, Sacramento, CA 95811 or call us at 888 CalPERS (or 888-225-7377).

☐ ***Retirees:***

1. Hiring a CalPERS retiree: *(see CalPERS Employer Checklist for Hiring CalPERS Retirees)*

   ✔ There is a 180-day wait period to hire a retiree. CalPERS does not validate for the 180 day period. It is the employee and employer's responsibility to verify this time period has passed

   ✔ There are exceptions to this rule. A retiree can be hired during an emergency because the retiree has the skill set required to fill a critically needed position before 180 days has passed. The governing body of the employer must approve all exceptions. Sample resolutions with instructions are available at www.calpers.ca.gov

   ✔ Retired annuitants are hired for a limited duration and new payroll must be reported by an hourly pay rate. Retirees can work up to 960 hours in a fiscal year

   ✔ The compensation paid to any retiree must be within the monthly rate of pay range paid to other employees performing comparable duties. No other benefit, incentive, compensation in lieu of benefits, or other form of compensation can be paid in addition to this hourly pay rate.

   ✔ It is essential to email Maria Aguayo a PERS Enrollment/Change Form upon retaining the services of retirees *(see CalPERS Circular Letters 200-010-18 and 200-048-18)* Enrollment within 30 days of date of hire is mandatory. There is a $200.00 fee for late retiree enrollment.

   ✔ If a PERS retiree is hired in a Certificated position, CalSTRS rules apply

2. Disqualification for an Exception to the 180-day wait period:

   ✔ If a retiree accepts a Golden Handshake or any other employer incentive related to retirement, he or she must serve the 180-day wait period regardless of whether he or she would qualify for any of the exceptions

3. Independent Contractors:

✔ CalPERS retirees hired as an independent contractor are excluded from CalPERS membership only when correctly classified as an independent contractor

4. Third Party Employment:

✔ Workers hired through a third part typically tend to be employees of the CalPERS agency and not the temporary agency. The reason being, individuals hired through a third party are usually hired to fill a position while the "employee" is on leave. As such the control of that individual and work falls on the LEA and should be classified as an employee.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

POST-RETIREMENT EMPLOYMENT BASICS:

Generally, if the position in which a retiree will work is one that is subject to CalPERS membership where an active employee would earn CalPERS service credit, i.e. there is an employer-employee relationship, then a retiree hired to work in that position is subject to the retirement law requirements.

The common law employment test is used by the courts and CalPERS Board of Administration to determine "employee" or "independent contractor" status under the PERL. Under this test, a position title or characterization of the services performed is not the only determining factor of employee / independent contractor status. Just because a retiree is retained for a position that is called an independent contractor, consultant or third-party employer position, does not necessarily mean employment in that position is exempt from the retired annuitant requirements. Therefore, a retiree retained to work as an "independent contractor", "consultant", or through a "third party employer" in any position that would meet the common law employment test may be subject to mandatory reinstatement from retirement if the employment does not otherwise meet the retirement law requirements.

A retiree hired as an independent contractor, consultant, or contract employee through a third party employer to work in any position that would meet the common law employment control test would be inappropriately appointed under the retirement law and could be subject to mandatory reinstatement from retirement if the employment does not otherwise meet the retirement law requirements.

- RETIRED ANNUITANT APPOINTMENTS: CalPERS retirees cannot be hired into permanent or regular staff positions without reinstatement from retirement. Retirees should be hired into retired annuitant-designated positions only. These appointments are authorized during an emergency to prevent stoppage of public business or because the retiree has skills needed to perform work of limited duration. Since emergencies that would cause stoppage of public business are rare, e.g., disasters such as floods, earthquakes, etc., these appointments are generally those requiring skills needed to perform work of limited duration.

- INDEPENDENT CONTRACTORS, CONSULTANTS AND CONTRACT EMPLOYEES THROUGH THIRD PARTY EMPLOYERS: If you, the employer, hire a CalPERS retiree as an independent contractor, consultant or through a third party employer and the employment constitutes a common law employment (employer-employee) relationship, the employment is subject to the retirement law requirements and he or she must be enrolled as a retired annuitant in the myCalPERS system. If the employment is truly an independent contractor or consultant or is truly as an employee of a third party employer, i.e., a common law employer-employee relationship does not exist with the CalPERS employer, then the employment is exempt from the post-retirement employment requirements.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

- POST-RETIREMENT EMPLOYMENT AUDIT REVIEW: The CalPERS Office of Audit Services (OAS) Public Agency Audit Program reviews the hiring and employment of CalPERS retirees at all employers to ensure compliance with the requirements prescribed by the applicable sections of the California Government Code.

- ENROLLMENT AS A RETIRED ANNUITANT: The retiree must be enrolled as a retired annuitant in the my|CalPERS system, either directly in my|CalPERS or, for state agencies, through the Personnel Information Management System (PIMS).

ELIGIBILITY REQUIREMENTS BEFORE HIRING A RETIREE:

1. BONA FIDE SEPARATION IN SERVICE REQUIREMENT:

All Retirees: If a retiree is under normal retirement age at retirement, he or she cannot be hired for post-retirement employment without a bona fide separation from employment. The normal retirement age is the highest benefit formula age, e.g., age 55 for the 2% @ 55 formula. If there is more than one formula applicable to the retirement, e.g., the allowance has service based on both the 2% @ 55 and the 2% at 60 formula, the normal retirement age is the highest benefit formula age, or age 60, in this example. Members and retirees can look up their benefit formulas through their my|CalPERS online account or on their most recent CalPERS Annual Member Statement.

A bona fide separation must meet both of the following conditions:

- There is no pre-determined agreement: Prior to retirement, there was no agreement, written or verbal, between the employer and the member to work after retirement.

- There is a 60 day separation from employment: There is a period of 60 calendar days between the retirement date and the post-retirement employment date.

This requirement is a federal tax law and we, CalPERS, must comply with it to maintain our tax-deferred status.

2. UNEMPLOYMENT INSURANCE PAYMENT QUALIFICATION:

Upon accepting an offer of employment, every retiree must certify in writing to the employer that he or she did not receive any unemployment insurance payments within the 12 months prior to this appointment for previous retired annuitant work with any CalPERS employer.

If after hiring a retiree, you, the employer, discover the retiree did receive unemployment insurance payments, as above, within the 12 months prior to the current appointment date, you must terminate the employment on the last day of the current

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

pay period and that retiree is not eligible for reappointment by any CalPERS employer for 12 months following the last day of employment.

3. 180 DAY WAIT PERIOD BETWEEN RETIREMENT DATE & HIRE DATE:

All retirees must wait 180 days after their retirement date before he or she is eligible to begin post-retirement employment. This means a retiree cannot begin employment until the 181st day after his or her retirement date. There are four exceptions to the 180 day wait period requirement:

180 Day Wait Period Exceptions:

- **Firefighter or public safety officer**: The retiree is a firefighter or public safety officer, as determined in accordance with the definition set forth in California Code of Regulations 579.25, hired to perform a function or functions regularly performed by a public safety officer or firefighter.

- **Public agency or school employer certification and resolution:** The public agency or school employer must certify the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and, the appointment must be approved by the governing body of the employer in a public meeting. The appointment may not be placed on a consent calendar.

  For school employers, the school district's county office of education is the governing body that must pass this resolution.

  The certification and resolution should be received by CalPERS prior to the retiree's hire date. Email the certification and resolution to the mailbox BNSD_Post_Retirement_Administration@calpers.ca.gov or mail it to Post Retirement Administration, Benefit Services Division, PO Box 942711, Sacramento, CA 94229-2711.
    - Sample resolutions with instructions are available online at www.calpers.ca.gov.

- **State agency certification and resolution:** State agencies must obtain approval from CalHR via the Personnel Management Liaisons (PML) Memorandum titled Retired Annuitants Hiring Exception Procedure, Reference No. 2013-001. CalHR submits the approval to CalPERS prior to the retiree's hire date.

- **California State Universities (CSU) FERP exception:** The retiree may participate, if eligible, in the Faculty Early Retirement Program (FERP) pursuant to a collective bargaining agreement that existed prior to January 1, 2013, or has been included in subsequent agreements.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

Disqualification for an Exception to the 180-day wait period:

- If a retiree accepts a Golden Handshake or any other employer incentive related to retirement, he or she must serve the 180-day wait period regardless of whether he or she would qualify for any of the exceptions above.

POST-RETIREMENT EMPLOYMENT RETIRED ANNUITANT REQUIREMENTS:

GC SECTION 7522.56:

- **Limited Duration Work & Retiree Skills:**

  A CalPERS retiree can be appointed by the appointing power of the employer without reinstatement or loss of retirement benefits either during an emergency to prevent stoppage of public business or because the retiree has skills needed to perform work of limited duration. Since emergencies, e.g., disasters such as floods or earthquakes, etc., that would cause actual stoppage of public business are rare, these appointments are generally those requiring skills needed to perform work of limited duration. There should be some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the desired work.

  - Is this a limited duration position, e.g., extra help work such as elimination of a backlog, work on a special project, or work in excess of what your permanent or regular staff employees can do and, it is not a permanent or regular staff position?

  - Retiree Skills: Is there some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the required work?

- **960 Hour Limit per Fiscal Year:**

  - A retiree is limited to working a maximum of 960 hours per fiscal year for all CalPERS employers. There is no exception to this limit. Retirees can be employed for more than one fiscal year as long as the employment continues to meet all of the requirements otherwise.

  - CSU academic retirees are limited to 960 hours per fiscal year or 50% of the hours employed during the last fiscal year of service prior to retirement, whichever is less. There is no exception to this limit.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

- **Rate of Pay Requirement:**

    - The compensation paid to any retiree must be within the monthly rate of pay range, i.e., cannot be less than the minimum nor exceed the maximum monthly base salary, paid to other employees performing comparable duties, divided by 173.333 hours to equal an hourly rate.

    - No other benefit, incentive, compensation in lieu of benefits, or other form of compensation can be paid in addition to this hourly pay rate.

- **Enrollment in the my|CalPERS system:**

    - For public agency and school employers, the retiree must be enrolled as a retired annuitant and payrate with hours worked reported in the my|CalPERS system. No retirement contributions are reported by the employer or member for retired annuitants. For state agencies and CSU employers, the retiree must be enrolled as a retired annuitant in PIMS.

GC SECTION 21221(h) POSITIONS – SPECIFIC REQUIREMENTS:

This section applies to public agency and school employers. The governing body for a school district is its county office of education.

Limited Duration Work & Retiree Skills:

- Single interim appointment to a vacant position: The governing body of a public agency or the county office of education of a school employer can appoint a retiree to work in a vacant position during the recruitment to permanently fill the vacancy or during an emergency to prevent stoppage of public business. This section is used to hire retirees on an interim basis to vacant managerial, executive or other unique positions, such as city manager, CIO, CFO, police chief, director, department heads, etc. Since emergencies that would cause the actual stoppage of public business, e.g., disasters such as floods or earthquakes, etc., are rare, these appointments are generally to provide a retiree with the needed skill set to work in the unique position during the recruitment to permanently fill the vacancy. The governing body's appointment should explain the need for the particular retiree's hire and there must be documentation that the governing body made the appointment in the form of a resolution, board minutes, etc.

    There must be an open recruitment to permanently fill the position in place to hire a retiree. The retiree can be appointed only once to this position, thus, the employment agreement, contract, or appointment document must specify the end date of the appointment. There should be a showing in the retiree's work history that he or she has the previous experience and the skill set to perform the work of the position.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

- Is this an interim appointment, i.e., the retiree is not being hired as the permanent employee?

- There must be an open recruitment to permanently fill the vacant position before the retiree is appointed. Is there an open recruitment to permanently fill the vacant position?

- The retiree can be appointed only once to this position. Does the employment agreement, contract, or appointment document, etc., specify the end date for the appointment?

- Is there some showing in the retiree's work history that he or she has previous experience and the skill set needed to perform the work required?

- Was this appointment made and duly documented by this employer's governing body?

- **960 Hour Limit per Fiscal Year:**

  - The retiree is limited to working a maximum of 960 hours per fiscal year for all CalPERS employers. There is no exception to this limit.

- **Rate of Pay Requirement:**

  - The rate of pay range for GC section 21221(h) appointments is the monthly rate of pay range for the vacant position. The compensation paid to the retiree must be within the monthly rate of pay range, i.e., cannot be less than the minimum nor exceed the maximum monthly base salary, divided by 173.333 hours to equal an hourly rate.

  - No other benefit, incentive, compensation in lieu of benefits, or other form of compensation can be paid in addition to this hourly pay rate.

- **Enrollment in the my|CalPERS system:**

  - The retiree must be enrolled as a retired annuitant and payrate with hours worked reported in the my|CalPERS system. No retirement contributions are reported by the employer or member for retired annuitants.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

SERVICE AFTER RETIREMENT ON STATE BOARDS AND COMMISSIONS:

GC section 7522.57 provides the following conditions and limitations for service on any salaried state board or state commission by a retiree receiving a pension from a public retirement system who is first appointed on or after January 1, 2013:

Part-time state board or commission appointment: A retiree may serve without reinstatement or loss of retirement benefits upon appointment to a part-time state board or commission provided the salary received does not exceed $60,000 annually. This salary shall be increased in any fiscal year in which a general salary increase is provided for state employees and such increase shall not exceed the general salary increases provided for state employees. The retiree shall acquire no benefits, service credit, or retirement rights with respect to this employment.

Full-time state board or commission appointment:

- A CalPERS retiree may serve on a full-time basis without reinstatement from retirement if he or she serves as a nonsalaried member and shall receive only the per diem authorized to all members of that board or commission. The retiree shall not earn any CalPERS service credit or benefits or make contributions with respect to the service performed. If a CalPERS retiree elects to receive the salary applicable to the board or commission, they must reinstate from retirement.

- A retiree from a public pension system other than CalPERS may serve on a full-time basis by choosing one of the following options:

    - The retiree may serve as a nonsalaried member and continue to receive his or her retirement allowance in addition to any per diem authorized to all members of that board or commission. The retiree shall not earn any CalPERS service credit or benefits or make contributions with respect to the service performed.

    - The retiree may suspend his or her retirement allowance or allowances, if receiving more than one, and enroll as a new member of CalPERS for the service performed on the board or commission. The pensionable compensation earned from this position shall not be eligible for reciprocity with any other retirement system or plan.

EMPLOYER CHECKLIST FOR HIRING CalPERS RETIREES
Effective January 1, 2013

POST-RETIREMENT EMPLOYMENT RESOURCES:

Public Agency & Schools Reference Guide
http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/er-pubs/manuals/pas-ref-guide.xml

State Reference Guide
http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/er-pubs/manuals/state-ref-guide.xml

Employment after Retirement (Member publication 33)
http://www.calpers.ca.gov/eip-docs/about/pubs/member/employment-after-retire.pdf

Reinstatement from Retirement (Member publication 37)
http://www.calpers.ca.gov/eip-docs/about/pubs/member/reinstatement-retirement.pdf

CalPERS Benefit Services Division for post-retirement employment questions only:
Email: BNSD_Post_Retirement_Administration@calpers.ca.gov
Fax: (916) 795-0701

California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442
www.calpers.ca.gov

Membership

Circular Letter

March 30, 2018
Circular Letter: 200-010-18
Distribution: IV, V, VI, X, XII, XVI

To: **All CalPERS Employers**
Subject: **Enrolling and Reporting Retired Members**

Purpose

The purpose of this Circular Letter is to inform you that effective January 1, 2018, the Legislature has amended Government (Gov.) Code section 21220 of the Public Employees' Retirement Law (PERL) regarding the required reporting of retired annuitants.

Consequences of Unlawful Employment

CalPERS wants to keep you informed of how this legislation may affect you as a CalPERS employer.

Gov. Code section 21220 has been amended to add the following subdivisions:

> (d) If an employer fails to enroll, solely for the administrative recordkeeping purposes of the system, a retired member employed in any capacity, without reinstatement, within 30 days of the effective date of hire, the board may assess the employer a fee of two hundred dollars ($200) per retired member per month until the retired member is enrolled in those administrative aspects of the system.
>
> (e) If an employer fails to report the pay rate and number of hours worked of a retired member employed in any capacity, without reinstatement, within 30 days following the last day of the pay period in which the retired member worked, the board may assess the employer a fee of two hundred [dollars] ($200) per retired member per month until the information is reported.

(f) An employer shall not pass on to an employee any fees assessed pursuant to subdivisions (d) and (e).

CalPERS will begin assessing these fees in July 2018. An additional Circular Letter will be published at that time with additional information.

Questions

If you have any questions, please call the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

Renee Ostrander, Chief
Employer Account Management Division

California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442
www.calpers.ca.gov

Membership

Circular Letter

August 2, 2018
Circular Letter: 200-048-18
Distribution: IV, V, VI, X, XII, XVI

To: **All CalPERS Employers**
Subject: **Enrolling and Reporting Retired Members**

Purpose

The purpose of this Circular Letter is to follow up on the California Public Employees' Retirement System (CalPERS) Circular Letter 200-010-18 and provide additional information regarding the amendment to Government (Gov.) Code section 21220 of the Public Employees' Retirement Law (PERL). The my|CalPERS system has been updated in accordance with this new law and CalPERS will begin assessing fees July 1, 2018.

Enrollment

An employer shall enroll a retired member within 30 days of the effective date of hire or a fee of two hundred ($200) dollars will be assessed per month until the retired annuitant is enrolled in my|CalPERS.

CalPERS will not be assessing fees retroactively for retired members enrolled late. For example, if a retired member was hired on January 1, 2018 but the employer did not enroll the retired member until August 1, 2018, the employer will only be assessed one $200 fee for the late enrollment.

Payroll Reporting

An employer shall report and post retired annuitant payroll records within 30 days following the last day of the effective earned period. Payroll records can be submitted in either an earned period report or an adjustment report. Records must be posted within 30 days following the

last day of the record earned period, or a $200 fee will be assessed per month until the payroll information is posted.

CalPERS will not be assessing fees retroactively for retired annuitant payroll missing or reported late. For example, any missing or late payroll periods with earned period end dates prior to July 1, 2018, will not be assessed a $200 fee.

Employers will need to confirm missing payroll for retired annuitants that they do not expect to report payroll for. Employers should use the Payroll Schedule local navigation link to confirm missing payroll prior to the earned period report due date to avoid being assessed a $200 fee for each retired annuitant. You may also use the Retirement Appointment Reconciliation screens to maintain enrollments and confirm missing payroll. Failure to report or confirm missing payroll timely will result in a fee. For additional information regarding the Retirement Appointment Reconciliation functionality please refer to my|CalPERS Retirement Appointment Reconciliation Student Guide and Circular Letter 200-003-17.

Compliance

CalPERS encourages all employers to review all of their retired annuitant appointments for compliance before CalPERS begins assessing fees. Each retired annuitant currently working at your agency should have an appointment in my|CalPERS. If a retired annuitant has separated from your agency, please be sure that their appointment has been separated in my|CalPERS.

Questions

If you have any questions, please call the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

Renee Ostrander, Chief
Employer Account Management Division

☐ ***Qualifying Elections:***

1. Employees have the option to elect an alternate retirement system.
2. CalSTRS member hired for classified PERS position
   ✔ 60 days to elect to stay in CalSTRS – Use Form ES-372
3. CalPERS member hired for certificated STRS position
   ✔ 60 days to elect to stay in CalPERS – Use Form ES-372
4. In order for an employee to make an election into an alternate retirement system, they must be in a qualifying position that mandated membership. Retirees and substitutes do not qualify to make an election.
5. Employees cannot elect an alternate retirement system prior to approval by the retirement technicians. Please send all competed Retirement System Election forms ES-372 rev 01/19 to Maria Aguayo.

➢ ***Classified Vacation Pay for a CalSTRS Election Employee:***

CalSTRS has clarified that vacation pay is creditable for classified employees as long as it is not a lump sum cash vacation pay-out and refers to Ed Code 11229.2(a)(3) and 22119.3(a)(1).

In general, STRS Members do not have vacation pay, however, for Classified Employees who elected to remain in STRS while performing classified duties, vacation earnings would be creditable compensation. All employees in the Job Class must have the same benefits.

A new Addon will need to be created in Escape for Classified STRS Members with Vacation Pay. Because Bargaining Unit Agreements are different for all Districts, please email helpdesk@scoe.org and they will work individually with each District.

The following pages are examples of Incorrect and Correct Set-Up for Classified STRS Vacation Earnings Reporting to STRS.

Retirement System Election

ES 0372 rev 01/19

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

RETIREMENT SYSTEM ELECTION AND ACKNOWLEDGEMENT OF RECEIPT OF RETIREMENT SYSTEM INFORMATION

PLEASE READ THE ATTACHED INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE TYPE OR PRINT LEGIBLY IN DARK INK.

SECTION 1: MEMBER INFORMATION AND ELECTION (to be completed by employee)

NAME (LAST, FIRST, MIDDLE INITIAL) FULL SOCIAL SECURITY NUMBER

A member of **CalSTRS** who becomes employed in a new position by the same or a different school district, a community college district, a county superintendent of schools, limited state employment or the Board of Governors of the California Community Colleges, as defined in Education Code sections 22508 and 22508.5, to perform service that *requires* membership in a different public retirement system will have that service credited with that other public retirement system unless the member files a written election (within 60 days after the date of hire) to have that service covered by CalSTRS, pursuant to Education Code section 22508(a) or 22508.5(a).

I am a member of CalSTRS who has accepted employment to perform service that *requires* membership in a different public retirement system and am eligible to elect to continue retirement system coverage under CalSTRS.

I elect coverage in: (please choose one)

- ☐ CA State Teachers' Retirement System (CalSTRS)
- ☐ CA Public Employee's Retirement System (CalPERS) *
- ☐ A Different Public Retirement System identified here: _____

OR

A member of **CalPERS** who was employed by a school employer, Board of Governors of the California Community Colleges or State Department of Education within 120 days before the member's date of hire, or who has at least five years of CalPERS credited service, as defined in Government Code section 20309, and who is subsequently employed to perform creditable service that requires membership in the Defined Benefit Program of CalSTRS, will have that service credited with CalSTRS unless the member files a written election (within 60 days after the date of hire) to have the service credited with CalPERS, pursuant to Government Code section 20309.

I am a member of CalPERS who has accepted employment to perform service that requires membership in the CalSTRS Defined Benefit Program, and am eligible to elect to continue coverage under CalPERS.

I elect coverage in: (please choose one)

- ☐ CA State Teachers' Retirement System (CalSTRS)
- ☐ CA Public Employee's Retirement System (CalPERS) *

With my signature below, I certify that I have received information from my employer regarding my eligibility to elect membership for this position as described on this form. I fully understand that this election is irrevocable. I understand it is a crime to fail to disclose a material fact or to make any knowingly false material statements for the purpose of altering or receiving a benefit administered by CalSTRS and it may result in up to one year in jail and/or a fine of up to $5,000 pursuant to Education Code section 22010.

EMPLOYEE SIGNATURE DATE

SECTION 2: EMPLOYER CERTIFICATION (to be completed by employer and County Office of Education)

With my signature below, I certify that I have provided information to the above employee regarding his/her eligibility to elect membership for this position, pursuant to Education Code section 22509. I certify the employee meets the qualifications to make a retirement system election, pursuant to Education Code sections 22508 or 22508.5, or Government Code section 20309.

EMPLOYEE POSITION INFORMATION:

POSITION HIRE DATE POSITION EFFECTIVE DATE POSITION TITLE

SELECT ONE: ☐Credentialed ☐Classified ☐State Service

EMPLOYER INFORMATION:

CO/DIST/STATE DEPT NAME CALSTRS REPORT UNIT CODE

SCHOOL/STATE OFFICIAL'S NAME TITLE PHONE NUMBER

SIGNATURE OF SCHOOL/STATE OFFICIAL DATE

COUNTY OFFICIAL'S NAME TITLE PHONE NUMBER

SIGNATURE OF COUNTY OFFICIAL *CalPERS Employer Code:

ES0372

Retirement System Election – Information and Instructions

The following instructions are to assist you and your employer in completing the *Retirement System Election* form (ES372). Please read the instructions and information for retirement system coverage before completing the form. Please type or print legibly in dark ink.

INFORMATION

A member of the CalSTRS Defined Benefit Program who becomes employed by a school district, a community college district, a county superintendent of schools, limited state departments, or the California Community Colleges Board of Governors to perform service that requires membership in a different public retirement system, may elect to receive credit under the CalSTRS Defined Benefit Program for such service by completing a *Retirement System Election* form (ES372) within 60 days after the hire date *requiring* membership in the other system, and CalSTRS must receive the completed form within 60 days of the signature date. If the CalSTRS member does not elect to continue as a member of CalSTRS, all service subject to coverage by the other public retirement system will be reported to that retirement system. (Education Code sections 22508, 22508.5 and 22509)

A member of CalPERS who was employed by a school employer, Board of Governors of the California Community Colleges, or State Department of Education within 120 days before the member's date of hire, or who has at least five years of CalPERS credited service, and who accepts employment to perform creditable service that requires membership by the CalSTRS Defined Benefit Program, may elect to receive credit under CalPERS for such service by submitting a Retirement System Election form (ES372) to CalPERS, within 60 days after the hire date of employment requiring membership in CalSTRS. If the CalPERS member does not elect to continue as a member of CalPERS, all CalSTRS creditable service will be reported to CalSTRS. (Government Code section 20309).

Education Code section 22509 requires that within 10 working days of hire, an employer must provide all employees who have the right to make this election with the information regarding their election rights and must make available written information about the retirement systems to assist the employee in making an election.

SECTION 1: MEMBER INFORMATION AND ELECTION

Section 1 must be completed by the employee with assistance from the employer. Please complete all entries in Section 1.

EMPLOYEE NAME and SOCIAL SECURITY NUMBER – Enter employee's full name, and full Social Security Number.

RETIREMENT SYSTEM COVERAGE:
If you are a member of CalSTRS and have accepted employment to perform service that requires membership in a different public retirement system, mark the box next to the coverage you elect.

If you are a member of CalPERS and have accepted employment to perform service that requires membership in CalSTRS, mark the box next to the coverage you elect.

EMPLOYEE SIGNATURE – Sign and date the form. By signing this document, you certify that you have received information from your employer regarding your right to the Retirement System Election. You also certify that you understand this election is irrevocable, and that it is a crime 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 which may result in up to one year in jail and a fine of up to $5,000. (Education Code section 22010)

Submit the signed and dated *Retirement System Election* form (ES372) to your employer. Retain a copy for your records.

For general membership information, contact CalSTRS by calling 800-228-5453, or write to CalSTRS at P.O. Box 15275, MS 17, Sacramento, CA 95851-0275.

SECTION 2: EMPLOYER CERTIFICATION

Section 2 must be completed by the employer and the County Office of Education. Please complete the employer certification only after the employee has completed Section 1. Employees must qualify for membership before they can retirement system elect.

EMPLOYER:

POSITION HIRE DATE – Enter the date the employee was hired in the position.

POSITION EFFECTIVE DATE – Enter the first date that service was/will be performed by the employee in the new position.

POSITION TITLE – Enter employee's new position title and check the box next to the applicable position type.

CO/DIST CODE/STATE DEPARTMENT – Enter the appropriate county and district codes. Example: Kern County, Edison Elementary would be 15-012, and CA Department of Education would be 59-174.

EMPLOYER CERTIFICATION – Print school or state official's name, title and phone number, and sign and date the form.

Submit the completed form to the County Office of Education.

If you represent a state department, submit the form directly to CalSTRS and send a copy to the other public retirement system.

COUNTY OFFICE OF EDUCATION:
Print the County official's name, title and phone number, and sign and date the form.

Retain a copy for your and the employee's files.

SUBMIT THE FORM:

The *Retirement System Election* form (ES372) must be submitted to the retirement system elected by the employee and a copy submitted to the retirement system that would normally cover the service. For additional requirements, please see the Information section.

Mail completed forms to:

CalSTRS	CalPERS
P.O. Box 15275, MS 17	P.O. Box 942709
Sacramento, CA 95851-0275	Sacramento, CA 94229-2709

CalSTRS also accepts the form via fax, at 916-414-5476, or by secure messaging via the Secure Employer Website.

Classified STRS Vacation Earnings: **INCORRECTLY** Set-Up and Not Reporting to STRS

Gross to Net

Time Sheet Site

EARNINGS	Pay Period Employee	Other	Rate	Calendar Year To Date Employee	Other	Subj Gross
POSITION #11-11(0)			2,652.67	13,926.54		
POSITION #11-12(0)	1,499.61		2,856.40	1,499.61		
ADD-ON (VAC1) Vacation			17.27	725.34		
ADD-ON (VAC1) Vacation	77.70		18.50	77.70		
Total	1,577.31	.00		16,229.19	.00	

REDUCTIONS	Employee	Employer	Subj Gross	Employee	Employer	Subj Gross
(STRS) STRS	153.71	256.43	1,499.61	1,581.17	2,523.65	15,426.15
(HW1PRE) dual	940.87			940.87		
(HW1PRE) H & W Kasier				2,707.92		
(HW4PRE) dual	85.44			85.44		
(HW4PRE) H & W Dental				224.22		
Total	1,180.02	256.43		5,539.62	2,523.65	

S/B $1,577.31 to include vacation earnings

TAXES						
(FIT) [S 0] Federal Withholding	1.73		397.29	846.83		10,689.57
(SIT) [S 0 :0] State Withholding			397.29	111.96		10,689.57
(MEDICARE) Medicare	7.99	7.99	551.00	177.91	177.91	12,270.74
(SDI) SDI	5.51		551.00	122.69		12,270.74
(SUI) Unemployment Ins		.28	551.00		6.16	12,270.74
(WORKCOMP) Workers Comp		24.13	1,577.31		257.11	16,229.19
Total	15.23	32.40		1,259.39	441.18	

DEDUCTIONS / CONTRIBUTIONS						
(HW2) dual		785.93			785.93	
(HW2) HW Kaiser					8,509.68	
(HW4) dual		72.12			72.12	
(HW4) HW Dental					721.14	
Total	.00	858.05		.00	10,088.87	

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:18AM

CL0S #1 - Class10 Month Sep-Jun | Retirement and Benefits

Pay Period 1, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CLS#2 - Ending 08/31/19 on 09/10/19)

Time Sheet Site

STRS RETIREMENT DETAIL	MB R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #11-12(0)	1	57	2,856.40	3	1,499.61	1	153.71	09/01/19	09/30/19	*	256.43
Retirement Total					1,499.61		153.71				256.43

Should include vacation earnings

STRS REPORTED 9/2019 Regular	MB R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	2,856.40	3	1,499.61	1	153.71	09/01/19	09/30/19	*
Retirement Total					1,499.61		153.71			

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:18AM

Classified STRS Vacation Earnings: **CORRECTLY** Set-Up and Reporting to STRS

ll Snapshot

Gross to Net

Status Future

Approved

Last Calc'd EGRAVES, 9/9/19 7:40 am

Time Sheet Site

EARNINGS	Pay Period Employee	Other	Rate	Calendar Year To Date Employee	Other	Subj Gross
POSITION #11-11(0)			2,652.67	13,926.54		
POSITION #11-12(0)	1,499.61		3,004.40	1,499.61		
ADD-ON (VAC1) Vacation			17.27	725.34		
ADD-ON (VACSTRS) Vacation	77.70		18.50	77.70		
Total	1,577.31	.00		16,229.19	.00	

REDUCTIONS	Employee	Employer	Subj Gross	Employee	Employer	Subj Gross
(STRS) STRS	161.67	269.72	1,577.31	1,589.13	2,536.94	15,503.85
(HW1PRE) dual	940.87			940.87		
(HW1PRE) H & W Kasier				2,707.92		
(HW4PRE) dual	85.44			85.44		
(HW4PRE) H & W Dental				224.22		
Total	1,187.98	269.72		5,547.58	2,536.94	

Correct Subject Gross includes vacation earnings

TAXES						
(FIT) [S 0] Federal Withholding	.93		389.33	846.03		10,681.61
(SIT) [S 0 :0] State Withholding			389.33	111.96		10,681.61
(MEDICARE) Medicare	7.99	7.99	551.00	177.91	177.91	12,270.74
(SDI) SDI	5.51		551.00	122.69		12,270.74
(SUI) Unemployment Ins		.28	551.00		6.16	12,270.74
(WORKCOMP) Workers Comp		24.13	1,577.31		257.11	16,229.19
Total	14.43	32.40		1,258.59	441.18	

DEDUCTIONS / CONTRIBUTIONS						
(HW2) dual		785.93			785.93	
(HW2) HW Kaiser					8,509.68	
(HW4) dual		72.12			72.12	
(HW4) HW Dental					721.14	
Total	.00	858.05		.00	10,088.87	

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:40AM

CL0S #1 - Class10 Month Sep-Jun — Retirement and Benefits

Pay Period 1, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CLS#2 - Ending 08/31/19 on 09/10/19)

Approved
Last Calc'd EGRAVES, 9/9/19 7:40 am

STRS RETIREMENT DETAIL	M B R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #11-12(0)	1	57	3,004.40	3	1,499.61	1	153.71	09/01/19	09/30/19	*	256.43
ADD-ON (VACSTRS) Vacation	1	57	3,004.40	3	77.70		7.96	09/01/19	09/30/19	*	13.29
Retirement Total					1,577.31		161.67				269.72

Now correctly reporting vacation earnings to STRS

STRS REPORTED 9/2019 Regular	M B R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	3,004.40	3	1,577.31	1	161.67	09/01/19	09/30/19	*
Retirement Total					1,577.31		161.67			

Selection

ESCAPE ONLINE

Generated for Erin Graves (EGRAVES), Sep 9 2019 7:40AM

☐ ***Payroll Errors:***

1. Prior to submitting payroll, please review the Pay22 Payroll Error Report
   - ✔ Please contact Maria Aguayo if you have any questions or need assistance correcting an error on the report
   - ✔ If you are paying an employee or retiree that does not have an active Calpers appointment, it will create a payroll error. Submit the required paperwork to Maria prior to submitting payroll.
   - ✔ Errors such as "pay rate too high" or "pay rate too low" are due to an issue with the work schedule and/or paycode. Confirm the retirement set up is correct in the Retirement tab and the "Retirement" section in adjust payroll.
   - ✔ Review the snapshot in adjust payroll for ALL payroll adjustments
   - ✔ If Maria determines the correction cannot be made by the LEA, she will give the okay to submit payroll with the error(s), as long as the errors are not fatal.
   - ✔ Maria will make retirement corrections prior to submitting the monthly earnings report to PERS.

☐ ***CalPERS Questions?***

Maria Aguayo
maguayo@scoe.org
Ph #524-2655
Fax #578-0487

➢ ***myCalPERS Website Instructions:***

1. Log on to the PERS website, **my.calPERS.ca.gov**. If you do not have a password or it has expired, contact **Maria Aguayo 524-2655 or maguayo@scoe.org.**
2. Go to the "Person Information" tab and enter the employee's social security number or CalPERS ID
3. If the employee is an existing member of PERS, their profile will appear
4. Print this screen and send it with a PERS enrollment form to the PERS Retirement Analyst at SCOE
5. Check the Membership Date to verify whether the employee is a Pre-2013 (classic) member, New or Retired. This information is required to set up the employee correctly in the retirement tab in employee management
6. If a completely blank screen appears, print this screen and send it with a PERS enrollment form and the Member Reciprocal Self Certification form. This employee would be set up as a "New" member
7. If a screen appears requesting Anticipated or Actual Hire Date, enter tomorrow's date to access the next screen
8. The next screen will appear with a profile that has limited information. The individual could be a beneficiary of an existing member. They would have a CalPERS I.D., but all other fields would say "No". This employee would be entered as "New" in employee management. Or, the employee could be an existing member of PERS through a different employer. There would be a CalPERS I.D., membership date, last reporting date, etc., but no district information. Print this screen and send it with the PERS enrollment form and the Member Reciprocal Self Certification form to Maria Aguayo
9. **IMPORTANT:** If an employee does not qualify for PERS and tells you they are not an existing member, please verify this information. Oftentimes, employees do not realize they were previously made a

member. Also, if they are working part time at another PERS employer, their combined positions may qualify them for PERS.

☐ ***Retirement Tab – Employee Management:***

1. To set up a new employee, go to the Retirement tab in Employee Management
2. Dates – The begin date should be the same as the assignment start date (which would also be the effective date on the PERS form). It does not have to be the first of the month
3. Retirement Plan – PERS
4. Member Status – 1 (Member) or 2 (Non-member or Retiree)
5. Plan Option – N (New) or O (Pre2013)
6. Primary Plan – Yes
7. Member Type:
   - ✔ E – Elected Member (Certificated employee that has completed an ES-372 form)
   - ✔ N – Non-Member (Does not qualify and is not existing)
   - ✔ Q – Qualified Member (New employee that qualifies by FTE or hours)
   - ✔ R – Retiree (Retired)
   - ✔ Y – Existing Member (A member through previous employment)
8. PERS Work Schedule – 400 (Hourly)
   - ✔ Unless providing certificated services and elected to remain in CalPERS. Must be 173 (Monthly)
9. PERS Member Id – CalPERS I.D. #
10. Comment – Use this field for retirement information

☐ ***Retirement section – Adjust Payroll:***

1. Retirement Override – Yes (to make changes)
2. Plan – PERS
3. Status – 1 (Member) 2 (Non-Member or Retiree)
4. Plan Option – N (New) or O (Pre-2013)
5. Member Type –
   - ✔ E – Elected Member (Certificated employee that has completed an ES-372 form)
   - ✔ N – Non-Member (Does not qualify and is not existing)
   - ✔ Q – Qualified Member (New employee that qualifies by FTE or hours)
   - ✔ R – Retiree (Retired)
   - ✔ Y – Existing Member (A member through previous employment)
6. Service Begin Date – Month pay was earned
7. Service End Date – Month pay was earned
8. PERS Work Schedule – 400 (Hourly)
9. PERS Contribution Code – Choose option
10. PERS Pay Code – 4 (Hourly)
11. Pay Rate – This should be changed to reflect the hourly pay rate, not the total pay

☐ *Retirement Appointment Reconciliation:*

On a monthly basis, complete the retirement appointment reconciliation for your district. Confirm the unposted payroll after submitting your regular payroll.

**Unposted payroll creates "Projected Contributions" for your district. There is a $200.00 fee for unposted payroll that is not reconciled on a monthly basis.*

After you have confirmed that an earned period has unposted payroll, myCalPERS will stop requesting payroll reporting for that period. You may still report payroll for earned periods that have been confirmed.

Step 1 From the My Home page, select the **Reporting** global navigation tab

Step 2 Select **Retirement Appointment Reconciliation** local navigation link

Step 3 Select your **Division** from the division drop down

Step 4 Select **Yes** from the **Payroll Past Due** drop down (on the right)

Step 5 Select the **Search** button

Step 6 A listing of participants with unposted payroll will appear. If there is more than one page, select **View Max** link at the bottom of the page

Step 7 Within the Participants Unposted Payroll section, select the **Review** link on the right side of the screen for the appropriate appointment

Step 8 **Optional**: Open multiple windows to research the employee

Step 9 Within the Unposted Payroll Periods section, select the appropriate earned period check box(es) that you want to confirm unposted payroll

Step 10 Select the **Confirm** button

Step 11 Select the **Return** link to continue

*On a monthly basis, the Appointment Reconciliation for Retirees is completed by Maria Aguayo. There is a specific link under "Payroll Schedule that is not accessible to districts. If this is not completed on a monthly basis there is a $200.00 fee per retiree.

☐ ***CalPERS Salary Schedule Requirements:***

(see CalPERS , Circular Letter 200-003-20)

California Code of Regulations (CCR) 570.5 outlines the requirement for a Publicly Available Pay Schedule. Government Code Section 20636(b)(1) defines "Payrate", including for a member who is not in a group or class. Paragraph (1) of subdivision (3) reads, *"Under no circumstances shall one employee be considered a group or class."*

It is critical pay schedules meet the required elements necessary to meet the definition for a publicly available pay schedule.

☐ ***Coaching Stipends:***

(see CalPERS Circular Letter 200-049-19)

Sports coaching stipends are often based on coaching an undetermined number of hours and are *not* normally reportable for CalPERS purposes. This is because one of the key factors of the 8 requirements of a Publicly Available Pay Schedule is compensation be time-based.

CalPERS

California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442
www.calpers.ca.gov

Payroll

Circular Letter

January 8, 2020
Circular Letter: 200-003-20
Distribution: IV, VI, X, XII, XVI

To: **All CalPERS Contracted Agencies (Public Agency, Schools, and State)**
Subject: **Statutory and Regulatory Requirements for Publicly Available Pay Schedules**

Purpose

The purpose of this Circular Letter is to inform all CalPERS Contracted Agencies of the requirements for providing CalPERS with a Publicly Available Pay Schedule in compliance with the Public Employees' Retirement Law (PERL), Public Employees' Pension Reform Act of 2013 (PEPRA), and Title 2 of the California Code of Regulations (CCR).

Purpose of Publicly Available Pay Schedules

Under the PERL and PEPRA, compensation earnable and pensionable compensation are determined in accordance with amounts identified on publicly available pay schedules.

Compensation Earnable

Under Government (Gov.) Code sections 20636 and 20636.1, compensation earnable means the pay rate and special compensation of the member, as further defined by those statutes.

Pay rate for contracting agency and school members is deemed the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. Pay rate for contracting agency and school members who are not in a group or class is deemed the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to specified limitations.

Pay rate for state members is deemed the average monthly remuneration paid in cash out of funds paid by the employer to similarly situated members of the same group or class of employment, in payment for the member's services or for time during which the member is excused from work, as further specified by subdivision (g) of Gov. Code 20636, pursuant to publicly available pay schedules.

Pensionable Compensation

Pursuant to Gov. Code section 7522.34, pensionable compensation of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules, subject to specified limitations.

Requirements of Publicly Available Pay Schedules

Subdivision (a) of CCR section 570.5 defines the requirements for a publicly available pay schedule used to determine pay rates.

Pay rates shall be limited to the amount listed on a pay schedule that must meet all the following eight (8) requirements:

1. Be duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws
2. Identify the position title for every employee position
3. Show the pay rate as a single amount or multiple amounts within a range for each identified position
4. Indicate the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually
5. Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's website
6. Indicate an effective date and date of any revisions
7. Is retained by the employer and available for public inspection for not less than five years
8. Does not reference another document in lieu of disclosing the pay rate

Here is an example of a compliant pay schedule, to the extent it has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws, it is posted on the employer's website, and it is retained by the employer and available for public inspection for not less than five years:

City of CalPERS Salary Schedule for Fiscal Year 17-18 Effective as of 07/01/2017						
Classification	**Rate Type**	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**
City Manager	Monthly	$10,500	$11,000	$11,500	$12,000	$12,500
City Counsel	Monthly	$10,000	$10,500	$11,000	$11,500	$12,000
City Clerk	Monthly	$5,500	$6,000	$6,500	$7,000	$7,500
Call Center Representative	Monthly	$5,000	$5,500	$6,000	$6,500	$7,000
Analyst	Monthly	$5,000	$5,500	$6,000	$6,500	$7,000
Assistant	Monthly	$4,500	$5,000	$5,500	$6,000	$6,500
Revised as of 09/01/2017 and adopted by the Board as of 09/15/2017						

Special Compensation

Pursuant to CCR section 571 for classic members, and CCR section 571.1 for new members under PEPRA, special compensation items are defined under an exclusive list. Each special compensation item shall be reported separately from pay rate, in accordance with the criteria described in those regulations. Therefore, a publicly available pay schedule in which the special compensation items are reflected in the pay rates does not comply with CCR section 570.5.

Absence of Publicly Available Pay Schedule

If an employer fails to meet the requirements of subdivision (a) of CCR section 570.5, under subdivision (b), the board may determine in its sole discretion an amount that will be considered as pay rate, taking into consideration all information it deems relevant including, but not limited to, the following:

- Documents approved by the employer's governing body in accordance with requirements of public meeting laws and maintained by the employer
- Last pay rate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue
- Last pay rate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position
- Last pay rate for the member in a position that was held by the member and that is listed on a pay schedule that conforms to the requirements of subdivision (a) of a former CalPERS employer.

Importance of Publicly Available Pay Schedule

Publicly available pay schedules are required by CalPERS and are a critical component to verify all members' pay rates when calculating members' retirement benefits. Maintaining a compliant publicly available pay schedule will support transparency and expedite CalPERS' review process.

Failure to provide CalPERS with a compliant publicly available pay schedule may result in a retirement benefit being delayed.

Questions

It is the employer's responsibility to comply with all terms and conditions set forth in the employer's contract with CalPERS and to ensure all reportable information is compliant with the PERL, PEPRA, and the CCR.

If you have any questions or concerns, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377), or email MOU_Review@calpers.ca.gov.

Renee Ostrander, Chief
Employer Account Management Division

California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442
www.calpers.ca.gov

Special Compensation

Circular Letter

October 16, 2019
Circular Letter: 200-049-19
Distribution: X, XII, XVI

To: **State Colleges and Universities, County Superintendent of Schools, and Individual School Districts**
Subject: **Reportability of Coaching Stipends**

Purpose

The purpose of this Circular Letter is to inform all CalPERS contracted school employers of how to determine if a coaching stipend is reportable as compensation earnable or pensionable compensation.

Coaching Stipends

Coaching stipends in most cases are ad hoc payments to compensate a coach for work performed. Although a payment is provided to the coach, it is often based on coaching an undetermined number of hours or time base and not normally reportable for CalPERS purposes.

Reporting the Position as a Coach

For compensation to be reportable to CalPERS, the compensation must meet the definition of compensation earnable or pensionable compensation pursuant to the Public Employees' Retirement Law. If the District or the County Office of Education establishes a formal classification for coach positions, the positions will be established by a quantifiable pay rate for services rendered as they are substantiated by the following items to be considered reportable:

- Official duty statement
- Minimum qualifications

- An approved pay rate pursuant to a publicly available pay schedule

If a coaching position has been established and meets these criteria, it may be reportable to CalPERS as compensation earnable or pensionable compensation.

Not Defined as Special Compensation

Coaching stipends may appear to be special compensation; however, the California Code of Regulations sections 571 and 571.1 define the exclusive list of items that may be reported for compensation earnable or pensionable compensation. Additionally, the actual hours worked, specifically for the coaching stipend, only pertain to coaching school sports and are not identified as any of the defined items of special compensation. A coaching stipend does not meet the definition of special compensation; therefore, it is not deemed as reportable for pension purposes.

Questions

It is the contracted school employer's responsibility to comply with all terms and conditions set forth in the contract with CalPERS and ensure all reportable information is compliant with the Public Employees' Retirement Law.

If you have any questions or concerns, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377), or email MOU_Review@Calpers.ca.gov.

Renee Ostrander, Chief
Employer Account Manager Division

☐ *Reporting Compensation as Earned:*

(see Circular Letters 200-204-05 and 200-006-07)

Government Code Section 20630 requires employers to identify the pay period in which compensation is earned, regardless of when it is paid or reported to CalPERS. The method used in Escape to best meet the requirement for employees that work only a portion of the month either at the onset of the fiscal year or at the close of it (but not warranting a full monthly payment) is to set them up on a "Pay the Actual Days" calendar. This compensates the employees for the days worked in the partial month at the beginning or end of the fiscal, reporting compensation earned in each month worked.

The reason this is so important is because the final compensation calculation is based on the average 12 consecutive months of **pay rate**. Circular Letter 200-006-07 provides an example of how not reporting an employee's compensation earned in a month actually lowers their final compensation. Final compensation is determined by adding all 12 consecutive months of pay rate data and dividing it by 12.

P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888**-225-7377)
Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

Date: January 19, 2005
Reference No.:
Circular Letter No.: 200-204-05
Distribution: I, IV, V, VI, X, XII, XVI, XIX
Special:

Circular Letter

TO: STATE AGENCIES, CONTRACTING EMPLOYERS, CALPERS-AFFILIATED EMPLOYEE AND RETIREE ASSOCIATIONS, AGRICULTURAL DISTRICTS, STATE COLLEGES AND UNIVERSITIES, COUNTY SUPERINTENDENTS OF SCHOOLS, AND INDIVIDUAL SCHOOL DISTRICTS

SUBJECT: REPORTING COMPENSATION AS EARNED

The California Government Code requires that employers identify the pay period in which compensation was earned, regardless of when it is paid or reported to the California Public Employees' Retirement System (CalPERS). This is true whether the compensation being reported is the member's base pay or special compensation. The Government Code also specifies that the payrate reported is the monthly rate of pay or the base pay of the member paid pursuant to publicly available pay schedules. Payrate cannot include special compensation.

CalPERS is finding that employers are reporting special compensation on a prospective basis, that is before it has actually been earned. Effective immediately all compensation reported to CalPERS is to be reported as earned. Special compensation must be reported separately as earned, without lump sums or prospective payments and is not to be included in payrate. The *CalPERS' Procedures Manual* and Web site are being updated to clarify these requirements.

CalPERS relies on the information reported by employers to provide services such as retirement estimates, benefit payments and for setting the employer contribution rates. Failure to properly report information to CalPERS can result in inflated benefit payments which would cause an adjustment to the retiree's benefits plus the need to recover the benefit overpayment. Please make sure that all information reported is complete, accurate and timely.

The California Government Code sections, in pertinent part, are attached. If you have questions please call our Employer Contact Center toll free at **888 CalPERS** (or **888**-225-7377).

Lori McGartland, Acting Chief
Actuarial and Employer Services Division

Attachment

P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888**-225-7377)
Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

Date: April 5, 2007
Reference No.:
Circular Letter No.: 200-006-07
Distribution: **XII, XVI**
Special:

Circular Letter

TO: COUNTY SUPERINTENDENT OF SCHOOLS AND INDIVIDUAL SCHOOL DISTRICTS

SUBJECT: EXAMPLE OF REPORTING COMPENSATION AS EARNED DURING JULY AND AUGUST

CalPERS provides school employers the following information regarding reporting compensation for July and August due to continued noncompliance in reporting methods. The purpose of this Circular Letter is to emphasize proper reporting of payroll for employees who work any days during July or August and illustrate how incorrect reporting can impact your employees' final compensation and the payment of retirement benefits.

The California Government Code Section 20630 requires that employers identify the pay period in which compensation was earned, regardless of when it is paid or reported to CalPERS. This means payroll must be reported for employees who are compensated for time worked in the summer months of July and August, even if they are paid for that time in another month.

For more information on the subject of reporting compensation as earned, please refer to Circular Letter 200-204-05, dated January 19, 2005 on our Web site, and *Government Code Section 20630.* This section states in part: "...When compensation is reported to the Board, the employer shall identify the pay period in which the compensation was earned regardless of when reported or paid..."

Reporting compensation as earned impacts the calculation of retirement benefits. Final compensation is based on the average 12 consecutive months of payrate data received from the employer, irrespective of actual earnings. The final compensation is determined by adding all twelve consecutive months of payrate data and dividing by 12. Following are two examples of an employee that works two days in August, one of the "summer months."

Example #1 demonstrates the employer correctly reporting the two days of compensation earned in August on the August payroll. This employee's final compensation calculation will include reported payrates for 11 months due to the payrate reported in the month of August.

Example #1 – Correct Reporting of Compensation as Earned:

Month	Payrate	Earnings	Service Credit
July	$0.00	$0.00	0.000
August	$2,600.00	$236.00	0.090
September	$2,600.00	$2,484.00	0.955
October	$2,600.00	$2,484.00	0.955
November	$2,600.00	$2,484.00	0.955
December	$2,600.00	$2,484.00	0.955
January	$2,600.00	$2,484.00	0.955
February	$2,600.00	$2,484.00	0.955
March	$2,600.00	$2,484.00	0.955
April	$2,600.00	$2,484.00	0.955
May	$2,600.00	$2,484.00	0.955
June	$2,600.00	$2,484.00	0.955
Totals	**$28,600.00**	**$25,076.00**	**.964**

Final Compensation $28,600.00 divided by 12 = $2,383.00

Example #2 shows the employer incorrectly reporting the two days of compensation earned by combining the two days worked in August on the September payroll. This employee's final compensation calculation will not include the payrate that should have been reported in the month of August and will result in a final compensation amount that is $216.00 lower than the correct reporting method.

Example #2 – Incorrect Reporting of Compensation as Paid:

Month	Payrate	Earnings	Service Credit
July	$0.00	$0.00	0.000
August	$0.00	$0.00	0.000
September	$2,600.00	$2,720.00	1.040
October	$2,600.00	$2,484.00	0.955
November	$2,600.00	$2,484.00	0.955
December	$2,600.00	$2,484.00	0.955
January	$2,600.00	$2,484.00	0.955
February	$2,600.00	$2,484.00	0.955
March	$2,600.00	$2,484.00	0.955
April	$2,600.00	$2,484.00	0.955
May	$2,600.00	$2,484.00	0.955
June	$2,600.00	$2,484.00	0.955
Totals	**$26,000.00**	**$25,076.00**	**.964**

Final Compensation $26,000.00 divided by 12 = $2,167.00

As illustrated by the two examples, correctly reporting compensation in the pay period in which it was earned will result in a correct final compensation amount for this employee, because payrate is reported for 11 months of the final compensation period instead of ten. We hope you find this clarification helpful. If you have questions, please call our Employer Contact Center toll free at **888 CalPERS** (or **888**-225-7377).

Lori McGartland, Chief
Employer Services Division

☐ ***Retros:***

Complete the Retroactive Pay Notification form and email to helpdesk@scoe.org and IT will work with you. Whenever possible use Escape's Retro Payroll process.

Classified Retro Pay is required to be paid to the whole group or Class of Employees employed during the stated time-frame, including terminated employees, in order to be CalPERS creditable.

Non-creditable Retroactive compensation for creditable service affects the employees for whom this would otherwise be one of their highest years for calculating their retirement benefit.

When calculating and reporting Retroactive Salary Adjustments, log onto CalPERS and look-up the member's Transaction History Detail. The following is the information needed for correct reporting of a Retroactive Salary Adjustment:

1. Must always use the correct previous Pay Rate
2. Cannot reverse more than what was originally reported
3. Take into consideration any previous docks or negative adjustments
4. Use the correct Earned Period Begin and Earned Period End Dates.
5. If the employee has one pay rate, 12 month EE, and the retro doesn't cross fiscal years, you can use a date range for the retro. Be sure to use RSA - Retroactive Salary Adjustment.
6. If the employee has multiple pay rates and/or gaps in employment (less than 12 month EE) or the retro crosses a fiscal year, use PPA - Prior Period Adjustment. The date range function will not work due to the multiple pay rates.
7. The prior earnings should be reversed and re-reported using the higher pay rate with new earnings.

Sonoma County Office of Education
IT and Business Services Division

Procedure for Retroactive Pay Notification Form

The purpose of the Retroactive Pay Notification form is to notify the County Office of Education of when LEAs are planning for a retroactive pay adjustment including one-time bonus/off-schedule. We realize retroactive pay adjustments most commonly happen only once a year and that there can be turnover in payroll staffing. Therefore, we would like to provide you and staff the support and guidance necessary to navigate the retroactive pay process.

Receiving the information requested in a timely manner allows our IT and Business Services divisions the opportunity to review the signed agreement(s) and new salary schedule(s) so that we may better serve the LEA.

Please complete the attached Retroactive Pay Notification form and email to helpdesk@scoe.org and IT will work with you.

Sonoma County Office of Education
IT and Business Services Division

Retroactive Pay Notification Form

Sonoma County
Office of Education

5340 Skylane Boulevard
Santa Rosa, CA 95403-8246
(707) 524-2600 ■ www.scoe.org

LEA Retro Information	
LEA Name:	
Contact Name:	
Contact Phone/Email:	
Date of Retro Pay:	
Escape HR/Payroll Fields	
Retro Period Coverage Dates (Earnings From/Thru) From:_____ Thru:_____	
Bargaining Unit/Group*:	
Salary Schedule(s):	
Addon(s) to Include**:	

**Please submit separate form for each bargaining unit or group.*

***Consider including addons for docks, positive and negative adjustments, and vacation and longevity pay unless otherwise specified in agreement.*

Check all that Apply:

☐ Classified ☐ Certificated ☐ Certificated RWL ☐ Management

☐ Other:_____

Retro Payroll Features (check all that apply):

☐ On Salary Schedule

☐ One-Time Bonus

☐ Active Employees Only (NOT Creditable for all)

☐ Include Terminated (Creditable for all)

Required Attachments:

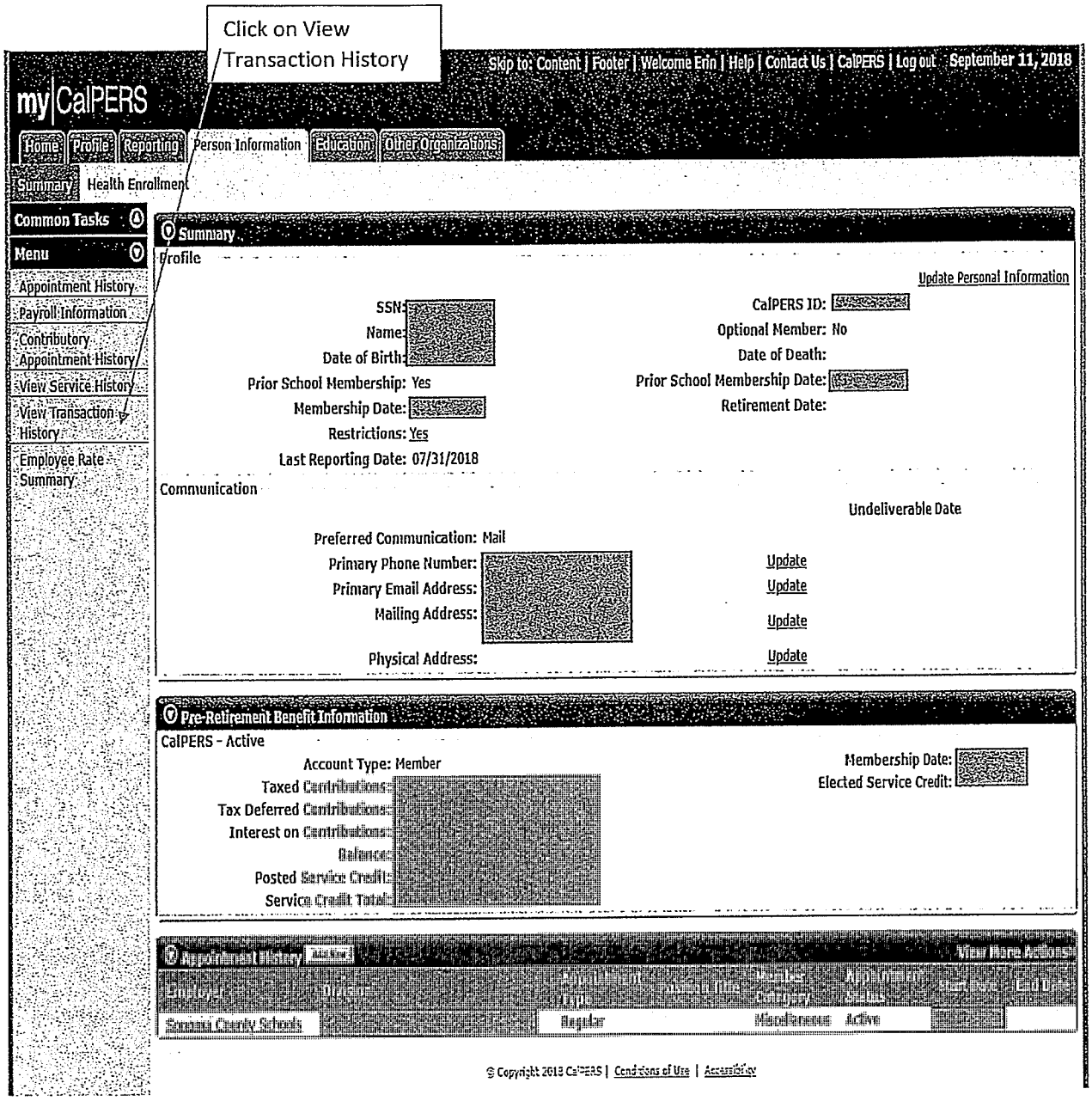
☐ Copy of Signed Agreement (submit signed letter detailing terms if no bargained agreement)

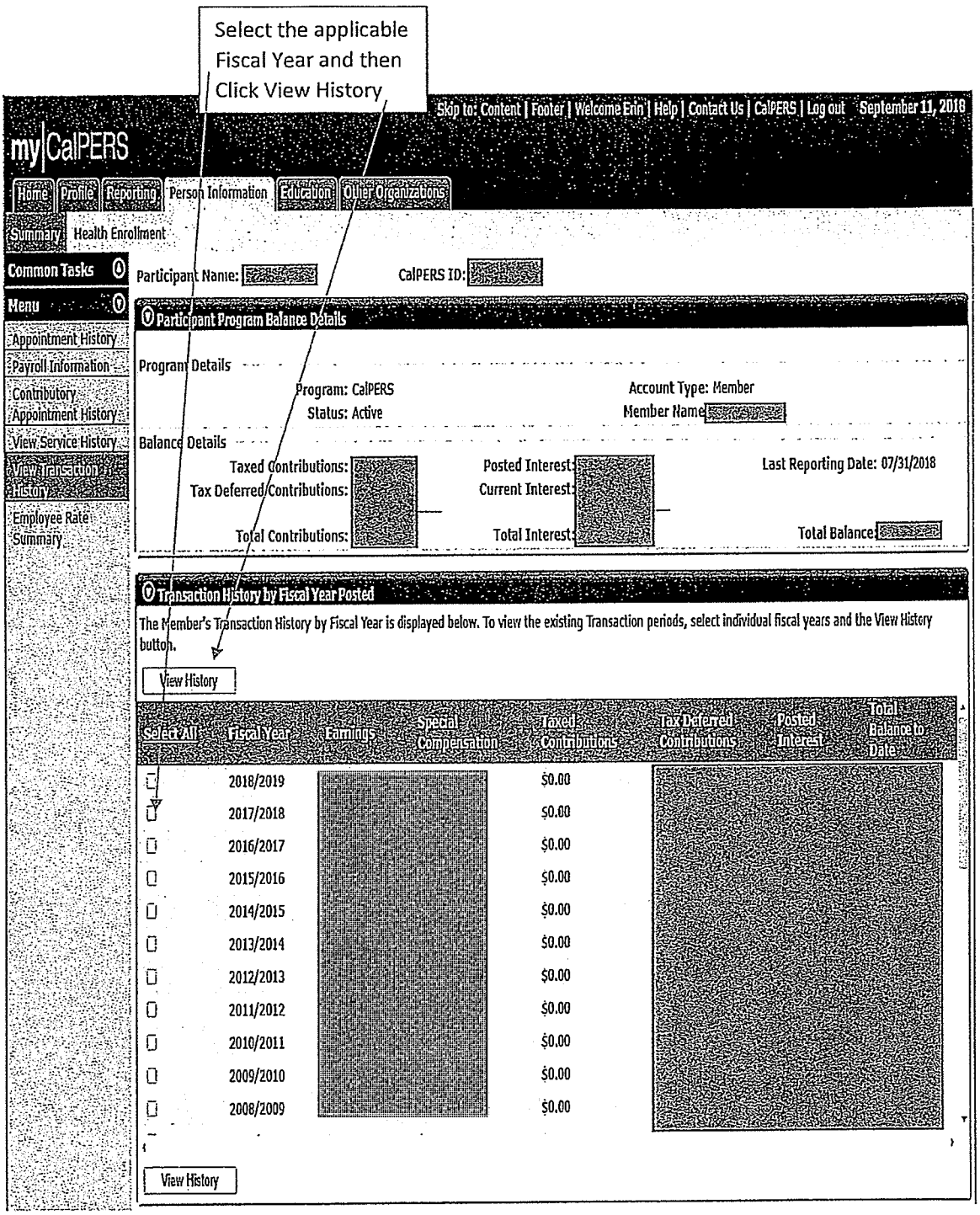
☐ New Salary Schedule(s)

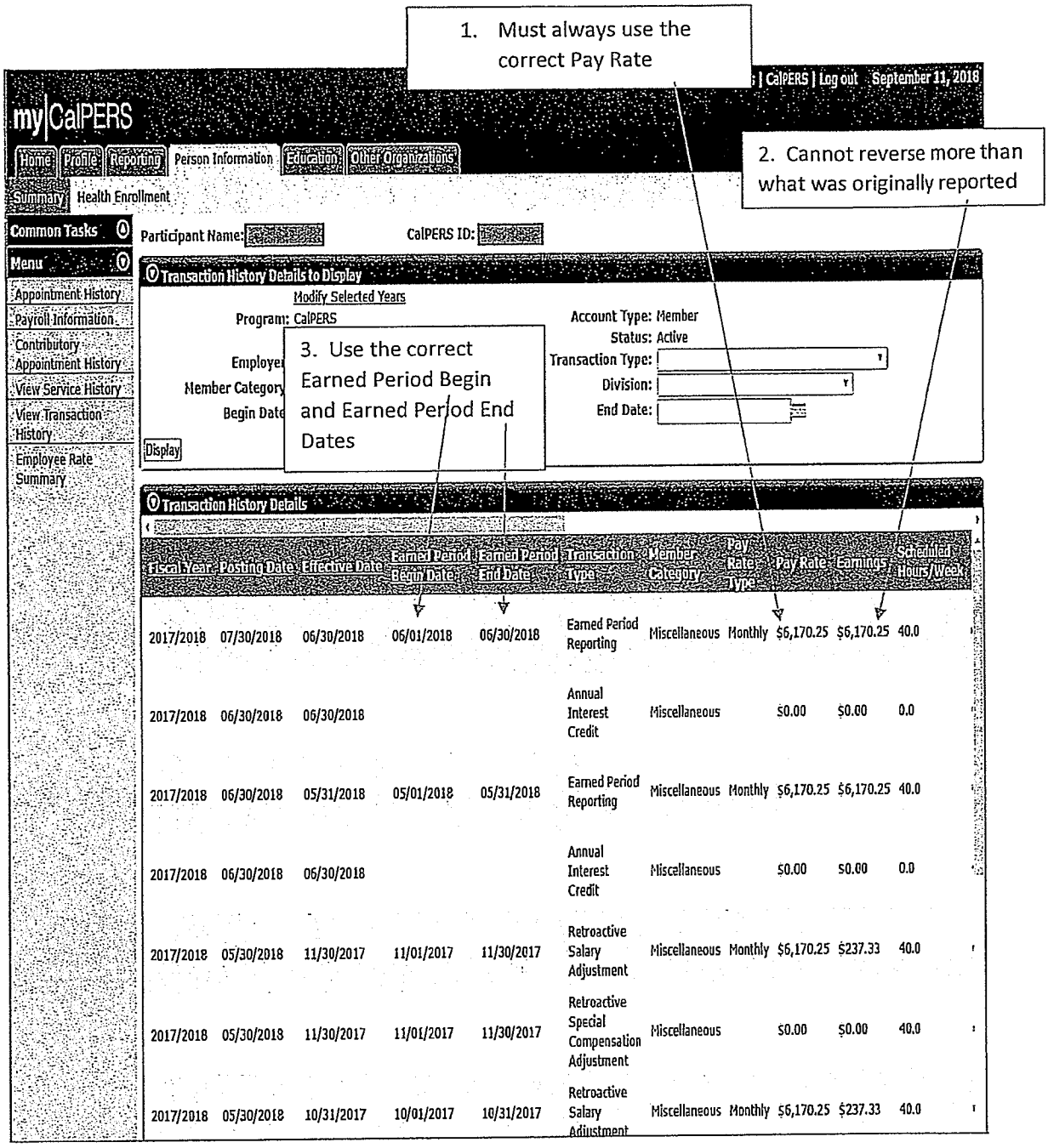
_____

LEA Authorized Signature ***Date***

Email completed form to helpdesk@scoe.org


Click on View Transaction History
Skip to: Content | Footer | Welcome Erin | Help | Contact Us | CalPERS | Log out September 11, 2018
myCalPERS
Home
Profile
Reporting
Person Information
Education
Other Organizations
Summary
Health Enrollment
Common Tasks
Menu
Appointment History
Payroll Information
Contributory Appointment History
View Service History
View Transaction History
Employee Rate Summary
Summary
Profile
Update Personal Information
SSN:
Name:
Date of Birth:
Prior School Membership: Yes
Membership Date:
Restrictions: Yes
Last Reporting Date: 07/31/2018
CalPERS ID:
Optional Member: No
Date of Death:
Prior School Membership Date:
Retirement Date:
Communication
Undeliverable Date
Preferred Communication: Mail
Primary Phone Number:
Primary Email Address:
Mailing Address:
Physical Address:
Update
Update
Update
Update
Pre-Retirement Benefit Information
CalPERS - Active
Account Type: Member
Taxed Contributions:
Tax Deferred Contributions:
Interest on Contributions:
Balance:
Posted Service Credit:
Service Credit Total:
Membership Date:
Elected Service Credit:
Appointment History
View More Actions
Employer
Sonoma County Schools
Regular
Miscellaneous Active
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Select the applicable Fiscal Year and then Click View History
Skip to: Content | Footer | Welcome Erin | Help | Contact Us | CalPERS | Log out September 11, 2018
myCalPERS
Home
Profile
Reporting
Person Information
Education
Other Organizations
Summary
Health Enrollment
Common Tasks
Menu
Appointment History
Payroll Information
Contributory Appointment History
View Service History
View Transaction History
Employee Rate Summary
Participant Name:
CalPERS ID:
Participant Program Balance Details
Program Details
Program: CalPERS
Status: Active
Account Type: Member
Member Name:
Balance Details
Taxed Contributions:
Tax Deferred Contributions:
Total Contributions:
Posted Interest:
Current Interest:
Total Interest:
Last Reporting Date: 07/31/2018
Total Balance:
Transaction History by Fiscal Year Posted
The Member's Transaction History by Fiscal Year is displayed below. To view the existing Transaction periods, select individual fiscal years and the View History button.
View History
Select All
Fiscal Year
Earnings
Special Compensation
Taxed Contributions
Tax Deferred Contributions
Posted Interest
Total Balance to Date
2018/2019 $0.00
2017/2018 $0.00
2016/2017 $0.00
2015/2016 $0.00
2014/2015 $0.00
2013/2014 $0.00
2012/2013 $0.00
2011/2012 $0.00
2010/2011 $0.00
2009/2010 $0.00
2008/2009 $0.00
View History


1. Must always use the correct Pay Rate
2. Cannot reverse more than what was originally reported
3. Use the correct Earned Period Begin and Earned Period End Dates
myCalPERS
CalPERS | Log out September 11, 2018
Home Profile Reporting Person Information Education Other Organizations
Summary Health Enrollment
Common Tasks
Menu
Appointment History
Payroll Information
Contributory Appointment History
View Service History
View Transaction History
Employee Rate Summary
Participant Name:
CalPERS ID:
Transaction History Details to Display
Modify Selected Years
Program: CalPERS
Employer
Member Category
Begin Date
Account Type: Member
Status: Active
Transaction Type:
Division:
End Date:
Display
Transaction History Details
Fiscal Year | Posting Date | Effective Date | Earned Period Begin Date | Earned Period End Date | Transaction Type | Member Category | Pay Rate Type | Pay Rate | Earnings | Scheduled Hours/Week
2017/2018 07/30/2018 06/30/2018 06/01/2018 06/30/2018 Earned Period Reporting Miscellaneous Monthly $6,170.25 $6,170.25 40.0
2017/2018 06/30/2018 06/30/2018 Annual Interest Credit Miscellaneous $0.00 $0.00 0.0
2017/2018 06/30/2018 05/31/2018 05/01/2018 05/31/2018 Earned Period Reporting Miscellaneous Monthly $6,170.25 $6,170.25 40.0
2017/2018 06/30/2018 06/30/2018 Annual Interest Credit Miscellaneous $0.00 $0.00 0.0
2017/2018 05/30/2018 11/30/2017 11/01/2017 11/30/2017 Retroactive Salary Adjustment Miscellaneous Monthly $6,170.25 $237.33 40.0
2017/2018 05/30/2018 11/30/2017 11/01/2017 11/30/2017 Retroactive Special Compensation Adjustment Miscellaneous $0.00 $0.00 40.0
2017/2018 05/30/2018 10/31/2017 10/01/2017 10/31/2017 Retroactive Salary Adjustment Miscellaneous Monthly $6,170.25 $237.33 40.0

CalPERS Coding

COMPENSATION:

See Government Code Section 20630:

Compensation is broadly defined as payment to employees for services performed during normal working hours or for time during which the employee is excused from work because of holidays, sick leave, industrial disability, (payments under Labor Code Section 4800, 4850 or Education Code Section 44043, 87042) vacation, compensatory time off or leave of absence.

Compensation for Miscellaneous Employees Coverage Group 70002:

- Regular Hours
- Vacation
- Sick
- Holiday
- Miscellaneous Hours (Jury Duty, Bereavement Hours, Military Hours)

Code	Position
Work Schedule Code 400 (Hourly)	**Permanent Full-Time – 40 hrs/week** *(in excess of 6 months)* **Part time Averaging 20 hrs/week** *(for at least one year)* **Part Time Hourly** *(1,000 hrs in a fiscal year w/different LEAs in the same County)*
Work Schedule Code 173 (Monthly)	**Permanent Full-Time – 40 hrs/week** *(in excess of 6 months)* **Part time Averaging 20 hrs/week** *(for at least one year)*
Work Schedule Code 50 (Daily)	**Part Time Daily** *(125 days in a fiscal year w/different LEAs in the same County)*

SPECIAL COMPENSATION:

Special compensation is delineated specifically and exclusively in the Regulations adopted in the California Code of Regulations (CCR).

Regulations (CCR) Section 571(a) and (b):
Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement to similarly situated members of a group or class of employement and is reported in addition to and separately from pay rate.

Special Compensation for Miscellaneous Employees Coverage Group 70002:

- Educational Pay
- Special Assignment
- Statutory Items
- Premium Pay

Effective January 1, 2013, employees hired on or after will be subject to PEPRA reporting restrictions which does not include Bonus, Off-Salary Schedule, Management Incentive, Value of Employer Paid Member Contributions, Temporary Upgrade, and Uniform Allowance. These items may be paid, but are no longer reportable for New PEPRA members.

➢ CalPERS Beneficiary Designation and Power of Attorney (calpers.ca.gov):

CalPERS Beneficiary Designation

If a CalPERS member dies before retiring, the PERL (Public Employees' Retirement Law) provides for payment of specific benefits to the member's surviving beneficiaries. Absence of a valid Beneficiary Designation on file at the time of death, the benefits will be payable to survivors in order according to Government Code Section 21493. CalPERS encourages all members to complete a Beneficiary Designation form to ensure payments are made to individual(s) per member's last wishes. When a member has a life event, they should complete a new designation form.

CalPERS Power of Attorney

CalPERS encourages all members to complete the CalPERS Power of Attorney form. Should the member be unable to conduct business with CalPERS, the appointed person would be able to make retirement related decisions on the member's behalf.

Reporting Out-of-Class Hours Worked

(see Circular Letter: 200-018-19, dated 6/07/2019 and Reporting Out-of-Class Student Guide, dated 1/18/2020)

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an Out-of-Class appointment to mean an appointment to an upgraded position or higher classification by an employer or governing board or body due to a vacancy 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.

There is a new myCalPERS reporting process to provide employers the ability to report Out-of-Class hours worked in vacant positions in accordance with Government (Gov.) Code section 20480.

Previously, CalPERS provided an *Out-of-Class Appointment Employer Certification* form designed to allow employers the ability to manually submit information to CalPERS. This form will no longer be accepted. Employers are required to certify Out-of-Class appointments through myCalPERS.
To access this functionality, go to myCalPERS, select the **Reporting** global navigation tab. Select the **Out-of-Class Validation** local navigation link. *(see MyCalPERS Reporting Out-of-Class Appointments student guide)*

Calpers will mail up to two notification letters to each employer's preferred address on file, as identified in myCalPERS. There are penalties for employers who violate this provision.

California Public Employees' Retirement System
P.O. Box 942715 | Sacramento, CA 94229-2715
(888) CalPERS (or 888-225-7377) | TTY: (877) 249-7442
www.calpers.ca.go

Announcements

Circular Letter

June 7, 2019
Circular Letter: 200-018-19
Distribution: VI, XII, XVI

To: **All Public Agencies and School Employers**
Subject: **Reporting Out-of-Class Hours Worked (New mylCalPERS Functionality)**

Purpose

The purpose of this Circular Letter is to inform you of new mylCalPERS functionality designed to provide employers the ability to report Out-of-Class hours worked in accordance with Government (Gov.) Code section 20480. The new functionality within mylCalPERS allows you to:

1. Certify there are Out-of-Class hours to report
2. Submit records for employees who meet Out-of-Class hours worked criteria
3. Associate labor agreements and salary schedules to Out-of-Class records
4. View penalties that may be assessed in accordance with Gov. Code section 20480
5. View receivables and pay invoices for assessed penalties

Prior Communication

On April 27, 2018, the California Public Employees' Retirement System (CalPERS) published Circular Letter 200-021-18 (PDF) to inform Public Agencies and School Employers that Gov. Code section 20480 became effective January 1, 2018. The letter detailed employer responsibilities for tracking and reporting hours worked in a vacant position.

As an attachment to the Circular Letter, CalPERS provided an *Out-of-Class Appointment Employer Certification* form designed to allow employers the ability to manually submit information to CalPERS.

Effective July 1, 2019, the *Out-of-Class Appointment Employer Certification* form will no longer be accepted. Employers are required to certify Out-of-Class appointments through mylCalPERS.

Letters to Employers

Beginning June 2019, CalPERS will mail up to two (2) notification letters to each employer's preferred address on file, as identified in mylCalPERS.

Letter	When	What
Annual Notice	During the month of June	The notice informs employers to report all Out-of-Class appointments in mylCalPERS by July 30 for the prior fiscal year.
Failure to Comply Notice	During the month of 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.

Gov. Code section 20480

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an Out-of-Class appointment to mean an appointment to an upgraded position or higher classification by an employer or governing board or body due to a vacancy for a limited duration.

For purposes of this section, a "vacant position" refers to a position that is vacant during a 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.

Penalties

Employers who violate this provision must make payments to the system equal to three times the employee and employer contributions that would otherwise be paid to the system on the difference between the compensation paid for the Out-of-Class appointment and the compensation that otherwise may have been paid and reported to the system for the employee's permanent position in accordance with a publicly available pay schedule. The penalty shall be applied for the entire period the employee works in an Out-of-Class

appointment. In addition, the employer will be responsible for a fee of $200 to cover administrative expenses.

Penalties paid to the system are not normal contributions or additional contributions that would normally 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.

Additional Resources

The following resources are available on the CalPERS website for employers:

- mylCalPERS Reporting Out-of-Class Appointments Student Guide (PDF) provides detailed steps on how to use the new employer verification pages.
- Out-of-Class Reporting Data Element Definitions Document (PDF) is a mylCalPERS technical resource that provides electronic file data element definitions found within an Out-of-Class record.
- Out-of-Class Reporting Frequently Asked Questions (PDF) provides a list of the most commonly asked questions submitted by Public Agencies and School Employers.

To view Gov. Code section 20480 in its entirety, go to leginfo.legislature.ca.gov.

Questions

If you have any questions, call our CalPERS Customer Contact Center at **888 CalPERS** (or **888**-225-7377).

Renee Ostrander, Chief
Employer Account Management Division

Example #1

What's wrong with this picture?

Classified STRS Member - .75 FTE Instruction Asst working only this position, the employe elected to remain in STRS, but is also a PERS member. They did extra hours in their current IA position.

Pay99 **Employee Payroll Snapshot**

[redacted] **CL1A #1 - Class 11 Month Aug-Jun** **Retirement and Benefits**

Employee [redacted]
Address [redacted]
Pay Check Site [redacted]
Time Sheet Site

Pay Period 1, 08/01/19 - 08/31/19 on 08/30/19 Status Open
(Last Final Computed CLS#1 - Ending 07/31/19 on 08/09/19)
FTE .75000 Benefit FTE .75000
SS# ###-##-[redacted] EmpId 009468 Approved
Bargaining Unit 22 Last Calc'd TLEHMANN, 8/16/19 11:02 am

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
ADJUST (XTRAHIRE) Extra Hours	8	19	0	4	21.48	107.40		1	7.52	400	1		21.18
Retirement Total						107.40			7.52				21.18

PERS REPORTED 8 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 4250779082	08/01/19 - 08/31/19	P	EPR	HRY	107.40	21.48		40.00	7.52 *		
Retirement Total					107.40						7.52
Retirement Total					107.40				7.52		

STRS RETIREMENT DETAIL	M B R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #1261-10(0)	1	57	3,015.70	2	2,155.99	1	220.99	08/01/19	08/31/19	*	368.67
ADD-ON (VACSTRS) Vacation Pay	1	57	3,015.70	2	105.79	1	10.84	08/01/19	08/31/19	*	18.09
Retirement Total					2,261.78		231.83				386.76

STRS REPORTED 8/2019 Regular	M B R	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	3,015.70	2	2,261.78	1	231.83	08/01/19	08/31/19	*
Retirement Total					2,261.78		231.83			

NO PERS Should be reported; if only working IA position and elected to stay in STRS.

Should not be setup as dual retirement. Extra hours should report to STRS with an annual Pay Rate.

CL1A #1 - Class 11 Mon ... fits

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 1, 08/01/19 - 08/3
(Last Final Computed CLS#1
FTE .75000 Benefit
SS# ###-##-5488
Bargaining Unit 22

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Amount	Work Schd Code	MBR	Survivor Benefit	Employer Contributions
ADJUST (XTRAHIRE) Extra Hours	8	19	0	4	21.48	107.40		1	7.52	400	1		21.18
Retirement Total						107.40			7.52				21.18

PERS REPORTED 8 /2019	Service Period	PT	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 4250779082	08/01/19 - 08/31/19	P	EPR	HRY	107.40	21.48		40.00	7.52 *		
Retirement Total					107.40						7.52
Retirement Total					107.40				7.52		

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Amount	Service Began	Period Ended		Employer Contributions
POSITION #1261-10(0)	1	57	3,015.70	2	2,155.99	1	220.99	08/01/19	08/31/19	*	368.67
ADD-ON (VACSTRS) Vacation Pay	1	57	3,015.70	2	105.79	1	10.84	08/01/19	08/31/19	*	18.09
Retirement Total					2,261.78		231.83				386.76

STRS REPORTED 8/2019 Regular	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Amount	Service Began	Period Ended	
	1	57	3,015.70	2	2,261.78	1	231.83	08/01/19	08/31/19	*
Retirement Total					2,261.78		231.83			

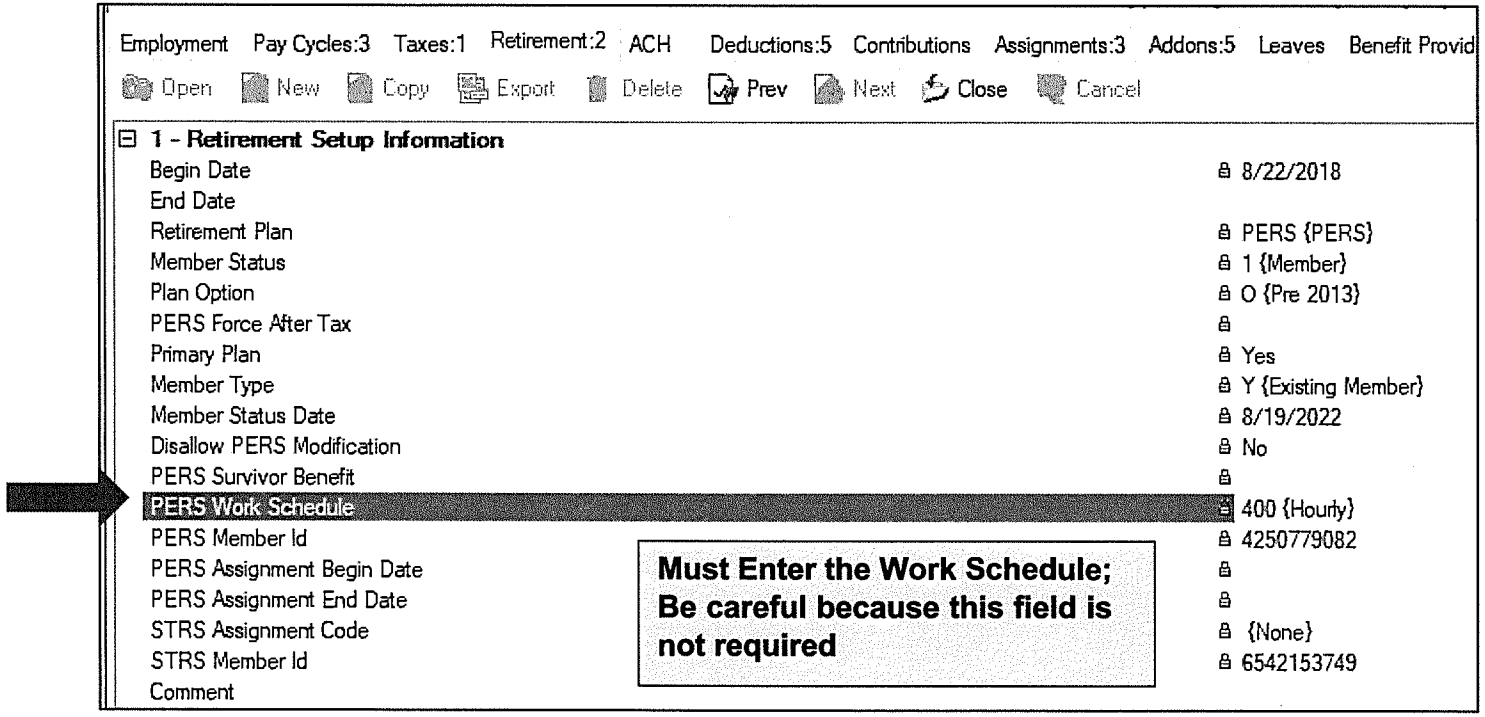
Current Setup in Escape: Correct or Incorrect?

Retirement Tab: Setup as Dual Retirement; if only working the primary position and extra hires within the same position, should not be dual.

Employment | Pay Cycles:3 | Taxes:1 | Retirement:2 | ACH | Deductions:5 | Contributions | Assignments:3 | Addons:5 | Leaves | Benefit Providers:4 | Dependents:1

Open | Export

Begin	End	Plan	Plan Option	Primary	Mbr Status	Mbr Type	Mbr Date	Assn Type	PERS	PERS Sched
9/1/2018		STRS	O	No	1	Y {Existing}	6/1/2006	57 {Full or Part Tim	No	0
8/22/2018		PERS	O	Yes	1	Y {Existing}	8/19/2022	{None}	No	400

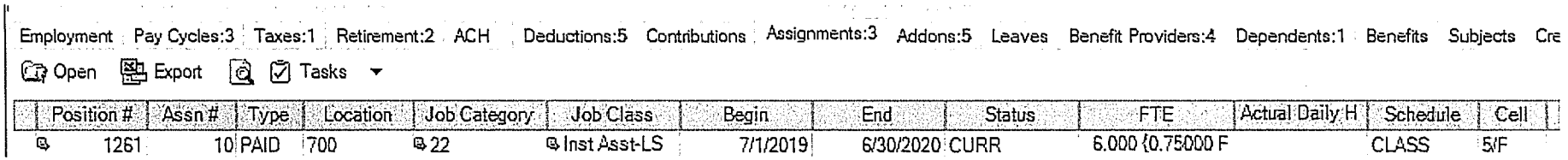


Work Schedule Options

173 = Monthly

400 = Hourly

Assignment Tab: Only one assignment as Inst Asst

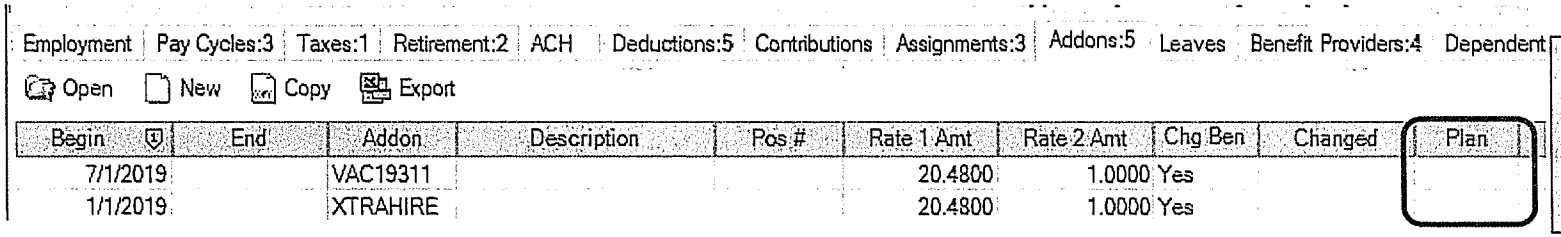


Employment | Pay Cycles:3 | Taxes:1 | Retirement:2 | ACH | Deductions:5 | Contributions | Assignments:3 | Addons:5 | Leaves | Benefit Providers:4 | Dependents:1 | Benefits | Subjects | Cre

Open | Export | Tasks

Position #	Assn #	Type	Location	Job Category	Job Class	Begin	End	Status	FTE	Actual Daily H	Schedule	Cell
1261	10	PAID	700	22	Inst Asst-LS	7/1/2019	6/30/2020	CURR	6.000 (0.75000 F		CLASS	5/F

Addons: Only Vacation and Extra Hours



Employment | Pay Cycles:3 | Taxes:1 | Retirement:2 | ACH | Deductions:5 | Contributions | Assignments:3 | Addons:5 | Leaves | Benefit Providers:4 | Dependent

Open | New | Copy | Export

Begin	End	Addon	Description	Pos #	Rate 1 Amt	Rate 2 Amt	Chg Ben	Changed	Plan
7/1/2019		VAC19311			20.4800	1.0000	Yes		
1/1/2019		XTRAHIRE			20.4800	1.0000	Yes		

If dual Retirement; be sure to indicate the Retirement Plan for Each Addon

Setup in Escape

Retirement Tab: Setup as Dual Retirement; if only working the primary position and extra hires within the same position, should not be dual.

Employment Pay Cycles:3 Taxes:1 Retirement:2 ACH Deductions:5 Contributions Assignments:3 Addons:5 Leaves Benefit Providers:4 Dependents:1

Open Export

Begin	End	Plan	Plan Option	Primary	Mbr Status	Mbr Type	Mbr Date	Assn Type	PERS	PERS Sched
9/1/2018		STRS	O	No	1	Y {Existing}	6/1/2006	57 {Full or Part Tim	No	0
8/22/2018		PERS	O	Yes	1	Y {Existing}	8/19/2022	{None}	No	400

Addons: Vacation and Extra Hours

Employment Pay Cycles:3 Taxes:1 Retirement:2 ACH Deductions:5 Contributions Assignments:3 Addons:7 Leaves Benefit Providers:4 Depende

Open New Copy Export

Begin	End	Addon	Description	Pos #	Rate 1 Amt	Rate 2 Amt	Chg Ben	Changed	Plan
9/1/2019		VAC19311			20.4800	1.0000	Yes		PERS
9/1/2019		XTRAHIRE			20.4800	1.0000	Yes		PERS
7/1/2019	7/31/2019	VAC19311			20.4800	1.0000	Yes	9/5/2019	
7/1/2019	7/31/2019	XTRAHIRE	ESY IASE SOCC		20.4800	1.0000	Yes		
1/1/2019	7/31/2019	XTRAHIRE			20.4800	1.0000	Yes	9/5/2019	
6/1/2019	6/30/2019	XTRAHIRE	ESY IASE SOCC		20.4800	1.0000	Yes	5/13/2019	
3/1/2019	6/30/2019	VAC19311			20.4800	1.0000	Yes		

End the Addons; Copy or Create New to add Retirement Plan for Each Addon

Example #2

What's wrong with this picture?

STRS Member

Pay99 **Employee Payroll Snapshot**

[redacted] **CE1A #2 - Cert 11 Month Aug-Jun** **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 2, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CE1A#1 - Ending 08/31/19 on 08/30/19)
FTE 1.20000 Benefit FTE 1.20000
SS# ###-##-[redacted] EmpId 002816 Approved
Bargaining Unit 1A Last Calc'd [redacted] 11:03 am

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #58-12(0)	1	57	4,878.55	2	5,854.26	1	597.43	09/01/19	09/30/19	*	1,001.08
Retirement Total					5,854.26		597.43				1,001.08

STRS REPORTED 9/2019 Regular	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	4,878.55	2	5,854.26	1	597.43	09/01/19	09/30/19	*
Retirement Total					5,854.26		597.43			

Review in Adjust Payroll for Errors or Run the Pay22 Payroll Errors Report

HR / Payroll - Payroll - Adjust Payroll

Search List

Open Export Detail Grid

A	Adj	Hold	Chg	Last Name	First Name	MI	Emp Id	Gross Pay	Net Pay	FY	Cyc	Prd	Pay Date	Timesheet	Paycheck	Errors
			+	J	[redacted]		2816	5,854.26	3,888.77	2020	CE1A	1	8/30/2019		1ANA	1
			N	J			2816	5,854.26	3,878.43	2020	CE1A	2	9/30/2019		1ANA	1
			N	J			2816	5,854.26	3,785.74	2020	CE1A	3	10/31/2019		1ANA	1
				J			2816	5,854.26	3,785.74	2020	CE1A	4	11/27/2019		1ANA	1
			N	J			2816	5,854.26	3,785.75	2020	CE1A	5	12/30/2019		1ANA	1
			N	J			2816	5,854.26	3,785.74	2020	CE1A	6	1/31/2020		1ANA	1
			N	J			2816	5,854.26	3,785.75	2020	CE1A	7	2/28/2020		1ANA	1
			N	J			2816	5,854.26	3,785.74	2020	CE1A	8	3/31/2020		1ANA	1
			N	J			2816	5,854.26	3,785.75	2020	CE1A	9	4/30/2020		1ANA	1
			N	J			2816	5,854.26	3,785.74	2020	CE1A	10	5/29/2020		1ANA	1
			N	J			2816	5,854.26	3,785.75	2020	CE1A	11	6/30/2020		1ANA	1
				J			2816	0.00	3,803.54	2020	CE1A	12	6/30/2020		1ANA	

Addons Assignments Deductions Contributions Details Payroll Errors:1 Notes

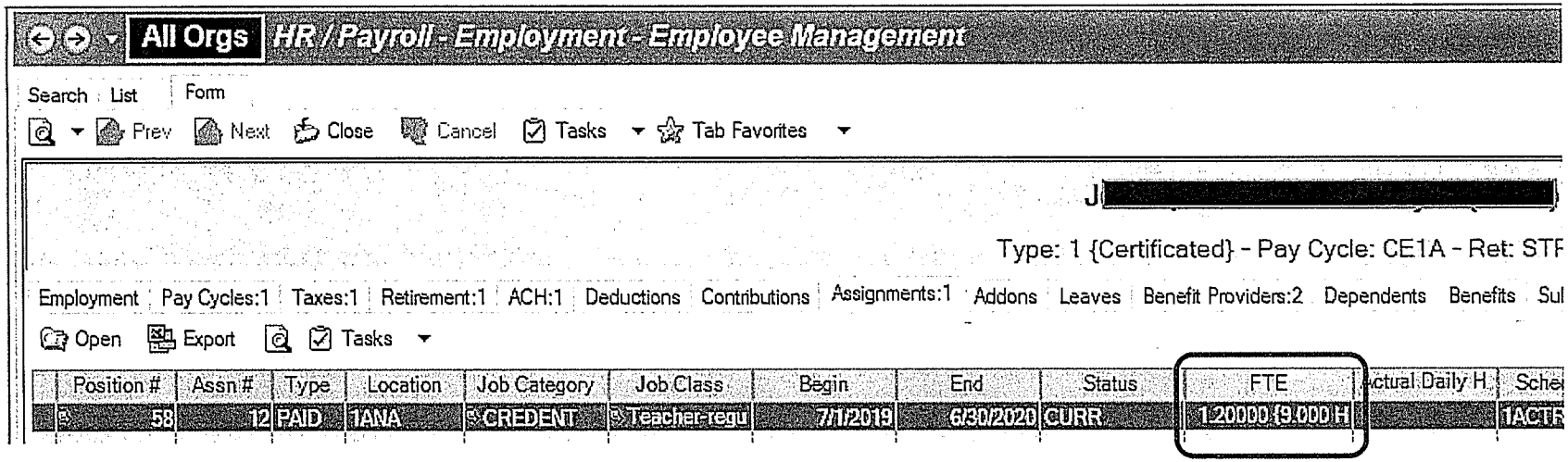
Export

Category	Message	Code
STRS	STRS Matrix Error: The Earnings Amount exceeds the employee's retirement pay rate.	32

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings
POSITION #58-12(0)	1	57	4,878.55	2	5,854.26
Retirement Total					5,854.26

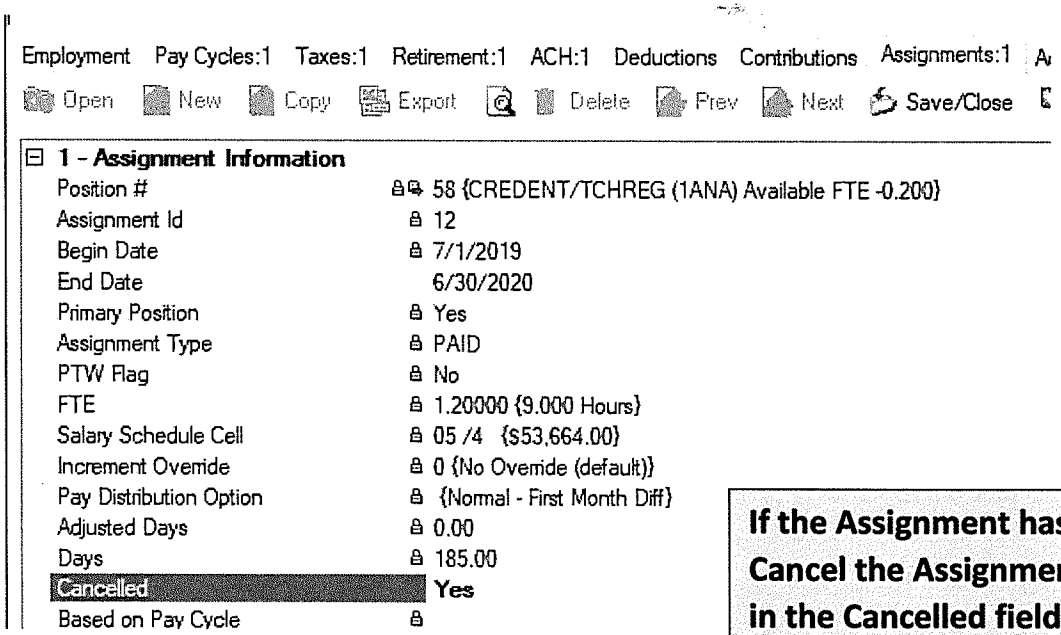
Earnings greater than the Retirement Pay Rate

Review in Employee Management for what is causing this error

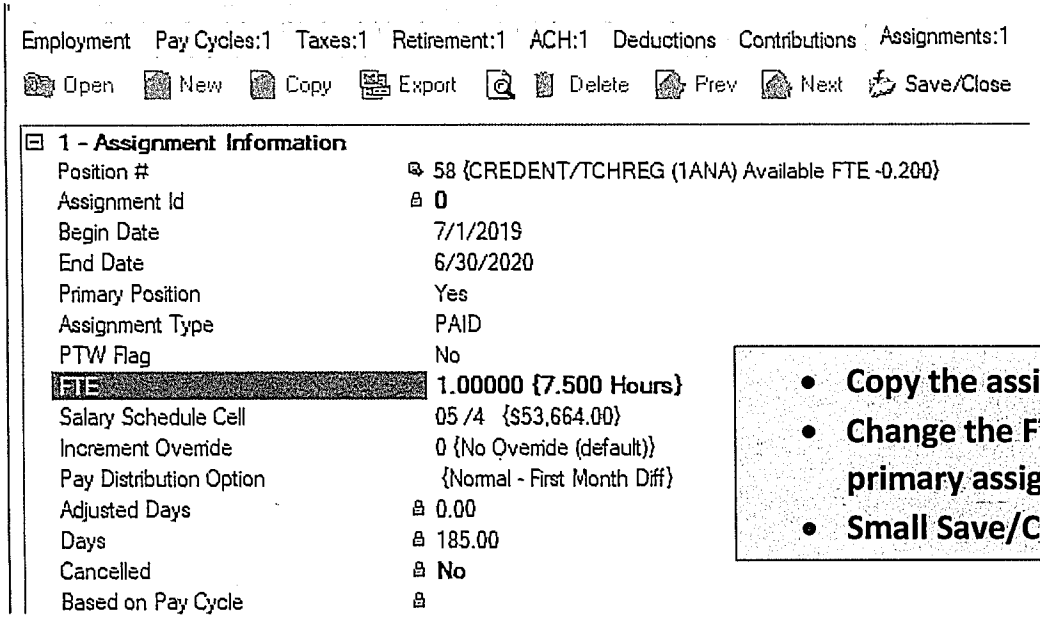


A position is not greater than 1.0 FTE; therefore the assignment can't be 1.20 FTE. There should be a primary assignment for 1.0 an additional assignment for .20 FTE

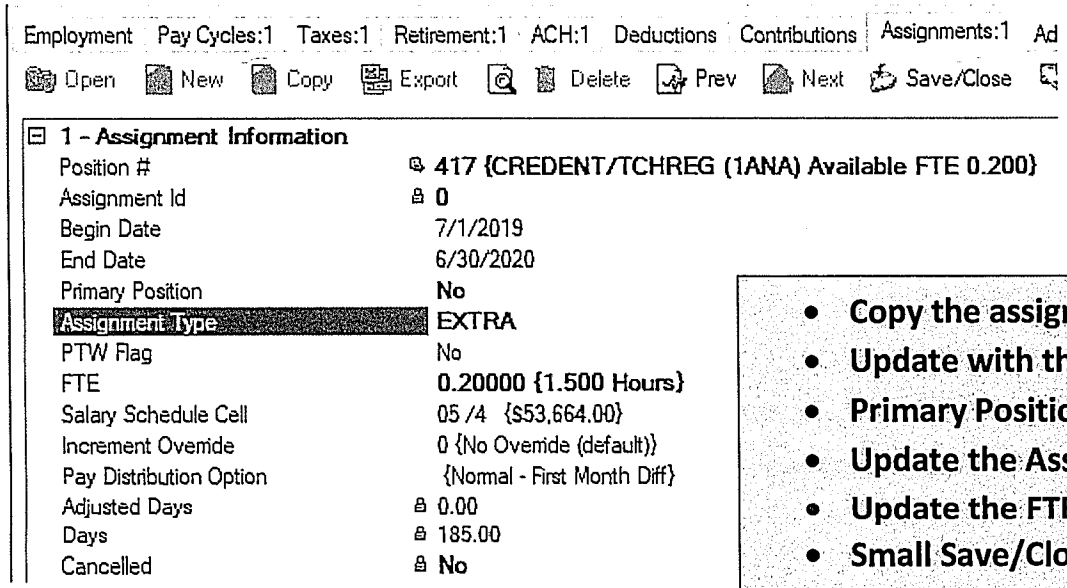
How would you correct this issue?



If the Assignment has already been paid; Cancel the Assignment by indicating Yes in the Cancelled field. Save/Close



- **Copy the assignment**
- **Change the FTE to 1.0 for the primary assignment**
- **Small Save/Close**

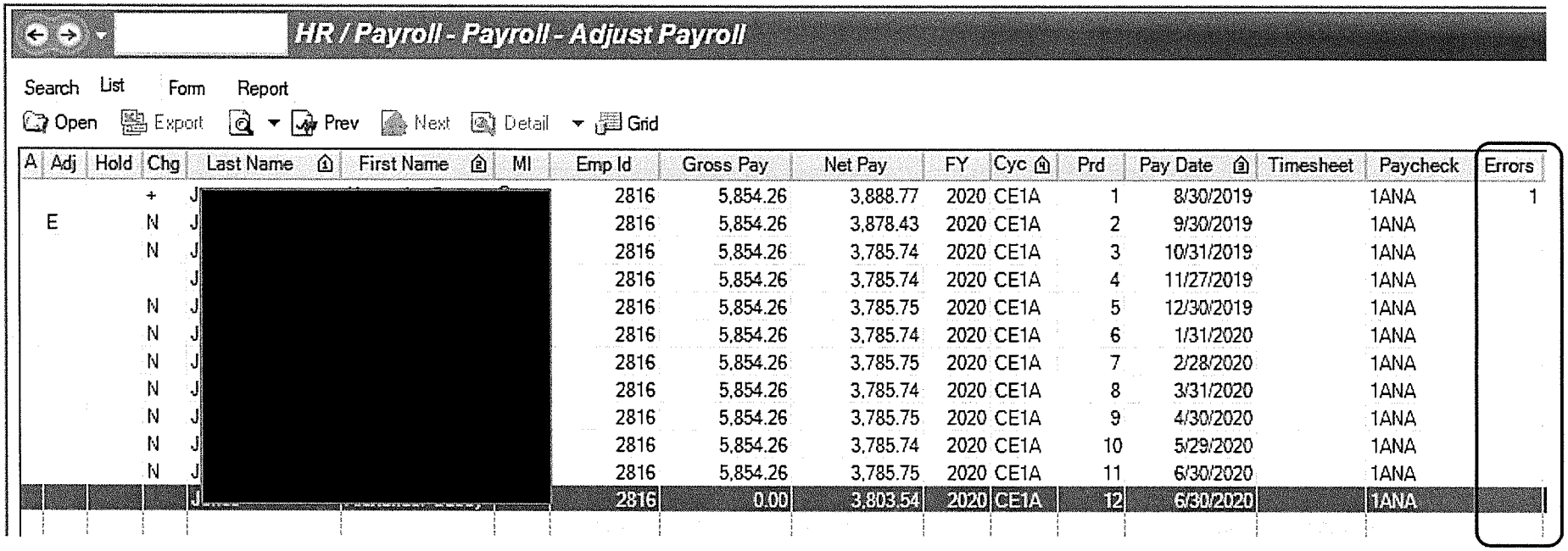


- **Copy the assignment again**
- **Update with the correct position number**
- **Primary Position is No**
- **Update the Assignment Type to EXTRA**
- **Update the FTE to .20**
- **Small Save/Close**
- **Big Save/Close**

Review Addons

Calculations may be based on Primary Position Only; such as the Masters Stipend

Review the Retirement Reporting for correction and error resolved in Adjust Payroll



A	Adj	Hold	Chg	Last Name	First Name	MI	Emp Id	Gross Pay	Net Pay	FY	Cyc	Prd	Pay Date	Timesheet	Paycheck	Errors
			+	J	[redacted]		2816	5,854.26	3,888.77	2020	CE1A	1	8/30/2019		1ANA	1
	E		N	J			2816	5,854.26	3,878.43	2020	CE1A	2	9/30/2019		1ANA	
			N	J			2816	5,854.26	3,785.74	2020	CE1A	3	10/31/2019		1ANA	
				J			2816	5,854.26	3,785.74	2020	CE1A	4	11/27/2019		1ANA	
			N	J			2816	5,854.26	3,785.75	2020	CE1A	5	12/30/2019		1ANA	
			N	J			2816	5,854.26	3,785.74	2020	CE1A	6	1/31/2020		1ANA	
			N	J			2816	5,854.26	3,785.75	2020	CE1A	7	2/28/2020		1ANA	
			N	J			2816	5,854.26	3,785.74	2020	CE1A	8	3/31/2020		1ANA	
			N	J			2816	5,854.26	3,785.75	2020	CE1A	9	4/30/2020		1ANA	
			N	J			2816	5,854.26	3,785.74	2020	CE1A	10	5/29/2020		1ANA	
			N	J			2816	5,854.26	3,785.75	2020	CE1A	11	6/30/2020		1ANA	
				J			2816	0.00	3,803.54	2020	CE1A	12	6/30/2020		1ANA	

Pay99 Employee Payroll Snapshot

Jones, Alexander Casey C | **CE1A #2 - Cert 11 Month Aug-Jun** | **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 2, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CE1A#1 - Ending 08/31/19 on 08/30/19)
FTE 1.20000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 002816 Approved
Bargaining Unit 1A Last Calc'd TLEHMANN, 9/5/19 12:24 pm

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #58-13(0)	1	57	4,878.55	2	4,878.55	1	497.86	09/01/19	09/30/19	*	834.23
POSITION #58-13(0)	1	57	4,878.55	2	4,878.55	3	497.86	08/01/19	08/31/19	*	834.23
POSITION #417-3(0)	1	55	53,664.05	0	975.71	1	99.57	09/01/19	09/30/19	*	166.85
POSITION #417-3(0)	1	55	53,664.05	0	975.71	3	99.57	08/01/19	08/31/19	*	166.85
POSITION #58-12(0)	1	57	4,878.55	2	5,854.26-	3	597.43-	08/01/19	08/31/19	*	1,001.08-
Retirement Total					5,854.26		597.43				1,001.08

STRS REPORTED 9/2019 Regular	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	55	53,664.05	0	975.71	3	99.57	08/01/19	08/31/19	*
	1	57	4,878.55	2	975.71-	3	99.57-	08/01/19	08/31/19	*
	1	55	53,664.05	0	975.71	1	99.57	09/01/19	09/30/19	*
	1	57	4,878.55	2	4,878.55	1	497.86	09/01/19	09/30/19	*
Retirement Total					5,854.26		597.43			

Canceling the Assignment will back out the earnings that were reported with the incorrect pay rate and report with the correct pay rate, earnings, and STRS Assignment Code 55 for current and prior periods.

Example #3

What's wrong with this picture?

STRS Member paid one day of extra earnings. In this case, it did not create an error.

Pay99 **Employee Payroll Snapshot**

[redacted] **CES #2 - Certificated Supplemental** **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 2, 08/01/19 - 08/31/19 on 09/10/19 Status Open
(Last Final Computed CE0A#1 - Ending 08/31/19 on 08/30/19)
FTE .00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 000274 Approved
Bargaining Unit 1C Last Calc'd TLEHMANN, 9/6/19 10:43 am

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
ADJUST (NMLSUPD) Base Pay	1	57	412.84	1	412.84	1	42.32	08/01/19	08/31/19	*	70.60
Retirement Total					412.84		42.32				70.60

STRS REPORTED 8/2019 Regular	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	412.84	1	412.84	1	42.32	08/01/19	08/31/19	*
	1	57	7,720.14	3	7,720.14	1	791.31	08/01/19	08/31/19	*
Retirement Total					8,132.98		833.63			

Pay99 Employee Payroll Snapshot

[redacted] CES #2 - Certificated Supplemental Retirement and Benefits

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 2, 08/01/19 - 08/31/19 on 09/10/19 Status Open
(Last Final Computed CE0A#1 - Ending 08/31/19 on 08/30/19)
FTE .00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 000274 Approved
Bargaining Unit 1C Last Calc'd TLEHMANN, 9/6/19 10:43 am

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
ADJUST (NMLSUPD) Base Pay	1	57	412.84	1	412.84	1	42.32	08/01/19	08/31/19	*	70.60
Retirement Total					412.84		42.32				70.60

STRS REPORTED 8/2019 Regular	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
	1	57	412.84	1	412.84	1	42.32	08/01/19	08/31/19	*
	1	57	7,720.14	3	7,720.14	1	791.31	08/01/19	08/31/19	*
Retirement Total					8,132.98		833.63			

Pay Rate and Earnings should not be the same except when Special Compensation

[redacted] | CES #2 - Certificated Supplemental | Retirement and Benefits

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 2, 08/01/19 - 08/31/19 on 09/10/19 Status Open
(Last Final Computed CE0A#1 - Ending 08/31/19 on 08/30/19)
FTE .00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 000274 Approved
Bargaining Unit 1C Last Calc'd TLEHMANN, 9/6/19 10:54 am

STRS RETIREMENT DETAIL

	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
ADJUST (NMLSUPD) Base Pay	1	55	76,788.24	0	412.84	1	42.32	08/01/19	08/31/19	*	70.60
Retirement Total					412.84		42.32				70.60

STRS REPORTED 8/2019 Regular

MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended	
1	55	76,788.24	0	412.84	1	42.32	08/01/19	08/31/19	*
1	57	7,720.14	3	7,720.14	1	791.31	08/01/19	08/31/19	*
Retirement Total				8,132.98		833.63			

For STRS members, the extra daily earnings must report with an annual Pay Rate and Assignment Code 55

Recommended to review the Addon setup with IT or override the Pay Rate and Assignment Code

Example #4

What's wrong with this picture?

This issue does not create an error

Pay99 — **Employee Payroll Snapshot**

CE0A #9 - Cert 10 Month Aug-May — **Gross to Net**

Employee [redacted]
Address [redacted]
Pay Check Site [redacted]
Time Sheet Site

Pay Period 9, 04/01/19 - 04/30/19 on 04/30/19
(Last Final Computed CES#9 - Ending 03/31/19 on 04/10/19)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 003160
Bargaining Unit 1A

Status Closed
Approved 04/24/2019 3:45PM
Last Calc'd COSTERLOH, 4/23/19 12:15 am

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Calendar Year To Date Employee	Calendar Year To Date Other	Subj Gross
POSITION #43-10(0)/29(RVCS Sequoia Camp)			4,902.80	14,708.40		
POSITION #43-10(0)/29(RVCS Sequoia Camp)	5,785.70		5,000.90	5,785.70		
ADJUST (CEADDLHR) meeting			40.00	10.00		
ADJUST (CEADDLHR) RVCS-S Interv			40.00	30.00		
Total	5,785.70	.00		20,534.10	.00	

REDUCTIONS	Employee	Employer	Subj Gross	Employee	Employer	Subj Gross
(STRS) STRS	572.95	909.97	5,589.50	2,084.67	3,311.03	20,337.90
(STRSN) STRSN	20.02	31.94	196.20	20.02	31.94	196.20
Total	592.97	941.91		2,104.69	3,342.97	

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.01	09/01/18	09/30/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	10/01/18	10/31/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	11/01/18	11/30/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	12/01/18	12/31/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	01/01/19	01/31/19	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	02/01/19	02/28/19	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	03/01/19	03/31/19	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	5,000.90	1	512.59	04/01/19	04/30/19	*	814.15
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.01	08/01/18	08/31/18	*	15.97
Retirement Total					5,785.70		592.97				941.91

Pay99 **Employee Payroll Snapshot**

CE0A #9 - Cert 10 Month Aug-May **Gross to Net**

Employee [redacted]
Address [redacted]
Pay Check Site [redacted]
Time Sheet Site

Pay Period 9, 04/01/19 - 04/30/19 on 04/30/19 Status Closed
(Last Final Computed CES#9 - Ending 03/31/19 on 04/10/19)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 003160 Approved 04/24/2019 3:45PM
Bargaining Unit 1A Last Calc'd COSTERLOH, 4/23/19 12:15 am

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Calendar Year To Date Employee	Calendar Year To Date Other	Subj Gross
POSITION #43-10(0)/29{RVCS Sequoia Camp}			4,902.80	14,708.40		
POSITION #43-10(0)/29{RVCS Sequoia Camp}	5,785.70		5,000.90	5,785.70		
ADJUST (CEADDLHR) meeting			40.00	10.00		
ADJUST (CEADDLHR) RVCS-S Interv			40.00	30.00		
Total	5,785.70	.00		20,534.10	.00	

REDUCTIONS	Employee	Employer	Subj Gross	Employee	Employer	Subj Gross
(STRS) STRS	572.95	909.97	5,589.50	2,084.67	3,311.03	20,337.90
(STRSN) STRSN	20.02	31.94	196.20	20.02	31.94	196.20
Total	592.97	941.91		2,104.69	3,342.97	

STRS RETIREMENT DETAIL	MBR	Assn Code	Pay Rate	Pay Cd	Earnings	Contributions Cd	Contributions Amount	Service Began	Period Ended		Employer Contributions
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.01	09/01/18	09/30/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	10/01/18	10/31/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	11/01/18	11/30/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	12/01/18	12/31/18	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	01/01/19	01/31/19	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	02/01/19	02/28/19	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.06	03/01/19	03/31/19	*	15.97
POSITION #43-10(0)	1	57	5,000.90	3	5,000.90	1	512.59	04/01/19	04/30/19	*	814.15
POSITION #43-10(0)	1	57	5,000.90	3	98.10	5	10.01	08/01/18	08/31/18	*	15.97
Retirement Total					5,785.70		592.97				941.91

Must check SEW for STRS Membership Status and CalPERS PERS Membership Status

- **The STRS Member was entered as New member when they should have been Pre2013**
- **A Retro was processed and the system looks at the effective dates in the employee's Retirement record and will report incorrectly. Notice the rate of contributions are different.**

Example #5

What's wrong with this picture?

Classified PERS Member received Retro Pay

Pay99 **Employee Payroll Snapshot**

[redacted] **CLS #11 - Classified Supplemental** **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 11, 05/01/19 - 05/31/19 on 06/10/19 Status Closed
(Last Final Computed CL2J#11 - Ending 05/31/19 on 05/31/19)
FTE .00000 Benefit FTE 1.00000
SS# ###-## [redacted] EmpId 003339 Approved 06/05/2019 2:41PM
Bargaining Unit 22 Last Calc'd [redacted] 12:57 pm

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
POSITION #664-11(0)	4	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	3	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.03
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	4.04		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	9.59		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	30.30		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	1.01		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	4.04		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	8.08		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	8.59		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	18.18		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	9.59		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	12.12		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	20.20		5		0			
ADJUST (OT) CSEA 3% Retro	10	18	0	0	23.12	2.02		5		0			
ADJUST (OT) CSEA 3% Retro	10	18	0	0	23.12	5.55		5		0			
ADJUST (OT) CSEA 3% Retro	10	18	0	0	23.12	8.08		5		0			

Pay99 **Employee Payroll Snapshot**

CLS #11 - Classified Supplemental **Retirement and Benefits**

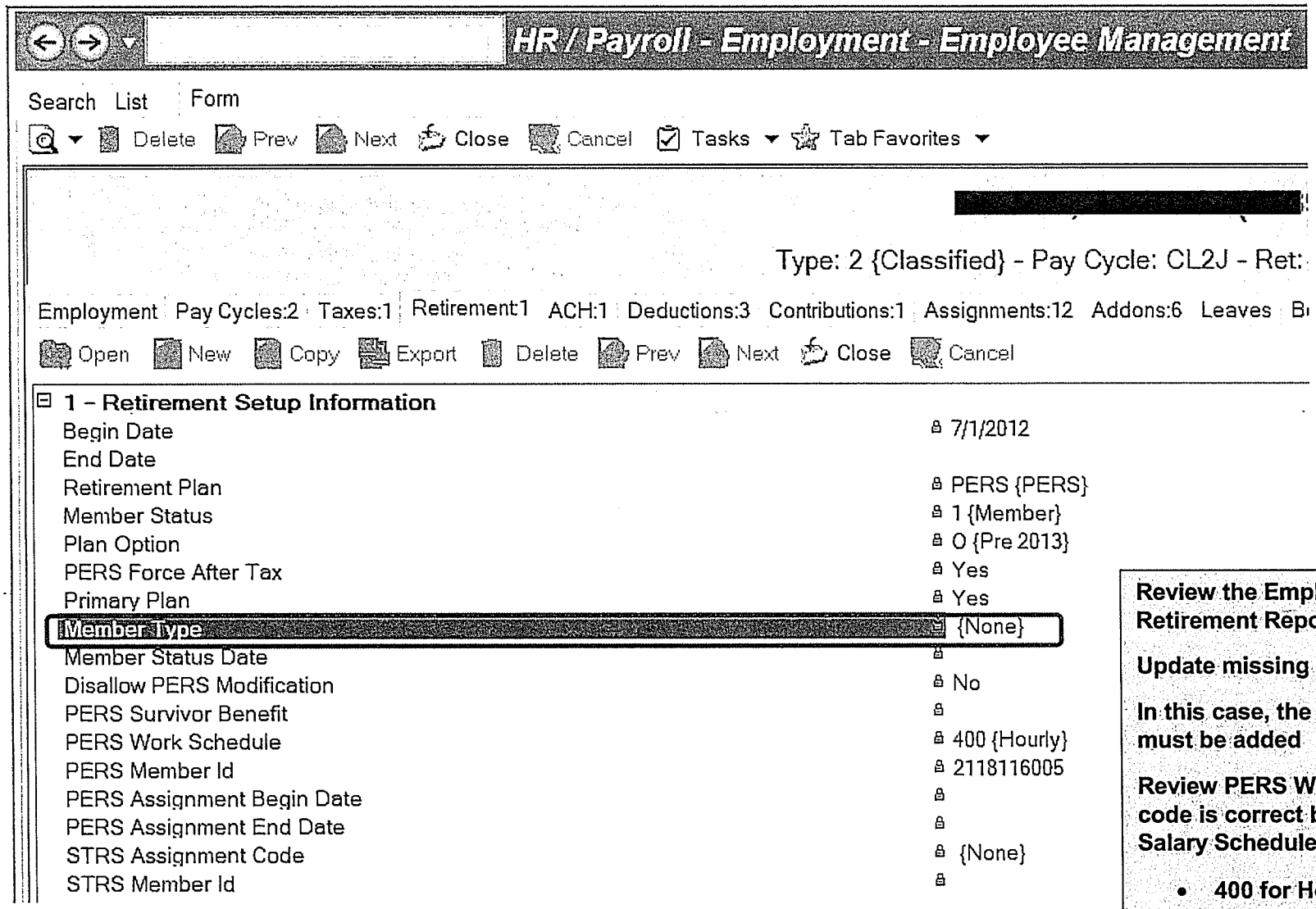
Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 11, 05/01/19 - 05/31/19 on 06/10/19 Status Closed
(Last Final Computed CL2J#11 - Ending 05/31/19 on 05/31/19)
FTE .00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 003339 Approved 06/05/2019 2:41PM
Bargaining Unit 22 Last Calc'd SSCHROERS, 6/5/19 12:57 pm

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
POSITION #664-11(0)	4	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	3	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.06
POSITION #664-11(0)	2	19	0	4	23.12	116.58		5	8.16	400	1		21.03
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	4.04		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	9.59		5		0			
ADJUST (OT) CSEA 3% Retro	7	18	0	0	23.12	30.30		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	1.01		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	4.04		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	8.08		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	8.59		5		0			
ADJUST (OT) CSEA 3% Retro	8	18	0	0	23.12	18.18		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	5.05		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	9.59		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	12.12		5		0			
ADJUST (OT) CSEA 3% Retro	9	18	0	0	23.12	20.20		5		0			
ADJUST (OT) CSEA 3% Retro	10	18	0	0	23.12	2.02		5		0			
ADJUST (OT) CSEA 3% Retro	10	18	0	0	23.12	5.55		5		0			
ADJUST (OT) CSEA 3% Retro	10	18	0	0	23.12	8.08		5		0			

The Member Type not reported for all earnings; Review in Retirement set up in the Employee Record

Pay Code and Work Schedule not reported for Addon earnings; Review with IT



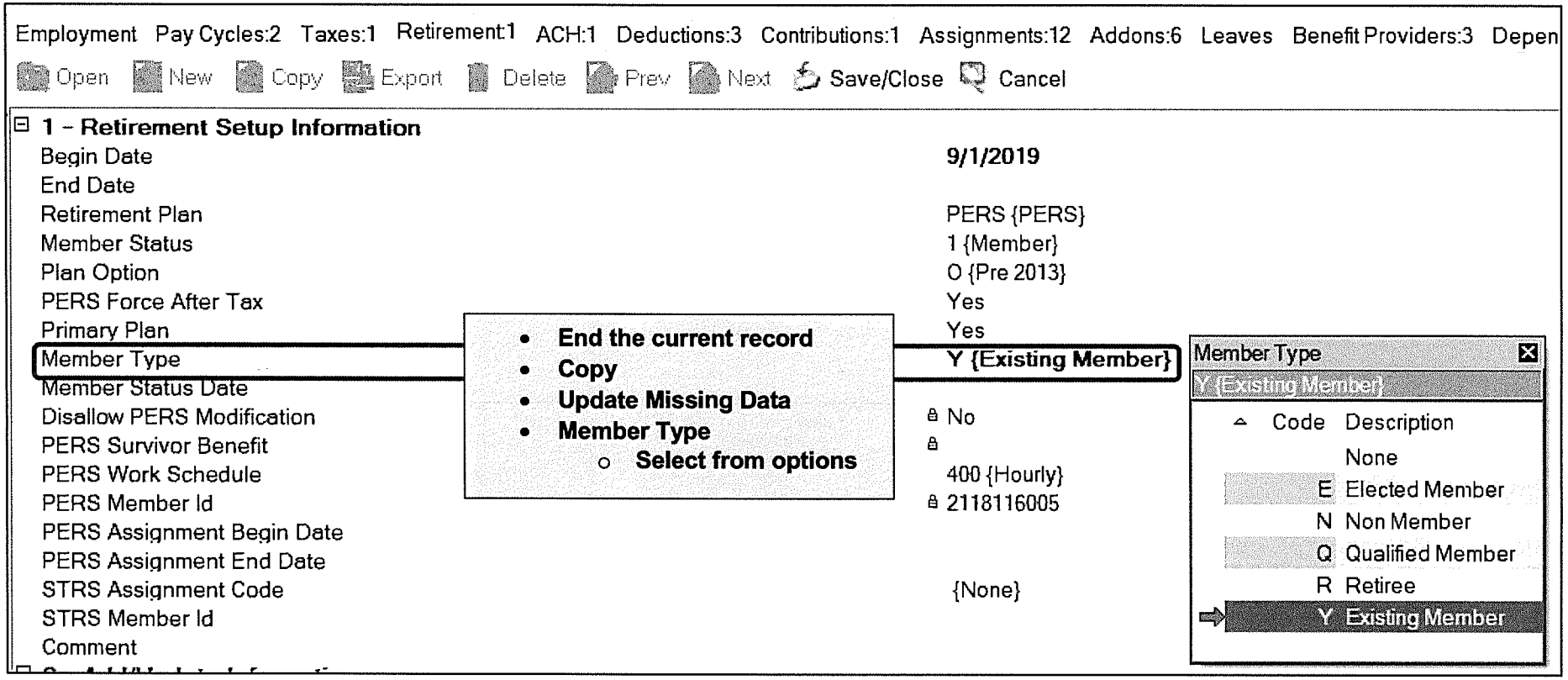
Review the Employee Retirement Reporting

Update missing data

In this case, the Member Type must be added

Review PERS Work Schedule code is correct based on Salary Schedule Setup

- **400 for Hourly or**
- **173 for Monthly**


Employment Pay Cycles:2 Taxes:1 Retirement:1 ACH:1 Deductions:3 Contributions:1 Assignments:12 Addons:6 Leaves Benefit Providers:3 Depen
Open New Copy Export Delete Prev Next Save/Close Cancel
1 - Retirement Setup Information
Begin Date 9/1/2019
End Date
Retirement Plan PERS {PERS}
Member Status 1 {Member}
Plan Option 0 {Pre 2013}
PERS Force After Tax Yes
Primary Plan Yes
Member Type Y {Existing Member}
Member Status Date
Disallow PERS Modification No
PERS Survivor Benefit
PERS Work Schedule 400 {Hourly}
PERS Member Id 2118116005
PERS Assignment Begin Date
PERS Assignment End Date
STRS Assignment Code {None}
STRS Member Id
Comment
End the current record
Copy
Update Missing Data
Member Type
Select from options
Member Type
Y {Existing Member}
Code Description
None
E Elected Member
N Non Member
Q Qualified Member
R Retiree
Y Existing Member

Example #6

What's wrong with this picture?

Classified PERS Member working extra hours

Pay99 — **Employee Payroll Snapshot**

CLS #2 - Classified Supplemental — **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site.

Pay Period 2, 08/01/19 - 08/31/19 on 09/10/19 — Status Open
(Last Final Computed CL1A#1 - Ending 08/31/19 on 08/30/19)
FTE .00000 — Benefit FTE .87500
SS# ###-##[redacted] — Empld 001229 — Approved
Bargaining Unit 2C — Last Calc'd TLEHMANN, 9/6/19 11:45 am

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
ADJUST (ADDCL) White Fleet	8	19	0	4	20.42	97.00		11	6.79	400	1		19.13
ADJUST (ADDCL) Extra Duty	8	19	0	4	1,000.00	1,000.00		11	70.00	400	1		197.21
Retirement Total						1,097.00			76.79				216.34

PERS REPORTED 8 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 6812556715	08/01/19 - 08/31/19	P	EPR	HRY	2,841.45	20.42		40.00	199.46 *		
	08/01/19 - 08/31/19	P	EPR	HRY	1,000.00	1,000.00		40.00	70.00 *		
		Category ICP, Type LLP			8.06						
Retirement Total					3,849.51						468.92

Common Error: PERS Matrix Error: Pay Rate may be too high for hourly

Addons:7 Assignments Deductions Contributions Details Payroll Errors:1 Notes

Export

Category	Message	Code
PERS	PERS Matrix Error: Pay Rate may be too high for hourly.	31

Pay99 **Employee Payroll Snapshot**

CLS #2 - Classified Supplemental **Retirement and Benefits**

Employee [redacted]
Address [redacted]
Pay Check Site
Time Sheet Site

Pay Period 2, 08/01/19 - 08/31/19 on 09/10/19
(Last Final Computed CL1A#1 - Ending 08/31/19 on 08/30/19)
FTE .00000 Benefit FTE .87500
SS# ###-##-[redacted] EmpId 001229
Bargaining Unit 2C

Status Open
Approved
Last Calc'd TLEHMANN, 9/6/19 11:45 am

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
ADJUST (ADDCL) White Fleet	8	19	0	4	20.42	97.00		11	6.79	400	1		19.13
ADJUST (ADDCL) Extra Duty	8	19	0	4	1,000.00	1,000.00		11	70.00	400	1		197.21
Retirement Total						1,097.00			76.79				216.34

PERS REPORTED 8 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 6812556715	08/01/19 - 08/31/19	P	EPR	HRY	2,841.45	20.42		40.00	199.46 *		
	08/01/19 - 08/31/19	P	EPR	HRY	1,000.00	1,000.00		40.00	70.00 *		
	Category ICP, Type LLP				8.06						
Retirement Total					3,849.51						468.92

Pay Code 4 = Hourly

Pay Rate $1,000

Too High for an Hourly Rate

Review that correct Addon was used or override rate to the employee's Pay Rate

[redacted] | CLS #2 - Classified Supplemental | Retirement and Benefits

Employee [redacted]
Address
Pay Check Site [redacted]
Time Sheet Site

Pay Period 2, 08/01/19 - 08/31/19 on 09/10/19 Status Open
(Last Final Computed CL1A#1 - Ending 08/31/19 on 08/30/19)
FTE .00000 Benefit FTE .87500
SS# ###-##-[redacted] EmpId 001229 Approved
Bargaining Unit 2C Last Calc'd TLEHMANN, 9/6/19 1:16 pm

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
ADJUST (ADDCL) White Fleet	8	19	0	4	20.42	97.00		11	6.79	400	1		19.13
ADJUST (ADDCL) Extra Duty	8	19	0	4	20.42	1,000.00		11	70.00	400	1		197.21
Retirement Total						1,097.00			76.79				216.34

PERS REPORTED 8 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 6812556715	08/01/19 - 08/31/19	P	EPR	HRY	3,841.45	20.42		40.00	269.46 *		
	Category ICP, Type LLP				8.06						
Retirement Total					3,849.51						538.92

Pay Rate is the employee's hourly rate and the net earnings will be reported correctly

Example #7

What's wrong with this picture?

Employee was Docked for substitute differential pay. This does not create an error in Escape; however this is an error for retirement reporting. This is an issue for both classified and certificated.

Pay99 **Employee Payroll Snapshot**

[redacted] **CL2J #3 - Class 12 Month Jul-Jun** **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 3, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CL2J#2 - Ending 08/31/19 on 08/30/19)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 009700 Approved
Bargaining Unit 22 Last Calc'd TLEHMANN, 9/6/19 12:04 pm

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
POSITION #1452-5(0)	9	19	0	4	17.70	3,079.80		11	215.59	400	1		607.37
ADJUST (DOCKH) Dock	9	19	0	4	15.00	750.00-		11	52.50-	400	1		147.91-
Retirement Total						2,329.80			163.09				459.46

PERS REPORTED 9 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 1910933392	09/01/19 - 09/30/19	N	EPR	HRY	750.00-	15.00		40.00	52.50- *		
	09/01/19 - 09/30/19	N	EPR	HRY	3,079.80	17.70		40.00	215.59 *		
Retirement Total					2,329.80						163.09

Pay99 **Employee Payroll Snapshot**

CL2J #3 - Class 12 Month Jul-Jun **Retirement and Benefits**

Employee [redacted]
Address [redacted]t#4
Pay Check Site [redacted]
Time Sheet Site

Pay Period 3, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CL2J#2 - Ending 08/31/19 on 08/30/19)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 009700 Approved
Bargaining Unit 22 Last Calc'd TLEHMANN, 9/6/19 12:04 pm

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
POSITION #1452-5(0)	9	19	0	4	17.70	3,079.80		11	215.59	400	1		607.37
ADJUST (DOCKH) Dock	9	19	0	4	15.00	750.00-		11	52.50-	400	1		147.91-
Retirement Total						2,329.80			163.09				459.46

PERS REPORTED 9 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 1910933392	09/01/19 - 09/30/19	N	EPR	HRY	750.00-	15.00		40.00	52.50- *		
	09/01/19 - 09/30/19	N	EPR	HRY	3,079.80	17.70		40.00	215.59 *		
Retirement Total					2,329.80						163.09

Can't Dock a pay rate that has never been paid in current period or prior period

Review Addon setup with IT or override the pay rate to the employee's pay rate

Pay99 **Employee Payroll Snapshot**

[redacted] | CL2J #3 - Class 12 Month Jul-Jun | Retirement and Benefits

Employee [redacted]
Address [redacted]#4
Pay Check Site [redacted]
Time Sheet Site

Pay Period 3, 09/01/19 - 09/30/19 on 09/30/19 Status Future
(Last Final Computed CL2J#2 - Ending 08/31/19 on 08/30/19)
FTE 1.00000 Benefit FTE 1.00000
SS# ###-##-[redacted] EmpId 009700 Approved
Bargaining Unit 22 Last Calc'd TLEHMANN, 9/6/19 12:27 pm

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
POSITION #1452-5(0)	9	19	0	4	17.70	3,079.80		11	215.59	400	1		607.37
ADJUST (DOCKH) Dock	9	19	0	4	17.70	750.00-		11	52.50-	400	1		147.91-
Retirement Total						2,329.80			163.09				459.46

PERS REPORTED 9 /2019	Service Period	P T	Type	Rate Type	Earnings	Pay Rate	FT Days	FT Hrs	Deduct/ Reduct*	EPMC	Survivor Benefit
PERS Member Id 1910933392	09/01/19 - 09/30/19	N	EPR	HRY	2,329.80	17.70		40.00	163.09 *		
Retirement Total					2,329.80						163.09

The pay rate is correct and the net of base and dock will be reported correctly

What's wrong with this picture?

Example #8

Adjustments for prior period earnings April through October.

Pay99 — Employee Payroll Snapshot

CLS #11 - Classified Supplemental — Gross to Net

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 11, 05/01/19 - 05/31/19 on 06/10/19
(Last Final Computed)
FTE .00000 Benefit FTE .00000
SS# ###-##-3962 EmpId 002293
Bargaining Unit

Status Closed
Approved 06/05/2019 2:40PM
Last Calc'd [redacted] 9:36 am

EARNINGS	Pay Period Employee	Pay Period Other	Rate	Calendar Year To Date Employee	Calendar Year To Date Other	Subj Gross
ADJUST (CLADDLHR) Apr. Time	405.44		25.34	405.44		
ADJUST (CLADDLHR) Dec. Time	329.42		25.34	329.42		
ADJUST (CLADDLHR) Feb. Time	367.43		25.34	367.43		
ADJUST (CLADDLHR) Jan. Time	405.44		25.34	405.44		
ADJUST (CLADDLHR) Mar. Time	354.76		25.34	354.76		
ADJUST (CLADDLHR) May Time	582.82		25.34	582.82		
ADJUST (CLADDLHR) Nov. Time	367.43		25.34	367.43		
ADJUST (CLADDLHR) Oct. Time	418.11		25.34	418.11		
Total	3,230.85	.00		3,230.85	.00	

Pay99 — Employee Payroll Snapshot

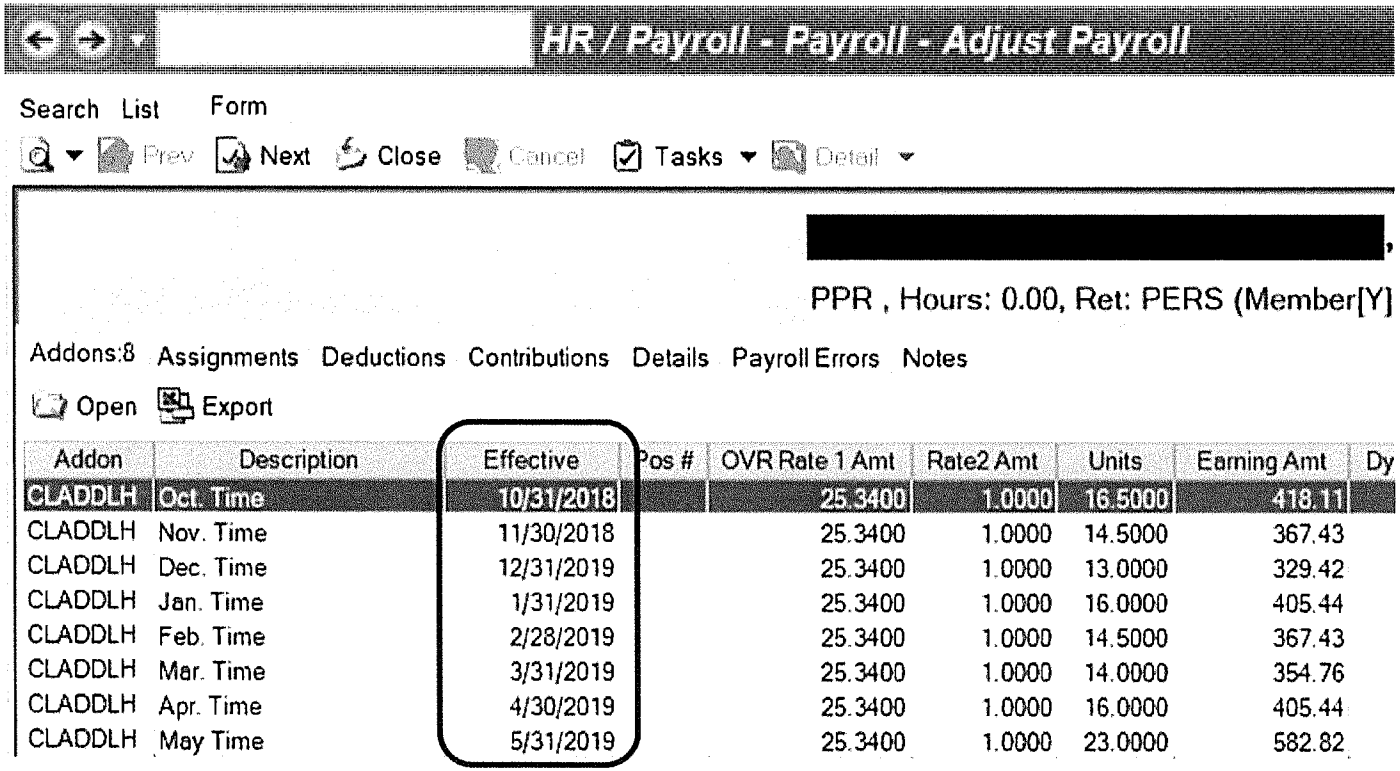
CLS #11 - Classified Supplemental — Retirement and Benefits

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

Pay Period 11, 05/01/19 - 05/31/19 on 06/10/19
(Last Final Computed)
FTE .00000 Benefit FTE .00000
SS# ###-##-3962 EmpId 002293
Bargaining Unit

Status Closed
Approved 06/05/2019 2:40PM
Last Calc'd [redacted] 9:36 am

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
ADJUST (CLADDLHR) Oct. Time	5	19	0	4	25.34	418.11		11	29.27	400	1		75.52
ADJUST (CLADDLHR) Nov. Time	5	19	0	4	25.34	367.43		11	25.72	400	1		66.37
ADJUST (CLADDLHR) Dec. Time	5	19	0	4	25.34	329.42		11	23.06	400	1		59.50
ADJUST (CLADDLHR) Jan. Time	5	19	0	4	25.34	405.44		11	28.38	400	1		73.23
ADJUST (CLADDLHR) Feb. Time	5	19	0	4	25.34	367.43		11	25.72	400	1		66.37
ADJUST (CLADDLHR) Mar. Time	5	19	0	4	25.34	354.76		11	24.83	400	1		64.08
ADJUST (CLADDLHR) Apr. Time	5	19	0	4	25.34	405.44		11	28.38	400	1		73.23
ADJUST (CLADDLHR) May Time	5	19	0	4	25.34	582.82		11	40.80	400	1		105.26
Retirement Total						3,230.85			226.16				583.56



HR / Payroll - Payroll - Adjust Payroll

Search List Form

Prev Next Close Cancel Tasks Detail

[redacted],

PPR , Hours: 0.00, Ret: PERS (Member[Y]

Addons:8 Assignments Deductions Contributions Details Payroll Errors Notes

Open Export

Addon	Description	Effective	Pos #	OVR Rate 1 Amt	Rate2 Amt	Units	Earning Amt	Dy
CLADDLH	Oct. Time	10/31/2018		25.3400	1.0000	16.5000	418.11	
CLADDLH	Nov. Time	11/30/2018		25.3400	1.0000	14.5000	367.43	
CLADDLH	Dec. Time	12/31/2019		25.3400	1.0000	13.0000	329.42	
CLADDLH	Jan. Time	1/31/2019		25.3400	1.0000	16.0000	405.44	
CLADDLH	Feb. Time	2/28/2019		25.3400	1.0000	14.5000	367.43	
CLADDLH	Mar. Time	3/31/2019		25.3400	1.0000	14.0000	354.76	
CLADDLH	Apr. Time	4/30/2019		25.3400	1.0000	16.0000	405.44	
CLADDLH	May Time	5/31/2019		25.3400	1.0000	23.0000	582.82	

Pay99 **Employee Payroll Snapshot**

[redacted] **CLS #11 - Classified Supplemental** **Retirement and Benefits**

Employee [redacted]
Address
Pay Check Site
Time Sheet Site

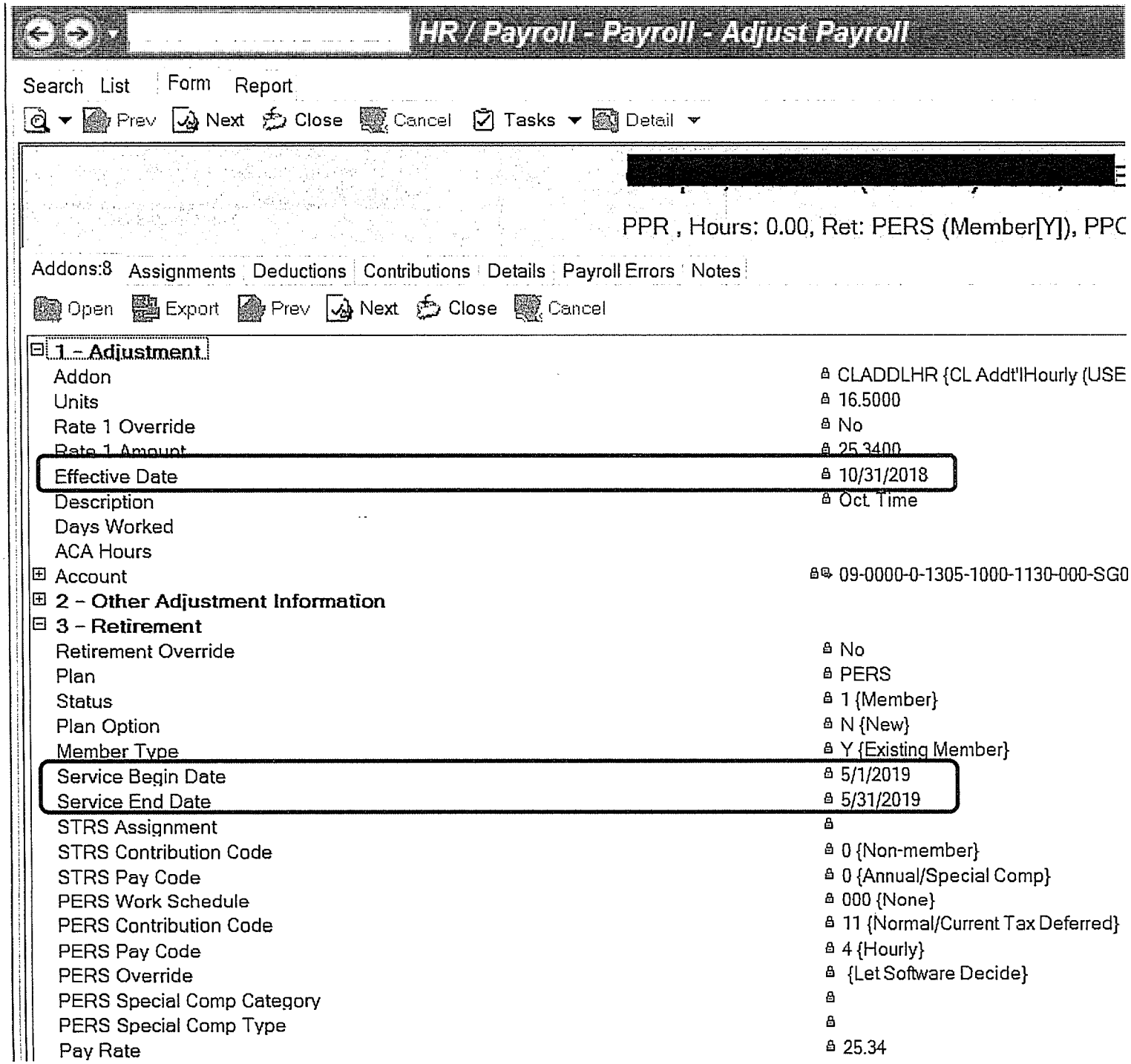
Pay Period 11, 05/01/19 - 05/31/19 on 06/10/19
(Last Final Computed)
FTE .00000 Benefit FTE .00000
SS# ###-##-3962 Empld 002293
Bargaining Unit

Status Closed
Approved 06/05/2019 2:40PM
Last Calc'd ABRITTON03, 6/5/19 9:36 am

PERS RETIREMENT DETAIL	Service Period MO	YR	T	Pay Cd	Pay Rate	Earnings	Overtime	Contributions Cd	Contributions Amount	Work Schd Code	M B R	Survivor Benefit	Employer Contributions
ADJUST (CLADDLHR) Oct. Time	5	19	0	4	25.34	418.11		11	29.27	400	1		75.52
ADJUST (CLADDLHR) Nov. Time	5	19	0	4	25.34				72	400	1		66.37
ADJUST (CLADDLHR) Dec. Time	5	19	0	4	25.34				06	400	1		59.50
ADJUST (CLADDLHR) Jan. Time	5	19	0	4	25.34				38	400	1		73.23
ADJUST (CLADDLHR) Feb. Time	5	19	0	4	25.34				72	400	1		66.37
ADJUST (CLADDLHR) Mar. Time	5	19	0	4	25.34				83	400	1		64.08
ADJUST (CLADDLHR) Apr. Time	5	19	0	4	25.34				38	400	1		73.23
ADJUST (CLADDLHR) May Time	5	19	0	4	25.34				80	400	1		105.26
Retirement Total						3,230.85			226.16				583.56

Adjustments were reported all in May 2019

Lines were copied without updating the Addon retirement section


HR / Payroll - Payroll - Adjust Payroll
Search List Form Report
Prev Next Close Cancel Tasks Detail
[redacted]
PPR , Hours: 0.00, Ret: PERS (Member[Y]), PPC
Addons:8 Assignments Deductions Contributions Details Payroll Errors Notes
Open Export Prev Next Close Cancel
1 - Adjustment
Addon CLADDLHR {CL Addt'lHourly (USE
Units 16.5000
Rate 1 Override No
Rate 1 Amount 25.3400
Effective Date 10/31/2018
Description Oct. Time
Days Worked
ACA Hours
Account 09-0000-0-1305-1000-1130-000-SG0
2 - Other Adjustment Information
3 - Retirement
Retirement Override No
Plan PERS
Status 1 {Member}
Plan Option N {New}
Member Type Y {Existing Member}
Service Begin Date 5/1/2019
Service End Date 5/31/2019
STRS Assignment
STRS Contribution Code 0 {Non-member}
STRS Pay Code 0 {Annual/Special Comp}
PERS Work Schedule 000 {None}
PERS Contribution Code 11 {Normal/Current Tax Deferred}
PERS Pay Code 4 {Hourly}
PERS Override {Let Software Decide}
PERS Special Comp Category
PERS Special Comp Type
Pay Rate 25.34

Addons:4 Assignments Deductions Contributions Details Payroll Errors Notes

Open New Copy Export Delete Prev Next Save/Close Cancel

1 - Adjustment	
Addon	ADDLHRLY {Additional Hourly}
Units	10.0000
Rate 1 Override	Yes
Rate 1 Amount	22.1700
Effective Date	10/31/2018
Description	Oct. Time
Days Worked	
ACA Hours	
Account	
2 - Other Adjustment Information	
3 - Retirement	
Retirement Override	Yes
Plan	PERS
Status	1 {Member}
Plan Option	0 {Pre 2013}
Member Type	Y {Existing Member}
Service Begin Date	**10/1/2018**
Service End Date	**10/31/2018**
STRS Assignment	
STRS Contribution Code	0 {Non-member}
STRS Pay Code	0 {Annual/Special Comp}
PERS Work Schedule	000 {None}
PERS Contribution Code	**13 {Prior Period Earnings Ac**
PERS Pay Code	4 {Hourly}
PERS Override	{Let Software Decide}
PERS Special Comp Category	

Review the Retirement Section for the Service Begin and End Dates

Override based on the Effective Date