

Business Services

EXTERNAL PAYROLL AND FINANCE UPDATES

DEBUG MEETING: *March 28, 2024*

New/Updated Forms

Forms page on SCOE website

- ❖ **Updated** Retirement and Tax Setup Sheet
- ❖ **New** form for transfers between LEAs (1 million or more)
 - Inter District County Journal Entry Request Form

Repeated State dated Checks

Government agencies are exempt from California's Unclaimed Property Law and Regulations

- ❖ Government agencies fall under **Government Code 50050-50057**
- ❖ This code states that a district may deposit and keep the stale dated funds in their General Fund if they do the following steps:
 1. Send a notice to the owner of the funds and explain how the owner can request the funds
 2. Wait 3 years
 3. Post a weekly notice in the local newspaper for 2 weeks
 4. Wait another 45 days
 5. If they don't hear from the owner after all of this, then the district becomes owner of the fund and the previous owner no longer has rights to the funds
- ❖ This can be a tedious task. It is recommended to continue to reissue if your district does not have the capability to complete the above steps.

Retirement

CalPERS and CalSTRS Fees/Invoices

- ❖ CalPERS and CalSTRS fees/invoices are posted monthly by journal entry to object: 5800, management code: FEES
- ❖ It is important to review these accounts periodically
- ❖ The backup for these fees will be attached to the journal entry
- ❖ Please note that if there is a fee/invoice of \$5,000.00 or more, SCOE will notify your LEA via email
- ❖ If you have any questions about a fee/invoice, please contact Alli Britton, CalSTRS Tech (Abritton@scoe.org) or Maria Aguayo, CalPERS Tech (Maguayo@scoe.org)

CalSTRS Reduced Workload

- ❖ This program allows members who meet eligibility to reduce their workload from a full-time position to a part-time position that is at least 50% of the time the employer requires for the full-time position

- These members will be paid for the reduced workload schedule, but their CalSTRS contributions will be based on the amount the member would have contributed if they were full-time
- ❖ Reduced Workload Applications require board approval
- ❖ All paperwork must be submitted to Alli Britton, ABritton@scoe.org by **June 30, 2024**
- ❖ [Employer Directive 2022-02](#) attached explains the program in more detail
 - [CalSTRS PowerPoint on Reduced Workload Program](#)

Dates to Remember

- ✓ *HR/Payroll Annual Review Workshop Reminder – April 18, 2024 9:00-12 PM Oak Room [Register here](#)*
- ✓ *Quarterly Taxes due April 30, 2024 (State Unemployment Insurance and State Disability Insurance)*

Retirement and Tax Setup

Position	Scenarios for Retirement Setup	Assignment	Retirement Qualification	STRS Election ES350 Form	Retirement System Election ES0372 Form	STRS Member	PERS Work Schedule Code	PERS Member	OASDI	Medicare
Classified	New Hire	Less than .50 FTE	None	N/A	N/A	No	400 (Hourly) 173 (Monthly)	No	Yes	Yes
Classified	New Hire	Greater than .50 FTE	PERS	N/A	N/A	No	400 (Hourly) 173 (Monthly)	Yes	Yes	Yes
Classified	New Hire - Elected STRS (Existing Member)	Greater than .50 FTE	PERS	N/A	Yes	Yes	N/A	No	No	Yes
Classified Sub	New Hire - Non-Member PERS	N/A	None	N/A	N/A	No	400 (Hourly) 173 (Monthly)	No	Yes	Yes
Classified Sub	Existing PERS Member	N/A	None	N/A	N/A	No	400 (Hourly) 173 (Monthly)	Yes	Yes	Yes
Retiree PERS	Rehired Extra Help - Addon or Substitute	N/A	None	N/A	N/A	No	400 (Hourly) 173 (Monthly)	No	No	Yes
Retiree PERS (non member of STRS)	Hired as a certificated substitute (Reports to CalSTRS)	N/A	None	N/A	N/A	No	54	No	Yes	Yes
Retiree PERS (member of STRS)	Hired as a certificated substitute (Reports to CalSTRS)	N/A	None	N/A	N/A	Yes	54	No	No	Yes
Position	Scenarios for Retirement Setup	Assignment	Retirement Qualification	STRS Election ES350 Form	Retirement System Election ES0372 Form	STRS Member	STRS Assignment Code	PERS Member	OASDI	Medicare
Certificated	New Hire Assignment	Greater than .50 FTE	STRS	Mandatory	N/A	Yes	57	No	No	Yes
Certificated	New Hire Assignment (Elected STRS)	Less than .50 FTE	None	Yes	N/A	Yes	57	No	No	Yes
Certificated	New Hire Assignment (Non-Elected STRS)	Less than .50 FTE	None	No	N/A	No	57	No	Yes	Yes
Certificated	New Hire Assignment (Elected PERS)	1.0 FTE	STRS	Yes	Yes	No	400 (Hourly) 173 (Monthly)	Yes	Yes	Yes
Certificated	Reduced Work Load	Less than 1.0 FTE	STRS	No	N/A	Yes	36	No	No	Yes
Certificated Sub	New Hire Addon (Non-Elected STRS)	N/A	None	Yes	N/A	Yes	54	No	Yes	Yes
Certificated Sub	New Hire Addon (Already STRS Member)	N/A	None	No	N/A	Yes	54	No	No	Yes
Retiree STRS	Rehired in Certificated Assignment or Substitute	N/A	None	No	N/A	No	61	No	No	Yes
Retiree STRS	Rehired in Classified Assignment using Addon. PERS Non-Member - *Ed Code 45134	N/A	None	No	N/A	No	N/A	No	Yes	Yes

STRS Qualifications

- Retirement follows the position, not the person
- An employee hired for a single (not combined) position of .5 FTE or above
 - membership begins on the first day of employment
- Substitute who works 100 days in a single district in one FY
 - membership begins 1st day of the following month
- Part-time hourly or daily employees (not subs) who work 60 hours or 10 days in a single month
 - membership begins 1st day of the following month
- Existing member, new hire in qualifying classified position can "elect" (ES372)

PERS Qualifications

- Retirement follows the position, not the person
- New hire in classified position with minimum .50 FTE
- Existing member of CalPers, no minimum FTE
- Worked 1,000 hours in a fiscal year, membership 1st of following month
- Existing member, new hire in qualifying certificated position can "elect" (ES372)

*CalSTRS Retiree can only work on the classified side in certain aid positions - Ed Code 45134

Revised 3/06/24

Inter District County Journal Entry Request Form
 (For use to move funds by journal entry between districts, \$1 million dollars or more)

Date:

From	LEA Name:	<input type="text"/>	DEBIT
	LEA No:	<input type="text"/>	
		Account Number(s)	Amount(s)
		<input type="text"/>	<input type="text"/>
		<input type="text"/>	<input type="text"/>
		<input type="text"/>	<input type="text"/>
		Total	<input type="text"/>

To	LEA Name:	<input type="text"/>	CREDIT
	LEA No:	<input type="text"/>	
		Account Number(s)	Amount(s)
		<input type="text"/>	<input type="text"/>
		<input type="text"/>	<input type="text"/>
		<input type="text"/>	<input type="text"/>
		Total	<input type="text"/>

PLEASE EXPLAIN REASON FOR REQUESTED TRANSFER(S)

JOURNAL ENTRY COMMENT:

Printed name of Authorized signer
 Authorized Signature

Printed name of Authorized signer
 Authorized Signature

Complete and email signed form to: Carend@scoe.org, Jliu@scoe.org, Jsarsfield@scoe.org, and Tpham@scoe.org


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GOVERNMENT CODE - GOV

TITLE 5. LOCAL AGENCIES [50001 - 57550] (Title 5 added by Stats. 1949, Ch. 81.)

DIVISION 1. CITIES AND COUNTIES [50001 - 52203] (Division 1 added by Stats. 1949, Ch. 81.)

PART 1. POWERS AND DUTIES COMMON TO CITIES AND COUNTIES [50001 - 51298.5] (Part 1 added by Stats. 1949, Ch. 81.)

CHAPTER 1. General [50001 - 50290] (Chapter 1 added by Stats. 1949, Ch. 81.)

ARTICLE 3. Financial Affairs [50050 - 50057] (Article 3 added by Stats. 1949, Ch. 81.)

50050. For purposes of this article, "local agency" includes all districts. Except as otherwise provided by law, money, excluding restitution to victims, that is not the property of a local agency that remains unclaimed in its treasury or in the official custody of its officers for three years is the property of the local agency after notice if not claimed or if no verified complaint is filed and served. At any time after the expiration of the three-year period, the treasurer of the local agency may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the local agency. At the expiration of the three-year period, money representing restitution collected on behalf of victims shall be deposited into the Restitution Fund or used by the local agency for purposes of victim services. If a local agency elects to use the money for purposes of victim services, the local agency shall first document that it has made a reasonable effort to locate and notify the victim to whom the restitution is owed. The local agency may utilize fees collected pursuant to subdivision (l) of Section 1203.1 or subdivision (f) of Section 2085.5 of the Penal Code to offset the reasonable cost of locating and notifying the victim to whom restitution is owed. With respect to moneys deposited with the county treasurer pursuant to Section 7663 of the Probate Code, this three-year period to claim money held by a local agency is extended for an infant or person of unsound mind until one year from the date his or her disability ceases.

For purposes of this section, "infant" and "person of unsound mind" have the same meaning as given to those terms as used in Section 1441 of the Code of Civil Procedure.

(Amended by Stats. 2013, Ch. 457, Sec. 1. (AB 934) Effective January 1, 2014.)

50051. The notice shall state the amount of money, the fund in which it is held, and that it is proposed that the money will become the property of the local agency on a designated date not less than forty-five days nor more than sixty days after the first publication of the notice.

(Added by Stats. 1949, Ch. 81.)

50052. Upon or prior to publication, a party of interest may file a claim with the treasurer which must include the claimant's name, address, amount of claim, the grounds on which the claim is founded, and any other information that may be required by the treasurer. The claim shall be filed before the date the unclaimed money becomes the property of the local agency as provided under Section 50051 and the treasurer shall accept or reject that claim. If the claim is rejected by the treasurer, the party who submitted the claim may file a verified complaint seeking to recover all, or a designated part, of the money in a court of competent jurisdiction within the county in which the notice is published, and serves a copy of the complaint and the summons issued thereon upon the treasurer. The copy of the complaint and summons shall be served within 30 days of receiving notice that the claim was rejected. The treasurer shall withhold the release of the portion of unclaimed money for which a court action has been filed as provided in this section until a decision is rendered by the court.

(Amended by Stats. 1984, Ch. 866, Sec. 2.)

50052.5. (a) Notwithstanding Section 50052, the treasurer may release to the depositor of the unclaimed money, their heir, beneficiary, or duly appointed representative, unclaimed money if claimed prior to the date the money

becomes the property of the local agency upon submitting proof satisfactory to the treasurer, unless the unclaimed money is deposited pursuant to Section 7663 of the Probate Code.

(b) Notwithstanding Section 50052, the treasurer may release unclaimed money deposited with the county treasurer pursuant to Section 7663 of the Probate Code, to any adult blood relative of either the decedent or the decedent's predeceased spouse.

(c) Notwithstanding Section 50052, the treasurer may release unclaimed money deposited with the county treasurer pursuant to Section 7663 of the Probate Code to the parent who has legal and physical custody of a minor who is a blood relative of either the decedent or the decedent's predeceased spouse without the need to appoint a legal guardian for the minor as follows:

(1) If the value of the unclaimed money deposited with the county treasurer is five thousand dollars (\$5,000) or less, the treasurer may release the money according to Section 3401 of the Probate Code.

(2) If the value of the unclaimed money deposited with the county treasurer is sixty thousand dollars (\$60,000) or less, and the money is not released under paragraph (1), the unclaimed money may be released by the treasurer to the parent who shall, after payment of any costs incurred in making the claim, hold the money in trust, to be used only for the care, maintenance, and education of the minor, and the parent shall be liable therefor to the minor under the fiduciary laws of this state. The money held in trust shall be released to the minor when the minor reaches the age of majority.

(d) The claim shall be presented to the county treasurer in affidavit form and signed under penalty of perjury. Notwithstanding Section 13101 of the Probate Code, the claimant, to be entitled to the entire escheated estate, needs only to establish with documentary proof the existence of a blood relationship to either the decedent or of the predeceased spouse, if any, and the documentary proof, if regular on its face, need not be certified. Notwithstanding Section 13101 of the Probate Code, the claimant shall not be required to declare that no other person has an equal or superior claim to the escheated estate.

The county treasurer may rely in good faith on the sworn statements made in the claim and shall have no duty to inquire into the truth or credibility of evidence submitted.

In paying out the escheated estate, the county treasurer shall be held harmless to all. Payment shall act as total acquittance and shall completely discharge the county treasurer from any liability.

If the county treasurer rejects any claim made hereunder, the claimant may take his or her grievance to the Superior Court of the county holding the escheated estate.

Any claim paid hereunder shall be paid without interest.

(Amended by Stats. 2000, Ch. 333, Sec. 1. Effective January 1, 2001.)

50053. When any such money becomes the property of a local agency and is in a special fund, the legislative body may transfer it to the general fund.

(Added by Stats. 1949, Ch. 81.)

50054. Whenever any city or county or city and county renders construction services or constructs public works for any city, county, city and county or any other governmental agency below the level of the state government, the price charged for such services or construction shall be sufficient to reimburse the governmental body performing such services for the full cost thereof including labor, material, equipment costs or rentals and a reasonable allowance for overhead. In computing overhead, without limitation on other factors properly includable, there shall be allocated to the overhead cost its proportionate share of indirect labor and administrative costs.

(Added by Stats. 1971, Ch. 558.)

50055. Any other provision of this article notwithstanding, any individual items of less than fifteen dollars (\$15), or any amount if the depositor's name is unknown, which remain unclaimed in the treasury or in the official custody of an officer of a local agency for the period of one year or upon an order of the court may be transferred to the general fund by the legislative body without the necessity of publication of a notice in a newspaper.

(Amended by Stats. 1996, Ch. 89, Sec. 1. Effective July 1, 1996.)

50056. The responsibilities of the treasurer as provided under this article may be delegated by the treasurer to the agency, district, or department that maintains the supporting records of the unclaimed money based on the initial receipt or deposit of that money or both.

(Added by Stats. 1984, Ch. 866, Sec. 4.)

50057. For individual items in the amount of five thousand dollars (\$5,000) or less, the legislative body of any county may, by resolution, authorize the county treasurer to perform on its behalf any act required or authorized to be performed by it under Sections 50050, 50053, and 50055. The resolution shall require that the county auditor be informed of each act performed under the authorization.

(Amended by Stats. 2011, Ch. 382, Sec. 2. (SB 194) Effective January 1, 2012.)

February 24, 2022

TO: All County Superintendents of Schools
District Superintendents of Schools
Community College Districts and
Other Employing Agencies remitting contributions to CalSTRS

FROM: Cassandra Lichnock
Chief Executive Officer

SUBJECT: Employer Directive 2022-02
Supersedes Employer Directive 2017-07
Reduced Workload Program

PURPOSE

This directive was updated to include direction about how employers should report remuneration in addition to salary compensation for 2% at 62 Reduced Workload Participants.

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% 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 their final compensation calculated based on the final compensation the member would have earned if they 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 their 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 their 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 (ES 1161). 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.

Reporting Remuneration in Addition to Salary for the Reduced Workload Program

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 as specified below.

Ongoing remuneration in addition to salary for CalSTRS 2% at 60 members should be reported with Assignment Code 36, an annual pay rate based on the remuneration in addition to salary the member would have earned had the member not reduced their workload, and earnings based on the actual amount earned.

For example, if a CalSTRS 2% at 60 member is working an 80% contract and the employer prorates the member's master's stipend from \$1,000 to \$800, the employer should report the \$800 earnings as remuneration in addition to salary with an annual pay rate of \$1,000.

Ongoing remuneration in addition to salary payments paid every pay period the creditable service is performed for CalSTRS 2% at 62 members should be reported with Assignment Code 72, an annual pay rate based on the remuneration in addition to salary the member would have earned had the member not reduced their workload, and earnings that match the annual pay rate so that contributions and benefits are calculated correctly.

For example, if a CalSTRS 2% at 62 member is working an 80% contract for a 10-month school term and the employer prorates the member's master's stipend from \$1000 to \$800, the employer should report the remuneration in addition to salary with earnings of \$100 and an annual pay rate of \$100.

Limited-term remuneration in addition to salary payments are only creditable for CalSTRS 2% at 60 members and should be reported with Assignment Code 71, an annual pay rate based on the remuneration in addition to salary the member would have earned had the member not reduced their workload, and earnings that match the annual pay rate so that contributions and benefits are calculated correctly. Do not report limited-term payments for CalSTRS 2% at 62 members.

For example, if a CalSTRS 2% at 60 member is working an 80% contract and the employer prorates the member's retirement bonus from \$1,000 to \$800, the employer should report the limited-term remuneration in addition to salary payment with earnings of \$1,000 and 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% of the days or hours the employer requires for full time in that position pursuant to Education Code section 22138.5.
- The member and employer mutually agree to terminate participation.
 - 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 included in the 10-school year maximum for which the member is permitted to participate in the program.

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.

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 874 83.
- 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* form prior to the beginning of the school term of the first school year in which the employee's workload is reduced.

Once CalSTRS approves a member'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.
- 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 is 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.

REFERENCES:

This Employer Directive does not take precedence over the law.

If you have any questions regarding this Employer Directive, please contact your CalSTRS Employer Services Representative.