

MEMORANDUM OF UNDERSTANDING
BETWEEN
CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION AND ITS
RIVERSIDE CHAPTER #506
ANDTHE
RIVERSIDE UNIFIED SCHOOL DISTRICT

June 13, 2025

This memorandum of understanding (“MOU”) is agreed between the Riverside Unified School District (the “District” or “RUSD”) and the California School Employees Association and its Chapter 506 (“CSEA”), collectively, (“the parties”). The District and CSEA meet and negotiate wages, hours and/or working conditions.

The parties agree to the following:

- CalPERS requires all local education agencies to adhere to a 260-day work-year salary schedule for twelve-month employees. For clarity, a 260-day work year with an 8-hour day equates to 2,080 hours, or 173.3333 hours per month. Attachment: [CALPERS Circular 200-014-24](#)
- The current salary schedules are based on a 261 day work year from July 1-June 30, with 2,088 hours, or 174 hours per month.
- Due to the CalPERS requirement, the following must occur:
 - Salary schedules will be based on a 260 day work year from July 1- June 30.
 - When a calendar year has more than 260 workdays for 12-month employees, pay for the additional day(s) shall occur during the June pay period (12M) rather than being spread over 12 pay periods during the year.

This MOU shall not be precedent setting nor form any basis for a past practice.

This agreement is subject to CSEA Policy 610 and ratification from the CSEA membership and the approval of the Board of Education.

FOR THE DISTRICT:

FOR CSEA:

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[Home](#) > [Employers](#) > [Policies & Procedures](#) > [Circular Letters](#)
> **Payrate Reporting for Classified School Members**

Payrate Reporting for Classified School Members

March 8, 2024

Circular Letter: 200-014-24

Topic: Payroll

To: All CalPERS School Employers

Purpose

The purpose of this Circular Letter is to inform school employers on compliant payrate reporting for classified school members and increase awareness of how misreported payrates cause inaccurate service credit accrual and inaccurate retirement benefits. This information is also intended to ensure payrate reporting for classified school members complies with the Public Employees' Retirement Law (PERL), specifically Government (Gov.) Code section 20636.1, and service credit accrual under Gov. Code sections 20962 (full time) and 20966 (part time).

Defining Payrate for Classified School Members

Pursuant to Gov. Code section 20636.1(b), 'Payrate' is the normal monthly rate of pay¹ or base pay of the member for services rendered on a full-time basis, pursuant to publicly available pay schedules.

For classified school members, full-time employment is 40 hours per week, and payments for services rendered, not to exceed 40 hours

per week, shall be reported as compensation earnable for all months of the year in which work is performed.

Payrate Reporting Errors for Classified School Members

Payrate reported as earnings for classified school members is a common payroll reporting error. When the payrate is not based on 40 hours per week, 2,080 hours per year², or 173.3333 hours per month³, the result is inaccurate service credit accrual and miscalculated final compensation.

Calculating Full-Time Equivalent Payrates

School employers can report monthly, daily, or hourly payrates. To calculate the full-time equivalent (FTE) for monthly and daily payrates, begin with the hourly FTE payrate calculation.

In the scenario below, the hourly FTE payrate is the base form of pay, as it measures how much a member earns on an hourly basis.

The following is an example of a classified school member's information:

- 215 work days per year
- 7.5 hours in a work day
- 10 work months per year
- \$50,000.00 annual base salary

Calculating Hourly FTE Payrate

To calculate the hourly FTE payrate, the appropriate method is:

- Annual base salary ÷ work days per year ÷ hours in a work day = hourly FTE payrate
- Using the example of a classified school member's information:
 - $\$50,000.00 \div 215 \div 7.5 = \31.01

Calculating Daily FTE Payrate

To calculate the daily FTE payrate, the appropriate method is:

- Annual base salary ÷ work days per year ÷ hours in a work day × 8 = daily FTE payrate
- Using the example of a classified school member's information:
 - $\$50,000.00 \div 215 \div 7.5 \times 8 = \248.06

Calculating Monthly FTE Payrate

To calculate the monthly FTE payrate, the appropriate method is:

- Annual base salary ÷ work days per year ÷ hours in a work day × (40 hours per week × 52 weeks per year ÷ 12 months per year) = monthly FTE payrate
- Using the example of a classified school member's information:
 - $\$50,000.00 \div 215 \div 7.5 \times (40 \times 52 \div 12) = \$5,374.68$

Note: monthly earnings remain at \$5,000.

Compliance in Compensation Reporting Webpage

We provide tools for employers to accurately report compensation. The Employer Account Management Division (EAMD) has added information on the [Compliance in Compensation Reporting](#) webpage. Under Audit Compliance & Resolution, there is a section titled **Calculate Full-Time Equivalent (FTE) Payrate for Classified School Members**. School employers can use this resource for information related to FTE payrates, and use the examples provided to calculate hourly, daily, and monthly FTE payrates. Also included on this webpage is a [FTE Payrate Calculator](#); school employers can use the calculator to verify their hourly, daily, or monthly FTE payrate by inputting the classified school member's:

- Monthly Earnings
- Months Worked Per Year
- Hours Worked Per Day
- Days Worked Per Year

Impacts on Service Credit

Accurate reporting of payrate and earnings will result in correct accrual of service credit. Although a member may be considered full time by school employers for working all 215 days over 10 months, for our purposes, full-time service credit accrual in a fiscal year is a minimum of 1,720 hours (Gov. Code section 20962). In the example above, the classified school member works 1,612.5 hours (215 days multiplied by 7.5 hours) in a fiscal year. Therefore, the member does not accrue full-time service credit.

Impacts on Final Compensation

Final Compensation is one of three factors used to calculate retirement allowance, see Basic Retirement Calculation below. Final Compensation is the highest 12- or 36-month average of payrate and special compensation. When payrates are not based on the FTE, the payrate used for the final compensation calculation is lowered, while the service credit is inflated.

Basic Retirement Calculation

Service Credit × Benefit Factor × Final Compensation = **Highest Pension Benefit** (Unmodified Allowance)

where:

Service Credit

Is the number of years of CalPERS service

Benefit Factor

Is the percentage of pay based on your age

Final Compensation

Is your highest monthly average salary for a defined period

Highest Pension Benefit

Also called Unmodified Allowance. Is your highest possible monthly benefit after you retire from CalPERS

Questions

Questions related to FTE payrate compliance and reporting can be emailed to the Employer Account Management Division – Audit Compliance and Resolution Unit at MOU_Review@calpers.ca.gov.

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

Brad Hanson, Interim Chief
Employer Account Management Division

¹Monthly rate of pay is based on full-time employment at 40 hours per week.

²40 hours per week × 52 weeks per year = 2,080 hours per year.

³40 hours per week × 52 weeks per year ÷ 12 months per year = 173.3333 hours per month.

Updated: March 8, 2024



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