

# **PAYROLL USERS GROUP**

**Tuesday, November 23, 2021**

**9:00 AM**

**Zoom Webinar**

## **AGENDA**

- 1. Superintendent Contracts**
- 2. CalSTRS Forms**
- 3. Holiday Hours**
- 4. December 29<sup>th</sup> is Payday**
- 5. December Processing Dates / Processing Dates Next Quarter**
- 6. W-2's & 1095 C's / December is the last chance for adjustments through payroll**
- 7. PERS Retired Annuitants**
- 8. Do not add " I " in subjectivity field for TSA Vol deds**
- 9. 4<sup>th</sup> Quarter DE6 Change Software Date**
- 10. Miscellaneous Notes from Elena**
- 11. Questions**

**Next PUG Meeting: February 22, 2022**

### **One-Time Off-Salary Schedule Payments**

As additional one-time funding is being disbursed to schools, new payments to faculty are being approved, and we are receiving questions about the creditability of this compensation. One of the more common types of payments offered are widely referred to as one-time off-salary schedule payments. These payments are called by a variety of names and have a variety of purposes but are generally limited-term payments that are not associated with additional service, are not scheduled to continue and are only being paid due to additional one-time funding.

This Employer Circular does not take precedence over the law; it is meant to clarify how school districts and county offices of education should report to CalSTRS. If you have any questions regarding this circular, please contact CalSTRS Employer Help at [EmployerHelp@CalSTRS.com](mailto:EmployerHelp@CalSTRS.com).

#### **Creditable Compensation**

Payments made to members must meet the definition of either salary or remuneration that is paid in addition to salary to be creditable compensation and reportable to CalSTRS.

The definition of salary pursuant to Education Code sections 22119.2 and 22119.3, and California Code of Regulations, Title 5, section 27400, requires the compensation to be paid for the performance of creditable service. Generally, one-time off-salary schedule payments are not paid for the performance of additional creditable service, and as such, they do not meet the definition of salary.

However, these types of payments may meet the definition of remuneration that is paid in addition to salary pursuant to California Code of Regulations, Title 5, section 27401. One of the criteria for compensation to be considered remuneration that is paid in addition to salary is that it must be paid in cash in accordance with a publicly available written contractual agreement and be paid to all persons in a class of employees in the same dollar amount, same percentage of salary, or same percentage of amount being distributed. Additionally, the compensation must be paid contingent on the availability of funds or meet other qualifications or requirements.

When one-time off-salary schedule payments are being distributed to a class of employees based solely on additional one-time funding or other funding remaining at the end of the year and also meet all of the criteria pursuant to Education Code section 22119.2 and California Code of Regulations, Title 5, section 27401, these types of payments meet the definition of remuneration that is paid in addition to salary due to the availability of funds and should be reported to CalSTRS for 2% at 60 members.

When a one-time off-salary schedule payment meets all of the criteria pursuant to Education Code section 22119.2 and California Code of Regulations, Title 5, section 27401 but is not based

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solely on additional one-time funding, then the compensation must meet one of the qualifications or requirements outlined in California Code of Regulations, Title 5, section 27401(a)(6)(B) for the compensation to be creditable as remuneration that is paid in addition to salary.

### **Limited-Term Payments**

One-time off-salary schedule payments that meet the definition of remuneration that is paid in addition to salary under California Code of Regulations, Title 5, section 27401 are generally considered by CalSTRS to be limited-term payments. Pursuant to California Code of Regulations, Title 5, section 27602, a limited-term payment is one that is not ongoing, paid a specified number of times, has a specified end date or is otherwise not scheduled to continue.

Limited-term payments are only creditable for CalSTRS 2% at 60 members, and the contributions for limited-term remuneration in addition to salary payments must be credited to the member's Defined Benefit Supplement account pursuant to Education Code section 22905.

Pursuant to Education Code section 22119.3(c)(11), creditable compensation for CalSTRS 2% at 62 members does not mean and shall not include any one-time or ad hoc payments made to a member. As these types of one-time off-salary schedule payments are generally limited-term, they are not reportable to CalSTRS for 2% at 62 members.

### **Reporting One-Time Off-Salary Schedule Payments for 2% at 60 Members**

If all the requirements stated in California Code of Regulations, Title 5, section 27401 regarding remuneration that is paid in addition to salary are met, one-time off-salary schedule payments are creditable for 2% at 60 members to the Defined Benefit Supplement account as a limited-term payment and should be reported to CalSTRS using Assignment Code 71 and Contribution Code 6.

### **Examples of One-Time Off-Salary Schedule Payments that are Creditable Compensation**

#### **Example 1:**

According to a supplemental contract, the employer will offer all teachers a 2% one-time off-salary schedule increase for the teachers' hard work during the school year transitioning between online and in-person learning. The compensation will be paid effective May 31, 2021. The employer further explains that this payment is being given to teachers solely due to additional one-time funding received by the employer from COVID-19-related funds.

#### **Example 2:**

According to a signed board letter, all counselors will receive a \$2,000 payment at the end of the school year to acknowledge the increase in responsibility placed on them during the pandemic. This payment will only be made in the 2019-20 school year. The employer further explains that this payment is being given to counselors solely due to additional one-time funding received by the employer.

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In both of these examples, the payments meet the definition of creditable compensation pursuant to Education Code section 22119.2 because they are paid in accordance with a publicly available written document and are offered to all persons in the same class of employees. The payments are not being made for the performance of additional service, so they do not meet the definition of salary. The payments do meet the definition of remuneration that is paid in addition to salary in accordance with California Code of Regulations, Title 5, section 27401 due to the availability of funds. Since these are one-time payments and not scheduled to continue, the payments are creditable to the Defined Benefit Supplement account for 2% at 60 members only. They are not creditable for 2% at 62 members.

### **Specific Questions?**

The above guidance is meant to cover most situations; however, if you have a specific one-time off-salary schedule payment question, please contact CalSTRS Employer Help at [EmployerHelp@CalSTRS.com](mailto:EmployerHelp@CalSTRS.com). To better assist in answering specific inquiries, please be prepared to provide relevant documentation about the payment(s).

### **Resources**

All Employer Directives (ED) published within the past five years are available online at [CalSTRS.com/employer-and-administrative-directives](https://www.calstrs.com/employer-and-administrative-directives). All Employer Information Circulars (EIC) published within the past five years are available online at [CalSTRS.com/employer-information-circulars](https://www.calstrs.com/employer-information-circulars). Please contact your Employer Help representative for relevant circulars and directives more than five years old.

Additional resources regarding provisions of the Teachers' Retirement Law are available online on the [Employer Support Portal](#). There you will find tools and resources such as Teachers' Retirement Law Job Aids and the link to the [Pension Administration Learning Management System](#) (PALMS) where you have access to additional training materials.



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](http://www.calpers.ca.gov)

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## Membership

# Circular Letter

August 30, 2021

Circular Letter: 200-049-21

Distribution: IV

**To:** State Agency Employers  
**Subject:** Retired Annuitant Late Enrollment and Payroll Reporting Fees

### Purpose

The purpose of this Circular Letter is to provide information regarding the updated application of fees associated with late enrollment and payroll reporting for state agency retired annuitants, in accordance with the amendment to Government (Gov.) Code section 21220 of the Public Employees' Retirement Law. myCalPERS was updated in accordance with this law and will begin assessing fees directly to each individual state agency effective September 2021.

### Background

[Circular Letter 200-048-18 \(PDF\)](#) previously informed employers that the California Public Employees' Retirement System (CalPERS) would begin assessing retired annuitant late fees directly to the State Controller's Office (SCO) for all state agencies with late enrollments and/or late payroll reporting, in accordance with Gov. Code section 21220 effective July 1, 2018. Due to the pandemic, billing was suspended to allow employers to resume normal business operations.

### Employer Responsibility

CalPERS reassessed the billing process for state agencies to determine the correct and most effective application. CalPERS determined each individual state agency is responsible for late fees associated with their respective retired annuitants.

CalPERS will bill each state agency directly rather than bill SCO for all state retired annuitant late fees. Each state agency is responsible for managing any late fees assessed as a result of a late enrollment and/or late payroll reporting for their respective retired annuitants. Each state agency can view and pay their retired annuitant late fee invoices in their myCalPERS account. You can access the Retired Annuitant Late Fee Status Report in myCalPERS to view your retired annuitant late fees.

## System Access Roles

To view and pay retired annuitant late fee invoices, an employer contact must have the AR/Billing access role.

To view and access the Retired Annuitant Late Fee Status Report, an employer contact must have one of the following access roles:

- AR/Billing
- Payroll
- Retirement Enrollment

## Questions

If you have questions regarding the amount of the late fees or how to pay the invoice, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**). If you believe your agency reported payroll timely and fees have been assessed, contact the SCO Statewide Customer Contact Center for more information and clarification at (916) 372-7200.

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](http://www.calpers.ca.gov)

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## Announcements

# Circular Letter

November 18, 2021

Circular Letter: 200-070-21

Distribution: IV, V, VI, X, XII, XVI

**To:** All CalPERS Employers  
**Subject:** Credit for Absence From Employment – Military Service

### Purpose

The purpose of this Circular Letter is to inform you of your responsibilities, pursuant to Government (Gov.) Code section 20997, to inform employees of their rights regarding Military Leave of Absence service credit.

### Government Code Section 20997

Section 20997 of the Gov. Code states that a member absent from employment for military service may be eligible to receive service credit for the absence at no cost. If the member is not eligible to receive the service credit at no cost, they may be eligible to purchase service credit by paying their outstanding contributions while on active duty.

### Employer Requirements

Gov. Code section 20997 requires you to inform your employees of their rights and provide the request details within 30 days of the employee's return to employment.

You are also responsible for updating [myCalPERS](#) with the employee's separation and return dates.

Gov. Code sections 21024 and 21029 enable a member to purchase credit for past active duty military service, served prior to establishing CalPERS membership.

These sections additionally require you to inform all new employees upon hire of their right to purchase their active duty military service credit.

## **Request Details**

Your employees can register or log in to their myCalPERS account to request military leave of absence. CalPERS will determine the member's eligibility upon receiving their completed request. Members should request to purchase service credit early in their career because the cost will be lower, and they can pay off their lump-sum balance in full prior to their retirement to maximize their benefit.

## **Resources**

For more information on Military Leave of Absence, refer your employees to [A Guide to Your CalPERS Military Service Credit Options \(PUB-15\) \(PDF\)](#). This publication contains valuable information for members requesting to purchase active duty military service credit prior to CalPERS membership and/or Military Leave of Absence service credit. The [Public Agency & Schools Reference Guide \(PDF\)](#), [State Reference Guide \(PDF\)](#), and additional information about the benefits of service credit purchases and other resources are available on our website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## **Questions**

If you have any questions, send us a secure message by logging in to your myCalPERS account or call us toll free at **888 CalPERS** (or **888-225-7377**).

Donald R. Martinez, Chief  
Member Account Management Division\*



The following instructions are to assist you and your employer in completing the *Retirement System Election form* (ES 0372). 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* (ES 0372) 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* (ES 0372) 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* (ES 0372) 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: Kem

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 retain a copy of the employee's signed election form.

**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 (ES 0372) must be submitted to the retirement system elected by the employee. For additional requirements, please see the Information section.

**Mail completed forms to:**

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

CalPERS  
P.O. Box 942709 Sacramento, CA 94229-2709

CalSTRS also accepts the form by secure messaging via the Secure Employer Website.

# Retirement System Election

ES 0372 REV 06/21

[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

## 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)

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) \*



ES0372

*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
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SELECT ONE: ☐ CREDENTIALED ☐ CLASSIFIED ☐ STATE SERVICE

### EMPLOYER INFORMATION:

CO/DIST/STATE DEPT NAME	CALSTRS REPORT UNIT CODE
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SCHOOL/STATE OFFICIAL'S NAME	TITLE	PHONE NUMBER
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SIGNATURE OF SCHOOL/STATE OFFICIAL	DATE
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COUNTY OFFICIAL'S NAME	TITLE	PHONE NUMBER
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SIGNATURE OF COUNTY OFFICIAL	*CALPERS EMPLOYER CODE
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**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

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

POSITION TITLE	POSITION HIRE DATE
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## 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	