



California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (or **888-225-7377**)
TTY: (877) 249-7442
www.calpers.ca.gov

Reference No.:
Circular Letter No.: 200-042-15
Distribution: V, VI, XII, XVI
Special:

Circular Letter

July 30, 2015

**TO: ALL CONTRACTING PUBLIC AGENCIES, SCHOOL EMPLOYERS,
AND NON-CENTRAL STATE AGENCIES**

SUBJECT: BENEFITS OF USING ELECTRONIC FUNDS TRANSFER (EFT)

The purpose of this Circular Letter is to inform you of the benefits of using Electronic Funds Transfer (EFT) to make payments to CalPERS.

Background

EFT is the payment method specified by Government Code 20538. EFT allows you to electronically transfer funds from your financial institution to CalPERS, eliminating the use of paper checks. Two electronic payment options are offered:

Debit Method - This free service is offered online through my|CalPERS. Your funds are transferred by authorizing CalPERS to debit your bank account on the date and for the amount you choose. It takes only minutes to enroll and the process is easy to use, making it the preferred EFT method.

Credit Method - This option is for agencies unable to utilize the debit method. You must instruct your bank to debit your account and credit the State's bank account, using CalPERS' credit file specifications. Banks normally charge set-up and transaction fees for which you are responsible.

Benefits of EFT

There are many benefits of using EFT. In a recent survey of employers using EFT, all responses were positive, with employers citing timeliness, avoidance of late fees, convenience, ease, and simplicity as reasons why they use EFT. The debit method is preferred by current EFT users. EFT is convenient, efficient, and provides the following benefits:

- ✓ **Cash Management** Improve cash management by scheduling the exact date your EFT payment will be made. Payment history is available online and can be transferred to an Excel document to be used for reconciliation and accounting reports. CalPERS does not have access to your bank account without your authorization. You have full control of the release of funds to CalPERS.

- ✓ **Accuracy** Using the debit method, your payment will always be applied correctly because the correct payment data is provided automatically by the my|CalPERS system. The credit method allows you to control the accuracy of the payment data you provide to your bank, reducing the possibility of error.
- ✓ **Avoid Delinquency** With EFT you have the ability to eliminate penalties or assessments due to missed payment deadlines. Schedule the exact date your payments will be made in advance or use the Quick Pay option to make payments immediately. Using EFT avoids postal delays and missed payment deadlines.
- ✓ **Security** CalPERS uses encryption technology to safeguard your payment information. Electronic transmission of payment information eliminates the risk of lost, stolen, or misdirected checks.
- ✓ **Cost** Eliminate your postage and check printing expenses. Save the time required to prepare and mail checks. CalPERS does not charge for EFT, but if you choose to use the credit EFT method, check with your financial institution for related fees.
- ✓ **Go Green** Reduce paper usage. Minimize your carbon footprint by eliminating the fuel usage and carbon emissions associated with mail delivery.
- ✓ **Flexibility** EFT offers the flexibility to pay multiple receivables at one time, select or modify your payment amounts, or cancel EFT payments.

Additional Information

You can sign up for EFT and make your first payments within minutes. If you have not enrolled in EFT, we encourage you to switch to EFT today and begin to realize the many benefits this feature offers. The following resource is available:

- Steps for establishing an EFT account and making EFT payments are available at <https://www.calpers.ca.gov/docs/course-107.pdf>

If you have any questions regarding the information provided in this Circular Letter, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**)

CHERYL EASON
Chief Financial Officer