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## Circular Letter

December 17, 2013

**TO: ALL CONTRACTING PUBLIC AGENCIES AND SCHOOL EMPLOYERS**

**SUBJECT: ADVANCED DISABILITY PENSION PAYMENTS (ADPP)**

The purpose of this Circular Letter is to remind you of the criteria for reimbursement of Advanced Disability Pension Payments (ADPP).

Employers must make "advanced disability pension payments" to safety members who have qualified for benefits under Labor Code (L.C.) section 4850 and have submitted an application for industrial disability retirement, until the member begins receiving their retirement benefits directly from CalPERS, or the application for disability retirement is denied. If an employee's disability retirement application is denied, the local agency and the employee shall arrange for the employee to repay all ADPP.

Advanced disability pension payments shall not exceed 50% of the average monthly pay rate for the last three years prior to retirement. Since retirement allowances are paid monthly, CalPERS would prefer that the employer make advanced disability pension payments monthly. ADPP should be paid for the preceding month. If the retirement effective date is a day other than the first of the month, the member is entitled to receive retirement pay from the retirement effective date until the end of the month.

When a safety member begins receiving ADPP, any payments made under L.C. Section 4850 are discontinued. CalPERS will notify the employer by phone prior to the member being placed on the retirement roll. The ADPP is then stopped.

When CalPERS begins paying the industrial disability retirement allowance to the member, the amount of the ADPP the employer paid to the member will be deducted from the retroactive portion of the member's retirement allowance. If the retroactive portion does not cover the total amount, CalPERS will reduce the member's monthly allowance by as much as 10% until the balance has been paid (Government Code section 21419.)

Please include the following information in the Resolution or determination letter to CalPERS:

1. Whether or not advanced disability pension payments will be made;
2. Amount of monthly advanced disability pension payment;
3. Amount of the first payment, if retirement date is other than the first of the month;
4. Address to send the reimbursement check.

If you fail to notify CalPERS that ADPP is paid or if the member Service retires, the local agency and the employee shall arrange for repayment. CalPERS will not reimburse the employer in these situations.

**Other Resources**

The Public Agency & Schools Reference Guide, which is located on the CalPERS Website, contains this information. If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

ANTHONY SUINE, Chief  
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