



California Public Employees' Retirement System
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Announcements

Circular Letter

June 15, 2021

Circular Letter: 200-029-21

Distribution: VI, XII, XVI

To: All Public Agency and School Employers
Subject: Reporting Out-of-Class Hours Worked

Purpose

The purpose of this Circular Letter is to remind you of your responsibility to report Out-of-Class hours worked in accordance with Government (Gov.) Code section 20480 and the myCalPERS functionality designed to report Out-of-Class hours. Gov. Code section 20480 prohibits an Out-of-Class appointment by a contracting agency or school employer, with employees serving a limited term appointment in a vacant position, from exceeding 960 hours worked within each fiscal year.

Public Agencies and School Employers' Responsibilities

Employers must track the hours worked by an employee serving in an out-of-class appointment and report these appointments each fiscal year, regardless if an employee has violated the 960-hour limit.

1. Certify and report all hours when an employee worked in an out-of-class appointment.
2. If you have no out-of-class appointment hours to report during the past fiscal year, you must certify there are no hours to report to the California Public Employees' Retirement System (CalPERS).
3. myCalPERS provides functionality for employers to self-verify if there are hours or no hours to report.
4. Report Out-Of-Class hours for the 2018-19 or 2019-20 fiscal years if you have not reported the hours.

Prior Communication

On June 7, 2019, CalPERS published [Circular Letter #200-18-19 \(PDF\)](#) to inform public agency and school employers of new myCalPERS functionality designed to report Out-of-Class hours worked in accordance with Gov. Code section 20480.

Letters to Employers

CalPERS will mail up to two notification letters to each employer's preferred address on file, as identified in myCalPERS.

Letter	When	What
Annual Notice	During the month of June	The notice informs employers to report all Out-of-Class appointments in myCalPERS by July 30 for the prior fiscal year.
Failure to Comply Notice	During the month of August	The notice informs non-compliant employers that CalPERS has yet to receive required information and that penalties and/or administrative fees may be assessed.

Gov. Code section 20480

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an Out-of-Class appointment to mean an appointment to an upgraded position or higher classification by an employer or governing board or body due to a vacancy for a limited duration.

For purposes of this section, a "vacant position" refers to a position that is vacant during a recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence.

Penalties

Employers who violate this provision must make payments to CalPERS equal to three times the employee and employer contributions for the entire period the employee works in an Out-of-Class appointment. These payments would be calculated using the difference between the compensation paid for the Out-of-Class appointment and the compensation that otherwise

would have been reported for the employee's permanent position in accordance with a publicly available pay schedule. In addition, the employer will be responsible for a fee of \$200 to cover administrative expenses.

Penalties paid to CalPERS are not normal contributions or additional contributions that would normally be credited to an employee's individual CalPERS account. The employee shall bear no liability, obligation, or expense because of the unlawful actions of the employer.

Additional Resources

The following resources are available on the CalPERS website for employers:

- [myCalPERS Out-of-Class Reporting Student Guide \(PDF\)](#) provides detailed steps on how to use the new employer verification pages.
- [Data Element Definitions: Out-of-Class Validation Reporting \(PDF\)](#) is a myCalPERS technical resource that provides electronic file data element definitions found within an Out-of-Class record.
- [Out-of-Class Reporting Frequently Asked Questions \(PDF\)](#) provides a list of the most asked questions submitted by public agency and school employers.

View Gov. Code section 20480 in its entirety at [California Legislative Information](#).

Questions

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

Renee Ostrander, Chief
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