TABLE OF CONTENTS

Introduction .................................................................................................................................................. 5

General Membership Information ........................................................................................................ 7

   CalPERS Membership Eligibility ...................................................................................................... 11
   Public Employees’ Pension Reform Act of 2013 (PEPRA) Definition of a New Member .............. 11
   First-Tier vs. Second-Tier .................................................................................................................. 16
   Account Code Overview ..................................................................................................................... 18
   The Alternate Retirement Program (ARP) (Civil Service Only) ..................................................... 22
   Determining Membership Eligibility .................................................................................................. 25
   Positions Excluded by Retirement Law (PERL) from CalPERS Coverage. .................................. 26
   Determining Retirement Benefits ....................................................................................................... 28
   “Optional” Members of CalPERS ....................................................................................................... 31
   CalPERS or CalSTRS? ......................................................................................................................... 34
   Overtime Positions .............................................................................................................................. 38
   Updating Employee Demographic Information .................................................................................. 39
   Reciprocity and Similar Benefits ....................................................................................................... 41
   Reciprocity Requirements ................................................................................................................... 42
   Rights and Benefits with Full Reciprocity ......................................................................................... 43
   CalPERS Benefits for Non-Qualifying Individuals ......................................................................... 44
   CalPERS Benefits Arising from Movement to Reciprocal and Certain Non-Reciprocal Public Retirement Systems ......................................................................................................................... 45
   How to Notify CalPERS when the Member Changes Retirement Systems .................................. 46
   Service Credit Purchase Options ....................................................................................................... 47

CSU-Only Membership ............................................................................................................................ 53

   The California State University ......................................................................................................... 55
   Membership Chart .............................................................................................................................. 57
Updates to this Guide ........................................................................................................................................ 5
Guide Coordinator Responsibilities .......................................................................................................................... 5
Confidentiality of Member Data ............................................................................................................................ 5
Headquarters Office Location .................................................................................................................................. 5
CalPERS Customer Contact Center ........................................................................................................................... 5
CalPERS Regional Offices ......................................................................................................................................... 6
About Service Retirement .......................................................................................................................................... 6

The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees' Retirement Law. It is the reader's responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
This Guide is designed to help you in your preparation of information for the California Public Employees’ Retirement System. The Guide is divided into seven sections:

- General Membership Information
- CSU-Only Membership
- Pay Rate and Service Credit
- Benefits Procedures
- Web Services and Publications
- Education and Other Resources
- Appendix

These seven sections cover the main areas of CalPERS operation. Subjects covered within each section are outlined in the table of contents. Forms unavailable in the Appendix are available in the Forms & Publication Center on CalPERS On-Line for your reference.

We encourage you to share this information with agency representatives who are responsible for enrolling employees into CalPERS membership, determining the correct account code to use, or conveying benefit information to staff.

This Guide can be accessed in the Forms & Publication Center on CalPERS On-Line at www.calpers.ca.gov.

UPDATES TO THIS GUIDE

Since this Guide is being distributed via CalPERS On-Line only, updates will be provided in the same way. Each section will have a revision date to ensure you are using the most current information available. Please check the State Reference Guide page on CalPERS On-Line for the list of revision dates.

GUIDE COORDINATOR RESPONSIBILITIES

Use the Guide at the CalPERS Website as your resource to answer questions. Please call the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) if you need additional assistance.

CONFIDENTIALITY OF MEMBER DATA

For the member’s protection, each employee involved with CalPERS reporting should be aware of Government Code section 20230, which states: “Data filed by any member or beneficiary with the Board is confidential, and no individual record shall be divulged by any official or employee having access to it to any person other than the member to whom the information relates or his authorized representative, the contracting agency or school district by which he is employed, any state department or agency, or the university. Such information shall be used by the Board for the sole purpose of carrying into effect the provisions of this part. Any information which is requested for retirement purposes by any public agency shall be treated as confidential by such agency”.

HEADQUARTERS OFFICE LOCATION

California Public Employees’ Retirement System
400 Q Street
Sacramento, CA 95811
(916) 795-3000
TDD (Speech and Hearing Impaired)
(877) 249-7442
California Relay Service – Telecommunications Device for the Deaf
(800) 735-2929

CALPERS CUSTOMER CONTACT CENTER
888 CalPERS (or 888-225-7377)

The CalPERS Customer Contact Center acts as a single point of contact for employers, and members.

EMPLOYER INFORMATION

- Actuarial services
- CalPERS Education Center enrollment
- Communication services
- Compensation review
- Constituent services
- Emergency retirements
- Employer contracts
- Employer education
Employer statements
Health enrollment transactions
Health plan eligibility
Initiate employer contract amendments
Payroll discrepancies
Payroll file transfer
Payroll reporting information
Process death reports
Public agency health billing
Reciprocity information
Requests for forms & publications
Retirement application status
Retirement eligibility
Social Security Number discrepancies
Update employer contacts

MEMBER INFORMATION
• Address changes
• Changing beneficiaries
• Community property information
• Cost-of-living adjustments (COLAs)
• Direct deposit of monthly benefit payment
• Monthly retirement warrants
• Post-retirement death notifications
• Replacement of lost or stolen checks
• Retirement eligibility and payment
• Survivor and beneficiary information
• Tax withholding changes
• Working after retirement
• Health plan eligibility and enrollment
• Annual Member Statements
• Contribution adjustments
• First-tier and second-tier benefits
• Pension compensation review
• Pre-retirement death benefits
• Reciprocity refund information
• Service credit information
• Service or disability retirement
• Emergency retirements

CALPERS REGIONAL OFFICES

AREAS OF SERVICE
• Public information counters
• Retirement counseling
• Order retirement estimates

CalPERS Regional Office locations and hours can be found online at www.calpers.ca.gov.

ABOUT SERVICE RETIREMENT

Service retirement is a lifetime benefit that is derived from key employment information you provide. To be eligible for a service retirement, in most cases your employee must be at least age 50 and have five years of service credit.

When an employee retires, their lifetime retirement benefit is calculated using a formula that includes years of service credit, age at retirement, and final compensation. Final compensation is their highest average full-time monthly pay rate for a 1-year or 3-year period based on the employer contract or collective bargaining unit agreement. It is critical that service credit and final compensation be reported correctly to ensure the employee retires without delay and receives the correct retirement allowance.

While there are many variables in figuring your service retirement benefits, the basic formula is:

\[
\text{Unmodified Allowance (pension)} = (\text{Service Credit (years)} \times \text{Benefit Factor (percent per year)} \times \text{Final Compensation (monthly, dollars)})
\]

A member’s retirement benefit formula is based on their membership category, which is determined by the employer, classification (miscellaneous, safety, industrial, or peace officer/firefighter) and specific provisions outlined in the law.
# General Membership Information

## Table of Contents

### CalPERS Membership Eligibility
- Public Employees’ Pension Reform Act of 2013 (PEPRA) Definition of a New Member ......................................................... 11
- Full-Time Employees ........................................................................................................................................................................... 12
- Less than Full-Time Employees ......................................................................................................................................................... 12
- When Not to Report .............................................................................................................................................................................. 13
- Failure to Timely Enroll a Member .................................................................................................................................................. 14
- What are Arrears? .................................................................................................................................................................................. 14
- Part-Time Seasonal Employees ......................................................................................................................................................... 15

### First-Tier vs. Second-Tier ................................................................................................................................. 16

### Account Code Overview ......................................................................................................................................................... 18

### Alternate Retirement Program (ARP) .............................................................................................................................. 22

### Determining Membership Eligibility ............................................................................................................................... 25

### Positions Excluded by Retirement Law (PERL) from CalPERS Coverage ............................................................................... 26
- Members of Other Retirement Systems ........................................................................................................................................... 26
- Health and Welfare or Trade Rate Employment .................................................................................................................................. 26
- Independent Contractors ................................................................................................................................................................... 26
- Elected or Appointed Officers ........................................................................................................................................................... 26
- Student Aides in the Special Schools of the State Department of Education .......................................................................................... 26
- California Conservation Corps Participants .......................................................................................................................................... 27
- Assembly Fellows, Senate Fellows, and Executive Fellows .................................................................................................................... 27
- Inmates of State Institutions .................................................................................................................................................................. 27
- Exclusions Applicable Only to California State University ...................................................................................................................... 27
- Student Assistants ................................................................................................................................................................................. 27
- Summer Session/Intersession ............................................................................................................................................................... 27
- Exclusions Applicable Only to University of California ..................................................................................................................... 27
- Extension Service .................................................................................................................................................................................. 27
Determining Retirement Benefits

“Optional” Members of CalPERS

General Provisions/Instructions

Election of Optional Membership

When to Complete

CalPERS or CalSTRS?

Differences between CalPERS and CalSTRS

Additional Information

Overtime Positions

Updating Employee Demographic Information

Birthdate Certification Request

When to Complete

Instructions

Acceptable Documents

Appointment Change Notification for Employer (CalPERS-Initiated Form) Purpose

Special Instructions

myCalPERS Member Self-Service

Reciprocity and Similar Benefits

Full Reciprocity

Reciprocity Requirements

Conditions for Acquiring the Benefits of Full Reciprocity

Important Restrictions

Rights and Benefits with Full Reciprocity

CalPERS Benefits for Non-Qualifying Individuals

CalPERS Benefits Arising from Movement to Reciprocal and Certain Non-Reciprocal Public Retirement Systems

Final Compensation

Redeposit Rights
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refund Restriction</td>
<td>45</td>
</tr>
<tr>
<td>Vesting</td>
<td>45</td>
</tr>
<tr>
<td>Disability Retirement</td>
<td>45</td>
</tr>
<tr>
<td><strong>How to Notify CalPERS when the Member Changes Retirement Systems</strong></td>
<td>46</td>
</tr>
<tr>
<td>JRS, JRS II, and LRS Members</td>
<td>46</td>
</tr>
<tr>
<td><strong>Service Credit Purchase Options</strong></td>
<td>47</td>
</tr>
<tr>
<td>Service Credit Cost Estimator</td>
<td>47</td>
</tr>
<tr>
<td>Redeposits</td>
<td>48</td>
</tr>
<tr>
<td>Service Prior to Membership</td>
<td>48</td>
</tr>
<tr>
<td>Verification of Service Prior to Membership</td>
<td>48</td>
</tr>
<tr>
<td>Public Service and Leaves of Absence</td>
<td>48</td>
</tr>
<tr>
<td>Present Value Service Credit Purchases</td>
<td>49</td>
</tr>
<tr>
<td>Additional Retirement Service Credit</td>
<td>49</td>
</tr>
<tr>
<td>Peace Corps, Americorps Vista, and Americorps</td>
<td>49</td>
</tr>
<tr>
<td>Credit for Military Service Prior to Employment</td>
<td>49</td>
</tr>
<tr>
<td>Credit for Absence from Employment for Military Service</td>
<td>50</td>
</tr>
<tr>
<td>Excluded Positions</td>
<td>50</td>
</tr>
<tr>
<td>Payment Methods</td>
<td>50</td>
</tr>
<tr>
<td>Inquiries</td>
<td>51</td>
</tr>
<tr>
<td>Cost Estimate</td>
<td>51</td>
</tr>
</tbody>
</table>
The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees’ Retirement Law. It is the reader's responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
CALPERS MEMBERSHIP ELIGIBILITY

If a person is currently a member of CalPERS (i.e., has contributions/service on account that have not been refunded), the person cannot be excluded from membership due to her/his time base (e.g., working less than 20 hours per week) or appointment length (e.g., 90 days). Therefore, persons who are currently members of CalPERS do not need to re-qualify for membership. This applies even if their membership was established through employment with another CalPERS agency, or if they are not currently working (i.e., are on inactive status) with a CalPERS-covered agency.

EXCEPTION:
State Second-Tier members who are not vested and have been permanently separated for more than 6 months. Most other employees should enter CalPERS membership immediately upon employment (G.C. section 20281).

NOTE:
Employees of the Department of Forestry and Fire Protection who qualify for State Peace Officer/Firefighter membership under G.C. Section 20392, or State Safety membership under Section 20400, also qualify for immediate membership, even if working less than full-time.

If a person has retirement contributions/service credit on deposit with CalPERS, or if they have met the criteria for membership (e.g., have completed 1,000 hours of service in a fiscal year) but have not actually been enrolled yet, they are by law a member of CalPERS, even if the employer has not yet reported payroll to CalPERS on their behalf.

Once in membership, a person remains in membership until (1) they take a refund of contributions after permanently separating from CalPERS-covered employment, or (2) they retire.

You can determine whether or not a person is currently a member of CalPERS by:

1. Asking the employee (be aware that some employees may be mistaken about this),
2. Using the Participant Inquiry function of the myCalPERS system, and/or
3. Contacting the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

It is recommended that an employer retain documentation (e.g., Notice of Exclusion From CalPERS Membership Form PERS-AESD-139) on which the employee indicates “Not a CalPERS member”; to demonstrate that such an inquiry was made, in order to guard against possible G.C. section 20283 liability in the future. It is also recommended that employers determine whether the employee has any other CalPERS-covered employment that could potentially place the employee in an “overtime” situation (e.g., if the employee is working more than full-time), to avoid having to make adjustments later.

IMMEDIATE MEMBERSHIP UPON HIRE
Many employees should enter CalPERS membership immediately upon employment (G.C. section 20281), namely:

- Already a CalPERS member, unless working in a position excluded by law.
- Employees hired to work full-time more than six months.
- Employees working “regular, part-time service,” who work “at least an average of 20 hours a week” for one year or longer.

However, there are also some employees who must work a certain number of hours/days (commonly referred to as “qualifying time”) before they are eligible for membership, and who therefore should be carefully monitored, such as the following:

PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA) DEFINITION OF A NEW MEMBER

PEPRA defines a new member as any of the following:

- A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California Public Retirement System.
- A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who was a member
CalPERS Membership Eligibility

with another California Public Retirement System prior to January 1, 2013, and is not eligible for reciprocity.

• A member who first established CalPERS membership prior to January 1, 2013, and who is rehired (by a different CalPERS employer) after a break in service of greater than six months.

NOTE:
In accordance with 2013 legislation passed in Assembly Bill 1222, public employers’ transit employees subject to 13(c) of the Federal Transit Act are not subject to the provisions of PEPRA, until January 1, 2015, or until a court ruling, whichever is sooner. You can find more information specifically relating to AB 1222 - Transit Employees when you visit the CalPERS On-Line Pension Reform Impacts pages for Employers.

NOTE:
All State agencies, including CSU, are treated as a single employer under PEPRA. Additionally, all school employers are treated as a single employer as well.

Each employer must store the participant details necessary to categorize individuals as new members or classic members in your databases. CalPERS refers to all members that do not fit within the definition of a new member as “classic members”. All existing CalPERS members as of December 31, 2012, will retain the existing benefit levels for future service with the same employer. Because the new member determination is made on an appointment-by-appointment basis, classic members will be tested against the “new member” definition upon each new appointment and, in some cases, may become “new members” for services under a new appointment.

PEPRA does not require retroactive reductions to benefits earned for prior service, even where a member separates from service and is later rehired as a new member by a new employer and becomes subject to the applicable PEPRA formula. In these cases, the member’s “classic member” service will be calculated separately from his or her service as a “new member”.

my|CalPERS includes fields on the enrollment page where your agency will identify if the new hire is coming from a reciprocal agency and prompt you for the necessary data elements which subject them to reciprocity. It will be extremely important that your agency properly identify the status of members at the time of hire by providing the Member Reciprocal Self-Certification form (PERS-CASD-801).

Based on the information your agency provides, my|CalPERS will automatically determine the proper benefit group for each member. In addition, CalPERS will create for each employer a report identifying their recent enrollments and the correct corresponding formula based on the information provided at enrollment. If your agency believes the enrollment is incorrect, you may contact CalPERS to review and correct the data as necessary.

NOTE:
Each employer must store the participant details necessary to categorize individuals as new members or classic members in your databases.

FULL-TIME EMPLOYEES
CalPERS considers full-time employment to be between 34 and 60 hours per week. Employers generally have the ability to determine what constitutes full-time for an employee provided that the employee works between 34 and 60 hours per week. However, G.C. section 20636.1 specifies that for all non-certificated school members full-time is considered 40 hours per week. This means that all hours up to 40 hours per week must be reported to CalPERS for non-certificated school members at the straight time rate.

Persons in full-time employment whose appointment/employment does not fix a term of employment longer than six months should be monitored; if full-time employment actually continues for more than six months, membership is compulsory, and the effective date of membership cannot be later than the first day of the first pay period of the seventh month of employment.

LESS THAN FULL-TIME EMPLOYEES
The standard to consider for the membership eligibility of less than full-time employees is whether they work 1,000 hours (if paid on an hourly basis) or 125 days (if paid on a daily or per diem basis) in a fiscal year (July 1 through June 30). (G.C. section 20305(a)(3)(B) states that 125 eight-hour days equals 1,000 hours.)

Since the “overtime” provisions of section 20635 apply only to members of CalPERS, overtime
service is included in computing the 1,000 hours
or 125 days.

Time during which the member is paid for time
excused from working due to vacation, sick leave,
etc., is included in the 1,000 hours.

**CALIFORNIA STATE UNIVERSITY**
**TEMPORARY FACULTY**
Must work half time or more for either (1) two
consecutive semesters, or (2) three consecutive
quarters (G.C. section 20305(a)(4)). Refer to the
CSU-Only section for specific information to
membership qualification for CSU employees.

**GENERAL PRINCIPLES**
The general principles to follow to determine
when and if someone is eligible for membership,
if not excluded by contract or by law are as
follows:

1. Persons who are already members of
CalPERS are not excluded from membership
because they are working less than full-time.
(G.C. section 20305(a)(1))

2. Persons enter membership upon
appointment to a position with one of the
following conditions:

   a. The appointment/employment fixes a
term of full-time, continuous
employment in excess of six months.

   b. CSU Temporary Faculty employee
appointed for one academic year
at full-time.

   c. The position requires regular, part-time
service for at least an average of 20
hours per week (or its equivalent) for
one year or longer.

3. Persons must otherwise be monitored to
determine when and if they qualify for
membership. Qualification for membership
is reached when:

   a. No term (length) of appointment is
specified in the appointment/
employment, but full-time employment
continues longer than six months.

   b. The person works more than 125 days
in a fiscal year if paid on a “per diem”
basis (i.e., “per day”). For this purpose,
“day” means each 8 hours of
compensated service; (e.g. a firefighter
working a 24-hour shift is working 3
“days” per shift).

   c. The person works 1,000 hours in a fiscal
year if paid on other than a per diem
basis. Any overtime hours worked are
counted as qualifying time.

In such cases, membership becomes effective
**no later than** the first day of the next pay period
after (a) the sixth month of full-time employment
or (b) completion of 1,000 hours or 125 days in a
fiscal year.

When monitoring an employee for the 1,000
hours, **all hours** the employee is compensated
for should be counted towards membership
qualifications, even if the compensation would
not be reportable to CalPERS if the person was
a member (e.g. compensation for overtime
hours).

For example, if an employee were called in to
work 4 hours on July 4th, which is a paid 8-hour
holiday for the individual, the employee would
have 12 hours counted towards their
membership qualification.

However, if this example applied to a member,
then the 4 hours would be considered overtime
and not reportable to CalPERS.

**WHEN NOT TO REPORT**
A CalPERS member should not continue to be
reported in membership when:

- The person enters a position that is
excluded by law (other than due to time
base/appointment length), or by an agency’s
contract.

- The person enters a position eligible for
optional membership and has not yet elected
membership. The individual must submit an
election of optional membership in order to be
a member in such a position, regardless of
prior membership status. (See “Optional
Members of CalPERS” section for more
information.)

- The person enters a position that is also in
membership with another public retirement
system. (See “Positions Excluded by
Retirement Law (PERL) from CalPERS
Coverage” section.)

- The person is subject to an alternate retirement
plan under G.C. section 20306.

- The person is legally working after retirement.
(The laws for post-retirement employment are
different from the laws for membership; refer to
CalPERS Membership Eligibility

the “Employment of a Retiree” section later for more information).

NOTE:
Multiple part-time positions should be reported, even if the sum of the hours of the positions exceeds full-time.

QUALIFICATION WHEN WORKING MORE THAN ONE POSITION
These criteria above can be met by employees who are working more than one position under the same employer; therefore, service with all positions with an employer (including both safety and miscellaneous positions) should be considered in determining membership qualification. For example, a person working a permanent 10-hour a week position, and a permanent 12-hour a week position with the same employer, would qualify for membership immediately, by virtue of combining the service of both positions to meet the 20-hour a week minimum.

Service with different CalPERS-covered agencies, such as a city and a special district; or a school district and a State agency or school districts in two different counties, should not be combined for membership qualification purposes.

If an employee becomes a CalPERS member prior to January 1, 2013 and returns to work with the same employer, they are considered a classic member under PEPRA. Their original membership date would apply. If they return to work with a different CalPERS employer and their break in service between employers is greater than six months, then they would be considered a new PEPRA member.

FAILURE TO TIMELY ENROLL MEMBER
It is the employer’s responsibility to determine if its employees are eligible to participate in CalPERS. If an employer has failed to enroll an eligible employee into CalPERS membership within 90 days of qualifying, when the employer knows or can reasonably be expected to have known of that eligibility, the employer shall be required to pay all arrears costs for the member contributions and a $500 administrative cost per member. The employer shall not pass on to an employee any costs assessed due to untimely enrollment. (G.C. section 20283)

Employers are expected to be knowledgeable of all areas covered in this Guide, as well as in Circular Letters, and other standard CalPERS publications. If you encounter an unusual situation not addressed in any of these forums, we would strongly urge you to contact us in advance for advice about such situations, so that we can review the facts and advise you appropriately.

WHAT ARE ARREARS?
The employer is responsible to know the basic eligibility rules and when to enroll their employees into membership in CalPERS. Government Code Section 20283 states that any employer that fails to enroll an employee into membership within 90 days of eligibility shall be required to pay all the arrears contributions (both employer and member) and a $500.00 administrative fee per member to the System.

Arrears costs are the employee contributions due for a member’s earnings that have not been previously reported. Payment of arrears is mandatory and interest is not charged on the amount owed. An account can be in arrears because either an employer failed to enroll the employee into membership, or failed to report earnings and contributions for service rendered.

There are two types of arrears. Government Code Section 20283 applies if any portion of the arrears period began prior to and continued after July 1, 1994. A member who qualified for membership and the arrears period is prior to July 1, 1994 is considered a mandatory arrears case. In mandatory arrears cases, the member is responsible for the member contributions and the employer is responsible for the employer contributions for the arrears period.

EMPLOYER BILLING FOR ARREARS
(CENTRAL STATE AGENCIES)
CalPERS submits a Transfer Certification Letter with the ACC343 form to the State Controller’s Office (SCO) requesting the SCO to transfer funds to CalPERS.

EMPLOYER BILLING FOR ARREARS
(NON-CENTRAL STATE AGENCIES)
Employers will be invoiced through myCalPERS of the arrears due. The employer shall not pass on to an employee any costs assessed due to untimely enrollment for G.C. 20283 arrears. Employers are notified based on their preferred communication method in myCalPERS.
Employers are required to pay CalPERS directly; either by check or electronic funds transfer (EFT).

A COGNOS report, “Arrears Receivable Notice Report” is available through my|CalPERS. This report gives employers details regarding the member and the balance amount of the arrears. The employer can also access member and employer notes that are updated for each member’s arrears determination.

NOTE:
The administrative cost “is not a fee or penalty” to the agency – rather it is a reimbursement to CalPERS for costs associated with the process of administering G.C. section 20283.

DETERMINING IF A PART-TIME SEASONAL EMPLOYEE IS ELIGIBLE FOR MEMBERSHIP
1. Check participant inquiry in my|CalPERS to determine if the employee is already a CalPERS member.
2. Look for PIMS/CSUC transactions to determine if employee is already a CalPERS member. If the employee is already a member of CalPERS, that employee should be immediately reported to CalPERS.
3. Look for account codes on an employee’s record, which indicate that the employee has previously worked for a State agency or California State University.
4. Ask newly hired employees if they are a member of CalPERS and document it in writing. A Public Agency or County School could have formerly employed some members. Document on the AESD-139-S form.
5. Monitor all compensated hours worked. If the employee reaches 1,000 hours in a fiscal year, membership must be established and reported to CalPERS.

NOTICE OF EXCLUSION FROM CALPERS MEMBERSHIP
For employees who do not qualify for CalPERS membership, the “Notice of Exclusion from CalPERS Membership” (PERS-AESD-139S) should be completed. The completed form should be given to the employee in order to inform them of the specific reason for their exclusion and to fulfill the employer’s responsibility of notification. Do NOT send copies of this form to CalPERS; however, a copy should be retained for the employee’s records.
When determining if an employee should be placed in first or second tier, you will need to find out if the miscellaneous or industrial employee is a previous member of CalPERS (do they have service and/or funds on deposit from another contracting Public Agency, County School or State agency that is under CalPERS).

If no, refer to “CalPERS Membership Eligibility” in the “Civil Service/CSU Membership” section to determine when to bring the employee into membership. Once the employee qualifies for CalPERS membership, determine if the employee contributes to CalPERS or ARP. If it is determined the employee contributes to ARP, place them in the ARP account code. If the employee is eligible to contribute to CalPERS (either on appointment date or completion of the 24 months in ARP), place the employee into First-Tier and provide the employee with the “State Miscellaneous and Industrial Members Retirement Benefit Election Package” booklet (PERS-PUB-52).

If yes, see chart below.

<table>
<thead>
<tr>
<th>All First-Tier Service (Public Agency, County School or State)</th>
<th>Mixed First- and Second-Tier Service</th>
<th>All State Second-Tier Service only (no State First-Tier, Public Agency or County School Service)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Separation is Less than 90 days</td>
<td>Permanent Separation is 91 days to Six Months</td>
<td>Permanent Separation is over Six Months and Member has less than 10 years of Second-Tier Service</td>
</tr>
<tr>
<td>Permanent Separation is over Six Months and Member has over 10 years of Second-Tier Service</td>
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</table>

- The employee is brought into CalPERS membership immediately.
- Place the employee into First-Tier.
- Provide the employee with the PUB-52.
- The employee is brought into CalPERS membership immediately.
- If break in service is more than 90 days, place the employee into First-Tier.
- Provide the employee with the PUB-52.
- If break is less than 90 days, see 1, 2 or 3 below.
- The employee is brought into CalPERS membership immediately.
- Place the employee into First-Tier.
- Provide the employee with the PUB-52.
- The employee is brought into CalPERS membership immediately.
- Place the employee into First-Tier.
- Provide the employee with the PUB-52.
- The employee needs to re-qualify for CalPERS membership.
- Upon meeting qualifications, bring the employee into CalPERS membership.
- Place the employee into First-Tier.
- Provide the employee with the PUB-52.
- The employee is brought into CalPERS membership immediately.
- Place the employee into First-Tier.
- Provide the employee with the PUB-52.
Mixed First- and Second-Tier Service: (break in service is less than 90 days)

1. If the member’s last appointment was State Second-Tier, place the member in State Second-Tier and do not provide the PUB-52.

2. If the member’s last appointment was State Safety, POFF or CHP Patrol and the member has elected to convert their past State Second-Tier service to First-Tier service, place the member into State First-Tier and do not provide the PUB-52.

3. If the member’s last appointment was State Safety, POFF or CHP Patrol and the member has not elected to convert their past State Second-Tier service to First-Tier service, place the member into State Second-Tier and do not provide the PUB-52.

The member may contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) to request the election material to elect into State First-Tier for future and/or past State Second-Tier service any time prior to retirement, provided they are employed by the State on or after 1-1-2000.
ACCOUNT CODE OVERVIEW

ACCOUNT CODE CHART
Account codes are used by agencies when appointing employees to State positions. Account codes determine the retirement plan and contribution rate. For those employees eligible for CalPERS membership, the account code is used to determine retirement benefit factor, member contribution amount, and final compensation (12 or 36 month) period to which members are entitled as mandated by law.

It is very important to know the employee’s membership status and appointment date when determining which account code to use. Using an incorrect account code may cause an underpayment of employer or member contributions. It is your responsibility to correctly determine which account code to use or it may result in either party owing more money to the System, and the member receiving the wrong retirement benefit.

The following information is needed to help you determine what account a member should be placed in:

1. Member Group – for the position the member is going into:
   - Miscellaneous – Government Code section 20380
   - Industrial – G.C. 20382
   - Safety – G.C. 20399 to 20415
   - Peace Officer/Firefighter (POFF) – G.C. 20391 to 20398, 20416
   - CHP – G.C. 20390

   You can refer to the above sections of the California Public Employees’ Retirement Law (PERL) if you need to determine the member classification. If after referring to the PERL, you still cannot make a determination, then please contact CalPERS for assistance.

2. Alternate Retirement Program (ARP) (This applies to Miscellaneous/Industrial State Civil Service members only.)
   You need to complete the Alternate Retirement Program (ARP) Eligibility Worksheet to determine if the employee should contribute to ARP or CalPERS. The worksheet can be found at the California Department of Human Resources (CalHR)’s Website. If it is determined the employee contributes to CalPERS, then use the following information to help you determine which account code the employee will go into.

   Please note that this is the latest Alternate Retirement Program Eligibility Worksheet at the time of printing of this guide. Please refer to the CalHR Website at www.calhr.ca.gov to see if there is a later version. For more information, please see the ARP section in this guide.

3. First-Tier vs. Second-Tier (This applies to Miscellaneous/Industrial State Civil Service members only. Public Agencies, County Schools and CSU members do not have Second-Tier).
   First-Tier refers to a retirement formula where members make contributions (normally 8%, but can be raised or lowered by collective bargaining agreements) to CalPERS and are covered under the State Miscellaneous/Industrial 2% at age 55, 2% at age 60, or 2% at age 62 formula.

   Second-Tier refers to a retirement formula where members previously did not make contributions to CalPERS and are covered under the 1.25% at age 65 or 1.25% at age 67 formula. Beginning July 1, 2013, all Second-Tier members will start contributing 1.5% of earnings in monthly member contributions. This contribution rate shall be adjusted annually.

NOTE:
CalPERS has determined that the Public Employees’ Pension Reform Act of 2013 (PEPRA) mandates member contributions be made on the full amount of employee earnings and eliminates the contribution and Off Set adjustments to the final compensation factor for all new State employees in the State 2nd Tier retirement formula.

For additional information on the First- and Second-Tier Retirement Plans, please see “Your Retirement Formula Options” section of the Retirement Benefit Election Package booklet (PERS-PUB-52).
4. **Social Security:**
   (This applies to Miscellaneous/Industrial members only. State Safety, State POFF and CHP members do not pay into Social Security.)
   - In the Account Code Chart, look for an account code with an “N” in the “O=SS/Med; M=Medicare; N=Neither” column if in 1961 the member elected no to Social Security for State service.
   - Look for an account code with an “O” in the “O=SS/Med; M=Medicare; N=Neither” column if in 1961 the member elected yes to Social Security for State service.
   - Any Miscellaneous/Industrial employee hired into State service after 1961 will have Social Security — look for an account code with an “O” in the “O=SS/Med; M=Medicare; N=Neither” column.
     - Exception: If the member is a non-resident alien with an F-1, J-1, M-1 or Q-1 Visa, they are not subject to Social Security so look for an account code an “N” in the “O=SS/Med; M=Medicare; N=Neither” column.

**NOTE:**
If a miscellaneous/industrial member was first hired by the State prior to 04/01/86 and does not have a break in service, they do not pay Medicare if they become a Safety, POFF or CHP member. Therefore, look for an account code with “N”.

5. **Medicare** applies as follows:
   - **Miscellaneous/Industrial** members who elected no to Social Security in 1961 but were rehired following a permanent separation or break in service on/after 04/01/86 will have to pay Medicare only, no Social Security. Look for an account code with an “M” in the “O=SS/Med; M=Medicare; N=Neither” column.
   - **Safety, POFF, or CHP** members:
     - Exception: If the member is a non-resident alien with an F-1, J-1, M-1 or Q-1 Visa, they are not subject to Social Security so look for an account code with an “N”.

6. **Final Compensation**
   - Effective 07/01/91, all state employees were given a 1-year final compensation in the calculation of their retirement benefit. This means that 12 consecutive months of salary will be averaged to calculate their retirement benefit.
   - Effective 07/01/06, all new state employees in collective bargaining unit 2 were given a 3-year final compensation in the calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in collective bargaining unit 2 prior to 07/01/06 will exempt the member from the 3-year final compensation.
   - Effective 01/01/07, all new state employees in collective bargaining units 1, 3, 4, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 were given a 3-year final compensation in the calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in the bargaining units listed above prior to 01/01/07 will exempt the member from the 3-year final compensation.
   - Effective 10/31/10, all new state employees in collective bargaining units 5 and 8 as well as new non-represented employees associated with the above collective bargaining units were given a 3-year final compensation in the calculation of their retirement benefit.
of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in collective bargaining units 5 and 8 as well as new non-represented employees associated with collective bargaining units 5 and 8 prior to 10/31/10 will exempt the member from the 3-year final compensation.

- Effective 01/15/11, all new state employees in bargaining units 6, 9, 10, and 13 as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 were given a 3-year final compensation in calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any state employment in the bargaining units listed above as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 prior to 01/15/11 will exempt the member from the 3-year final compensation.

7. **Retirement Formula Changes**

The retirement formula and method of calculating final compensation for collective bargaining units 1, 3, 4, 11, 14, 15, 17, 20, and 21 for employees first employed with the State on January 15, 2011 through December 31, 2012, with no prior service will be as follows. “Prior State employment” includes any State service (such as part-time, seasonal, or temporary employment) that can be purchased as CalPERS service credit.

- Miscellaneous/Industrial/ARP – 2%@60 formula based on 3-year highest compensation
- State Safety – 2%@55 formula based on 3-year highest compensation
- Second Tier – 1.25%@ formula based on 3-year highest compensation

For more information, see the California Department of Human Resources Website at www.calhr.ca.gov.

8. **Collective Bargaining Unit (CBU):**

Some account codes are based on what collective bargaining unit the member is in. Currently there are 21 bargaining units 1 – 21.

- Non-represented members are Supervisors, Confidentials, and Managers (S, C, and M). With this group, ignore the bargaining unit number if the member is miscellaneous, industrial or safety.

**NOTE:**

For the non-represented “exempt” employee who’s CBID (Section 126 on the PAR) is E01 through E21 they will be associated with the particular CBU. If the employee’s CBID is anything else, e.g., E; E00; E48; E97; E99 etc., then they will be associated with all the other non-represented groups of Supervisors, Confidentials, and Managers (S, C, and M).

9. **Concurrent Employment:**

If the employee is concurrently working in another position that is also covered by CalPERS, continue to report all contributions related to that position. Please refer to “Overtime Positions” in the “General Information” section for additional information.

**WHERE HAVE COVERAGE GROUPS GONE?**

In the past, CalPERS assigned Coverage Group Codes to designate a specific retirement benefit package for a group of employees. Each Coverage Group Code was unique for each retirement benefit package. Employers were instructed on which Coverage Group Codes to put their employees into depending on the specific employer contract dates and/or provisions. For State and School employers, the correct Coverage Group Code depended on government code provisions and specific dates pertinent to employment history of each employee. This required knowledge on the part of the employer to determine the correct Coverage Group Code to enroll a participant into.

To alleviate the need for employers to try to select the appropriate Coverage Group Code, the new myCalPERS system will now determine the retirement benefit package of each participant based on a combination of data elements reported by the employer. This change allows the myCalPERS system to be more robust and flexible in meeting the demands of future contract amendments and government provisions. This will assure proper
benefit payments to our future retirees and beneficiaries, with less room for error.

**PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA)**

Public employers will be prohibited from granting retroactive pension benefit enhancements that would apply to service performed prior to the effective date of the enhancement.

PEPRA reduces benefit formulas and increases retirement age provisions and creates new defined benefit formulas for all new miscellaneous (non-safety) and safety members.

**NOTE:**
Please see the Membership chapter of this Guide for the definition of a new PEPRA member.

For new safety members, the law provides for three possible retirement formulas and requires that new safety members be provided with the new formula that is closest to the formula offered to classic members of the same classification, and provides a lower benefit at 55 years of age than the formula offered to classic members. The three new defined benefit formulas for new safety members include a normal retirement age of 50 and a maximum benefit at age 57.

For all new miscellaneous members, the new defined benefit formula is 2% at age 62, with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67.

The new formulas will be implemented in myCalPERS to take effect on January 1, 2013. The legislatively mandated formulas and provisions will be merged with your agency’s existing optional provisions, with some exceptions, effective on December 31, 2012, to create the new benefit groups.

**ACCOUNT CODE CHART**

For a list of the Retirement Benefit Formula Account Code Tables, please select the following link: [http://www.calpers.ca.gov/eip-docs/employer/admin-rptg/ret-benefit-formula.xls](http://www.calpers.ca.gov/eip-docs/employer/admin-rptg/ret-benefit-formula.xls)

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
The Alternate Retirement Program (ARP) is a mandatory savings plan for certain new first-time State miscellaneous and industrial employees hired on August 11, 2004 through June 30, 2013*.

WHO IS ELIGIBLE FOR ARP
- First employed by the State on August 11, 2004 through June 30, 2013.
- Meet the definition of “State employees” under G.C. section 19815.
- Qualify for CalPERS membership as a state miscellaneous or state industrial member.

The employer is required to complete the ARP Eligibility Worksheet to determine if the employee is mandated into the Alternate Retirement Program. This on-line worksheet can be found through CalHR’s Website at www.calhr.ca.gov and following these steps:
- Select the State HR Professionals tab
- Choose Benefits Administration section
- Select the Alternate Retirement Program (ARP) link
- Choose the ARP Eligibility Worksheet from the list
- Select the ARP Eligibility Worksheet link
- Select the ARP Eligibility Worksheet link to open the worksheet

WHO IS NOT ELIGIBLE FOR ARP
- The employee is a current or prior member of CalPERS.
- The employee is or was a member within the prior 6 months of a reciprocal retirement system (see the reciprocal section of this guide for a list of reciprocal retirement systems).
- The employee is on a Visa and not coordinated with Social Security (non-resident aliens working under the provisions of a F-1, J-1, M-1, or Q-1 visa and performing services to carry out the purpose for which they were admitted to the United States).
- The employee is employed by the California Highway Patrol as a cadet at the department’s training school established pursuant to Section 2262 of the Vehicle Code.
- Employee was first hired by the state prior to August 11, 2004 in a position that may not have qualified for membership.
- The employee is with the Judges’ Retirement System, the Judges’ Retirement System II, the Legislators’ Retirement System, the State Teachers’ Retirement System, or the University of California Retirement Plan.
- The employee is an employee of California State University or the state legislative or judicial branch.
- The employee is appointed as State Safety, State Patrol, or State Peace Officer/Firefighter.
- The employee is a National Guard member pursuant to G.C. section 20380.5.

To determine the correct account code for an ARP member, refer to the Miscellaneous or Industrial Account Code Tables, the ARP eligibility worksheet or the ARP Timeline within this Guide.

ARP TIMELINE
See the diagram in this section.

First 24 Months:
- Employee contributes to Alternate Retirement Account administered by CalHR.
- Contributions to the Alternate Retirement Program are based on the employee’s Bargaining Unit Agreement. The contributions will be the same amount that would normally be paid to CalPERS.
- Employees are CalPERS members even though they contribute to the ARP.

Beginning the 25th Month
- 505 Transaction processed by SCO to transfer member from ARP to CalPERS.
- Employee begins contributing to CalPERS.
- Employer provides employee the Retirement Benefit Election Package booklet (PERS-PUB-52).
- Employee has 180 days to elect Second-Tier (See First-Tier vs. Second-Tier Chart in this guide).
The Alternate Retirement Program (ARP)

In the 46th Month — Election Notification
• Employee receives a Payment Election Notification letter notifying the employee of the upcoming election period.

Between the 47th and 49th Month — ARP Election
• Employee is directed to the Savings Plus website (www.savingsplusnow.com) or to call Savings Plus (855-616-4776) to make their ARP election.
• Employee may make an election on the distribution of their ARP contributions.
• Employee Options:
  ➢ Option 1: Transfer all funds in employee’s ARP account to CalPERS to buy retirement service credit for the time employee was enrolled in ARP. The State would fund the portion of the liability not paid for by employee’s ARP account.

  NOTE:
  If the employee elects to transfer funds to CalPERS, CalPERS will credit the employee’s retirement account with First-Tier service for the time employee was in ARP. Service credited will be based on the employee’s pay rate and earnings for each month the member worked and contributed to ARP.

  ➢ Option 2: Receive a lump-sum distribution of all funds in employee’s ARP account, which may subject the employee to tax penalties for early withdrawal.

  ➢ Option 3: Transfer all funds in employee’s ARP account to a 401(k) account with the Savings Plus Program (SPP). If employee already has an SPP 401(k) account, the employee’s funds will go here; if not, SPP will set up a 401(k) account for the employee. This option requires no action on the employee’s part; it happens automatically if the employee does not submit a form during the three-month period described above.

Return of contributions if employee separates State employment:
• First 24 months
  ➢ Employee may request a distribution of ARP contributions – See CalHR’s Website at www.calhr.ca.gov for information.

  ➢ After employee begins contributing to CalPERS and has not elected transfer of ARP contributions to CalPERS
    ➢ Employee may request a distribution of ARP contributions from CalPERS.
    ➢ If employee is not employed with another CalPERS employer, employee may request a refund of CalPERS contributions from CalPERS.

  ➢ After employee begins contributing to CalPERS and has elected transfer of ARP contributions to CalPERS and is not employed with another CalPERS employer
    ➢ Employee may request a refund of CalPERS contributions from CalPERS.

Reemployment of an ARP Member to a State Miscellaneous/Industrial Position
If you are appointing an ARP member who has permanently separated from employment, place them into an ARP coverage group if the appointment date is within 24 months of their first entry into the ARP.

If you are appointing an ARP member and the appointment date is over 24 months from their first entry into the ARP, do not place them back into the ARP. Place them into a CalPERS contributing account code.

NOTE:
If the employee opts not to purchase the service credit during this 3-month period, the employee remains eligible to purchase the ARP time in the future. If the employee decides to purchase this service in the future, the service will be calculated at a present value cost. This cost may be considerably higher than if the employee transfers their contributions during the election period.
The Alternate Retirement Program (ARP)

Employee contributes to ARP Program

First 24 months

Employee begins to contribute CalPERS, and is automatically placed in First-Tier
Employer gives employee PUB-52
Employee has 180 days to elect Second-Tier

180 day election period for Second-Tier

Beginning the first day of the 24th month

47th – 49th month

Election period for ARP
Employee determines the distribution of funds in their Alternate Retirement Account with CalHR (3 options available)
DETERMINING MEMBERSHIP ELIGIBILITY

Is this person employed as a CalPERS retiree?

YES → See “Employment of a Retiree” in the Benefits Procedure Section and/or “Employment after Retirement” booklet

NO

Is position "excluded" in the PERL?

YES → Complete AESD-139S, if applicable

NO

Is person an "optional" member?

YES → Complete AESD-3; or AESD-59; or AESD-83 if membership is elected

NO

Does the person qualify for immediate membership?

YES

NO → Complete AESD-139S, and monitor time worked. Submit enrollment if/when employee qualifies for membership.

Is the person mandated into ARP?

YES → Submit ARP enrollment

NO → Submit enrollment into CalPERS
**Positions Excluded by Retirement Law (PERL) from CalPERS Coverage**

**Members of Other Retirement Systems**
Persons who are receiving service credit in another public retirement system (federal, state, county, city, other local or CalSTRS) are excluded from receiving credit with CalPERS for that same service by G.C. section 20303.

**NOTE:**
Persons can have dual membership in two or more public retirement systems, as long as it is for different service.

**Exception:** G.C. section 20303(b)(4) provides that persons participating in a “supplemental defined benefits plan” that has received a ruling from IRS that the plan qualifies under Section 401(a) of the Internal Revenue Code, where the plan provisions state that CalPERS is the primary plan for these employers, and plan participation will not in any way interfere with CalPERS benefits, are not prohibited from such dual participation.

**Health and Welfare or Trade Rate Employment**
Employees hired in Skilled Trades classifications are excluded from CalPERS if payments are made to the Health & Welfare Fund of the Union. (Use Account Codes NA or NH, depending on whether the employee is subject to Medicare coverage.) If the employee is not entitled to have payments made to Health & Welfare fund, use normal CalPERS eligibility rules for determining membership.

**Independent Contractors**
Independent contractors are not “employees” and are excluded from membership in CalPERS by G.C. section 20300(b). An independent contractor is someone who contracts to provide a service or complete a task according to his or her own methods, and is not subject to the contracting entity’s control as to the end product, final result of work, or manner and means by which the work is performed.

CalPERS uses the “Common Law Control Test” as a guide to determining independent contractor status. The common law control test factors are enunciated in the case of Albert B. Tieberg v. Unemployment Insurance Board (1970) 2 Cal.3d 943, 949. These factors are also cited in the CalPERS Precedential Decision Case No. 05-01, In the Matter of the Application for CalPERS membership credit by Lee Neidengard, Respondent and Tri-Counties Association Regional Center, Respondent.

A “contract employee” (i.e., a common law employee who periodically signs an employment contract) is eligible for CalPERS membership, if otherwise qualified.

**NOTE:**
CalPERS commonly corresponds with agencies (e.g., sends a questionnaire to be completed by both the worker and the contracting entity) in order to determine whether a worker is an “employee” of a CalPERS covered agency, an employee of a non-CalPERS agency, or an independent contractor. It is important that such questions be answered authoritatively by an appropriate certifying officer at your agency, since the employer may be liable for arrears costs (if membership is determined to be retroactively applicable), if the worker is found to be an “employee” of your agency.

**Elected Appointed Officers**
G.C. sections 20320–20325 exclude certain public officers and employees from membership unless an election is filed with CalPERS to waive the exclusion and establish membership. Those persons qualifying for “optional” membership rights are predominately, but not limited to, elected and appointed officers of public agencies, schools, and the State of California. Refer to the “Optional Members of CalPERS” section for more complete information to determine who is excluded but eligible under optional member provisions.

**Student Aides in the Special Schools of the State Department of Education**
Students working as Student Aids at one of the special schools of the State Department of Education are excluded from membership in this system.
CALIFORNIA CONSERVATION CORPS PARTICIPANTS
Participants, other than staff officers and employees, are excluded from membership.

ASSEMBLY FELLOWS, SENATE FELLOWS, AND EXECUTIVE FELLOWS
Program employees are excluded. For CSU employees only, this is Class Code 2944. Once the employee becomes a member, this time may be purchased. Refer to Pub – 12.

INMATES OF STATE INSTITUTIONS
(i.e., prison/penitentiary or mental hospital)
Such persons are excluded from CalPERS membership by G.C. section 20300(a) even if receiving compensation for such services they perform.

EXCLUSIONS APPLICABLE ONLY TO CALIFORNIA STATE UNIVERSITY

STUDENT ASSISTANTS
INDICATED BY THE FOLLOWING CLASS CODES:

- 0100 Youth Summer Aid
- 1150 Instructional Student Assistant
- 1151 Instructional Student Assistant, On-Campus Work Study
- 1868 Student Assistant — Non Resident
- 1869 Resident Assistant
- 1870 Student Assistant
- 1871 Student Trainee, Work Study on Campus
- 1872 Student Trainee, Work Study off Campus
- 1874 Bridge Student Assistant
- 1875 Bridge Student Trainee, On-Campus Work Study
- 1876 Bridge Student Trainee, Off-Campus Work Study
- 2325 Graduate Assistant, Monthly
- 2326 Graduate Assistant, On-Campus Work Study
- 2355 Graduate Assistant

EXTENSION SERVICE
Where compensation is established on the basis of class enrollment; these are indicated by the following class codes:

- 2322 Instructional Faculty, Special Programs
- 2323 Instructional Faculty, Extension — For Credit
- 2362 Demonstration Instructional Faculty
- 2363 Instructional Faculty, Extension — For Non-Credit
- 2365 Instructional Faculty, Music Studio

SUMMER SESSION/INTERSSESSION
Employment in the following class codes are generally excluded from CalPERS since employment is typically in addition to other full time employment. However, if employment in the other class is less than full time, then the following class codes are reportable to CalPERS:

- 2357 Instructional Faculty, Summer Session
- 2368 Instructional Faculty, Extra Quarter Assignment, QSYRO
- 2390 Instructional Faculty, Summer Quarter Assignment
- 2394 Instructional Faculty, Executive Committee, Academic Senate
- 2395 Instructional Faculty, Chairman, Academic Senate
- 2402 Instructional Faculty, Summer Arts Program

EXCLUSIONS APPLICABLE ONLY TO UNIVERSITY OF CALIFORNIA

Employees Hired after October 1, 1963
Persons are excluded and are now subject to the University of California Retirement Plan (UCRP), rather than CalPERS.
DETERMINING RETIREMENT BENEFITS

When determining retirement benefits for a new employee, the following items may impact which benefits the employee shall receive. This list only includes the most common items.

- Effective date of contract amendment(s)
- Retirement benefit formula
- Final compensation
- Member and/or employer rate
- Cost of living allowance (COLA)

G.C. section 20475(b) indicates a member shall be subject to the contract as amended only if, after the effective date of the contract amendment, the member either:

1. receives service credit for the first time within a classification, or
2. returns to service with a classification following termination of membership as provided for in G. C. section 20340(b).

The member shall not be subject to the contract amendment under G. C. section 20475(b) if the member, in accordance with G. C. section 20750:

1. has redeposited contributions, or
2. elects to redeposit contributions prior to 90 days after returning to service.

NOTE:
The employer or member is responsible for submitting a request to CalPERS to obtain the cost calculation to redeposit the previously withdrawn funds.

Scenario 1 – Classic Member
The employee was hired on January 1, 2009, in the first level of benefits. On May 1, 2011, the employer added a second level of benefits for the same member category, changing the final compensation from 12 to 36 months. On January 1, 2012, the employee separated and withdrew their member contributions from CalPERS. On June 1, 2012, the employer rehired the employee.

Result: Since the employee did not redeposit their contributions within 90 days of rehire, the employer is required to enroll the employee into the second level of benefits with the 36 month final compensation period.

Scenario 2 – Classic Member
The employee was hired by employer #1 on January 1, 2009, in the first level of benefits. On January 1, 2010, the employee separated from employer #1 and withdrew their contributions from CalPERS. On May 1, 2011, the employee was hired by employer #2 and qualified for membership. However, on July 1, 2011, the employee separated from employer #2, but left their contributions on deposit. On July 2, 2011, the employee was rehired by employer #1. During the time the employee was not working for employer #1 a second level of benefits was added for the same member category, changing the retirement benefit formula from 2.7% @ age 55 to 2% @ age 55 effective September 1, 2010.

Result: Since the employee did not redeposit their withdrawn contributions from employer #1 within 90 days of rehire; employer #1 is required to enroll the employee into the second level of benefits with a benefit formula of 2% @ age 55.

Scenario 3 – Classic Member
The employee was hired on January 1, 2009, in the first level of benefits. On May 1, 2011, the employer added a second level of benefits for the same member category, changing the final compensation from 12 to 36 months. On January 1, 2012, the employee separated and withdrew their member contributions from CalPERS. On June 1, 2012, the employer rehired the employee and they redeposited their withdrawn contributions within 90 days.

Result: Since the employee redeposited their contributions within 90 days of rehire, they should be enrolled into the first level of benefits with a final compensation period of one year.

Scenario 4 – Classic Member
The employee was hired part-time on January 1, 2011, and did not qualify for immediate membership and had to be monitored. On May 1, 2011, the employer added a second level of benefits changing the cost of living allowance (COLA) from 3% to 2%. On January 1, 2012, the employee qualified for membership.
Result: Since the employee qualified for membership after the addition of a second level of benefits, the employer is required to enroll the employee into the second level with a COLA of 2% and a membership date of January 1, 2012.

Scenario 5 – New Member
The employee was hired on January 1, 2012, and separates from the employer on March 31, 2012. The employee is subsequently hired by a different CalPERS covered employer on February 1, 2013 after the Public Employees’ Pension Reform Act of 2013 (PEPRA) took effect on January 1, 2013.

Result: Since the employee had a break in service greater than six months between the separation date with the previous employer and the appointment date with the subsequent employer, the employee would be considered a new member.

Scenario 6 – Classic Member
The employee was hired on January 1, 2012, and separates from the employer on November 30, 2012. The employee is subsequently hired by a different CalPERS covered employer on March 1, 2013 after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service of less than six months between the separation date with the previous employer and the appointment date with the subsequent employer, the employee would be considered a classic member.

Scenario 7 – Classic Member
The employee was hired on October 1, 2012, and separates from the employer on March 31, 2013. The employee is subsequently hired by the same CalPERS covered employer on December 1, 2013 after PEPRA took effect on January 1, 2013.

Result: Since the employee had a break in service more than six months between the separation date, but returned to the same employer, they are considered a classic member.

Scenario 1 – Retired Classic Member
A state employee retired on August 1, 2012 and reinstated from retirement effective March 1, 2013 to a public agency.

Result: The member would be enrolled as a PEPRA New Member and subject to the PEPRA retirement benefit formula since the member retired and reinstated to a different employer.

Scenario 2 – Retired Classic Member
A member retired from a public agency as a Classic Member on November 1, 2012 and reinstated from retirement on June 1, 2013 to the same employer.

Result: The member would return to employment as a Classic Member and entitled to the same retirement benefit formula that applied while the member was in active status since the member is returning to the same employer.

Scenario 3 – Retired Classic Member
A member retired from a public agency as a Classic Member on June 1, 2012 and reinstated from retirement on March 1, 2013 to a different employer.

Result: The member would be a PEPRA New Member and subject to the PEPRA retirement benefit formula since the member retired and is reinstating to a different employer.

Scenario 4 – Retired Classic Member
A member retired from a public agency as a Classic Member on February 1, 2013 and reinstated on September 1, 2013 to the same employer.

Result: The member would return to employment as a Classic Member and entitled to the same retirement benefit formula that applied while the member was in active status since the member is returning to the same employer.

Scenario 5 – Retired Classic Member
A member retired from a public agency as a Classic Member on March 1, 2013 and reinstated on October 1, 2013 to a different employer.

Result: The member would be considered a New Member and subject to the PEPRA New Member retirement benefit formula since the member is reinstating to a different employer.

NOTE: Upon re-retirement, a member’s prior service remains at the same retirement
benefit formula that was applied at the time of the member’s initial retirement.

NOTE:
To learn more about reinstatement from retirement refer to: Reinstatement From Retirement Section.
The Government Code provides “optional” membership rights for certain public officers and employees. Those eligible “optional” members are excluded unless an election for membership is filed with CalPERS.

If membership is elected and established:

1. Other than the choice whether or not to elect retirement coverage, “optional” members are subject to the standard CalPERS laws and regulations that apply to non-optional members.
2. There is no Government Code provision to opt out of membership prior to separation from employment. Once elected, the membership must be continued for all future consecutive “optional” member positions with the same employer as long as the future positions are not excluded by law or contract. If the employee changes positions within your agency a new election must be submitted.

Types of “Optional” Members
There are five classes of State employees that are eligible for “Optional” membership:

1. State Officers elected by the People —
The Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General or Insurance Commissioner. (G.C. section 20322)
2. Appointees of State Officers — (G.C. section 20320)
   These include:
   a) Persons directly appointed by the Governor, without nomination of any officer or board. Normal membership eligibility must be met.
   b) Persons exempt from Civil Service, and directly appointed by the:
      • Attorney General
      • Lieutenant Governor
      • Controller
      • Secretary of State
      • Treasurer
      • Superintendent of Public Instruction (except for teaching staff of schools)
   c) Members of the Board of Prison Terms, the State Personnel Board, or the State Air Resources Board. (G.C. section 20305(a)(5))
3. Officers of the Senate or Assembly —
   Elected by either or both such houses. (G.C. section 20322(b))
4. Legislative Employees — Employees of the Senate or the Assembly whose salaries are paid from the operating funds of the Senate or the Assembly. (G.C. section 20324)

NOTE:
Legislative Employers should use the Public Agency and Schools Procedures Manual for most of their questions, since they are not covered by the Uniform State Payroll System (USPS).

5. California National Guard — Government Code Section 20326 provides that California National Guard officers, warrant officers, and enlisted personnel may elect membership by completing the Election of Optional Membership – California National Guard Member form. An election form may be obtained by calling CalPERS toll free at 888 CalPERS (or 888-225-7377). The election may be made at any time while in service with the California National Guard.

Electing National Guard Membership
The form must be submitted to the Military Department. Do not submit the form directly to CalPERS. The Military Department will verify the person’s National Guard status, contact them to arrange a contribution payment plan, and submit the membership form to CalPERS. Once elected, the membership remains in effect for all future service with the California National Guard.

A National Guard member may be eligible to purchase past National Guard service, or past CalPERS service. Other types of qualifying service include redeposit of contributions previously withdrawn from CalPERS, certain types of leave of absence.
**Benefits**

National Guard members are covered by the state miscellaneous benefit formula of 2% at age 55. A National Guard member does not have all the benefits of a state employee. State benefits that are not available to National Guard members include CalPERS health benefits, state dental and vision care benefits, golden handshake retirement incentives and the use of salaries under another CalPERS employer or a reciprocal retirement system to compute “final compensation” for their National Guard service.

**One-time Cancellation of Membership**

Government Code Section 20327 provides that a National Guard member may, on a prospective basis, cancel his or her election of membership by filing a written notice of cancellation. This prospective cancellation may be made one time only.

To prospectively cancel National Guard membership, the member must complete the Cancellation of Election of Optional Membership – California National Guard Member form. An election form may be obtained by calling CalPERS toll free at 888 CalPERS (or 888-225-7377). The form must be submitted to the Military Department, not to CalPERS. The Military Department will notify the member of the final amount due to the account, and notify CalPERS of the decision to cancel membership.

When a member elects to cancel CalPERS membership, they stop paying contributions. Contributions already paid to CalPERS remain in an account at CalPERS and continue to earn interest. If a member has elected to purchase service credit, they must continue making those payments until the purchase is paid in full.

If a member cancels their CalPERS membership and separates from the California National Guard, they may be eligible to receive a refund of their contributions and terminate their CalPERS account.

For more information on National Guard membership please refer to CalPERS National Guard Benefits (PUB-11).

**General Provisions/Instructions**

- “Optional” membership may not be established unless and until the eligible person signs and submits an election to join CalPERS.

- Membership may be elected at any time while in an eligible position. However, membership is established on a prospective basis, usually with the effective date matching the first day of the pay period starting after the election for membership is signed. The position must be compensated other than just reimbursement of expenses.

- Any person concurrently employed in a position also covered by or potentially covered by CalPERS should first contact CalPERS to determine the impact should “optional” membership be elected.

- Any person concurrently employed in a position reportable to a private benefit plan or another retirement system should first contact that organization to determine if CalPERS membership will impact their benefits.

- A person appointed to an unexpired elected term of office has the same optional membership rights as if elected in his/her own right.

- Once “optional” membership is elected, it must be continued for all future consecutive “optional” member positions not excluded by law or contract with the same employer. A member cannot receive a refund or retire from CalPERS while continuing to hold an optional position for which the membership was established. There is no provision to opt out of CalPERS membership while remaining in the position, even if compensation is waived.

- Legislative staff employees: Though “optional” member status is provided by Government Code section 20324, membership cannot be established unless the employee is working qualifying time, based on the same criteria as applied to “non-optional” members. The pay rate and earnings reported will determine the amount of service credit accrued.
ELECTION OF OPTIONAL MEMBERSHIP
(AESD-3, AESD-59, OR AESD-83)

A completed and signed “Election of Optional Membership” form AESD-3, AESD-59, or AESD-83 is required to validate and establish membership for an individual who qualifies as an “optional” member. The form must be submitted to CalPERS at the same time the employee enrollment is sent to the State Controller’s Office in order to satisfy the legal requirements. The forms may be downloaded from the Forms & Publication Center on CalPERS Website at www.calpers.ca.gov.

WHEN TO COMPLETE
The AESD-3, AESD-59, AESD-83 (election form) should be completed only after it is determined that the individual does qualify for “optional” membership.

1. The “optional” member must first be advised of CalPERS his or her rights when eligible for membership. The election can be made at any time during the qualifying employment. Document in employer personnel records that the information was provided as well as any response received. Do not send a notice to CalPERS if membership is declined.

2. The election form should not be completed as a request for additional information or service credit. It is to be used only when the person has decided to establish CalPERS membership for the “optional” position.

3. The signed election form must be filed with CalPERS.

4. Complete the appropriate election form and membership transaction when a current active or inactive member assumes an “optional” member position and wishes membership for that office.

5. When changing elected positions within the same agency, or with another CalPERS covered agency, the member must complete another election form for the newly elected position.

“OPTIONAL” MEMBERSHIP SERVICE CREDIT

1. Optional member service is time spent working in certain exempt, appointed, or elected positions that allow employees the option of joining CalPERS. Employees can purchase service credit for optional member service if they are (or elect to become, if eligible) a CalPERS member. Retired members cannot purchase service credit for optional member service.

2. An "optional" member may elect to contribute and receive service for previous qualifying employment. Such election would not change the membership date back to the beginning date of the service purchased by the member.

3. A “legislative staff employee” (G.C. section 20324) shall have the option as to how much of his/her previous legislative service is to be credited.

4. A person who is no longer in the “optional” member position, but is currently an active or inactive CalPERS member, may also elect to contribute for previous qualifying “optional” employment.

5. There are no limitations on the amount of time that can be purchased.

6. See the booklet “Guide to Your Service Credit Purchase Options” (PUB-12) for further instructions on submitting an additional service credit inquiry. Do not attach the inquiry to the AESD-3, the AESD-59 or the AESD-83; it should be submitted separately to the address provided on the form.

<table>
<thead>
<tr>
<th>Form</th>
<th>Type of “Optional” Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>AESD-3</td>
<td>Legislative Employees</td>
</tr>
<tr>
<td>AESD-59</td>
<td>Officers of the Senate or Assembly; and State Officers elected by the People</td>
</tr>
<tr>
<td>AESD-83</td>
<td>Appointees of State Officers</td>
</tr>
</tbody>
</table>
Public school positions in California are divided into two basic types:

1. **CERTIFICATED**
   An employee in a position requiring certification qualifications by or pursuant to the Education Code. Credentialed employees (e.g., teachers, administrators, health care and library media workers) are all in certificated positions.

2. **CLASSIFIED**
   An employee in a non-certificated position (e.g., office workers, custodial staff, and cafeteria workers).

In general terms, employees in certificated positions are, upon meeting normal qualification requirements, eligible for membership in the California State Teachers’ Retirement System (CalSTRS), while classified employees may be eligible for membership in CalPERS.

Pursuant to G.C. sections 20300(g), 20501 and 20610, CalPERS can cover school employees only with respect to employment in which they are not eligible for CalSTRS coverage. Some persons who are eligible for membership in CalSTRS or CalPERS may not actually qualify for membership in either system (due to “part-time” or “temporary/seasonal” status, etc.); thus, some school employees may not be members of either system until their working hours or conditions change.

The Education Code currently contains two basic provisions which may give persons certain rights with regard to choosing retirement coverage under one system or the other. The Public Employees Retirement Law (PERL) also contains G.C. Sections 20309 and 20309.5 that pertain to election rights.

**Education Code Section 22508(a):**
A person who is a CalSTRS member, who subsequently is employed by a school district, community college district or a county superintendent (or by the State in other certain cases; see “Inclusion” section below) in a position which requires CalPERS membership (i.e., a classified position), will enter CalPERS membership in the new position. However, he or she may elect to remain a member of CalSTRS in the new position.

**Education Code Section 22508(c):**
A CalPERS member employed by a school district or a county superintendent, the State Department of Education, or the Board of Governors of the California Community Colleges, who then is employed in a position that qualifies for membership in CalSTRS, will enter CalSTRS membership in the new position. However, he or she may elect to remain a member of CalPERS in the new position if they meet the conditions of G.C. 20309.

**AMENDMENTS - INCLUSION OF STATE EMPLOYEES, STATE BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES AND VESTED MEMBERS**

**Employees in Certain State Bargaining Groups**

SB 1694 (Chapter 880, Statutes of 2000) amended Section 22508 of the Education Code, and now provides that this same election right will be given to CalSTRS members that enter State employment where one of the following conditions apply:

A. The employee is represented by a State Bargaining Unit that represents educational consultants, professional educators, or librarians employed by the state; OR

B. The employee is excluded from the definition of “State employee” in G.C. Section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph “A” above; OR

C. The employee is in a non-civil service position in the Executive branch, yet performs, manages or supervises work similar to employees under Subparagraph “A” above.

SB 1694 (Chapter 880, Statutes of 2000) also amended Section 20309 of the Government Code to provide an election right to CalPERS members who are employed with the State Board of Governors of the California Community Colleges or the State Department of Education when they subsequently enter employment that qualifies for membership in the CalSTRS Defined Benefit Program.
SB 165 (Chapter 77, Statutes of 2001) again amended Government Code Section 20309 to also include CalPERS members with five years of CalPERS credited service an election opportunity when they subsequently enter employment that qualifies for membership in the CalSTRS Defined Benefit Program on or after January 1, 2002. The five years of credited service can be with the State of California, a Public Agency, a County School, or any combination thereof, earned at any time during the member’s career.

**Persons Entering State Second-Tier Membership between July 1, 1991 and September 11, 2000**

AB 649 (Chapter 402, Statutes of 2000) added Section 22508.6 to the Education Code and Section 20309.5 to the Government Code, and provides that a “vested” CalSTRS member who enters State employment subject to the Second-Tier benefit plan may elect to have this service subject to CalSTRS rather than CalPERS, under the following conditions:

1. The member must have entered State employment within 30 days of separation from CalSTRS-covered employment;

2. The member must have had no other intervening employment;

3. The change of employment occurred between July 1, 1991 and September 11, 2000;

4. The member must be subject to the State Second-Tier.

5. The member meets one of the following criteria:
   
   A. Is represented by a State Bargaining Unit that has agreed to an MOU making their represented employees subject to G.C.section 20309.5;

   B. Is excluded from the definition of “State employee” in G.C. section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph “A” above;

   C. Is in a non-civil service position in the Executive branch, yet performs, manages or supervises work similar to employees under Subparagraph “A” above.

**INFORMATION AND INSTRUCTIONS**

The right of election arises when the employee enters a position or has a major change in conditions of employment that requires membership in another retirement system and the employee, as a member of their current retirement system, is eligible to elect.

The election must be made in writing by completing the “Retirement System Election” (ES372 11/13) which is obtained from the CalSTRS website [www.calstrs.com](http://www.calstrs.com). The election is required to be provided to an eligible employee within 10 working days of the date of hire into the position that qualifies for this election (Ed. Code section 22509). If the employee elects, the completed form must:

- Be clearly marked with the choice of retirement system
- Be signed and dated by both the employee and employer
- Indicate the date the employee entered the new position
- Be filed with CalPERS with a copy to CalSTRS within 60 days of the entry into the new position

Incomplete forms will be returned to the employer for further action.

An election is irrevocable and will remain in effect until a change in employment occurs that qualifies the employee for the election right or until the employee separates from employment and receives a refund of all accumulated contributions and interest. An election cannot be accepted after a refund or retirement event because the membership ceases.

If the employee does not exercise the right of election within 60 days from the date of hire, they will be reported to the retirement system that normally covers that employment.

Send elections to:
CalSTRS
P.O. Box 15275
Sacramento, CA 95851-0275

And

CalPERS
Customer Account Services Division
Attn: Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704

Completed elections may also be uploaded into myCalPERS.

Use the chart following this section as a guide to determine if the employee is eligible for this election and the retirement system coverage. The Education Code (which governs CalSTRS), not the Government Code (which governs CalPERS), contains the laws regulating this election of coverage. The final decision in any questionable situation (e.g., acceptance of "late" elections) must be made by CalSTRS, not CalPERS.

DIFFERENCES BETWEEN CALPERS AND CALSTRS

There are a number of factors that might influence a person’s decision about coverage under one system or the other. Some of the differences between the two systems are the following:

1. CalPERS members may or may not have Social Security coverage (most do), whereas CalSTRS members generally do not;

2. The Benefit Factors based on age for service retirement may be different;

3. The employee contribution rates may be different;

4. Persons entering membership in either system between July 1, 1980 and December 31, 1998 may not be eligible to convert unused sick leave credits to service credit at retirement.

We suggest you contact CalSTRS or CalPERS if you have any specific questions or need additional information relating to an employee’s choice of coverage.

CalPERS/CalSTRS FAQ’s are available on www.calpers.ca.gov. You can also receive the publication “Join CalSTRS? Join CalPERS?” at www.calstrs.com or by calling CalSTRS.

CALSTRS CONTACT INFORMATION
CalSTRS (800) 228-5453 or (916) 414-5040 (FAX) or www.calstrs.com

ADDITIONAL INFORMATION
1. A person is a “member” of CalPERS or CalSTRS unless they have permanently separated from all employment covered by the system and received a refund of his or her contributions and interest on deposit.

2. It is possible to be an active (i.e., currently employed) member of both CalSTRS and CalPERS as long as this dual coverage is for different positions.

3. The right of election arises for a CalPERS member through school employment, Board of Governors, and the State Department of Education. If a person has CalPERS membership through some other type of employer (most State or contracting Public agencies), the right of election of coverage to remain a CalPERS member arises only if the member has attained 5 years of service and changes positions on or after January 1, 2002.

4. The right of election can only be offered to an eligible CalPERS employee when the new position qualifies for mandatory membership in the Defined Benefit Program under CalSTRS.

5. The election should be filed with the system indicated by the Education Code section (see previous page); send a duplicate copy to the other system for informational purposes, clearly labeled “COPY”.

1. A person is a “member” of CalPERS or CalSTRS unless they have permanently separated from all employment covered by the system and received a refund of his or her contributions and interest on deposit.

2. It is possible to be an active (i.e., currently employed) member of both CalSTRS and CalPERS as long as this dual coverage is for different positions.

3. The right of election arises for a CalPERS member through school employment, Board of Governors, and the State Department of Education. If a person has CalPERS membership through some other type of employer (most State or contracting Public agencies), the right of election of coverage to remain a CalPERS member arises only if the member has attained 5 years of service and changes positions on or after January 1, 2002.

4. The right of election can only be offered to an eligible CalPERS employee when the new position qualifies for mandatory membership in the Defined Benefit Program under CalSTRS.

5. The election should be filed with the system indicated by the Education Code section (see previous page); send a duplicate copy to the other system for informational purposes, clearly labeled “COPY”.

36
CalPERS or CalSTRS?

CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION

IS THE EMPLOYEE GOING INTO A CLASSIFIED POSITION?

- Current retirement system?
  - None
  - CalPERS
  - CalSTRS

  CalPERS laws apply
  CalSTRS laws apply
  CalPERS unless elects CalSTRS within 60 days of entry into new position

IS THE EMPLOYEE GOING INTO A CERTIFICATED POSITION?

- Current retirement system?
  - None
  - CalPERS
  - CalSTRS

  CalPERS laws apply
  CalSTRS laws apply
  Does member have 5 years of CalPERS service credit?¹

  Yes
  CalSTRS unless elects CalPERS within 60 days of entry into new position

  No
  CalSTRS laws apply
  If elects CalSTRS, CalPERS laws apply

IS THE EMPLOYEE GOING INTO A CERTAIN STATE POSITION?

- Current retirement system?
  - None
  - CalPERS
  - CalSTRS

  CalPERS laws apply
  CalSTRS laws apply
  Does this State position meet conditions under Education Code 22508(b)?*²

  Yes
  CalSTRS unless elects CalPERS within 60 days of entry into new position that qualifies for CalPERS membership

  No
  CalPERS laws apply
  If elects CalSTRS, CalSTRS laws apply

¹Education Code Section 20309 (Chap. 77, Stats. 2001) effective 1-1-2002

²Education Code Section 20309 (Chap. 880, Stats. 2000) effective 1-1-2001

*Education Code 22508(b) Conditions:
(1) Represented by a state bargaining unit that represents educational consultants, professional educators, or librarians.
(2) Excluded from the definition of "state employee" in subdivision (c) of Section 3513 of the Government Code, but performing, supervising, or managing work similar to work performed by employees described in paragraph (1).
(3) In a position not covered by civil service and in the executive branch of government, but performing, supervising, or managing work similar to work performed by employees described in paragraph (1).
G.C. section 20635 defines "overtime" as follows:

“The aggregate service performed by an employee as a member for all employers and in all categories of employment in excess of the hours of work considered normal for employees on a full-time basis, and for which monetary compensation is paid.”

Part-time positions cannot, when added together, generate more than full-time service and/or contributions to CalPERS. In most cases, CalPERS considers 40 hours a week to be the standard full-time time base.

In situations where a member is working two full-time positions, the position with the highest pay rate or base pay will determine what employment should be reported to CalPERS.

With the implementation of myCalPERS, all positions should be reported to CalPERS. This means you should enroll the participant and submit payroll with contributions. CalPERS will determine what employment is considered overtime.

CalPERS will make the determination on which position is overtime.

2. The participant holds more than one part-time position with the same CalPERS covered employer.

**ACTION:** All positions should be enrolled and reported to CalPERS.

3. The participant works two full-time positions, either with the same employer (e.g., a school district) or with another CalPERS-covered employer.

**ACTION:** Both positions must be enrolled and reported to CalPERS. CalPERS will determine which position is overtime.

**Additional Information**

Pursuant to changes made to G.C. 20635 by Senate Bill 53, Chapter 1297, Statutes of 1993, the treatment of more than one full-time position has been changed; the crucial distinction now is whether the service in question was worked before or after July 1, 1994:

- **BEFORE JULY 1, 1994:** The member has the right to elect which of the two full-time positions will be reported to CalPERS; CalPERS will, upon discovery of the second full-time position, send the member an election allowing this choice to be made. If no election is made (i.e., if the member does not respond to CalPERS’ notification of election rights), the employment with the latest hire date will be deemed the non-reportable “overtime” position.

- **AFTER JULY 1, 1994:** The position with the highest pay rate or base pay should be reported to CalPERS, with the other position deemed the non-reportable “overtime” position.

If the service began before July 1, 1994 and continues after July 1, 1994, the member will have the election rights indicated above only for the service before July 1, 1994. Service after July 1, 1994 will require the position with the highest pay rate to be reported to CalPERS.
UPDATING EMPLOYEE DEMOGRAPHIC INFORMATION

To ensure consistent information between your agency, SCO, and CalPERS, you should validate and make any changes to your employees’ demographic information via SCO’s Personnel Information Management System (PIMS), as this will update both SCO’s and CalPERS’ system automatically. This includes changes to the following items:

- Name
- Address
- Social Security Number
- Birth Date
- Gender

BIRTH DATE CERTIFICATION REQUEST

The Birth Date Certification Request (PERS-MEM-12) form is used to certify the correct member’s birth date. However, CalPERS may contact you by phone instead of sending the PERS-MEM-12 form.

When to Complete
This form will be sent to your agency if CalPERS discovers a birth date discrepancy. Whether CalPERS or your agency discovers the discrepancy, please process as follows.

Instructions

ACTIVE MEMBER
- If this is the first time to correct the birth date, process the change by updating the Personnel Information Management System (PIMS) with the correct date of birth.

- If a birth date correction has been previously requested, please notify CalPERS in writing and include one of the “Acceptable Documents” listed below with the request.

INACTIVE MEMBER
- If the participant has separated and notifies you that their birth date is incorrect, instruct the participant to provide CalPERS one of the “Acceptable Documents” listed below.

Acceptable Documents
The following is the list of acceptable documents, listed in the order of preference, to be used in resolving a birth date discrepancy.

Please submit copies only to CalPERS as originals cannot be returned.

1. BIRTH CERTIFICATE or HOSPITAL BIRTH RECORD
2. CALIFORNIA DRIVERS LICENSE
3. NATURALIZATION/PASSPORT (U.S. or Canada).
4. FOREIGN PASSPORT that includes a valid INS-94 form (record of arrival and departure).
5. BORDER CROSSING CARD with a valid INS-94 form (includes “Mica” and “Laser Visa” border crossing cards).
6. CHURCH BAPTISMAL, CRADLE or BLESSING RECORD that shows a date of birth and was established during the first few years of life.
7. PRIMARY or SECONDARY SCHOOL RECORDS showing age at certain year or birth date. Write to the Superintendent of Schools to request records.
8. NATURALIZATION, PASSPORT or IMMIGRATION DOCUMENTS
9. RECORDS OF AGE OR BIRTH DATE which are dated prior to 21st birthday, such as church, fraternal order, insurance, hospital, medical, adoption, guardianship, or newspaper notice of age.
10. DELAYED BIRTH CERTIFICATE. Contact the state in which you were born to obtain a copy.
11. CENSUS RECORDS from federal or state government—preferably the first two censuses taken after date of birth.
12. FAMILY BIBLE in which birth date was recorded within reasonable period of time after birth.
13. SOCIAL SECURITY CERTIFICATION documents which show the date of birth that has been established by the Social Security Administration (contact the Social Security Office where you applied for Social Security benefits).
In the event that none of the above listed documents are available, submit a written request to the Customer Account Services Division. If you have additional questions, contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

**APPOINTMENT CHANGE NOTIFICATION FOR EMPLOYER (CALPERS-INITIATED FORM)**

This Appointment Change Notification for the Employer (my|CalPERS 0850) form is used to inform State Agencies of the following:

1. When the rate of contribution or effective date of membership must be changed or canceled;

2. To notify your agency to correct, through payroll credit procedures, non-members or overtime earnings reported in error;

3. To notify your agency to correct the Account Code and any earnings and contributions reported in error; and

4. To notify your agency when a member has made an election to change their tier.

**SPECIAL INSTRUCTIONS**
The my|CalPERS 0850 form is prepared by CalPERS. Please update your agency records as instructed on the form.

**MY | CALPERS MEMBER SELF-SERVICE**

On July 30, 2012, CalPERS launched an enhanced version of my|CalPERS for members to access their real-time account information. This enhancement allows members to see the information submitted on their behalf by their employers, including appointment, payroll, and service credit information.

Therefore, it is critical to stay current with information reported to CalPERS on behalf of your employees. Employer accuracy and promptness will alleviate future concerns or questions members may have with their CalPERS account and the information provided by your agency.
FULL RECIPROCITY

“Reciprocity” is an agreement among public retirement systems to allow members to move from one public employer to another within a specific time limit without losing valuable retirement and related benefit rights.

There is no transfer of funds or service credit between retirement systems when an employee establishes reciprocity. The employee is a member of both systems and is subject to the membership and benefit obligations and rights of each system, except as they are modified by the reciprocity agreement.

In order for all the benefits of reciprocity to apply:

- The member must have retired on the same day from each public retirement system participating in a reciprocal agreement.
- The member must apply to retire from each system separately; this means that the member will receive a separate retirement allowance from each system.

CalPERS authority extends only to applying and implementing the California Public Employees' Retirement Law; it does not extend to applying and implementing the laws or regulations under which other public retirement systems are administered. Questions relating to rights, benefits, and obligations under any of the other public retirement systems should be addressed directly to the appropriate system.

For more information on reciprocity, download or order a copy of When You Change Retirement Systems (PERS-PUB-16) at www.calpers.ca.gov or by calling 888 CalPERS (or 888 225-7377).

RECIPROCAL PUBLIC AGENCIES

City of Concord
City of Costa Mesa
  (Safety employees only)
City of Fresno
  (Miscellaneous and Safety Retirement Systems)
City of Los Angeles
City of Oakland
  (non-Safety employees only)
City of Pasadena
  (Fire and Police Retirement Systems)
City of Sacramento
City of San Clemente
  (non-Safety employees only)
City of San Diego
City and County of San Francisco
City of San Jose
Contra Costa Water District
County of San Luis Obispo
East Bay Municipal Utility District
East Bay Regional Park District
  (Safety employees only)
Los Angeles County Metropolitan Transportation Authority
  (Non-Contract Employees’ Retirement Income Plan, formerly Southern California Rapid Transit District)

NOTE:
With the exception of the University of California Retirement System/Plan (UCRS), all of the Reciprocal 1937 Act Counties and Reciprocal Public Agencies have reciprocity with each other as a result of their having established reciprocity with CalPERS.

NON-RECIPROCAL & UCRS RETIREMENT SYSTEMS

Non-reciprocal systems are not covered by reciprocal retirement laws, but participate in retirement agreements with other systems; UCRS differs in aspects of its reciprocity as noted in this manual.

State Teachers’ Retirement System
Legislators’ Retirement System
Judges’ Retirement System
Judges’ Retirement System II
University of California Retirement System
  (includes the University of California Retirement Plan. Service rendered prior to October 1, 1963 was covered by CalPERS).
**Conditions for Acquiring the Benefits of Full Reciprocity**

Where CalPERS rights and benefits are involved, CalPERS will recognize reciprocity upon movement between reciprocal retirement systems if the following requirements are met:

1. The employee voluntarily elects reciprocity and continues in membership in CalPERS by leaving his or her contributions (if any) on deposit (or by later re-depositing contributions he or she had withdrawn); and

2. The employee enters into employment that results in membership in the new system within six months of discontinuance of employment as a member of CalPERS*; and

3. The employee must retire on the same date under both systems by submitting a retirement application to each system respectively.

4. Certain exceptions may exist if the employee is employed under an independent public agency retirement system before the effective date of that system’s reciprocal agreement with CalPERS.

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**Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. Current CalPERS law requires movement within six months.**

A member should complete the “Election to Coordinate Retirement when Changing Retirement Systems” form in the *When You Change Retirement Systems* booklet (PERS-PUB-16).

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**Important Restrictions**

**Concurrent Employment:** Reciprocity does not apply when the employment under the first retirement system overlaps the employment under the new system. For the benefits of reciprocity to apply, the employee must have been separated under the first system prior to joining the new system. This may be true even if the overlapping time is due to running out leave credits. The employee should check with their current system and new system about their rules before they change employment. If they are concurrently employed we will use their highest rate of pay under CalPERS when computing their retirement allowance.

**Refund Restriction:** Some retirement systems may not allow the member to withdraw their member contributions while they are employed in a position covered by the California State Teachers Retirement System (CalSTRS), Judges’ Retirement System (JRS), Judges’ Retirement System II (JRS II), Legislators’ Retirement System (LRS), the University of California Retirement Plan (UCRP), or if, within six months of leaving State service, the member entered employment covered by a system under the County Employees’ Retirement Law of 1937 or covered by certain other public agency retirement systems.

**New State Employees:** State miscellaneous or industrial employees hired for the first time on August 11, 2004 through June 30, 2013 are placed in the Alternate Retirement Plan (ARP) administered by the Savings Plus Program in the California Department of Human Resources. They are excluded from ARP if they are members of a CalPERS reciprocal retirement system (within the prior six months) or are a member of JRS, JRS II, LRS, CalSTRS, or UCRP.
Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. The information contained here expresses current CalPERS law.

1. **Final Compensation**: Use highest compensation earnable under any system in computing final compensation if retirement from all systems is concurrent.

   **NOTE:** An exception to this would be if the member retires on a service retirement from another system before they have met the CalPERS minimum retirement age, they can later retire under CalPERS, and CalPERS will still use the member’s highest rate of pay under any of the systems.

   If the member became an elective or appointed officer after July 1, 1994, we will use the highest rate of pay under CalPERS.

2. **Qualification for Benefits**: Service in the other system may be used to meet minimum service requirements for benefits.

3. **Disability Retirement**: If the member is eligible for disability retirement from another system (or disability income from the University of California Retirement Plan) they may be entitled to CalPERS disability retirement benefits, if they retire from both systems on the same date. CalPERS would pay an amount that does not exceed the difference between the amount that would be paid by the other system if all of the member’s CalPERS service were under that system, and the amount actually paid under the other system, but not less than an annuity that is the actuarial equivalent of the member’s contributions.

   When retirement under the other system is for disability arising out of and in the course of employment under the other system, CalPERS pays an annuity that is the actuarial equivalent of the member’s contributions.

4. **Pre-retirement Death Benefits**: If the member dies prior to retiring while employed as a member of another system, a lump-sum Basic Death Benefit consisting of a return of their CalPERS retirement contributions will be payable to a beneficiary. The total paid by both systems cannot exceed the maximum lump-sum benefit allowable if all service had been under the other system.

   If the member is a Safety member of CalPERS and the death is job-related, the monthly Special Death Benefit allowance may be payable to a qualifying survivor.

5. **Membership Rate Age**: Miscellaneous members and most Safety members in CalPERS have retirement formulas with a fixed rate of contribution and are not affected by their age at entry into the other system. However, other systems may use age at entry for their contribution rate. The member should check with the appropriate system for information.

**PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA)**

As a result of PEPRA, effective January 1, 2013, CalPERS will consider movement between California Public Retirement Systems that are subject to reciprocity when we determine which benefit formula applies to your employees. Employees should refer to their member benefit publication for more information on new member benefit formulas mandated by PEPRA.
CALPERS BENEFITS FOR NON-QUALIFYING INDIVIDUALS

Even if the member does not qualify for full reciprocity, CalPERS offers redeposit, vesting, and final compensation rights with the University of California Retirement Plan.

In addition, if their employer established a reciprocal agreement with CalPERS after they changed membership, and they would have been eligible for reciprocity had an agreement been in effect at the time of their membership change, their retirement allowance will still be based on the highest final compensation under either system, as long as they retire on the same date under both systems.

- **Redeposit Rights**: If the employee withdrew their CalPERS contributions and interest and later joined a reciprocal retirement system, they can re-establish CalPERS service credit and membership by making a redeposit.

- **Refund Restriction**: The member may not withdraw their CalPERS Contributions once they have entered employment covered by the University of California Retirement Plan (UCRP) or if, within six months of leaving State service, they entered employment covered by a system under the County Employees’ Retirement Law of 1937 or covered by certain other public agency retirement systems.

- **Vesting**: If the employee is a CalPERS member who is also a member of a reciprocal retirement system, they are eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but they must still meet the minimum age requirement).

NOTE:
Vesting requirements of the other systems must be met in order to retire concurrently from each system. Contact the other retirement system to determine their retirement requirements.

- **University of California Retirement Plan Final Compensation**: The average pay rate during any 12-month or 36-month period of employment with the University of California will be used for computing final compensation, if the member retires from both systems on the same date as long as membership requirements in both systems are met.
There is no formal reciprocity agreement established between CalPERS and the following systems:

- California State Teachers’ Retirement System (CalSTRS)
- Legislators’ Retirement System (LRS)
- Judges’ Retirement System (JRS)
- Judges’ Retirement System II (JRS II)

However, the following benefits and requirements apply to CalPERS members who enter employment with these systems.

**Final Compensation**
CalPERS will compute the member’s final compensation based on the highest rate of pay under CalSTRS, LRS, JRS, JRS II, or CalPERS during any consecutive 12-month or 36-month period of service as long as they retire on the same date under both systems. (If a member became an elective or an appointed officer on or after July 1, 1994, we will use their highest rate of pay under CalPERS).

**Redeposit Rights**
A member of CalSTRS, LRS, JRS, or JRS II may redeposit in CalPERS previously withdrawn CalPERS contributions in order to reestablish service credit in this system.

To receive this credit, a member’s election must be filed with CalPERS before their retirement is effective (G.C. section 21032). The employee should request cost information at least one year prior to their retirement date to ensure accurate and timely payment of benefits.

The right to redeposit contributions is not one of the uniform reciprocal provisions; it varies among the different public retirement systems. Contact the particular retirement system to learn of its policy regarding re-depositing.

**Refund Restriction**
A member’s CalPERS contributions may not be withdrawn while the member is in active employment as a member of CalSTRS, LRS, JRS, or JRS II.

**Vesting**
A CalPERS member who is a member of CalSTRS, LRS, JRS, or JRS II is eligible to retire from CalPERS without meeting the CalPERS minimum service credit requirement (but must still meet the minimum age requirement).

**Disability Retirement**
There is no provision for CalPERS disability retirement when a member is eligible for a disability retirement benefit from CalSTRS, LRS, JRS, or JRS II. They must instead take a CalPERS service retirement from the other system in order for the provisions of final compensation to apply.

If they retire on a disability retirement from the other system before they have met the CalPERS minimum service retirement age, they can later retire under CalPERS. We will use their highest CalPERS pay rate to determine their final compensation amount.

If they will be receiving a disability allowance from CalSTRS, they can take a service retirement from CalPERS at the same time (if they meet the minimum retirement age) OR at age 60, when the disability allowance under CalSTRS is changed to a service retirement. Either way, they are considered to have retired on the same date under both systems, and CalPERS will compute their final compensation based on the highest rate of pay under either system.
HOW TO NOTIFY CALPERS WHEN THE MEMBER CHANGES RETIREMENT SYSTEMS

When the employee becomes a member of a reciprocal or non-reciprocal public retirement system they can notify CalPERS by one of the following methods:


- Complete one of the forms in the CalPERS Refund Election Package (public agency or school employees) or the separation document (State employees) when separating from CalPERS-covered employment.

Please direct requests for information or inquiries to:

CalPERS
Customer Account Services Division
Attn: Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704

For more detailed information on reciprocity, refer to When You Change Retirement Systems publication (PUB-16).

JRS, JRS II, AND LRS MEMBERS

myCalPERS will be modified to remove LRS enrollment as an option for new members. Effective January 1, 2013, the newly elected or appointed Constitutional Officer, Insurance Commissioner and Legislative Statutory Officers are only eligible for optional CalPERS membership. The current enrollment process that allows new members to elect optional membership into CalPERS will not change.

Contact the Judges’ or Legislators’ Retirement System directly when an employee becomes a member of a reciprocal or non-reciprocal public retirement system:

Judges’ & Legislators’ Retirement System
P.O. Box 942705
Sacramento, CA 94229-2705
(916) 795-3688
(916) 795-1500 — FAX

LONG-TERM CARE PROGRAM MEMBERS

If the member is enrolled in the CalPERS Long-Term Care Program and has premiums deducted from their check, they should call the program’s Customer Service Center at (800) 982-1775 to find out what steps they need to take to continue their premiums.
SERVICE CREDIT PURCHASE OPTIONS

SERVICE CREDIT
Service credit represents the accumulated amount of your employee’s service time at work or on paid status under their CalPERS-covered employer or employers, counted on a fiscal year basis.

Service credit is one of three prime factors used to calculate an employee’s retirement benefit, along with their retirement formula and final compensation.

For a complete list, please refer to the CalPERS publication A Guide to Your CalPERS Service Credit Purchase Options available in the CalPERS Forms & Publications Center online or by calling 888 CalPERS (or 888-225-7377).

EMPLOYER COST
The service credit purchases where employers are actually billed are:
- Member-Paid Arrears (for the employer share)
- Employer-Paid Arrears (for the member and employer share)

For other service credit purchases, the employer liability is funded by the actuarial evaluation and setting of the employer rate based on the service that has been posted to employer.

Service Credit Cost Estimator
The Service Credit Cost Estimator tool (Cost Estimator) provides members a cost estimate for purchasing various types of service credit. The Cost Estimator is located on the CalPERS Website at www.calpers.ca.gov, or members may visit their local CalPERS Regional Office to utilize the self-service computer, in order to generate an online cost estimate and access the required request forms from the results page, when applicable. The Cost Estimator can calculate a cost estimate for the following types of service credit:
- Alternate Retirement Program
- Maternity/Paternity Leave of Absence
- Military Service Credit (Military)
- Redeposit of Withdrawn Contributions (Redeposit)
- Peace Corps or AmeriCorps*Vista Service
- Sabbatical Leave of Absence
- Service Prior to Membership (SPM)

For Military, Redeposit, and SPM, a cost estimate must be attached to the service credit purchase request form. Member access to Military, Redeposit, and SPM online request forms will be restricted to those who use the Cost Estimator to generate an estimate. Request forms are available for download on the Cost Estimator Results Page, once a member has generated an estimate for the following service credit purchase types:
- Redeposit of Withdrawn Contributions
- Service Prior to Membership
- State and Schools Military/Public Agency Military

To request the purchase of Military, Redeposit, and SPM, members should follow these steps to obtain an estimate and the request form:
- Visit the CalPERS Website at www.calpers.ca.gov.
- Search for the Service Credit Cost Estimator.
- Complete a cost estimate for the appropriate service credit type.
- Print out the service credit cost estimate from the results page.
- Select the link to download the Service Credit Cost Request form.
- Complete the request form and mail it to CalPERS along with the printed cost estimate.

Additionally, your agency may receive requests to certify employment history and payroll information for employees wishing to purchase service credit. Any requests received by CalPERS without the required employer certification and/or attached cost estimate will be returned to the member as incomplete and the request will be closed.

NOTE: To receive this credit, a member’s request must be filed with CalPERS before their retirement date is effective.
REDEPOSIT
Members of this System have the right to redeposit contributions previously withdrawn from CalPERS. The redeposit of withdrawn contributions restores service credit for previous employment. The member must redeposit the amount withdrawn, plus a sum equal to the interest, which would have accrued, had the member's funds been left on deposit. Interest will be charged from the first of the month following the date of withdrawal to the date of final payment. Payments may be made in one lump sum or by installment payments, or by a combination of an initial partial lump sum payment and the balance by installment payments.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date (G.C. sections 20750 and 20752 to 20756).

A member, whose ex-spouse received a portion from the member's account as part of a community property judgment or settlement AND took a refund of the contributions, can redeposit those funds in CalPERS.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date (G.C. section 20751).

SERVICE PRIOR TO MEMBERSHIP
“Service prior to membership” (SPM) is service rendered after the date of contract between a public agency, State, or School District and the System, but before the employee entered CalPERS membership. Election to contribute for SPM will result in additional service credit. Persons who were employed under the following conditions are eligible for service prior to membership:

1. Those who worked the six months membership qualification period prior to July 18, 1961.
2. Those who worked the part-month membership qualification period between July 18, 1961 and October 1, 1963.
3. Those employed less than 87 hours per month, or less than an average of 20 hours per week, prior to becoming a member.
4. Those formerly employed in temporary or seasonal employment in which they were excluded from membership under G.C. section 20305.

5. Those optional elective officers, Governor appointees, and Legislative employees who are excluded because of their failure to exercise their right of election of membership under G.C. sections 20320, 20322, 20324, or 21021 and are no longer working in an "optional" position. If still in an "optional" position, refer to the “Optional Members of CalPERS” section.

NOTE: To receive this credit, a member’s request must be filed with CalPERS before their retirement effective date (G.C. sections 21020 and 21028).

VERIFICATION OF SERVICE PRIOR TO MEMBERSHIP
When members request to purchase SPM, they obtain a “Request for Service Credit Cost Information Service Prior to Membership, CETA & Fellowship” form (PERS-MSD-370) available through the Service Credit Cost Estimator results page. On this form, members must indicate the prior employer information including the period of employment and the hours and time base worked per month. If this employment is with a State agency that reports payroll through the State Controller’s Office (SCO) or with the California State University, the form is sent directly to CalPERS for processing. If this employment is with a non-SCO State agency, public agency, or School District, this form is sent to that employer for certification. The employer either certifies they concur with the information provided by the member, or follows directions on the form to input the correct employment information, then forwards the completed form to CalPERS.

PUBLIC SERVICE AND LEAVES OF ABSENCE
There are certain conditions where some leaves of absence and some public employment may be creditable under CalPERS. Questions on these types of service credit should be referred to CalPERS by following the instructions noted in the “Inquiries Section”. To receive this credit, a member’s written request must be filed with CalPERS before their retirement effective date.
**Present Value Service Credit Purchases**

**NOTE:** Although no action is required on your part, this information may be useful in answering questions about service credit purchase options asked by your employee’s.

**Additional Retirement Service Credit (ARSC – Air Time)**

As a result of the Public Employees’ Pension Reform Act of 2013 (PEPRA), ARSC has been eliminated as a service credit purchase option. Any complete and acceptable requests received at CalPERS prior to January 1, 2013, will be processed. If a member received an ARSC election package, the member must be sure CalPERS receives their completed and signed election prior to the expiration date specified on the election form, the member will not have another opportunity after January 1, 2013. If the member has already elected to purchase ARSC, their purchase will not be impacted.

**Peace Corps, Americorps Vista, and Americorps**

A member may be eligible to purchase credit for up to three years of service in the Peace Corps, AmeriCorps VISTA (Volunteers In Service To America) or Americorps. The member must be able to provide CalPERS with documentation certifying their dates of service. If the member does not have a certification letter, one may be requested from:

**Peace Corps**

Attn: Certifying Officer
Volunteer & Staff Payroll Services Division
1111 20th Street, NW
Washington, DC 20526

**AmeriCorps Vista**

Attn: CNCS/AmeriCorps Vista Certifying Officer
1201 New York Avenue, NW
Washington, DC 20525
For all other AmeriCorps service, the member needs to contact the program they worked for to request a certification letter.

**Credit for Military Service Prior to Employment**

G.C. section 21029 provides that State and School employees and retirees may be eligible to receive credit for their military service. To be eligible the member or retiree must:

1. Currently be employed with or retired directly (within 120 days of separation) from the State or School employment.
2. Must have a minimum of one year of CalPERS service and one year of military service. Service is granted on a basis of one year of military service credit for each year of credited CalPERS service credit, not to exceed four years.
3. Make election to purchase the service credit.
4. In addition, State and School retirees must have retired on or after December 31, 1981.
5. Members with Public Agencies which have contracted for military service benefits under G.C. sections 21024 (for active members) and 21027 (for retired members) may also be eligible to receive credit for their military service. Retired members must have retired directly within 120 days of separation from Public Agency employment and before the effective date of the election by his or her employer to be subject to section 21027. Employers contracting for 21027 must have also contracted for 21024. For more information on Public Agency military, consult the CalPERS Website [www.calpers.ca.gov](http://www.calpers.ca.gov) or [Service Credit Purchase Options](http://www.calpers.ca.gov) (PUB-12).

**NOTE:**
To determine eligibility, a copy of the discharge or other document (such as DD214) indicating the beginning and ending dates of active duty must be submitted to the system.

A copy of the discharge document can be obtained from the National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100. The member can also complete and mail in the Standard Form 180, available on their website at [www.nara.gov/regional/mprsff180.html](http://www.nara.gov/regional/mprsff180.html).
Alternate Retirement Program (ARP)
State members who meet these conditions would be eligible to purchase their ARP service credit if they:

- Were a new State miscellaneous or industrial employee hired on August 11, 2004 through June 30, 2013, and
- Have reached the conclusion of their three month ARP election period and did not elect to convert their ARP time to CalPERS service credit; or
- Received a distribution of ARP funds after separating from State service, but prior to their three-month election period; or
- Had ARP funds distributed to a former spouse or domestic partner while funds were being maintained by CalHR.

The cost for Peace Corps, AmeriCorps, AmeriCorps VISTA, Military Service Prior to Employment, and ARP service is based on current pay rate, the amount needed to fund the benefit, and how much service credit is being purchased.

Credit for Absence from Employment for Military Service
G.C. sections 20990 through 20998 provide that a members whose absence from employment for military service may be eligible to receive service credit for the absence at employer cost. The employer does not need to amend its contract for the benefit. To be eligible for this service credit the member must have:

1. Been in the employment of a CalPERS covered agency prior to entering military service.
2. Been granted a military leave or have resigned from employment for the purpose of entering active duty into military service.
3. Entered active duty within 90 days after leaving agency employment.
4. Returned to employment with the same agency, the State, or another agency contracting with CalPERS within six months after discharge from active duty. If the member did not return to employment within six months after discharge, they may not be eligible to purchase this service credit.

EXCLUDED POSITIONS
If the requested employment is excluded by law, the purchase of this service credit is not possible. If the exclusion was removed or superseded by law after the employment was rendered, service credit rights would depend on the Government Code provisions under which the exclusion was removed. Please refer to the excluded section for more information.

PAYMENT METHODS
A member may elect, at any time prior to retirement, to make contributions for redeposit or other types of eligible service credit. If a member elects a cash lump-sum payment, no notification will be sent to the employer.

If a member files an election to redeposit or contribute for service prior to membership or other “public service” by installment payments, the System will certify and approve the election and send the agency an authorization for payroll deductions. No deductions should be made until the authorizing PERS-MEM-823A form is received.

The agency must apply the payroll adjustments authorized after the effective date and continue until payments are completed or the employee separates from employment. The member should contact CalPERS for information on continuing payments after separation, unless a refund of all contributions is requested.

At retirement, any unpaid balance may be paid by lump sum or may be continued as a deduction from the retirement allowance (G.C. section 20776).
INQUIRIES
The member may obtain cost information concerning redeposit, SPM or other “public service” by completing the appropriate form. The forms can be obtained from the Guide to your CalPERS Service Credit Purchase Options (PUB-12) or from the CalPERS Website at www.calpers.ca.gov. The following is a list of the forms:

- Redeposit of Withdrawn Contributions — PERS-MSD-368
- Military Service — PERS-MSD-369
- Service Prior to Membership, CETA & Fellowship Service — PERS-MEM-370
- Leave of Absence — PERS-MSD-371
- Layoff, Prior Service & Optional Member Service — PERS-MSD-372
- Peace Corps, AmeriCorps*VISTA or AmeriCorps Service — PERS-MSD-373

COST ESTIMATE
Members can use the on-line Service Credit Cost Estimator on the CalPERS Website www.calpers.ca.gov to obtain an estimate of the cost of purchasing the following types of service credit:

- Redeposit of Withdrawn Contributions
- Service Prior to Membership
- Military Service Credit
- Maternity/Paternity Leave of Absence
- Peace Corps or AmeriCorps*Vista Service
- Sabbatical Leave of Absence
- Alternate Retirement Program
The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees’ Retirement Law. It is the reader's responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
OVERVIEW
The California State University (CSU) is comprised of 23 campuses and the Office of the Chancellor, which is the administrative headquarters for the CSU system. Responsibility for the CSU is vested in the Board of Trustees, whose members are appointed by the Governor. The Trustees appoint the Chancellor, who is the chief executive officer of the system, and the Presidents, who are the chief executive officers on the respective campuses. The CSU employs over 45,000 faculty and staff.

Please note that while the CSU is considered a state agency, it is not part of the civil service structure and, as a result, is not covered by the rules and regulations of the California Department of Human Resources. Generally, the CSU is governed by different Government Code sections than civil service, in addition to the Education Code and Title 5 regulations. The Office of the Chancellor is responsible for developing policy governing the CSU.

Under the purview of the Higher Education Employer - Employee Relations Act (HEERA), CSU employees are designated into the following employee categories: Executive (E98), Management Personnel Plan (MPP) (M80), Confidential (C99), Excluded (E99) employees and ten (10) separate collective bargaining units (R01-R10). These collective bargaining units are separate and distinct from the unions representing civil service employees. A list of the current unions and their agents is provided.

RETIREMENT PROGRAMS
Eligible CSU employees participate in one of six CalPERS retirement programs:

1. Peace Officer/Firefighter (POFF) 3% @ 50
Effective January 1, 2002, covered eligible active Management Personnel Plan (MPP) public safety employees and public safety employees covered by the CSU - State University Police Association (SUPA – Unit 8) agreement who were hired by the State prior to July 1, 2011. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees. Those safety members who were inactive as of January 1, 2002 remain under the 3% @ 55 formula. Employees who were active on/after January 1, 2002 and are first hired by the State prior to July 1, 2011 are subject to the 3% @ 50 formula and a one year final compensation.

2. Peace Officer/Firefighter (POFF) 2.5% @ 55
All State employees first hired by the State on/after July 1, 2011 who are appointed to or transfer to a POFF position in either a Management Personnel Plan (MPP) covered position or into a position covered by the CSU – State University Police Association (SUPA – Unit 8) are subject to the 2.5% @ 55 POFF formula and a three year final compensation period. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees.

3. State Safety 2.5% @ 55
Effective July 1, 2001, Police Officer, Intermittent employees in the E99 collective bargaining unit became subject to the 2.5% @ 55 State Safety formula. Employees who were active on/after July 1, 2001 and first hired by the State prior to January 15, 2011 are subject to the 2.5% @ 55 POFF formula and a one year final compensation. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees.

4. State Safety 2% @ 55
All State employees first hired by the State on/after January 15, 2011 who are appointed to or transfer to a Police Officer, Intermittent position in the E99 collective bargaining unit are subject to the 2% @ 55 State Safety formula and a three year final compensation period. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees.

5. State Miscellaneous 2% @ 55
All other eligible employee categories. Refer to the State Miscellaneous & Industrial Benefits publication for retirement program information. State employees first hired by the State prior to January 15, 2011 are subject to the 2% @ 55 State miscellaneous formula and a one year final compensation period.
6. State Miscellaneous 2% @ 60
All State employees hired on/after January 15, 2011 who are appointed to or transfer to a miscellaneous position are subject to the 2% @ 60 miscellaneous formula and a three year final compensation period. Refer to the State Miscellaneous & Industrial Benefits publication for retirement program information.

MEMBERSHIP ELIGIBILITY

1. Excluded from CalPERS membership for the first six months. If employment extends beyond six months, membership is mandatory, effective not later than the first day of the seventh month of employment. The employer is responsible for monitoring the employment period (G.C. 20305 [a][3][A]).

2. Excluded until employee works 1000 hours (or 125 days if paid on a per diem basis) in a fiscal year (July 1st through June 30th). Membership is mandatory, effective not later than the first of the month following the month in which 1000 hours (or 125 days) is completed. Overtime worked is included when counting hours or days for purposes of determining qualifying membership. The employer is responsible for monitoring the number of hours worked (G.C. 20305[a][3][B]).

3. Temporary Faculty Eligibility Rules:
   - If appointed for an academic year at full-time, the employee qualifies for CalPERS membership at the time of the appointment.
   - If appointed for an academic year at half-time or more, the employee qualifies for membership at the beginning of the third consecutive semester or at the beginning of the fourth quarter (G.C. 20305 [a][4]).
   - If appointed for a non-academic year (e.g. 10-month or 12-month), CalPERS membership rules follow the same eligibility criteria as staff appointment types.
   - For additional information, refer to Technical Letter HR/Benefits 2003-27 on the CSU System wide Human Resources Website.

Specific questions concerning retirement membership should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
<table>
<thead>
<tr>
<th>STATUS</th>
<th>APPOINTMENT TYPE</th>
<th>MEMBERSHIP MANDATORY AT TIME OF APPOINTMENT</th>
<th>INITIALLY EXCLUDED, BUT MONITOR TIME WORKED</th>
<th>EXCLUDED</th>
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<td>CURRENT CalPERS MEMBER (Actively contributes or has funds on deposit or has service credits.)</td>
<td>Summer session or inter-session academic employment if the employee is NOT otherwise fully employed (G.C. 20300 [k])</td>
<td>YES</td>
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<tr>
<td></td>
<td>Appointments OTHER THAN those listed below in EXCLUDED status</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>EXCLUDED (Regardless of current membership status.)</td>
<td>Employees covered by State Teachers Retirement System (G.C. 20300 [g])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Student Assistants (G.C. 20300 [c])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Extension faculty whose compensation is based on class enrollment (G.C. 20300 [j])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Summer session or inter-session academic employment if the employee IS otherwise FULLY employed (G.C. 20300 [k])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Independent Contractor (G.C. 20330[b])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td></td>
<td>Individuals employed as result of Job Training Partnership Act of 1982, CETA miscellaneous position on or after 7-1-79. (May buy-back earlier service.) (G.C. 20330 [f])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>STATUS</td>
<td>APPOINTMENT TYPE</td>
<td>MEMBERSHIP MANDATORY AT TIME OF APPOINTMENT</td>
<td>INITIALLY EXCLUDED, BUT MONITOR TIME WORKED</td>
<td>EXCLUDED</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>---------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>NOT A CURRENT MEMBER (Was never a member or had contributions refunded).</td>
<td>Full-time appointment for more than 6 months (G.C. 20305 [a][3][A])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full-time appointment for less than 6 months (G.C. 20305 [a][3][A])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Works an average of 20 hours per week; appointment is for 1-year or longer (G.C. 20305 [a][2])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Works less than 20 hours per week (G.C. 20305 [a][3][B])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Irregular basis appointment (seasonal, emergency, hourly intermittent, substitute, special consultant, on-call, limited term, etc) (G.C. 20305 [a][3][B])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for one academic year at full-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for one academic year at part-time</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for semester/quarter at full-time</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for semester/quarter at part-time</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
</tbody>
</table>

**ACCOUNT CODE CHART**

For a list of the Retirement Benefit Formula Account Code Tables, please select the following link: [http://www.calpers.ca.gov/eip-docs/employer/admin-rptg/ret-benefit-formula.xls](http://www.calpers.ca.gov/eip-docs/employer/admin-rptg/ret-benefit-formula.xls)

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
BENEFITS
CSU retirees receive the following benefits:
• Full health benefits upon retirement at age 50
  with 5 years of service credit or with
  established reciprocity and;
• Coverage under a basic dental plan paid for
  by the CSU.
• Faculty Early Retirement Program (FERP)
  participants continue enrollment in an
  enhanced dental plan and receive the CSU
  vision benefit if appointed half time or more.
  Upon completion of the FERP service, the
  retiree drops to a basic dental plan and is not
  eligible for vision coverage.

CSU RETIREE DENTAL
Under certain conditions, CSU employees are
eligible to continue dental coverage into
retirement. The dental coverage provided to CSU
retired annuitants is at the Basic plan level.
Participants in FERP are the only CSU retired
annuitants eligible for continued dental coverage
at the Enhanced level.

The CSU offers two dental plans: a DMO (prepaid)
plan through PMI DeltaCare and an indemnity plan
through Delta Dental. Currently, the CSU pays the
full cost of dental coverage for all CSU retired
annuitants and their eligible dependents, including
domestic partners.

Responsibility for the day-to-day dental contract
administration rests with Human Resources
Administration in the CSU Chancellor’s Office.
Human Resources Administration interprets
regulations, answers questions, and assists
retirees in resolving problems regarding the dental
plan.

CalPERS is responsible for processing the annual
retiree dental open enrollment requests, and other
change requests. Detailed information regarding
the CSU dental program is available in the CSU
Dental Program Administrative Manual.

FACULTY PROGRAMS — EARLY RETIREMENT,
REDUCED TIME BASE AND LEAVES
The CSU has several retirement-related programs
unique to faculty employees.

Faculty Early Retirement Program (FERP)
The Faculty Early Retirement Program permits
tenured faculty or tenured librarian employees who
retire the ability to work one semester or an
average percentage for the academic year, at the
same rank and salary held prior to retirement. In
order to be eligible, the employee:
• Must be at least age 55;
• Must be eligible for service retirement;
• Must be granted service retirement; and
• Shall be entitled for no more than 5 years.

The assignment shall be one (1) academic term
not to exceed a total of ninety (90) days or fifty
(50) percent of the employee’s hours worked (time
base) in the fiscal year proceeding retirement,
whichever is less. Participants may request further
reduction in time base; however, the reduction
shall continue for the duration of the FERP
appointment.

Participation in FERP shall commence at the
beginning of the campus academic year. Service
retirement shall begin concurrently with or prior to
the beginning of the campus academic year.

Participants may be appointed in university
extension (consistent with the CSU Additional
Employment policy) during the academic term(s)
under FERP. Other CSU additional employment is
not allowed.

Continued employment in the FERP shall
terminate in the event of dismissal for cause,
layoff, or failure to meet the employment
commitment.

In addition to the retirement pay appropriate to the
age and years of service at the time of retirement,
participants are paid for the teaching assignment
on a pro-rata basis, in accordance with the rank
and salary held at the time of retirement.

Since participants are retired, no service credit is
accumulated through this program. For this same
reason, there is no retirement contribution or
Social Security withholding. To ensure this, report
the FERP appointment using the Appointment
Code of “A56” on the PIMS report.

Sick leave is converted to service credit upon
retirement; however, up to 48 hours of sick leave
may be carried into FERP.

Participants are ineligible for sabbatical leaves or
other paid leaves.

FERP participants are eligible to receive CSU
vision coverage and an enhanced dental plan.
Upon completion, the dental plan reverts to the
basic plan and vision coverage is eliminated.
Pre-Retirement Reduction in Time Base (PRTB)
Tenured faculty in bargaining unit 3 with 10 years of full-time service (with at least the last 5 years being continuous full-time) is eligible to apply for the PRTB program. Sabbatical leaves count towards the service requirement. Applicants must be 55 to 64 years of age (CalPERS) or 55 to 63 (STRS). Faculty members in this program are not retired. The program allows faculty to reduce their time base to 2/3, 1/2, or 1/3 for up to 5 years. Participants retain the same rank and status they had prior to participation.

The campus sets the PRTB assignment and work schedule. For example, a participant on a 1/2 assignment may work full-time for one semester or half-time for the academic year, depending on the needs of the campus.

If a participant fails to meet the employment commitment, salary adjustment or repayment of an overpayment may be required.

PRTB participants are considered full-time for the purpose of restrictions on additional employment. Salary is pro-rated according to time base and is paid in twelve equal monthly installments per year.

Service credit is accumulated as though working full-time and retirement contributions are based on the full-time salary rate. Social Security contributions are based on actual salary earned.

Participants retain sick leave and accumulate additional sick leave on a pro-rata basis. Participants are not eligible for sabbatical leaves or other paid leaves. Participants remain eligible for health and other benefits.

Retirement and entry into FERP is allowed after participation in PRTB, provided the eligibility requirements are met. The FERP employment options are based on the PRTB reduced time base.

Sabbatical Leaves
All full-time faculty unit employees are eligible to apply for a sabbatical leave after six years of full-time service at a campus and after six years of service since the last sabbatical or Difference in Pay (DIP) Leave. Final approval of a sabbatical leave shall not be granted until the applicant has filed a suitable bond or an accepted statement of assets or a promissory note that total at least the amount of salary to be paid during the leave. Faculty on DIP are considered to be in work status and entitled to the same provisions of employment and applicable benefits provided by the CSU in the same manner as if the employee were not on sabbatical leave. However, service credit towards retirement will be reduced according to the earnings the employee will receive.

Faculty unit employees on DIP leave shall not accept additional and/or outside employment without prior approval of the campus President.

Faculty shall render service to the CSU upon return from a DIP leave at the rate of one term of service for each term of leave.

The salary for a faculty member on sabbatical leave is paid in accordance with the collective bargaining agreement. If the sabbatical is longer than one semester or quarter, then the salary is at a reduced rate and service credit is reduced.

Information about purchasing Sabbatical Leave Service Credit can be obtained from the Guide to your CalPERS Service Credit Purchase Options (PUB-12) or from the CalPERS Website at www.calpers.ca.gov.

Difference in Pay (DIP) Leaves
All full-time faculty unit employees are eligible to apply for a DIP leave after six years of full-time service at a campus and after three years of service since the last sabbatical or Difference in Pay (DIP) Leave.

Final approval of a DIP leave shall not be granted until the applicant has filed a suitable bond or an accepted statement of assets or a promissory note that total at least the amount of salary to be paid during the leave. Faculty on DIP are considered to be in work status and entitled to the same provisions of employment and applicable benefits provided by the CSU in the same manner as if the employee were not on sabbatical leave. However, service credit towards retirement will be reduced according to the earnings the employee will receive.

Faculty unit employees on DIP leave shall not accept additional and/or outside employment without prior approval of the campus President.

Faculty shall render service to the CSU upon return from a DIP leave at the rate of one term of service for each term of leave.

The salary for a DIP leave shall be the difference between the employee’s salary and the minimum salary of the instructor (or librarian) rank. Service credit is reduced based on reduced salary paid.
CONTACTS

The California State University
Office of the Chancellor
Human Resources Administration
401 Golden Shore Drive – 4th Floor
Long Beach, CA 90802-4210

Pamela Chapin, Senior Manager
Benefits and HR Programs
(562) 951-4414
mailto:pchapin@calstate.edu

Michelle Hamilton, Manager
Benefits and HR Programs
(562) 951-4413
mailto:mhamilton@calstate.edu
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# Pay Rate and Service Credit

## Table of Contents

**Reportable/Non-Reportable Compensation**

- Compensation ................................................................. 65

**Workers’ Compensation Temporary Disability and Industrial Disability Leave Payments** ....... 65

- Compensation Earnable (G.C. Section 20636 (g)(1)) ................................................................. 65

- Pay Rate (G.C. Section 20636 (g)(2)) ..................................................................................... 65

- Special Compensation (G.C. Section 20636 (g)(3)) ................................................................. 66

- Compensation Limits (IRC Section 401 (A) (17)) ................................................................. 66

**Public Employees’ Pension Reform Act of 2013 (PEPRA)** .................................................. 67

**Legislative or Judicial Branch Employees** ........................................................................... 68

**Service Credit** .................................................................................................................. 69

- Impact on Final Benefits ......................................................................................................... 69

- Full-Time Service Credit ......................................................................................................... 70

- Maximum Service Credit Amount .......................................................................................... 70

The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees’ Retirement Law. It is the reader’s responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
Pay rate and special compensation must be in written pay schedules, memorandums of understanding, bargaining agreements, or similar documents that shall be available for public scrutiny. Guidelines defining compensation, compensation earnable, pay rate, and special compensation are listed in the California Public Employees’ Retirement Law (PERL) in G.C. sections 20630, 20636, and the California Code of Regulations 570.5.

**COMPENSATION (G.C. SECTION 20630)**
Compensation is broadly defined as payment to employees for services performed during normal working hours or for time during which the employee is excused from work because of holidays, sick leave, industrial disability leave (payments under Labor Code Sections 4800 and 4850), vacation, compensatory time off, or leave of absence. The employer shall identify and report compensation for the pay period in which the compensation was “earned” regardless of when paid, and shall not exceed compensation earnable.

**PUBLICLY AVAILABLE PAY SCHEDULE (CCR 570.5)**
This regulation requires that each pay schedule include:
- Position title for every employee position
- Pay rate for each position
- Time base for each pay rate

This regulation also contains criteria for ensuring the pay schedule is publicly available and does not permit a reference to another document in lieu of disclosing the pay rate. Further, the regulation clarifies that “compensation earnable” will be limited to the amount listed on a pay schedule that meets all of the established criteria, and identifies how pay rate may be determined when employers fail to meet the requirements.

**WORKERS’ COMPENSATION TEMPORARY DISABILITY AND INDUSTRIAL DISABILITY LEAVE PAYMENTS**
G.C. section 20630 of the PERL defines “compensation” as “…the remuneration paid out of funds controlled by the employer in payment for the member’s services performed during normal working hours or for time during which the member is excused from work because of: holidays, sick leave, industrial disability leave, during which, benefits are payable pursuant to Sections 4800 and 4850 of the Labor Code or Article 4 (commending with Section 19869 of Chapter 2.5 of part 2.6; or Education Code Section 44043, 87042) vacation, compensatory time off, or leave of absence…”

Labor Code Section 4850 contains industrial disability leave provisions for various specified safety members of CalPERS. This pay is reportable to CalPERS.

Workers’ Compensation Temporary Disability payments in lieu of Workers’ Compensation that are not pursuant to the above mentioned law codes are not reportable to CalPERS. However, if a miscellaneous member uses accrued leave credits such as vacation, sick leave, or compensated time off (CTO) the compensation attributable to the used leave credits is reportable to CalPERS.

**COMPENSATION EARNABLE (G.C. SECTION 20636 (g) (1))**
Compensation earnable for state members means the average monthly compensation, as determined by the board, upon the basis of the average time put in by members in the same group or class of employment and at the same rate of pay, and is composed of the pay rate and special compensation of the member.

**PAY RATE (G.C. SECTION 20636 (g) (2))**
Pay rate for state members means the average monthly remuneration paid in cash out of funds paid by the employer to similarly situated members of the same group or class of employment, in payment for the member’s services or for time during which the member is excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence.

**GROUP OR CLASS OF EMPLOYMENT (G.C. SECTION 20636 (e) (1))**
Group or class of employment means a number of employees considered together because they share job similarities, work location, collective
bargaining unit, or other logical work related grouping.

**SPECIAL COMPENSATION**  
(G.C. SECTION 20636 (g) (3))

The following list identifies special compensation items included for state members:

- The monetary value of living quarters, board, lodging, fuel, laundry, and other advantages of any nature furnished to a member by his or her employer in payment for the member’s services.
- Compensation for performing normally required duties, such as holiday pay, bonuses (for duties performed on regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, Peace Officer Standards and Training (POST) certificate pay, and split shift differential.
- Compensation for uniforms in certain circumstances.
- Other payments the board may determine to be within special compensation.

Pay rate and special compensation for state members do not include any of the following:

- Provisions by the state employer of a medical or hospital service or care plan or insurance plan for its employees, contribution by the employer to meet the premium or charge for that plan, or a payment into a private fund to provide health and welfare benefits for employees.
- Payments by the state employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act.
- Payments for the purchase of annuity contracts.
- Payments credited as employee contributions.
- Payments credited to deferred compensation plans.
- Payments for unused vacation, annual leave, personal leave, sick leave, or compensated time off.
- Final settlement pay.
- Payments for overtime, including pay in lieu of vacation or holiday.
- Compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobiles, and bonuses for duties performed after the member’s regular work shift.
- Payments applied for the purchase of a retirement plan or money purchase pension plan.
- Payments to be covered by a flexible benefits program, where those payments reflect amounts that exceed the salary.
- Other payments the board may determine are not pay rate or special compensation.

**COMPENSATION LIMITS**  
(IRC SECTION 401(A) (17))

Section 401(a) (17) of the Internal Revenue Code provides dollar limitations on annual compensation that can be taken into account under qualified retirement plans. Below is a list of the procedures for reporting a member who has reached the limit. CalPERS notifies all employers of the new limits each year in January by sending a Circular Letter, and my|CalPERS will automatically track the earnings limit.

The compensation limit is only applicable to persons who first became members or participants of California Public Employees’ Retirement System (CalPERS) on or after July 1, 1996.

For those members who are subject to the limit, their final compensation will be capped at the limit in effect for each 12 consecutive-month period that is used to calculate their allowance if they were to retire. The determination of compensation for each 12 month period shall be subject to the annual compensation in effect for the calendar year in which the 12 month period begins.

For example, the 2014 compensation limit for classic members is $260,000. Therefore, the member should not make contributions on earnings that exceed the $260,000 limit within the 2014 calendar year. The earnings that are mentioned are those earnings that are reportable to CalPERS, which exclude earnings for overtime, automobile allowances, lump sum payouts, etc. The compensation limit does not limit the salary an employer can pay an employee who is a member of CalPERS.

If an employee’s compensation reaches the limit, payroll will error out in the my|CalPERS system, prompting the employer to not report employee contributions.
Your agency will continue reporting pay rate, and member earnings, but no member or employer contributions for the service periods that remain in the calendar year. Reporting the earnings allows the employee to continue earning service credit without making contributions on earnings that exceed the limit.

If an employee’s pay rate increases after the time you cease reporting contributions, please report the higher pay rate and earnings on your payroll transaction in case legislation was to change the original limits established for the year.

Once the calendar year is over, the system will prompt you to report contributions for the employee and begin the monitoring for the new calendar year.

**PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA) - CONTRIBUTION CAPS**

PEPRA mandated all new members be subject to contribution caps which differ from the caps set for classic members. New member contribution caps are effective January 1, 2013. Adjustments to the caps are permitted annually based on changes to the Consumer Price Index for All Urban Consumers.

### NEW MEMBER CONTRIBUTION CAPS

<table>
<thead>
<tr>
<th>New Member with Social Security</th>
<th>$115,064</th>
</tr>
</thead>
<tbody>
<tr>
<td>(100% of the 2014 Social Security contribution and benefit base)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Member without Social Security</th>
<th>$138,077</th>
</tr>
</thead>
<tbody>
<tr>
<td>(120% of the 2014 Social Security contribution and benefit base)</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:**
Please see the Membership chapter of this Guide for the definition of a new PEPRA member.

Employers will report full pay rate and actual earnings for all members in myCalPERS and the system will flag and notify the employer when the contribution limit has been reached for that calendar year. Member contributions must stop when the member’s actual earnings reach the contribution limits outlined above.

Note that this does not necessitate a change to your file formatting structure; rather it is related to how your agency tracks and reports payroll. Reporting up to the compensation cap for new members will occur in the same manner it does currently for classic members subject to the 401(a) (17) limit.

PEPRA requires the CalPERS Board to define **excessive compensation** as “a significant increase in actuarial liability due to increased compensation paid to a non-represented employee” and further directs the Board to implement program changes to ensure that a public agency that creates a significant increase in actuarial liability bears the increased cost associated with that liability.

**PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA) - EPMC**

PEPRA prohibits EPMC for new members employed by public agencies, school employers, the judicial branch, or CSU, unless an employer’s existing MOU would be impaired by this restriction. It is up to each employer to determine if an MOU would be impaired by this restriction on EPMC for new members. The impaired MOU must have an effective date of January 1, 2013, or earlier.

**NOTE:**
Please see the Membership chapter of this Guide for the definition of a new PEPRA member.

If your agency determines that an existing MOU is impaired, then any stated EPMC agreements will apply to new members through the duration of the MOU. CalPERS must receive the full required member contributions, regardless of the amounts paid by the member or the employer. Once the impaired MOU is amended, extended, renewed, or expires, EPMC will no longer be permitted for new members. CalPERS will implement a manual validation procedure to ensure EPMC is not being reported on payroll for new members.

Agencies must notify CalPERS in writing if they determine that their MOU is impaired and provide a certification to CalPERS, signed by the agency’s presiding officer, confirming that application of Section 7522.30(c) of PEPRA would cause an existing MOU to be impaired.

EPMC may continue to be reported for classic members pursuant to existing PERL provisions.
Agencies who wish to eliminate or reduce EPMC for classic members are able to do so under existing law through collective bargaining and contract amendments. Existing PERL statutes allow employers to periodically increase, reduce, or eliminate employer paid member contributions.

**LEGISLATIVE OR JUDICIAL BRANCH EMPLOYEES**
Contact CalPERS directly at 888 CalPERS (or 888-225-7377) for questions regarding compensation for exempt, Legislative, or Judicial employees.
Pay rate indicates the amount of compensation a member is paid for a unit of time (e.g., hour, day or month). The pay rate should remain stable throughout a fiscal year except for pay raises, changes of position, etc. If a member works in more than one position, receives a raise in the middle of a pay period, or has a variable pay rate, report amounts earned under each pay rate separately.

- An **hourly** pay rate is that rate of compensation to which an employee is entitled under an employment agreement which provides for compensation for each hour of regular time worked by the employee.

- A **daily** pay rate for both a full-time and a part-time employee is that amount of compensation to which a full-time employee is entitled when the employee’s services are performed under an employment agreement which provides for a daily rate of compensation.

- A **monthly** pay rate for both a full-time and a part-time employee is that amount of compensation to which a full-time employee is entitled, when the employee’s services are performed under an employment agreement which provides for a monthly rate of compensation.

**IMPACT ON FINAL BENEFITS**

Reporting correct pay rates for your active employees is essential in calculating correct member benefits at retirement. The three critical elements used in calculating retirement benefits are:

- Service Credit
- Benefit Factor
- Final Compensation

Service credit and final compensation are directly related to the pay rate and earnings reported for the member. Service credit is derived from the pay rate and earnings reported as illustrated below.

**EARNINGS DIVIDED BY PAY RATE EQUALS SERVICE CREDIT**

<table>
<thead>
<tr>
<th>Example</th>
<th>Member Earnings</th>
<th>Monthly Pay Rate</th>
<th>Service Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>$1,200.00</td>
<td>$1,200.00</td>
<td>0.100 years</td>
</tr>
<tr>
<td>2.</td>
<td>$600.00</td>
<td>$1,200.00</td>
<td>0.050 years</td>
</tr>
<tr>
<td>3.</td>
<td>$600.00</td>
<td>$7.50</td>
<td>80 hours</td>
</tr>
<tr>
<td>4.</td>
<td>$600.00</td>
<td>$30.00</td>
<td>20 days</td>
</tr>
</tbody>
</table>
NOTE:
Always use the pay rate featured on a publicly available pay schedule. The pay rate should not change except when a pay raise or demotion occurs.

FULL-TIME SERVICE CREDIT
(G.C. SECTION 20962)
One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

a. One academic year of service for persons employed on an academic year basis by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.

b. Ten (10) months of service for persons employed on a monthly basis.

c. Two hundred fifteen (215) days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.

d. One thousand seven hundred twenty (1,720) hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.

e. Nine months of service for state employees represented by State Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision. A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Partial credit will be given for those working less than the full-time markers described previously (10 months, 215 days, and 1,720 hours). Service credited in hours, days, or months is converted to a percentage of a year at the end of each fiscal year. Service credit for each fiscal year is combined to arrive at total service credit.

MAXIMUM SERVICE CREDIT AMOUNT
As one of the major factors used in the retirement calculation, service credit is checked carefully for each payroll entry. CalPERS limits the amount of service credit for each entry to full-time. Credit for more than one year of service shall not be allowed for service rendered in any fiscal year.
Beneficiary Designation Form ................................................................................................................. 75
  Special Instructions ................................................................................................................................. 75

Reporting an Imminent Death or Terminal Illness/ Power of Attorney .............................................. 76

Death of an Active Member ...................................................................................................................... 77
  Employer Notification to System ......................................................................................................... 77
  Notification By Other Than Employer ................................................................................................. 78
  Continuation of Health Benefits ......................................................................................................... 78

Information for Family of Deceased .................................................................................................... 79

Retirement — General ............................................................................................................................... 81
  Step-by-Step Instructions ...................................................................................................................... 81
  Request for Estimates or Counseling ................................................................................................. 81
  When to Apply ..................................................................................................................................... 82
  Additional Notes For Submitting Forms .............................................................................................. 82
  Who May Apply ................................................................................................................................... 82
  Requesting Additional Service Credit ............................................................................................... 82
  Final Compensation .............................................................................................................................. 83
  Cancellation of Retirement Application ............................................................................................. 83

Service Retirement ................................................................................................................................. 84
  Minimum Requirements for Service Retirement .................................................................................. 84
  Service Retirement Processing — Document Sequence ................................................................. 84
  First Payment Acknowledgement Letter ............................................................................................ 85
  First Acknowledgment Letter to Employer ......................................................................................... 85

Deductions after Retirement .................................................................................................................... 86
  Health Insurance ................................................................................................................................. 86
  Dental Insurance ................................................................................................................................. 86
Vision Care ..................................................................................................................................... 86
Direct Authorizations ...................................................................................................................... 86
Income Tax Withholding .................................................................................................................. 87
Payments for Purchasing Service Credit ....................................................................................... 87
Social Security Instructions ............................................................................................................. 87
Temporary Annuity Payments ......................................................................................................... 87

Disability Retirement or Industrial Disability Retirement ................................................................. 88
Disability Retirement ...................................................................................................................... 88
Industrial Disability Retirement ..................................................................................................... 88
Public Employees' Pension Reform Act of 2013 (PEPRA) ................................................................. 88
When to Apply ................................................................................................................................ 88
Emergency Retirement ................................................................................................................... 89
Who Can Apply .............................................................................................................................. 89
Employer Originated Application ..................................................................................................... 89
Application Process .......................................................................................................................... 89
Complete Package ............................................................................................................................ 89
Determination ................................................................................................................................... 91
Cancellation of Application ............................................................................................................. 91
Member Alternatives Following the Determination ........................................................................... 92
Retirement Effective Date ................................................................................................................. 92
General Disability Calculation ......................................................................................................... 93
Subrogation ..................................................................................................................................... 94

Employment of a Retiree .................................................................................................................. 96
General Rules ................................................................................................................................. 96
Conditions for Employment After Retirement ................................................................................. 96
180-Day Wait Period ....................................................................................................................... 96
Bona Fide Separation in Service Retirement .................................................................................... 97
State Agency ................................................................................................................................. 97
California State University................................................................. 98
Unemployment Benefits and Retired Annuitant Employment......................... 98
Special Appointments ........................................................................ 98
Elective Positions ............................................................................... 99
Employment By a Non-CalPERS Employer...................................................... 99
Employment of a Retiree as an “Independent Contractor”.............................. 99
Employment of a Disability/Industrial Disability Retiree................................ 100

Reinstatement from Retirement ..................................................................... 101
Public Employees’ Pension Reform Act of 2013 (PEPRA)................................. 101
Service Retirement .................................................................................. 101
Disability/Industrial Disability Retirement ..................................................... 102

Beneficiary Designation (after Retirement) ..................................................... 104
Notification Of Change In Beneficiary Status................................................ 104
Qualifying For Pop-Up Benefits ................................................................. 105
Changing Beneficiary Designations & Modifying an Option and/or Life Option Beneficiary .... 105
Qualifying Events .................................................................................... 106
Dissolution of Marriage, Termination of Domestic Partnership, Legal Separation, Annullment... 106
Non-Spouse/Non-Partner Beneficiary Disclaimer ............................................. 106
Insurance Coverage for a New Spouse ......................................................... 107

Death of a Retiree .................................................................................... 108
Health Insurance ...................................................................................... 108
Warrants Issued After Retiree’s Death ........................................................... 109

Completing the Tax Withholding Election for Death Benefits...................... 110
Monthly and/or Prorated Payment Including Any Allowance Adjustments........ 110
Option One, Temporary Annuity Payments and Retired Death Benefit ............. 110

Tax and Income Reporting Information ...................................................... 111
Statement of Benefits Paid and Withholding ................................................. 111
Taxpayer Identification Number .................................................................... 111
Notice of Possible Penalties ................................................................. 111
Changing a Tax Withholding Election .................................................. 111

Refund of Member Contributions .......................................................... 112

Forfeiture of Benefits ............................................................................. 113

IRC Section 415 (B) Replacement Benefit Plan .................................... 114

The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees' Retirement Law. It is the reader's responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
The purpose of the Beneficiary Designation Form (my|CalPERS 0772) is to:

1. Provide a means for a member who is not retirement eligible and who is not eligible for the Alternate Death Benefit to designate beneficiaries other than the statutory beneficiaries provided by the retirement law. The statutory beneficiaries are listed under item C of the my|CalPERS 0772.

2. Provide a means for a member who is married or in a registered domestic partnership and is eligible to retire or who is eligible for the Alternate Death Benefit to designate beneficiaries to receive a one-time payment of the member’s community property share. The spouse/registered domestic partner, by law, is still entitled to a choice of a monthly allowance or lump sum benefit. However, the amount is limited to just their community property share if the member designates other beneficiaries on this form.

3. Change the designated beneficiaries.
   (G.C. § 21490 and 21492)

4. Designate any person or legal entity such as a college, university, corporation, trust, or estate as beneficiary
   (CCR 582 and G.C.§ 21490)

Any of the following life events will revoke the Beneficiary Designation Form (my|CalPERS 0772) (G.C. § 21492):

1. Marriage/Registration of Domestic Partnership.

2. Dissolution or annulment of marriage or termination of domestic partnership. (However, a designation filed after the initiation of dissolution of marriage, termination of partnership or annulment is NOT revoked when the dissolution, termination or annulment is finalized).

3. Birth or adoption of a child.

4. Termination of membership that results in a refund of contributions, or termination of employment that results in payment of a monthly retirement allowance.

NOTE:
Following a revoking action, lump sum benefits will be paid to the statutory beneficiaries unless a new Beneficiary Designation Form my|CalPERS 0772 has been filed. Members may designate or change beneficiaries at any time by filing a new Beneficiary Designation. (G.C. § 21492 and 21493)

SPECIAL INSTRUCTIONS
1. Changes on the form are acceptable only when they are clear and initialed by the member.

2. Complete the Beneficiary Designation Form; make a copy for your records, then mail to CalPERS at the address provided on the form.

3. After CalPERS reviews the form, a confirmation letter will be mailed to the member within about 8 weeks. If the form is not acceptable, a new form will be mailed to the member.

NOTE:
The Beneficiary Designation allows a member to designate benefits on a percentage basis if more than one beneficiary is named. The percentages must add up to 100%. If no percentage is indicated, the benefits will be paid equally to each beneficiary.

Also, there is a box the member can check to certify they are not legally married or not in a domestic partnership. If this box is checked, the Justification for Absence of Spouse’s or Domestic Partner’s Signature (my|CalPERS 0775) form, is not required.
REPORTING AN IMMINENT DEATH OR TERMINAL ILLNESS/
PPOWER OF ATTORNEY

When an employer becomes aware of an employee’s imminent death, terminal illness, or serious surgery the employer should immediately contact CalPERS by calling 888 CalPERS (or 888 225-7377).

Imminent death or terminal illness implies that the member is not expected to live more than 90 days. This also applies to cases where death may not necessarily be imminent, but competency to act in one’s own behalf may become impaired thereby jeopardizing later desired retirement action.

If a person is competent to complete the Special Power of Attorney (PERS-OSS-138) form located in the CalPERS Special Power of Attorney publication (PUB 30), the person may give his or her “attorney in fact” the power and authority to complete transactions relating to CalPERS, including filing applications, making benefit elections, designating beneficiaries, and endorsing warrants.

NOTE: Due to changes in the Probate Code, a member may now specifically authorize their attorney-in-fact to select a retirement option and name a beneficiary even if the attorney-in-fact is a spouse, registered domestic partner, or other family member.

To expedite processing, the person reporting an imminent death should provide CalPERS with the following information:

1. Member’s name, Social Security number, and birth date.
2. Probable effective retirement date.
4. Name, relationship, birth date, and sex of the person to be designated as the member’s beneficiary.
5. Address and telephone number where information can be communicated.

6. Nature and seriousness of illness, estimated life expectancy, and whether the member is presently competent.

CalPERS will then contact the parties concerned regarding the benefit options available, the filing requirements which must be satisfied, and how best to expedite the filing process.

NOTE: In order for CalPERS to carry out the desired retirement action (e.g., provide an allowance to the beneficiary), it is imperative that the member be alive on the effective date of retirement and an election filed with CalPERS prior to the member’s death (G.C. § 21503 and 21530).

The retirement application/election form can be faxed to CalPERS at (916) 795-1281 with a notation of “Emergency Retirement” in the top margin of the front page. Do not mail the original. The original should be given to the member for their records.

POWER OF ATTORNEY

For information on the CalPERS Special Power of Attorney (PUB 30), please visit our Forms & Publication Center on CalPERS On-line at www.calpers.ca.gov.

NOTE: If the member is married or in a registered domestic partnership and the member’s life expectancy is so short that there is no time to call CalPERS, then you should complete a Disability Retirement Election/Application (myCalPERS 1200) form in the document center of myCalPERS.

You cannot elect an option or name a beneficiary, but you must complete the “Survivor Continuance” section 7 to the best of your knowledge. After the completed form is signed, write “EMERGENCY” in the top margin on the first page, and then fax it to (916) 795-1281.

Keep the original for your records. Upon receipt of the fax, a CalPERS representative will contact you.
DEATH OF AN ACTIVE MEMBER

EMPLOYER NOTIFICATION TO SYSTEM
Immediately upon learning of an employee’s death, the employer should contact CalPERS at 888 CalPERS (or 888-225-7377) and provide the following information:
1. Member name, Social Security Number, and birth date,
2. Date of death, cause of death, and date of separation,
3. Name, address, and telephone number of next-of-kin,
4. The birth date and date of marriage/partnership if a spouse/registered domestic partner is next-of-kin.

CalPERS will send you a partially completed, Report of Separation for Death (PERS-BSD-738) form with the following information:
1. Employer name and CalPERS ID
2. Member name, CalPERS ID and the last four digits of the member’s Social Security Number
3. Date of death

INSTRUCTIONS FOR COMPLETION OF PERS-BSD-738
The employer should verify and, if necessary, correct any information on the form. The employer completes remainder of form as follows:

PART I — EFFECTIVE DATES
1. Separation Date – Provide the last day that the member was considered an employee of your organization. This can be the date of death, any day prior to the date of death, or the day after death.
2. Reason for Separation – If separation is not due to death, provide a brief explanation for the reason for separation.
3. Last Day on Pay Status – Provide the date that the member was last on pay status with your organization. This would be the last day the member was subject to CalPERS contributions, whether or not they were deducted from their earnings. Please explain any difference between date of separation and last day on pay status, or, if member was on leave of absence, please provide the dates of absence.
4. Time base – Provide time base. If part-time, also indicate required hours. Required hours are needed for the entire period of employment.

PART II — PAYROLL/CONTRIBUTION INFORMATION
1. Dates of pay periods (monthly, semi-monthly, bi-weekly, or quadri-weekly) for the four pay periods prior to the last day on pay status.
2. Amount of full-time pay rate.
3. Gross regular amount earned in each pay period.
4. Amount of regular retirement contributions for each pay period.
5. Amount of special compensation earnings for each pay period.
6. Amount of special compensation contributions for each pay period.
7. Under “Other” column heading, explain other than normal contributions (e.g., retroactive salary increase, etc.). For retroactive pay increases, provide the inclusive dates of the increase as well as the new pay rate, total earnings, and contributions for the period of the increase.

NOTE:
• Do not combine contributions for Special Compensation with normal contributions. Use the “special compensation” column.
• Do not deduct retirement contributions from the lump sum vacation payments.
• Do not delay submission of this form awaiting final payroll data. Estimate the last period’s payroll information and label this line “Estimate”.

PART III — UNUSED SICK LEAVE AND/OR UNUSED EDUCATIONAL LEAVE
Please indicate the total number of days of unused sick leave and educational leave credited to the member Show partial days to three decimal places.

PART IV — HEALTH AND DENTAL INSURANCE
Complete only if the member had health and dental insurance coverage under the Public Employees’ Medical and Hospital Care Act. A request for change in health benefits coverage based upon change in family status (death) may be made by an enrolled surviving family member who continues to receive an allowance.
PART V — SIGNATURE
Have this form signed by an authorized officer; enter title, phone number, extension and date. Fax completed form PERS-BSD-738 to CalPERS immediately at (916) 795-3988.

NOTIFICATION BY OTHER THAN EMPLOYER
When CalPERS is informed of an employee’s death by someone other than the employer, the System will also initiate the PERS-BSD-738 form, partially filled in, and forward to the employer. The employer completes the balance of the form per instructions found on page 2 of the form.

CONTINUATION OF HEALTH BENEFITS
AB-1639 (G.C. section 19849.15) Overview (Does Not Apply to CSU Employees)

Assembly Bill 1639 was passed into law on October 10, 1999, for survivors of State members. This bill was created to prevent the lapse of health coverage between the member’s death and the determination of the survivors’ health benefits eligibility and monthly allowance. The deceased member’s employer must pay the total amount of the premiums for 120 days for eligible survivors; however, the employer may elect to bill survivors for the survivors’ share of the premiums.

Procedures
1. Employer reports the member’s death to CalPERS.
2. Employer completes a Direct Payment Authorization (HBD-21) form using the survivors’ (e.g. spouse or domestic partner; if no spouse or domestic partner, use the information of the youngest survivor) Social Security number and demographic information.
3. Employer enters the Direct Pay enrollment for health benefits only in myCalPERS.
4. Employer sends the completed HBD-21 and 120-day premium check directly to the health plan carrier.
5. Employer bills the spouse or other eligible family member(s) for the employee’s share of the cost.
6. Employer completes the same steps for dental and vision benefits.

HBD-21 Instructions for AB 1639
Employers must complete and submit the following sections of the HBD-21 to the survivor’s health plan for enrollment.

Part A
Employee Information
1. Survivor’s Social Security number
2. Survivor’s full name
3. Survivor’s home phone number
4. Survivor’s home address

Part B
Carrier and Premium
5a. Survivor’s health plan’s name and address
5b. Health plan 4 digit code (e.g., Kaiser 0562)
6a. Gross premium for 120 days of health coverage (4 months)
6b. Do not complete
6c. Do not complete
6d. No signature required
6e. No date required

Part C
Reason for Direct Pay
Always use box 14 (other) and write in the explanation box AB 1639 survivor coverage for 120 days. Leave all other boxes blank.

Part D
Agency Information
15a. Name, address and contact number of the deceased member’s employer
15b. Do not complete
16. Start and end dates of the survivor coverage under AB 1639 (4 month period beginning the first of the month following the member’s death and ending the last day of the 4 month coverage)
17. Do not complete
18. Health Benefit Officer’s signature
19. Date the HBD-21 was completed
20. Employer’s telephone number
When CalPERS is notified of an active employee’s death, a letter (which may not provide an estimate of the benefits payable) and the publication *Pre-Retirement Survivor Benefits* (PUB-55) will be sent to the next of kin. The booklet explains the benefits which may be payable and provides an Application for Active Member/Non-Member Survivor Benefits (myCalPERS 0675).

If an estimate is not provided, or if only lump sum benefits are payable, the myCalPERS 0675 may serve as the claim form if completed by the designated or statutory beneficiary. If there is a choice of monthly or lump sum benefit an election must be made on the myCalPERS 0675. If the information provided in the initial myCalPERS 0675, along with any designation on file, indicates the proper beneficiary remains to be contacted, a claim form will be sent to the proper beneficiary. Payment of death benefits will be as soon as possible after receipt of the claim form and any other documents required (e.g., marriage, birth, or death certificates). (G.C. § 21498 and 21499)

To determine the beneficiary (ies), CalPERS will check the system for a valid beneficiary designation, filed either by - *Beneficiary Designation Form* myCalPERS 0772 (See Beneficiary Designation Form section for more information) or completed online through myCalPERS. If a valid beneficiary designation has been filed and if the member was eligible for retirement, or if the Alternate Death Benefit is payable, the allowance payable to the surviving spouse will be reduced and the beneficiary (ies) designated will receive a one-time payment of the employee’s community property share. If the beneficiary designation is no longer valid or has not been filed, death benefits will normally be paid to the statutory beneficiary as follows:

I. If the member was eligible for retirement or if the Alternate Death Benefit is payable on the date of death (G.C. § 21493):
   a) Member’s surviving spouse or registered domestic partner if married/registered for at least one year prior to the onset of the illness or injury that caused the member’s death,
   b) Unmarried minor child(ren)

II. If the member was not eligible for a monthly allowance (G.C. § 21493):
   a) Member’s registered domestic partner or surviving spouse (whether or not still living together at the time of death); or, if none,
   b) Natural and adopted children, including (in limited circumstances) a natural child adopted by another, share and share alike; or, if none,
   c) Parents, share and share alike; or, if none,
   d) Brothers and sisters, share and share alike; or, if none,
   e) Member’s estate (if probated, or subject to probate); or, if not,
   f) Member’s trust, if one exists; or, if not,
   g) Stepchildren, share and share alike; or, if none,
   h) Grandchildren, including step-grandchildren, share and share alike; or, if none,
   i) Nieces and nephews, share and share alike; or, if none,
   j) Great-grandchildren, share and share alike; or, if none,
   k) Cousins, share and share alike.

*Any of the following events will, by law, revoke the beneficiary designation (G.C. § 21492):
   a) Marriage or registration of domestic partnership.
   b) Dissolution or annulment of marriage or termination of partnership if initiated after the designation was filed.
   c) Birth or adoption of a child.
   d) Termination of membership that results in a refund of contributions, or termination of employment that results in payment of a monthly retirement allowance.
Information for Family of Deceased

Following the member’s death, a spouse or registered domestic partner may request a
Disclaimer of Benefits (BAS-140) form if he/she does not wish to receive their community
property interest in the death benefits. If the
Disclaimer of Benefits (BAS-140) form is
completed, then the entire Basic Death Benefit
may be paid to the designated beneficiary (ies)
unless the member is survived by a minor child
who would become the statutory beneficiary
entitled to a monthly allowance.

NOTE:
Original documents (death certificate, marriage
certificate, etc.) should NOT be sent to
CalPERS. Only clear photocopies of these
documents should be submitted. To expedite the
death benefit payment process, ensure that the
deceased member’s Social Security Number
appears in the top right corner of each
photocopy so that the documents are associated
with the correct file.
**STEP-BY-STEP INSTRUCTIONS**

For step-by-step instructions on completing the forms used to process a Service Retirement, please refer to *A Guide to Completing Your CalPERS Service Retirement Election Application* (PUB 43) or visit the Forms & Publications Directory on the CalPERS Website.

**REQUEST FOR ESTIMATES OR COUNSELING**

Members may wish to receive an estimate of their CalPERS retirement allowance. There are several important things members should know about CalPERS retirement estimates:

1. Members may receive immediate estimates by using the CalPERS On-Line Retirement Estimate Calculators, available on the CalPERS Website, [www.calpers.ca.gov](http://www.calpers.ca.gov). Using the online Retirement Estimate Calculator allows members the flexibility to calculate an estimate using assumptions or projections anticipated by or known to the member, allowing them to determine the best retirement date based on these anticipated changes or projections. This is also the recommended service for members seeking retirement estimates greater than one year in the future. Please note that CalPERS-generated estimates do not project future salary increases, changes in time base, or unreported special compensation.

2. CalPERS generated retirement estimates are processed by the Benefit Services Division. These estimates use the payroll reported by the employer. However, actual final compensation may be different after payroll reconciliation and review, and will be based on compensation allowable by law. Members who are within one year of their expected retirement date may request a CalPERS generated Retirement Estimate if they download, complete, and mail the *Retirement Allowance Estimate Request* form to CalPERS at the address located at the bottom of the form. Members within one year of retirement may request two CalPERS generated estimate requests in a 12-month period. Alternatively, a request form can be mailed to you by calling CalPERS at 888 CalPERS (or 888-225-7377).

3. All information on the Retirement Allowance Estimate Request form must be completed before an estimate can be processed. **Important:** Please be sure the address and CalPERS ID and/or Social Security number are legible.

4. Retirement benefit estimates will be mailed to the address on file within 30 days of receipt of the request by CalPERS. If the address indicated on the estimate request form does not match the address on file, the estimate request will be rejected.

Address changes for an active employee must be submitted by the employer. An inactive employee will be mailed an address change form to submit back to CalPERS.

5. A request for an estimate is **NOT** an application for retirement. A *Service Retirement Election Application* (myCalPERS 1206) or *Disability Retirement Election Application* (myCalPERS 1200) must be submitted to apply for retirement. An application for retirement may not be used to request an estimate. If the member plans to retire in the near future, the employer should provide the member with the CalPERS brochure *Planning Your Service Retirement* (PUB 1) and the *CalPERS State Miscellaneous and Industrial Benefits Booklet* (PUB 6) or the *CalPERS State Safety Booklet* (PUB 7). These publications provide additional benefits to consider in preparing for retirement.

6. Members are encouraged to take a CalPERS retirement planning class prior to submitting their application for retirement. CalPERS offers classes designed to educate and inform CalPERS members at any stage of their careers. Members are encouraged to take these classes throughout their careers to ensure they understand their benefits and to prepare for retirement. These classes are available both online and in a classroom with an instructor. Visit the [CalPERS Education Center](http://www.calpers.ca.gov) on our
website www.calpers.ca.gov for more information. Members can log into their own myCalPERS account to view the latest schedules and enroll, or call our toll free number 888 CalPERS (or 888-225-7377).

**WHEN TO APPLY**

An application for retirement should be forwarded to the Benefit Services Division not more than 90 days prior to the desired effective date.

**NOTE:**

A disability retirement application should be submitted as soon as a medical condition becomes disabling and prior to the expiration of benefits to ensure the member is eligible for the earliest effective date possible.

This advance notice permits CalPERS to make calculations and begin payments on a timely basis. Members should be advised of this and encouraged to mail their applications to:

CalPERS
Benefit Services Division
P.O. Box 942711
Sacramento, CA 94229-2711

**ADDITIONAL NOTES FOR SUBMITTING FORMS**

If the application is submitted by FAX to the Benefits Services Division, DO NOT send the original hard copy application.

DO NOT submit any original Certificates (Marriage, Birth, Death, etc.). Send only photocopies of important documents, as CalPERS cannot return original documents. Each page should have the member’s Social Security Number or CalPERS ID for identification.

If the application was received within nine months after discontinuance of employment, or, in the case of retirement for disability, if the member was physically or mentally incapacitated to perform his or her duties within nine months from the date the member discontinued state service, the effective date of retirement will be the day following the last day of payroll. (G.C. § 21252)

In the case of an application for retirement filed with the Board more than nine months after discontinuance of the member’s state service, the effective date shall be the first of the month in which the member’s application was received at an office of the Board or by an employee of this system designated by the Board. (G. C. § 21252)

**WHO MAY APPLY**

**SERVICE RETIREMENT**

A 1st-Tier State member who has reached age 50 and has earned at least five years of credited service may submit an application for retirement. (G.C. § 21060) A State Miscellaneous and Industrial member with a membership date on or after January 1, 2013 must be age 52 (G.C. § 7522.20). A 2nd-Tier member who has reached age 55 and has earned at least ten years of credited service may submit an application for retirement (G.C. § 21074 and 21093(a)).

The application must be submitted by the member and show a definite retirement date. It is the employee’s responsibility, not the employer’s, to see that the retirement application is sent to CalPERS.

A member who is employed on a permanent part-time basis and has worked at least five calendar years for 1st-Tier or ten years for 2nd-Tier may be eligible to retire with less than five or ten years of credited service. The retirement benefit the member will receive will be based on their actual service credit amount. (G.C. § 20962 and 20970)

**DISABILITY OR INDUSTRIAL DISABILITY RETIREMENT**

Please refer to the instructions found under “Disability Retirement or Industrial Disability Retirement” in this section of the handbook.

**REQUESTING ADDITIONAL SERVICE CREDIT**

All requests for service credit cost information must be received prior to the member’s effective retirement date. The retirement date can be no earlier than the day following receipt of the
request by CalPERS. Therefore, it is important that the member request any additional service credit information well in advance of their retirement to avoid possible delays in the retirement date.

**A Guide to Your CalPERS Service Credit Purchase Options** (PUB 12) can be downloaded from the CalPERS Website at www.calpers.ca.gov or requested by employers from the CalPERS Central Supply Section by submitting an email request to:  
mailto:Public_Agency_Requests@calpers.ca.gov

Service credit requests and questions should be directed to:

CalPERS  
Customer Account Services Division  
P.O. Box 942704  
Sacramento, CA 94229-2704

For more information contact CalPERS at 888 CalPERS (or 888-225-7377) or visit the CalPERS Website at www.calpers.ca.gov.

**FINAL COMPENSATION**

The final compensation in the calculation of a state employee’s retirement benefit is either 12 or 36 months, depending on the employee’s membership date and employer’s contract.

Recently, new legislation and labor contracts provide retirement contribution increases for employees in certain bargaining units, and changes to the retirement benefits and final compensation period for new employees who have no prior State employment.

It is now essential to pay particular attention to the date the employee was first hired by the State and their bargaining unit or affiliation to ensure contributions paid into this System are correct. Failure to properly report your employees impacts the timeliness and accuracy of benefits paid and could result in a financial hardship for your employees when errors are ultimately discovered and corrected as required by law.

Any questions about bargaining unit agreements should be directed to the California Department of Human Resources (CalHR). Additional information can be found on their website at www.calhr.ca.gov under Policy Memos.

For more information, refer to California Public Employees’ Retirement Law (PERL), G.C. sections 20037–20037.15.

**CANCELLATION OF RETIREMENT APPLICATION**

If a member desires to cancel the service retirement application or defer retirement to a later date, the member must request to do so within 30 days of receiving the first retirement benefit payment. For cancellation of disability retirement, refer to the instructions found under the “Disability or Industrial Disability Retirement” section. A cancellation is binding; the member must thereafter re-apply whenever the member is ready to retire.

1. Once 30 days after the first retirement payment has been issued (regardless of whether the check is cashed), the member will not be allowed to cancel the retirement.

2. A member may request a refund of accumulated contributions in writing in lieu of retirement prior to the issuance of the first retirement payment. (G.C. § 20730)
SERVICE RETIREMENT

MINIMUM REQUIREMENTS FOR SERVICE RETIREMENT

A member shall be retired for service upon written application if the member has reached the minimum retirement age and has earned at least five years of credited service under 1st-Tier or ten years under 2nd-Tier. Minimum retirement age is 50 for 1st-Tier retirement plan. (G.C. § 21060(a)) State Miscellaneous and Industrial members with a membership date on or after January 1, 2013 must be age 52. (G.C. § 7522.20) The minimum retirement age is 55 for 2nd-Tier retirement plan. (G.C. § 21076, 21076.5, and 21093) A member with credited service under both 1st-Tier and 2nd-Tier should contact CalPERS for exceptions to the 2nd-Tier minimum age and service requirement.

A member who is employed on a permanent part-time basis and has worked at least five calendar years may be eligible to retire with less than five years of credited service. Full-time employees must work 10 months of full-time employment or 1,720 hours to equal one year of CalPERS service credit. The retirement benefit the member will receive will be based on their actual service credit amount. (G.C. 20962 and 20970)

SERVICE RETIREMENT PROCESSING — DOCUMENT SEQUENCE

1. Service Retirement Election Application (my|CalPERS 1206) is received in the System from the member. Please note that if the member is married but is not able to obtain the spouse’s signature on the Service Retirement Election Application form, they must complete a Justification for Absence of Spouse’s Signature (my|CalPERS 0775). (G.C. § 21261)

   The application package includes information regarding required marriage and birth date evidence. (G.C. § 20128) Do not submit any original certificates. Send only photocopies of important documents; CalPERS cannot return original documents. Each page of all documents submitted to CalPERS should include the member’s Social Security Number or CalPERS ID in the upper right hand corner for identification.

   The Direct Deposit Authorization (my|CalPERS 1288) form can also be submitted with the election application form. (G.C. § 21296)

2. Sick Leave/Education Leave Employers must certify the separation information by submitting it and any updates online using my|CalPERS. (C.C.R. § 565.1 (a)) Separation information includes the employee’s permanent separation date and any unused sick leave or educational leave balances. If the information is submitted prior to CalPERS processing the member application the additional service credit will be included in the member’s initial retirement benefit. Otherwise the member’s account will be adjusted after the information is submitted.

   It is imperative that you report a permanent separation when an employee retires or otherwise ends employment with your agency regardless of the reason. (G.C. § 20221 (a)) All transactions within my|CalPERS, including health and retirement, rely on the permanent separation date to be reported to determine proper benefit eligibility and cost for both the employer and the member.

   To receive sick leave credit or educational leave credit, the member’s retirement date must be within 120 days from the date of separation from the employer granting the sick leave or educational leave. Educational leave shall ONLY apply to eligible State members in bargaining units that have agreed to the benefit in a memorandum of understanding through collective bargaining. (G.C. § 20963 and 20965)

   NOTE: Sick leave/educational leave information must be reported in 8 hour days only. Employers can take whatever in-house procedures they desire to ensure appropriate sick leave/educational leave days are reported. For instance, the employee’s sick leave/educational leave can be taken off the books the day the certification is completed.

   The Personnel Information Management System (PIMS) is still used to report credit for unused sick leave/educational leave. If your agency needs to correct the reported amounts, you should correct the permanent separation event
on the appointment in my|CalPERS which will allow you to update the sick leave/educational leave amounts to the correct number and the member’s account will be adjusted.

**CONVERSION OF SICK LEAVE/EDUCATIONAL LEAVE CREDITS FOR EMPLOYEES WORKING EIGHT HOURS PER DAY**

All employees, regardless of their work schedule (6.6 hours, 10/4/40, 9/8/80, 52 hour, etc.) will have any accumulated unused hours of sick leave service credit/educational leave divided by **eight** to determine the number of days to report to CalPERS for the purposes of enhancing the retirement benefit.

Sick leave is converted to service credit by: days of reported sick leave X .004 = service credit. (G.C. § 20963) Example: 35 days X .004 equals .140 years of service credit.

**NOTE:**
The accrual of sick leave/educational leave credits must be consistent for members of the same group or class who work like or similar hours. (G.C. § 20630) Service credit, which was not earned through the “accrual of sick leave/educational leave” policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave/educational leave for which a member receives compensation, (sick leave/educational leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit. (G.C. § 20963 and 20965)

3. **A Retirement Acknowledgment Letter to Participant (my|CalPERS 0964)** is sent to the member within 5-10 days of receipt of the **Service Retirement Election Application** (my|CalPERS 1206) in our Sacramento Headquarters office letting them know we have begun processing the request. If the member does not receive an acknowledgment letter within 10 days they should contact CalPERS immediately.

4. **First Payment Acknowledgement Letter** (my|CalPERS 0924) will be sent to the member prior to receipt of the first retirement check. This letter will provide the date of the first retirement check, the amount the member can expect to receive, and important income tax information. The member should keep these letters along with other CalPERS documents and review the information immediately to ensure it is correct.

**NOTE:**
The member must notify CalPERS within 30 days of the issuance of their first benefit payment if any changes need to be made in their benefit option election, beneficiary, or retirement date.

5. **Account Detail Information Sheet** is attached to the my|CalPERS 0924, which explains the data used to calculate the member’s retirement allowance.

6. **First Acknowledgment Letter for Employers**

   **Notice of Placement on Retirement Roll**
   (my|CalPERS 0926) is sent to the employer after the employee is placed on the retirement roll. The my|CalPERS 0926 provides the employer with the number of sick leave days that were included in the employee’s retirement calculation.

**NOTE:**
The my|CalPERS 0926 is mailed to the employer prior to the issuance of the member’s first retirement check, but usually after the member’s separation date.

For future employment of the retiree, please refer to the section on “Employment of a Retiree” and the section on “Reinstatement from Retirement”.
DEDUCTIONS AFTER RETIREMENT

HEALTH INSURANCE (C.C.R. § 559.501 (d)(e))
Health eligibility continues for a retiree of the CalPERS Health Program under the following conditions:

- The retiree was eligible for CalPERS health enrollment upon permanent separation of employment;
- The retiree receives a monthly retirement allowance from CalPERS; and
- The effective date of retirement is within no more than one full pay period following the effective date of permanent separation of employment.

If the retiree meets all of the above conditions but the effective date of retirement is greater than one full pay period up to 120 calendar days following the effective date of permanent separation, the retiree must submit a request to CalPERS for enrollment. The effective date of coverage will be the first of the month following the date the request is received by CalPERS.

NOTE:
If the retirement effective date is greater than 120 calendar days following the effective date of permanent separation, the retiree will not be eligible to elect enrollment in the CalPERS Health Program.

It is not necessary to have the member’s signature on the form; it can be signed as an “Administrative Doc.” The STD-692 needs to be completed using the retired plan codes, not active. Please list in the “Remarks Section,” the member’s separation date and retirement effective date.

VISION CARE (C.C.R. § 559.501 (d)(e))
The State-sponsored vision plan is available to state annuitants. A member must be eligible for the vision care plan on the date of separation from employment and must retire within 120 days of separation. For additional information contact your personnel office or the California Department of Human Resources at (916) 322-0300.

NOTE:
Most deductions will stop at retirement and will need to be re-established (with the exception of health, dental, and some union memberships).

DENTAL INSURANCE (C.C.R. § 559.501 (d)(e))
A member must be enrolled in or eligible for a state dental plan on their date of separation from employment and retire within 120 days of separation. For questions on eligibility, please refer to the CalHR Procedures Manual.

CalPERS sends a Notice of Placement on Retirement Roll (myCalPERS 0926) to notify you when a member is placed on the retirement roll.

A Dental Plan Enrollment Authorization (STD-692) must be completed and sent to CalPERS in order to enroll a member in retired coverage.

DIRECT AUTHORIZATIONS
(G.C. § 21264 and 21265)

Direct authorization deductions for union dues, life insurance, credit union payments or shares, or charitable organizations may be established provided that:

1. The organization has contracted with CalPERS to provide this service (members must contact the organization for this information);
2. The member authorizes to have money deducted through the organization;
3. The organization submits the authorization directly to CalPERS; and
4. Authorized deductions are stopped or changed upon receipt of written authorization from the organization.

CalPERS’ function is limited to the mechanics of deducting and determining what deduction authorization is proper. Inquiries concerning these types of “other deductions,” should be directed to the organization.
**Income Tax Withholding**

Federal and California State income tax deductions will be withheld from monthly or lump sum benefit payments unless the retiree specifically elects no tax withholding. Federal (W4P), and California State (DE4P) tax withholding forms must be completed to elect either a specific dollar amount of withholding, a withholding based on tax tables, or specifically elect no tax withholding. If the election form is not filed with CalPERS, automatic withholding begins based on a married person with three (3) exemptions. Any questions retirees have concerning the taxability of their allowance should be directed to the Internal Revenue Service or California State Franchise Tax Board.

**Payments for Purchasing Service Credit**

A member who previously elected to purchase public service credit, redeposit contributions for service credit, or has arrears contributions, may elect upon retirement to continue any payments due into retirement. In such cases, service credit will be included in the retirement calculation and a monthly payment will be taken from the member’s retirement allowance. Any balance still unpaid upon the member’s death shall be deducted from death benefits otherwise payable. A retired member’s survivor entitled to a monthly survivor allowance may elect to continue such deductions from the monthly allowance in lieu of the lump sum payment otherwise required. The following criteria must be adhered to:

1. No installment payments (deductions) are permitted unless an election has been made prior to retirement.

2. Death benefits against which unpaid balances may be deducted include the lump sum benefit, survivor continuance benefits, and payments under all optional settlements.

**Social Security Instructions**

Members having Social Security coverage, integrated with System coverage, should contact their local federal Social Security Office about three months before their retirement. Reference material needed by the Social Security Office will be: Social Security number, name of the employer, and documentary proof of birth.

**Temporary Annuity Payments**

Members who are retiring for service can elect to receive an additional monthly allowance from CalPERS.

For members entering CalPERS membership prior to January 1, 2002, the benefit is payable from retirement date to a specific age that the member selects, 59½ or any whole age from 60 to 68. The member can name the dollar amount they wish to receive within certain limitations. (G.C.§ 21461)

For members entering CalPERS membership on or after January 1, 2002, their employment must be in a position covered by Social Security and the maximum dollar amount that can be received is the amount of their potential Social Security benefit. They must elect to receive temporary annuity payments until any whole age from 62 to 70. (G.C.§ 21461.5)

This benefit is NOT free. The member’s CalPERS lifetime allowance is permanently reduced to pay for the temporary annuity.

The Temporary Annuity publication (PUB 13) can be downloaded and member questions on the program can be directed to the CalPERS Website at [www.calpers.ca.gov](http://www.calpers.ca.gov), or by calling CalPERS at 888 CalPERS (or 888-225-7377).
**DISABILITY RETIREMENT OR INDUSTRIAL DISABILITY RETIREMENT**

You should maintain a supply of *A Guide to Completing Your CalPERS Disability Retirement Election Application* (PUB 35), which includes the disability retirement application, forms to be completed with step-by-step instructions and important information regarding disability and industrial disability retirement.

Please familiarize yourself with the information in the publication to provide assistance to your employees. CalPERS strongly recommends that members complete and mail the **Retirement Allowance Estimate Request** form prior to completing the **Disability Retirement Election Application** (myCalPERS 1200).

**DISABILITY RETIREMENT**

Retirement for disability, available to all members (Miscellaneous, Industrial, Safety classifications) credited with at least five years of service credit for 1st-Tier and at least 10 years of service credit if 2nd-Tier, is retirement resulting from mental or physical incapacity for the performance of the usual duties. The injury or disease causing the incapacity need not be job-related. (G.C.§ 20026, 20027, and 21150)

**INDUSTRIAL DISABILITY RETIREMENT**

Retirement for industrial disability, available to all Safety members and those Miscellaneous and Industrial members covered under G.C. section 21151, is retirement resulting from mental or physical incapacity for the performance of the usual duties. The disabling injury or disease must be work-incurred or job-related. Age, service, and contributions are not considered for qualifying purposes. (G.C. § 20026, 20027, and 21151)

Generally, the industrial disability retirement allowance of a member under age 50 will be 50% of final compensation.

**PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA)**

The Public Employees’ Pension Reform Act of 2013 (PEPRA) allows a calculation for a safety member under age 50 who qualifies for an industrial disability retirement that may result in a higher benefit than 50% of salary. These provisions remain in effect only until January 1, 2018, after which, the new industrial disability retirement provisions will not apply unless the date is extended by statute.

A safety member who retires on or after January 1, 2013 for industrial disability shall receive an industrial disability retirement benefit equal to the greater of the following:

- 50% of final compensation (or more by additional contract provisions). An additional annuity may be payable if the member has contributions associated to non-safety service.
- A service retirement allowance, if qualified for service retirement.
- If under age 50, an actuarially reduced benefit factor (determined by the retirement formula and how many quarter years under age 50) multiplied by the number of years of service credit. (G.C.§ 21400)

**WHEN TO APPLY**

The application for disability retirement shall be made only (G.C. § 21154):

1. While a member is in state service, or
2. For a member, whose contributions will be made under G.C. section 20997, and is absent on military service, or
3. Within four months after the discontinuance of the state service of the member, or while on an approved leave of absence, or
4. While the member is physically or mentally incapacitated to perform their duties from the date of discontinuance of state service to the time of application or motion.

As soon as it is believed the member is unable to perform the job because of an illness or injury, which is expected to be permanent, or last longer than six months, the member or someone on the member’s behalf, should submit an application for disability.
retirement. The medical condition does not have to be “permanent and stationary” under Workers’ Compensation to submit the application. (G.C. § 21153 and 21252)

EMERGENCY RETIREMENT
CalPERS can expedite retirement processing for members who are facing a terminal illness. If this is the case, CalPERS should be contacted immediately to discuss an emergency retirement. We will make every effort possible to quickly obtain the necessary information and complete our processing. However, for any post-retirement death benefits to be paid, the member must be living on the effective date of retirement. Please refer to the beginning of this chapter for more information. (G.C. § 21153, 21252, and 21503 (d))

WHO CAN APPLY
Application for disability or industrial disability retirement may be made by the member, by a duly authorized official of the employing agency, or any person on behalf of the member. “Duly authorized official” referred to above, is defined in G.C. section 21152 (a)(b)(c).

G.C. section 21153 provides that the employer may not separate a member because of disability who is otherwise eligible to retire for disability. The employer must apply for the disability retirement of such a member unless the member waives the right to retire for disability and elects to either withdraw their contributions or leave them on deposit for a future service retirement.

EMPLOYER ORIGINATED APPLICATION
When an employer is submitting the Disability Retirement Election Application (myCalPERS 1200) on the member’s behalf, the following sections must be completed:

Section 1 - Member Information
Section 2 - Retirement Information - Complete only the employer name and member’s position title. The retirement date is not required.
Section 3 - Disability Information
Section 8 – Workers’ Compensation Information
Section 12 - Employer Originated Application - Signature must be made by the Duly Authorized Official on file with CalPERS or processing will be delayed.

What to Submit with Application —
The following documentation should be submitted with the application the employer files on behalf of the member:

- Job Duty Statement (preferably Job Analysis)
- Physical Requirements of Position/Occupational Title form
- Personnel Records
- Adverse Actions
- SPB Decisions
- Investigation Reports
- Medical information to support application (e.g., Fitness for Duty reports, Doctor Notes, etc.)

NOTE:
Only an employer can cancel an Employer Originated Application. Employers have the right to appeal a CalPERS disability determination.

APPLICATION PROCESS
The member or individual applying on the member’s behalf, other than the employer, is responsible for forwarding all forms to the appropriate party(ies) for completion. (See the “Employer Originated Application” section later in this chapter of this guide for further information).

Estimate — The member’s first step should be to request a Retirement Estimate online at the CalPERS Website, or download, complete and submit the Retirement Allowance Estimate Request (myCalPERS 1211) form also available online. Alternatively, a request can be made by calling CalPERS at 888 CalPERS (or 888-225-7377). Disability estimates are not available using the online Estimate Calculator.

Complete Package — In order for CalPERS to process a request for disability retirement, a complete package must be received within 21 calendar days. If a complete package is not received within this time frame, CalPERS will cancel the member’s application. A complete package consists of:
A completed Disability Retirement Election Application (myCalPERS 1200).

A completed Authorization to Disclose Protected Health Information (myCalPERS 1203) signed by the member.

A completed Physician’s Report on Disability (myCalPERS 1204) from a physician who specializes in the member’s disabling condition. The physician must provide a diagnosis on the member’s condition and include information about how it prevents the member from performing their job duties (an incomplete form will delay the review process).

An Employer Information for Disability Retirement (myCalPERS 1201) form with the job description attached. This form must be used as a cover sheet for the job description and any other documents the employer submits to CalPERS.

NOTE: Submission of the job description should not be delayed for the completion of the Report of Separation & Advance Payroll Information (myCalPERS 1205) form. Employers should return the (myCalPERS 1205) form as soon as information is available.

A completed Physical Requirements of Position/Occupation Title (myCalPERS 0700) form providing detailed information on the specific physical requirements of the member’s position or occupational title.

A completed Workers’ Compensation Carrier Request (PERS-BSD-92) form from the insurance carrier, if the member has a job-related injury, with medical records attached related to the claimed disability.

All the required forms needed are included in A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35). The member should read the entire publication prior to completing any forms so the information submitted is complete and accurate. This will assist CalPERS in making a determination in a timely manner.

NOTE: It is the member’s responsibility to follow up with the employer, workers' compensation carrier, and treating physician(s) to ensure the requested information is submitted to CalPERS. If the required information is not received within 21 calendar days of application submission, the application will be cancelled.

Application — When the member submits the Disability Retirement Election Application (myCalPERS 1200), the following sections must be completed:

Sections 1 - 8 and 10 & 11 - Completed by the member or by someone on the member’s behalf.

Section 2 - Member does not need to designate a retirement date to begin the process unless requesting service pending disability or industrial disability retirement.

Section 5 - Member must select an option, and to make an informed decision, they must first request an estimate.

Section 11 - Member’s signature must be witnessed by a CalPERS representative or be notarized.

SICK LEAVE/EDUCATION LEAVE

Employers must certify the separation information by submitting it and any updates online using myCalPERS. Separation information includes the employee’s permanent separation date and any unused sick leave or educational leave balances. If the information is submitted prior to CalPERS processing the member application the additional service credit will be included in the member’s initial retirement benefit. Otherwise the member’s account will be adjusted after the information is submitted.

It is imperative that you report a permanent separation when an employee retires or otherwise ends employment with your agency, regardless of the reason. All transactions within myCalPERS, including health and retirement, rely on the permanent separation date to be reported to determine proper benefit eligibility and cost for both the employer and the member.

To receive sick leave credit or educational leave credit, the member’s retirement date must be within 120 days from the date of separation from the employer granting the sick leave or educational
leave. Educational leave shall ONLY apply to eligible State members in bargaining units that have agreed to the benefit in a memorandum of understanding through collective bargaining.

**NOTE:**
Sick leave/educational leave information must be reported in 8 hour days only. Employers can take whatever in-house procedures they desire to ensure appropriate sick leave/educational leave days are reported. For instance, the employee’s sick leave/educational leave can be taken off the books the day the certification is completed.

The Personnel Information Management System (PIMS) is still used to report credit for unused sick leave/educational leave. If your agency needs to correct the reported amounts, you should correct the permanent separation event on the appointment in myCalPERS which will allow you to update the sick leave/educational leave amounts to the correct number and the member’s account will be adjusted.

**CONVERSION OF SICK LEAVE/EDUCATIONAL LEAVE CREDITS FOR EMPLOYEES WORKING EIGHT HOURS PER DAY**

All employees, regardless of their work schedule (6.6 hours, 10/4/40, 9/8/80, 52 hour, etc.) will have any accumulated unused hours of sick leave service credit/educational leave divided by **eight** to determine the number of days to report to CalPERS for the purposes of enhancing the retirement benefit.

Sick leave is converted to service credit by: days of reported sick leave X .004 = service credit. Example: 35 days X .004 equals .140 years of service credit.

**NOTE:**
The accrual of sick leave/educational leave credits must be consistent for members of the same group or class who work like or similar hours. Service credit, which was not earned through the “accrual of sick leave/educational leave” policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave/educational leave for which a member receives compensation, (sick leave/educational leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit.

**Determination** — The disability decision is based upon competent medical opinion; and all medical and vocational information provided by the member, employer, and workers’ compensation carrier is considered in the determination. The determination is based on actual/present disability, not prospective inability to perform the job duties. (G.C. §§ 21156 and 21158) In the event the medical information supplied to CalPERS is insufficient to make a determination, CalPERS may arrange an Independent Medical Examination (IME).

If the member is found to be disabled due to a mental disorder, a valid Power of Attorney may be required before benefits are payable. For Power of Attorney instructions, please refer to the booklet *Power of Attorney* (PUB 30).

**NOTE:**
If the member is currently enrolled in the CalPERS health plan and becomes employed in another job pending the determination of disability retirement benefits, eligibility for CalPERS health benefits may be affected after retirement. (C.C.R. §§ 599.502 and 599.504)

**Cancellation of Application** — If a member desires to cancel the disability retirement application, other than an employer originated application, the request must be made in writing to be valid. The member’s signature is required. A cancellation is binding; the member must thereafter re-apply whenever they are ready to retire. If the disability retirement has been approved, please refer to the “Member Alternatives Following Disability Determination” section for more information.
Cancellation requests can be mailed to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796

TEMPORARY DISABILITY ALLOWANCE (TDA) — An employer is required to pay the employee a Temporary Disability Allowance (TDA), provided all of the following conditions have been met:

- The employee has exhausted their leave credits; and
- The employee is placed on involuntary leave status; and
- The employer is applying for disability or industrial disability retirement on the employee’s behalf.

To determine the amount of the TDA, submit a Disability Estimate Request (PERS-MSD-1) form. The request should be completed in full and mailed or faxed to:

CalPERS
Benefit Services Division
PO Box 94271
Sacramento, CA 94229-2715
Fax: (916) 795-0701

The request form must include the last day on pay status. The recommended retirement date to use on the application is the first of the month the application will be sent to CalPERS.

If the disability retirement is approved, CalPERS will reimburse the employer the amount of TDA that was paid to the member from the retroactive portion of the retirement allowance. If the amount of TDA exceeds the retroactive amount, the employer will be reimbursed from the member’s monthly retirement allowance at the rate of 10% until the reimbursement is satisfied. If the disability retirement is denied, the employer is responsible for paying the member the difference between the TDA and the employee’s salary. The member also receives leave credits for the time they were on TDA.

For additional information regarding TDA, please refer to CalHR’s Personnel Management Liaison (PML) memo 2002-005.

Member Alternatives Following the Determination

When the member has been found to be “disabled,” the member will be notified of the finding and advised that they must be retired immediately. The member cannot cancel the application for disability retirement after disability has been determined. However:

1. If the member is also eligible and applies to retire for service (prior to the effective date of retirement for disability or within 30 days of notification of disability approval), the member may be retired for service. (G.C. § 21156 (a)(b))

2. The member may also elect to separate from employment and accept a refund of accumulated contributions in lieu of all future rights and benefits under this System. (G.C. § 21172)

3. The member may appeal the approval determination directly to CalPERS.

When the member has been found to be “not disabled” and the application is denied, the member will be notified of the finding and provided the opportunity to appeal the decision. (C.C.R. § 555 and 555.1-555.4)

NOTE:
All appeals must be submitted in writing directly to CalPERS within 30 days from the date of the notification letter.

Appeals may be mailed to:

CalPERS
PO Box 2796
Sacramento, CA 95812-2796

CalPERS is subject to the Administrative Procedures Act (APA). Therefore, in case of an appeal to the determination, the dispute must be heard by an administrative law judge of the State Office of Administrative Hearings.

The APA is set forth in the Government Code and the statutes describe the requirements and methods for conducting an administrative hearing.

Retirement Effective Date

If the application was received within nine months after discontinuance of employment, or,
in the case of retirement for disability, if the member was physically or mentally incapacitated to perform their duties within nine months from the date the member discontinued state service, the effective date of retirement will be the day following the last day of payroll.

In the case of an application for retirement filed with the Board of Administration more than nine months after discontinuance of the member’s state service, the effective date shall be the first of the month in which the application was received. (G.C.§ 21252)

If a member has been approved for disability retirement, the law states the member must be retired immediately. The member may remain on pay status to use sick leave and/or compensating time off for overtime to which the member is entitled. The determination of what sick leave and/or compensating time off that a person is entitled to is a matter that must be resolved by each employer. (G.C. § 21163)

General Disability Calculation
You can get an idea of what the member’s monthly unmodified disability retirement allowance will be. To do so, you need to know three things:

- How many years of service credit the member has;
- The benefit formula (1.8% for State 1st-Tier or 1.125% for State 2nd-Tier); and
- The final compensation — based on the highest consecutive 12 or 36 months of pay rate, not earnings, (usually the last 12 or 36 months of employment). See the Final Compensation topic in this section for information about whether to use 12-month or 36-month compensation.

Find the benefit factor and years of service credit in the following groupings, then follow the instructions using the worksheet on the following page.

STATE 1ST-TIER
A State 1st-Tier member must have at least five years of service credit to be eligible for disability retirement. (G.C. § 21150)

If the member has between five and 10 years, OR 18½ or more years of service credit, multiply the years of service by 1.8% to determine the percentage of final compensation.

If the member has between 10 and 18½ years of service credit, add to that figure the number of years until the member will be age 60 and multiply the TOTAL by 1.8% to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓ %.) (G.C.§ 21423)

THEN
Multiply the percentage of final compensation by the highest consecutive 12-month or 36-month average monthly salary to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).

STATE 2nd-TIER
A State 2nd-Tier member must have at least ten years of service credit to be eligible for disability retirement.

If the member has between 10 and 29.629½ years of service credit, add to that figure the number of years until the member will be age 65 (or age 67 under 2nd Tier formula 1.25% @ 67) and multiply the TOTAL by 1.125% to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓ %)

If the member has 29.629 years or more of service credit, multiply the years of service by 1.125% to determine the percentage of final compensation. (G.C.§ 21424)

THEN
Multiply the percentage of final compensation by the highest consecutive 12-month or 36-month average monthly salary to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).
Subrogation
(G.C.§ 20250, 20252, 20253, 20254, and 20255)
Under the law, if someone other than the employer caused an injury that results in disability retirement benefits being paid to the member, CalPERS has the right to recover up to one-half of the total retirement benefit costs from the responsible party. This is known as the “right of subrogation.” (G.C.§ 20250)

If the member pursues a claim against any person for the same injuries that also entitles the member to a disability retirement from CalPERS (other than a Workers’ Compensation claim or an uninsured motorist claim), the member must inform CalPERS. This is true even if the claim has not yet resulted in a court action. CalPERS has the right to participate in the claim through filing its own action against the responsible party, intervening in the claim or filing a lien against any judgment recovered. If such a claim is settled without notifying CalPERS, we may also be entitled to file a lawsuit against the member for recovery under our subrogation rights.

INSTRUCTIONS FOR COMPLETION OF THE MY|CALPERS 1205
Upon approval of an application for disability retirement by the System, the Benefit Services Division will require payroll information to begin the disability retirement payments.

The Report of Separation and Advance Payroll Information (my|CalPERS 1205) must be completed by the employer.

The first section is to be completed by the member:

**Figuring the Disability Allowance Worksheet**

<table>
<thead>
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<th>Years of Service</th>
<th>Benefit Factor</th>
<th>% of Final Compensation</th>
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<td></td>
<td>% X % = %</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
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<th>Final Compensation</th>
<th>Unmodified Retirement Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>% X $ = $</td>
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</table>

Section 1 – Employing Agency and Member Information:
- Name of Employing Agency
- Member’s name
- Social Security Number or CalPERS ID
- Retirement date requested by the applicant

The following three sections are to be completed by the employer:

Section 2 – Effective Separation or Termination Dates
- Separation Date
- Termination Date
- Last Day of on Pay Status
- Beginning and ending dates of leave of absence with compensation
- Explanation of the difference between the date of separation and last day on pay status, if any.

NOTE:
In the integrated my|CalPERS system, the permanent separation date is now part of a series of system validations. Therefore, the permanent separation date must be reported as the day after the last day an employee works for your agency, which is often the day after the last day on payroll. The permanent separation date will frequently be the same day as a member’s retirement date or start date of a new appointment. It is imperative that all Business Partners follow this important business rule to avoid transaction errors due to automatic system validations. If a member goes on leave of absence or is absent without leave, etc., at the time of retirement, then the date of separation and the last day on the payroll may not be the same.

Section 3 – Unused Sick Leave at Time of Separation
If the member has a sick leave balance that was not used at the time of separation from employment, report the total number of 8 hour days, not hours, of unused sick leave.
Section 4 – Certification of Employer

- Signature of Payroll Officer
- Title
- Date
- Phone number

Immediately mail the myCalPERS 1205 form to the address provided on the form. Failure to submit the form on a timely basis may result in a delayed warrant to the recipient.

NOTE:
1. Do not combine contributions for maintenance and Special Compensation with normal contributions. Use the “other” column.
2. Do not deduct retirement contributions from lump sum vacation payments.
3. Do not delay submission of this form awaiting final payroll data. Estimate the last period’s payroll information and label this line “Estimate”.

EMPLOYMENT OF A RETIREE

CIVIL SERVICE ELIGIBILITY
In addition to the retirement law restrictions, all retired annuitant appointments by state agencies must be based on Civil Service Act eligibility:
A retired state civil service employee may be appointed as a retired annuitant to a position that is either (a) in the class in which the person had permanent or probationary status or a Career Executive Assignment (CEA) appointment at the time of retirement; or (b) in another class to which the person could have been permanently transferred, reinstated, or demoted at the time of retirement. A CalPERS retiree who is not retired from civil service, i.e. retired from non-state contracting agencies and retired state employees exempt from civil service, can only be appointed as a retired annuitant if he/she qualifies for appointment under other civil service provisions such as emergency appointment, temporary authorization (TAU) appointment or eligibility on a civil service employment list for the position.

For more information, see Personnel Management Policy and Procedures manual pages 360.1 – 360.4 available from the California Department of Human Resources. (CalHR)

GENERAL RULES
Government Code sections 7522.56, 7522.57 and 21220 through 21230 provide the requirements for employment of a CalPERS retiree. Section 7522.56 provides that a retired person cannot serve, be employed by, or be employed through a contract directly by, a public employer in the same public retirement system from which the retiree receives benefits without reinstatement from retirement, except as permitted. The general requirements are as follows:

CONDITIONS FOR EMPLOYMENT AFTER RETIREMENT
A CalPERS retiree may work for a CalPERS employer (an employer who contracts with CalPERS for retirement benefits) either because the employment is required during an emergency to prevent the stoppage of public business or because the retiree has skills needed to perform work of limited duration. Retirees may be appointed to retired annuitant-designated positions only. If a retiree is appointed to a permanent regular staff position, regardless of whether part time or full time he or she is unlawfully employed.

The hours worked by a retiree cannot exceed 960 hours in a fiscal year, July 1 through June 30. If the retiree works for more than one employer, the hours worked combined cannot exceed the 960-hour limit. There is no exception to this maximum hour limit. CalPERS considers the responsibility of both the employer and retiree to ensure the retiree does not work more than 960 hours per fiscal year.

The compensation paid to a retiree is limited to a rate of pay that is not less than the minimum and does not exceed the maximum paid by the employer to employees performing comparable duties, divided by 173.333 to equal an hourly rate. The retiree cannot be paid or receive any other compensation or benefits other than the hourly pay rate. No retirement contributions are collected or paid for employed retirees.

CalPERS retirees employed by CalPERS employers are also referred to as “retired annuitants”.

180-DAY WAIT PERIOD
All employees who retire effective January 1, 2013 or later must serve a 180-day waiting period between the retirement date and the first day of post retirement employment. There are certain exceptions to this wait period as identified below. PLEASE NOTE: None of the following exceptions apply if the retiree receives a Golden Handshake or any other retirement incentive (G.C. section 7522.56(f)). The exceptions for state agencies and California State Universities (CSU) are:

- FIREFIGHTER OR PUBLIC SAFETY OFFICER: The retiree is a firefighter or a public safety officer as defined in G.C. 3301 (peace officer) who performs peace officer or firefighter retired annuitant work. If the retiree is on service retirement, please see the Bona Fide Separation in Service Requirement in this section.
- EMPLOYER RESOLUTION-CERTIFICATION: The state employer obtains the Department of Human
Resources’ (CalHR), Senate Committee on Rules, Assembly Committee on Rules, or the Trustees of the California University approval certifying the nature of the employment and that the appointment is necessary to fill a critically needed position before the 180 days has passed. CalPERS must be provided the approved exception to place in the retiree’s CalPERS record. (G.C. § 7522.56)

FERP PARTICIPATION: The retiree is eligible to participate in the Faculty Early Retirement Program (FERP) pursuant to a collective bargaining agreement with the California State University that existed prior to January 1, 2013 or has been included in subsequent agreements.

BONA FIDE SEPARATION IN SERVICE RETIREMENT

If the service retiree is under “normal retirement age” at retirement, limited duration employment with a CalPERS employer is not allowed, even if an exception to the 180-day wait period applies, unless both of the following conditions are met:

1. There was no agreement to return to work as a retired annuitant between the member and the employer before the member retired, and

2. There is a bona fide break in service of 60 days between the retirement date and the date the retiree’s employment will begin.

“Normal retirement age” is the age named in the member’s retirement benefit formula. For example, the “normal retirement age” for a 2% @ 55 retirement benefit formula is 55. If the member has more than one retirement benefit formula, then the “normal retirement age” is the highest benefit formula age, even if the member’s service in that formula was with a previous CalPERS employer and/or several years prior. Members can review their retirement formulas on their Annual Member Statements, available online, via their myCalPERS member account, or mailed (if elected) each November.

Example: Joe Smith is a state miscellaneous member who retired June 30, 2012 at age 52 with 20 years of service. His retirement benefit formula at retirement was 2% at 55. Because he has not reached his “normal retirement age” of 55, he must have a bona fide separation in service which means: (1) he and the CalPERS employer must not have had a predetermined agreement for him to return to work before his retirement, and (2) he must have a 60 day separation between his retirement date and the first day of employment as a retired annuitant. (C.C.R. § 586-586.2)

If the retiree is at or above the normal retirement age, then G.C. section 21220.5 restrictions do not apply.

The only exception to the G.C. section 21220.5 restrictions for retirees under normal retirement age is in emergency situations as defined in G.C. section 8558.

Refer to Circular Letter 200-181-04, Employment after Retirement with a CalPERS Covered Employer dated September 3, 2004, which contains detailed information about the law, applicable regulations and frequently asked questions.

NOTE: No employee or employer contributions are made to CalPERS for retired annuitant employment. Refer to the PIMS manual or CSUC manual for information on how to properly code a retired annuitant appointment.

STATE AGENCY

An otherwise eligible retired state employee may be employed in a retired annuitant-designated position not to exceed 960 hours in any fiscal year for all CalPERS employers; either (1) during an emergency to prevent stoppage of public business or (2) because the retired employee has skills needed in performing work of limited duration.

The compensation for the appointment shall not be less than the minimum, nor exceed the maximum monthly base salary paid to other employees performing comparable duties divided by 173.333 to equal an hourly rate. Retired annuitants cannot receive or be paid any benefit, incentive, compensation in lieu of benefits, or other forms of compensation in addition to the hourly rate (G.C. sections 7522.56 and 21224).
CALIFORNIA STATE UNIVERSITY (CSU)

CSU Academic Retirees
A CSU academic retiree may be employed, in any fiscal year as a member of the CSU academic staff in a retired-designated position not to exceed 960 hours for all employers or 50 percent of the hours the member was employed during the last fiscal year of service prior to retirement, whichever is less (G.C. sections 7522.56 and 21227).

CSU Non-academic Retirees
A retiree may be employed in a retired annuitant-designated position by a school employer or by the Trustees of CSU (1) during an emergency to prevent stoppage of public business or (2) because the retiree has skills needed in performing work of limited duration if that service does not exceed a total of 960 hours for all CalPERS employers in any fiscal year.

The compensation paid to the retiree cannot be less than the minimum, nor exceed the maximum monthly base salary paid to other employees performing comparable duties divided by 173.333 to equal an hourly rate. Retired annuitants cannot receive any benefit, incentive, compensation in lieu of benefits, or other forms of compensation in addition to the hourly rate (G.C. sections 7522.56 and 21229).

UNEMPLOYMENT BENEFITS AND RETIRED ANNUITANT EMPLOYMENT
California law prohibits the reappointment of a retired annuitant by any public employer if, during the 12-month period prior to reappointment, the retiree received unemployment insurance compensation for prior retired annuitant employment with that public employer.

Upon accepting an offer of employment, the retiree must certify in writing to the employer that he or she is in compliance with this requirement (G.C. 7522.56 (e)(1)).

If a currently employed retiree is discovered to have received unemployment insurance compensation based on prior retired annuitant employment with your agency, the current employment must be terminated on the last day of the current pay period and the retiree shall not be eligible for reappointment with your agency for 12 months following the termination of the current employment. (G.C. sections 21224, 21229 and 7522.56).

A violation of this provision will not result in mandatory reinstatement from retirement for the retiree.

RETIRED ANNUITANT SELF CERTIFICATION FORM
CalHR Form 715, a Retired Annuitant Self-Certification form, can be downloaded from the California Department of Human Resources Website at www.calhr.ca.gov.

AUTHORIZATION FOR RELEASE OF UNEMPLOYMENT INSURANCE RECORDS FOR RETIRED ANNUITANTS
EDD Form DE 1181 can be downloaded from the Employment Development Department Website at www.edd.ca.gov.

California State Universities (CSU) are not required to use these forms when employing retirees; however, they may require retirees to provide a current Unemployment Insurance Benefit (UIB) print out indicating if they have collected unemployment insurance benefits within the previous 12 months.

SPECIAL APPOINTMENTS – THE 180-DAY WAIT PERIOD DOES NOT APPLY
1. FULL TIME STATE BOARD OR COMMISSION: A CalPERS retiree may be appointed to serve on a full time salaried state board or commission as follows: The retiree may serve without reinstatement from retirement as a non-salaried member and receive only the per diem authorized to all members of the board or commission. If the retiree accepts the salary, the retiree must reinstate form retirement (G.C. section 7522.57(c)). Please see the Membership section for membership election information.

2. PART TIME STATE BOARD OR COMMISSION: A CalPERS retiree may be appointed to serve on a part-time state board or commission provided the annual salary is no more than $60,000. This annual salary shall only be increased in any fiscal year in which a general salary increase is provided to state employees. (G.C. section 7522.57(b)).
3. **FULL TIME STATE BOARD OR COMMISSION, NOT A CalPERS RETIREE:**
   A retiree from a public pension system other than CalPERS appointed to a full time salaried board or commission shall choose one of the following:
   
   a. The retiree may serve without reinstatement from retirement as a non-salaried member and receive only the per diem authorized to all members of the board or commission.
   
   b. The retiree may suspend his or her retirement allowance(s) and instate as a new member of CalPERS to serve as a full time salaried board or commission member. This service shall not be eligible for reciprocity with any other retirement system or plan. (G.C section 7522.57(d)).

4. **PENAL CODE STATE BOARD:** A person retired from a public employer may serve without reinstatement upon appointment to a full time state board pursuant to Section 5075 of the Penal Code. (G.C. section 7522.57(e)).

**ELECTIVE POSITIONS - 12/31/2012 & PRIOR**
Any retiree may serve as an elective officer without reinstatement from retirement; however, any part of the retirement allowance based on previous service in that same elected office shall be suspended during incumbency in such office (G.C. sections 21221(d) and 21222. This applies only to retirees who were already serving in elective office December 31, 2012 and prior.

**ELECTIVE POSITIONS - 1/1/2013 & LATER**
Retirees elected on or after January 1, 2013 may be subject to retired annuitant restrictions. Direct specific questions about elected officials and retired annuitant employment to the Benefit Services Division at 888-225-7377.

**EMPLOYMENT BY A NON-CALPERS AND NON-PUBLIC RETIREMENT SYSTEM EMPLOYER**
A retiree receiving a monthly allowance from CalPERS may be employed by any employer not participating in CalPERS or any non-public retirement system without reinstatement from retirement. (G.C. § 21432)

A CSU academic retiree may be employed with a school employer in a certificated STRS-qualified position without reinstatement provided that he or she has never previously made a STRS-PERS election. Please see the section within this guide: Membership-School Employment: CalPERS or CalSTRS? (G.C. § 7522.56)

**EMPLOYMENT OF A RETIREE AS AN “INDEPENDENT CONTRACTOR”, “CONSULTANT”, OR “CONTRACT EMPLOYEE”**
Before employing a retiree as an independent contractor, consultant or contract employee, please note the following and contact CalPERS for any questions (Presidential Decision 5-01 and Galt Services Authority case):

- If the retiree will be your employee under common-law employment principles, the employment is subject to the retired annuitant requirements.
- If the position is one in which an active CalPERS member would earn service credit, the employment is subject to the retired annuitant requirements.
- Please note, statutory positions, i.e., positions that are employees of your agency by statute cannot be filled by an independent contractor, consultant or contract employee. If you have a question about whether a position is a statutory employee, please contact the Customer Account Services Division, Membership Analysis & Design Unit.

Direct specific questions about retired annuitant employment to the Benefit Services Division at 888-225-7377 or you may also submit your written questions along with a copy of the proposed contract and scope of duties document to:

CalPERS
Benefit Services Division
P.O. Box 942711
Sacramento, CA 94229-2711

**EMPLOYMENT THROUGH A THIRD PARTY EMPLOYER (ALL RETIREES)**
Before employing a retiree through a third party employer or temporary employment agency, please note the following and contact CalPERS for any questions:

- The fact a third party employer may pay the retiree’s wage does not exempt the
Employment of a Retiree

• If the retiree will be your employee under common-law employment principles, the employment is subject to the retired annuitant requirements.
• If the position is one in which an active CalPERS member would earn service credit, the employment is subject to the retired annuitant requirements.
• Please note, statutory positions, i.e., positions that are employees of your agency by statute cannot be filled by employees of a third party employer. If you have a question about whether a position is a statutory employee, please contact the Customer Account Services Division, Membership Analysis & Design Unit.

Direct specific questions about retired annuitant employment to the Benefit Services Division at 888 CalPERS (or 888-225-7377) or you may also submit your written questions along with a copy of the proposed contract and scope of duties document to:

CalPERS
Benefit Services Division
P.O. Box 942711
Sacramento, CA 94229-2711

CONSEQUENCES OF UNLAWFUL EMPLOYMENT
Violation of the retired annuitant requirements can result in reinstatement from retirement. If reinstated for unlawful employment, the retiree will be required to reimburse CalPERS for all retirement allowance received during the period of unlawful employment and pay retroactive member contributions, plus interest. Upon enrolling the reinstated retiree into active membership, the employer who unlawfully employs a retiree will be required to pay retroactive employer contributions for the period of unlawful employment, plus interest.

EMPLOYMENT OF A DISABILITY/INDUSTRIAL DISABILITY RETIREE
The Board may approve CalPERS reemployment without reinstatement for a member who is receiving a disability/industrial disability retirement allowance and who is offered a specific job in a position that is significantly different from which the member retired. Such employment cannot begin prior to the Board’s approval (G.C. section 21228).

To request reemployment approval:

1. The retiree needs to complete and sign Section 1 of the Request to Work While Receiving Disability/Industrial Disability Retirement Benefits form (myCalPERS 1199) provided in the Employment After Retirement publication (PUB 33).

2. The prospective employer completes Section 2 of the request form, stating their “intent to hire” the retiree upon CalPERS approval. Attach a copy of the current job duty statement and a completed and signed Physical Requirements of Position/Occupational Title form (myCalPERS 0700) for the position which the retiree is requesting to work.

3. Provide a medical report from the retiree’s treating physician, who specializes in the member’s disabling condition, stating that he/she has recently examined the retiree, reviewed the job duty statement, along with a completed and signed Physical Requirements of Position/Occupational Title form (myCalPERS 0700) and finds the retiree is able to perform all tasks without restriction or limitation. CalPERS may require an independent medical evaluation to supplement the doctor’s report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination. (G.C. § 20129)

Upon approval of the reemployment, the retiree will be required to report monthly earnings to CalPERS, as the disability/industrial disability retirement pension is subject to an earnings limit for as long as the employment continues.

NOTE: No employee or employer contributions are made to CalPERS for these types of employment.

For specific questions concerning employment of a CalPERS retiree, please review the publication Employment After Retirement (PUB 33) available in the Forms & Publication Center on the CalPERS Website at www.calpers.ca.gov or contact CalPERS at 888 CalPERS (or 888-225-7377).
PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA)

Employees who reinstate from retirement on or after January 1, 2013 with the same employer from which they retired would be entitled to the retirement formula that was in effect on December 31, 2012. (G.C. § 7522.02 and 7522.04)

NOTE:
All State agencies, including CSU, are treated as a single employer under PEPRA. Additionally, all school employers are treated as a single employer as well.

However, such employees who reinstate from retirement with a different employer may be enrolled into one of the new retirement formulas depending on whether or not they are considered a “new member” under PEPRA.

NOTE:
Please see the Membership chapter of this Guide for the definition of a new PEPRA member.

If you wish to hire a retiree in a permanent position, whether full-time or part-time, the retiree must reinstate from service retirement into active CalPERS membership. (G.C. § 20096) A member on service retirement does not need approval prior to beginning active employment. However, to avoid an overpayment of retirement benefits and prevent payroll reporting problems for the employer, it is important to submit the Reinstatement From Service Retirement Application (my|CalPERS 0668) in a timely manner.

NOTE:
A retired person on a disability or industrial disability must be approved for reinstatement prior to being hired as a regular employee. (G.C. § 21191, 21192, and 21193)

The publication Reinstatement From Retirement (PUB 37) includes the reinstatement applications for retired members on service, disability, or industrial disability retirement as well as information about the voluntary reinstatement process in general. There is also information about mandatory reinstatement and the other consequences of unlawful or “illegal” employment. The publication is available in the Forms & Publications Center on the CalPERS Website at [www.calpers.ca.gov](http://www.calpers.ca.gov) or by calling 888 CalPERS (or 888-225-7377).

Please be aware that reinstatement to an employer other than the one from which the member previously retired can result in the loss of the previous retirement benefits. The retiree should contact the new employer’s personnel office to clarify any questions about health and dental benefits, vision care, unused sick leave and death benefits available to that employer’s employees and retirees before reinstating. A previous Golden Handshake is permanently lost upon reinstatement with any employer.

Reinstatement from retirement affects the cost-of-living adjustment (COLA). The annual COLA increase will begin in the second calendar year after re-retirement.

To retire again following reinstatement (re-retire), the member must submit a new application for retirement. The member should contact the employer’s personnel office or CalPERS prior to retirement to obtain the most current application document(s).

SERVICE RETIREMENT

The Board, pursuant to the provisions of G.C. section 21196, may reinstate a person who has been retired under this System for service upon CalPERS receipt of the completed Reinstatement From Service Retirement Application (my|CalPERS 0668). This application is enclosed in the Reinstatement From Retirement publication (PUB 37).

The member is responsible for completing Sections 1 and 3. Section 2 must be completed by a Human Resource or Personnel representative of the employer certifying the start date of the permanent employment.

A person who has been retired under this System for service, following an involuntary termination of the person’s employment, and who is subsequently reinstated to such employment by action on or after October 1, 1965, pursuant to an administrative or judicial proceeding, shall be returned to employment status for the period specified by the judgment. The
requirements of Section 21196 shall not apply in this case (G.C. section 21198).

A person who has been retired under this System for service may be reinstated from retirement pursuant to this article without regard to the requirements of G.C. section 21196, upon the retiree’s application to CalPERS, if upon reinstatement, the retiree will be appointed by the Governor to any state office or employment (G.C. section 21199).

When a person is reinstated from retirement, the retirement allowance is cancelled and the retiree becomes a member of the System as of the date of reinstatement. The retiree’s individual account shall be credited with the actuarial equivalent of the retiree’s annuity at the date of reinstatement, not to exceed the amount of accumulated contributions at the date of retirement (G.C. section 21200).

**DISABILITY/INDUSTRIAL DISABILITY RETIREMENT (G.C. SECTIONS 21191, 21192, 21193 AND 21201)**

A member retired for disability/industrial disability may request approval from CalPERS to reinstate to another CalPERS covered position.

1. The Board may require any member receiving a disability/industrial disability retirement allowance, under the minimum age for voluntary retirement for service, to undergo a medical examination. If CalPERS determines that such recipient is not incapacitated for duty, the agency shall be notified that such person is eligible for reinstatement to duty. The fact that the member was retired for disability/industrial disability does not prejudice any right to reinstatement to duty, which the member may claim. The member’s disability/industrial disability retirement allowance will be canceled on the effective date of the employer’s job offer (G.C. sections 21192 and 21193).

2. Any retiree may request approval from CalPERS to reinstate, whereby the retirement allowance is canceled and the member resumes active member status, including earning additional service credit towards their subsequent retirement.

To request approval, the member must:

- Complete Section 1 of the Request for Reinstatement from Disability/Industrial Disability Retirement form (myCalPERS 0669) found in the document center of myCalPERS;
- Provide a current job duty statement for the position and a completed and signed Physical Requirements of Position/Occupational Title form (myCalPERS 0700);
- Provide a current written report from their treating physician, specializing in the member’s disabling condition that indicates

If the member is requesting reinstatement into a different position from which they retired, the prospective employer must complete Section 3 stating their intent to hire the member upon CalPERS approval (G.C. sections 21192 and 21193).

3. A member retired for industrial disability may request approval from CalPERS to reinstate to a position which is classified as Miscellaneous.

To request approval, the member must:

- Complete Sections 1 and 2 of the Request for Reinstatement from Disability/Industrial Disability Retirement form (myCalPERS 0669) found in the document center of myCalPERS;
- Provide a current job duty statement and a completed and signed Physical Requirements of Position/Occupational Title (myCalPERS 0700) form for the position; and
- Provide a current written report from their treating physician, specializing in the member’s disabling condition that indicates
the job duty statement and the **Physical Requirements of Position/Occupational Title** (myCalPERS 0700) form were reviewed, that the member was recently examined and is found able to fully perform the tasks of the job duties without limitation or restrictions. CalPERS may require an independent medical evaluation to supplement the doctor’s report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination.

The prospective employer must:
- Complete Section 3 stating their intent to hire the member upon CalPERS approval (G.C. sections 21192 and 21193);

Upon subsequent retirement, the member’s allowance will be recalculated based on the highest final compensation period during employment using the same retirement benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If the member is eligible for a service retirement after the miscellaneous employment, the member may receive whichever allowance is greater, but will retain the industrial disability retirement classification (G.C. sections 21197 and 21200).

Upon subsequent retirement, the member’s allowance will be recalculated based on the average of the highest pay rate and special compensation during any consecutive 12 or 36 months depending upon membership date using the same retirement benefit formula for industrial disability, and adding an annuity for the additional time worked after reinstatement. If the member is eligible for a service retirement after the miscellaneous employment, the member may receive whichever allowance is greater, but will retain the industrial disability retirement classification (G.C. sections 21197 and 21200).

4. If the member whose disability retirement has been canceled does not re-enter CalPERS covered employment, an amount which is the actuarial equivalent of the member’s annuity at cancellation shall be credited to the individual account, and shall be refunded unless the member is eligible to elect, and does elect, to allow their accumulated contributions to remain in the retirement fund (G.C. section 21172).
NOTIFICATION OF CHANGE IN BENEFICIARY STATUS

It is important for a retired member to contact CalPERS to request a Changing Your Beneficiary or Monthly Benefit After Retirement publication (PUB 98) when any one of the following qualifying events occurs because his or her designated beneficiary’s entitlement to certain CalPERS benefits could be affected.

- Marriage or Registration of Domestic Partnership of the retiree. (G.C. § 21462)
- Legal separation, dissolution or annulment of the retiree’s marriage or termination of the retiree’s domestic partnership, if initiated after the designation was filed. (G.C. § 21462)
- Birth or adoption of a child. (G.C. § 21462)

Should any one of these events occur, a retiree’s existing beneficiary designation for the balance of Option 1 contributions, the lump sum death benefit, or the balance of Temporary Annuity payments are automatically revoked. Once the designation is revoked, lump sum benefits will be paid to the statutory beneficiaries in the following sequence:

1. To the retiree’s spouse/registered domestic partner, or if none;
2. To the retiree’s natural or adopted children, share and share alike, or if none;
3. To the retiree’s parents, share and share alike, or if none;
4. To the retiree’s brothers and sisters, share and share alike, or if none;
5. To the retiree’s estate, if probated. If the estate does not require probate, but there is a trust, benefits will be paid to the trust. If there is no trust, benefits will be paid to the surviving next of kin in the order prescribed by law.

A retiree may designate a new beneficiary by obtaining a Changing Your Beneficiary or Monthly Benefit After Retirement publication (PUB 98), which includes a Post Retirement Lump Sum Beneficiary Designation Form (PERS-BSD-509-P) and returning the completed form to:

CalPERS
PO Box 942715
Sacramento, CA 94229-2715

The publication is available in the Forms & Publications Center on the CalPERS Website at www.calpers.ca.gov.

If the retiree wants his or her statutory beneficiary (ies) to receive the lump sum benefits payable, there is no need to file a PERS-BSD-509P. However, filing PERS-BSD-509P may help us locate the person(s) upon the retiree’s death.

The retiree’s spouse or domestic partner is required to sign the PERS-BSD-509P acknowledging the designation made by the retiree. If the retiree does not certify they have no spouse/partner or the document does not include the spouse’s or partner’s signature, a Justification for Absence of Spouse’s Signature (myCalPERS 0775) must be completed and submitted with their designation.

NOTE:
A retiree’s designation and benefit entitlement to any lump sum death benefit may be affected by any domestic relations court order, which awards a current or ex-spouse or partner a community property interest in the retiree’s CalPERS retirement account. (Family Code Section 2610)

For an explanation of the limited situations under which a retiree may change their optional settlement and/or life beneficiary designation after retirement, please refer to the Changing Your Retirement Option or Life Option Beneficiary publication (PUB 98). The publication is available on the CalPERS Website at www.calpers.ca.gov.

A survivor or beneficiary who is receiving an allowance following the death of the retiree may designate a beneficiary to receive any unpaid allowance by completing and filing a Designation for Beneficiary’s or Survivor’s Prorated Allowance (myCalPERS 0777) form with CalPERS. (G.C. § 21491)
NOTE:
If a retiree marries or enters into a registered domestic partnership, the new spouse/domestic partner is not automatically entitled to a monthly death benefit. (G.C. § 21454, 21453, 21462, and Family Code Section 2610) The retiree would have to modify the Option and name a new beneficiary. A modification will cause a reduction in the retiree’s allowance to provide an ongoing allowance with health and dental coverage to the new spouse or domestic partner. For more information, refer to the Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) available on the CalPERS Website at www.calpers.ca.gov.

QUALIFYING FOR ‘POP-UP’ BENEFITS (G.C. § 21456, 21457, AND 21463)

If the retiree elected the Option 2 or 3 benefit on or after January 1, 1990, the retiree’s allowance will increase to a higher allowance, if one of the following events occurs:

- The retiree’s beneficiary dies.
- The retiree’s Option 2 or Option 3 beneficiary is the retiree’s spouse or registered domestic partner and they divorce, legally separate, or the marriage is annulled and they provide CalPERS with a copy of their judgment that awards the member the entire community property interest in their CalPERS benefits.

The retiree’s non-spouse/non-domestic partner beneficiary waives entitlement to the Option 2 or Option 3 benefit by filing a Non-Spouse/Non-Domestic Partner Disclaimer of CalPERS Benefits form, which will be provided by CalPERS upon request, which must be signed, notarized and approved by CalPERS.

‘POP-UP’ EFFECTIVE DATE (G.C. § 21463, 21456 AND 21457)

Beneficiary Death
The retiree’s allowance will increase to a higher allowance effective on the first of the month following the beneficiary’s month of death.

Dissolution of Marriage, Termination of Domestic Partnership, Legal Separation, or Annulment
The retiree’s allowance will be increased to a higher allowance effective the first of the month following CalPERS receipt of the judgment awarding them total interest in their CalPERS benefit.

Non-Spouse/Non-Domestic Partner Beneficiary Disclaimer
The retiree’s beneficiary will be asked to sign a Non-Spouse/Non-Domestic Partner Disclaimer of CalPERS Benefits form, which will be provided by CalPERS upon request, which must be signed, notarized and approved by CalPERS.

The retiree’s allowance will increase effective the first of the month following CalPERS’ receipt of the properly completed and notarized Non-Spouse/Non-Domestic Partner Disclaimer of CalPERS Benefits form.

CHANGING BENEFICIARY DESIGNATIONS AND MODIFYING AN OPTION AND/OR LIFE OPTION BENEFICIARY

A retiree who elected the Unmodified Allowance or Option 1 may change the beneficiary for the lump sum retired death benefit, the balance of Option 1 or balance of Temporary Annuity at any time.

A retiree can also modify their current retirement election and name a new beneficiary for a lifetime option allowance after a qualifying event (as described below), provided their current
Beneficiary Designation after Retirement

lifecycle option beneficiary is not a former or legally separated spouse/domestic partner who has a community property interest in their CalPERS retirement benefit.

NOTE:
Electioning a modification of option reduces the retiree’s current allowance. The amount of the retiree’s allowance reduction depends upon the retiree’s age and the age of their new beneficiary at the time of the election.

QUALIFYING EVENTS
The following events allow the retiree to modify their allowance or retirement option and name a new beneficiary.

1. Death of Retirement Option Beneficiary
If the retired member elected:
   a) Unmodified Allowance or Option 1
      • The death of their beneficiary is not a qualifying event.
   b) Option 2, 2W, 3, 3W, or 4
      • The retired member can modify their election of the option 2, 2W, 3, 3W, or 4 to another option and name a new beneficiary.

2. Retired Member’s Marriage or Entry into a Registered Domestic Partnership
If the retired member elected:
   a) Unmodified Allowance
      • The retired member can modify their election of the Unmodified Allowance to an Option 1, 2, 2W, 3, 3W, or 4 and name their current spouse/domestic partner as beneficiary.
   b) Option 1
      • The retired member can modify their Option 1 to an Option 2, 2W, 3, 3W, or 4 and name their current spouse/domestic partner as beneficiary.
   c) Option 2, 2W, 3, 3W, or 4
      • If retired member has a former spouse/domestic partner and they are not the Option 2, 2W, 3, 3W, or 4 beneficiary, they can modify their election to an Option 1, 2, 2W, 3, 3W, or 4 and name their current spouse/domestic partner as beneficiary.

3. Dissolution of Marriage, Termination of Domestic Partnership, Legal Separation, or Annulment
   If the retired member elected:
   a) Unmodified Allowance and Option 1
      • This is not a qualifying event.
   b) Option 2, 2W, 3, 3W, or 4
      • If the retired member’s former or legally separated spouse/domestic partner is the Option 2, 2W, 3, 3W, or 4 beneficiary and the dissolution/termination or legal separation judgment on retired community property awards the member the entire interest in the CalPERS retirement, their beneficiary can be changed and they can modify the election to an Option 1, 2, 2W, 3, 3W, or 4 and name a new beneficiary.

4. Non-Spouse/Non-Domestic Partner Beneficiary Disclaims Lifetime Allowance
   If the retired member elected:
   a) Unmodified Allowance or Option 1, 2, 2W, 3, 3W, or 4
      • Regardless of what option the retired member chooses, a non-spouse/non-domestic partner beneficiary disclaimer is not a qualifying event for a modification of option. This simply means the non-spouse/non-domestic partner beneficiary relinquished their entitlement to CalPERS benefits.
If a retiree wishes to change their option and/or name a new beneficiary for a lifetime option allowance, the retiree should access the document center in myCalPERS to complete an Application to Modify Option and/or Life Option Beneficiary (myCalPERS 1197) form which is within the Changing Your Beneficiary or Monthly Benefit After Retirement publication (PUB 98).

Effective Date for Changing an Option (G.C. § 21462)
If the retiree made an election to change their option within 12 months of the qualifying event, the effective date is the first of the month following CalPERS receipt of the completed election document. Both the retiree and their new beneficiary must be alive on the effective date.

If the retiree makes an election to modify their option more than 12 months after the qualifying event, the modification will not become effective until 12 months after the election is made. Both the retiree and their new beneficiary must be alive on the deferred election effective date.

Insurance Coverage for a New Spouse/Registered Domestic Partner (G.C. § 22830)
When a retiree considers a modification of retirement option, they need to remember that continuation of health or dental insurance coverage of a new spouse/domestic partner depends on their being enrolled as a dependent on the retiree’s plan at the time of the retiree’s death and whether the retiree made an election of option that provides the new spouse/domestic partner with a monthly benefit.

If a retiree has CalPERS health insurance, they must immediately notify CalPERS if they divorce, terminate a domestic partnership, or suffer the death of a spouse, domestic partner, or other dependent. Failure to make a timely notification may result in incorrect premium deductions from the retiree’s monthly allowance.
DEATH OF A RETIREE

If you become aware of the death of a retiree, please contact CalPERS with the name, birth date, Social Security Number, and date of death of the deceased, as well as the names, relationships, and addresses of the next of kin. A written or telephone communication detailing this information is acceptable for death notification provided an official of the agency gives it. The form PERS-BSD-738 SHOULD NOT be submitted for a retiree’s death.

INFORMATION FOR FAMILY OF DECEASED

When a CalPERS retiree dies, there are several important steps a spouse/domestic partner or family member can take to help assure prompt payment of any benefits payable by CalPERS.

The first step is to notify CalPERS at 888 CalPERS (or 888-225-7377) or by letter at P.O. Box 1652, Sacramento, CA, 95812-1652. We will need the following information:

1. Name and Social Security number of deceased retiree.
2. The date of death.
3. Name, address, and telephone number of person providing notice of death
4. Name, address, and telephone number of surviving spouse/domestic partner, other next of kin, or the person whom will be settling the estate.
5. If applicable, Social Security number of surviving spouse or registered domestic partner.
6. Date of birth of surviving spouse or registered domestic partner.
7. Date of marriage or registration of domestic partnership.
8. Whether surviving spouse/domestic partner is able to manage their own financial affairs.

The second step is to accumulate documentation. The System will ask for:

1. A photocopy of the certified death certificate.
2. The name, address and phone number of the person handling the estate if the member’s estate requires probate. Letters of administration must be submitted by the executor of the estate before benefits can be paid to the estate.
3. Other documents which are not included in the member file such as marriage certificates or birth certificates.

The third step is completing the Application for Retired Member/Payee Survivor Benefits (my|CalPERS 1191) form that is sent by CalPERS. This form is used to determine whether any event has occurred to invalidate the beneficiary designation or to identify persons who might be beneficiaries by law. It is a formal application to receive payment of death or survivor benefits determined payable by CalPERS. The person completing this form is certifying that he/she is the person identified therein. This form should be completed in full and returned to CalPERS with the other documentation, (death certificate, marriage certificate, newspaper clipping, etc.) as quickly as possible. Enclosed with the Application for Retired Member/Payee Survivor Benefits (my|CalPERS 1191) form will be a Tax Withholding Election for Survivor Benefits (my|CalPERS 1190) form so an election may be made for Federal and State Tax withholding.

HEALTH INSURANCE

If the beneficiary or survivor is entitled to a monthly benefit and continued coverage under the Public Employees’ Medical and Hospital Care Act, as administered by CalPERS, the enrollment shall be continuous. A HBD-12 is completed by CalPERS and a copy will be sent to the beneficiary or survivor. (C.C.R. § 599.502 (E) (8))
**WARRANTS ISSUED AFTER RETIREE’S DEATH**

All checks or retirement warrants issued (dated) after the retiree’s death should be promptly returned to the System.* If warrants have been mailed to a bank for direct deposit to the retiree’s account, CalPERS will contact the bank directly to request repayment of warrants issued after the retiree’s death. Any allowance accrued but unpaid prior to the retiree’s death will be paid to the eligible beneficiary. (G.C. § 21510)

* Unless the CalPERS representative specifically tells the surviving spouse/domestic partner the payments do not need to be returned.
COMPLETING THE TAX WITHHOLDING ELECTION FOR DEATH BENEFITS

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

The retirement allowance is treated as payroll wages. Federal income tax will be withheld based on the rate of a married person claiming three exemptions unless the beneficiary or survivor elects no withholding, or elects a different marital status or number of exemptions. If no election is submitted and the rate of married with three exemptions is used, no federal tax will be withheld if the gross monthly payment is less than the IRS minimum level.

If the beneficiary or survivor is a resident of the State of California (or a non-California resident who chooses to have California state taxes withheld), state income tax will also be withheld based on the rate of a married person claiming three exemptions unless they elect no withholding, or elect a different marital status or number of exemptions. For California residents, if no election for state withholding is submitted and the rate of married with three exemptions is used, no taxes will be withheld if the gross monthly payment is less than the Franchise Tax Board minimum level.

OPTION ONE, TEMPORARY ANNUITY PAYMENTS AND RETIRED DEATH BENEFIT
(C.C.R. § 589.5 AND G.C. § 22970.88)

If the benefit is payable to a spouse (or ex-spouse awarded a community property interest), death benefits may be non-taxable, partially taxable, or fully taxable. Any taxable portion of the benefit will be subject to 20 percent federal withholding unless rolled over into an IRA. The non-taxable portion of the distribution is not eligible for rollover. This portion will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The spouse should consult a tax advisor before making a tax election for these benefits.

If someone other than the retiree’s spouse or ex-spouse is a beneficiary of all or a portion of an Option One, Temporary Annuity balance, or Retired Death Benefit, the taxable portion of the benefit will be subject to 20 percent federal withholding unless rolled over into an “inherited” type IRA. The non-taxable portion of the distribution is not eligible for rollover. It will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The non-spouse beneficiary should consult a tax advisor before making a tax election for these benefits.

If the beneficiary lives in California, CalPERS will automatically withhold 3 percent of the taxable portion of the payment for State taxes unless the payments are rolled over into an IRA. If they do not wish to have State tax withheld from an Option One, Temporary Annuity or retired death benefit payment, they must submit a Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover form (myCalPERS 1192) with the appropriate box checked.
TAX AND INCOME REPORTING INFORMATION

STATEMENT OF BENEFITS PAID AND WITHHOLDING (C.C.R. § 589.5 AND G.C. § 22970.88)
In January of the year following payment, CalPERS provides each retiree and/or beneficiary with a tax statement showing the gross amount(s) of benefits paid during the previous calendar year and the amount of income tax withheld, if any. All payments made by CalPERS are reported to the IRS and California State Franchise Tax Board. Questions about the taxability of CalPERS benefits should be directed to the IRS, the California State Franchise Tax Board, or a tax advisor.

TAXPAYER IDENTIFICATION NUMBER (C.C.R. § 589.5 AND G.C. § 22970.88)
Section 6109 of the IRS Code requires recipients of reportable payments to furnish Taxpayer Identification Numbers (TINs). The Social Security Number (or Employer ID number, if a trust or organization) must be furnished to CalPERS, even if the retiree and/or beneficiary are not required to file a tax return.

NOTICE OF POSSIBLE PENALTIES (C.C.R. § 589.5 AND G.C. § 22970.88)
If the retiree and/or beneficiary elects not to have federal tax and/or California State tax withheld, or not enough federal or California State tax withheld, the retiree and/or beneficiary may be responsible for payment of estimated tax. The retiree and/or beneficiary may also incur penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. IRS Publication 505, Tax Withholding and Estimated Tax, provides additional information.

CHANGING A TAX WITHHOLDING ELECTION (C.C.R. § 589.5 AND G.C. § 22970.88)
Once a tax withholding election for a monthly benefit is filed, it will remain in effect until another election is filed revoking the original.

To file another election, the retiree and/or beneficiary would need to complete federal form W-4P and state form DE-4P and submit them to CalPERS. This form can be viewed and printed from the Forms & Publications Center on the CalPERS Website.
**REFUND OF MEMBER CONTRIBUTIONS**

**MEMBER REFUNDS**

Once a permanent separation has been entered into myCalPERS, an Options at Separation letter is generated to the member. The letter explains the members options based on age and vesting as well as providing tax information if they choose to withdraw their contributions and interest. (G.C. § 20730)

If the member is moving from one CalPERS covered employer to another, he or she may not receive a return of contributions. In addition, if the member is moving to any of the public funded retirement systems with which CalPERS has a reciprocal agreement, the member may not elect to withdraw his or her contributions. If the member is moving to a position covered under CalSTRS, Legislators’ Retirement System, University of California Retirement Plan, or the Judges’ Retirement Systems, he or she may not elect to refund. (G.C. § 20731)

Should the member prefer to leave their funds in CalPERS, they need not respond to the Options at Separation letter. Their contributions will continue to earn interest at the current rate. As long as the contributions remain in CalPERS, members can review their Annual Member Statement which is available online, via their myCalPERS member account, or mailed (if elected) each November to the current address on record. If the member has at least five years of service credit, he or she can apply for a retirement allowance at age 50 or older. If the funds are still in CalPERS when the member reaches age 70, an election to either refund or retire must be made. (G.C. § 20731)

Should the member prefer a refund of contributions and interest, he or she will need to return the Refund/Rollover Election Package (PERS02M0324) directly to CalPERS. The form is located on the CalPERS Website or can be obtained by calling CalPERS and requesting a copy. The member can elect to withdraw his or her contributions and interest as an in-hand distribution or as a rollover to an IRA or other qualified retirement plan. (G.C. § 20734)

A refund will not be issued until the member has been permanently separated from all CalPERS-covered employers via myCalPERS. (G.C. § 20733)

**NOTE:**

A member who is on an extended leave without pay or on a military leave may not receive a refund of their CalPERS retirement contributions. These types of refunds are considered “in service distributions,” which are not allowed by the Internal Revenue Service.
FORFEITURE OF BENEFITS

Under the California Public Employees’ Pension Reform Act of 2013, if an employee is convicted of a felony committed in connection with his or her job, the employee forfeits all retirement benefits earned or accrued after the commission of the felony, but not the benefits accrued prior to the commission of the felony.

The employee and prosecuting agency must notify the employer within 60 days of the conviction. The employer must notify CalPERS of the conviction and sentencing date within 90 days of the felony conviction. (G. C. 7522.72 and 7522.74)
IRC SECTION 415 (B) REPLACEMENT BENEFIT PLAN

Internal Revenue Code section 415(b) (IRC 415) is a federal provision that limits the amount of annual retirement benefit an individual can receive from a tax-qualified, defined benefit pension plan such as CalPERS. The annual retirement benefits payable from CalPERS are subject to the dollar limits imposed by IRC 415. This law was enacted to prevent employers from using tax-qualified defined benefit plans as tax shelters. The CalPERS retirement plan may lose its tax-exempt status if it fails to comply with IRC 415.

The IRC 415 places a dollar limit on the annual retirement benefit (allowance) that can be received from CalPERS. CalPERS retirees whose retirement allowances are limited by IRC 415 will receive replacement benefits from a separate fund through the Replacement Benefit Plan (RBP), as permitted by California retirement law effective January 1, 2013. The RBP is funded by replacement benefit contributions paid by the retiree’s former CalPERS employers.

When a retiree’s retirement allowance exceeds the IRC 415 dollar limit CalPERS invoices the retiree’s former employers for the amounts payable from the RBP. The invoice payments are deposited into the Replacement Benefit Fund (RBF). CalPERS issues payment from the RBF to the retiree. Payment of the employer invoices is required before any replacement benefit can be issued to a retiree.

Every CalPERS employer is deemed to participate in the RBP by statute. CalPERS’ authority to administer the RBP is set forth in Government Code section 21750 et seq., and in Title 2 of the Code of Regulations section 589 et seq. Under section 21761,

“all contracting agencies under this system shall be deemed to have elected to contract with the board for administration of the replacement benefit plan.” The Replacement Benefit Custodial Fund (“RBP Fund”) from which amounts exceeding I.R.C. § 415 limits are paid, is separate and apart from the retirement fund. (Gov. Code § 21758, subd. (a)). Employers are required to pay into the RBP Fund “amounts equivalent to the benefits that are not paid from the retirement fund to annuitants because of the application of the payment limitations under Section 415 of Title 26 of the United States Code; and administrative costs assessed to and paid by members enrolled in the replacement benefit plan.” (Gov. Code § 21758, subd. (c), and Cal. Code Regs., tit. 2, § 589.4, subd. (a) and (b)).

For additional information about IRC section 415(b) and the Replacement Benefit Plan, please see the FACT SHEET at http://www.calpers.ca.gov/eip-docs/about/pubs/member/internal-revenue-code-section415.pdf

1 Effective January 1, 2013 only retirees with a CalPERS membership date prior to January 1, 2013 are eligible for the Replacement Benefit Plan in retirement.
2 All statutory references are to the Government Code and all regulation references are to Title 2 unless indicated otherwise.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalPERS Web Services</td>
<td>117</td>
</tr>
<tr>
<td>Ordering Forms &amp; Publications</td>
<td>119</td>
</tr>
<tr>
<td>List of CalPERS Publications</td>
<td>120</td>
</tr>
</tbody>
</table>

The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees’ Retirement Law. It is the reader’s responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
MY | CALPERS

The my|CalPERS system is a self-service, web-based platform developed for employers, business partners, and members to conduct business with CalPERS. my|CalPERS offers robust services by providing faster and more reliable service to all CalPERS customers, while ensuring that all business transactions with CalPERS are quick, easy, and secure.

You can find specific information about this system by accessing the my|CalPERS for Employers pages on the CalPERS Website at: my|CalPERS for Employers

On July 30, 2012, CalPERS launched an enhanced version of my|CalPERS for members to access their real-time account information. This enhancement allows members to see the information submitted on their behalf by their employers, including appointment, payroll, and service credit information.

Therefore, it is critical to stay current with information reported to CalPERS on behalf of your employees. Employer accuracy and promptness will alleviate future concerns or questions members may have with their CalPERS account and the information provided by your agency.

CALPERS ON-LINE

CalPERS On-Line provides instant access to general CalPERS information for members, employers, and the public.

CalPERS On-Line at www.calpers.ca.gov highlights information about CalPERS retirement plans, health benefit programs, and pension fund investments. Agencies refer to the comprehensive “Employer Information” area to find the following information:

- Actuarial Information
- CalPERS Retirement Calculation Information
- Circular Letters
- Employer Education
- Employer Forms & Publications
- Employer Rates
- Health Benefits Information

- Membership, Payroll & Compensation Information

The Employer Information section also provides information about how to contact CalPERS.

CalPERS strives to provide useful information to members, employers, and the public in a quick, easily accessible format through the Website. CalPERS On-Line supplements the existing telephone and in-person services at our headquarters and regional offices.

If you have any comments or suggestions for the Employer Information section of the website, please e-mail CalPERS through the online “Contact Us” service or call the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

CALPERS EMPLOYER BULLETIN

CalPERS Employer Bulletins provide the latest news and information regarding Circular Letters, Board of Administration information, and other communications, tailored specifically for employers via email. Agency personnel (i.e., accounting and payroll staff, health benefits officers, city managers, etc.), administrators, and other interested parties can all benefit from this service by receiving CalPERS Employer Bulletins directly in their email box as soon as news is released. Each CalPERS Employer Bulletin comes in a plain text format for easy viewing and email retrieval and contains direct links to the actual employer information on the CalPERS Website.

You can sign up for CalPERS Employer Bulletins on the CalPERS Website at www.calpers.ca.gov.

CIRCULAR LETTERS

Circular Letters are issued to keep you informed of changes in policies and procedures. These letters provide important documentation to reference when working on CalPERS issues. Circular Letters are mailed to employers, but you can also receive an email informing you of the release of a new letter by subscribing to CalPERS Employer Bulletins. CalPERS On-Line has an archive of letters going back to
1996. You can search by date or key word to find the information you need.

**SUBSCRIPTIONS SERVICES**

CalPERS On-Line Subscriptions are your direct link to the latest CalPERS news and information by email. Available subscriptions include:

- Employer Bulletins
- CalPERS Agenda Alerts
- CalPERS News
- CalPERS News Feeds
- Press Alerts

Employer Bulletins are the latest employer-related news and information sent directly to your email box.

CalPERS Agenda Alerts are a direct link to Board of Administration Meeting Notices and Agendas as soon as they are available.

CalPERS News is our newsletter delivered directly to your email twice a month for important information on issues and activities impacting CalPERS programs and services.

CalPERS News Feeds are headlines delivered instantly to your favorite news reader.

Finally, Press Alerts allow you to receive an email notification and a direct link for each news release we issue.
ORDERING FORMS & PUBLICATIONS

Forms & publications are available through myCalPERS (see Forms Transition Guide on the following page) or by download from the CalPERS Website, by following the instructions below:

- Access CalPERS On-Line at www.calpers.ca.gov
- Select the “Forms & Publication Center” tab
- Select the Employer, General information, Members or CalPERS Reports links.

If you need assistance, please call the CalPERS Customer Contact Center 888 CalPERS (or 888-225-7377) (916) 795-3005 (Fax)

ORDERING FORMS & PUBLICATIONS

CalPERS forms & publications are available for download from CalPERS On-Line. They are also available in hardcopy. To order supplies in bulk, please use the following method:

E-mail: Public_Agency_Requests@calpers.ca.gov.
# LIST OF CALPERS MEMBER PUBLICATIONS

The following member publications may help you convey CalPERS benefit information to your employees. All publications are available in the [Forms & Publications Center](#) on CalPERS Online.

<table>
<thead>
<tr>
<th>Title</th>
<th>PUB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Your Service Retirement</td>
<td>PUB-1</td>
</tr>
<tr>
<td>School Member Benefit Publication</td>
<td>PUB-2</td>
</tr>
<tr>
<td>State Miscellaneous &amp; Industrial Member Benefit Publication</td>
<td>PUB 6</td>
</tr>
<tr>
<td>State Safety Member Benefit Publication</td>
<td>PUB 7</td>
</tr>
<tr>
<td>Local Miscellaneous Member Benefit Publication</td>
<td>PUB-8</td>
</tr>
<tr>
<td>Local Safety Member Benefit Publication</td>
<td>PUB-9</td>
</tr>
<tr>
<td>Alternate Retirement Program</td>
<td>PUB-10</td>
</tr>
<tr>
<td>National Guard Member Benefit Publication</td>
<td>PUB-11</td>
</tr>
<tr>
<td>A Guide to Your CalPERS Service Credit Purchase Options</td>
<td>PUB-12</td>
</tr>
<tr>
<td>Temporary Annuity</td>
<td>PUB-13</td>
</tr>
<tr>
<td>Partial Service Retirement</td>
<td>PUB-14</td>
</tr>
<tr>
<td>When You Change Retirement Systems</td>
<td>PUB-16</td>
</tr>
<tr>
<td>Retirement Option 4</td>
<td>PUB-18</td>
</tr>
<tr>
<td>Power Of Attorney</td>
<td>PUB-30</td>
</tr>
<tr>
<td>Retired Member Death Benefits</td>
<td>PUB-31</td>
</tr>
<tr>
<td>Employment After Retirement</td>
<td>PUB-33</td>
</tr>
<tr>
<td>A Guide to Completing Your CalPERS Disability Retirement Election</td>
<td>PUB-35</td>
</tr>
<tr>
<td>Reinstatement From Retirement</td>
<td>PUB-37</td>
</tr>
<tr>
<td>A Guide to CalPERS Community Property</td>
<td>PUB-38A</td>
</tr>
<tr>
<td>CalPERS Domestic Relations Model Orders</td>
<td>PUB-38B</td>
</tr>
<tr>
<td>A Guide to Completing Your Service Retirement Election</td>
<td>PUB-43</td>
</tr>
<tr>
<td>A Guide to Completing Your Non-Member Service Retirement Election</td>
<td>PUB-44</td>
</tr>
</tbody>
</table>
The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees’ Retirement Law. It is the reader’s responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
CalPERS provides various education and training offerings to assist you and your employees in conducting business with CalPERS as well as learn about member benefits. You can find important information, additional resources and quick tips to help you maximize the services we offer by viewing the education pages on CalPERS On-Line.

ON-LINE TRAINING
Online training modules provide a convenient, self-directed and self-paced training experience. Requiring only the use of a computer with Internet connection and Adobe Flash Player, participants can access this type of training 24 hours a day, seven days a week.

EMPLOYER EDUCATION
Our employer education classes provide you valuable information about CalPERS membership, accurate reporting, your role in employee benefits and available online resources.

CalPERS also provides special request Employer Business rules and my|CalPERS System Training for those agencies that need additional assistance with determining CalPERS membership eligibility and reporting responsibilities.

EMPLOYER CLASSES
CalPERS Membership for State Agencies
This class provides an overview of CalPERS membership criteria and related topics for state agencies. Topics covered in this class include determining membership qualifications, understanding the Alternate Retirement Program (ARP), explaining agreements with other public retirement systems, criteria for working after retirement, and additional CalPERS programs.

CalPERS Membership for California State Universities (CSU)
This class provides an overview of CalPERS membership criteria and CSU-related topics. Topics covered in this class include membership qualifications, agreements with other public retirement systems, criteria for working after retirement, and additional CalPERS programs.

The Importance of Accurately Reporting Payroll
Become informed about the importance of accurately reporting payroll. Learn more about topics such as what is on a payroll report, pay rates, special compensation, and earnings.

The Employer’s Role in Employee Benefits
Understand your role as an employer in the retirement process. Topics include how to complete employer certification, how service credit is calculated, types of service credit, and how accurate payroll reporting is key to an accurate retirement benefit.

CalPERS On-Line Tools and Resources
Become more familiar with the many CalPERS resources available to you. This class teaches you about the resources and communication tools available online to assist you in doing business with CalPERS.

HOW TO ENROLL
You can enroll in our employer classes through my|CalPERS under the Education tab.

Disability Retirement Workshops
CalPERS Customer Service and Outreach Division sponsor the Benefit Services Division, Disability Section, who conduct Disability Retirement workshops. The three-hour workshop is an interactive process intended to benefit the Human Resources personnel, Return-To-Work Coordinators, Health & Safety Officers, Risk Managers, and other interested employer and employee representatives. These workshops provide information on all aspects of disability and industrial disability retirement, local safety, reinstatement, employment after retirement issues, and include Q & A opportunities.

For workshop information, select the following link: Disability Retirement Workshop Schedule

CalPERS Annual Educational Forum
CalPERS holds a three-day Educational Forum every Fall. The Forum provides employers the opportunity to get the most up-to-date CalPERS information, attend classes, and talk to CalPERS Board members and staff at this event focused
entirely on employer topics. Registration materials are generally mailed in August.

If you have not attended this popular event before and would like to be placed on our direct mailing list, please e-mail your request to: mailto:calpers_conference@calpers.ca.gov

MEMBER EDUCATION

Our member education classes provide your employees with valuable information about their CalPERS membership benefits, savings and health programs, and available online resources.

MEMBER CLASSES

WEBINARS
CalPERS currently offers the following webinars:
• Planning Your Retirement Webinar

This free two-hour webinar will provide information about your CalPERS benefits and the retirement process.

• Your Retirement Application and Options Webinar

Learn about retirement options and how to complete your service retirement application.

EMPLOYER-SPONSORED RETIREMENT PLANNING CLASSES FOR MEMBERS
CalPERS Regional Office staff conduct employer-sponsored retirement planning classes at the employer’s facility. The class provides customized explanations of the employee benefits offered by the employer. A minimum audience of 20 is recommended to request an employer-sponsored class. If the audience will be less than 20, please contact CalPERS.

To request an employer-sponsored class, call the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

RETIREMENT CLASSES FOR MEMBERS
CalPERS Regional Office staff conduct Retirement Planning Classes throughout California to help members prepare for retirement. We offer five classes based on a member’s career life cycle. All five classes are available as in-person classes or online classes.

NEW CALPERS MEMBER
This class is for members who are new to the CalPERS system. Members receive an overview of CalPERS programs and benefits.

CONTINUING CALPERS MEMBER
This class is for members who are not yet ready to retire but want more information about CalPERS benefits and programs.

PLANNING YOUR RETIREMENT
This class is for members nearing retirement and is designed to help members plan and prepare for retirement.

COMPLETING YOUR RETIREMENT APPLICATION
This class is for members who are ready to retire. It provides detailed information on the step-by-step process of filling out the retirement application.

RETIRED CALPERS MEMBER
This class is for members who have already retired. The class provides retirees with information about CalPERS programs and provides a refresher on retirement benefits.

HOW TO ENROLL
Advise your employees to log into my|CalPERS, select my education, then “Select a Class” to find a date and time. Active member class schedules are regularly provided to the Human Resources Divisions of all CalPERS employers.

Schedules for member classes are established twice a year, in April and October. Enrollment is on a first-come, first-served basis and is free to all members and their spouses.
The California Employers’ Retiree Benefit Trust (CERBT) Fund is an investment vehicle that can be used by California public employers, including State agencies to prefund future retiree health and Other Post Employment Benefit (OPEB) costs.

OVERVIEW
The CERBT Fund is a Section 115 Trust set up for the purpose of receiving employer contributions that will prefund health and other post-employment benefit costs for retirees and their beneficiaries. By joining this trust fund, all California public employers can help finance future OPEB costs in large part from the investment earnings provided by CalPERS. Just as earnings from invested retirement contributions cover $3 of every $4 spent in pension benefits, the CERBT intends to generate investment earnings to apply toward OPEB obligations.

WHY PREFUND?
• Prefunding enables you to make actuarially determined periodic contributions to partially or completely fund your future obligations.
• Enhances financial security for retirees.
• Earnings on assets reduce employer contributions.
• May prevent your net OPEB obligation from becoming a significant liability on your balance sheet.
• Can contribute to a positive credit rating.

BENEFITS OF INVESTING WITH CALPERS
• 80 years’ experience in administering employer-sponsored pension plans for public employees since 1932.
• CalPERS is the largest public pension system in the U.S., managing more than $200 billion in assets for more than 3,000 California employers and a history of exceptional risk-adjusted investment performance.
• CalPERS has an outstanding record of investment performance. Over the past 20 years, CalPERS has averaged a 10 percent rate of return on our investments.
• Low administrative fees.
• As an agency of the State of California, CalPERS is required to cover all operational costs and to retain no profit. We seek to provide the lowest cost service to all participating agencies, irrespective of size or financial resources. For these reasons, the CalPERS OPEB trust is organized to charge a single cost rate to all participating agencies. The cost charged to participating employers is based on the average daily balance of assets.
• Dedicated employer service specialists and quality customer service.
• CalPERS has a seasoned team of investment professionals with a proven track record and is dedicated to meeting the needs of our participants and beneficiaries, while minimizing the cost to employers.

INFORMATION FOR NON-PEMHCA AGENCIES
AB 554 (Chapter 318, statutes of 2007) became law on January 1, 2008. California public employers can join the California Employers’ Retiree Benefit Trust (CERBT) to prefund OPEB obligations:
• Local government employers can participate in the fund even if they are not currently affiliated with CalPERS.
• The requirement to contract for health benefits through CalPERS has been dropped.

CERBT FUND WORKSHOPS
Register to attend a CERBT Fund Workshop to learn about our trust fund and other services we offer to prepare you to measure, report, and prefund OPEB liabilities. The following subjects are covered in the workshops:
Features and Benefits of the CalPERS CERBT Program
In this workshop, you will find solutions on how to pay for other post-employment benefit (OPEB) liabilities through the CERBT Fund. All employers are encouraged to attend. Topics include:

- Investment fiduciary responsibility
- Accounting compliance
- World class investment management
- Program simplicity
- New asset investment allocation strategies
- Lowest cost services

CERBT Administration and Education
In this workshop, you will learn about the administration and processes of the CERBT Fund. All employers are encouraged to attend. Topics include:

- New asset allocation strategies
- Contributions and disbursements
- Accruals
- Alternative Measurement Method (AMM)
- Valuation renewals
- End of the year financial reporting

For more information on CERBT, call the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) or visit the CalPERS Website at GASB 45 & California Employers’ Retiree Benefit Trust Fund or email: mailto:CERBT4U@CALPERS.CA.GOV
The CalPERS Health Benefits Program is governed by the Public Employees’ Medical and Hospital Care Act (PEMHCA) of the California Public Employees’ Retirement Law (G.C. sections 22750 and 22777). The program was established in 1962 to purchase health care for employees of the State of California, including the California State University System (CSU). In 1976, legislation was passed to allow other public employers, such as cities, counties, and school districts, to join the program. Currently, CalPERS provides health benefits to over 1.3 million covered lives.

State, CSU, and contracting Public Agencies must offer all eligible active and retired employees an opportunity to enroll in a CalPERS health plan of their choice. All employers are required by statute to contribute towards the cost of the health plan premium. Premiums and health plan benefits are approved annually by the CalPERS Board of Administration.

The CalPERS Health Benefits Program offers a choice of health plans to provide Basic coverage to active employees and Supplement to Medicare and Managed Medicare coverage for retired members. Eligible enrollees can choose between a variety of Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and employee association plans.

**HMOs**

CalPERS offers several HMOs, each serving specific geographic areas. Except for out-of-area emergencies, HMO members receive all their care from HMO doctors with a small co-payment for most services and supplies.

**PPOs**

CalPERS offers three self-funded PPO plans – PERSCare, PERS Choice and PERS Select. PERS Select is available in all California counties except: Alameda, Marin, Placer, and Solano. Members must reside or work in one of the 54 counties in which PERS Select is available to enroll in the plan. PERSCare and PERS Choice offer a PPO network through Blue Cross of California, with nationwide affiliations. PERSCare and PERS Choice offers out-of-area and worldwide coverage.

**Employee Association Plans**

CalPERS offers employee association health plans. An enrollee must belong to the specific employee association and pay applicable dues to enroll in one of these plans.

For further information on the CalPERS Health Benefits Program, you may contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) or visit the CalPERS Website at www.calpers.ca.gov
The CalPERS Long-Term Care Program offers long-term care benefits as an option to members. It is not an employer-paid benefit and is entirely funded by member premiums and investment of those premiums.

The Program is available to all current California public employees, retirees, their spouses, parents, parents-in-law; adult children and adult siblings between the ages of 18 and 79 are eligible to apply for coverage. Eligible public employees include, but are not limited to, those employed by the State of California and all State departments, state Assembly and Senate, judicial systems, school districts, cities, counties, special districts, public universities and community colleges.

The Long-Term Care Program is accepting applications. Please select the previous link or call 1-800-982-1775 for more information.
APPENDIX
TABLE OF CONTENTS

These forms are included only as examples for your reference and are not currently available through the CalPERS Forms & Publications Center. Although these forms were current as of the publication date of this Guide, CalPERS forms are subject to revision.

<table>
<thead>
<tr>
<th>Form Name</th>
<th>Form Number</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointment Change Notification for the Employer</td>
<td>myCalPERS 0850</td>
<td>131</td>
</tr>
<tr>
<td>Disclaimer of Benefits</td>
<td>myCalPERS 0362</td>
<td>132</td>
</tr>
<tr>
<td>Employer Acknowledgement Letter</td>
<td>BSD-197-W</td>
<td>133</td>
</tr>
<tr>
<td>Special Compensation Review</td>
<td>myCalPERS 0793</td>
<td>134</td>
</tr>
<tr>
<td>Application for Retired Member/Payee Survivor Benefits</td>
<td>myCalPERS 1191</td>
<td>135</td>
</tr>
<tr>
<td>Tax Withholding Election for Survivor Benefits</td>
<td>myCalPERS 1190</td>
<td>136</td>
</tr>
<tr>
<td>Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover</td>
<td>myCalPERS 1192</td>
<td>137</td>
</tr>
<tr>
<td>First Payment Acknowledgement</td>
<td>myCalPERS 0924</td>
<td>138</td>
</tr>
<tr>
<td>First Acknowledgement Letter for Employers</td>
<td>myCalPERS 0926</td>
<td>139</td>
</tr>
<tr>
<td>Retirement Acknowledgement Letter to Participant</td>
<td>myCalPERS 0964</td>
<td>140</td>
</tr>
</tbody>
</table>

The information provided in this publication is for your convenience and reference as a general guide only and cannot be relied upon as an authoritative source for the law, practices, or policies of CalPERS. While CalPERS tries to include only accurate, timely and complete information in its publications, summaries, guidelines and other advisory printed materials, sometimes information provided in printed materials may be or become inaccurate, untimely, incomplete, unclear or misleading. In all instances, the law then in effect, not this publication, controls the application of the Public Employees' Retirement Law. It is the reader's responsibility to independently verify the accuracy of the information contained in this publication before engaging in a course of action.
(changeDate) 

Employee: [employeeName] 
employeeID: [employeeID]

(newEmployee)

(newSSIndicator)

(newDeathIndicator)

If you have any questions, please visit our Web site (websiteURL), or you may contact us toll free at 888 CalPERS (or 800-225-7177).
Important: Please attach a copy of the claim showing the original designation of benefits.

DISCLAIMER OF BENEFITS

I, ______________________, have been notified by, that I

(Please print)
am entitled to receive benefits in the event of the death of:

Member’s First Name    Middle Initial    Last Name

I forgo the benefit of ______________________ plus any Cost of Living increases and other adjustments payable for life.

I, ______________________, WITH FULL UNDERSTANDING OF THE NATURE AND AMOUNT OF THE BENEFIT TO WHICH I AM ENTITLED, HEREBY FOREVER DISCLAIM ALL RIGHTS AND INTEREST I HAVE TO THIS BENEFIT IN ITS ENTIRETY.

I understand, due to my disclaimer of the above-described benefit, that it will be paid as if I were never entitled.

I understand by disclaiming my benefit, I have no right to designate any individual to whom the benefit shall be paid.

I understand that recommends I contact an attorney for legal advice prior to signing this Disclaimer of Benefits, but does not require such consultation.

I understand this Disclaimer of Benefits is irrevocable and will not be set aside for any reason, and I hereby release from any claim I have to this benefit.

I assert I have signed this document in accordance with my own free will and I have not been coerced or forced to sign this document by anyone.

I further assert that I understood the contents and effect of this document before signing it and any questions I had concerning the effect or contents of this document were fully answered by personnel prior to my signing this document.
January 28, 2005

TO: (Agency name)

From: Benefit Services Division

Subject: (Member name)
(Member SSA#)

This is to advise you that an application for Service Retirement is being processed for the above member.

You will receive letter PERS-BAS-52, Notice of Placement on Retirement Roll, after the member is placed on the retirement roll. This letter will provide the employees’ effective retirement date and the number of sick leave days that were included in the employee’s retirement calculation.

Please provide your employee with information concerning continuation of health and dental benefits into retirement, if applicable.

Note: If the employee is eligible to continue his/her dental coverage, a new dental enrollment form must be submitted to:

CalPERS, Benefits Services Division
Attn: Warrant/Roll Support Unit #468
PO Box 942716
Sacramento, CA 94229-2716

For information regarding health and dental eligibility or enrollment processing procedures for annuitants, please refer to your Health Benefits Procedure Manual or contact Health Benefit Services Division toll free at (888) CalPERS (225-7377).

BSC-197-W

California Public Employees’ Retirement System
Lincoln Plaza-400 P Street- Sacramento, CA 95814
Business Partner CalPERS ID:

1. Please describe special compensation listed below in detail.
2. Fax supporting MOU pages for special compensation items.
3. Identify periods covered for any lump sum payments.
4. Please fax formal salary schedule for pay rate(s).

<table>
<thead>
<tr>
<th>Service Period</th>
<th>Pay Rate Reported</th>
<th>Special Compensation Reported</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Please fax information within 48 hours to the fax number above.
Application for Retired Member/Payer Survivor Benefits

Name of the Deceased Member
Social Security Number / CalPERS ID Number

Signature Section
Required Information

This section is required by law. By signing this section, you certify under penalty of perjury under the laws of the State of California that the information provided here is correct to the best of your knowledge. You also certify that if you claim any benefits to which you may be entitled, you understand that completing this section is not necessary unless you claim benefits.

Name (First Name, Middle Initial, Last Name) Date of Birth
Daytime Phone

Social Security Number
Gender

Address for Payment
City State ZIP

Address for Other Correspondence
City State ZIP

Was the deceased a member of another public retirement system in California? [ ] Yes [ ] No [ ] Don't Know
If Yes, Name of System

Section 1
Information About the Member and Immediate Family

Did the deceased leave a will? [ ] Yes [ ] No [ ] Don't Know

(Copy of will is not required unless the estate is the named beneficiary and does not require probate.)

Name of Executor/Administrator
Address
City State ZIP Daytime Phone

Attorney Handling Probate
Address
City State ZIP Daytime Phone
Section 1

Priorated Payment including Any Allowance Adjustments

Federal Tax Withholding Election
- I do not elect to have federal tax withheld from my death benefit payment(s).
- I elect to have federal tax withheld based on [ ] Single [ ] Married

Number of Exemptions: __________

In addition, I elect to have the following amount of federal tax withheld: $ __________

California State Tax Withholding Election
- I do not elect to have state tax withheld from my death benefit payment(s).
- I elect to have state tax withheld based on: [ ] Single [ ] Married

Number of Exemptions: __________

In addition, I elect to have the following amount of state tax withheld: $ __________

California State Tax Withholding Election
- I elect to have state tax withheld in the amount of 10 percent of the amount withheld for federal income tax withholding.

Section 2

Tax Election Declaration

By signing here, I hereby make the elections checked above.

Your Signature: __________________________

Social Security Number or Tax Identification Number: __________________________

Date (mm/dd/yyyy)

Important: Failure to return this form will be considered an election to have taxes withheld.
Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover

Name of the Disabled Member: ____________________________
Social Security Number: ____________________________
CA PERS ID Number: ____________________________

You may be eligible for a lump sum and/or monthly benefit. Please complete all applicable sections of this form.

Important: Failure to return this form will be considered an election to have taxes withheld.

Section 1
Monthly (Periodic Payments) and/or Prorated Payment

Federal Tax Withholding Election

- I do not elect to have federal tax withheld from my death benefit payment(s).
- I elect to have federal tax withheld at a rate of: [ ] Single [ ] Married
- Number of Exceptions: [ ] Single [ ] Married
- Number of Exemptions: [ ] Single [ ] Married
- California State Tax Withholding Election
- I do not elect to have State tax withheld from my death benefit payment(s).
- State tax withheld based on: [ ] Single [ ] Married
- Number of Exceptions: [ ] Single [ ] Married
- Number of Exemptions: [ ] Single [ ] Married

Section 2
Lump Sum (Non-Periodic Payments) Option One and Temporary Annuity Payments

Federal Tax Withholding Election

- I do not elect to have the taxable portion of the lump sum benefit payment rolled into an Individual Retirement Account (IRA). I understand that 20 percent federal tax will be withheld.
- I elect to have the taxable portion of the lump sum benefit payment rolled into the following Individual Retirement Account (IRA):
  - Name of Financial Institution: ____________________________
  - Plan Name: ____________________________
  - Account Number: ____________________________
  - Address of Institution: ____________________________
  - State: ____________________________
  - Zip Code: ____________________________

Important:
- Please consider your election carefully.
- Once payment has been issued, you cannot make a change. Your decision is final once payment has been made.
- IRA Information: ____________________________
- California Tax Withholding Election
- I do not elect to have State tax withheld from my lump sum benefit payment.
- I elect to have State tax withheld at a rate of: ____________________________
Dear [Name],

Your Service Retirement Allowance:

Your election to receive the Option 2 has been processed.

Your retroactive warrant will be issued on June 04, 2012, and will cover the period of December 02, 2011 through May 31, 2012.

Your monthly retirement benefit is $2,241.64 based on your retirement date of December 02, 2011. This amount does not include any deduction you have authorized this system to make. Your first regular warrant will arrive on or shortly after July 01, 2012 and will cover the period of 06/01/2012 through 06/30/2012. Your future retirement warrants will be mailed to arrive shortly after the first of the month following the month to which they apply.

Beneficiary/Survivor Allowance:

Upon your death, benefits will be paid to your beneficiary in accordance with the designation indicated on your retirement election document. If you elected a benefit which requires marriage and/or birth documentation and you have not submitted these documents, please send them immediately to Benefits Services Division. If these documents are not in file at the time of your death, it may be necessary to delay payment of benefits to your beneficiary.

Income Tax Information:

The following information regarding your contributions will assist you in the determination of the taxability of your benefit:

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Total Contributions and Interest</th>
<th>Interest</th>
<th>Taxed Contributions</th>
<th>Non-Taxed Contributions</th>
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<tbody>
<tr>
<td>Normal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[myCalPERS 0924]

Page 1 of 3
Date

Employer Name
Address
City/State/Zip

CalPERS ID:

Subject:

Participant CalPERS ID:

Notice of Placement on Retirement Roll:

This is to advise you that the employee named above has been placed on our 05/2012 Service Retirement roll with an effective date of May 01, 2012 and a separation date of April 30, 2012. 0.0 days of unused sick leave have been credited to the member's account. 0.0 days of unused education leave have been credited to the member's account. The employee's separation date is the date following the employee's last day in employment status. The date can be equal to but no later than the retirement date. Please notify us immediately if separation did not occur by the date.

For information regarding employment of a retired member, please see your "Procedure Manual for Reporting to the California Public Employees' Retirement System." If any of the information above is not correct, please contact us.

If you have any questions, please visit our Web site www.calpers.ca.gov, or you may contact us toll free at 888 CalPERS (or 888-225-7377).

Benefit Services Division

myCalPERS 0925
Dear

This letter is to acknowledge receipt of your application for Service Retirement effective July 01, 2012.

If you are currently enrolled in a CalPERS basic health plan you may continue your health insurance into retirement. Please contact your personnel office to ensure your health benefit coverage is active until your retirement processing is completed.

You may be entitled to receive a disability retirement if you are unable to work because of an illness or injury. To request a service pending disability retirement, you must complete a Disability Retirement Election Application. Please note that your retirement date cannot be earlier than the day following your last day on pay status.

CalPERS will send you a letter providing the date of your first retirement check, the amount you can expect to receive, and important income tax information. This letter is usually sent after you have separated from employment but before you receive your first retirement benefit check. Changes to the benefit option election you make, beneficiary you designate, or the retirement date you request, cannot be made after you receive your first full retirement benefit check.

Name
Address
City/State/Zip

CalPERS ID:

Date

Retirement Type: 
Last Day on Payroll: 
Date of Birth:

Federal Tax: 
State Tax: 

myCalPERS 0964

Page 1 of 2

140