Title 2. California Public Employees' Retirement System (CALPERS)

Proposed Adoption of Article 4, Section 579.7 of Chapter 2 of Division 1 of Title 2 of the California Code of Regulations

Section 579.7. Pensionable Compensation.

(a) For purposes of determining "pensionable compensation" pursuant to Government Code section 7522.34 for new members under 7522.04(f), it must meet all the following four criteria:

(1) "Pensionable compensation" means the normal monthly rate of pay or base pay and;

(A) Must be for normally required duties.

(B) Must be historically consistent with prior payments for the job classification.

(C) Must be reported periodically as earned.

(2) "Pensionable compensation" is paid in cash to similarly situated members of the same group or class of employment;

(A) As used in this part, "group or class of employment" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. One employee may not be considered a group or class.

(B) Increases in pensionable compensation granted to an employee shall be limited during the final compensation period applicable to the employee, as well as the two years immediately preceding the final compensation period, to the average increase in pensionable compensation during the same period reported by the employer for all employees who are in the closest related group or class.

(3) "Pensionable compensation" is for services rendered on a full-time basis during normal working hours; and

(4) "Pensionable compensation" is paid pursuant to a publicly available pay schedule which meets all the following criteria;

(A) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;

(B) Identifies the position title for every employee position used by the agency;

(C) Specifies the pensionable compensation amount of each identified position, which may be stated as a single amount or as multiple amounts within a range;

(D) Indicates the conditions for payment of the item of pensionable compensation, including, but not limited to, eligibility for, and amount of each component of pay;

(E) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website:

(F) Indicates an effective date and date of any revisions;

(G) Is retained by the employer and available for public inspection for not less than five years; and
(H) Does not reference another document in lieu of disclosing the item of pensionable compensation other than those outlined in GCS 20049.

(b) The following list exclusively identifies and defines the types of pay the Board has determined meet the criteria of "pensionable compensation" for those individuals that are "new members" as defined by Government Code section 7522.04(f), so long as each of the criteria in subdivision (a) have been met. For Public Agency and Schools, all items in this subsection must be reported if contained in a publicly available pay schedule as defined in subsection (a) above.

(1) INCENTIVE PAY
Dictation/Shorthand/Typing Premium - Compensation to clerical employees for shorthand, dictation or typing at a specified speed.
Longevity Pay - Additional compensation to employees who have been with an employer, or in a specified job classification, for a certain minimum period of time exceeding five years.
Marksmanship Pay - Compensation to local police officers, county peace officers and school police or security officers who meet an established criterion such as "certification" as a marksperson.
Master Police Officer - Compensation to local police officers, county peace officers and school police or security officers who meet specified requirements, years of employment, performance standards, education, Peace Officer Standard Training (POST), and perform a specialty assignment.
Physical Fitness Program - Compensation to local safety members, school security officers and California Highway Patrol officers who meet an established physical fitness criterion.

(2) EDUCATIONAL PAY
The items of pensionable compensation outlined below shall not include reimbursement to an employee for the cost of an application or test, books, tuition or travel.
Applicator's Differential - Compensation to employees who are required to maintain a Qualified Pesticide Applicator's Certificate.
Certified Public Accountant Incentive - Compensation to miscellaneous employees passing an exam and receiving a license as a Certified Public Accountant.
Educational Incentive - Compensation to employees for completing educational courses, certificates and degrees which enhance their ability to do their job. A program or system must be in place to evaluate and approve acceptable courses.
The cost of education that is required for the employee's current job classification is not included in this item of pensionable compensation.

Emergency Medical Technician Pay - Compensation to safety employees who obtain and maintain an emergency medical technical (EMT) certification.
Engineering Registration Premium - Compensation to engineers who have taken and passed a California engineering proficiency exam and are registered with the State of California.
Government Agency Required Licenses - Compensation to employees receiving and maintaining a license required by government or regulatory agencies to perform their duties.
International Conference of Building Officials (ICBO) Certificate - Compensation to building inspectors who obtain and maintain an International Conference of Building Officials (ICBO) certificate in one or more certified areas.
Mechanical Premium (Brake Adjustment License, SMOG Inspector License) - Compensation to employees who obtain and maintain state-required mechanical licenses.
National Institute of Automotive Service Excellence (NIASE) Certificate - Compensation to mechanics who obtain and maintain a National Institute of Automotive Service Excellence (NIASE) certificate.
Notary Pay - Compensation to clerical employees who obtain and maintain a notary public certificate from the State of California or are deputized by an agency's chief administrative officer to sign legal or financial documents for the agency.
Paramedic Pay - Compensation to employees who obtain and maintain certification in auxiliary medical techniques.
Peace Officer Standard Training (POST) Certificate Pay - Compensation to local police officers, county peace officers, school police or security officers and State members who obtain Peace Officer Standard Training (POST) certification.
Reading Specialist Premium - Compensation to certificated employees who have obtained special training and provide literacy instruction as part of their teaching duties.
Recertification Certificate - Compensation to local firefighters who obtain and maintain a fire safety and prevention certificate for a specified period of time.
Special Class Driver's License Pay - Compensation to school bus drivers or street maintenance employees who are required to obtain and maintain a special class driver's license to perform their duties.
Undergraduate/Graduate/Doctoral Credit - Compensation to school district employees and State members who are required to obtain a specified degree.

(3) PREMIUM PAY
Temporary Upgrade Pay - Compensation to employees who are required by their employer or governing board or body to work in an upgraded position/classification of limited duration.

(4) SPECIAL ASSIGNMENT PAY
Accountant Premium - Compensation to rank and file employees who are routinely and consistently responsible for developing the employer's budget.

Administrative Secretary Premium - Compensation to an administrative secretary responsible for coordinating meetings, plans and other specialized activities for the governing body of the contracting agency or school employer.
Aircraft/Helicopter Pilot Premium - Compensation to safety employees who are routinely and consistently assigned as aircraft/helicopter pilots.
Asphalt Work Premium - Compensation to miscellaneous employees who are routinely and consistently assigned to mix, transport and/or apply a tar-like substance for sidewalks, roads, roofs and/or parking lots.
Audio Visual Premium - Compensation to miscellaneous employees who are routinely and consistently responsible for operating audio visual equipment.
Auditorium Preparation Premium - Compensation to school employees who are routinely and consistently assigned to prepare auditorium(s), i.e. setting up stages, lighting, props and chairs for performing arts purposes.
Bilingual Premium - Compensation to employees who are routinely and consistently assigned to positions requiring communication skills in languages other than English.
Branch Assignment Premium - Compensation to employees who are routinely and consistently assigned to a branch office or work site that is identified as “rural”, “remote”, or “unique”.
Canine Officer/Animal Premium - Compensation to local police officers, county peace officers, school police or security officers or State members who are routinely and consistently assigned to handle, train and board a canine or horse. Pensionable compensation shall not include veterinarian fees, feed or other reimbursable expenses for upkeep of the animal.
Cement Finisher Premium - Compensation to miscellaneous employees who are routinely and consistently assigned to finish cement work, e.g. watering, brushing or surfacing.
Circulation Librarian Premium - Compensation to library staff who are routinely and consistently assigned to the circulation desk of the library.
Computer Operations Premium - Compensation to employees who have special knowledge of computer processes and applications.
Confidential Premium - Compensation to rank and file employees who are routinely and consistently assigned to sensitive positions requiring trust and discretion.
Contract Administrator Coordinator Premium - Compensation to school employees who routinely and consistently coordinate administrative contracts for instruction or facility maintenance.
Crime Scene Investigator Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to analyze and explore a crime scene.
Critical Care Differential Premium - Compensation to nursing staff who are routinely and consistently assigned to critical and intensive medical or psychological care areas.
D.A.R.E. Premium - Compensation to local police officers, county peace officers and school police or security officers who routinely and consistently provide training to students on drug abuse resistance.

Detective Division Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to a detective or investigative division or intelligence duties.
Detention Services Premium - Compensation to employees who are routinely and consistently assigned to areas where criminally charged persons are confined and nursing staff who are routinely and consistently assigned to an adult facility where criminally charged persons are confined.
DUI Traffic Officer Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to enforce Driving Under the Influence (DUI) of alcohol or drug laws.
Extradition Officer Premium - Compensation to local police officers and county peace officers who are routinely and consistently assigned to return a person to the custody of another jurisdiction.
Fire Inspector Premium - Compensation to “fire inspector” personnel who are routinely and consistently assigned to inspect buildings and other permanent structures for compliance with governmental safety standards.
Fire Investigator Premium - Compensation to “fire investigation” personnel who are routinely and consistently assigned to investigate causes of destructive burning.
Fire Prevention Assignment Premium - Compensation to rank and file local firefighters who are routinely and consistently assigned to specific fire inspections and investigative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.
Fire Staff Premium - Compensation to rank and file local firefighters who are routinely and consistently assigned to administrative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.
Flight Time Premium - Compensation to safety employees for time spent as co-pilot or crew on work related air missions.
Float Differential Premium - Compensation for nurses not specifically assigned to a specific station.
Front Desk Assignment (Jail) - Compensation to employees staffing a jail who are routinely and consistently assigned the duty of responding to questions from the public.
Fugitive Officer Premium - Compensation to local police officers and county peace officers who are routinely and consistently assigned to pursue persons who have or are fleeing from justice.
Gang Detail Assignment Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to enforce laws relating to a group of individuals banded together for unlawful activities.
Gas Maintenance Premium - Compensation to maintenance employees who are routinely and consistently assigned to inspect gas construction, repair instruments or perform pipeline welder duties.

Grading Assignment Premium - Compensation to employees who are routinely and consistently assigned to inspect the degree of rise or descent of a sloping surface.
Hazard Premium - Compensation to employees who are routinely and consistently exposed to toxic, radioactive, explosive or other hazardous substances or perform hazardous activities to implement health or safety procedures.
Heavy/Special Equipment Operator - Compensation to employees who are routinely and consistently assigned to operate heavy equipment or specialized equipment.
Height Premium - Compensation to employees who are routinely and consistently required to work on ladders or mechanical devices at heights over 40 feet.
Housing Specialist Premium - Compensation to city housing specialists who are routinely and consistently assigned to perform administrative functions of the housing division.
Juvenile Officer Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to enforce laws that restrict the activities of juveniles.
Lead Worker/Supervisor Premium - Compensation to employees who are routinely and consistently assigned to a lead or supervisory position over other employees, subordinate classifications, or agency-sponsored program participants.
Library Reference Desk Premium - Compensation to library staff who are routinely and consistently assigned to provide direction or resources to library patrons.
MCO Instructor Premium - Compensation to miscellaneous employees who are routinely and consistently assigned to train Motor Coach Operators, i.e. bus drivers.
Motorcycle Patrol Premium - Compensation to local police officers, county peace officers and California Highway Patrol officers who are routinely and consistently assigned to operate and/or patrol on motorcycle.
Mounted Patrol Premium - Compensation to local police officers and county peace officers who are routinely and consistently assigned to patrol on horseback.
Narcotic Division Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to drug enforcement.
Paramedic Coordinator Premium - Compensation to paramedics who are routinely and consistently assigned to coordinate training activities in auxiliary medical techniques.
Park Construction Premium - Compensation to groundskeepers who are routinely and consistently assigned to build park equipment.
Park Maintenance/Equipment Manager Premium - Compensation to park maintenance employees who are routinely and consistently assigned to equipment management and other administrative duties.

Parking Citation Premium - Compensation to employees who are routinely and consistently assigned to read parking meters and cite drivers who have violated parking laws.
Patrol Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to patrol detail.
Plumber Irrigation System Premium - Compensation to plumbers who are routinely and consistently assigned as irrigation systems plumbing specialists.
Police Administrative Officer - Compensation to rank and file police officers, county peace officers and school police or security officers who are routinely and consistently assigned to police administration to provide support for the police chief and command staff in the operation of the police department.
Police Investigator Premium - Compensation to rank and file local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to analyze crimes or investige accidents.
Police Liaison Premium - Compensation to rank and file local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to function as a liaison between special persons, groups or courts and the police/sheriff department.
Police Polygraph Officer - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to administer and interpret polygraph exams.
Police Records Assignment Premium - Compensation to employees who are routinely and consistently assigned to the police records division.
Rangemaster Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to supervise the target range facilities and all related activities.
Refugee Arrival Cleanup Premium - Compensation to employees who are routinely and consistently assigned to cleanup from activities directly related to refugee arrival flights.
Refuse Collector Premium - Compensation to maintenance employees who are routinely and consistently assigned to collect refuse.
Safety Officer Training/Coordinator Premium - Compensation to employees who are routinely and consistently assigned to instruct personnel in safety procedures.
Sandblasting Premium - Compensation to miscellaneous employees who are routinely and consistently assigned to operate sandblasting equipment.
School Yard Premium - Compensation to part-time school district employees who are routinely and consistently assigned to supervise students during recreation.
Search Pay Premium - Compensation to employees who are routinely and consistently assigned to search and process prisoners in the induction area of jails.
Severely Disabled Premium - Compensation to school instructional aides who are routinely and consistently assigned to work with severely disabled students.
Sewer Crew Premium - Compensation to laborers who are routinely and consistently assigned to repair and maintain sewer systems.

Shift Differential - Compensation to employees who are routinely and consistently scheduled to work other than a standard "daytime" shift, e.g. graveyard shift, swing shift, shift change, rotating shift, split shift or weekends.
Solo Patrol Premium - Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to patrol alone in vehicles.
Sprinkler and Backflow Premium - Compensation to groundskeepers who are routinely and consistently assigned to repair large sprinkler head controllers, valves and backflow prevention devices.
Street Lamp Replacement Premium - Compensation to maintenance employees who are routinely and consistently assigned to replace street lamps from an aerial bucket.
Tiller Premium - Compensation to local firefighters who are routinely and consistently assigned to operate the tiller on an aerial ladder.
Tire Technician Premium - Compensation to equipment attendants who are routinely and consistently assigned to work on heavy duty tires, e.g. for buses and large construction equipment.
Traffic Detail Premium - Compensation to employees who are routinely and consistently assigned to direct traffic.
Training Premium - Compensation to employees who are routinely and consistently assigned to train employees.
Tree Crew Premium - Compensation to maintenance workers who are routinely and consistently assigned to remove, prune, or otherwise care for trees.
Utility Meter Premium - Compensation to miscellaneous employees who are routinely and consistently assigned to re-read utility meters, repair or set and install meters.
Utilities Systems Operation Premium - Compensation to maintenance or carpenter employees who are routinely and consistently assigned to planner duties in the maintenance division.
Water Certification Premium - Compensation to miscellaneous employees who are routinely and consistently assigned to test local water quality for compliance with governmental health standards.

(5) ADDITIONAL ITEMS
Fair Labor Standards Act (FLSA) - Compensation paid for normal full-time work schedule including premium pay required by FLSA.
Holiday Pay - Additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays.

(c) "Pensionable compensation" for all "new members" does not include;

(1) Payments determined to have been paid to increase retirement.

(2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

(3) Any one-time or ad hoc payments.
(4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment.
(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.
(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.
(7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.
(8) Payment for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.
(9) Employer contributions to deferred compensation or defined contribution plans.
(10) Any bonus.
(11) Any other form of compensation inconsistent with the requirements of subsection (a).
(12) Any other form of compensation not listed and described in subsections (b).

(d) The Board reserves the right to add to or delete from the lists provided in subdivisions (b) and (c).

Authority cited: Sections 20120 - 20124, Government Code.
Reference: Sections 7522.04, 7522.34, Government Code.