

OPTIONAL CONTRACT PROVISIONS FOR COUNTY SCHOOLS CON'T.

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3. Two Years Additional Service Credit (Government Code Section 20904)

A County Superintendent of Schools may amend its contract to grant up to two years additional service credit to school members if the following conditions exist:

- a. The member is employed in a job classification or other organizational unit designated by the County Superintendent of Schools and retires within the period designated by the County Superintendent of Schools. (This benefit cannot be provided on the basis of employee organization or non-represented groups.) The designated period must be subsequent to the amendment date and cannot be less than 90 days nor more than 180 days in length;
- b. The County Superintendent of Schools must transmit an amount to the Retirement Fund that is the actuarial equivalent of the difference between the allowance the member would receive under this section and the allowance the member would receive without this section;
- c. The County Superintendent of Schools must certify that the retirements under this section will either: (1) result in a net savings to the district or county superintendent of schools, or (2) result in an overall reduction in the work force of the organizational unit because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the designated job classification, resulting from the curtailment of, or change in the manner of performing its services.

In order to be eligible to receive this service credit, the employees must already have at least five years service credit. Because the member must be in employment status with the County Superintendent of Schools (office or their school district) during the designated period, the retirement date cannot be the first day of the designated period. A member cannot receive credit under this section if he/she receives any unemployment insurance payments during the designated period. If the retired member subsequently re-enters membership, the additional service credit is forfeited.

Employer Cost: This amendment does not affect the employer contribution rate since the cost of the benefit is payable in lump sum. The cost of the benefit will be calculated after the expiration of the designated period, and after the additional service credit has been credited to all eligible members. To avoid interest charges, payment in full must be made within 30 days of the billing date. Otherwise, four payments, including interest, will be scheduled within a two-year period from the billing date with the minimum of annual installments.

Employee Cost: None.

COST ESTIMATE FACTORS TWO-YEARS ADDITIONAL SERVICE CREDIT

Following is a chart which may be used to estimate the cost of providing the two-years additional service credit benefit. Multiply the total annual payrate for each person by the corresponding factor (always use the full-time pay rate). The result is the approximate cost of the benefit.

Miscellaneous Members (2% @ 60 Formula)					
Ages	With Social Security Coverage		Without Social Security Coverage		
	Males	Females	Males	Females	
50-54	0.30	0.32	0.31	0.33	
55-59	0.37	0.40	0.39	0.41	
60-64	0.46	0.51	0.49	0.52	
65-69	0.42	0.47	0.45	0.49	

NOTE: In addition, there is a \$10.00 valuation fee for each member who retires during the designated period and receives the additional service credit.

COUNTY SCHOOL CONTRACT AMENDMENT PROCEDURES

The procedures for contracting for Section 20904 are as follows:

1. The County Superintendent of Schools must request to amend its CalPERS contract to provide Section 20904. An authorized representative may call or write to request the necessary documents. (Individual districts must work in conjunction with the County Superintendent's Office to insure that information provided to CalPERS is correct.)
2. Public Agency Contract Services will provide the Resolution of Intention and other documents to be adopted by the governing body. Government Code Section 7507 requires that cost implications incurred by an increase in retirement benefits must be made public at a public meeting at least two weeks prior to the adoption of the final resolution. The County Superintendent of Schools will establish a designated period and identify the district and/or classifications or groups eligible for the additional service credit. **If the Resolution does not identify a specific district and/or classifications, all employees who retire during the designated period will receive the additional service credit.**
3. In addition to providing a Certification of Publication of Costs, the County Superintendent will be required to:
 - a. Certify that because of an impending curtailment of, or change in the manner of performing service, the best interests of the County Superintendent of Schools would be served by granting such additional service credit.
 - b. Certify that it is the intention at the time Section 20904 becomes operative that the retirements under this section will either: (1) result in a net savings to the district or County Superintendent of Schools, or (2) result in an overall reduction in the work force of the organizational unit because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the designated job classification, resulting from the curtailment of, or change in the manner of performing, its services.
4. The Government Code provides that the final documents, which actually amend the agency's contract, cannot be adopted by the governing body earlier than 20 days following the adoption of the Resolution of Intention documents. Upon receipt of the properly adopted Resolution of Intention with the required certifications, Public Agency Contract Services will send the final documents and instructions.
5. After the contract has been amended to include Section 20904, the County Superintendent of Schools may provide an additional designated period for granting two years additional service credit for school members. **Public Agency Contract Services will provide the resolution and documents necessary to establish additional designated periods upon request from the office of the County Superintendent of Schools.** If the Resolution does not identify a specific district and/or classifications, all employees who retire during the designated period will receive the additional service credit. The school districts within that county may request the Superintendent of Schools to pass a resolution to establish a designated period for certain classifications within that school district. Since CalPERS contracts with the County Superintendent of Schools and not the individual school districts, all correspondence requesting designated periods and the resulting resolutions must come through the office of the Superintendent of Schools office. Any number of designated periods may be established by the county schools' office. Since employee job classifications and organizational units are not identifiable by CalPERS, a certification of eligibility for additional service credit, based on job classification and organizational unit, should be attached to each eligible member's application for retirement. The certification should be signed by an authorized district employee and the office of the County Superintendent of Schools.

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6. After the expiration of each designated period, the office of the county schools will be notified of the actual cost of the additional two years of service credit which was granted to the eligible members who retired during that period. Payment in full may be remitted within 30 days to avoid an interest charge; or four payments, including interest charges, will be scheduled within a two-year period from the billing date with the minimum of annual installments.

Any questions on these procedures should be directed to Public Agency Contract Services.

OPTIONAL PUBLIC AGENCY CONTRACT PROVISIONS AND AMENDMENT PROCEDURES

INTRODUCTION

All section references are to the California Government Code.

The following optional contract provisions are intended to provide basic information regarding the benefits which are available to contracting agencies through various sections of the Public Employees' Retirement Law. When possible, a rough estimate of the annual cost of the benefit to the employer is included. **This estimate should be used as a guide and not as an absolute.** Approximately 80% of the contracting agencies have a current funding horizon for the unfunded actuarial liability (temporary increases to the employer rate) to the year 2000 or 2011. The rough estimates provided are based on these agencies. If your agency's funding horizon is to a year later than 2011, the cost would tend to be less than the rough estimate shown. If employee data for the agency differs significantly from the averages used, the actual cost figures may differ from the estimate provided. Costs must be determined by an actuarial valuation which will provide the expected increase to the employer contribution rate if the contract is amended. The date the increase will be first reflected in the overall rate is dependent upon the effective date of the amendment to the contract. For example, if the effective date of the contract amendment is between July 1, 1996 and June 30, 1997, the employer contribution rate will reflect the cost of the optional benefit(s) effective July 1, 1998 as a result of the annual actuarial valuation.

Employer rates are determined by actuarial valuation and based on the experience of the agency's members within the miscellaneous, fire, police, local safety, or county peace officer groups.

MEMBER GROUPS ELIGIBLE FOR SEPARATE BENEFITS

Unless otherwise specified, a contracting agency may provide any of the optional benefits independently to members in each of the following groups:

1. Local Miscellaneous Members
2. Local Police
3. Local Fire
4. County Peace Officers
5. Local Safety other than Local Police, Local Fire, or County Peace Officers.

PURCHASING POWER PROTECTION ACCOUNT (PPPA) AND COST-OF-LIVING ALLOWANCE (COLA) INCREASES

The purpose of the PPPA is to restore up to a maximum of 75% of the purchasing power of the initial monthly allowances of eligible recipients whose benefits have fallen below that level.

Because all COLA increases received by retirees are included in the measurement of purchasing power for PPPA, retirees' monthly allowances may not change after a contract is amended, if the increase is retroactive. Their allowances will consist of less PPPA money and more COLA money. An increase provided in the current year may reduce the PPPA payments the next year since the increased allowance may be closer to 75% of purchasing power. If the contracted COLA benefit does not provide a sufficient increase to restore purchasing power to the 75% level, the monthly benefit will stay the same. All increases would increase the base allowance to which future COLAs would be applied. You and your retirees should be aware that although there is an increase in the employer cost, a corresponding increase in the retirees' monthly allowance may not be immediately reflected for those retirees receiving PPPA payments.

OPTIONAL PUBLIC AGENCY CONTRACT PROVISIONS AND AMENDMENT PROCEDURES CON'T.

CONTRACT AMENDMENT PROCEDURES AND INFORMATION

Requesting An Actuarial Valuation

If the proposed benefit requires an actuarial valuation, an authorized representative of the agency may call or write to request the actuarial valuation. An employee organization may also request an actuarial valuation by submitting a valuation fee of \$200.00 along with the request. The cost analysis furnished for each valuation requested will provide the expected increase to the employer contribution rate if the contract is amended. To request an actuarial valuation, the following is needed:

1. A description of the proposed benefit(s). If possible, provide the Government Code Section and the title as it appears in the Optional Benefits Listing; and
2. The member groups to which the benefits are to apply (Miscellaneous Members, All Safety Members, Police Members Only, Fire Members Only, etc).

Direct the request to:

**California Public Employees'
Retirement System
Actuarial and Employer Services Division
Public Agency Contract Services
P. O. Box 942709
Sacramento, CA 94229-2709
Telephone (916) 326-3420**

Allow 8 - 10 weeks for receipt of the actuarial valuation.

The request for the actuarial valuation will be acknowledged and the agency will be advised of the fee, if applicable, for conducting the actuarial valuation. Each agency may receive one actuarial valuation per fiscal year, at no cost, for each member group. For each additional actuarial valuation, the fee is \$200.00. After the completed report is sent to

the agency, an invoice will follow, if applicable.

An employee organization requesting an actuarial valuation will receive an acknowledgement of the request and receipt of the fee submitted for conducting the valuation. Copies of the valuation will be sent to both the employee organization and the agency.

Please do not submit payment prior to receipt of the billing invoice.

Amending The Contract

Public Agency Contract Services will provide the documents for adoption by the agency's governing body. If the agency attempts to expedite the amendment process by proceeding without the documents provided by CalPERS, a legal review may be required which could delay the anticipated effective date of the amendment.

If an actuarial valuation is not required for the optional benefit, contact Public Agency Contract Services. A proposed schedule of anticipated agency actions is needed to start the amendment process. If an actuarial valuation is required, a schedule for the agency to complete and return will be provided with the valuation report. Four weeks lead time is required to prepare the initial documents.

The initial set of documents includes a Resolution of Intention declaring the agency's intent to amend the contract, an exhibit copy of the amended contract, various certification forms, ballots when required, and detailed instructions.

Follow the instructions precisely, call if you have questions, and return the necessary documents promptly.

The final set of documents includes two original contracts as amended for execution by the governing body and any other forms necessary to complete the amendment. The completed documents will be reviewed for compliance with the Government Code and a copy of the contract will be returned to the

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agency after it has been executed by CalPERS.

Employee Elections

An amendment to the contract which changes the employees' rate of contribution requires a secret ballot election among the employees affected. The contract cannot be amended if a majority of the affected members vote to disapprove the proposed plan. This election must follow adoption of the Resolution of Intention and precede adoption of the final documents.

Publication Of Costs

Government Code Section 7507 requires the cost implications of the proposed contract amendment be made public at a public meeting at least **two weeks** prior to adoption of the final documents.

Final Action

Government Code Section 20471 requires adoption of the final documents be no earlier than **twenty days** after adoption of the Resolution of Intention to amend the contract - final Ordinance (counties, cities or towns) or final Resolution (districts or other agencies).

Amendment Effective Date

If there is no change in the employees' contribution rate, the effective date of the amendment may be as early as the day following the effective date of the

final action of the governing body.

If the benefit changes the employees' contribution rate, the effective date of the amendment cannot be earlier than the first day of a payroll period following the effective date of the final action of the governing body.

If the benefit being provided requires the employer contribution rate to reflect the cost of the benefit commencing with the effective date of the Amendment to Contract, the effective date of the amendment cannot be earlier than the first day of a payroll period following the effective date of the final action of the governing body.

Operative Date

Amendments which require an adjustment to the retiree/beneficiary monthly benefit payments shall become operative the first of the month following the date which is 30 days after receipt of the final documents in the CalPERS Sacramento Office.

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A. OPTIONAL BENEFIT PROVISIONS

1. Section 20042

One-Year Final Compensation

The period for determining the average monthly payrate when calculating retirement benefits would change from the 36 highest paid consecutive months to the 12 highest paid consecutive months. (Applicable only to members retiring or whose death occurs after the effective date of the contract amendment.)

Employer Cost: Valuation required.

Rough Estimate: 1.4% to 3.9% of payroll for miscellaneous groups;
2.0% to 5.5% of payroll for safety groups.

Member Cost: None.

2. Section 20356

Extension of Reciprocity Rights for Elective Officers

The current maximum period of six months between a local member's CalPERS service and service under a reciprocal retirement system, to ensure reciprocity privileges, would be extended to one year for elective officers if the CalPERS agency includes Section 20046 in its contract and the reciprocal system adopts a similar provision.

The local member must have formerly been an elective officer of a CalPERS agency and within one year becomes a member of a reciprocal retirement system upon commencement of service in an elective office on or after January 1, 1977.

Employer Cost: No valuation required.

Member Cost: None.

3. Section 20325

Optional Membership for Part-Time Employees

Regular part-time employees who are excluded from CalPERS membership because they work less than an average of 20 hours per week (pursuant to Government Code Section 20305) may individually elect to become members if the agency contracts for this benefit.

If this benefit is being considered as an alternative to mandatory Social Security coverage, CalPERS benefits do not meet the minimum requirements for part-time employees. Part-time employees who elect CalPERS membership may still be required to continue participation in Social Security.

Individuals who elect membership will receive partial service credit, have the same contribution rate as other employees in the same member classification, and are eligible to purchase previously excluded part-time service. Those part-time employees may exercise their membership election anytime while in employment.

Employer Cost: Costs will emerge in future valuations.

Member Cost: See description above.

4. Section 20475

Different Level of Benefits Provided for New Employees

A contracting agency may amend its contract to provide a different level of benefits to its new employees. Such amendments:

- a. May reduce benefits, terminate provisions which are available only at the option of a public agency, provide different benefits, or provide any combination of such changes from the benefits and provisions applicable to members who were in employment prior to such contract amendment.
- b. May only be effective after the contracting agency has fully discharged all of its obligation under the Meyers-Milias-Brown Act. CalPERS will accept the agency's certification that it complies in this respect, except for obvious deficiencies.
- c. Shall apply uniformly with respect to all members within each of the following categories:
 1. Local Miscellaneous Members
 2. Local Police
 3. Local Fire
 4. County Peace Officers
 5. All Local Safety Members other than Local Police, Local Fire, and County Peace Officers.

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d. Shall apply only to members who:

1. Receive service credit for the first time within an affected category after the effective date of this contract amendment; or,
2. Return to service within an affected category following a refund of contributions. However, if the member has redeposited or elects to redeposit withdrawn contributions prior to 90 days after returning to service, that member will not be subject to this amendment.

Several issues and questions have been raised in connection with this section:

- a. All CalPERS benefits may not be terminated in favor of only Social Security coverage.
- b. Amendments may not substitute a miscellaneous service retirement formula for a safety formula.
- c. An agency may amend its contract to this section only once every three years with respect to each category of employees.
- d. An actuarial valuation is not required for this contract amendment. Agencies may request an actuarial study for an estimate of the rate change based on current employee data of the agency. The actual change will not be reflected in the employer rate until enough new employees have been hired to affect the data.

Employer Cost: No rate change at time of amendment.

Member Cost: None.

5. Section 20503

Removal of Contract Exclusions Prospectively Only

A contracting agency may remove a membership exclusion prospectively and not incur a liability for the employees earlier service. When an exclusion is removed prospectively, Section 21020 enables the previously excluded members to elect to purchase earlier service as "public service". The purchase of such service can be made by the

member under the provisions of Sections 21032 and 21033. Some employer liability may be generated by such a purchase and would be incorporated into the agency's rate in future valuations.

Employer Cost: Valuation required.

Rough Estimate: Up to 1.0% of payroll for all groups. The increase does not include up to 0.3% impact of added payroll or liability from an elected official having either past or future full-salaried PERS-covered employment.

Member Cost: None.

6. Section 20515

Full Formula Plus Social Security

A contracting agency may provide full CalPERS coverage for past and future service of its employees who are employed on or after the effective date of the contract amendment. Because this benefit changes the employee's contribution, an employee election is required.

The agency will be "deemed" not to have had Social Security coverage and benefits for service prior to the effective date of the contract amendment will be computed as if there were no Social Security coverage.

Should the agency currently provide Post-Retirement Survivor Allowance (Sections 21624, 21626 and 21628) for its employees or later amend for this benefit, the eligible employees would be entitled to one-half rather than one-fourth continuance.

Employer Cost: Valuation required.

Rough Estimate: Up to 0.8% of payroll for all groups. The rate may increase up to 4.0% if the agency's contract includes Post Retirement Survivor Allowance (Sections 21624, 21626 and 21628).

Member Cost: Member contributions will increase approximately \$10.00 per month.

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7. Section 20516

Employee Sharing Cost of Additional Benefits

This benefit allows a contracting agency, or an agency that initially contracts with CalPERS, to share the cost of additional retirement benefits with the employees as a result of a written agreement with the employee group.

This sharing of costs applies only to the current service employer rate. There are two methods of requesting an actuarial study:

- a. If the agreement with the employees specifies a definite percentage increase in the employee rate, such as 1.0%, 2.0%, etc., the valuation can be done on that basis.
- b. If the agreement with the employee group is indefinite, the agency may wish to request several valuations, with the employees paying 0.5%, 1.0%, 1.5%, etc. of the current service costs.

There are several points to be emphasized:

- a. Amendment to this section requires that the employer and the employees agree in writing to share the cost of the applicable benefits. CalPERS will accept the agency's certification as to this agreement, except for obvious deficiencies. The employer may also reduce the rate the employees have agreed to share cost. This may be accomplished by an amendment at a later date.
- b. The increase to the employees' contribution rate will be effective as of the effective date of the amendment to the contract.
- c. The increased employees' contributions will be credited to each member's account as normal contributions and will be refunded to members who terminate their membership and elect to withdraw their contributions.
- d. Some of the optional benefits available, such as 1959 Survivor Benefits, Military Service Credit and Post-Retirement Survivor Allowance may not be applicable to all employees. However, if the agency provides any of these in conjunction with Section 20516, the contribution rate would increase for all employees in the applicable member category.

- e. It is also possible to share the cost of a formula. A new contracting public agency may only share the cost of the 2.5% @ 55 and the 2% @ 50 formula with its local safety members or the 2% @ 55 with its local miscellaneous members. A contracting agency amending its contract may share the cost of either the 2% @ 55, 2.35% @ 56, 2.5% @ 55, or 2% @ 50 formula with its local safety members or the 2% @ 55 formula with its local miscellaneous members.
- f. This section shall not apply to any optional benefit which is elected by a contracting agency prior to the date the contract is amended to provide Section 20516.

Section 20516 also permits an employer to make an independent agreement with its employees to share the cost of any optional benefit without requiring amendment to the contract. However, any such agreement in a Memoranda of Understanding which is inconsistent with this section shall not be a part of the contract between the agency and this system.

Employer Cost: Valuation required.

Member Cost: The amount the members agree to pay is a fixed rate increase. This rate can be decreased at a later date only by an amendment to the contract.

8. Section 20680

Employee Contribution Rate for CSUC Auxiliary Organizations Reduced to State Member Level

Auxiliary organizations of the CSUC system may reduce the employee contribution rate for active members to the level applicable to State miscellaneous members. For members who are not covered by Social Security, the employee contribution rate would become 6% of monthly earnings in excess of \$317.00 (current rate: 7% of monthly earnings). For members covered by Social Security, the employee contribution rate would become 5% of monthly earnings in excess of \$513.00 (current rate: 7% of monthly earnings in excess of \$133.33).

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Employer Cost: Valuation required.
Rough Estimate: Up to 5.0% of payroll for miscellaneous groups.
Member Cost: Reduction in member contributions as discussed above.

9. Section 20692

Employer Paid Member Contributions as Compensation

A contracting agency that has elected to pay all or a portion of the normal contributions of members of a group or class of employment pursuant to Section 20615, may, pursuant to a labor policy or agreement, stop paying those contributions **during the final compensation period** and instead increase the payrate of the members by the amount of employer paid member contributions (EPMC). This results in a higher average monthly payrate for the purpose of computing the member's retirement allowance. Government Code Section 20615.5 requires the following:

- a. The amount of EPMC, e.g. 7% or 9%, or less, e.g., 5% or 4%, is the **same** amount to be converted to payrate during the member's final compensation period.
- b. The employer is to inform all persons hired after the effective date of the contract amendment how this benefit relates to their total compensation and benefit package.
- c. The unfunded actuarial liability costs (temporary increase to the employer contribution rate) attributable to this benefit will be amortized over the agency's current funding horizon.
- d. The cost implications of this amendment must be made public at **two** consecutive public meetings at least **two weeks** prior to adoption of the final documents.
- e. The employer contribution rate will be adjusted to include the cost of this benefit **commencing with the effective date of the amendment to the contract.**

Employer Cost: Valuation required.
Member Cost: Increase in member earnings will increase the amount of member contributions.

10. Section 20903

Two Years Additional Service Credit (To be repealed effective January 1, 1998)

An agency may amend its contract to provide two years additional service credit to members who retire during a designated period because of impending mandatory transfers, layoffs, or demotions and the following requirements are met:

- a. The member is employed in a specified job classification, department, or other organizational unit, and retires within the period designated by the governing body. The designated period must be subsequent to the effective date of the contract amendment and can not be less than 90 nor more than 180 days in length. **(The benefit cannot be provided on the basis of employee organization or unrepresented groups.)**
- b. The governing body must certify that it is electing to be subject to the provisions of this section due to mandatory transfers, layoffs, and/or demotions that constitute at least one percent of the job classification, department, or organizational unit.
- c. The governing body must certify that it is the intention at the time Section 20903 becomes operative that any vacancies created by retirements under this section or at least one vacancy in any position in any department or organizational unit shall remain permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.
- d. The governing body must transmit an amount to the Retirement Fund that is the actuarial equivalent of the difference between the allowance the member will receive and the allowance the member would have received without the additional service credit.

To be eligible for this service credit, a member must have at least five years service credit, be in employment status with the providing agency for at least one day during the designated period, and retire during the designated period. **The**

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member's retirement date may not be the first day of the designated period. A member cannot receive credit under this section if the member receives any unemployment insurance payments during the designated period. If the retired member subsequently re-enters membership, the additional service credit is forfeited.

Employer Cost: The agency will receive an invoice for the exact cost after all eligible members have received the additional service credit. Payments may be remitted over a two year period with the minimum of annual installments. All accounts, except lump sum payments remitted within thirty days of billing, will be subject to interest assessment at the current employer crediting rate.

Member Cost: None.

NOTE: In addition, there is a \$10.00 actuarial valuation fee for each member who retires during the designated period and receives the additional service credit.

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COST FACTOR CHART

Miscellaneous Members 2% @ 60 formula					Safety Members	
Ages	With Social Security Coverage		Without Social Security Coverage		2% @ 55 formula	2% @ 50 formula
	Males	Females	Males	Females	All	All
50-54	0.30	0.32	0.31	0.33	0.40	0.59
55-59	0.37	0.40	0.39	0.41	0.45	0.63
60-64	0.46	0.51	0.49	0.52	0.42	0.58
65+	0.42	0.47	0.45	0.49	0.38	0.52

2% @ 55 formula						
Ages	With Social Security Coverage		Without Social Security Coverage			
	Males	Females	Males	Females		
50-54	0.40	0.43	0.41	0.44		
55-59	0.47	0.51	0.49	0.52		
60-64	0.47	0.52	0.50	0.54		
65+	0.42	0.47	0.45	0.49		

PROCEDURES FOR CALCULATION OF ESTIMATED EMPLOYER COST

The cost of providing the two years additional service credit is calculated based on the member's annual reportable compensation, the cost factor and whether the agency's contract provides the Post-Retirement Survivor Allowance (Survivor Continuance) and/or an increased Cost-of-Living Allowance of 3%, 4% or 5%.

The employer cost may be estimated as follows:

1. Determine all individuals who meet the minimum eligibility for retirement and who are employed in the designated classification, department or organizational unit.
2. Determine the annual reportable compensation (payrate) and the age of each person.
3. Locate the appropriate factor on the Cost Factor Chart and multiply the annual payrate by the cost factor.
4. Determine whether your agency's contract provides for the Post-Retirement Survivor Allowance. If yes, proceed to step #6.

5. If your agency's contract does not provide for the Post-Retirement Survivor Allowance, multiply the value determined in step #3, above, by 0.95.

6. Determine whether your agency's contract provides for the increased Cost-of-Living Allowance of 3%, 4% or 5%. If not, no further calculations are needed.

7. If your agency's contract provides the 3% Cost-of-Living Allowance, multiply the value determined above by 1.07 to estimate the cost of providing the additional service credit.

If your agency's contract provides the 4% Cost-of-Living Allowance, multiply the value determined above by 1.14 to estimate the cost of providing the additional service credit.

If your agency's contract provides the 5% Cost-of-Living Allowance, multiply the value determined above by 1.21 to estimate the cost of providing the additional service credit.

A. OPTIONAL BENEFIT PROVISIONS CONT.

11. Section 20936

Prior Service Credit for Employees of an Assumed Agency or Function

An agency may provide credit for service rendered with a public agency if that agency or a function of that agency is, or was, assumed by the contracting agency.

The cost for prior service credit is the liability of the contracting agency.

Employer Cost: Valuation required.
Member Cost: None.

12. Section 20938

Limit Prior Service to Members Employed on Contract Date

A contracting agency may limit prior service credit (service rendered to the agency prior to its contract date with CalPERS) to persons in employment with the agency on the effective date of its CalPERS contract, or amendment to contract.

This benefit can be provided in the initial contract or by amendment for agencies that provide 0% prior service and now wish to provide all or a portion of prior service credit to current employees only.

This option may also be applied upon the removal of an exclusion of a member group or classification.

Employer Cost: Valuation required.
Member Cost: None.

13. Section 20965

Credit for Unused Sick Leave

Unused accumulated sick leave at time of retirement may be converted to additional service credit at the rate of 0.004 year of service credit for each day of unused sick leave (i.e., 250 days of sick leave equals one additional year of service credit). The employer must certify the number of creditable days.

Most safety member formulas limit the member benefits to a maximum of 75% of final compensation. The addition of this benefit does not increase the maximum allowable percentage.

This section applies to members whose effective date of retirement is within four months of separation from employment and who retire after the effective date of the contract amendment.

Employer Cost: Valuation required.
Rough Estimate: 0.1% to 0.5% of payroll for miscellaneous groups; 0.2% to 0.6% of payroll for safety groups.
Member Cost: None.

14. Section 20996

Military Service Credit as Prior Service

Employees who are/were on a military leave at the time the agency contracts for CalPERS coverage and return(ed) to employment with the agency within six months after discharge from active military duty, can receive service credit for the period of their absence. If the agency provides this benefit, former employees employed by other CalPERS employers would also be eligible to claim service credit. The agency would be liable for the cost.

Employer Cost: Valuation required.
Rough Estimate: 1.0% of payroll for miscellaneous groups; 2.0% of payroll for safety groups. Actual costs will emerge in future valuations.
Member Cost: None.

15. Section 21006

Credit for War Relocation Leave

A member is permitted to purchase all the time he/she was absent from service due to war relocation leave. The member must have been in employment status with the contracting agency on March 5, 1942, and returned to such employment by July 1, 1947. "War Relocation Leave" is defined as the period of absence from service occasioned by the evacuation and relocation of a local member of Japanese descent pursuant to orders issued by the Western Defense Command.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: The amount required to purchase the credit is determined in accordance with Section 21033.

16. Section 21007

Refund of Contributions Made for War Relocation Credit

A refund of all or a portion of the employer contributions that were made by members or retired persons in order to receive credit for war relocation may be made to the member, retired person or the spouse of such persons during the 12 months following the date that this section is made applicable to the employees of a contracting agency. The refund shall be a charge against the agency's current service reserve account.

Employer Cost: Valuation required.

Member Cost: None.

17. Section 21024

Military Service Credit as Public Service

A member may elect to purchase up to four years of service credit for any continuous active military or merchant marine service prior to employment. The member must contribute an amount equal to the contribution for current and prior service that the employee and the employer would have made with respect to that period of service.

The member's payment will be calculated by CalPERS based upon the employer's contribution rate at the time of the member's election, and the member's compensation and contribution rate at the first period of service with the employer after the military service. Interest on both employer and employee contributions will be calculated from the date of membership with the current employer to date of the member's election, and included in the member cost. The member may pay for the service in lump sum or by monthly payments not to exceed 96 months. This benefit applies only to active members while in employment with an employer providing this benefit in its contract.

Those agencies which provided this benefit as it read prior to January 1, 1977, may amend to become subject to the provisions of Section 21024 Statutes of 1976, if it is agreed to by the employees or their representatives. The amendment would allow current employees to elect within 90 days after the effective date of the amendment to receive credit under the provisions of Section 21024 as it read prior to January 1, 1977, wherein the employer funded the entire cost for military service predating the employer's original contract date.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: It is not uncommon for the cost to the member to exceed \$5,000.00 for each year of military service. After the contract has been amended, the member may obtain cost information by contacting Member Services Division.

18. Section 21022

Public Service Credit for Periods of Layoff

A member may receive up to one year of public service credit for each period of layoff from employment on or after January 1, 1981. Public service is granted upon individual election by the member (Section 21033).

To be eligible to receive the service credit, the member must meet the following conditions:

- a. The member must return within 12 months of the date of layoff to full-time employment under the procedures of the employer for returning laid-off employees to work. (A certification will be supplied to the employer to ensure compliance with this provision.)
- b. The member must elect to purchase the credit within 3 years of returning to work or the effective date of the contract amendment to become subject to this section.
- c. The member must redeposit any CalPERS contributions withdrawn during the period of layoff.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: Individual calculation required. After the contract has been amended, the member may obtain cost information by contacting Member Services Division.

19. Section 21025

Public Service Credit for Employees of an Assumed Agency or Function

Employees of a contracting agency are permitted to purchase as "public service credit", service rendered as employees of a public agency, or a function of an agency, that is assumed by a contracting agency. Public service is granted upon individual election by the member (Sections 21032 and 21033), and is partially funded by the member.

If the agency later amends its contract to provide Section 20936, the member would receive a refund of his/her public service contributions, plus interest.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: Individual calculation required. After the contract has been amended, the member may obtain cost information by contacting Member Services Division.

20. Section 21026

Public Service Credit for Service Rendered to a California Nonprofit Corporation

Employees of a contracting agency are permitted to purchase as "public service credit", service rendered to a California nonprofit corporation serving firefighters employed by state and local agencies.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: Individual calculation required. After the contract has been amended, the member may obtain cost information by contacting Member Services Division.

21. Section 21027

Military Service Credit for Retired Persons

A contracting agency which is subject to Section 21024 may amend its contract to permit certain retired persons to purchase up to four years of service credit for any continuous active military or merchant marine service prior to employment.

The former local member must have retired before the employer's contract included the provisions of Section 21024 and immediately following service with the employer providing this option.

The retired person must contribute an amount equal to the contributions for current and prior service that the employee and the employer would have made with respect to that period of service. The retiree must not receive credit for the same military service with another publicly funded retirement system. The retired person's allowance would be increased only with respect to the allowance on or after the effective date of the election to purchase the service credit.

Employer Cost: See cost information for Section 21024

Member Cost: See cost information for Section 21024

22. Section 21031

Public Service Credit for Excluded or Limited Prior Service

This option permits employees to purchase prior service (service rendered to the agency prior to its contract date with CalPERS) which was excluded or limited in the agency's contract. The member is required to pay two times the normal employee contributions based on the contribution rate and compensation at the time the member elects to receive the credit.

If a contracting public agency later amends its contract to provide all or a portion of prior service, any member who has purchased the service will be reimbursed including interest, an amount proportionate to the prior service provided by such agency.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

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Employer Cost: No valuation required. Actual costs will emerge future valuations.

Member Cost: Individual calculation required. After the contract has been amended, the member may obtain cost information by contacting Member Services Division.

23. Section 21037

Cancellation of Payment for Optional Service Credit Upon Retirement for Industrial Disability

Members retired or retiring for Industrial Disability are permitted to cancel an election for optional service credit. Members who retired for Industrial Disability, January 1, 1979 through January 1, 1984, who completed payment by lump sum in full within 30 days of their retirement date, may receive a refund of all payments excluding interest. Other local members who elected installment payments may cancel their election prospectively from retirement date.

In addition to persons retiring between January 1, 1979 and January 1, 1984, the agency may provide this benefit for active and other retired members who retire or retired directly from service with the agency without intervening employment.

Employer Cost: No valuation required.
Member Cost: None.

24. Section 21118

Partial Service Retirement

A member can reduce his/her work time by at least 20% but not more than 80%, continue working, and receive a partial service retirement allowance. To be eligible, the member must be at least age 50 with 20 years of service credit, or have the necessary years of service credit and have reached the necessary attained age for retirement and the member's age and years of service credit totals 65 years or more. The partial retirement allowance is based on the reduction of work time.

For example, if the member's work time is reduced by 30% (works 70% of full time), the

allowance would be 30% of what it would have been if the member had retired with a full service retirement.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.
Member Cost: None.

25. Section 21131

Age 60 Mandatory Retirement for Local Safety Members

An agency may specify 60 as the mandatory retirement age for local safety members if the agency has established that the age of a local safety member is "a bona fide occupational qualification reasonably necessary to the normal operation of the principal services provided by safety members".

Employer Cost: No valuation required.
Member Cost: None.

26. Sections 21151

Industrial Disability Retirement for Local Miscellaneous Members

This benefit provides that an industrially disabled member qualifies for a retirement allowance regardless of age or length of employment.

The allowance is 50% of final compensation. However, the industrial disability retirement allowance of a miscellaneous member whose membership date is after January 1, 1980 shall not exceed the service retirement allowance that would be payable if the member's service had continued until age 63. This could be less than 50% of final compensation (Government Code Section 21417). Outside earnings are not limited and do not affect the amount of the CalPERS allowance.

Employer Cost: 0.5% of payroll for miscellaneous groups. Actual costs will emerge in future valuations.
Member Cost: None.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

27. Section 21317

One-Time 15% Increase for Certain Safety Members Who Retired for Service Retirement

A contracting agency may provide a 15% allowance increase to a local safety member whose retirement for service or nonindustrial death before retirement occurred before the agency contracted for the 2% @ 50 retirement formula. The increase applies to beneficiaries and survivors of such retirees as well as survivors of such members. The increase does not apply to those members who retired under disability retirement or to those survivors receiving the Special Death Benefit.

Employer Cost: Valuation required.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

28. Section 21318

One-Time 15% Increase for Certain Safety Members Who Retired for Service, Industrial or Nonindustrial Retirement

A contracting agency may provide a 15% allowance increase to a local safety member whose retirement for service or nonindustrial death before retirement occurred, or who retired for industrial or nonindustrial retirement before the agency contracted for the 2% @ 50 retirement formula. The increase applies to beneficiaries and survivors of such retirees as well as survivors of such members. The increase does not apply to those survivors receiving a Special Death Benefit.

Employer Cost: Valuation required.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

29. Section 21319

One-Time 15% Increase for Miscellaneous Members Who Retired or Died Prior to July 1, 1971

A contracting agency may provide a 15% allowance increase to local miscellaneous members who retired or died prior to July 1, 1971 and whose allowances were calculated on the 1/60th

retirement formula. The increase applies to beneficiaries and survivors of such retirees as well as survivors of such members. The increase also applies to beneficiaries of such retirees and to survivors of a member whose death occurred prior to July 1, 1971 with the survivor allowances calculated under the 1/60th formula.

Employer Cost: Valuation required.
Rough Estimate: 0.25% to 1.0% of payroll.

Member Cost: None.

An operative date for this benefit is established at the time of amendment.

30. Section 21322

One-Time 4% Increase for Members Who Retired or Died Prior to January 1, 1981

A contracting agency may provide a 4% allowance increase to members who retired or died prior to January 1, 1981. The increase also applies to beneficiaries and survivors. The increase is retroactive to July 1, 1981 and is payable until April 1, 1982. As of April 1, 1982, the increase would become part of the base allowance for calculation of any adjustments effective on and after April 1, 1982.

Employer Cost: Valuation required.
Rough Estimate: Up to 1.5% of payroll.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

31. Section 21325

One-Time 3% to 15% Increase for Members Who Retired or Died Prior to January 1, 1974

A contracting agency may provide a one-time allowance increase with respect to members who retired or died prior to January 1, 1974. The increase ranges from 3.0% to 15.0% on a graduated scale based on the member's date of retirement or death. The increase applies to beneficiaries and survivors of such retirees as well as survivors of such members.

A. OPTIONAL BENEFIT PROVISIONS con't.

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Period During Which Retirement Or Death Occurred	Percentage
On or before December 31, 1965	15%
12 months ending December 31, 1966	14%
12 months ending December 31, 1967	13%
12 months ending December 31, 1968	12%
12 months ending December 31, 1969	5%
12 months ending December 31, 1970	6%
12 months ending December 31, 1971	5%
12 months ending December 31, 1972	4%
12 months ending December 31, 1973	3%

Employer Cost: Valuation required.
Rough Estimate: Up to 1.5% of payroll.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

32. Section 21326

One-Time 1% to 7% Increase for Members Who Retired or Died Prior to July 1, 1974

A contracting agency may provide a one-time allowance increase with respect to members who retired or died prior to July 1, 1974. The increase ranges from 1.0% to 7.0% on a graduated scale based on the member's date of retirement or death. The increase applies to beneficiaries and survivors of such retirees as well as survivors of such members.

Period During Which Retirement Or Death Occurred	Percentage
On or before December 31, 1965	7%
12 months ending December 31, 1966	6%
12 months ending December 31, 1967	5%
12 months ending December 31, 1968	4%
12 months ending December 31, 1969	3%
18 months ending June 30, 1971	2%
36 months ending June 30, 1974	1%

Employer Cost: Valuation required.
Rough Estimate: Up to 1.0% of payroll.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

33. Section 21327

One-Time Increase for Members Who Retired or Died Prior to January 1, 1975

A contracting agency may provide a one-time allowance increase with respect to members who retired or died prior to January 1, 1975. The increase applies to beneficiaries and survivors of such retirees as well as survivors of such members. The increase is based on the member's date of retirement or death as follows:

Period During Which Retirement Or Death Occurred	Percentage
12 months ending December 31, 1967	1.51%
12 months ending December 31, 1968	1.26%
12 months ending December 31, 1969	1.86%
12 months ending December 31, 1970	2.55%
6 months ending June 30, 1971	1.91%
6 months ending December 31, 1971	7.05%
12 months ending December 31, 1972	6.76%
12 months ending December 31, 1973	4.45%
6 months ending June 30, 1974	0.47%
6 months ending December 31, 1974	1.31%

Employer Cost: Valuation required.
Rough Estimate: Up to 0.8% of payroll.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

34. Section 21335

Annual Cost-of-Living Allowance Increase

Allowances for retired members are currently covered by an annual 2.0% maximum cost-of-living increase providing the Consumer Price Index (CPI) factor increases at least 2.0%. Section 21230 would grant a 3.0%, 4.0% or 5.0% maximum annual cost-of-living increase in lieu of the 2.0% maximum.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

Should the CPI factor increase less than the percentage adopted by the agency, the individual allowances would be limited to an amount equal to the base allowance increased by 3.0%, 4.0% or 5.0% per year compounded for the number of years between the end of the base year and the beginning of the calendar year in which the adjustment is made.

Section 21335 permits contracting agencies to provide the increased cost-of-living allowance beginning on a date specified. This has the effect of permitting the agency to provide the increase retroactive to a date specified in the contract or to any future date specified. For example, if the base year 1993 is chosen, the first cost-of-living allowance increase would be effective April 1, 1995.

Employer Cost: Valuation required. The valuation request needs to specify the base year.

Rough Estimate: 3% -1.0% to 6.0%* of payroll for miscellaneous groups; 2.0% to 11.0%* of payroll for safety groups; 4% -2.0% to 13.0%* of payroll for miscellaneous groups; 8.0% to 28.0%* of payroll for safety groups. 5% -4.0% to 22.0%* of payroll for miscellaneous groups; 13.0% to 42.0%* of payroll for safety groups.

Member Cost: None.

* The high cost is attributable to the increased benefits for retirees and for members not yet retired. An agency with a large proportion of retirees and/or long service active members will have a higher cost.

35. Section 21353

2% @ 60 Full, Supplemental or Modified Formula for Local Miscellaneous Members

This formula provides to local miscellaneous members 2% of pay at age 60 for each year of service credited with that employer. For members who retire earlier, the percentage of pay is reduced to 1.092% at age 50 which gradually increases for each attained age to the maximum of 2.418% at age 63+. (A formula change affecting the members' contribution rate requires an election of the affected members.)

This formula is mandated for local miscellaneous members unless the employer has contracted to

provide the 2% @ 55 formula (Section 21354) or the 1.5% @ 65 formula (Section 21100).

Local miscellaneous members subject to the 2% @ 60 Full or Supplemental formulas contribute 7% of reportable earnings. Those covered by the 2% @ 60 Modified formula (coordinated with Social Security) contribute 7% of reportable earnings in excess of \$133.33.

Employer Cost: Valuation required.

Member Cost: As discussed above.

36. Section 21354

2% @ 55 Full, Supplemental or Modified Formula for Local Miscellaneous Members

This formula provides to local miscellaneous members 2% of pay at age 55 for each year of service credited with that employer. For members who retire earlier, the percentage of pay is reduced to 1.426% at age 50 which gradually increases for each attained age to the maximum of 2.418% at age 63+. Members age 63 or older will receive the same allowance as under the 2% @ 60 formula.

Local miscellaneous members who retire after the effective date of the contract amendment will be subject to this formula.

Local miscellaneous members subject to the 2% @ 55 Full or Supplemental formulas contribute 7% of reportable earnings. Those covered by the 2% @ 55 Modified formula (coordinated with Social Security) contribute 7% of reportable earnings in excess of \$133.33.

Employer Cost: Valuation required.

Rough Estimate: 3.4% to 8.7% of payroll for miscellaneous groups.

Member Cost: As discussed above.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

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37. Section 21100

1.5% @ 65 Formula for Local Miscellaneous Members

A contracting agency which has local miscellaneous members, who are covered under Social Security as a result of the employer's voluntary agreement to provide coverage pursuant to Section 218 of the Social Security Act, may include in its contract the 1.5% @ 65 formula. Members who are not covered under Social Security will be subject to either the 2% @ 60 formula or the 2% @ 55 formula for local miscellaneous members. This formula provides to local miscellaneous members 1.5% of pay at age 65 for each year of service credited with that employer. For members who retire earlier, the percentage of pay is reduced to .500% at age 50 which gradually increased for each attained age to 1.5% at age 65+.

Agencies amending for this formula are providing an alternate level of benefits pursuant to Government Code Sections 21091-21099. The following provisions are applicable:

- a. All future hires who are first-time CalPERS members will be subject to this benefit. Eligible members employed prior to the effective date of the agency's contract amendment shall have the right to elect to be subject to this benefit for future service only.
- b. A member must be at least age 55 with five years of CalPERS credited service to be eligible for a service retirement. However, for those members who voluntarily elected to be subject to the 1.5% @ 65 formula, the minimum requirement is age 50 with five years of CalPERS credited service.
- c. In determining the benefits payable under this formula, the final compensation shall be a period of 36 consecutive months.
- d. The disability retirement benefit for members with at least five years of credited service is 1.35% of final compensation. The maximum percentage for members who have between 10.000 and 24.691 years of credited service is one-third of final compensation. The disability retirement allowance cannot be more than the

service retirement allowance if the member were to continue in employment and retire at age 65.

- e. The annual cost-of-living allowance increase is a maximum of 2.0%.
- f. The member contribution rate is 2% of reportable earnings.
- g. Other optional benefits currently provided in the agency's contract will be applicable to members covered under this formula, e.g. Section 20862.8 (Credit for Unused Sick Leave) and Sections 21263, 21263.1 & 21263.3 (Post-Retirement Survivor Allowance).

Employer Cost: No rate change at time of amendment. Costs will emerge in future valuations.

Member Cost: As discussed above.

38. Section 21352

2% @ 50 Full, Supplemental or Modified Formula for Local Safety Members

This formula provides to local safety members 2% of pay at age 50 for each year of service credited with that employer. The percent per year of service gradually increases for each attained age from 2% at age 50 to 2.7% at age 55+. (A formula change affecting the members' contribution rate requires an election of the affected members.)

Local safety members who retire after the effective date of the contract amendment will be subject to this formula.

Local safety members subject to the 2% @ 50 Full or Supplemental formulas contribute 9% of reportable earnings. Those covered under the 2% @ 50 Modified formula (coordinated with Social Security) contribute 9% of reportable earnings in excess of \$133.33.

The total allowance for service retirement under the 2% @ 50 formula cannot exceed 75% of final compensation.

Employer Cost: Valuation required.

Rough Estimate: 7.8% to 23.6% of payroll for safety groups.

Member Cost: As discussed above.

A. OPTIONAL BENEFIT PROVISIONS con't.

39. Section 21363

2.5% @ 55 Formula for Local Safety Members

This formula provides to local safety members 2.5% of pay at age 55 for each year of service credited with that employer. For members who retire earlier, the percentage of pay is reduced to 2% at age 50 which gradually increases for each attained age to 2.5% at age 55+. (A formula change affecting the members' contribution rate requires an election of the affected members.)

Local safety members who are covered under the $\frac{1}{2}$ @ 55 formula may choose, by individual election, to change to the new formula. All future hires will be subject to the 2.5% @ 55 formula.

Local safety members subject to the 2.5% @ 55 formula contribute 8% of reportable earnings in excess of \$238.00.

The total allowance for service retirement under the 2.5% @ 55 formula and the 2% @ 55 formula, combined, cannot exceed 75% of final compensation.

Employer Cost: Valuation required.

Rough Estimate: 6.0% to 21.0% of payroll for safety groups.

Member Cost: As discussed above.

40. Section 21369

2% @ 55 Full, Supplemental or Modified Formula for Local Safety Members

This formula provides to local safety members 2% of pay at age 55 for each year of service credited with that employer. For members who retire earlier, the percentage of pay is reduced to 1.426% at age 50 which gradually increases for each attained age to 2% at age 55+. (A formula change affecting the members' contribution rate requires an election of the affected members.)

Local safety members who are covered under the $1\frac{1}{4}$ % @ 60 formula and/or the $\frac{1}{2}$ pay @ 55 formula may choose, by individual election, to change to the new formula. All future hires will be subject to the 2% @ 55 formula.

Local safety members subject to the 2% @ 55 Full or Supplemental formulas contribute 7% of reportable earnings. Those covered under the 2% @ 55 Modified formula (coordinated with Social Security) contribute 7% of reportable earnings in excess of \$133.33.

The total allowance for service retirement under the 2% @ 55 formula and the 2.5% @ 55 formula, combined, cannot exceed 75% of final compensation.

Employer Cost: Valuation required.

Rough Estimate: 1.5% to 3.5% of payroll for safety groups.

Member Cost: As discussed above.

41. Section 21370

2.35% @ 56 Modified Formula for Local Safety Members

A contracting agency which has local police members or county peace officers, who are local safety members and who were participating in Social Security in April 1983, may amend its contract to provide the 2.35% @ 56 formula. This formula provides to the member 2.35% of pay at age 56 for each year of service credited with that employer. For members who retire earlier, the percentage of pay is reduced to 1.713% at age 50 which gradually increases for each attained age to 2.35% at age 56+. (A formula change affecting the members' contribution rate requires an election of the affected members.)

Local safety members who are covered under the $\frac{1}{2}$ pay @ 55 formula may choose, by individual election, to change to the new formula. All future hires will be subject to the 2.35% @ 56 formula.

Local safety members subject to the 2.35% @ 56 Modified formula will contribute 7% of reportable earnings in excess of \$133.33.

The total allowance for service retirement under the 2.35% @ 56 formula cannot exceed 75% of final compensation.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

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This section shall not apply to a public agency or its employees until the public agency and the representative employee organization agree by MOU to be subject to the terms and conditions specified in this section by an amendment to the CalPERS contract. CalPERS will accept the agency's certification that it complies with the MOU requirements, except for obvious deficiencies.

Employer Cost: Valuation required.
Member Cost: As discussed above.

42. Sections 21624, 21626 & 21628

Post-Retirement Survivor Allowance

Upon the death of a member after retirement, an allowance shall be continued to the surviving spouse. A "surviving spouse" means, for service retirements subject to this section, a spouse who was married to the member at least one year prior to the member's retirement and continuously to the date of the retired member's death, and for disability retirements subject to this section, a spouse who was married to the member on the date of the member's retirement and continuously to the date of the retired member's death.

If there is no surviving spouse, or if the spouse later dies or remarries, the allowance shall be continued to the eligible unmarried children collectively until all have reached age 18. Eligible children include disabled children over age 18 if the disability begins prior to age 18. If there is no surviving spouse or eligible child or children, the benefit would be paid to the surviving parent or parents of the deceased member who were dependent upon the member. If, at effective date of retirement, the member has no eligible spouse, eligible children, or eligible dependent parents, no survivor allowance shall be paid under this benefit.

The allowance payable to the survivor(s) of a member who retires after the employer includes Sections 21624, 21626 and 21628 in its contract is determined as follows:

- a. One-quarter of the retired member's unmodified allowance based on service subject to the modification for Social Security; or
- b. One-half of the retired member's unmodified allowance based on service not subject to the modification for Social Security.

In accordance with Section 21628, the allowance payable to a retired member who chose Option 2, 3, or 4; or the beneficiary of such retirees, shall be increased by 15%. For retirees who chose the Unmodified Allowance or Option 1, there is no increase in the retirement allowance but their eligible survivor(s) would receive the post-retirement survivor allowance upon the retired member's death.

Sections 21624, 21626 and 21628 are applicable, by amendment, to contracting agencies. Sections 21624 and 21626 only are available to new contracting public agencies.

Employer Cost: Valuation required.
Rough Estimate: 1.0% to 3.5% of payroll for miscellaneous groups with modified formula;
1.5% to 4.5% of payroll for miscellaneous groups with full formula;
3.5% to 10.0% of payroll for safety groups.
Member Cost: None.

An operative date for this benefit is established at the time of amendment.

43. Section 21635

Post-Retirement Survivor Allowance to Continue After Remarriage

If the surviving spouse remarries, the Post-Retirement Survivor Allowance will not cease. However, the surviving spouse may not add the new spouse or step-children as family members under any continued health benefits coverage of the surviving spouse.

This section is applicable only to remarriages that occur on or after the effective date of the contract amendment.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.
Member Cost: None.

A. OPTIONAL BENEFIT PROVISIONS CON'T.

44. Section 21427

Improved Nonindustrial Disability Allowance

This benefit applies to nonindustrial disability retirements for safety members and disability retirements (including job-related) for miscellaneous members.

The current statutory level of disability retirement benefits for members with at least five years of credited service (1.8% of final compensation for each year of service) would be raised to a minimum benefit of 30% of final compensation for five years of service plus 1% of final compensation for each additional year of service to a maximum benefit of 50% of final compensation.

Under no circumstances may the disability retirement allowance be more than the service retirement allowance if the member were to continue in employment and retire at age 60.

Employer Cost: Valuation required.

Rough Estimate: 0.25% to 0.75% of payroll for miscellaneous groups;

0.05% to 0.25% of payroll for safety groups.

Member Cost: None.

45. Section 21428

Increased Industrial Disability Allowance to 75% of Final Compensation

Upon the retirement of a local safety or local miscellaneous* member for industrial disability, if the member is totally disabled, he/she would receive a disability retirement allowance equal to 75% of his/her final compensation in lieu of the disability retirement allowance otherwise provided.

In addition, in accordance with Section 21429, the increase is applicable to the allowance of local safety members who retired under industrial disability retirement or to the beneficiaries and survivors of such retirees had Section 21428 been in effect at the time of the member's retirement.

Employer Cost: Valuation required.

Rough Estimate: 3.0% to 9.0% of payroll.

Member Cost: None.

* The agency's contract must include Sections 21151 for a local miscellaneous member to be eligible.

46. Section 21430

Improved Industrial Disability Allowance for Local Safety Members

If the Workers' Compensation Appeals Board permanent disability rating percentage is greater than 50%, the same percentage (up to a maximum of 90%) will be used as the percentage of final compensation to calculate the CalPERS industrial disability retirement allowance.

Employer Cost: Valuation required.

Rough Estimate: 3.0% to 9.0% of payroll.

Member Cost: None.

47. Section 21536

Local System Service Credit Included in Basic Death Benefit

Local system service credit will be used in the computation of benefits payable under the basic death benefit for all local members (miscellaneous and safety) who were members of a local retirement system at the time the local system was discontinued.

Employer Cost: Minimal, no valuation required.

Member Cost: None.

48. Section 21548

Pre-Retirement Optional Settlement 2 Death Benefit

The spouse of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Optional Settlement 2 Death Benefit in lieu of the lump sum Basic Death Benefit.

The benefit is a monthly allowance equal to the amount the member would have received if he/she had retired for service on the date of death and elected Optional Settlement 2, the highest monthly allowance a member can leave a spouse.

Employer Cost: Valuation required.

Rough Estimate: 0.25% to 1.0% of payroll.

Member Cost: None.

A. OPTIONAL BENEFIT PROVISIONS CONT.

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49. Section 21522

\$600 Retired Death Benefit

The lump sum death benefit paid to beneficiaries of retired members will be \$600 instead of the statutory \$500. This section is applicable only to deaths which occur after the effective date of the contract amendment.

Employer Cost: Valuation required.

Rough Estimate: Up to 0.05% of payroll for miscellaneous and safety groups.

Member Cost: None.

50. Section 21551

Continuation of Death Benefits After Remarriage of Survivor

If the surviving spouse remarries, death benefits being paid to the spouse of a member who died prior to retirement will not cease.

Surviving spouses who elected to receive a reduced allowance which would not end upon remarriage shall have their allowance restored to the lifetime allowance to which he/she was originally entitled for all benefits payable on or after the date this section becomes operative for the agency.

If the spouse is entitled to continued health benefits coverage and remarries, he/she may not add the new spouse or stepchildren as family members under the continued health benefits coverage.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: None.

An operative date for this benefit is established at the time of amendment.

51. Section 21573

Third Level of 1959 Survivor Benefits

This benefit provides a monthly allowance to survivors of a member who dies prior to retirement. The benefit is paid in addition to the Basic Death Benefit, the 1957 Survivor Benefit, or, if applicable, the Pre-Retirement Optional Settlement 2 Death Benefit but would be reduced by the amount of the Industrial Death Benefit, if payable. The monthly allowance payable to eligible survivors is as follows:

Spouse with two or more children; or three or more dependent children, alone \$840

Spouse with one dependent child; or two dependent children alone \$700

One dependent child; or surviving spouse at age 62*, or older until remarriage**; or dependent parents \$350

* The benefit would be payable to a surviving spouse at age 60 if the agency's contract includes Section 21580 (1959 Survivor Benefits to Surviving Spouse at Age 60).

** The benefit would not cease upon remarriage if the agency's contract includes Section 21373 (Continuation of Death Benefits After Remarriage of Survivor).

The surviving spouse may elect (within 24 months of the date of the member's death) a 25% reduction to the monthly allowance in lieu of cessation of the allowance in the event of remarriage. If the agency later amends its contract to include Section 21373, surviving spouses who elected to receive the reduced allowance would have their allowance restored to the lifetime allowance to which he or she was originally entitled.

Concurrent coverage under this section and Social Security is prohibited (Section 21577), but an agency may provide the benefit for the full formula members of a divided miscellaneous member group. Members in employment prior to the effective date of the amendment may elect not to be covered, however, participation is required for all future hires who are not covered under Social Security (Section 21577).

A. OPTIONAL BENEFIT PROVISIONS CON'T.

Effective January 1, 1994, this benefit is mandatory for public agencies first contracting or any contracting agency amending its contract to remove exclusions of member classifications for employees who become CalPERS members and who are not covered under Social Security. The agency may elect to provide Section 21382.5 (Fourth Level of 1959 Survivor Benefits).

Employer Cost: \$1.50 per month per covered member. (Billed Annually) Commencing with the amendment effective date. Valuation required if the contract currently provides a lower level of 1959 Survivor Benefits to determine the funding status of the agency's 1959 Survivor Benefit Account. (There is no fee for this valuation.)

Member Cost: \$1.50 monthly (non-refundable).

The employer cost is based on a term insurance valuation method of a large experience pool rather than the experience of your agency, the rate is less likely to have large fluctuations, though it may vary from year to year depending on mortality experience of the pool. The actual employer costs for agencies currently providing 1959 Survivor Benefits who amend to provide the Third Level will vary depending upon each agency's 1959 Survivor funding level. If there is a deficit in the agency's 1959 Survivor funding, or less than a two years prefunding, a transfer will be made from the agency's current service reserve and the \$1.50 payment per covered member will be required. (The transfer may cause a slight increase in the current service portion of the total employer rate.)

An operative date for this benefit is established at the time of amendment.

52. Section 21574

Fourth Level of 1959 Survivor Benefits

This benefit provides a higher level of 1959 Survivor Benefits. The monthly allowance payable to eligible survivors under this section is as follows:

Spouse with two or more children; or three or more dependent children, alone \$2,280

Spouse with one dependent child; or two dependent children alone \$1,900

One dependent child; or surviving spouse at age 60, or older until remarriage*; or dependent parents \$950

* The benefit would not cease upon remarriage if the agency's contract includes Section 21373 (Continuation of Death Benefits After Remarriage of Survivor).

The surviving spouse may elect (within 24 months of the date of the member's death) a 25% reduction to the monthly allowance in lieu of cessation of the allowance in the event of remarriage. If the agency later amends its contract to include Section 21373, surviving spouses who elected to receive the reduced allowance would have their allowance restored to the lifetime allowance to which he or she was originally entitled.

Employer Cost: \$8.50 per month per covered member. (Billed Annually) Commencing with the amendment effective date. Valuation required if the contract currently provides a lower level of 1959 Survivor Benefits to determine the funding status of the agency's 1959 Survivor Benefit Account. (There is no fee for this valuation.)

Member Cost: \$2.00 monthly (non-refundable). As with Section 21573, public agencies contracting or amending to provide the Fourth Level will receive a single employer rate based on term insurance rates. This rate will be calculated on the pool experience rather than individual employer experience. The actual employer cost for agencies currently providing 1959 Survivor Benefits who amend to provide the Fourth Level will vary depending upon each agency's 1959 Survivor funding level. If there is a deficit in an agency's 1959 Survivor funding, or less than a two years prefunding, a transfer will be made from the agency's current service reserve and the \$8.50 payment per covered member will be required. (The transfer may cause a slight increase in the current service portion of the total employer rate.)

A. OPTIONAL BENEFIT PROVISIONS CON'T.

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An operative date for this benefit is established at the time of amendment.

53. Section 21580

1959 Survivor Benefits to Surviving Spouse at Age 60

The eligibility age of a surviving spouse is reduced to 60 years of age for the 1959 survivor allowance, otherwise payable to a surviving spouse at 62 years of age.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: None.

An operative date for this benefit is established at the time of amendment.

54. Section 21583

Second Opportunity to Elect 1959 Survivor Benefits

Members who elected not to be covered by the 1959 Survivor Benefits are given another opportunity to elect such coverage. Eligible members must elect within 90 days after the effective date of the contract amendment. The effective date of coverage will be the date the member **first** became eligible for the 1959 Survivor Benefits.

Employer Cost: No valuation required. Actual costs will emerge in future valuations.

Member Cost: \$2.00 monthly (non-refundable). Plus \$2.00 for every month from the date of original eligibility.

B. MISCELLANEOUS MEMBER CLASSIFICATIONS RECLASSIFIED TO SAFETY BY AMENDMENT TO THE CONTRACT

Miscellaneous members in the following classifications who meet the definition of local safety members, as defined in the applicable section, may be reclassified from Miscellaneous to Safety category, and any past "qualifying service" is reclassified when these members are transferred into the safety group:

1. Ocean beach lifeguards of a city as "Local Safety Members" (Section 20421). This section is only applicable by amendment to public agencies whose contract effective date is prior to January 1, 1960.
2. Paramedics designated as Emergency Medical Technician I, II or Emergency Medical Technician-Paramedic as "Local Safety Members" (Section 20422).
3. Harbor of Port Police Officers as "Local Safety Members" (Section 20423).
4. Employees of a city police department who were employed to perform identification or communication duties on August 4, 1972, as "Local Police Officers" by individual election (Section 20425).
5. Juvenile bureau officers or employees as "Local Police Officers" (Section 20427).
6. Any officers or employees who are Peace Officers, as defined in the Penal Code, of a public agency other than a city or a county as "Local Police Officers" (Section 20429).
7. City jail, detention or correctional facility employees as "Local Police Officers" (Section 20431).
8. Any officers or employees of a fire department employed to perform duties of firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation services as "Local Fire Fighters" (Section 20434).
9. Any officers or employees of a contracting agency performing a fire training function as "Local Fire Fighters" (Section 20435).
10. Employees of a sheriff's office who were employed to perform identification or communication duties on August 4, 1972, as "County Peace Officers" by individual election (Section 20436).
11. Constables, deputy constables, marshals and deputy marshals as "County Peace Officers" (Section 20437).
12. Probation officers, deputy probation officers, assistant probation officers and juvenile hall employees as "County Peace Officers" (Section 20438).
13. County jail, detention or correctional facility employees as "County Peace Officers" (Section 20439).
14. Bailiffs as "County Peace Officers" (Section 20440).

RECLASSIFICATION

An individual member election is provided when an agency reclassifies a group of miscellaneous employees to a safety formula other than the 2% @ 50 formula (Section 20443). Members employed in positions affected by such reclassification may elect to remain covered by the miscellaneous service retirement formula by making an irrevocable election in writing no later than 90 days after notification by this system. Members who elect to remain subject to the miscellaneous service retirement formula will be covered by safety industrial benefits (e.g. disability and death benefits).

Employer Cost: Valuations required for the miscellaneous group and the safety group.

Rough Estimate: Up to 3.5%* of safety payroll. The miscellaneous payroll may be affected.

* does not include up to 3.5% impact of added safety payroll.

B. MISCELLANEOUS MEMBER CLASSIFICATIONS RECLASSIFIED TO SAFETY BY AMENDMENT TO THE CONTRACT

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Member Cost: See cost information under the appropriate formula.

NOTE: For agencies providing Social Security coverage for their miscellaneous group only, employees reclassified from miscellaneous to safety will continue to be covered by Social Security unless the position has been determined to be fire fighter/police officer for Social Security purposes.

C. SPECIAL ITEM—HEALTH INSURANCE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE PROGRAM

Public agencies which contract with CalPERS for retirement benefits may also elect to participate in the Public Employees' Medical and Hospital Care Act Program. Participation is by resolution and that resolution is completely separate from the agency's contract for retirement purposes.

The Public Employees' Medical and Hospital Care Act (Act) was enacted in 1962 for active and retired employees of the State of California. The Act was amended in 1967 to permit a public agency that was participating in the CalPERS retirement system to elect participation in the health benefits program. The definitions of a contracting agency and an employee have been amended to include employers whose employees are members of the State Teachers' Retirement System, a public body or agency within California with its own retirement system, counties and special districts subject to the County Employees' Retirement Law of 1937, and non-CalPERS special districts that meet the definition of a public agency. As of July 1, 1986, contracting agencies may elect to contract for participation for all the agency's eligible employees and annuitants, or may contract for the members of one or more individual employee organizations.

A wide variety of approved health plans have been developed, offering many different philosophies of health care delivery. The types of health plans being offered include two self-funded preferred provider organization health plans (PERS-CARE and PERS CHOICE), numerous health maintenance organizations (HMO), and two association plans. All plans provide both Basic and Supplemental/Managed Medicare coverages.

PERS-CARE and PERS CHOICE contracts with Blue Shield of California to allow members access to their network of over 36,000 physicians and over 280 hospitals in California. PERS-CARE and PERS CHOICE members can fill prescriptions with their membership card at any PAID Prescription's network of contracted pharmacies. PAID's pharmacy network includes virtually every pharmacy in California and over 51,000 nation-wide.

Eligible employees and retirees may choose from all of the health plans CalPERS offers in their area.

However, the participating agency is sent just one bill, requiring only one check to be written to CalPES for health benefits.

Health plans available during the 1997 contract year are:

PERS-CARE (Preferred Provider Organization Plan)
PERS CHOICE (Preferred Provider Organization Plan)
AETNA of California (HMO)
Blue Shield (HMO)
Calif. Professional Firefighters Assoc.
(CPFA) (Association Plan)
CIGNA Health Plan (HMO)
FHP (HMO)
Foundation Health (HMO)
Health Net (HMO)
Health Plan of the Redwoods (HMO)
Kaiser North (HMO)
Kaiser South (HMO)
Lifeguard, Inc (HMO)
Maxicare National (HMO)
OMNI Health Plan (HMO)
PacifiCare (HMO)
Peace Officers Research Assoc. of Calif
(PORAC) (Association Plan)

The rights and responsibilities of all employers are uniform under the Act. In general, a public agency electing to participate in the program must:

- a. Offer all eligible active and retired employees an opportunity to enroll in a CalPERS plan of their choice. All plans must be offered.
- b. Contribute toward the cost of both the active and the retired employees' premium. Agencies may elect to participate with an equal contribution for active and retired employees, contributing at least \$16.00 per month. Agencies joining the program after January 1, 1986, have the option to elect to contribute differently toward the health insurance contribution for active and retired employees. The contribution established for employees under the unequal option must be at least \$16.00 per month. The contribution for retirees under the unequal option cannot be less than \$1.00 per month and must be increased annually by at least 5% of the employer contribution

C. SPECIAL ITEM - HEALTH INSURANCE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE PROGRAM CONT.

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for the active employees until such time the active and retired employees' contribution is equal.

- c. Contribute a percent (0.0% (zero) for the 1997 contract year) of the total gross monthly premium of employees (active and retired) to the Public Employees' Contingency Reserve Fund. The Reserve Fund is variable but by law cannot exceed 4% of the total monthly premium. The Reserve Fund is used to reduce premiums, improve benefits or offset the higher cost of providing equal benefits and premiums to all enrolled members. The primary use is to offset the costs of retired employees enrolled in the basic plans.
- d. Contribute a percent (0.5% for the 1997 contract year) of the total gross monthly premium to the administrative cost of providing the program to the agency. The administrative fee cannot by statute exceed 2% of the total monthly premium.
- e. Not maintain another health benefits plan for the employees and annuitants of the employee organizations who are participating in the CalPERS health benefits program, unless the alternative plan is approved by CalPERS.

Complete information regarding this program may be obtained from:

**Public Employees' Retirement System
Health Benefits Services Division—
Public Agency Unit
Post Office Box 942714
Sacramento, CA 94229-2714**

**Telephone (916) 326-3364
(916) 326-3240 (Telecommunications
Device for the Deaf)**

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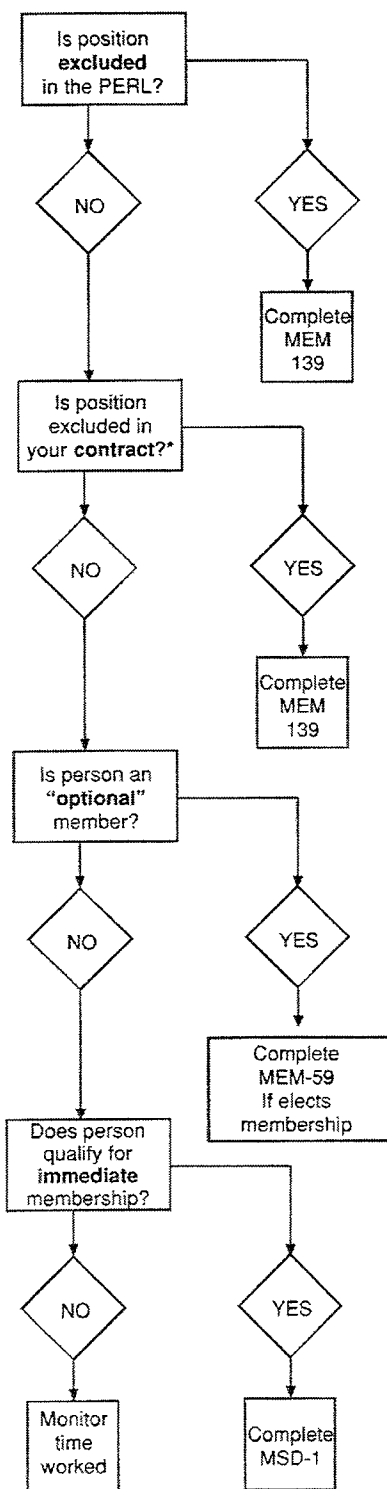
MEMBER SERVICES DIVISION TELEPHONE AND SECTION CODE DIRECTORY

Telephone	Section Number	Code*
Member Services Division		
General Information	(916) 326-3141	
General Information (TDD only)	326-3240	
Facsimile (FAX) Number	326-3287	
Member Records Section		
Membership Status	(916) 326-3141	841
New Members and Membership Qualifications	326-3141	841
Reciprocity	326-3141	841
Member Statements	(916) 326-3141	823
Service Credit Section	(916) 326-3141	831, 832, 833
Arrears and Adjustments of Member Contributions		
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Leaves of Absence		
Military Service Claims		
Optional Elective Officers—Membership		
Prior Service Claims		
Redeposit of Withdrawn Contributions		
Service Prior to Membership		
Temporary Disability Absences		
Redeposit Cost Quotation Line		
(only for previously withdrawn contributions)	(916) 326-3830	831, 832, 833
Service Payment Unit	(916) 326-3141	835
Refunds-Benefit Application Services Division	(916) 326-3232	445

* For better service when writing to the Member Services Division, include the Section Code on all correspondence.
See Appendix for the System's mailing addresses.

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DETERMINING MEMBERSHIP ELIGIBILITY



*Please refer to "Invalid/ Superseded Contract Exclusions" on following pages.

2-5

POSITIONS EXCLUDED BY RETIREMENT LAW (PERL) FROM CALPERS COVERAGE

A. MEMBERS OF OTHER RETIREMENT SYSTEMS: Persons who are receiving service credit in another public retirement system (federal, state, county, city, or other local) are, **as to such service**, excluded from CalPERS membership by Section 20303.

NOTE: Persons can have dual membership in two or more public retirement systems, as long as it is for **different service**; receiving credit in more than one system for the **same service** is prohibited.

B. INDEPENDENT CONTRACTORS: Independent contractors are not "employees," and are excluded from membership in CalPERS by Section 20300(b). An independent contractor is someone who contracts to do a piece of work according to his/her own methods, and is subject to his/her employer's control only as to the **end product or final result** of work, and not as to "where, when and how" the work is performed.

CalPERS often uses the "Common Law Control Test", extracted from the **State Administrators' Handbook**, as a guide to determining employee/contractor status.

C. ELECTED OR APPOINTED OFFICERS OF A COUNTY SUPERINTENDENT, SCHOOL DISTRICT, OR A CONTRACTING AGENCY: Such persons other than city or county elected or appointed officers, who are elected or appointed on or after July 1, 1994 (to a term not consecutive with a term held on June 30, 1994) are excluded from membership in CalPERS by Section 20322(c); this applies primarily to persons who serve on public commissions, boards, councils, or similar legislative or administrative bodies. City or county elected or appointed officers who serve on public commissions, board, councils, or similar legislative or administrative bodies, who are elected or appointed on or after January 1, 1997 (to a term not consecutive with a term held on December 31, 1996) are excluded

from membership in CalPERS by Section 20322(c).

NOTE: This exclusion does not apply to persons elected to a city council or county board of supervisors, who are still "optional" under this section, (See "Election of Optional Membership", this section).

D. STUDENT ASSISTANTS/AIDES: A student in a public school, who is also employed in the same district in which he/she is a student and whose "student" status is a prerequisite for employment, is excluded from CalPERS membership by Section 20300(c).

E. STUDENT TEACHERS WITH TEMPORARY TEACHER-ASSISTANT CERTIFICATE: Persons employed as student teachers under Education Code Section 44926 (who possess a temporary certificate to serve as a teacher-assistant) are excluded from CalPERS membership by Government Code Section 20300(d), and are excluded from STRS membership by Section 22607 of the Education Code.

F. PROFESSIONAL LEGAL SERVICES TO A CITY: All persons rendering professional legal services **to a city** (other than a City Attorney, or Deputy/Assistant City Attorney) are excluded from CalPERS membership.

EXCEPTION: Persons holding the office of city attorney or deputy/assistant city attorney prior to July 1, 1994, may continue to be "optional" members of CalPERS (refer to Optional Members).

POSITIONS EXCLUDED BY RETIREMENT LAW (PERL) FROM CALPERS COVERAGE CON'T.

G. JOB TRAINING PARTNERSHIP ACT

PARTICIPANTS: Such persons are excluded from CalPERS membership by Section 20300(f), except for 'safety' employees or career staff employees.

H. INMATES OF PUBLIC AGENCY

INSTITUTIONS (e.g., a prison/penitentiary, or mental hospital): Such persons are excluded from CalPERS membership by Section 20300(a) even if receiving compensation for such services as they perform.

CONTRACT EXCLUSIONS: Section 20502 gives CalPERS authority to grant to contracting agencies exclusions from CalPERS coverage. Such exclusions may **not** be made for individual employees (e.g., City Manager, Fire Chief, etc.) but must be of groups of employees such as by departments or duties. Any exclusions in your agency's CalPERS contract are shown in your Coverage Key.

Such exclusions, when granted, are effective **only** with respect to **future** entrants into such a group; persons employed in this group **prior** to the exclusion are **not** affected by the addition of this exclusion.

INVALID/SUPERSEDED CONTRACT

EXCLUSIONS: Section 20305 states that this section "shall supersede any contract provision excluding persons in any temporary or seasonal employment basis and shall apply only to persons entering employment on or after January 1, 1975."

There are some agencies who have contract exclusions which were granted to their contract prior to January 1, 1975, where the reason/basis for the exclusion was the "temporary" or "seasonal" employment base of the employees. Such exclusions **have** been superseded by Section 20305; therefore, the exclusion no longer applies with respect to employees entering such employment after January 1, 1975.

EXAMPLE: If your contract excludes "Temporary Extra-Help Clerical Employees" from July 1, 1968, this exclusion **has** been superseded by Section 20305; employees entering such category after January 1, 1975, are not bound by this contract exclusion and should enter membership upon meeting the normal qualifications.

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"OPTIONAL" MEMBERS OF CalPERS

Government Code Sections 20320-20325 provide for "optional" membership in CalPERS for certain classes of employees, particularly those whose appointment tenure is subject to the electoral process (such as elected officials). Optional members of CalPERS are excluded from membership unless and until they elect such membership. Upon electing membership, they may elect to contribute and receive service credit for their previous employment. (See our booklet, "Service Credit" for more information about requesting credit.)

The following employees of contracting agencies are optional members who, if they are compensated for their service, may elect membership by completing form PERS-MEM-59:

- a. **SOME ELECTIVE OFFICERS:** Persons elected to City Council, County Board of Supervisors, Mayor, as well as officers of contracting agencies elected by the people.

NOTE: Effective January 1, 1997, city and county elected or appointed officers who serve on public commissions, boards, councils, or similar legislative or administrative bodies are excluded from membership in CalPERS. This exclusion applies only to persons first elected or appointed on or after January 1, 1997, or following any break in service on or after January 1, 1997. This exclusion does not apply to persons elected to a city council or county board of supervisors, who are still "optional" under this section. (See "Election of Optional Membership", this section.)

NOTE: Effective July 1, 1994, elected or appointed officers of a County Superintendent of Schools, a school or community college district, or a contracting agency other than a city or county (e.g., who serve on public commissions, boards, councils, or similar bodies) are excluded from membership in CalPERS. This exclusion applies only to persons first

elected or appointed on or after July 1, 1994 or following any break in service on or after July 1, 1994. Prior to July 1, 1994, such persons were generally "optional" members.

- b. **CITY ATTORNEY, DEPUTY/ASSISTANT CITY ATTORNEY:** Persons in office prior to July 1, 1994, (with no break in service while serving in the office held on June 30, 1994) are optional members.

NOTE: Persons in office/employed for the first time after July 1, 1994, (or after a break in service, if in office/employed before June 30, 1994) are no longer "optional" members but are subject to the normal rules for qualification for membership.

Refer to the Manual Section "Election of Optional Membership" for procedural information concerning such elections.

It is the responsibility of the employer to notify employees of their potential optional membership rights. If an employee chooses not to become a CalPERS member, it is recommended that this decision be documented for the employer's files. A copy of this document does not need to be sent to CalPERS.

PART-TIME EMPLOYEES: A more recent category of "optional" members are part-time employees of a contracting agency, a school or community college district, or a county superintendent of schools. The employer may amend its contract (for contracting agencies) or adopt a resolution (for school employers) to provide Section 20325 to its part-time employees. Such employees may elect membership in CalPERS by completing form PERS-MEM-229. If such amendment or resolution is adopted, all employees eligible to elect membership are automatically subject to the same Social Security coverage provided for members whether or not they elect membership.

POSITIONS TO MONITOR FOR QUALIFICATION FOR CalPERS MEMBERSHIP

Persons who are **already** members of CalPERS do not need to "re-qualify" for membership unless they are reentering employment after a **termination of membership** (including withdrawal of any accumulated CalPERS contributions and interest). This applies **even** if membership was established through employment with another agency and even though they are not currently working and are on "inactive" status with CalPERS.

Many or most other employees should enter CalPERS membership **immediately upon employment** (Section 20281); however, there are some employees who must work a certain number of hours/days (commonly referred to as "qualifying time") before they can qualify for membership, such as the following:

FULL-TIME EMPLOYEES: Persons in full-time employment whose appointment/employment contract 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 (effective not later than the first day of the first pay period of the seventh month of employment).

LESS THAN FULL-TIME EMPLOYEES: For the majority of positions, CalPERS deems "full-time" employment to be **40 hours per week**; as defined by Section 20065, any amount of time worked less than this may be considered "less than full-time". However, the most important and commonly used guideline to consider for less-than-full-time employees is **1000 hours or 125 days in a fiscal year**. (125 8-hour days equals 1000 hours.) This standard is the equivalent of a 20-hour week, for 50 weeks out of the year, and is stated in Government Code Section 20305(a) (3) (B).

The general principles to follow to determine when and if someone should qualify for membership are as follows:

1. Persons who are **already** members of CalPERS are **not** excluded from membership because

they are working less than full-time; Section 20305(a) (1).

2. Persons enter membership upon appointment to a position with one of the following conditions:
 - a. The appointment/employment contract fixes a term of **full-time, continuous** employment in excess of six months.
 - b. 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 contract, 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; someone working a 24-hour shift (e.g., firefighters) would work 3 "days" per shift.
- c. The person works more than 1,000 hours in a fiscal year if paid on other than a per diem basis. Any overtime hours worked should be counted towards this threshold.

In each such case, 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 1000 hours or 125 days.

NOTE: It is the employer's responsibility to determine if its employees are eligible to participate in CalPERS. If at a later date it is discovered that an employer has knowingly failed to enroll an eligible employee, the employer shall pay the employee's contributions, employer's contributions, interest, and a \$500 per person administrative fee (Section 20283).

The provisions concerning less than full-time employees were formerly found in Sections 20334 and 20336 of the Government Code; under Chapter 1168, Statutes of 1993, however, these provisions were all incorporated into Section 20305 without substantive change.



California Public Employees' Retirement System

P.O. Box 942704

Sacramento, CA 94229-2704

NOTICE OF EXCLUSION FROM PERS MEMBERSHIP

PERS-MEM-139 (Rev. 6/89)

Your employer has contracted with the Public Employees' Retirement System (PERS) to provide an employee benefit package which includes service retirement, death, and disability benefits.

1. SOCIAL SECURITY NUMBER		
2. CURRENT NAME (LAST)	(FIRST) (MIDDLE)	
3. NAME OF PUBLIC AGENCY	4. DEPARTMENT OR SCHOOL DISTRICT NAME	5. JOB OR POSITION TITLE
6. TERM OF APPOINTMENT	7. IF TEMPORARY, ENTER NEAREST NUMBER OF WHOLE MONTHS THE APPOINTMENT IS EXPECTED TO LAST.	
<input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY	MONTHS	
8. APPOINTMENT DATE		MM DD YY
9. TIME BASE	IF PART TIME, ENTER THE FRACTION OF FULL TIME	
<input type="checkbox"/> FULL TIME <input type="checkbox"/> PART TIME <input type="checkbox"/> INDETERMINATE	→	

In your present position with this agency, you are excluded from PERS membership because:

- ☐ 1. Your full-time seasonal or limited term appointment is limited to 6 months or less.
- ☐ 2. Your part-time appointment is limited to less than an average of 20 hours per week.
- ☐ 3. Your appointment is an on-call, intermittent, emergency, substitute, or other irregular basis which excludes you from membership until you have worked 1,000 hours (or 125 days if paid on per diem basis) this fiscal year.
- ☐ 4. Your position is excluded by PERS contract agreement which excludes:

Enter contract exclusion. (For Public Agencies Only)

- ☐ 5. You are employed to render professional legal service to a city.
Exceptions: City attorneys are optional members.
Deputy city attorneys are mandatory members.
- ☐ 6. You are an independent contractor.
- ☐ 7. You are employed as a student aide by a school district in a position established for students only and you are attending school in the same district. (For County Schools Only.)

NOTE: If you are a member of PERS by previous employment (either you have funds on deposit or service credit), exclusions 1, 2, and 3 do not apply to you and you are a member in your present position. Be sure to notify your employer to complete a Membership Form (MSD-1) to report your employment to PERS.

If you believe that your employment does qualify you for PERS membership, ask your employer for an explanation. If you still have doubts, you may appeal directly to PERS by sending a letter to the Member Services Division, at the address shown above, stating the reasons why you feel you should be a member.

SIGNATURE OF CERTIFYING OFFICER	TITLE	DATE
SIGNATURE OF EMPLOYEE		DATE

NOTE: Benefits provided by PERS are described in the "PERS BENEFITS" information booklet available from your employer.

NOTICE OF EXCLUSION

NOTE: This form should be given to all employees who do not qualify for PERS membership in order to inform employees of the specific reason for their exclusion and to fulfill the employer's responsibility of notification. Do NOT send copies of this form to PERS, although, you should keep a copy with the employee's records.



California Public Employees' Retirement System
P.O. Box 942704
Sacramento, CA 94229-2704

NOTICE OF EXCLUSION FROM PERS MEMBERSHIP PERS-MEM-139 (Rev. 6/89)

Your employer has contracted with the Public Employees' Retirement System (PERS) to provide an employee benefit package which includes service retirement, death, and disability benefits.

1. SOCIAL SECURITY NUMBER			
2. CURRENT NAME (LAST)	(FIRST)	(MIDDLE)	
3. NAME OF PUBLIC AGENCY	4. DEPARTMENT OR SCHOOL DISTRICT NAME	5. JOB OR POSITION TITLE	
6. TERM OF APPOINTMENT	7. IF TEMPORARY, ENTER NEAREST NUMBER OF WHOLE MONTHS THE APPOINTMENT IS EXPECTED TO LAST.	8. APPOINTMENT DATE	
<input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY	<input type="text"/> <input type="text"/> MONTHS	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
9. TIME BASE	IF PART TIME, ENTER THE FRACTION OF FULL TIME		
<input type="checkbox"/> FULL TIME <input type="checkbox"/> PART TIME <input type="checkbox"/> INDETERMINATE	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

ITEM BLOCK TITLE INSTRUCTIONS

- | | | |
|---|-------------------------------|---|
| 1 | Social Security Number | Enter employee's Social Security number. Verify with Social Security card. |
| 2 | Current Name | Enter employee's full name. |
| 3 | Name of Public Agency | Enter agency's name. |
| 4 | Department or School | Self-explanatory. |
| 5 | Job or Position Title | Self-explanatory. |
| 6 | Term of Appointment | Check the appropriate box. |
| 7 | If Temporary | For limited-term appointments, enter the number of months the appointment is expected to last. |
| 8 | Appointment Date | Enter the date when compensation for employment begins. |
| 9 | Time Base | Enter "X" in the box that identifies the time schedule this employee will work. If PART-TIME is selected, enter the fraction of FULL-TIME in the boxes provided at the far right of this line. This fraction <i>must</i> be expressed as a 3-digit numerator over a 3-digit denominator (whether you use hours, percentage or a fraction in figuring PART-TIME earnings for your employee). When either the numerator or denominator is not a 3-digit number, be sure to enter zeros to the left so that all the boxes are filled. Do not use decimal points in the blocks. |

ITEM BLOCK TITLE INSTRUCTIONS

9 (cont'd) Time Base

Examples:

- 1) a. Number of hours per week
to be worked— 30 hours

Number of hours per week
considered FULL TIME— 40 hours

Enter Fraction

0	3	0	/	0	4	0
---	---	---	---	---	---	---

- b. Number of hours per week
to be worked— 31.5 hours

Number of hours per week
considered FULL TIME— 40 hours

Enter Fraction

3	1	5	/	4	0	0
---	---	---	---	---	---	---

- 2) Percentage of time to be
worked— 56.3%

FULL TIME— 100%

Enter Fraction

0	5	6	/	1	0	0
---	---	---	---	---	---	---

- 3) Fraction of time
to be worked— 3/4

Enter Fraction

0	0	3	/	0	0	4
---	---	---	---	---	---	---

MEMBERSHIP MEM-139

In your present position with this agency, you are excluded from PERS membership because:

- ☐ 1. Your full-time seasonal or limited term appointment is limited to 6 months or less.
- ☐ 2. Your part-time appointment is limited to less than an average of 20 hours per week.
- ☐ 3. Your appointment is an on-call, intermittent, emergency, substitute, or other irregular basis which excludes you from membership until you have worked 1,000 hours (or 125 days if paid on per diem basis) this fiscal year.
- ☐ 4. Your position is excluded by PERS contract agreement which excludes:

Enter contract exclusion. (For Public Agencies Only)

- ☐ 5. You are employed to render professional legal service to a city.
Exceptions: City attorneys are optional members.
Deputy city attorneys are mandatory members.
- ☐ 6. You are an independent contractor.
- ☐ 7. You are employed as a student aide by a school district in a position established for students only and you are attending school in the same district. (For County Schools Only.)

NOTE: If you are a member of PERS by previous employment (either you have funds on deposit or service credit), exclusions 1, 2, and 3 do not apply to you and you are a member in your present position. Be sure to notify your employer to complete a Membership Form (PERS-MEM-1) to report your employment to PERS.

ITEM EXCLUSIONS INSTRUCTIONS

1 Seasonal or Limited-Term Appointment

An employee whose full-time, seasonal, or limited-term employment is limited to six months or less is excluded from membership.

2 Less than 20 hours per week Appointment

A part-time employee employed to work less than an average of 20 hours per week is excluded from membership. However, Government Code Section 20325, effective January 1, 1989, permits employees who work less than 20 hours a week the option to elect to be members of CalPERS provided that their contracting agency employer amends its contract or their school employer adopts a resolution to permit such an election.

All part-time school employees and part-time public agency employees whose employers elect this benefit and who also provide Social Security coverage will automatically be covered by Social Security even if they do not elect to be CalPERS members.

3 Irregular or Intermittent

An employee is excluded from membership if appointed on an on-call, intermittent, emergency, substitute, or other irregular basis until the employee has worked 1,000 hours or 125 days if paid on a per diem basis in the fiscal year (July 1 through June 30).

NOTE: Exclusions 1, 2 and 3 do not apply to persons who have funds on deposit or service credit with CalPERS. Check with employee for current membership status.

MEMBERSHIP MEM-139

In your present position with this agency, you are excluded from PERS membership because:

- ☐ 1. Your full-time seasonal or limited term appointment is limited to 6 months or less.
- ☐ 2. Your part-time appointment is limited to less than an average of 20 hours per week.
- ☐ 3. Your appointment is an on-call, intermittent, emergency, substitute, or other irregular basis which excludes you from membership until you have worked 1,000 hours (or 125 days if paid on per diem basis) this fiscal year.
- ☐ 4. Your position is excluded by PERS contract agreement which excludes:

Enter contract exclusion. (For Public Agencies Only)

- ☐ 5. You are employed to render professional legal service to a city.
Exceptions: City attorneys are optional members.
Deputy city attorneys are mandatory members.
- ☐ 6. You are an independent contractor.
- ☐ 7. You are employed as a student aide by a school district in a position established for students only and you are attending school in the same district. (For County Schools Only.)

ITEM EXCLUSIONS INSTRUCTIONS

4 **CalPERS Contract
Exclusion
(Applies to Public
Agencies only)**

Public Agencies by CalPERS contract agreement may exclude certain categories. (Refer to public agency Coverage Key Item 10-Exclusions). Enter the specific exclusion which applies to the employee. Please refer to "Invalid/Superseded Contract Exclusions" on previous pages.

5 **Professional Legal
Service**

Persons rendering professional legal services to a city are excluded from membership.

Exceptions:

- 1) A City Attorney, Assistant City Attorney, or Deputy City Attorney first entering employment on or after July 1, 1994, is subject to mandatory membership provisions. A person continuously holding such position since June 30, 1994, may have the option of membership. Refer to the Election of Optional Membership—PERS-MEM-59 in this section for further information.
- 2) The person holding the office of Assistant City Attorney.
- 3) The person holding an established position of Deputy City Attorney.

MEMBERSHIP MEM-139

In your present position with this agency, you are excluded from PERS membership because:

- ☐ 1. Your full-time seasonal or limited term appointment is limited to 6 months or less.
- ☐ 2. Your part-time appointment is limited to less than an average of 20 hours per week.
- ☐ 3. Your appointment is an on-call, intermittent, emergency, substitute, or other irregular basis which excludes you from membership until you have worked 1,000 hours (or 125 days if paid on per diem basis) this fiscal year.
- ☐ 4. Your position is excluded by PERS contract agreement which excludes:

Enter contract exclusion. (For Public Agencies Only)

- ☐ 5. You are employed to render professional legal service to a city.
Exceptions: City attorneys are optional members.
Deputy city attorneys are mandatory members.
- ☐ 6. You are an independent contractor.
- ☐ 7. You are employed as a student aide by a school district in a position established for students only and you are attending school in the same district. (For County Schools Only.)

NOTE: If you are a member of PERS by previous employment (either you have funds on deposit or service credit), exclusions 1, 2, and 3 do not apply to you and you are a member in your present position. Be sure to notify your employer to complete a Membership Form (PERS-MEM-1) to report your employment to PERS.

If you believe that your employment does qualify you for PERS membership, ask your employer for an explanation. If you still have doubts, you may appeal directly to PERS by sending a letter to the Member Services Division, at the address shown above, stating the reasons why you feel you should be a member.

SIGNATURE OF CERTIFYING OFFICER	TITLE	DATE
SIGNATURE OF EMPLOYEE		DATE

NOTE: Benefits provided by PERS are described in the "PERS BENEFITS" information booklet available from your employer.

ITEM EXCLUSIONS INSTRUCTIONS

- | | | |
|----------|---|---|
| 6 | Independent Contractors | Independent contractors or employees of independent contractors who are not employees of the agency are excluded from membership. See 'Positions Excluded by Retirement Law', Paragraph B in this chapter. |
| 7 | Student Aide
(Applies to SCHOOLS only) | Students who are employed by a school district in a position established for students only and attending school in the same district are excluded from membership. This includes students enrolled in a California teacher training institution with a temporary certificate to serve as a teacher assistant.

Non-students or students from other districts employed in student positions are not excluded from membership under this provision. |
| 8 | Signatures | Self-explanatory. |

ALTERNATIVE RETIREMENT PLAN ELECTION

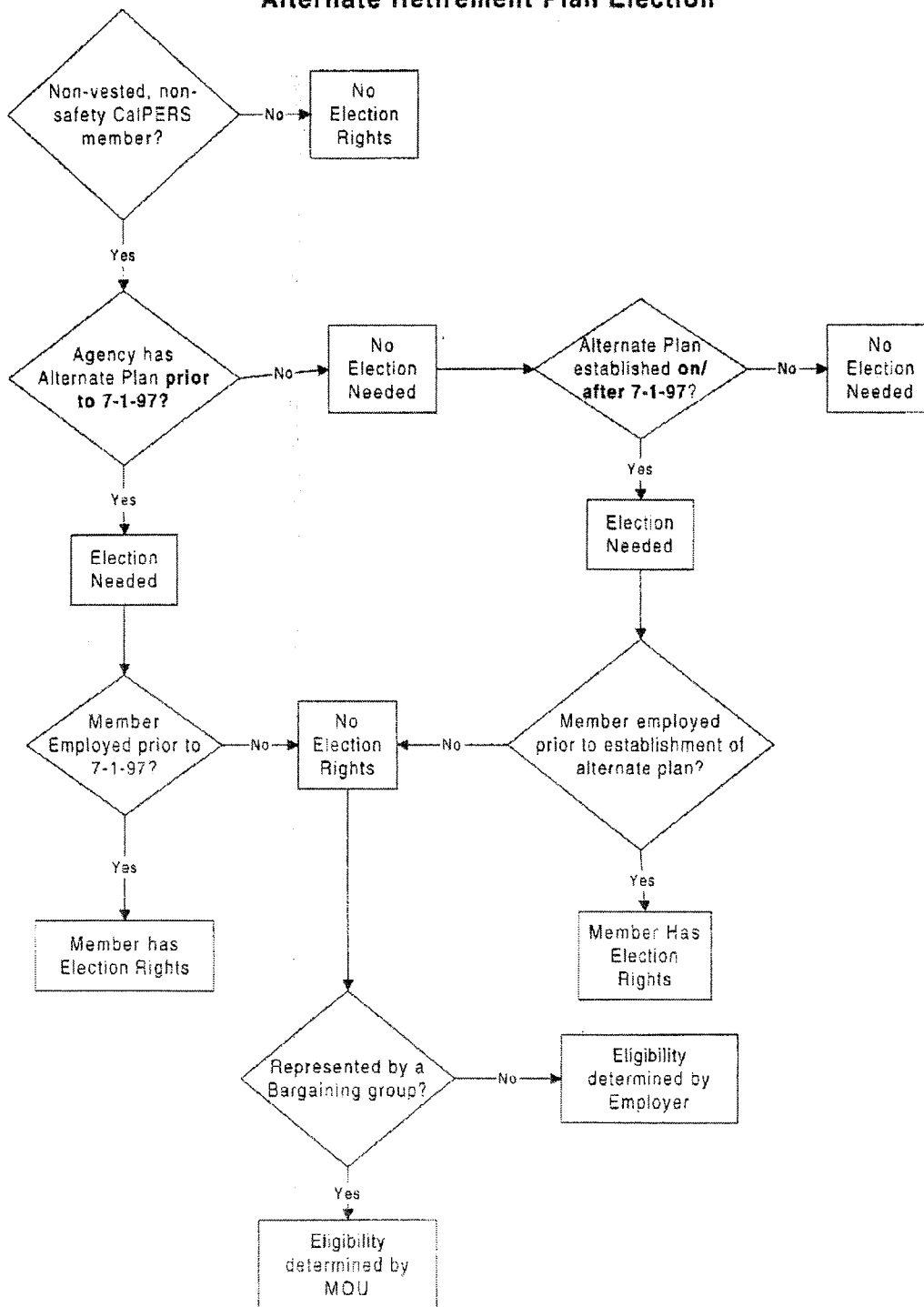
Government Code Section 20306:

Section 20306 was added to the Government Code by Chapter 1164, Statutes of 1996, AB 2400. It provides that public agencies and school districts that have an alternate retirement plan prior to July 1, 1997, must conduct an election among their non safety members who are credited with less than five years of state service to determine whether they want to retain active CalPERS membership or participate in the alternate retirement plan if their time base drops below minimum membership thresholds. For additional information regarding the mandated election, contact CalPERS, Member Services Division at (916) 326-3141.

The following flowchart will help determine eligibility for the alternate retirement plan.

ALTERNATIVE RETIREMENT PLAN ELECTION (CONT.)

Eligibility to Participate in the CalPERS/ Alternate Retirement Plan Election



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SCHOOL EMPLOYMENT: COVERED BY CALPERS OR STRS?

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, library media workers, etc.) are all in certificated positions.
2. **CLASSIFIED:** An employee in a non-certificated position (e.g., office workers, custodial staff, cafeteria workers, etc.).

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

Pursuant to Government Code Sections 20300(g), 20501 and 20580, CalPERS can cover school employees only with respect to employment in which they are not eligible for STRS coverage. Some persons who are **eligible** for membership in STRS 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 (which contains the laws governing STRS) contains two provisions which may give persons certain rights with regard to choosing coverage under one system or the other:

Section 22508: A person who is a STRS member, who subsequently is employed by a school district or a county superintendent in a position which requires CalPERS membership (e.g., a classified position), will **remain** a member of STRS in the new position. However, he or she may elect not to continue (i.e., to be excluded from) STRS membership, and to change to CalPERS membership in the new position.

Section 22509: A CalPERS member employed by a school district or a county superintendent, who then is employed in a position requiring STRS membership (e.g., a certificated position), will enter STRS membership in the new position. However, he or she may elect to remain a member of CalPERS in the new position.

These elections must be made in writing and a copy must be filed with the **elected system within 60 days** of entry into the new position. The election filed must be signed and dated by **both** the employee and employer. It should also indicate the date the employee entered the new position.

Send elections to:

STRS
P.O. Box 15275-C
Sacramento, CA 95813

CalPERS
Member Services Division/Unit 841
P.O. Box 942704
Sacramento, CA 94229-2704

This right of election arises **each time** the employee enters a new position or has a major change in conditions of employment. If a person does not exercise the right of election upon entering one position, the right will arise **again** upon entering a new position such as described above. For example, a classified CalPERS member who enters a certificated position but does **not** elect to remain in CalPERS coverage, will again have the right of election upon appointment to a different certificated position. However, once a person **does** exercise this right of election, this election is **irrevocable** and will remain in effect for **all** future school employment unless and until the person separates from employment and receives a refund of all accumulated contributions and interest.

You should also submit a Member Action Request (MSD-1) if the member is entering/leaving active CalPERS membership.

Use the chart following this section as a guide to determine the retirement system coverage for the employee.

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SCHOOL EMPLOYMENT: COVERED BY CALPERS OR STRS? CON'T.

The **Education Code** (which governs STRS), 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 STRS, not CalPERS.

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:

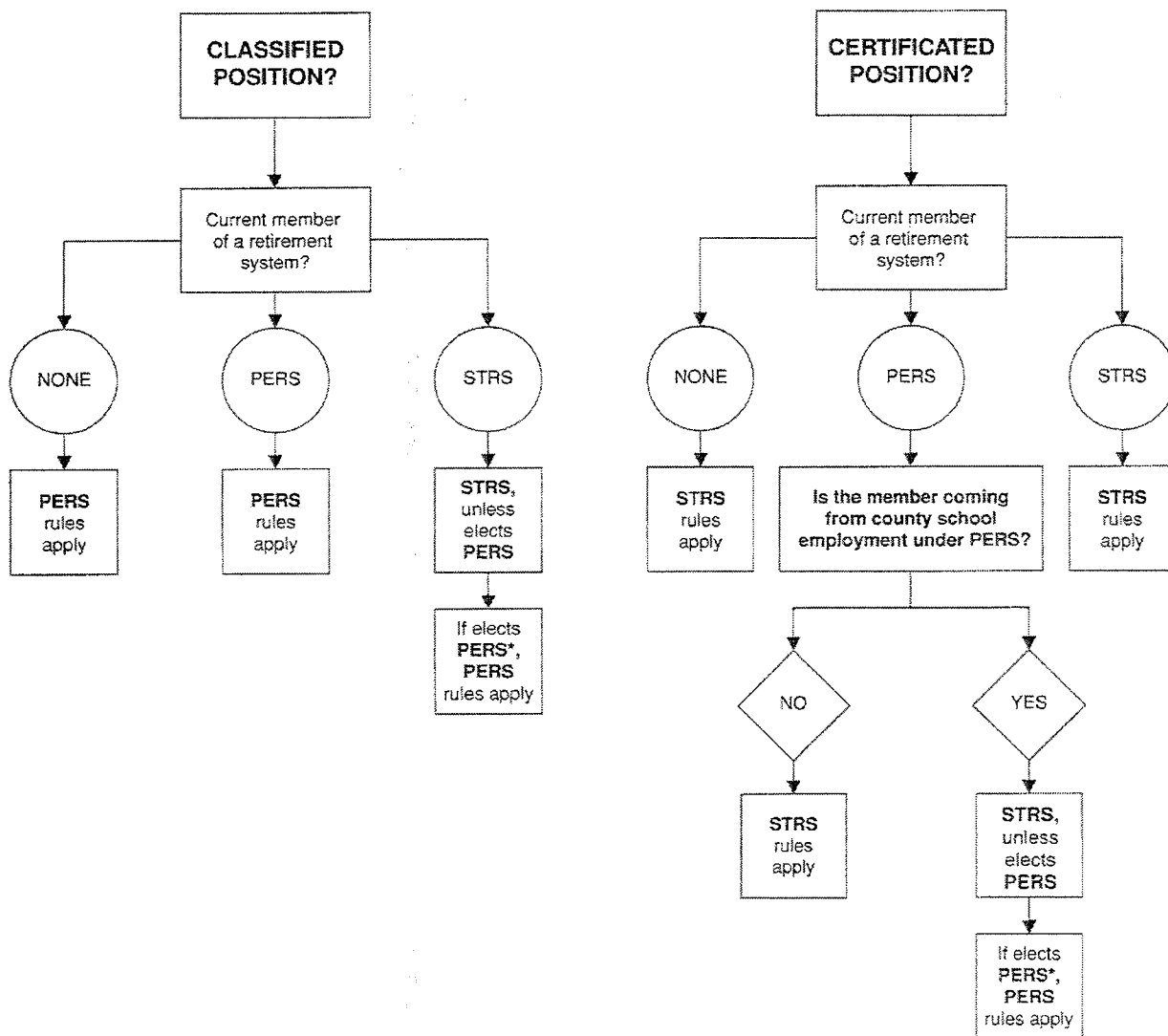
1. CalPERS members **may** or **may not** have Social Security coverage (most do), whereas STRS members generally do not;
2. The Benefit Factors based on age for service retirement may be different. STRS factors reach a maximum of 2% at age 60, for instance,
3. The employee contribution rates may be different.

We suggest you contact STRS or the Member Services Division at CalPERS if you have any specific questions or need additional information relating to your choice of coverage.

ADDITIONAL INFORMATION:

1. A person is a "member" of CalPERS or STRS 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** STRS and CalPERS as long as this dual coverage is for **different positions**.
3. The right of election arises only for a CalPERS member through **school employment**. If a person has CalPERS membership through some other type of employer (for example, the State, or a contracting agency), there is no right to elect to remain a CalPERS member.
4. The right of election arises only **after** one has qualified for membership in a position that would be covered by the other system. The election cannot be made until the new position has actually become effective.
5. For situations where STRS membership is desired, no election is required.
6. The election only needs to be filed with the system indicated by the Education Code section (see above); if you send a duplicate copy to the other system for informational purposes, it should be clearly labeled "COPY."

SHOULD A COUNTY SCHOOL EMPLOYEE BE A MEMBER OF CALPERS OR STRS?



* An election to be covered by PERS is *irrevocable* and covers all future County School employment.

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MEMBERSHIP CATEGORIES

All CalPERS members employed by your agency will fall into one of the following general categories:

1. **Local Safety Members:** This category "includes all local police officers, firefighters, safety officers, county peace officers..., employed by a contracting agency who have by contract been included within this system." (Government Code Section 20420)
2. **Local Miscellaneous Members:** This category "includes all employees of a contracting agency who have by contract been included within this system, except local safety members." (Government Code Section 20383)
3. **School Members:** This category "includes all employees within the jurisdiction of a school employer, other than local police officers and school safety members." (Government Code Section 20370)
4. **School Safety Members:** "...any officer or employee of a school district or a community college district which has established a police department...whose principal duties consist of active law enforcement service." (Government Code Section 20444) **NOTE:** This category is only available by specific provision of a school employer's contract (see "School Safety Members" in the section on "Schools" below).

For most employers, all or the large majority of their employees will be in the "local miscellaneous" or "school member" categories rather than a "safety" category.

Determination of an employee's membership category is based on job classification or duties as defined in the Government Code and as specified in the agency's contract with CalPERS. Your Coverage Key (Item 9) will indicate if your agency has contracted to reclassify any positions from miscellaneous to a safety category.

Your agency should be aware of the fact that, apart from the "optional" contract provisions to reclassify Miscellaneous employees to the Safety category, it is **not** permissible to report employees in a "safety" category whose job duties do not support such membership. You should refer to the definitions for

Local Safety Members on the following pages for definitions of such membership.

"Safety" membership most commonly requires service rendering either "active law enforcement" or "active firefighting" services. These persons are known as "safety" employees because they are engaged in protecting the public safety and may be exposed to physical risk during the course of employment. CalPERS relies upon an opinion of the Attorney General to define what is meant by the term "active" for safety service:

"It is suggested that active law enforcement work means 'physically active' work such as the arrest and detention of criminals... (T)he main reference is to duties which expose officers and employees to physical risk in the law enforcement field..."
(22 Ops. Cal. Atty. Gen. 229)

Another important criterion in many of the sections defining "safety" membership is the requirement that a person be "employed and qualifying as patrol officers" or "employed and qualifying as firefighters," irrespective of their current duties. This is particularly important for persons who are promoted to supervisory/managerial positions. Almost all agencies have established procedures in place (e.g., certification and/or academy training, physical fitness requirements, etc.) by which persons become "qualifying" as police or firefighters, and have standards (such as physical fitness) which must be met in order to maintain such status. Such persons who remain patrol officers/firefighters **could** (perhaps in special circumstances such as an emergency or a work stoppage) be required to return to regular "active" duties; accordingly, the "safety" status is appropriate even though the person's current duties may not involve such duties.

There are also other instances where persons have been given mandatory "safety" membership. For example, legislation passed in 1987 (AB 839, Chapter 1411) brought certain members employed between January 1, 1988, and October 2, 1989, into safety membership as "local firefighters" whose principal duties consisted of fire prevention and/or fire investigation. There have also been instances where persons rendering identification and communication

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MEMBERSHIP CATEGORIES CON'T.

duties (i.e., police dispatchers) have been given safety membership as "local police."

CalPERS has had some cases in recent years where an employee was inappropriately retained in "safety" membership after receiving an appointment to a non-safety position (such as City Manager). Even if such a member was formerly in "safety" membership (e.g., as Police Chief or Fire Chief), safety membership cannot be given where the job duties, do not support this status. **Inappropriate membership classification is one of the key factors that are investigated by CalPERS' field auditors, and corrective actions will be taken upon discovery by CalPERS staff of such inappropriate classifications.**

If you are unsure about the proper membership category for a given position, submit a job description/duty statement to CalPERS Member Services Division (Unit 841) for a determination. This may also be done upon establishing a new position or upon significant change in the duties of a previous position.

The following definitions for Local Safety Members will assist you in determining membership category:

LOCAL POLICE OFFICER

"...any officer or employee of a police department of a contracting agency which is a city, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly fall within the scope of active law enforcement service even though the employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement service, but not excepting persons employed and qualified as patrol officers of equal or higher rank irrespective of the duties to which they are assigned." (*Government Code Section 20425*).

LOCAL FIREFIGHTER

"...any officer or employee of a fire department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active firefighting, or active firefighting and prevention service, active firefighting and fire training, active firefighting and hazardous materials,

active firefighting and fire or arson investigation, or active firefighting and emergency medical services even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, or active firefighting and prevention service, active firefighting and fire training, active firefighting and hazardous materials, active firefighting and fire or arson investigation, or active firefighting and emergency medical services, but not excepting persons employed and qualifying as firefighters of equal or higher rank, irrespective of the duties to which they are assigned." (*Government Code Section 20433*).

COUNTY PEACE OFFICER

Sheriff

"...the sheriff and any officer or employee of a sheriff's office of a contracting agency except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and functions do not clearly come within the scope of active law enforcement service even when such an employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement service, but not excepting persons employed and qualifying as deputy sheriffs of equal or higher rank, irrespective of the duties to which they are assigned." (*Government Code Section 20436*).

Inspector, Investigator, Detective

"...any inspector, investigator, detective, or person with a comparable title, in any district attorney's office of a contracting agency whose principal duties are to investigate crime and criminal cases and who receives compensation for such service." (*Government Code Section 20436*).

LOCAL SAFETY OFFICER

"...any officer or employee of a public safety department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active law enforcement or firefighting and prevention service even though such an employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement or firefighting and

MEMBERSHIP CATEGORIES CON'T.

prevention service, but not excepting persons employed and qualifying as patrol officers of equal or higher rank, or as firefighters, hose operators, of equal or higher rank, irrespective of the duties to which they are assigned." This does not include persons employed to perform identification or communication duties (*Government Code Section 20424*).

OTHER SAFETY CLASSIFICATIONS—PROVIDED BY CONTRACT

Other classifications can be added to your Safety categories by amending your agency's contract. The categories and classifications are listed below. If your agency has contracted for these other safety classifications, they will be listed under item 9 in your Coverage Key.

LOCAL POLICE

Local Police

If provided for by your agency contract, "... any officer or employee of a contracting agency other than a city or a county who is a peace officer as defined in the Penal Code and whose principal duties consist of active law enforcement but excluding clerical personnel or those whose principal duties are that of communication officer, identification officer, machinist, mechanic, security officer or are otherwise not clearly within the scope of active law enforcement, even though the person is subject to occasional call, or is occasionally called upon to perform duties within the scope of active law enforcement." (*Government Code Section 20429*).

Juvenile Officer

If provided for by your agency contract, "... any officer or employee of a juvenile bureau of a contracting agency whose principal duties consist of active law enforcement service except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though such a person is subject to occasional call, or is occasionally called upon to perform duties within the scope of active law enforcement." (*Government Code Section 20427*).

City Jailers

If provided for by your agency contract, "... any officer of a contracting agency which is a city, who is employed in a jail or a detention or correctional facility and having as their primary duty and responsibility the supervision and custody of persons committed to the jail or facility. It shall not include persons employed as clerks, typists, teachers, instructors, or psychologists or to provide food, maintenance, health, or supporting services, even though responsibility for custody and control of persons so committed may be incident to, or imposed in connection with, that service." (*Government Code Section 20431*).

Identification and/or Communication

"A contracting agency may elect by amendment to its contract to include as 'local police officer' all persons who were employed to perform identification or communication duties on August 4, 1972 and who elect within 60 days of the effective date of such contract amendment to be local safety members. The election shall apply to the person's past as well as future service in the employment held on the effective date but shall not apply to service following any subsequent acceptance of appointment to a position other than that held on the effective date. This shall not apply to persons employed and qualified as patrol officers of equal or higher rank." (*Government Code Section 20425*).

COUNTY PEACE OFFICER

Constable, Marshal

If provided by agency contract, "... the constable and each regularly employed deputy constable, marshal and each regularly employed deputy marshal of any judicial district." (*Government Code Section 20437*).

Identification and/or Communication

"A contracting agency may elect by amendment to its contract to include as 'county peace officer' all persons who were employed to perform identification or communication duties on August 4, 1972 and who elect within 60 days of the effective date of such contract amendment to be local safety members. Such election shall apply to person's past as well as future service in the employment held on the

MEMBERSHIP CATEGORIES CON'T.

effective date but shall not apply to service following any subsequent acceptance of appointment to a position other than that held on such effective date. This shall not apply to persons employed and qualified as deputy sheriffs of equal or higher rank." (*Government Code Section 20436*).

Probation Officer—Juvenile Hall

If provided by agency contract, "... probation officers, deputy and assistant probation officers, and persons employed in a juvenile hall or home and having as their primary duty and responsibility the counseling, supervision and custody of a group of youths assigned or committed to the hall or home. It shall also include persons employed as peace officers pursuant to Section 830.5 of the Penal Code, regardless of the administrative title of the position. It shall not include persons employed as teachers, instructors, psychologists, or to provide food, maintenance, health or other supporting services even though responsibility for custody and control of youths may be incident to or imposed in connection with such service." (*Government Code Section 20438*).

Park Rangers

"... persons employed by the county parks department whose primary responsibility is maintaining the peace and whose duties include law enforcement, emergency medical care first response, or fire suppression and prevention in the following classifications: Park Ranger I, Park Ranger II, Park Ranger III, Senior Park Ranger, and Supervising Park Ranger.

This section shall only be applicable in county of the 17th class, as defined by Sections 28020 and 28038, as amended by Chapter 1204 of the Statutes of 1971." (*Government Code Section 20441*).

County Jail—Custodial Employees

If provided by agency contract, "... employees of the sheriff employed in a county jail, detention or correctional facility and having as their primary duty and responsibility the supervision and custody of persons committed to such jail or facility, whether or not such employees are deputized. It does not include persons employed as clerks, typists, teachers, instructors, psychologists, or to provide food, maintenance, health or supporting services, even though responsibility for custody and control of

persons so committed may be incident to, or imposed in connection with, such service or the employees are deputized." (*Government Code Section 20439*).

Bailiffs

If provided by agency contract, "... employees of the sheriff employed to attend sessions of the superior or municipal courts and preserve order in the court-rooms, to guard and maintain the security or prisoners during court appearances or to summon jurors and take responsibility for them while they are deliberating or absent from the courtroom. It does not include persons employed as clerks, typists, teachers, instructors, or psychologists." (*Government Code Section 20440*).

OTHER LOCAL SAFETY

Ocean Beach Lifeguards

If provided by agency contract, "... all employees of a city who have by contract been included within this System and whose principal duties consist of active protection, rescue, and rendition of aid or assistance to persons injured or imperiled in water areas at ocean beaches and the recovery from such waters of submerged objects and bodies of persons drowned or believed to have drowned in such areas, or the immediate supervision thereof, including persons employed to perform the duties now performed under the titles of aquatics director, chief lifeguard, captain lifeguards, lieutenant lifeguards, beach lifeguards, but who performs additional duties, some of which (including the maintenance of peace and order and apprehension of law violators) are customarily performed by police or peace officers, and whose other duties (such as resuscitation work involving the use of special equipment in cases having no connection with their principal duties) which in other areas are customarily performed by firefighters, and other and further duties which do not come directly within any of the aforesaid classifications but are essential to the safety and security of the public, excluding those whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise clearly do not fall within the scope of active lifeguarding or lifesaving service, even though such a person is subject to occasional call, or is occasionally called upon to perform duties within the scope of

MEMBERSHIP CATEGORIES CON'T.

active lifeguarding or lifesaving service.”
(*Government Code Section 20421*).

Emergency Medical Technician/Paramedic

If provided by agency contract, “local safety member” includes persons employed by a public safety employer who renders prehospital emergency medical care to ill or injured persons. The affected employees are those designated as Emergency Medical Technician-I, Emergency Medical Technician-II and Emergency Medical Technician-Paramedic, as defined in sections 1797.80, 1797.82 and 1797.84 of the Health and Safety Code (*Government Code Section 20422*).

Harbor or Port Police Officer

If provided by agency contract, “local safety member” also includes any harbor or port police officer, employed by a contracting agency, who is a peace officer as defined in subdivision (h) of section 830.31 of the Penal Code and whose principal duties consist of active law enforcement of the laws contained in Chapter 5 (commencing with section 650) of Division 3 of the Harbors and Navigation Code, the rules and regulations of the California Department of Boating and Waterways, and Chapter 2 (commencing with section 9850) of Division 3.5 of the Vehicle Code. (*Government Code Section 20423*).

SCHOOLS

Local Police Officer

“Any officer or employee of a school district or a community college district which has established a police department pursuant to sections 39670 or 72330 of the Education Code, whose principal duties consist of active law enforcement service, except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though such a person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement. This shall only apply to any school district or community college district which prior to June 30, 1982, had amended its contract to provide membership for local police officers” (*Government Code Section 20430*).

School Safety Members

If provided by agency contract, “school safety member” includes any officer or employee of a school district or a community college district which has established a police department pursuant to Section 39670 or 72330 of the Education Code, whose principal duties consist of active law enforcement service, except persons whose principal duties are clerical or otherwise clearly do not fall within the scope of active law enforcement, even though such a person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement.” (*Government Code Section 20444*).

LOCAL FIREFIGHTER

Local Firefighter

“... officer or employee of a fire department of a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation service, even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, fire prevention, fire training, hazardous materials, emergency medical services, or fire or arson investigation service, but not excepting persons employed and qualifying as firefighters of equal or higher rank, irrespective of the duties to which they are assigned.” (*Government Code Section 20434*).

Fire Training

“... any officer or employee of a contracting agency performing a fire training function for a contracting agency, except one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise and whose functions do not clearly fall within the scope of active firefighting, fire prevention, fire training, or fire investigation service even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active firefighting, fire prevention, fire training, or fire investigation service, but not excepting persons employed and qualifying as firefighters of equal or higher rank, irrespective of the duties to which they are assigned.” (*Government Code Section 20435*).

ELECTRONIC ENROLLMENT

The California Public Employees Retirement System (CalPERS) is currently undertaking the development of a corporate database. The corporate database will consolidate CalPERS data and make it more easily accessible through the use of new technologies, to our internal and external customers.

The implementation of the corporate database and new applications that will utilize the data base will significantly enhance CalPERS' ability to improve business operations and provide a greater level of service.

There are a number of phases planned for the corporate database. Phase I, Member Action Request System (MARS), was successfully implemented on March 29, 1996, allowing a pilot group of employers to enter and transmit retirement system member

appointment and separation data electronically. In addition to transmitting data, employers have the ability, for the first time, to view their membership data on-line and in real time using the MARS application developed and distributed by CalPERS.

This initial phase represents the "proof of concept" of electronic commerce with our external customers as well as validation of the new technologies that are being employed in the corporate database. On February 18, 1997, the Corporate Registration application replaced MARS, adding further functionality. Subsequent phases of the corporate database include online processing of health benefit enrollee enrollment and eligibility information and the electronic submission of member and employer contributions.

To find out more about the corporate database project or to become a participant in the Corporate Registration Program, please contact Anthony Suine at (916) 326-3499.



Member Action Request PERS-MSD-1

Instructions for Completing Member Action Request

****THIS FORM MUST BE TYPED ONLY****

Detach this sheet and use it as a reference when completing the PERS-MSD-1 form. For more complete instructions, refer to the Membership section of your CalPERS Procedures Manual.

PURPOSE: The Member Action Request form (PERS-MSD-1) is used to report an employee's identification, address, employment, and changes in employment conditions to the California Public Employees' Retirement System (CalPERS). It must be completed by the employer, not by the employee.

WHEN TO COMPLETE: Complete appropriate items in both parts of this form at the time of hire, rehire, separation, or change in employee information.

Type of Action	BOX TO CHECK IN #11	Parts of Form to Complete
New Appointment, change in time base resulting in membership	Appointment	Parts I, II
Transfer within Agency which changes Coverage Group (See No. 4 below)	Appointment/ Separation	Parts I, II
Separation	Separation	Parts I, II
Return from Leave	Return from Leave	Parts I, II
Change or correction of name	Name change	Part I

SPECIAL INSTRUCTIONS:

- 1) Submit the original copy to CalPERS; create copies, if needed, for your files.
- 2) The PERS-MSD-1 form must be received by CalPERS prior to payroll reports being submitted for a new employee. Failure to do this will result in payroll errors and could generate penalty fees.
- 3) **DO NOT** complete a PERS-MSD-1 form to change or correct Social Security Number (Item 1), Sex (Item 4) or Effective Date (Item 12). Notify PERS of these corrections by writing to the Member Services Division, Section 821, P.O. Box 942704, Sacramento, CA 94229-2704. Include the member's name, Social Security Number as listed at PERS, and data to be corrected.
- 4) When changing the Coverage Group, you must complete a PERS-MSD-1 for separation from one coverage group, and another MSD-1 for an appointment to a new coverage group.
- 5) Item #12 must always be completed to reflect the date that the action checked in #11 will take effect.
- 6) For a birth date change, refer to the Membership section of your **CalPERS Procedures Manual** for instructions on completing the PERS-MEM-12. Do NOT complete a PERS-MSD-1.
- 7) If the individual is a PERS retiree, any appointment is subject to the conditions specified in the **Benefits** section, Employment of a Retiree, in your **CalPERS Procedures Manual**.
- 8) Refer to the CalPERS Manual for eligibility criteria. Attach a PERS-MEM-3 for a **Legislative employee**; a PERS-MEM-59 for an **elective official**; or, a PERS-MEM-229 for **part-time optional member**.
- 9) Items 19-21 at the bottom of the PERS-MSD-1 form **MUST** be completed by the person filling out the form. **DO NOT USE INITIALS.**

CALIFORNIA PERS
P.O. Box 942704
Sacramento, CA 94229-2704
Telephone (916) 326-3141
FAX (916) 326-3267
TDD (916) 326-3240

Member Action Request

PERS-MSD-1

Part I

1 SOCIAL SECURITY NUMBER:	2 BIRTHDATE: MM YY	3 SEX: <input type="checkbox"/> FEMALE <input type="checkbox"/> MALE	
4 CURRENT NAME: PLEASE TYPE (LAST) (FIRST) (MI)			
5 MAILING ADDRESS (STREET OR P.O. BOX): STREET CITY STATE ZIP CO			SCHOOL EMPLOYEE ONLY: 6 <input type="checkbox"/> NON-CERTIFICATED <input type="checkbox"/> CERTIFICATED 7 DISTRICT/UNIT CODE:

8 EMPLOYER CODE:	9 CURRENT COVERAGE GROUP:	10 JOB OR POSITION TITLE:
11 TYPE OF ACTION: A. <input type="checkbox"/> APPOINTMENT/MEMBERSHIP (COMPLETE PART II) B. <input type="checkbox"/> RETURN FROM LEAVE C. <input type="checkbox"/> SEPARATION D. <input type="checkbox"/> LEAVE OF ABSENCE (NON-PAY STATUS TWO OR MORE MONTHS) E. <input type="checkbox"/> MILITARY LEAVE F. <input type="checkbox"/> SABBATICAL LEAVE G. <input type="checkbox"/> WORKERS' COMPENSATION H. <input type="checkbox"/> NAME CHANGE (COMPLETE #13) I. <input type="checkbox"/> ADDRESS CHANGE (COMPLETE #5) J. <input type="checkbox"/> COVERAGE GROUP CHANGE (COMPLETE #9) K. <input type="checkbox"/> TIME BASE CHANGE ONLY (COMPLETE #14)		
12 EFFECTIVE DATE OF ACTION: MM DD YY	13 NAME CHANGE: (TYPE PRIOR FULL NAME) (LAST) (FIRST) (MI)	

Part II

14 TIME BASE: (FOR APPOINTMENT ONLY): <input type="checkbox"/> FULL-TIME <input type="checkbox"/> PART-TIME OR <input type="checkbox"/> INDETERMINATE IF PART-TIME, ENTER HOURS TO BE WORKED: _____ IF PART-TIME, ENTER NORMAL WORK WEEK HOURS: _____	
15 TERM OF APPOINTMENT: <input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY (IF TEMPORARY ONLY, ENTER NEAREST NUMBER OF WHOLE MONTHS THE APPOINTMENT IS EXPECTED TO LAST: _____) A. <input type="checkbox"/> EMPLOYEE IS ALREADY A PERS MEMBER B. <input type="checkbox"/> EMPLOYEE HAS WORKED 125 DAYS OR 1,000 HOURS THIS FISCAL YEAR C. <input type="checkbox"/> POSITION WILL AVERAGE 20 HOURS PER WEEK FOR ONE YEAR OR LONGER	16 IS THIS AN OPTIONAL MEMBER POSITION? (AS DEFINED ON ATTACHED INSTRUCTION SHEET) <input type="checkbox"/> YES (ATTACH APPROPRIATE PERS OPTIONAL MEMBER ELECTION FORM: MEM-3, MEM-59 OR MEM-229) 17 IF EMPLOYEE IS A SAFETY MEMBER WITH THE 1/2 PAY AT 55 FORMULA, ENTER VARIABLE CONTRIBUTION RATE: ____ • ____ %
18 REMARKS:	
19 FORM COMPLETED BY: _____ DATE: _____	
20 SIGNATURE OF CERTIFYING OFFICER: _____	
21 TELEPHONE NUMBER: (____) _____ FAX NUMBER: (____) _____	



INFORMATION FOR THE MEMBER

Dear Member:

You will be enrolled as a member of the California Public Employees' Retirement System (CalPERS) upon the receipt in the system of this completed Member Action Request submitted by your employer. All employees who meet the membership qualifications prescribed by law must be entered into membership.

Your retirement benefits are described in detail in a "PERS BENEFITS" information booklet. **YOU SHOULD OBTAIN A COPY OF THIS BOOKLET FROM YOUR EMPLOYER** and become familiar with your benefits.

The Information Practices Act of 1977 and the Federal Privacy Act require the Public Employees' Retirement System to provide the following information to members who are asked to supply information. The information requested is collected pursuant to the Government Code Sections (20000, et seq.) and will be used for administration of the Board's duties under the Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Failure to supply all of the requested information may result in the System being unable to perform its functions regarding your status. Portions of this information may be transferred to: state and public agency employers, California State Attorney General, Office of the State Controller, Teale Data Center, Franchise Tax Board, Internal Revenue Service, Workers' Compensation Insurance Fund, County District Attorneys, Social Security Administration, beneficiaries of deceased members, physicians, insurance carriers, and various vendors who prepare the microfiche/microfilm for CalPERS. Disclosure to the aforementioned entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership files maintained by the California Public Employees' Retirement System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Practices Act Coordinator, CalPERS, 400 P Street, P.O. Box 942702, Sacramento, California, 94229-2702.

Congratulations on becoming a member of CalPERS. The staff of CalPERS look forward to providing you with timely and quality service throughout your working lifetime and as a retiree of the system.

Sincerely,

PERS-MSD-1

PERS
P.O. Box 942704
Sacramento, CA 94228-2704
Telephone (916) 326-3141
FAX (916) 326-3287
TDD (916) 326-3240

Member Action Request

PERS-MSD-1		Part I	
1 SOCIAL SECURITY NUMBER:	2 BIRTHDATE: <small>MM</small> <small>DD</small> <small>YY</small>	3 SEX: <input type="checkbox"/> FEMALE <input type="checkbox"/> MALE	
4 CURRENT NAME: PLEASE TYPE (LAST) (FIRST) (MI)			
5 MAILING ADDRESS (STREET OR P.O. BOX): STREET: CITY: STATE: ZIP: C/O:		SCHOOL EMPLOYEE ONLY: 6 <input type="checkbox"/> NON-CERTIFICATED <input type="checkbox"/> CERTIFICATED 7 DISTRICT/UNIT CODE:	

ITEM	BLOCK TITLE	INSTRUCTIONS
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- | | | |
|----------|-------------------------------|---|
| 1 | Social Security Number | Enter the employee's 9-digit Social Security number. (Verify Social Security number against a valid Social Security card; do not send a copy of SS card.) |
| 2 | Birthdate | Enter a 6-digit numerical date representing the month, day and year of employee's birth.

Example: June 5, 1952 = MM DD YY
<div style="text-align: right;">06 05 52</div> |
| 3 | Sex | Self explanatory. |
| 4 | Current Name | Enter the employee's current full name: last name, first name or initial, then middle name or initial. |
| 5 | Mailing Address | Enter complete mailing address of employee including street, city, state, and zip. If applicable, complete in care of (c/o). Do not enter the county name on the c/o line. |
| 6 | School Employees | For SCHOOL employees, be sure to note in the appropriate block whether the position is certificated or non-certificated (classified). |
| 7 | District/Unit Code | Enter a 3-digit payroll unit code, if applicable.

SCHOOLS: You must enter the payroll unit code for your district which is found in your Coverage Key.

OTHER AGENCIES: If unit codes are used on your payroll report, enter the applicable payroll unit code in this block. |

PERS-MSD-1

8 EMPLOYER CODE:	9 CURRENT COVERAGE GROUP:	10 JOB OR POSITION TITLE:
11 TYPE OF ACTION: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> A. <input type="checkbox"/> APPOINTMENT/MEMBERSHIP (COMPLETE PART II) </div> <div style="width: 33%;"> D. <input type="checkbox"/> LEAVE OF ABSENCE (NON-PAY STATUS TWO OR MORE MONTHS) </div> <div style="width: 33%;"> H. <input type="checkbox"/> NAME CHANGE (COMPLETE #13) </div> <div style="width: 33%;"> B. <input type="checkbox"/> RETURN FROM LEAVE </div> <div style="width: 33%;"> E. <input type="checkbox"/> MILITARY LEAVE </div> <div style="width: 33%;"> I. <input type="checkbox"/> ADDRESS CHANGE (COMPLETE #5) </div> <div style="width: 33%;"> C. <input type="checkbox"/> SEPARATION </div> <div style="width: 33%;"> F. <input type="checkbox"/> SABBATICAL LEAVE </div> <div style="width: 33%;"> J. <input type="checkbox"/> COVERAGE GROUP CHANGE (COMPLETE #9) </div> <div style="width: 33%;"> G. <input type="checkbox"/> WORKERS' COMPENSATION </div> <div style="width: 33%;"> K. <input type="checkbox"/> TIME BASE CHANGE ONLY (COMPLETE #14) </div> </div>		
12 EFFECTIVE DATE OF ACTION: MM DD YY	13 NAME CHANGE: (TYPE PRIOR FULL NAME) (LAST) (FIRST) (MI)	

2-3

ITEM	BLOCK TITLE	INSTRUCTIONS
8	Employer Code	Enter the 4-digit employer code. This is a code CalPERS assigns to each employer that identifies them from any other employer and is found in the Coverage Key (item 1). YOUR MSD-1 CANNOT BE PROCESSED WITHOUT THIS CODE.
9	Coverage Group	Enter the 5 digit Coverage Group Code that pertains to the employee's Position Title. The coverage group code is assigned by CalPERS to identify a specific group of employees within your agency by type of retirement coverage. (Example: 70001, 60000, 75001, etc. This is not the health insurance code.)
10	Job or Position Title	Self explanatory.
11.	Type of Action	Enter "x" in appropriate box (if A, B, or J is checked - Complete Part I and II. If C or D is checked - Complete Part I and #19-21 only), and complete item 12.
	A) Appointment	Enter effective date of action of one of the following: A new appointment to a position which immediately qualifies for membership. A current membership date for an employee now qualifying for membership pursuant to Government Code Section 20305 (refer to Determining Membership Eligibility). A transfer from one position to another with the same employer which changes coverage group. A current membership date for an Optional Member who elects to establish membership (refer to Election of Optional Membership). Complete #16.

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ITEM	BLOCK TITLE	INSTRUCTIONS
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|-----------|---------------------------------------|--|
| | B) Return from Leave | Enter the effective date of return from a leave of absence. |
| | C) Separation | <p>Enter the effective date of a separation (Complete Part I and #19-21 only.)</p> <p>For SCHOOL DISTRICTS: If the employee is employed in multiple districts, submit a separation document for each district the employee is separating from.</p> |
| | D) Leave of Absence | Only for cases when non-pay status is <u>for two or more months</u> . Enter the first day of leave. |
| | E) Military Leave | Enter first day on military leave. (From day one) |
| | F) Sabbatical Leave | Enter first day of sabbatical leave. (From day one) |
| | G) Worker's Compensation Leave | Enter first day of leave for Workers' Compensation. (From day one) |
| | H) Name Change | <p>For D-G complete part I and 19-21</p> <p>Enter the effective date of action and complete the appropriate section.</p> |
| | I) Address Change | This item should be used (with new address and effective date) when a change of address is one of two or more action types. For an address change only , please have the member complete and mail the postpaid CalPERS Change-of-Address card (PERS-MEM-239) provided in each annual member statement and available from CalPERS Supply. (A supply of MEM-239 cards will be sent to all employers each Fall.) If the member cannot send in a Change-of-Address card, using this item on MSD-1 is acceptable. |
| | J) Coverage Group Change | <p>This item is used when an employee is changing coverage groups due to a position change (usually from Miscellaneous to Safety). Check box "J" and input the effective date (#12) and the new coverage group code (#9). Complete Part I and II.</p> <p>Only one MSD-1 is needed when changing coverage groups, using box "J".</p> <p>If a coverage group was originally submitted incorrectly DO NOT submit the correction on a MSD-1. Contact CalPERS in writing.</p> |
| | K) Time Base Change | Enter the effective date of action and complete the appropriate section. See #14. |
| 12 | Effective Date of Action | <p>Enter 2-digits for month, date, year of action.</p> <p>Example:
 September 1, 1996 = MM DD YY
 09 01 96</p> |
| 13 | Name Change | Enter employee's prior full name: last name, first name or initial, then middle name or initial. |

PERS-MSD-1

Part II

14 TIME BASE: (FOR APPOINTMENT ONLY) <input type="checkbox"/> FULL-TIME <input type="checkbox"/> PART-TIME OR <input type="checkbox"/> INDETERMINATE		IF PART-TIME, ENTER HOURS TO BE WORKED: _____	IF PART-TIME, ENTER NORMAL WORK WEEK HOURS: _____
15 TERM OF APPOINTMENT: <input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY <small>(IF TEMPORARY ONLY, ENTER NEAREST NUMBER OF WHOLE MONTHS THE APPOINTMENT IS EXPECTED TO LAST: _____)</small> A. <input type="checkbox"/> EMPLOYEE IS ALREADY A PERS MEMBER B. <input type="checkbox"/> EMPLOYEE HAS WORKED 125 DAYS OR 1,000 HOURS THIS FISCAL YEAR C. <input type="checkbox"/> POSITION WILL AVERAGE 20 HOURS PER WEEK FOR ONE YEAR OR LONGER		16 IS THIS AN OPTIONAL MEMBER POSITION? <small>(AS DEFINED ON ATTACHED INSTRUCTION SHEET)</small> <input type="checkbox"/> YES <small>(ATTACH APPROPRIATE PERS OPTIONAL MEMBER ELECTION FORM: MEM-3, MEM-59 OR MEM-229)</small>	
		17 IF EMPLOYEE IS A SAFETY MEMBER WITH THE 1/4 PAY AT 55 FORMULA, ENTER VARIABLE CONTRIBUTION RATE: _____ • _____ %	

2-34

ITEM	BLOCK TITLE	INSTRUCTIONS
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14. Time Base

Enter "x" in the box that identifies the time base this employee is expected to work at the time of hire.

If PART-TIME is selected, enter the total hours the employee is scheduled to work per week. Also, enter the normal work week hours, for your agency.

Example for Part-Time Employee:

Number of hours per week to be worked = 24
Number of normal work week hours = 40

- enter hours to be worked: 24
- enter Normal Work Week Hours: 40

For SCHOOL DISTRICTS: If the employee is employed in multiple districts, all district employment should be combined for qualification purposes and an MSD-1 should be submitted for each district with a different unit code on each MSD-1.

INDETERMINATE Time Base is used when the employee hours will fluctuate each week.

15 Term of Appointment

Enter "x" in the appropriate box. For the purpose of this form, use the following definitions:

PERMANENT: an open-ended appointment which will extend for more than 12 months; or, in the case of SCHOOLS, an employment contract that will last for the school year (10-12 months) or more.

TEMPORARY: An appointment with a fixed ending date of 12 months or less; or, in the case of SCHOOL employees, an employment contract that will last for less than the school year.

If **TEMPORARY** is selected, enter the number of months the appointment is expected to last and check one box: A, B or C. Complete A, B or C only, if it applies to the qualification for membership for the employee.

PERS-MSD-1

Part II

14 TIME BASE: (FOR APPOINTMENT ONLY) <input type="checkbox"/> FULL-TIME <input type="checkbox"/> PART-TIME OR <input type="checkbox"/> INDETERMINATE IF PART-TIME, ENTER HOURS TO BE WORKED: _____ IF PART-TIME, ENTER NORMAL WORK WEEK HOURS: _____	
15 TERM OF APPOINTMENT: <input type="checkbox"/> PERMANENT <input type="checkbox"/> TEMPORARY (IF TEMPORARY ONLY, ENTER NEAREST NUMBER OF WHOLE MONTHS THE APPOINTMENT IS EXPECTED TO LAST: _____) A. <input type="checkbox"/> EMPLOYEE IS ALREADY A PERS MEMBER B. <input type="checkbox"/> EMPLOYEE HAS WORKED 125 DAYS OR 1,000 HOURS THIS FISCAL YEAR C. <input type="checkbox"/> POSITION WILL AVERAGE 20 HOURS PER WEEK FOR ONE YEAR OR LONGER	16 IS THIS AN OPTIONAL MEMBER POSITION? (AS DEFINED ON ATTACHED INSTRUCTION SHEET) <input type="checkbox"/> YES (ATTACH APPROPRIATE PERS OPTIONAL MEMBER ELECTION FORM: MEM-3, MEM-59 OR MEM-229)
17 IF EMPLOYEE IS A SAFETY MEMBER WITH THE 1/2 PAY AT 55 FORMULA, ENTER VARIABLE CONTRIBUTION RATE: _____ • _____ %	

ITEM	BLOCK TITLE	INSTRUCTIONS
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16	Optional Member Position	<p>If the individual has the option of electing CalPERS membership, enter an "x" in the box and complete the appropriate membership election form (see below). Both the MSD-1 and the election form must be submitted. The optional member election forms with membership categories are:</p> <p>MEM-3 State Legislative Employees as cited under Government Code Section 20324. This employee must work sufficient time to qualify for membership before an election is valid. Refer to the guidelines under P.A. Manual "Determining Membership Eligibility" for time base requirements.</p> <p>MEM-59 Elective Officers as defined under Section 20322. Refer to P.A. Manual information on "Election of Optional Membership" for further clarification and instructions. A person serving in an elective office is deemed to be serving on a full-time rather than part-time basis pursuant to Section 20814. Blocks 14 and 15 should be completed as full-time and permanent.</p> <p>MEM-229 Part-Time Employees may have the option of CalPERS membership if the employer's contract was amended to adopt Section 20325. Block 14 should be completed with the part-time status and hourly information requested.</p>
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ITEM	BLOCK TITLE	INSTRUCTIONS
17	Variable Contribution Rate	<p>Complete this block ONLY if the Employee is covered by the $\frac{1}{2}$ pay at age 55 or the $1\frac{1}{4}\%$ at age 60 safety retirement formula. Contribution rates are based upon the employee's nearest age at entry into safety service covered by that retirement formula.</p> <p>Figure the contribution rate for a new member covered by this formula by using a rate chart. For the purpose of these charts, the age at entry to safety service is computed by subtracting the date of birth from the entry date.</p> <p>When the month and day portion of the difference is 6 months or more, go to the next highest age.</p> <p>NOTE:</p> <ol style="list-style-type: none">1) If an employee is returning from an absence of less than one year, use the same rate that was used prior to the absence.2) If an employee is returning from an absence of more than one year, leave block blank and enter in Item 18 ("Remarks") the dates of the absence and the rate used prior to the absence.

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PERS MSD-1

18	REMARKS:
19	FORM COMPLETED BY: _____ DATE: _____
20	SIGNATURE OF CERTIFYING OFFICER: _____
21	TELEPHONE NUMBER: (_____) _____ FAX NUMBER: (_____) _____

ITEM	BLOCK TITLE	INSTRUCTIONS
18	Remarks	Use this area to clarify above actions.
19	Form Completed By	Enter the signature of employee completing the MSD-1 and the date of completion.
20	Signature of Certifying Officer	Regardless of the action type, the form must be signed by an employee authorized to verify the accuracy of the data being submitted.
21	Telephone Number	Enter AGENCY telephone number.
	Fax Number	Enter AGENCY FAX number.

ELECTION OF OPTIONAL MEMBERSHIP PERS-MEM-59

PURPOSE

An Election of Optional Membership Form (MEM-59) qualifies an elective officer for membership with CalPERS. This form is currently being revised.

WHEN TO COMPLETE

The elective officer may at any time during the term of appointment elect CalPERS membership.

- 1) Complete a MEM-59 and a MSD-1 when an elective officer wishes to become a member of CalPERS.
- 2) Complete a MEM-59 and a MSD-1 when a current member of CalPERS assumes an elective office and wishes to remain a member of CalPERS.
- 3) *Do not* complete the MEM-59 as a request for retroactive membership credit. It should be used only in conjunction with the MSD-1 when membership itself is desired, regardless of past service credit or cost.

SPECIAL INSTRUCTIONS

- 1) An "elective officer" for the purpose of this section is:
 - a. Any officer of the State Senate or Assembly who is elected by either or both such houses of the Legislature;
 - b. Any person who has continuously held the office of city attorney since June 30, 1994. A city attorney taking office for the first time or returning from a break in service on or after July 1, 1994, is not an optional member, and is subject to standard eligibility requirements;
 - c. Any appointed officer of a city or county occupying a fixed term of office; and
 - d. Any officer of the State or a contracting agency elected by the people who has continuously held the same office since June 30, 1994. Any officer first elected or appointed

on or after July 1, 1994, or after a break in service from an office held on June 30, 1994 in one of the following positions is excluded from membership:

- elected or appointed officers of county superintendents of schools, school districts, or community college districts.
 - elected or appointed officers of contracting agencies (except cities or counties) who serve on public commissions, boards, councils, or similar legislative or administrative bodies.
- 2) Elective officers excluded by an agency's contract remain excluded regardless of any election filed. Since they are considered to be full-time employees, exclusions such as temporary, part-time, daily-paid, etc., do not apply.
 - 3) An elective officer is excluded from membership in CalPERS unless a written election (form MEM-59) is filed with the CalPERS Board of Administration.
 - 4) The elective officer must receive compensation for membership to be established. Reimbursement for expenses is not considered compensation.
 - 5) For CalPERS retirement purposes, Elective Officers are considered to be full-time (Government Code Section 20899). Complete the MSD-1 indicating permanent full-time employment. Refer to Payroll Reporting procedures "Payrate/Earnings Relationship" for normal contribution reporting instructions.
 - 6) The effective date of membership may be any prospective date the applicant chooses, providing it is during the term of appointment. The applicant may request retirement credit from CalPERS, retroactive to the first day of the term.
 - 7) Submit the original signed form MEM-59 to CalPERS with the MSD-1; retain a copy for your personal records.

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Member Services Division
P.O. Box 942704
Sacramento, CA 94229-2704
Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3141

Reply to Section 840-OPT

ELECTION OF OPTIONAL MEMBERSHIP

Government Code Section 20361 provides that an "elective officer" is excluded from membership in the Public Employees' Retirement System (PERS) unless he or she files with this system an election in writing to become a member. This right of optional membership is retained while the person is in office.

"Elective officer" includes any officer of the Senate or Assembly who is elected by vote of the members of either or both of such houses of the Legislature, and any appointive officer of a city or county occupying a fixed term of office, and any person holding the office of city attorney, as well as officers of the State or contracting agencies elected by the people. An assistant city attorney may be included in this definition of elective officer if the contracting agency has included Section 20361.3 in its PERS contract. To qualify for membership the elective officer must receive compensation. Once elected, the membership remains in effect for all future service in an elective officer position unless there is a significant break in employment.

If your election of PERS membership will result in service concurrent with different employment credited in another retirement system, please contact that system for information regarding the impact of such concurrent service. If the election will result in concurrent service under PERS, contact PERS Member Services Division before completing this election form.

Once membership is established, you may contribute and receive service credit for any previous eligible elective employment. A separate request to the Member Services Division is required to initiate credit action.

(DO NOT DETACH)

I am an elective officer, being the _____
(Title)
of the _____
(Name of Employer)

My present term will expire on _____, 19____. In accordance with the provisions of the Government Code, I elect to become a member of the Retirement System, and I request that this notice be filed with the Board of Administration of the Public Employees' Retirement System (PERS) as my election to become a member.

I UNDERSTAND THIS ELECTION IS IRREVOCABLE AS LONG AS I REMAIN AN ELECTIVE OFFICER.

_____ (Printed Name in FULL)	_____ (Signature)
_____ (Social Security Number)	_____ (Address)
_____ (Date)	_____ (City & State) (Zip Code)
	_____ ()
	_____ (Telephone Number)

PERS-MEM-59 (Rev. 7/92)

California Public Employees' Retirement System
Lincoln Plaza - 400 P Street - Sacramento, CA 95814

Currently being revised

6/97

Public Agency Manual

MEM-59

ELECTION OF OPTIONAL MEMBERSHIP

I am an elective officer, being the _____ of
(Title)

_____. My present term
(Name of State Department or Contracting Agency)

will expire on _____, 19 _____. In accordance with the provisions of the Government Code, I elect to become a member of the Retirement System, and I request that this notice be filed with the Board of Administration of the Public Employees' Retirement System as my election to become a member.

I UNDERSTAND THIS ELECTION IS IRREVOCABLE AS LONG AS I REMAIN IN THIS POSITION.

ITEM	BLOCK TITLE	INSTRUCTIONS
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- | | | |
|---|---------------------------------------|---|
| 1 | Title | Enter the title of the office held by the applicant. |
| | Name of Contracting Agency | Enter the agency name. (School Districts should include <i>both</i> district name and county school employer name.) |
| | My Present Term Will Expire On | Enter the date (month-day-year) on which the term will expire. |

ELECTION OF OPTIONAL MEMBERSHIP

(Printed Name in FULL)	(Signature)
(Social Security Number)	(Address)
(Date)	(City & State) (Zip Code)
	() (Telephone Number)

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ITEM	BLOCK TITLE	INSTRUCTIONS
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2	Member Information	<p>Self-explanatory.</p> <p>Be sure applicant has entered full name in the appropriate blocks.</p>
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OVERTIME POSITIONS

Overtime may not be reported in membership to CalPERS, either as compensation, or as employment which will result in service credit being given. Government Code Section 20635 defines "overtime" as follows:

"(T)he 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."

Some situations which may arise in this connection are as follows:

1. The member currently holds one full-time position subject to CalPERS, and accepts a second concurrent part-time position. **RESULT:** The part-time position is deemed to be "overtime", and may **not** be reported to CalPERS.
2. The member holds more than one part-time position with the same CalPERS covered employer. **RESULT:** The 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). Therefore, the employer must limit the earnings/service reported to CalPERS for one or both positions so that the full-time limit is not exceeded.
3. The member works more than one full-time position, either with the same employer (e.g., a school district) or with more than one CalPERS covered employer. **RESULT:** A determination must be made by CalPERS and/or the member as to which employer may be reported to CalPERS as the "basic employer".

Pursuant to changes made in Section 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:

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.

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.

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.

BIRTHDATE DISCREPANCY PERS-MEM-12

PURPOSE

The PERS-MEM-12 is used to certify the correct member birthdate.

WHEN TO COMPLETE

This form will be sent to your agency if CalPERS discovers a birth date discrepancy. If you receive a MEM-12, complete and return the form as soon as possible.

SPECIAL INSTRUCTIONS

- 1) The first half of the MEM-12 will be completed by CalPERS.
- 2) Complete only the "Reply" section of the form.
- 3) If the agency discovers the discrepancy, please notify CalPERS in writing. Include the necessary documentation as listed in "Documents.... Preference and Acceptability" in this section. **Only** if the discrepancy was not typographical or clerical error.
- 4) If the discrepancy is a typographical or clerical error submit a signed employer statement certifying that fact and provide the correct birthdate.
- 5) If the member finds he or she has provided a birthdate which is later found to be incorrect, complete the MEM-12 and attach the necessary documentation as listed in item 3 above.

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Member Services Division
P.O. Box 942704
Sacramento, CA 94229-2704
Telecommunications Device For
The Deaf - (916) 326-3240
(916) 326-3141

Reply to Section _____
Refer to No. _____

TO: _____ RE: _____
(Employer Code and Name) (Member Name)

Effective Date of Retirement: _____

The birthdate currently shown on our records differs from:

- ☐ the birthdate submitted by your agency
☐ the above member's retirement application

It is necessary that we determine the source of this discrepancy. Please review your records and return the completed questionnaire below.

SERVICE CREDIT SECTION
MEMBER SERVICES DIVISION

EMPLOYER RESPONSE

The birth date given by this member is: _____

REASON FOR DISCREPANCY:

- ☐ Member has reported more than one birth date.
☐ Agency clerical or typographical error.
☐ Unknown.

MEMBER'S HOME ADDRESS _____ (Street No. or P.O. Box)	EMPLOYER CERTIFICATION _____ (Signature of Certifying Officer)
(City & State) _____ (Zip Code) _____	(Agency Phone #) _____ (Date) _____

PERS-MEM-12 (Rev. 12/90)
MEM12.DOC

California Public Employees' Retirement System
Lincoln Plaza - 400 P Street - Sacramento, CA 95814

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DOCUMENTS LISTED IN THE ORDER OF PREFERENCE AND ACCEPTABILITY

The following is the list of acceptable documents to be used in resolving a birthdate discrepancy. The document submitted must not be altered. It will be returned after the correct birthdate has been established on our records.

1. *BIRTH CERTIFICATE* or *HOSPITAL BIRTH RECORD* established during the first few years of life. If you tell us the name of the state in which the member was born, we can furnish the address of that State's Bureau of Vital Statistics.
2. *CHURCH BAPTISMAL, CRADLE* or *BLESSING RECORD* which shows a date of birth and was established during first few years of life.
3. *PRIMARY* or *SECONDARY SCHOOL RECORDS* showing age at certain year or birthdate. Write to the Superintendent of Schools to request records.
4. *NATURALIZATION, PASSPORT* or *IMMIGRATION DOCUMENTS*.
5. *RECORDS OF AGE OR BIRTHDATE* which are dated prior to 21st birthday, such as church, fraternal order, insurance, hospital, medical, adoption, guardianship, or newspaper notice of age.
6. *DELAYED BIRTH CERTIFICATE*. If you tell us the name of the state in which the member was born, we can furnish the address of that State's Bureau of Vital Statistics.
7. *CENSUS RECORDS* from federal or state government—preferably first two taken after date of birth. Federal records can be requested on form BC-600. This form will be furnished upon request.
8. *FAMILY BIBLE* in which birthdate was recorded within reasonable period of time after birth.
9. *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, contact the Member Services Division, Section 830, in writing.

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NOTICE OF CHANGE AND/OR CERTIFICATION OF CONTRIBUTION RATE PERS-MEM-155 (CALPERS-INITIATED FORM)

PURPOSE

This form is to inform Public Agencies of the following:

1. When the rate of contribution or effective date of membership must be changed or canceled;
2. To certify a rate of contribution for an employee who at the time of employment is a member of CalPERS through previous employment;
3. To notify your agency to correct, through payroll credit procedures, non-members or overtime earnings reported in error;
4. To notify your agency of change in Social Security or 1959 Survivor Allowance Benefit status;
5. To certify a rate of contribution due to reciprocity;
6. To notify your agency to correct the Coverage Group Code and any earnings and contributions reported in error; and
7. To notify "two-tier" agencies (providing two tiers/levels of retirement benefits) when a member elects to redeposit and is eligible for benefits from earlier employment with that agency.

SPECIAL INSTRUCTIONS

The MEM-155 is prepared by CalPERS. Correct your agency records as instructed on the form.

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CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

NOTICE OF CHANGE

Telephone (916) 326-3141
TDD 326-3240 (Telecommunications for the Deaf - No Voice)

Reply to Section:

Date:

PERS-MEM-155 (Rev. 1/94)

EMPLOYER		EMPLOYEE	
EMPLOYEE RECORD SHOULD READ:		DELETE FROM EMPLOYEE RECORD:	
MEMBER RATE OF CONTRIBUTION	EFFECTIVE DATE	MEMBER RATE OF CONTRIBUTION	EFFECTIVE DATE
SOCIAL SECURITY	COVERAGE GROUP	SOCIAL SECURITY	COVERAGE GROUP
1959 SURVIVOR BENEFIT	ACCOUNT CODE	1959 SURVIVOR BENEFIT	ACCOUNT CODE
EMPLOYER ACTION:			
COMMENTS:			

PERS-MEM-155



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

NOTICE OF CHANGE

Reply to Section:

Telephone (916) 326-3141

TDD 326-3240 (Telecommunications for the Deaf - No Voice)

1 Date:

PERS-MEM-155 (Rev. 1/94)

EMPLOYER 2	EMPLOYEE 3
----------------------	----------------------

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ITEM	BLOCK TITLE	INSTRUCTIONS
1	Date	Self-explanatory. To contact the unit and person who processed this form, refer to the section, initials and telephone number at the top of the form.
2	Employer	Self-explanatory.
3	Employee	Self-explanatory.

PERS-MEM-155

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EMPLOYEE RECORD SHOULD READ:		DELETE FROM EMPLOYEE RECORD:	
MEMBER RATE OF CONTRIBUTION	EFFECTIVE DATE	MEMBER RATE OF CONTRIBUTION	EFFECTIVE DATE
SOCIAL SECURITY	COVERAGE GROUP	SOCIAL SECURITY	COVERAGE GROUP
1959 SURVIVOR BENEFIT	ACCOUNT CODE	1959 SURVIVOR BENEFIT	ACCOUNT CODE

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ITEM BLOCK TITLE INSTRUCTIONS

- | | | |
|---|------------------------------------|---|
| 4 | Employee Record Should Read | Change your employee record to coincide with the information in this block. |
| 5 | Delete from Employee Record | The information in this block is incorrect and should be deleted from your employee record. |

PERS-MEM-155

EMPLOYER ACTION:**6****COMMENTS:****7****2-5**

ITEM	BLOCK TITLE	INSTRUCTIONS
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6	Employer Action	Indicate necessary action by agency or CalPERS. Please follow the instructions given.
7	Comments	Give the reason for the change.

RECIPROCITY AND SIMILAR BENEFITS

FULL RECIPROCITY

"Reciprocity" has been established between the Public Employees' Retirement System (CalPERS) and a number of public retirement systems in California. The purpose of the reciprocity provisions is to permit movement of employees from public employer to public employer while: (1) preserving, as far as reasonably possible, valuable retirement and related benefit rights; and (2) ensuring that no retirement system will be liable for more than its financial obligation.

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. Upon retirement, separate retirement allowances are received from each system.

PUBLIC RETIREMENT SYSTEMS THAT HAVE ESTABLISHED RECIPROCITY WITH CALPERS:

1. The following counties maintain retirement systems under the County Employees' Retirement Law of 1937:

Alameda	Sacramento
Contra Costa	San Bernardino
Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Mendocino	Stanislaus
Merced	Tulare
Orange	Ventura

2. California public agency retirement systems of:

Concord, City of
Contra Costa Water District
Costa Mesa, City of (safety employees only)
East Bay Municipal Utility District
Oakland, City of (miscellaneous employees only)
Sacramento, City of
San Clemente, City of (miscellaneous employees only)
San Francisco, City and County of
San Jose, City of
San Luis Obispo, County of
Southern California Rapid Transit District

3. The University of California Retirement System (UCRS).

NOTE: With the exception of the University of California Retirement System, all of the retirement systems noted above also have reciprocity with each other as a result of their having established reciprocity with 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; and
2. The employee enters into employment in which he or she becomes a member of the reciprocal retirement system within six months of discontinuance of employment as a member of CalPERS.

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.

RIGHTS AND BENEFITS WITH FULL RECIPROCITY

1. *Final Compensation:* Use highest compensation earnable under both systems in computing final compensation if retirement from both systems is concurrent.
2. *Qualification for Benefits:* Service in the other system may be used to meet minimum service requirements for benefits.
3. *Disability Retirement:* Retirement for disability is on the basis of retirement for disability in the other system. The amount paid, however, may not exceed the difference between the amount which 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 which 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 which is the actuarial equivalent of the member's contributions.
4. *Death Benefits:* Continuous liability for the basic and special death benefits while the member is in employment as a member of the other system. The amount paid, however, may not exceed that amount which, when added to the death benefit paid by the other system, exceeds the maximum payable under that system.
5. *Membership Rate Age:* Use earlier age at entry into the other system in determining member

contribution rate for a variable rate formula, if contributions were never withdrawn from the other system. 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.

The benefits of reciprocity apply only to a member whose termination and entry into employment resulting in a change in membership from CalPERS to another system or from another system to CalPERS occurred after the effective date that reciprocity was established between the two systems. However, the provision relating to the highest final compensation will apply to any other member if the provision would have applied had the termination and entry into employment occurred after the effective date that reciprocity was established.

Members who believe this provision might apply to their situation should contact the retirement system from which the movement occurred for additional information.

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CALPERS BENEFITS ARISING FROM MOVEMENT TO CERTAIN NON-RECIPROCAL PUBLIC RETIREMENT SYSTEMS

Final Compensation

The Public Employees' Retirement Law (PERL) provides that the compensation earnable during any period of service as a member of the following retirement systems will be considered as compensation earnable as a member of CalPERS for purposes of computing final compensation, if the member retires concurrently from both systems:

State Teachers' Retirement System (STRS)
Legislators' Retirement System (LRS)
Judges' Retirement System (JRS)

There is no reciprocity established between these systems and CalPERS. Only STRS has a similar provision for the use of highest final compensation in its retirement law.

The PERL also provides that the average salary during any period of service as a member of University California Retirement System (UCRS) will be considered as compensation earnable as a member of CalPERS for purposes of computing final compensation, provided the member retires concurrently from both systems. UCRS regulations do not have a similar provision except when reciprocity applies.

Redeposit Rights

A member of a reciprocal retirement system, or STRS, LRS, or JRS, may redeposit in CalPERS previously withdrawn CalPERS contributions in order to reestablish service credit in this system. No reciprocity benefits accrue to a member of a reciprocal retirement system who redeposits in CalPERS unless the member's earlier movement from CalPERS to the reciprocal system satisfied the time interval stipulated in the PERL.

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 redepositing.

Restriction

A member's CalPERS contributions may not be withdrawn while the member is in active employment as a member of a reciprocal system or STRS, LRS, or JRS.

PROCEDURES FOR ESTABLISHING RECIPROCITY

If the conditions for acquiring reciprocity are satisfied, reciprocity can be established by election when completing the separation document when separating from CalPERS covered employment or by written request to either retirement system. Direct requests or inquiries to:

**Public Employees' Retirement System
Member Services Division
Member Records, Section 841
P.O. Box 942704
Sacramento, CA 94229-2704**

Persons retiring from STRS, LRS, or JRS who are inactive members of CalPERS, should note on their CalPERS retirement application their association with the other system, and retire concurrently, in order to obtain the benefit of the highest final compensation for computing their allowance under CalPERS.

General Comments

CalPERS is governed by the Public Employees' Retirement Law (Government Code Section 20000, et seq.); it is the basis of all of our decisions. The information presented here is general and every effort has been made to present it clearly and accurately. The retirement law is sometimes complex and subject to change. When there is a conflict, any decision will be based on the law.

CalPERS' authority extends only to applying and implementing the 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.

REDEPOSIT OF WITHDRAWN CONTRIBUTIONS AND OTHER TYPES OF SERVICE CREDIT

REDEPOSITS

Present members of this System have the right to redeposit contributions previously withdrawn. A redeposit of contributions restores the 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 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 **To receive this credit, a member's election must be filed with CalPERS before his/her retirement is effective** (Government Code Sections 20750, 20752, 20776).

SERVICE PRIOR TO MEMBERSHIP

"Service prior to membership" (SPM) is service rendered *after* the date of contract between a public agency and the System, but before the employee entered Public Employees' Retirement System membership. Election to contribute for SPM may 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 Government Code 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 Government Code Sections 20320, 20322, or 20324.

To receive this credit, a member's election must be filed with CalPERS before his/her retirement is effective (Government Code Sections 21020, 21028).

PUBLIC SERVICE AND LEAVES OF ABSENCE

There are certain conditions in which 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 his/her retirement is effective.**

VERIFICATION OF SERVICE

Employment records may be requested by the member for verification of service prior to membership or other "public service".

If the agency is unable to locate the member's records, records will be requested from the member for verification of employment. When the member's records are received, the agency will be notified by a letter of transmittal requesting the agency to verify or refute available records.

CONTRACT EXCLUSIONS

If requested employment is excluded by the employers CalPERS contract, no credit is possible. If the exclusion was removed or superseded by law after the employment was rendered, credit rights would depend on the Government Code provisions under which the exclusion was removed.

REDEPOSIT OF WITHDRAWN CONTRIBUTIONS AND OTHER TYPES OF SERVICE CREDIT CON'T.

PAYMENT METHODS

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

If a member files with the System 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 MEM-823C is received.** The agency must apply the payroll adjustments authorized after the effective date and continue until payments are completed or 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 (Government Code Section 20776).

INQUIRIES

The member may obtain detailed information concerning redeposit, service prior to membership, or other "public service" by addressing an inquiry to:

Public Employees' Retirement System
Member Services Division, Section 832
P.O. Box 942704
Sacramento, CA 94229-2704

The member's inquiry should include:

Member's full name
Member's home address and telephone number
Member's Social Security number
Any former names
Name of member's current employer
Name(s) of employer(s) for which service credit is being requested
Dates of employment
Position(s) titles

The member should specify if the inquiry concerns redeposit, service prior to membership, leave of absence, etc.

To receive redeposit cost quotation for previously withdrawn contributions, the member may call (916) 326-3830.

PRIOR SERVICE

"Prior Service" is service rendered *before* the date of contract between a public agency and the System, or for service before the effective date of an exclusion being removed for those in previously excluded classes, service rendered for the State of California before January 1, 1932, or the University of California before August 27, 1937, or part-time State employment between January 1, 1932, and September 19, 1939 (Government Code Sections 20930, 20931, 20933, 20934 and 20972).

Prior service results in additional service credit. For information on Prior Service submit inquiries to the Member Services Division, Service Credit Section (832). Please include the following:

1. Member's full name.
2. Member's Social Security number.
3. Member's home address and telephone number.
4. Prior Service employer. If the agency is a school district, please give *both* the district name and the county school employer name.
5. Beginning and ending dates of employment.
6. Position held and title.
7. All other names under which the member was previously employed.

All further correspondence will be carried on with the member.

If included in the agency's contract, the cost of Prior Service is an expense of the agency where the member rendered the Prior Service. The cost of the Prior Service liability is included in the employer's rate of contribution. The member is not required to contribute for Prior Service.

Exception:

Local System—If the agency has a Local System, then a Local System Waiver and a transfer of funds is required. If a member has withdrawn his/her funds, then a redeposit with interest is necessary (Government Code Section 20531).

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PRIOR SERVICE VERIFICATION PERS-MEM-17 AND PERS-MEM-17A

PURPOSE

The Prior Service Verification Form (MEM-17/ MEM-17A) is used to notify CalPERS of compensated employment rendered for a public agency before the effective date of the agency's contract with CalPERS or before the date an exclusion was removed. This form will tell us how to credit service to each member's account.

WHEN TO COMPLETE

New Contracting Agency

Complete this form for each person who is an employee on your agency's contract date.

Removal of a Contract Exclusion

Complete this form for each person who is employed in the excluded classification on the date of its removal.

SPECIAL INSTRUCTIONS

1. All verifications must be signed by your authorized officer. **The authorized officer cannot sign their own form.**
2. Prior Service is the service from the member's original date of hire with Agency until date of contract with PERS
3. Report only *compensated* service (i.e., service periods for which the member received compensation, not including reimbursement for expenses).
4. The only difference between the MEM-17 and MEM-17A is in the fiscal year column. For your convenience we have provided dates on the MEM-17. If these dates do not apply, complete the MEM-17A, including the dates on a fiscal year basis.

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MEM-17 A (BACK)

Public Employees' Retirement System
Member Services Division, Section 830
P.O. Box 942704
Sacramento, CA 94229-2704
(916) 326-3141
(916) 326-3240 (Telecommunication Device for the Deaf)

PRIOR SERVICE VERIFICATION PERS-MEM-17A (back) (Rev. 1/91)

"Prior Service" — Credit granted for compensated employment rendered for a public agency before the effective date of the agency's contract with PERS or before the date an exclusion was removed.

"Fiscal Year" — The period beginning July 1 and ending June 30 of the following year. (For example, 1981-82 on the chart would cover the period July 1, 1981 through June 30, 1982.) PERS service credit is calculated fiscal year by fiscal year.

INSTRUCTIONS

1. Report all of the employee's **COMPENSATED SERVICE** from appointment date to PERS contract date, and specify the compensation basis for each period. If the compensation basis changed, note the change and record the effective date (e.g., "Hourly to monthly, 7/1/71").

MONTHLY: Compensation on a monthly-salaried basis.

- For continuous employment, enter beginning and ending dates, draw a line between the date blocks, and show the service time base (full-time, half-time, 3/4-time, etc.).
- Enter total days of compensated service when less than a full month was worked.

DAILY: Compensation for employment on a daily-salaried basis.

- Enter only the number of days the employee was compensated for each month (e.g., "18 days").

HOURLY: Compensation for employment on an hourly-rate basis.

- Enter only the number of hours the employee was compensated for each month (e.g., "30 hours").

2. Report all non-compensated **ABSENCES** in excess of a month. This includes docks, leaves without pay, no compensation on record, no pay records in existence, etc.

- Enter beginning and ending dates, and identify type of absence. If absence was for **MILITARY SERVICE**, also submit a copy of the military documents if at all possible. (Service credit may be granted for military service if the employee returned to work within 6 months of discharge date.)

3. Report all **CHANGES IN CATEGORY** and **POSITION TITLES** during the Prior Service period.

CHANGES IN CATEGORY: Report all changes between miscellaneous and safety categories.

- Enter titles and effective dates of change (e.g., "Mechanic to Police Officer, 1/1/73").

ELECTED AND APPOINTED OFFICIALS: Only officials who were compensated may receive service credit.

- Enter title and dates in office (e.g., "Councilman, 1/1/70 to 12/31/71").

4. **CERTIFICATION:** Each form must be signed by your authorized officer. The authorized officer should not sign his/her own form. Enter the telephone number of the officer or the name and phone of the person for PERS to contact should questions arise.

MEM-17 A

[illegible]

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ITEM	BLOCK TITLE	INSTRUCTIONS
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- | | | |
|----------|-------------------------------|--|
| 1 | Agency Name and Code | Enter your Agency name and the 4 digit Employer Code.
(Coverage Key Item 1). |
| 2 | Name | Enter member's full name; last name, first name, middle name. |
| | Social Security Number | Enter the member's Social Security Number. |
| | Position(s) Held | Enter the title(s) of position(s) held during the Prior Service period.

Example: Accounting Clerk
Accounting Supervisor
Chief Accountant |
| | Coverage GRP | Enter the coverage group number for this member's position. |
| | A/C | Leave blank. |
| | LS A/C | Leave blank. |
| 3 | Fiscal Year | "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.

Note: If completing a MEM-17A, enter the fiscal years in this column. |

AGENCY NAME/ CODE

NAME 11441 Scott McDaniel

SOCIAL SECURITY NUMBER

POSITIONS HELD — (For Service Records Only)

COVERAGE TIME

LS AC

PRIOR SERVICE RECORD

IMPORTANT INSTRUCTIONS ON BACK

[illegible] \lesssim \leq

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[illegible]

REMARKS When ship commences operations as above, it is...

ITEM	BLOCK TITLE	INSTRUCTIONS
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Daily—enter the days for which the member was compensated during each month.

Hourly—enter the hours for which the member was compensated during each month.

Absences—indicate all non-compensated absences in excess of a month. Indicate the beginning and ending dates, and identify the type of absence.

Military Service—if the absence was because of military service, please submit a copy of the military documents, if available.

Position Titles—enter the position title and effective dates of changes from one title to another.

Example: Accounting Clerk to Accounting Supervisor (2/1/83); Councilwoman (1/1/80 to 12/31/83)

For additional information, refer to the back of the MEM17/
MEM17A.

MEM 17/MEM-17A

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MEM-17 A

REMARKS (Use this space if needed to clarify entries. Be specific and provide dates.)

4

CERTIFICATION OF SERVICE RECORD

I HEREBY CERTIFY that the service reported on this sheet was verified from our agency records, or, if no records exist, from affidavits; that the service is accurate to the best of my knowledge; and that said service may be used in calculating the benefits for this employee under the Public Employees' Retirement System.

TITLE OF AUTHORIZED OFFICER	OFFICER SIGNATURE	DATE	CONTACT NAME & PHONE ()
-----------------------------	-------------------	------	-----------------------------

FOR PERS USE ONLY

PRIOR SERVICE CREDITED	ADJUSTMENT	CALCULATED
PARTIAL YEARS	WAS	CHECKED/POSTED
FULL YEARS	S/B	ADJUSTED CALC
TOTAL YEARS	ADJ.	CHECKED/POSTED
CONTRACT ALLOWS	TOTAL POSTED	REPOSTED

PRIOR SERVICE VERIFICATION

PERS MEM-17A(11/91)

ITEM BLOCK TITLE INSTRUCTIONS

4

Remarks

**Certification of
Service Period**

To be used to clarify information listed above.

Each form must be signed by an authorized officer of your agency. Enter his/her title, date and phone number. The authorized officer should not sign his/her own form.

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MEM-17/MEM-17A

MEM-17 (EXAMPLE)

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AGENCY NAME / CODE		SOCIAL SECURITY NUMBER		POSITIONS HELD - (For Service Periods Before)		COVERAGE OFP		A/C					
SAMPLE		SAMPLE		SAMPLE		SAMPLE		LS A/C					
NAME (Last, First, Middle)		SAMPLE		SAMPLE		SAMPLE		SAMPLE					
PRIOR SERVICE RECORD													
FISCAL YEAR	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	PERS USE ONLY
ALL FORMS MUST BE SIGNED (AUTHORIZED OFFICER CANNOT SIGN HIS/HER OWN FORM).													
1971-72													
1972-73													
1973-74		72 hrs	80	92	102	98	114	80	42				
1974-75													
1975-76													
1976-77		20 days	19	20	20	19	18	17	0	0	15	19	
1977-78													
1978-79													
1979-80													
1980-81													
1981-82													
1982-83		8/1/82											
1983-84		Military leave -											
1984-85													
1985-86													
1986-87													
1987-88													
1988-89		8/1/88											
1989-90													
1990-91													
1991-92													
1992-93													
REMARKS (Use this space if needed to clarify entries. Be specific and provide dates.)													
FULL TIME AND CONTINUOUS TO CONTRACT DATE													
12/1/86 - 6/30/87													
4/1/83													
6/30/87													

CERTIFICATION OF SERVICE RECORD									
I HEREBY CERTIFY that the service reported on this sheet was verified from our agency records, or, if no records exist, from affidavits; that the service is accurate to the best of my knowledge; and that said service may be used in calculating the benefits for this employee under the Public Employees' Retirement System.									
TITLE OF AUTHORIZED OFFICER					OFFICER SIGNATURE		DATE		
CONTACT NAME & PHONE									

FOR PERS USE ONLY									
PRIOR SERVICE CREDITED					ADJUSTMENT				
PARTIAL YEARS					WAS				
FULL YEARS					S/R				
TOTAL YEARS					ADJ.				
CONTRACT ALLOWS					TOTAL POSTED				
					REPOSTED				

PRIOR SERVICE VERIFICATION
PERS MEM-17 (11/81)

MILITARY SERVICE CREDIT

CREDIT FOR ABSENCE FROM EMPLOYMENT FOR MILITARY SERVICE

Government Code Sections 20990 through 20998 provide that members absent from employment for military service might be eligible to receive credit for the absence at employer cost. To be eligible for this 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 in the armed forces.
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 the Public Employees' Retirement System within six months after discharge from active duty.

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. The employer is required to furnish information as to the salaries the member would have received if he/she had not been absent in military service.

MILITARY SERVICE CREDIT AS PRIOR SERVICE

Government Code Section 20996 provides employees who are/were on a military leave at the time your agency contracts for CalPERS coverage and return(ed) to employment with your agency within six months after discharge from active military duty, can receive prior service credit for the period of their absence. If your agency provides this benefit, former employees employed by other CalPERS employers would also be eligible to claim service credit. Your agency would be liable for the cost.

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MILITARY SERVICE CREDIT CON'T.

CREDIT FOR MILITARY SERVICE PRIOR TO EMPLOYMENT

A. Public Agency Members

Government Code Section 21024 effective 1-1-75 and amended 1-1-77 provides that public agency members may be eligible to receive military service credit, provided:

1. Public agency amends their contract accordingly.
2. Military service was rendered prior to CalPERS membership with contracting agency which has amended their contract.
3. Member makes contributions required. Payments may be made in one lump sum or by installment payments.
4. Member may receive credit only for one period of continuous active duty not to exceed four years.

B. Agency Retirees

Government Code Section 21027 provides that public agency retirees may be eligible to receive credit for their military service, provided:

1. Public agency amends their contract for Government Code Section 21024 and for Government Code Section 21027.
2. Military service was rendered prior to CalPERS membership with contracting agency that has amended their contract accordingly.
3. Retiree retired immediately from the contracting agency and before the effective date of the agency's contract amendment for Government Code Section 21024.
4. Retiree may receive credit only for one period of continuous active duty not to exceed four years.
5. Retiree makes contributions required.

C. State and County School Members and Retirees

Government Code Section 21029 provides that County School, State 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 from the State or County School. (Los Angeles and San Diego County Superintendents of Schools and police officers employed by Los Angeles Unified and Community College Districts are not eligible under this law).
2. Must have a minimum of ten years of CalPERS service and one year of military service. Service is granted on a basis of one year of military service credit for each five years of credited CalPERS service credit; not to exceed four years.
3. Make contributions required.
4. In addition, County School/State retirees must have retired on or after December 31, 1981.
5. Public agencies cannot amend their contract for this law.

Inquiries

Make inquiries regarding military service credit to:

Public Employees' Retirement System
Member Services Division, Section 832
P.O. Box 942704
Sacramento, CA 94229-2704

Member should include:

Member's full name
Member's home address and telephone number
Member's social security number
Copy of discharge papers showing date of entry into and discharge from active duty (such as DD 214).

AUTHORIZATION FOR CONTRIBUTION AND/OR RATE ADJUSTMENT PERS-MEM-823C (CALPERS-INITIATED FORM)

PURPOSE

To certify the amount of contributions due from the employee for arrears, service prior to membership, redeposit, military service credit, partially compensated leave of absence, or other instances when payment is due from the member.

SPECIAL INSTRUCTIONS

1. The MEM-823C is prepared by CalPERS. It authorizes your agency to make an extra deduction each service period for contributions due CalPERS from the member. Report the payment as a separate line entry on your payroll listing, using a Contribution Code 04. If the individual has more than one Code 04 deduction authorized, then each deduction must be reported on a separate line entry. Report these deductions under the coverage group code specified on the authorization.
2. The amount of the payment is in addition to the normal contributions being reported each pay period.
3. Do not apply the changes in contribution rate and/or extra deductions prior to the effective date shown on the MEM-823C.
4. Contribution Code 04 and 14 deductions must not be reported unless authorized by a form MEM-823C.
5. It is the agency's responsibility to take only the number of Code 04 deductions authorized. CalPERS will *not* notify you to stop deductions.
6. It is not necessary to return a copy of the MEM-823C to CalPERS to indicate deductions are being taken.
7. If a member pays the lump sum, a notification will be sent requesting the deductions be stopped with a specific pay period. It is the agency's responsibility to stop the deduction as of the specified pay period.

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MEM-823C



AUTHORIZATION FOR CONTRIBUTION AND/OR RATE ADJUSTMENT

PERS-MEM-823 C PA/UC (REV. 9/89)

Telecommunications Device for the Deaf - (916) 326-3240

Telephone: (916) 326-3141

EMPLOYER CODE	EMPLOYER	AGENCY UNIT CODE	MAILING DATE			
SOCIAL SECURITY NUMBER		MEMBER NAME			COVERAGE GROUP	
EFFECTIVE DATE	CONTRIBUTION TYPE	CONT. CODE 04	NO. OF PAYMENTS	PAYMENT AMOUNT	PAYROLL TYPE	

THESE CODE 04'S ARE TO BE TAKEN CONCURRENTLY WITH ANY OTHER CODE 04 DEDUCTION

EMPLOYER COPY
(For Personnel and Payroll transactions)

MEM-823C

Public Agency Manual

6/97

CalPERS PRA #1577 002097

HHHH-2096

MEM-823C



AUTHORIZATION FOR CONTRIBUTION AND/OR RATE ADJUSTMENT

PERS-MEM-823 C PA/UC (REV. 9/89)

Telecommunications Device for the Deaf - (916) 326-3240

Telephone: (916) 326-3141

1	EMPLOYER CODE	EMPLOYER	AGENCY UNIT CODE	MAILING DATE		
	SOCIAL SECURITY NUMBER	MEMBER NAME			COVERAGE GROUP	
	EFFECTIVE DATE	CONTRIBUTION TYPE	CONT. CODE 04	NO. OF PAYMENTS	PAYMENT AMOUNT	PAYROLL TYPE

THESE CODE 04'S ARE TO BE TAKEN CONCURRENTLY WITH ANY OTHER CODE 04 DEDUCTION

ITEM BLOCK TITLE INSTRUCTIONS

- | | | |
|----------|-------------------------|---|
| 1 | Employer Code | A four digit code assigned to your agency by CalPERS. |
| | Employer | Self-explanatory. |
| | Agency Unit Code | A three digit code used for identification of different school districts. |
| | Mailing Date | The form was processed and mailed on this date. |

MEM-823C



AUTHORIZATION FOR CONTRIBUTION AND/OR RATE ADJUSTMENT

PERS-MEM-823 C PA/UC (REV. 9/89)

Telecommunications Device for the Deaf - (916) 326-3240

Telephone: (916) 326-3141

2

EMPLOYER CODE	EMPLOYER	AGENCY UNIT CODE	MAILING DATE			
SOCIAL SECURITY NUMBER		MEMBER NAME			COVERAGE GROUP	
EFFECTIVE DATE	CONTRIBUTION TYPE	CONT. CODE	NO. OF PAYMENTS	PAYMENT AMOUNT	PAYROLL TYPE	
		04				

THESE CODE 04'S ARE TO BE TAKEN CONCURRENTLY WITH ANY OTHER CODE 04 DEDUCTION

ITEM	BLOCK TITLE	INSTRUCTIONS
------	-------------	--------------

- | | | |
|---|-------------------------------|---|
| 2 | Social Security Number | Member's social security number. |
| | Member Name | Self-explanatory. |
| | Coverage Group | The Coverage Group Code is assigned to identify a specific group of employees within your agency by type of retirement coverage. Report the Code 04 deduction with the Coverage Group Code specified. |

MEM-823C



AUTHORIZATION FOR CONTRIBUTION AND/OR RATE ADJUSTMENT

PERS-MEM-823 C PA/UC (REV. 9/89)

Telecommunications Device for the Deaf - (916) 326-3240

Telephone: (916) 326-3141

3

EMPLOYER CODE	EMPLOYER	AGENCY UNIT CODE	MAILING DATE		
SOCIAL SECURITY NUMBER		MEMBER NAME		COVERAGE GROUP	
EFFECTIVE DATE	CONTRIBUTION TYPE	CONT. CODE	NO. OF PAYMENTS	PAYMENT AMOUNT	PAYROLL TYPE
		04			

THESE CODE 04'S ARE TO BE TAKEN CONCURRENTLY WITH ANY OTHER CODE 04 DEDUCTION

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ITEM	BLOCK TITLE	INSTRUCTIONS
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3	Effective Date	Begin payroll deduction for pay period beginning on this date. Do not begin taking deductions prior to this date.
	Contribution Type	PERS will enter the reason for authorization to deduct contributions.
	Contribution Code	Report a Code 04 or 14 in the Contribution Code column of the payroll listing. The deduction must appear as a separate line entry.
	Number of Payments	This is the total number of payments to be deducted.
	Payment Amount	This is the payment amount due from the member each pay period. This amount cannot be changed without authorization from PERS.
	Payroll Type	<p>Reporting Frequency:</p> <ul style="list-style-type: none"> Monthly Semi-monthly Bi-weekly Quadri-weekly <p>If you change payroll reporting type, notify PERS so they can recalculate a new payment schedule.</p>

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REFUND OF MEMBER CONTRIBUTIONS

MEMBER REFUNDS

Upon receipt of the MSD-1 advising the System that the employee has permanently separated, a letter of instruction, including election forms, will be sent directly to each member. Should the employee wish to leave their funds in CalPERS, they need not respond. Their contributions will continue to earn interest at the current rate. For employees who request a refund of contributions, the member will need to return the election form directly to the Refunds Section of CalPERS. Since the election information will be sent directly to the member's home address, it is important that the MSD-1 contain the member's most recent address when it is submitted by their employer.

A member refund will not be issued until after a valid MSD-1 has been received by CalPERS.

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NOTE: Refer to the Membership Section for the discussion on the Member Action Request, PERS-MSD-1, and the Authorization for Contribution and/or Rate Adjustment, PERS-MEM-823C.

PAYROLL REPORTING TELEPHONE AND SECTION DIRECTORY

	Telephone Number	Section Code*
Fiscal Services Division		
Cashier	(916) 326-3450	130
Actuarial And Employer Services Division		
Payroll Processing Unit:		
Delinquency Reporting	326-3502	863
Pre-Lists	326-3501	863
FAX	326-3287	
Payroll Audits Unit:		
Payroll Reporting	326-3141	822
Actuarial Unit		
Employer Rates	326-3420	200
Member Services Division		
Compensation Review Unit:		
Compensation Compliance Requirements	326-3837	843
Contribution Adjustment Unit:		
Member Annual Statement Unit	326-3141	823
Contribution Adjustment Unit	326-3141	823
Benefit Application Services Division		
Refund Section	326-3480	445
Information (Telephone Communications)		
Device for the Deaf-TDD):		
Member Services Division	326-3240	
Benefit Application Services Division	326-3240	

* For better service when writing to Fiscal Services Division, Actuarial and Employer Services Division, Member Services Division, or Benefit Application Services Division, include the Section Code on all correspondence.

See Appendix for the System's mailing addresses.

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GENERAL INFORMATION FOR ALL REPORTING METHODS

REPORTABLE/NON-REPORTABLE COMPENSATION

CalPERS Compensation

Pay rate and special compensation must be in written schedules, ordinances, or similar documents that shall be available for public scrutiny.

California Government Code Sections 20636 and 20630 defines compensation, compensation earnable, pay rate and special compensation as follows:

Compensation

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 Section 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.

Compensation Earnable

The pay rate and special compensation of members is further defined below.

Pay rate

The normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. Pay rate for a member who is not in a group or class means the monthly rate of pay paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis only during normal working hours. Increases in compensation earnable to any employee who is not in a group or class shall be limited during the final compensation period as well as two years immediately preceding the final compensation period as set forth in the statute.

Special Compensation

Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement to similarly situated members of a group or class of employment* in addition to pay rate. Special Compensation is also delineated specifically and exclusively in regulations adopted in the

California Code of Regulations Section 571(a). Subsection 'b' specifies the standards to which all special compensation items must also meet. For a copy of the regulations and standards see Circular Letter 800-203 dated Nov. 11, 1995, or contact the Compensation Review Section at (916) 326-3141.

The statute and regulations specifically state special compensation shall include holiday pay and uniform allowance.

Holiday Pay

Holiday Pay is reportable for both miscellaneous and safety members who work in positions that require scheduled staffing without regard to holidays. Refer to California Code of Regulations Section 571(a) for further detail.

Uniforms and Uniform Allowance

Uniforms and Uniform Allowance are reportable for both miscellaneous and safety members, regardless of how the uniform is supplied. Refer to California Code of Regulations Section 571 (a) for further detail.

Please see Circular Letter number 100-274, dated January 11, 1985, for more comprehensive information regarding holiday pay and uniform allowance.

Special Compensation does not include final settlement pay, payments made for additional services rendered outside normal working hours and any other payments the CalPERS Board of Administration has not affirmatively determined to be special compensation.

When special compensation is paid as a regular part of the member's salary, it can be incorporated into the base pay rate and earnings for the member. When it is paid on a different schedule than the normal salary, it should be reported separately as special compensation. Any employee hired on a *part-time basis* should *always* have special compensation reported in a separate entry.

*Group or Class of Employment

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.

GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

NOTE: If in doubt as to whether an item of compensation is reportable to CalPERS, submit a copy of the memorandum of understanding, union contract, or other supporting documentation to the Compensation Review Unit (843) for a determination.

EMPLOYERS' PAYING MEMBER CONTRIBUTIONS

State and federal statutes provide various provisions for paying and reporting member contributions.

Below are four provisions, a brief description of each and requirements to implement any of the four.

Payment of Member Contributions

A contracting public agency or school employer may pay all or a portion of the normal contributions required to be paid by members of a group or class. This is called Employer Paid Member Contributions (EPMC). If an individual is not part of a group or class, the agency must pay EPMC for the closest related group in order to pay EPMC for the individual. Determinations for "group of one" and

SAMPLE RESOLUTION

WHEREAS, the _____ (Name of Agency) has the authority to implement Government Code Section 20615;

WHEREAS, the _____ (Name of Agency) has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer on behalf of the members;

WHEREAS, one of the steps in the procedures to implement this section is the adoption by the governing body of the _____ (Name of Agency) of a Resolution giving notice of its intention to commence paying the normal member contributions (EPMC) for all members of (name of group or class);

WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

The _____ (Name of Agency) elects to pay _____ (Percent) of employees' normal member contributions as Employer Paid Member Contributions.

This benefit shall apply to all employees of _____ (Membership Category)
OR _____ (Group or Class).

The effective date of this Resolution shall be _____ (Date).

NOW, THEREFORE, BE IT RESOLVED that the governing body of the _____ (Name of Agency) shall implement Government Code Section 20615 by paying normal member contributions for all employees of the _____ (Membership Category) OR _____ (Group or Class) as indicated above.

BY _____
(Name of Official)

BY _____
(Title of Official)

(Date adopted and approved)

GENERAL INFORMATION FOR ALL REPORTING METHODS CONT.

closest related group are made on a case-by-case basis by Member Services Division. For this option a resolution is required, a sample of which is shown on opposite page. A copy should be sent to CALPERS, Member Services Division, Compensation Review Section, P.O. Box 942704, Sacramento, CA 94229-2704. An example of reporting contribution codes can be found in this chapter.

Reporting the Value of EPMC:

Effective July 1, 1994, under Government Code Section 20636(c), an employer has the option of reporting the value of employer paid member contributions (EPMC) to CalPERS as additional compensation. This provision must be adopted and applied equally to everyone in a group or class of employment. If an individual is not part of a group or class, the agency must pay and report the value of EPMC for the closest related group in order to pay and report the value of EPMC for the individual. Determinations for "group of one" and closest related group are made on a case-by-case basis by Member Services Division.

Should an agency decide to report the value of EPMC, it would need to comply with the following items.

1. Each written labor policy or agreement must acknowledge the fact that the employer is paying and reporting the value of EPMC for everyone in that group or class.
2. The governing board must pass a Resolution utilizing language similar to the following sample.
3. The Resolution must be sent to the Compensation Review Section and written confirmation of compliance will be returned to the employer.
4. The amount (percent) of EPMC being paid by the employer is the value (amount) that must be reported as additional compensation.
5. The value of EPMC must be reported on all compensation, i.e., payrate and special compensation (except special compensation identified as the value of EPMC under Government Code Section 20636(c)(4), this avoids the perpetual loop of reporting the value of EPMC on the previous value of EPMC).

NOTE: School districts may negotiate for this provision on a district by district basis. It does not have to be done by all districts under the County Office of Education.

Reporting the value of EPMC should have no effect on the calculations the agency makes for overtime or other special payments employees receive as a factor of base salary. We also feel that this is not subject to state and federal income taxes, or social security and medicare taxes. However, since there is no case or ruling directly related to social security and medicare, affected employees should consider seeking a ruling on this issue.

The cost of reporting the value of EPMC will be an increase in the Agency's employer and employee contributions due to the increased earnings reported. There could also be an increase to the employer's rate similar to increases associated with comparable payrate increases for groups of employees. This provision provides the same benefit to employees as the following two provisions. The cost for this provision is expected to be the same as the cost of converting EPMC to salary in the final compensation period. The cost is just paid in a different manner, i.e., if the additional compensation increases an employee's retirement allowance by \$100.00 per month under either method, CalPERS will have to collect the same amount of money from member and employee contributions to pay for that benefit.

An example of reporting contributions codes can be found on the following page.

GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

The examples below demonstrate three methods to report the value of EPMC on compensation earnable. (Employee in example has \$1,000 in regular earnings and \$200 in special compensation.)

Seven percent (assuming employer is paying all member contributions for a miscellaneous member) is added into each payrate and special compensation item in "payrate" column.

Pay Code	Pay rate	Tax Deferred Contributions
01	1,070.00 (\$1,000 + \$70)	74.90
09	214.00 (\$200 + \$14)	14.98

Reporting the value of EPMC in the base pay for all compensation earnable

Pay Code	Pay rate	Tax Deferred Contributions
01	1,084.00 (\$1,000 + \$70 + \$14)	75.88
09	200.00	14.00

Please be aware that you may report the value of EPMC as a separate payroll entry. Below, we have included an example with the value of all EPMC reported as special compensation:

Pay Code	Pay rate	Tax Deferred Contributions
01	1,000.00	70.00
09	200.00	14.00
09	84.00 (\$70 + \$14)	5.88

GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

SAMPLE RESOLUTION

WHEREAS, the _____ (Name of Agency) has the authority to implement Government Code Section 20636(c) (4) pursuant to Section 20691;

WHEREAS, the _____ (Name of Agency) has a written labor policy or agreement which specifically provides for the inclusion of normal member contributions paid by the employer on behalf of the members as additional compensation;

WHEREAS, one of the steps in the procedures to implement this section is the adoption by the governing body of the _____ (Name of Agency) of a Resolution giving notice of its intention to commence reporting the value of employer paid member contributions (EPMC) as compensation for all members of a group or class;

WHEREAS, the following is a statement of the proposed change in reporting compensation to PERS:

The _____ (Name of Agency) elects to pay _____ (Percent) of employees' compensation earnable as Employer Paid Member Contributions and report the same percent (value) of compensation earnable* {excluding Government Code Section 20636(c)(4)} as additional compensation.

This benefit shall apply to all employees of _____ (Membership Category) OR (Group or Class) _____.

The effective date of this Resolution shall be _____ (Date) _____.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the _____ (Name of Agency) shall implement Government Code Section 20636(c) (4) pursuant to Section 20691 by paying and reporting the value of Employer Paid Member Contributions for all employees of the _____ (Membership Category) OR (Group or Class) as indicated above.

BY _____
(Name of Official)

BY _____
(Title of Official)

(Date adopted and approved)

* NOTE FOR SAMPLE RESOLUTION ONLY: Payment of EPMC and reporting the value of EPMC on compensation earnable is on payrate and special compensation except special compensation delineated in Government Code Section 20636(c) (4) which is the monetary value of EPMC on compensation earnable.

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GENERAL INFORMATION FOR ALL REPORTING METHODS CONT.

Converting EPMC to Salary in the Final Compensation Period:

Effective July 1, 1994, the conversion of EPMC to salary in an employee's final compensation period is the only conversion allowed in the Public Employees' Retirement Law (PERL). All other conversions once provided under PERS' short-term policy (commencing December 1992 and sunseting on June 30, 1994) are no longer allowed as of July 1, 1994, when the amendment to the PERL became effective. This provision must be adopted and applied equally to everyone in a group or class of employment. If an individual is not part of a group or class, the agency must adopt this provision for the closest related group in order to convert EPMC to salary for the individual. Determinations for "group of one" and closest related group are made on a case-by-case basis by the Member Services Division.

Government Code section 20692, effective July 1, 1994, provides:

"(a) Where a contracting agency employer or a school employer has elected to pay all or a portion of the normal contributions of members of a group or class of employment pursuant to Section 20692, **the employer may, pursuant to a labor policy or agreement, stop paying those contributions during the final compensation period applicable to the members and, instead, increase the payrate of the members by an amount equal to the normal contributions paid by the employer on behalf of the employees or increase the payrate of the members by an amount established by a labor policy or agreement in existence and in effect on June 30, 1993.** That amount shall not exceed the amount of the normal member contributions that are required to be paid by the members." (Emphasis added.)

Also, please refer to the California Code of Regulations, Section 566.1. This regulation can be found in Circular Letter 800-203 dated Nov. 17, 1995 or contact The Compensation Review Section at (916) 326-3141.

Should an agency decide to stop paying members' contributions in the final compensation period and

instead increase the payrate by an equal amount, it would need to comply with the following:

1. Request a valuation from the Contracts Services unit and follow their contract amendment procedures for this provision.
2. Include the provision in each written labor policy or agreement adopting this provision.
3. The amount of EPMC converted to salary must be the same amount (percent) of EPMC being paid by the employer unless there is a written labor agreement still in effect that was adopted prior to June 30, 1993 allowing the conversion of a smaller amount of EPMC than what is being paid.
4. Stop paying the members' contribution in the final compensation period and give a pay increase for all purposes. This is not just reporting the value of EPMC in the final compensation period.

After an agency amends its contract with PERS to provide this conversion, the new employer rate is effective the same day the amendment is effective. Also, all employees in a group or class must be treated the same and there can be no "election" on the part of individual employees to convert EPMC to salary in the final compensation period. The conversion would be allowed from the effective date on the contract amendment and cannot be reported prior to the contract amendment date. If an employee only gives two weeks notice of retirement, the agency must retroactively adjust and report payroll for the conversion in the full final compensation (for any final compensation period after the effective date of the contract amendment). If an employee cancels a retirement date, the agency can reverse the entries for the conversion but **must** commence the conversion again in the new final compensation period. An example of reporting contribution codes can be found later in this chapter.

NOTE: School districts cannot negotiate for this provision on a district by district basis. It must be agreed to by all districts, each district must pass a resolution for this provision in order for the County Office of Education to amend its contract to convert EPMC to salary in the final compensation period.

GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

Internal Revenue Code Section 414 (h)(2)

Employer Pick-up:

Employees can pay their own member contributions from base salary and defer state and federal income taxes on the member contributions. This is called Employer Pick-up (EPU). This program provides employees contributions being treated as employer contributions for federal and state tax purposes.

The amount reported to the IRS is base salary less the member contributions. Federal and state taxes on the amount of contributions are postponed until distribution either through a retirement allowance or a lump sum payment (refund). All supplemental pay that are based upon employees' salary, such as overtime, will be computed on the employees' original gross salary (base pay including the member contributions). Unless a pay raise is negotiated along with the IRC 414(h)(2), no increase in the member's payrate is reported to PERS. For this option a resolution to PERS is required. A sample resolution is provided on the following page. A copy should be sent to: CALPERS, Member Services Division, Compensation Review Section, P.O. Box 942704, Sacramento, CA 94229-2704. An example of reporting contribution codes can be found later in this chapter.

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GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

Attachment B RESOLUTION

Whereas, the _____ has the authority to implement the provisions of section 414(h) (2) of the Internal Revenue Code (IRC); and

Whereas, the Board of Administration of the Public Employees' Retirement System adopted its resolution re section 414(h) (2) IRC on September 18, 1985; and

Whereas, the Internal Revenue Service has stated in December 1985, that the implementation of the provisions of section 414(h) (2) IRC pursuant to the Resolution of the Board of Administration would satisfy the legal requirements of section 414(h) (2) IRC; and

Whereas, the _____ has determined that even though the implementation of the provisions of section 414(h) (2) IRC is not required by law, the tax benefit offered by section 414(h) (2) IRC should be provided to its employees who are members of the Public Employees' Retirement System:

NOW, THEREFORE, BE IT RESOLVED:

- I. That the _____ will implement the provisions of section 414(h) (2) Internal Revenue Code by making employee contributions pursuant to California Government Code section 20691 to the Public Employees' Retirement System on behalf of its employees who are members of the Public Employees Retirement System. "Employee contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to individual employee's accounts pursuant to California Government Code section 20691.
- II. That the contributions made by the _____ to the Public Employees' Retirement System, although designated as employee contributions, are being paid by the _____ in lieu of contributions by the employees who are members of the Public Employees' Retirement System.
- III. That employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the _____ to the Public Employees' Retirement System.
- IV. That the _____ shall pay to the Public Employees' Retirement System the contributions designated as employee contributions from the same source of funds as used in paying salary.
- V. That the amount of the contributions designated as employee contributions and paid by the _____ to the Public Employees' Retirement System on behalf of an employee shall be the entire contribution required of the employee by the Public Employees' Retirement Law (California Government Code sections 20000, et seq.).
- VI. That the contributions designated as employee contributions made by _____ to the Public Employees' Retirement System shall be treated for all purposes, other than taxation, in the same way that member contributions are treated by the Public Employees' Retirement System.

GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

PRE-TAX (TAX DEFERRED) PAYROLL DEDUCTION PLAN FOR SERVICE CREDIT PURCHASE(S):

Public Agency and County Superintendent of School employers were informed by Circular Letter No. 800-455 that as of July 1, 1996, the California Public Employees' Retirement System (CalPERS) would provide to qualified members the option to elect the Pre-Tax (Tax Deferred) Payroll Deduction Plan (aka Plan) for their service credit purchases (i.e., Redeposit, Service Prior to Membership, Military, etc.). By filing a resolution* specifically for service credit purchases with CalPERS, employers are allowed to extend the pick-up of member contributions under Internal Revenue Code (IRC) 414(h)(2). Individual employers who opt to participate in this "pick up" program provide their employees, who also opt to participate, with the benefit of deferring income tax liability on member service credit purchases. Program restrictions and requirements are as follows:

GENERAL

The effective date for commencement of the Plan cannot be any earlier than July 1, 1996, or the date the employer's completed resolution is received in CalPERS, whichever is later. The IRS does not allow retroactive deductions;

The Plan amount and time period are irrevocable and cannot be adjusted at any time during the payroll deduction schedule nor can the deductions revert to after-tax deduction status;

The deductions are considered member contributions and are subject to income taxes when received by the member as either a retirement benefit or refund;

Cancellation of the Plan prior to completion of payments or termination of employment is not allowed by either the member or employer.

EMPLOYER

The employer must file with CalPERS a completed copy of a resolution (see copy) to allow their employees to participate in the Plan for service credit purchases. The resolution applies to all employees in the specified coverage group(s);

Pre-tax deductions will be completed through the payroll reporting process using **Contribution Code 14** instead of Contribution Code 04;

Pre-tax payroll deductions (Contribution Code 14's) must not be reported by the employer until authorization is received from CalPERS;

The employer is responsible for reducing the taxable income of a member by the pre-tax payroll deduction amount;

Overpayments must be reported as negative adjustments through the payroll reporting process. The employer will be responsible for returning such funds to the member as **taxable income.**

MEMBER

The member has the option to participate in the pre-tax payroll deduction plan;

Payroll deductions for service credit purchases for members who choose not to participate in the Plan must be reported as **after-tax contributions;**

To specifically elect the Plan, the member **must file a binding irrevocable election with CalPERS;**

Direct cash payments (i.e., lump sum and partial payments) are not allowed while the member is participating in the Plan;

Members with existing receivables (Code 04's) will be given the opportunity to elect the Plan (Code 14's). This election will be applied on a **prospective basis only.**

*Refer to sample resolution.

NOTE: Procedures and detailed information for the Plan are currently being developed at the time of this manual revision. Please be aware of future Circular Letters, CalPERS Bulletin Board announcements, Informational Flyers, etc. For more information, contact the CalPERS, Member Services Division, Service Credit Section, Unit 830 by calling (916) 326-3141.

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Return to CalPERS - Unit 830

Employer Code: _____

**EMPLOYER PICKUP RESOLUTION
PRE-TAX PAYROLL DEDUCTION PLAN
FOR SERVICE CREDIT PURCHASES
(CONTRIBUTION CODE 14)**

WHEREAS, the Board of Administration of the California Public Employees' Retirement System (CalPERS) at the April 1996 meeting approved a pre-tax payroll deduction plan for service credit purchases under Internal Revenue Code (IRC) section 414(h)(2); and

WHEREAS, the _____ {Employer} has the authority to implement the provisions of IRC section 414(h)(2) and has determined that even though implementation is not required by law, the tax benefit offered by this section should be provided to those employees who are members of CalPERS; and

WHEREAS, the _____ {Employer} elects to participate in the pre-tax payroll deduction plan for all employees in the following CalPERS coverage group(s):

{Membership Coverage Group(s)}

NOW, THEREFORE, BE IT RESOLVED:

- I. That the _____ {Employer} will implement the provisions of IRC section 414(h)(2) by making employee contributions for service credit purchases pursuant to the California State Government Code on behalf of its employees who are members of CalPERS and who have made a binding irrevocable election to participate in the pre-tax payroll deduction plan. "Employee contributions" shall mean those contributions reported to CalPERS which are deducted from the salary of employees and are credited to individual employee accounts for service credit purchases thereby resulting in tax deferral of employee contributions.
- II. That the contributions made by the _____ {Employer} to CalPERS, although designated as employee contributions, are being paid by the _____ {Employer} in lieu of contributions by the employees who are members of CalPERS.
- III. That the employees shall not have the option of choosing to receive the contributed amounts directly instead of having them paid by the _____ {Employer} to CalPERS.

- IV. That the _____ {Employer} shall pay to CalPERS the contributions designated as employee contributions from the same source of funds as used in paying salary, thereby resulting in tax deferral of employee contributions.
- V. That the effective date for commencement of the pre-tax payroll deduction plan cannot be any earlier than July 1, 1996, or the date the completed resolution is received and approved in CalPERS, whichever is later.
- VI. That the governing body of the _____ {Employer} shall participate in and adhere to requirements and restrictions of the pre-tax payroll deduction plan by reporting pre-tax payroll deductions when authorized by CalPERS for those employees of the above stated Coverage Group(s) who have elected to participate in this plan.

PASSED AND ADOPTED by the governing body of the _____ {Employer}
this _____ day of _____, 19____.

BY _____
(Signature of Official)

BY _____
(Title of Official)

RETURN ADDRESS:

FOR CALPERS USE ONLY

Pre-tax Payroll Deduction Plan Effective Date: _____

Approved By: _____ **Title:** _____

MEMBER SERVICES DIVISION, Service Credit Section - Unit 830

GENERAL INFORMATION FOR ALL REPORTING METHODS CON'T.

COMPENSATION PAID TO COURT REPORTERS

Report compensation for Court Reporters who qualify for CalPERS membership; i.e., those who serve half-time or more. Numerous statutes and a variety of payment methods prevent CalPERS from formulating standard reporting procedures for Court Reporters. Separate instructions are provided to the individual counties. Contact the Compensation Review section (unit 843) for further information.

SCHOOL EMPLOYEES—LESS-THAN-FULL YEAR CONTRACT

Report compensation school employees earn in a less-than-full year contract as it is earned, not as it is paid (Government Code Section 20633). See: **SCHOOL MEMBERS—REPORTING EQUAL PAYMENTS** for the correct method of reporting equal payments.

For additional information contact the Payroll Audits Unit (822) of the Actuarial and Employer Services Division.

PAYROLL REPORTING ELEMENTS

INTRODUCTION

All elements involved in a payroll entry are identified and explained in this part. The same elements are used for all payroll reporting methods in essentially the same way.

The chart Payroll Reporting Element Relationships (this section) shows the relationship among the payroll reporting elements based on the type of contributions being reported.

CONTRIBUTION AMOUNT

"Contribution Amount" is the monetary amount of contributions to be posted to the member's account for each payroll entry. Survivor contributions are reported as a separate element.

The element is a positive or negative numeric value up to six digits in length (e.g., \$1,350.00).

For a description of how member normal contributions are calculated, see "Basic Contribution Calculation" (this section).

CONTRIBUTION CODE

"Contribution Code" is a two-digit numerical code which identifies the type of contributions being reported. It is the key to each payroll transaction. Only the following codes may be used:

Please note that only contribution codes 01, 11, 03, and 13 will generate service credit for the member.

CONTRIBUTION RATE

"Contribution Rate" is the percentage used to calculate the contribution amount (along with member earnings and a modification factor, if applicable). It is a four-digit positive numeric value (e.g., report seven percent as 0700).

Contribution rate is found in the Coverage Key, Item 6.2. If an employer pays any portion of the member's contributions, the total percentage due, not just the amount the member pays, should be used for this element.

See elsewhere in this section for further information and examples.

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Member Paid	Tax Deferred Member		
01	11	—	Normal Current Contributions
02	12	—	Prior Period Contribution Adjustment
03	13	—	Prior Period Earnings Adjustment
04	14*	—	Contribution Receivable
05	15	—	Retroactive Salary Adjustment
06	16	—	Special Compensation
07	—	—	Prior Period Survivor Contribution Adjustment
08**	—	—	Employee-Paid Additional Contributions*
09**	—	—	Employer-Paid Additional Contributions*

* Agency must file a resolution with CalPERS prior to reporting pre-tax contributions receivable. See 'pre-tax payroll deduction plan for service credit purchase', in General Information section of this chapter.

** Must be established prior to July 1, 1983.

PAYROLL REPORTING ELEMENTS CON'T.

COVERAGE GROUP

"Coverage Group" is a five-digit numerical code which is assigned by CalPERS to identify a specific group of employees within an agency.

Coverage groups are uniquely assigned for each agency. Refer to Coverage Key, Item 3, for the coverage groups applicable to your agency. Only the coverage groups shown will be accepted on payroll reports to CalPERS.

To find the coverage group that applies to a particular member, first determine the major category or type of employment. Next, refer to the description of the coverage groups and use the one that applies.

MEMBER EARNINGS

"Member Earnings" is compensation earnable that a member is paid for services only during normal working hours. See **GENERAL INFORMATION FOR ALL REPORTING METHODS** for delineation of compensation to be reported to CalPERS.

The element is a positive (or negative) numeric value up to seven digits in length, e.g., \$10,500.00.

NOTE: School members who are employed under less-than-full year contracts should be reported no differently than members who are employed under full year contracts. All salary withheld for the purpose of continuing salary payments during periods in which the member renders no service should be reported when earned rather than when actually paid.

MEMBER NAME

"Member Name" identifies the member's last name, initial of first name, and initial of middle name.

The member's last name must be at least two alpha characters in length and cannot exceed ten characters in length. Member's first initial must be one alpha character in length. Member's middle initial must be either one alpha character or blank. Member's name should be arranged in alphabetical order within each unit on your payroll.

PAY CODE

"Pay Code" is a two-digit numeric code which designates the wage base on which a member is paid. It must be one of the following:

- 01 — Monthly Pay Rate
- 02 — Monthly Pay Rate (used only by L.A. City Unified and L.A. Community College District)
- 04 — Hourly Pay Rate
- 08 — Daily Pay Rate
- 09 — Miscellaneous Pay Rate (for reporting special compensation only)

PAY RATE

"Pay Rate" is the normal monthly rate of pay or base pay of the member, paid in cash to similarly situated members of the same group or class of employment for services rendered on a full time basis during normal working hours. It can be an hourly, daily, or monthly rate.

Always use the member's FULL TIME pay rate.

The pay rate must be a positive numeric value and cannot exceed eight digits in length (e.g., 99999.999). CalPERS requires that pay rates be reported with *three places* after the decimal. For example, an hourly rate of \$5.781/2 would be reported as 5.785, and a daily rate of \$60.00 would be reported as 60.000.

For further information on reporting pay rates, see: **PAY RATE/EARNINGS RELATIONSHIP** in Section 3.

PAYROLL REPORTING ELEMENTS CON'T.

SERVICE PERIOD

"Service Period" is a five-digit numeric code that identifies the month year, and type of payroll period for which the transaction is being reported.

The *first two digits* of the service period identify the month in which the service period ends. The ending date is the last date of service for which compensation was earned, regardless of the date the actual salary payment was made.

Examples:

- a. Monthly report for April
(service period ends in April)

04-89-0

- b. Bi-weekly report for period September 18
through October 1 (last day of service period
determines month of the report) 10-89-3

The *third and fourth* digits identify the year in which the service period ends. Only the last two digits of the year are used.

Example:

- a. Monthly report for December 1988 (service
period ends in 1988) 12-88-0

The *fifth* digit indicates the frequency of the payroll report and the chronological sequence within the month. All payroll reports to CalPERS must be submitted under one of the following types:

NUMBER OF PAYROLL		
Frequency	# of Payroll Periods Per Year	Type Code
a. Monthly	12	0
b. Semi-monthly	24	1 — first half of month (1st through the 15th)
Semi-monthly		2 — second half of month (16th through the end of the month)
c. Bi-weekly	26	3 — first report in month (ending on the 1st through the 14th)
Bi-weekly		4 — second report in month (ending on the 15th through the 28th)
Bi-weekly		5 — third report in month (occur whenever service period ending dates are 29, 30, or 31)
d. Quadri-weekly	13	6 — first in month (ending on the 1st through the 28th)
Quadri-weekly		7 — second report in month (occurs whenever the service period ending dates are 29, 30, or 31)

Changes in the frequency in which payroll reports are submitted must be approved by CalPERS in advance.