

REPORTING AN IMMINENT DEATH OR TERMINAL ILLNESS

When an employer becomes aware of an employee's imminent death or terminal illness, **the employer should immediately contact the Benefit Application Services Division, Section 405 by calling (916) 326-3232 or (916) 326-3212.**

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

If a person is competent to complete CalPERS Special Power of Attorney form (PERS-OSS-138), the person may give his/her "attorney in fact" the power and authority to complete all transactions relating to CalPERS, including filing applications, making benefit elections, designating beneficiaries, and endorsing warrants. Copies of the Special Power of Attorney form (OSS-138) and instruction sheet are on the following pages.

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

1. Member's name, Social Security number, and birthdate.
2. Probable effective retirement date.
3. Current salary information and balance of accumulated sick leave.
4. Name, relationship, birthdate, and sex of the person to be designated as the member's beneficiary.
5. Address and telephone number where information can be communicated.
6. Nature and seriousness of illness, estimated life expectancy, and whether the member is presently competent.

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

NOTE: In order for CalPERS to carry out the desired retirement action (e.g., provide an allowance to the beneficiary), it is imperative that the member be alive on the effective date of retirement and an election filed with CalPERS *prior to the date of death*. Member must also be off the payroll prior to the effective date of retirement.

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PERS' SPECIAL POWER OF ATTORNEY INFORMATION SHEET

This information sheet has been prepared to provide clarification about PERS' Special Power of Attorney (PERS-OSS-138).

PERS' Special Power of Attorney has two distinguishing features:

- it allows a PERS member or his/her beneficiary to designate someone (an attorney-in-fact) to handle retirement affairs such as filing applications, making benefit elections, designating beneficiaries and endorsing warrants; and
- it contains a durable clause which allows the attorney-in-fact to work on retirement matters on the member's behalf in the event the member becomes incapacitated.

A power of attorney that does not have a durable clause terminates upon an annuitant's incapacity, and as a result of that termination, it may be necessary for PERS to withhold the annuitant's PERS benefits until a conservator is appointed by the courts.

It is important to have a current power of attorney on file with PERS since the laws regarding powers of attorney change from time to time. While we prefer that PERS members use PERS' Special Power of Attorney, because it contains a durable clause, PERS will also accept a general power of attorney without a durable clause. A general power of attorney or PERS' Special Power of Attorney may be used for address changes, withholding tax elections, or requesting information regarding benefit payments. However, PERS will only accept beneficiary designations or retirement option elections from representatives authorized to act under PERS' Special Power of Attorney.

The "WARNING" found on the back page of PERS' Special Power of Attorney is required by law. Civil Code sections 2510 and 2510.5 require that all pre-printed "power of attorney" forms that may extend authority to the attorney-in-fact beyond the time in which an individual becomes disabled or incapacitated must contain this warning. We would like to emphasize, however, that the authority granted by PERS' Special Power of Attorney is limited to matters relating to PERS, the Legislators' Retirement System (LRS), and the Judges' Retirement System (JRS). The person designated as your attorney-in-fact would not have any authority over your other real or personal property. Please consult an attorney if you have any questions concerning the designation of an attorney-in-fact.

If you have already granted your power of attorney, you may submit a copy, for placement in your PERS member file, to the following address: PERS, Post Retirement Services Division, P.O. Box 942716, Sacramento, CA 94229-2716.

SEE REVERSE SIDE FOR QUESTIONS AND ANSWERS

PERS-OSS-41 (Rev 11/91)

**Questions And Answers
Concerning PERS' Special Power of Attorney**

- 1. Why is it advisable to have a durable power of attorney on file with PERS?**
Having a durable power of attorney on file at PERS assures that PERS will be able to handle your retirement benefits without interruption, and in accordance with your wishes, should you become unable to handle your own affairs.
- 2. Does PERS charge a fee for this service?**
No.
- 3. If I sign PERS' Special Power of Attorney form, can I continue to handle my own affairs until such time that I become incapacitated?**
Yes, however, PERS will also accept actions by your attorney-in-fact. If you do not want the attorney-in-fact to act on your behalf until you are incapacitated, you may want to complete the Special Durable Power of Attorney and keep it in your personal file until it is needed.
- 4. Can I use PERS' Special Power of Attorney to appoint an administrator of my estate prior to my death?**
No. PERS' Special Power of Attorney form only deals with retirement system matters administered by the Public Employees' Retirement System (PERS), the Judges' Retirement System (JRS), or the Legislators' Retirement System (LRS).
- 5. Does PERS' Special Power of Attorney automatically authorize my attorney-in-fact to conduct business after my death?**
No, the power of attorney is terminated upon the death of the member.
- 6. Would it be practical to name my son/daughter as attorney-in-fact and have my spouse (my named beneficiary) also execute a Special Power of Attorney form, to allow the attorney-in-fact to act in my spouse's behalf should I (member) predecease my spouse?**
Yes, this could be done now or when (and if) your spouse begins receiving benefits in his/her own right.
- 7. Should I retain a copy of the Special Power of Attorney?**
Yes, it is a good idea to keep a photocopy of the original for your personal file.
- 8. Can I terminate my Special Power of Attorney should I desire to do so?**
Yes, as long as you are still competent and you submit a written request to PERS asking that the document be revoked or terminated.

PERS-OS2-41 (Rev 11/91)

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Attorney: Section _____
Social Security No.: _____

SPECIAL POWER OF ATTORNEY

This document is intended for designating an attorney-in-fact to transact all retirement matters relating to the Public Employees' Retirement System, the Legislators' Retirement System, and/or the Judges' Retirement System. It authorizes the person you designate (called an "attorney in fact") to handle your retirement affairs such as filing applications, making benefit elections, designating beneficiaries and endorsing warrants. This document creates a durable power of attorney which continues after you become incapacitated or otherwise unable to handle your own affairs.

1. Creation of Durable Power of Attorney for Retirement-Related Business

By this document I intend to create a durable power of attorney by appointing the person designated below to make retirement-related decisions for me as allowed by the California Civil Code. This power is expressly limited to decisions relating to my benefits under the Public Employees' Retirement System, the Legislators' Retirement System, and/or the Judges' Retirement System.

2. Designation of Attorney-In-Fact

I, _____, of _____
(member or beneficiary) (street address)

City of _____, County of _____, State
of _____ do hereby appoint: _____
(attorney-in-fact)

of _____, City of _____,
(street address)

County of _____, State of _____,
as my attorney-in-fact.

3. General Statement of Authority Granted

If I become incapable of giving informed consent to decisions concerning my retirement benefits, I hereby grant to my attorney-in-fact full power and authority to transact all matters relating to the Public Employees' Retirement System (hereinafter PERS), the Legislators' Retirement System, or the Judges' Retirement System, including, but not limited to, filing applications, making benefit elections, designating beneficiaries, and endorsing warrants.

I further give and grant unto my said attorney-in-fact full power and authority to do and perform every act necessary and proper to be done in the exercise of any of the foregoing powers as fully as I might or could do if personally present, hereby ratifying and confirming all that my said attorney shall lawfully do or cause to be done by virtue hereof.

The authority granted by this Special Power of Attorney is limited to retirement matters, and does not extend to any of my other real or personal property.

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

PERS-088 118 (REV. 3/91)

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4. Duration

My attorney-in-fact is hereby instructed to notify PERS in writing of my disability or incapacity or of my death immediately upon its occurrence. This power of attorney shall not be affected by my subsequent disability or incapacity unless I so indicate below:

_____ I wish this special power of attorney to terminate in its entirety
_____ after I become mentally disabled or incapacitated.

(Specify timeframe e.g., immediately, one year, etc.)

Warning to Person Executing This Document

This is an important legal document. It creates a durable power of attorney. Before executing this document, you should know these important facts:

This document may provide the person you designate as your attorney-in-fact with broad powers to manage, dispose, sell, and convey your real and personal property and to borrow money using your property as security for the loan.

These powers will exist for indefinite period of time unless you limit their duration in this document. These powers will continue notwithstanding your subsequent disability or incapacity.

You have the right to revoke or terminate this power of attorney.

If there is anything in this document that you do not understand, you should ask a lawyer to explain it to you.

DATE AND SIGNATURE OF PRINCIPAL

EXECUTED THIS ____ DAY OF _____, 19____, AT _____, _____
state city

SIGNATURE _____

TYPED OR PRINTED NAME _____

SOCIAL SECURITY NUMBER _____

ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF _____ COUNTY OF _____

ON _____ BEFORE ME, _____

PERSONALLY APPEARED _____ PERSONALLY KNOWN TO ME (OR PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE) TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENTS THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE OF NOTARY PUBLIC (Seal)

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CHECKLIST FOR COMPLETING PERS' SPECIAL POWER OF ATTORNEY

This checklist is provided to help you make certain that you have completed all information required on PERS' Special Power of Attorney (PERS-OSS-138) prior to submitting it to PERS. (It is not necessary to return this checklist to PERS.)

1. I am of sound mind and acting of my own free will.
2. The individual I have selected as my attorney-in-fact to make retirement-related decisions for me is at least 18 years old.
3. I realize that in the event I become incompetent, or upon my request, my attorney-in-fact has the power and authority to transact all matters relating to the Public Employees' Retirement System, the Legislators' Retirement System, or the Judges' Retirement System.
4. I have talked with the individual I have selected as my attorney-in-fact and this individual has agreed to participate.
5. I have signed and dated the PERS' Special Power of Attorney form. (PERS-OSS-138, all boxes outlined with bold lines)
6. I have had the Special Power of Attorney notarized. (PERS-OSS-138, shaded box)
7. I have given a copy of the completed Power of Attorney to those people, including my attorney-in-fact and family members, who may need it in case an emergency arises which requires a decision.

If you change your mind about your power of attorney, take all of the following steps: 1.) Complete a new power of attorney form with the changes you desire; 2.) Tell everyone who has a copy of the old power of attorney that it is no longer valid and ask that copies of the old form be returned to you so that you may destroy them; and 3.) Give copies of the new form to the people who may need them to carry out your wishes.

If you still have questions about your power of attorney after reading this material, you should talk to your lawyer.

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

PERS-OSS-138A (11/91)

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DEATH OF ACTIVE MEMBER

EMPLOYER NOTIFICATION TO SYSTEM

Immediately upon learning of an employee's death, the employer should contact the Benefit Application Services' Telephone Information Center at (916) 326-3232 and provide the following information:

1. Member name, Social Security number, and birthdate
2. Date of death, cause of death and date of separation
3. Name, address and telephone number of next of kin

CalPERS will send a partially completed PERS-BAS-738, Report of Separation for Death, with the following information:

1. Employer name and code
2. Member name, Social Security number, birthdate
3. Date of death

INSTRUCTIONS FOR COMPLETION— PERS-BAS-738

The employer should verify and if necessary correct any information on the form. Remainder of form is completed by employer as follows:

PART I — EFFECTIVE DATES

Enter separation date. If separation date or date of death differs from the last day on payroll for which contributions were deducted, enter last day on pay status. Provide explanation in Remarks. *Separation date cannot be later than death date.*

PART II — PAYROLL AND CONTRIBUTION INFORMATION

1. Dates of pay periods (monthly, semi-monthly, bi-weekly, or quadri-weekly) for the month of separation and each of the three months preceding separation.
2. Amount of full-time pay rate.
3. Time worked in each pay period:
 - a. month
 - b. days
 - c. hours
4. Amount earned in each pay period.
5. Amount of normal retirement contributions for each pay period.
6. Amount of other than normal contributions.
7. Under "Specify" column heading, explain other than normal contributions.

PART III — UNUSED SICK LEAVE

For agencies who have amended their contracts to include sick leave credit (see Coverage Key, Item 8.3), please indicate the total number of days of unused sick leave credited to the member (for members who have attained the minimum retirement age only) on death date. Show partial days to three decimal places.

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DEATH OF ACTIVE MEMBER CON'T.

EMPLOYER NOTIFICATION TO SYSTEM

NOTE: 1. Do not combine contributions for Special Compensation with normal contributions. Use the "other" column.

2. Do not deduct retirement contributions from lump sum vacation payments.

3. Do not delay submission of this form awaiting final payroll data. Estimate the last period's payroll information and label this line "Estimate."

NOTIFICATION BY OTHER THAN EMPLOYER

When CalPERS is informed of an employee's death by someone other than the employer, the System will also initiate the form PERS-BAS-738, partially filled in, and forward to the employer. The employer completes the balance of the form per instructions found in "Employer Notification to System".

PART IV — HEALTH AND DENTAL INSURANCE

Complete only if the member had health insurance coverage under the Public Employees' Medical and Hospital Care Act.

A request for change in health benefits coverage based upon change in family status (death) may be made by an enrolled surviving family member who continues to receive an allowance.

PART V

Have this form signed by an authorized officer; enter title and date. Send completed form PERS-BAS-738 to CalPERS immediately.

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Telephone (916) 328-3232
 TDD Only (916) 328-3240

REPORT OF SEPARATION FOR DEATH - REQUEST FOR PAYROLL INFORMATION
 PERB-BAS-738 (1-91)

PLEASE COMPLETE AND RETURN AS SOON AS POSSIBLE

TO: PUBLIC EMPLOYEES' RETIREMENT SYSTEM P.O. BOX 942711 SACRAMENTO, CA 94228-2711	FROM: (Name of Agency) City of Rangerville	AGENCY CODE: 0000
NAME: Joe P. Smith	SOCIAL SECURITY NUMBER: 000-00-0000	DATE OF DEATH: January 31, 1996

WE HAVE BEEN NOTIFIED THAT THE ABOVE MEMBER HAS DIED. Your cooperation in immediately providing the following is an important part of ensuring the accurate and prompt payment of death benefits.

PART I - EFFECTIVE DATES REGARDING SEPARATION - Please explain any difference between date of separation and last day on payroll, or if member was on a leave of absence give dates of absence.

SEPARATION DATE: January 31, 1996	REMARKS:
LAST DAY ON PAY STATUS: January 31, 1996	

PART II - PAYROLL AND CONTRIBUTION INFORMATION - Please report, by payroll service period, for the LAST FOUR MONTHS on pay status. Contributions should not be deducted after separation. When reporting contributions taken from special compensation*, explain frequency and reason for the special compensation (i.e., monthly compensation for uniform pay). For pay increases*, provide the inclusive dates of the increase as well as the payrate and earnings for the period of the increase. Failure to provide accurate and complete payroll information for the four months, may cause a delay in payment of benefits.

PAY PERIOD		PAY RATE	TIME WORKED			AMOUNT EARNED	RETIREMENT CONTRIBUTIONS		
FROM	THRU		MONTHS	DAYS	HOURS		NORMAL	OTHER	(SPECIFY)
10-01-95	10-31-95	1000.00	1			1000.00	70.00		
11-01-95	11-31-95	1000.00	1			1000.00	70.00		
12-01-95	12-31-95	1000.00	1			1000.00	70.00		
1-01-96	1-31-96	1000.00	1			1000.00	70.00		

PART III - UNUSED SICK LEAVE AT TIME OF SEPARATION - Please enter the total number of days of unused sick leave the employee had at the time of separation. Accumulated hours must be converted to days using the appropriate conversion factor applicable to each employees' individual classification or position. Calculate to three decimal places.

TOTAL NUMBER OF DAYS OF UNUSED SICK LEAVE: 25.4000

PART IV - HEALTH AND DENTAL INSURANCE - To be completed only by State Agencies and Public Agencies which contract for health and dental coverage under the Public Employees' Hospital and Medical Care Act. Please attach copies of current health and dental enrollment. Failure to provide this information may result in lapse of coverage for eligible annuitants.

TYPE OF COVERAGE	PLAN NAME	PLAN CODE
Health Insurance	Kaiser North	562
Dental Insurance		

PART V - CERTIFICATION OF EMPLOYER

The above information is based on payroll information currently available.

John Morris
 Signature of Payroll Officer

Payroll Officer

(916) 322-3212
 Telephone

02/15/96
 Date

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INFORMATION FOR FAMILY OF DECEASED

When CalPERS is notified of an active employee's death, a PERS-BAS-24 "Claimant Statement/Survivor Questionnaire", will be sent to the next of kin. This form must be completed and returned to CalPERS before a beneficiary determination and calculation of death benefits can be made.

To determine the beneficiary(ies), CalPERS will check the file for a valid** Beneficiary Designation (STD 241) (see Beneficiary Designation - Prior to Retirement). If a STD 241 is no longer valid or has not been filed, death benefits will normally be paid to the statutory beneficiary as follows:

1. Member's surviving spouse (whether or not still living together at the time of death); or, if none,
2. Natural and adopted children, including a natural child adopted by another, share and share alike; or, if none,
3. Parents, share and share alike; or, if none,
4. Brothers and sisters, share and share alike; or, if none,
5. Member's estate (if probated, or subject to probate); or, if not,
6. Stepchildren, share and share alike; or, if none,
7. Grandchildren, including step-grandchildren, share and share alike; or, if none,
8. Nieces and nephews, share and share alike; or, if none,
9. Great-grandchildren, share and share alike; or, if none,
10. Cousins, share and share alike.

Also, if the member was eligible to retire on the date of death (at least age 50 with five or more years of service credit), any STD 241 is invalid if there is a spouse to whom the member had been married for at least one year prior to the member's death, or a minor child.

Death benefits payable will be affected by the member's category (i.e., miscellaneous or safety), whether or not the death was job-related, your agency's contract with CalPERS (i.e., 1959 Survivor Benefit coverage), and other factors. Please refer to the applicable CalPERS Benefits Booklet for information.

If only lump sum benefits are payable, the BAS-24 may serve as the claim form if completed by the designated or statutory beneficiary. If there is a choice of monthly or lump sum benefit, a separate claim/election form, PERS-BAS-1167, will be sent to the beneficiary. If the information provided in the initial BAS-24, along with any designation on file, indicates the proper beneficiary remains to be contacted, a claim form will be sent to the proper beneficiary. Payment of death benefits will be as soon as possible after receipt of the claim form and any other documents required (e.g., marriage, birth, or death certificates).

** Any of the following events will, by law, revoke a Beneficiary Designation:

- a. marriage
- b. dissolution or annulment of marriage
- c. birth or adoption of a child
- d. termination of employment which results in a refund of contributions.

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RETIREMENT—GENERAL

REQUEST FOR ESTIMATES OR COUNSELING

The member may wish to have the System calculate an estimate of retirement allowance. Retirement benefit estimates are processed by the Benefit Application Services Division.

Members may request a retirement estimate from CalPERS by completing and submitting a Retirement Allowance Estimate Request (PERS-BAS-1) or by contacting Benefit Application Services Division at (916) 326-3232. An acceptable estimate request should meet the following guidelines:

1. Any retirement date can be requested; however, since our estimate calculation process does not project future salaries formal estimates far in the future are not meaningful. For retirement dates more than five years in the future, the employer can provide the member with the appropriate CalPERS member booklet. Our CalPERS Area and Field Offices can assist members with questions about information in the booklets and provide retirement counseling. The addresses and telephone numbers are included in each booklet.
2. All information on the form PERS-BAS-1 must be completed before an estimate can be processed. Important: Please be sure the address and social security number are legible.
3. A request for an estimate is **NOT** an application for retirement. An Application For Service Retirement (PERS-BAS-369S), or Application For Disability Retirement (PERS-BAS-369D) must be submitted to apply for retirement. An Application For Retirement may not be used to request an estimate. If the member plans on retiring in the near future, the employer should provide the member with our CalPERS brochure "Planning Your Service Retirement" (PERS-PUB-1).
4. Retirement benefit estimates will be mailed to the address indicated on the PERS-BAS-1 within approximately four to six weeks of receipt of the request by CalPERS.
5. Members may receive immediate estimates by using our service retirement estimate program available at all CalPERS Area and Field Offices. The Estimate Program is also available for downloading on the CalPERS Bulletin Board System.

WHEN TO APPLY

An application for retirement should be forwarded to the Benefit Application Services Division at least 90 days prior to the desired effective date.

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

This advance notice permits CalPERS to make calculations, resolve service credit problems, and begin payments on a timely basis. Members should be advised of this and encouraged to either fax their application to (916) 326-3934, or to personally mail their applications to: CalPERS Benefit Application Services Division, P.O. Box 942711, Sacramento, CA 94229-2711 for Service Retirement, and P.O. Box 2796, Sacramento, CA 95812-2796 for Disability Retirement. If the application is faxed to us we do not want the member to mail the original.

The Public Employees Retirement Law does not permit retirement to become effective earlier than the first day of the month in which the application is received in the System's headquarters or CalPERS Area or Field Office. The only exception to this is a situation in which all four of the following requirements are met:

1. The application is received within nine months of separation from employment (or separation from a reciprocal retirement system).
2. The member separated with the intent of retiring. Such intention may be determined from personnel documents or by affidavit of the member, co-workers, or employer.
3. a. The member failed to submit an application earlier because of a misunderstanding of the law, or
b. The employer undertook to transmit the application to CalPERS and failed or delayed such transmission.
4. The member is living on the date the application is actually received at the office of the Board in Sacramento or a CalPERS Area or Field Office.

RETIREMENT—GENERAL CON'T.

WHO MAY APPLY

For **service retirement**: A member who has reached the minimum retirement age and has earned at least five years of credited service may submit an application for retirement. The application must be submitted by the member and show a definite retirement date. **It is the employee's responsibility, not the employer's, to see that the retirement application is sent to the System.**

NOTE: A member who is employed on a part-time basis and has worked at least five years may be eligible for retirement with less than five years of credited service. If the member is age 50 or older, contact any CalPERS office to determine whether this exception may apply.

For **disability retirement**: A member (miscellaneous or safety) credited with five or more years of service with a mental or physical incapacity for performance of job duties may apply for disability retirement. For local safety members and miscellaneous members covered by contract under Government Code Section 21414, where the disabling injury or disease is work incurred or job-related the five years of service is waived and the member may apply for industrial disability retirement. **An application for disability retirement may be initiated by the member, any person on his behalf, or the employer.**

If a public agency believes a member to be disabled, the employer may apply for the disability retirement on behalf of the member. The application must be submitted by the governing body or an official designated by the governing body. This designation must be made by resolution and a copy of the resolution must be submitted to the Public Employees' Retirement System.

NOTE: A member may not be separated from employment by the employer, because of disability, unless the member is not eligible for disability retirement or waives the right to retire and elects to withdraw contributions. Instead, the employer **MUST** apply for disability retirement on the member's behalf.

Please remember that the effective retirement date cannot be earlier than the first of the month in which the application is received in CalPERS. It is important to apply promptly as soon as a potential disabling condition exists.

REQUESTING ADDITIONAL SERVICE CREDIT

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

A Service Credit Brochure (PERS-PUB-12) can be requested by employers from the CalPERS Central Supply Section. Service credit and questions should be directed to CalPERS Member Services Division, P.O. Box 942704, Sacramento, CA 94229-2704 or (916) 326-3141.

CANCELLATION OF RETIREMENT APPLICATION

If a member desires to cancel the service retirement application or defer retirement to a later date, the member must request to do so prior to the issuance date of the first retirement warrant. For cancellation of disability retirement, see "Member Alternatives Following Approval of Disability." Any cancellation request **MUST BE** made in writing to be valid. The member's signature is required. A cancellation is binding; the member must thereafter re-apply whenever the member is ready to retire.

1. Once the first retirement warrant has been issued, the member will not be allowed to cancel the retirement.
2. A member may request a refund of accumulated contributions in writing in lieu of retirement prior to the issuance of the first retirement warrant.



Benefit Application Services Division
P.O. Box 942717
Sacramento, CA 94229-2717
Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3232; FAX (916) 326-3934

CalPERS RETIREMENT ALLOWANCE ESTIMATE REQUEST

THIS FORM IS NOT AN APPLICATION FOR RETIREMENT. IF YOU ARE APPLYING FOR RETIREMENT, PLEASE COMPLETE FORM PERS-BAS-3698 (APPLICATION FOR SERVICE RETIREMENT) OR PERS-BAS-369D (APPLICATION FOR DISABILITY RETIREMENT).

Your retirement estimate will be mailed to the address you indicate on this form within approximately six weeks. Your estimate cannot be processed unless all information on this form is complete.

1. Name (First) (MI) (Last) 2. Social Security Number

3. Address (Street, Avenue, Road, P.O. Box etc.) 4. Your Birth Date

City State Zip 5. Telephone Number
Home: ()
Work: ()

6. Estimated Retirement Date 7. Type of Estimate 8. Do you have any unused sick leave? If Yes, number of hours or days.
1st / / Service Retirement Hours
 Disability Retirement Days
2nd / / Industrial Disability Retirement

9. TEMPORARY ANNUITY - Do you desire to have your monthly allowance further modified for life to provide for additional temporary annuity allowance? Refer to CalPERS Temporary Annuity (PERS-Pub-12). Yes No
If "YES", age desired for T.A. to stop (59 1/2 or whole age 60 to 68) _____
Amount: \$ _____ .00

10. Other Retirement Systems - Are you a member of another public retirement system in California? Yes No
If "YES", Name of System: _____
Estimated Final Compensation \$ _____ .00

Refer to CalPERS "When You Change Retirement Systems" (PERS-Pub-16). Your future retirement benefits may be based on your highest compensation under either system if you retire on the same date.

11. Beneficiary's Birthdate (NOTE: This is not a Beneficiary Designation) / / Relationship to you: _____

12. Prior to your tentative retirement date:
Will you have been married at least one year? Yes No
Will you have any unmarried children under age 18? Yes No

13. Final Compensation to be used: "Final Compensation" is the highest average compensation earned by you during a consecutive 12 month or 36 month period, depending on your agencies contract. If you have a time period other than the 12 or 36 months immediately preceding your tentative retirement date (s) when your payrate was higher, please indicate the time period to be used:
From: / / To: / /

PERS-BAS-1 (2-96)

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INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the California Public Employees' Retirement System to provide the following information to individuals 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. Submission of the requested information is mandatory. Failure to supply the 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 Appeals Board, State 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 System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, CalPERS, 400 P Street, P.O. Box 942702, Sacramento, California 94229-2702.

SERVICE RETIREMENT

MINIMUM REQUIREMENTS FOR SERVICE RETIREMENT

A member shall be retired for service upon written application if the member has reached the minimum retirement age and has earned at least five years of credited service. Minimum retirement age is 50 for most public agency and school members. Local members under the second-tier retirement plan must be at least 55 years old.

NOTE: A member who is employed on a part-time basis and has worked at least five years may be eligible for retirement with less than five years of credited service. If the member is age 50 or older, contact any CalPERS office to determine whether this exception may apply.

SERVICE RETIREMENT PROCESSING— DOCUMENT SEQUENCE (EXAMPLES FOLLOW)

1. **PERS-BAS-369S**—"Application for Retirement" is received in System from member. (See copy on pages that follow.)
2. **Acknowledgment letter** is sent to the member to acknowledge receipt of PERS-BAS-369S. This letter will inform the member that if the application was submitted to CalPERS at least 90 days in advance, the "Election of Optional Settlement . . ." (PERS-BAS-898) will be mailed approximately 30 days prior to the retirement date. (See copy on pages that follow.)
3. **PERS-BAS-898**—"Election of Optional Settlement and Beneficiary Designation" is sent to the member usually one month prior to the effective retirement date. The correct completion of the form is crucial in assuring that the member's desires will be met and that no delay occurs in the payment of their retirement

NOTE: If the member does not receive this acknowledgment letter, within 10 days after submission of the "Application for Retirement" (PERS-BAS-369S), the member should contact the System immediately.

benefits. An Election Form Checklist (PERS-BAS-453) and a copy of the completed form is shown so that you can better assist your employees in properly completing the form. (See copy on following pages). Before completing the election portion of the form (See copy of 2nd portion of form), the member should read ALL of the information contained on both sides of the form.

Please note that the spouse's signature is required by law. A Justification For Non Signature of Spouse (PERS-BAS-800) is sent with the election form for completion by a member who has no spouse or whose spouse has not signed the election form. (See copy on pages that follow.)

Information regarding required marriage and birthdate evidence (PERS-BAS-453B) is sent with the PERS-BAS-898. (See copy on pages that follow.) Tax Withholding form (PERS-BAS-W4P/DE4P) and Direct Deposit Authorization enrollment form (PERS-BEN-1199P) are also enclosed for completion and return. (See copy on pages that follow.)

4. **PERS-PRS-200**—"Request for Final Payroll Information" is sent to the agency about one month prior to the member's effective retirement date. (See copy of PERS-PRS-200 on following pages.) This information provided by the agency is used to adjust the member's file to reflect the correct allowance.
 - a. Final payroll information is to be completed **after** the member leaves employment status.
 - b. The agency should complete all items on the PERS-PRS-200 as directed and indicate "N/A", for those not applicable.
 - c. The agency must certify the exact number of unused sick leave days credit, if applicable. *Accumulated hours must be converted to days by the employer*, and partial days should be carried out 3 decimal places (i.e., 56.000 days). Refer to your Coverage Key, Item 13 to determine if you have this benefit.

NOTE: To receive sick leave credit the member's retirement date must be within 120 days from the date of separation from the employer granting the sick leave.

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SERVICE RETIREMENT CONT.

CONVERSION OF SICK LEAVE CREDITS FOR EMPLOYEES WORKING FULL TIME, BUT LESS THAN 8 HOURS PER DAY

- a. If an employee is working seven hours per day, receives full service credit, and accrues seven hours of sick leave per month, then the accumulated unused sick leave hours should be divided by seven to determine the number of days to report to CalPERS for purposes of enhancing the retirement benefit.

CONVERSION OF SICK LEAVE CREDITS FOR EMPLOYEES WORKING 8 HOURS PER DAY, AND SHIFT EMPLOYEES

- a. The eight-hour employee who receives full service credit for the normal work day would have any accumulated unused hours of sick leave service credit divided by eight to determine the number of days to report to CalPERS for purposes of enhancing the retirement benefit.
- b. Individuals who work the 9/8/80 or 10/4/40 schedule and accrue eight hours of sick leave per month would likewise have the accumulated unused sick leave divided by eight, irrespective of the number of hours they are charged for a day of absence.
- c. The shift employee whose work day consists of 24 hours would receive the equivalent of three days of service credit. Assuming the accrual of 24 hours per month of sick leave credit, this individual's hours of accumulated unused sick leave would also be divided by eight to determine the number of days to report to CalPERS.
- d. Payroll information is required for the last month of employment. If changes are made to payroll or sick leave figures already sent to CalPERS, notify the System of corrections by letter.

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

5. PERS-BAS-11—"Notice of Benefit Approval" is sent to the member confirming that he/she is on the retirement roll and will be receiving the first retirement warrant as stated on this form. The PERS-BAS-11 also gives the member information needed for tax purposes. (See copy on following pages.)
6. PERS-BAS-62—"Notice of Placement on Retirement Roll" is sent to the agency as confirmation that the member is now in retirement status. (See copy on following pages.)

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

INSTRUCTIONS FOR COMPLETING YOUR APPLICATION FOR SERVICE RETIREMENT

California Public Employees' Retirement System
Benefit Application Services Division
P.O. Box 942711 (400 P Street, Sacramento, CA 95814)
Sacramento, CA 94229-2711
(916) 326-3232 (8:00AM to 5:00PM Weekdays, Voice Mail 24 Hours A Day)
Telecommunications Device for the Deaf - (916) 326-3240
FAX (916) 326-3934

This package includes an application for service retirement. If you feel you may be disabled, you may wish to obtain PERS-PUB-35 which provides information on, and an application for, disability retirement. CalPERS also provides Emergency Retirement processing for members who are terminally ill and facing imminent death and wish to provide a continuing allowance to a beneficiary. Contact CalPERS at the above address or phone number, if you feel this applies to you. More detailed information concerning the retirement process may be found in the "Planning Your Retirement" Booklet (PERS-PUB-1).

THE RETIREMENT PROCESS

To apply for service retirement, please complete the information on the attached application and mail it directly to CalPERS at least 90 days in advance of your planned retirement date. Shortly after you apply, you should receive a letter from CalPERS acknowledging your application.

The next document you receive from CalPERS will be your Election of Optional Settlement and Beneficiary Designation form (PERS-BAS-898) which will provide you with your allowance amounts for each retirement option. Instructions will be provided with this form. You must choose a retirement option and you, and your spouse if you are married, must sign the election form in the presence of a notary (or CalPERS employee) and return it to CalPERS before payment can be made.

If you need to contact us during the retirement process, you may do so by phone, FAX or letter at the address and numbers above. To allow us to serve you better, written correspondence should include your name, social security number, address and telephone number.

If you move during the retirement process, please notify CalPERS of the change to your mailing address.

INSTRUCTIONS FOR COMPLETING YOUR SERVICE RETIREMENT APPLICATION

- Boxes 1 - 6:** Complete the personal information requested on the form. If you are unsure of your retirement effective date, refer to the information on choosing a date, on the reverse side of this page.
- Box 7:** Enter the last day for which you received pay from your employer. This date must be at least one day prior to your retirement effective date (i.e., Last Day of Pay Status = December 30; Retirement Effective Date = December 31).
- Boxes 8 - 9:** Enter the name of your agency and your position title.
- Box 10:** Temporary Annuity is an additional monthly income you may receive from CalPERS which is funded through a lifetime reduction to your retirement allowance. For more information, refer to our Temporary Annuity brochure. Please indicate in box 10 if you wish to have your allowance calculated with Temporary Annuity. If you check, Yes, complete the lines for the age at which the Temporary Annuity will cease and the dollar amount requested.
- Box 11:** Enter the name (and other information) of the person you wish CalPERS to use for the calculation of your retirement benefit options (refer to your CalPERS member booklet). If you do not enter information in this box, your Election of Optional Settlement and Beneficiary Designation form (PERS-BAS-898) will include allowance amounts for the Unmodified and Option 1 allowances only. NOTE: By entering a name in this box, you are not making a valid beneficiary designation. You will be able to make a designation on the BAS-898.
- Box 12 - 15:** The information in these boxes is necessary to ensure that your retirement allowance calculation correctly reflects any survivor benefits that may be payable upon your death. Please answer Yes or No to each question and complete the required information for each box that is answered Yes.

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Box 16: Complete this box if you are a member of any other public funded retirement system based in California, other than Social Security, military or railroad retirement (refer to brochure PERS-PUB-16, "When You Change Retirement Systems"). This will allow CalPERS to determine if your benefits are payable under the provisions of reciprocity.

Box 17: Complete this box if you wish CalPERS to base your final compensation on a period other than your last 36 (or 12) months prior to your separation from employment.

Box 18: Sign and date your application.

Option 4 Calculations - Retirement Option 4 (refer to PERS-PUB-18) allows you to design the type of benefit you wish to provide your beneficiary as long as the amount to your beneficiary is not more than under Option 2W. If you wish to have CalPERS calculate this option for you, please attach a letter to your application describing the Option 4 benefit you would like to have calculated.

Cancelling Your Application or Changing Your Retirement Date - You may cancel your service retirement application or change your retirement effective date any time prior to the mailing of your first retirement warrant. If you wish to cancel or change your date, please notify CalPERS in writing at the above address.

Community Property Claims - If a community property claim has been made on your CalPERS account, this must be resolved before you can begin receiving your retirement allowance.

CHOOSING A RETIREMENT DATE

Your retirement date can be any date you choose; however, your earliest permissible retirement date is the day following your last day of work, vacation, or authorized paid leave of absence, and your retirement date cannot be earlier than the first of the month in which your application is received by CalPERS. You may retire effective any day of the week; if your last day at work is on a Friday, you may retire effective the next day, on a Saturday. Your retirement date can also affect the amount of your monthly allowance. You should consider the following:

- Your age determines the benefit factor used in your retirement formula. You may decide to retire on your birthday or after completing another quarter year of age to increase your benefit factor. If your age already provides the maximum benefit factor (see member booklet), completing a quarter will not make a difference.

- If you are planning to retire at the end of a calendar year, your retirement date may affect how soon you begin to receive cost-of-living increases. The cost-of-living increase applied to your retirement allowance begins on May 1 of the second calendar year following your retirement. Example: If you retire on December 31, 1994, you will receive the first increase on May 1, 1996. But, if you retire on January 1, 1995, your first increase will be paid on May 1, 1997.

- If you are also a member of another public retirement system in California, your retirement benefits could be based on your highest average compensation earned under either system. You must meet certain conditions, and you must retire on the same day from both systems.

RETIREMENT AGE

The minimum retirement age for most CalPERS members is 50 with five years of CalPERS service credit. State and local members under the second-tier retirement plan must be 55 years old with 10 years of service credit. There are some exceptions to these requirements, so if you are 50 or older, contact an Area or Field Office to find out if an exception will apply to you.

DEDUCTIONS FROM RETIREMENT ALLOWANCES

Health insurance coverage for State and public agency employees enrolled under the Public Employees' Medical and Hospital Care Act and dental insurance coverage for State employees who are enrolled in a dental plan, as active employees, will continue for those members who go directly or within 120 days of separation from employment into retirement. University of California employees must sign an "Authorization to Deduct Premiums", which will be provided by the University. If you are enrolled in the health and/or dental plan and your spouse is also covered by this insurance, your spouse is eligible to continue the insurance(s) after your death, provided that your spouse is entitled to receive a continuing benefit such as survivor continuance or optional settlement 2, 2W, 3, 3W, or 4.

If you have health insurance or major medical not covered through your employer under the Public Employees' Medical and Hospital Care Act, credit union payments or shares, employee organization dues, dental or life insurance, you **MUST** contact your carrier, credit union, or organization to determine whether these payments may be continued into retirement utilizing direct authorization. They will also inform you regarding the proper procedure to follow if retirement allowance deductions are allowed.

APPLICATION FOR SERVICE RETIREMENT
 PERS-BAS-369S (9/94)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 Benefit Application Services Division
 P.O. Box 942711 (400 P Street, Sacramento, CA 95814)
 Sacramento, CA 94229-2711
 (916) 326-3232 (8:00AM to 5:00PM Weekdays, Voice Mail 24 Hours A Day)
 Telecommunications Device for the Deaf - (916) 326-3240
 FAX (916) 326-3934

IMPORTANT: This application should be mailed directly to CalPERS 90 days in advance of your planned retirement date. Your retirement date cannot be earlier than the first of the month in which your application is received by CalPERS.

PLEASE PRINT OR TYPE			1. Social Security Number 540 - 32 - 9876	
2. Name (First Name, Middle Initial, Last Name) John Booth		3. Birthdate 06 / 03 / 29	4. Retirement Effective Date 12 / 31 / 96	
5. Mailing Address (Street, Avenue, Road, P.O. Box, etc.) 1991 Sacramento Lane		6. Telephone Number Home: (916) 555 - 3233 Work: (916) 555 - 3232		
City Sacramento	State CA	ZIP 98765		
7. Last Day on Pay Status 12 / 30 / 96	8. Employer Sacramento County Schools	9. Position Title (Do Not Abbreviate) Custodian		

10. TEMPORARY ANNUITY - I desire to have my monthly allowance further modified for life to provide for additional temporary annuity allowance.
 Yes No If "Yes", age desired (59 1/2 or whole age 60 to 68) 63 Amount \$ 300 .00

Please calculate my options with the following beneficiary information: (Note: This is not a beneficiary designation.)

11. BENEFICIARY NAME Mary Booth	Birthdate 10 / 15 / 30	Sex <input type="checkbox"/> M <input checked="" type="checkbox"/> F	Relationship spouse
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The following information is necessary to ensure that your retirement allowance calculation correctly reflects any survivor benefits that may be payable upon your death. Payments will be made in accordance with the Public Employees' Retirement Law. Please answer all four questions and complete the required information for each section that is answered "yes".

12. Are you currently married? Yes No

Spouse's Full Name Mary Booth	Social Security Number 567 - 48 - 9123	Birthdate 10 / 15 / 30	Date of Marriage 4 / 15 / 61
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13. Do you have any natural or adopted unmarried children under 18? Yes No

Child's Full Name	Social Security Number	Birthdate
	- -	/ /
	- -	/ /
	- -	/ /

14. Do you have any unmarried children who were disabled prior to their 18th birthday and who have remained disabled until the present time? Yes No

Child's Full Name	Social Security Number	Birthdate
	- -	/ /

15. Are your parents dependent upon you for at least one-half of their support? Yes No

Parent's Full Name	Social Security Number	Birthdate
	- -	/ /
Parent's Full Name	Social Security Number	Birthdate
	- -	/ /

THE REVERSE SIDE OF THIS FORM MUST BE COMPLETED WITH YOUR SIGNATURE TO BE VALID.

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16. **OTHER RETIREMENT SYSTEMS:** Are you a member of another public funded retirement system based in California, other than Social Security, military or railroad retirement?

Yes No If "Yes", please complete the section below.

Name of System:	Dates of Service Credited:	Date of Retirement
	/ /	/ /

17. **FINAL COMPENSATION TO BE USED:** "Final Compensation" is the highest average compensation earnable by you during a one year or three consecutive year period of employment, whichever your agency has contracted for, immediately preceding the effective date of your retirement, or the date of your last separation from employment, if earlier, or during any other period specified by you on this application. Unless a different period is specified by you, your final compensation will be calculated based upon the one year or three consecutive year period immediately preceding your retirement or separation date.

OTHER PERIOD TO BE USED: FROM _____ TO _____

18. I hereby certify under penalty of perjury that this information submitted hereon is true and correct according to the best of my knowledge. I understand that to cancel this application I must submit written notice to the system prior to the mailing of my first retirement warrant. I further understand that the beneficiary named above is not an official designation of my beneficiary. This will be done on the Election of Optional Settlement and Beneficiary Designation form (PERS-BAS-898) which will be provided at a later date.

Member's Signature <i>John Booth</i>	Date Signed 11-10-96
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INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the Public Employees' Retirement System to provide the following information to individuals 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. Submission of the requested information is mandatory. Failure to supply the 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 Appeals Board, State 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 PERS. Disclosure to the aforementioned entities is done in strict accordance with current statutes regarding confidentiality.

You have the right to review your membership file maintained by the System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, PERS, 400 P Street, P.O. Box 942702, Sacramento, CA 94229-2702.

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Benefit Application Services Division
P.O. Box 942711
Sacramento, CA 94229-2711
Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3232; FAX (916) 326-3934

REPLY TO: SECTION 419
REFER TO: 540-32-9876
November 15, 1996

John Booth
1991 Sacramento Lane
Sacramento, CA 98765

Dear John Booth:

Congratulations on your decision to retire! This letter is to acknowledge receipt of your application for service retirement effective December 31, 1994. If you submitted your application to PERS at least 90 days in advance, you should receive an election document providing the allowances payable under the various retirement options approximately 30 days prior to your retirement date. If you submitted your application less than 90 days prior to your effective date, we will make every attempt to mail this document within 60 days of receipt of your application.

If you are currently enrolled in a PERS basic health plan you may continue your health insurance into retirement. Please contact your personnel office to ensure your health benefit coverage is active until your retirement processing is completed.

To assist you during the retirement process, we have enclosed our brochure, "Planning Your Service Retirement". Please read it carefully as it is designed to help ensure you take advantage of all the benefits you are entitled to receive. Please direct any questions about your retirement to the above address or phone numbers. These numbers are available 24 hours a day, 7 days a week. You may leave a message after working hours or on the weekend, and your call will be returned within 48 hours. Be sure to include your Social Security Number and daytime telephone number on all written inquiries.

If you are unable to work because of an illness or injury, you may be entitled to receive a disability retirement. If at any time you wish to request service pending disability retirement or make any changes to your original application (i.e. retirement date change, cancellation of your application) please submit a written request to this office. The request must be received before your first warrant is issued. Please note that your retirement date cannot be earlier than the day following your last day on pay status or the first of the month in which your application is received by this System.

Quality service is a high priority at PERS. We look forward to assisting you and making your transition into retirement a smooth and pleasant experience.

Supervisor
Retirement Eligibility and Payment Section

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

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Benefit Application Services Division
 P.O. Box 942711
 Sacramento, CA 94229-2711
 Telephone Device for the Deaf - (916) 326-3240
 (916) 326-3232; FAX (916) 326-3934

OPTIONAL SETTLEMENT INFORMATION (AMOUNTS ARE APPROXIMATE)

Options available	Your monthly allowance	Your beneficiary's monthly allowance after your death	Your monthly allowance upon the death of your beneficiary
UNMODIFIED ALLOWANCE	\$ per month for life	Retired Death Benefit	\$ per month for life
OPTION 1	\$ per month for life	Your remaining contributions*	\$ per month for life
OPTION 2	\$ per month for life	\$ per month for life	\$ per month for life
OPTION 2W	\$ per month for life	\$ per month for life	\$ per month for life
OPTION 3	\$ per month for life	\$ per month for life	\$ per month for life
OPTION 3W	\$ per month for life	\$ per month for life	\$ per month for life
OPTION 4			

**RETURN THIS DOCUMENT TO CalPERS
 THIS DOCUMENT MAY NOT BE FAXED**

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**ELECTION OF OPTIONAL SETTLEMENT
AND BENEFICIARY DESIGNATION**

PERS-BAS-898 (Rev. 12/95)

This document allows you to elect an optional settlement in lieu of the Unmodified Allowance, and to designate a beneficiary to receive benefits provided by the allowance you choose. Promptly complete this form. Both you and your spouse must sign it, and have your signatures notarized or witnessed by an authorized employee of CalPERS. Important: Your election cannot be processed without either your spouse's signature acknowledging the information provided on this form, or the completed Justification for Non Signature of Spouse, form BAS-800.

A. ELECTION: Having considered the retirement and optional settlement information provided me, I elect to receive: (Check and complete ONLY ONE of the following)

I elect to receive the **UNMODIFIED ALLOWANCE** in the amount of \$_____ per month. I understand this is the highest monthly allowance payable to me with no benefits payable upon my death except when the survivor continuance benefit is applicable. **There is no return of contributions.**

I elect to receive **OPTION NUMBER _____** and I expect to receive \$_____ per month. **I UNDERSTAND THAT MY ELECTION IS IRREVOCABLE AND BY ELECTING OPTION 2W OR 3W, I FORFEIT MY RIGHT TO AN INCREASE IN MY ALLOWANCE BASED ON THE CONDITIONS DESCRIBED ON THE REVERSE SIDE OF THIS PAGE. MY SIGNATURE BELOW ACKNOWLEDGES MY WAIVER OF THIS INCREASE.**

My beneficiary is : _____ Social Security No. _____

Relationship Address City/State ZIP

B. PLEASE ENTER YOUR CURRENT MAILING ADDRESS—Your monthly warrant will be mailed to this address until Direct Deposit service is established. This address will also be used to mail your annual tax statement. To select Direct Deposit, please complete the enclosed "Direct Deposit Authorization" form.

Address _____

City _____ State _____ ZIP _____ Country _____

C. RETIRED DEATH BENEFIT: I hereby designate _____, _____ (Social Security No.)

who is my _____, and whose address is _____, to receive the lump sum death benefit which may be payable upon my death. I understand that I may change this beneficiary at any time and that any change in my marital status or the birth/adoption of a child revokes this designation.

D. SIGNATURES/NOTARIZATION

Member's Signature Spouse's Signature

State of _____ County of _____

On _____ before me, _____ personally known to me - **OR** - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

RETAIN THIS COPY FOR YOUR RECORDS



REFUND: Instead of receiving a retirement benefit, you may elect to receive a refund of your contributions when you separate from employment. This election must be in writing and must be received before the first payment of your retirement allowance is mailed. Upon the mailing of the refund, no further benefits are payable from PERS.

POST-RETIREMENT SURVIVOR ALLOWANCE (SURVIVOR CONTINUANCE): This provision applies to all State members, school members, and also to local safety and miscellaneous members whose agencies have elected coverage. Eligible survivors are: (1) A spouse to whom you were married at least one year prior to retirement and continuously thereafter until death (Patrol, State Peace Officer/Firefighter members receiving a disability retirement—spouse to whom you were married on the date of retirement and continuously thereafter until death); or, if you have no surviving spouse, (2) Your unmarried children under age 18 (for purposes of eligibility, an unmarried child who became disabled prior to age 18 continues to be eligible for this benefit until the disability ceases); or if there is no surviving spouse or children, (3) A dependent parent or parents. One quarter to one-half of your unmodified allowance will be continued automatically to an eligible survivor upon your death after retirement regardless of the option you choose. The exact amount depends upon your Social Security coverage under PERS membership. Payments to a spouse terminate upon death. Payments to a spouse of local safety and miscellaneous members terminate upon remarriage unless the contracting agency has made provisions for the payments to continue upon remarriage. Payments to children terminate upon attainment of age 18, marriage, death, or recovery from disability.

RETIREMENT ALLOWANCE AND OPTIONS:

UNMODIFIED—The unmodified allowance provides the highest monthly amount payable to you during your lifetime. Upon your death, ALL monthly payments stop unless the survivor continuance described above applies. **THERE IS NO RETURN OF CONTRIBUTIONS.**

OPTIONS—Instead of the unmodified allowance, you can elect to receive one of the following options. Under each option YOUR MONTHLY ALLOWANCE WILL BE REDUCED to pay for the benefit for your named beneficiary. If you wish to elect an option, you must do so before your first payment is mailed.

OPTION 1—Upon your death, any remaining portion of your contributions, not paid to you as part of your reduced monthly allowance, will be paid to your beneficiary or estate. You may name one or more beneficiaries, and your designation may be changed at any time. If the survivor continuance applies, it will be paid to the eligible survivor and will have no effect on the payment of the remainder, if any, of your contributions.

OPTION 2—The same reduced monthly allowance you receive will be paid to your designated beneficiary for life. But, if the survivor continuance applies and your beneficiary is not the eligible survivor, the beneficiary's monthly allowance will not include the portion automatically continued to your survivor. If your beneficiary dies before you, your allowance will return to the higher Unmodified Allowance. If your beneficiary is not your spouse, your allowance will also return to the higher Unmodified Allowance, if your beneficiary waives entitlement to the Option 2 benefit.

OPTION 2W—As an alternative to Option 2, you may elect to receive a higher Option 2W allowance with the understanding that you forfeit your right to an increase in your monthly allowance upon the death of or waiver of entitlement by your beneficiary.

OPTION 3—One-half of your reduced monthly allowance will be paid to your designated beneficiary for life. But, if the survivor continuance applies and your beneficiary is not the eligible survivor, the beneficiary's monthly allowance will not include the portion automatically continued to your survivor. If your beneficiary dies before you, your allowance will return to the higher Unmodified Allowance. If your beneficiary is not your spouse, your allowance will also return to the higher Unmodified Allowance, if your beneficiary waives entitlement to the Option 3 benefit.

OPTION 3W—As an alternative to Option 3, you may elect to receive a higher Option 3W allowance with the understanding that you forfeit your right to an increase in your monthly allowance upon the death of or waiver of entitlement by your beneficiary.

OPTION 4—You may elect a tailor-made plan to fit your special needs subject to PERS Board approval. A monthly benefit to a beneficiary may not exceed the amount payable under Option 2W.

CHANGING BENEFICIARIES AFTER RETIREMENT—You may change your designation for Option 1 or the retired death benefit at any time by filing form PERS-PRS-509 (Beneficiary Designation for Death Benefits After Retirement) with PERS.

A change in your marital status, the birth or adoption of a child, or the death of your named beneficiary may by law change your beneficiary designation. Please contact PERS for information.

RE-ELECTION OF OPTION AFTER RETIREMENT—If, after retirement, there is a change in your marital status, or if your original beneficiary dies, you may be entitled to make a new election of optional settlement and name a new beneficiary. For information concerning the most current provisions of the law regarding a change in optional settlement, please contact our Post Retirement Services Division and request forms: PERS-PRS-411 and PERS-PRS-412.

TEMPORARY ANNUITY (applicable for service retirement only): The temporary annuity portion of your allowance, plus any attributable cost-of-living adjustments, will be included in your regular monthly warrant from PERS. If you die before receiving all of your temporary annuity payments, the actuarial equivalent of the remaining payments will be paid to your beneficiary in a lump sum.

METHOD OF RECEIVING MONTHLY BENEFITS: PERS now offers Electronic Fund Transfer (EFT) service; however, if you prefer, retirement warrants can be mailed to your home address or any California bank, credit union, or savings and loan. Additional information about EFT is provided on the enclosed EFT application form.

BENEFICIARY-SURVIVOR INFORMATION: Satisfactory documentary evidence must be submitted to the System to support birthdates of beneficiaries under Options 2, 2W, 3, 3W, or 4, and children for the survivor continuance benefit. Marriage certificates will be required to support eligibility of a spouse for the survivor continuance benefit and may be required to show name continuity for Options 2, 2W, 3, 3W, or 4. Certification from a physician will be required to support eligibility of a disabled child. If a dependent parent is named as an eligible survivor and there is no spouse or children, documentary evidence must be submitted to verify dependency.

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM

P.O. Box 942711
Sacramento, CA 94229-2711
(916) 326-3232
326-3240 (Telephone Device for the Deaf)

Dear Member:

On behalf of the PERS Board of Administration and staff, I'd like to extend our best wishes to you upon your retirement. It has been a pleasure to serve you as a member of the System, and we look forward to continuing our relationship with you.

This is your "Election of Optional Settlement and Beneficiary Designation" form for retirement benefits. It contains information regarding the choices of optional benefits available to you. Please read all the information on both sides of it carefully before completing it. The allowance amounts shown under "Optional Settlement Information", are approximate. Allowance will be subject to an adjustment a few months after you retire and will be recalculated to include final payroll information.

You have the right to elect to receive the Unmodified Allowance, or an Optional Allowance, as explained on the back form. Option 2 or 3 allows you to have your allowance return to the higher Unmodified Allowance if your beneficiary predeceases you or, providing your beneficiary is not your spouse and this beneficiary waives entitlement to the optional Option 2W or 3W provides no increase to your allowance upon the death of or waiver of entitlement by your beneficiary election you make on this form is irrevocable and you may not change your election after your first payment is mailed.

Your prompt completion and return of this form will allow us to pay retirement and death benefits according to your wishes. Failure to file it will not delay your retirement, but will delay the payment of your benefits.

If you are married, your current spouse must be made aware of and acknowledge by signature your election of optional settlement. If you are not married or you are unable to obtain your spouse's signature on this document, Justification for Non Signature of Spouse (form BAS-800), enclosed, must be completed and submitted payment of benefits can be made.

Your retirement allowance is payable from your retirement date specified on this form. Any modifications of optional settlement or final adjustment to the amounts specified will apply from that date as well.

It is important for you to keep us informed of any changes to your home address or your warrant mailing address so that benefit payments and other important information, such as your annual earnings statements, will reach you on a timely basis. Address changes must be received by the 10th of the month to be effective for the following month's warrant. To protect your interests, we require that such changes be made in writing and include your signature and Social Security Number.

You may elect to have your monthly warrants mailed to your home or California financial institution or you may take advantage of our Electronic Fund Transfer (EFT) service. With EFT, the money is electronically transferred into your bank account available on the first day of each month. It normally takes two to three months to establish EFT service. This amount of time is necessary to process the form and perform a preliminary test transaction to ensure that your bank account number or routing number were recorded accurately. In this interim period, your warrants can be mailed to your home or bank address. We think you will enjoy the security and convenience of our EFT service.

When you have completed the election portion of this form, return the gold copy in the enclosed envelope and keep the other copy with your important papers. If you have any questions about your retirement benefits, please contact us at the address and telephone number listed above.

Sincerely,

IMPORTANT INFORMATION ABOUT YOUR RETIREMENT

The enclosed document (**Election of Optional Settlement and Beneficiary Designation-BAS 898**) has been prepared based on the information that was provided to us upon your request to retire (retirement application BAS-369S and/or BAS-369D). Please read it carefully, provide the information requested and return the notarized completed **BAS-898 (Golden Copy)** promptly. Please keep the carbon copy for your records.

REQUIRED DOCUMENTATION BASED ON OPTION SELECTED

This will be our only request for the needed documentation listed below. If the documents are not in your file at the time of your death, it may be necessary to delay payment of death benefits until the documents are received. This could impose a hardship on your beneficiary. If we discover that you were overpaid because your benefits were calculated using the incorrect beneficiary birthdate or marriage date, your beneficiary may be responsible for reimbursing CalPERS.

Please send photocopies of the required documents. Be sure to place your social security number on any documents you send to CalPERS. Important documents submitted to us without proper identification may not reach your file.

REQUIRED DOCUMENTS

<i>OPTION SELECTED WITH SURVIVOR CONTINUANCE</i>	<i>OPTION SELECTED WITHOUT SURVIVOR CONTINUANCE</i>
Option 1 or Unmodified 1. Marriage Certificate. 2. Birth Certificate for children under age 18 and/or a disabled child (disabled prior to age 18) when there is no eligible spouse for the survivor benefit.	Option 1 or Unmodified None Required
Option 2, 2W, 3, 3W, or 4 1. Birth Certificate of Beneficiary. 2. Marriage Certificate(s) * 3. Birth Certificate for children under age 18 and/or a disabled child (disabled prior to age 18) when there is no eligible spouse for the survivor benefit.	Option 2, 2W, 3, 3W, or 4 1. Birth Certificate of Beneficiary. 2. Marriage Certificate(s) *

* Copies of your current and prior marriage certificates of your beneficiary (female) may be required to establish name continuity from birth to present.

**SEE REVERSE SIDE FOR ACCEPTABLE DOCUMENTATION AND INFORMATION ON
SURVIVOR CONTINUANCE**

PERS-BAS-453B-F (10-95)

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ACCEPTABLE DOCUMENTATION IN ORDER OF PREFERENCE

Birthdate Evidence: (Send photocopy, not original document)

- Birth Certificate
- Valid Drivers License or an Identification Card
- Baptismal record showing birth date (if baptism occurred at early age)
- Early school record showing birth date or age at a certain year
- Naturalization or Immigration certificate
- Insurance policy, if issued before age 21
- Delayed birth certificate, if based on acceptable evidence, not affidavits
- Early Census Record
- Family Bible with entries made shortly after birth, showing complete date

Marriage Certificate(s): (Send photocopy, not original document)

Marriage certificates are needed to show name changes for a female option (2, 2W, 3, 3W, or 4) beneficiary (i.e. Mary Jones on the birth certificate is the Mary Brown named as your beneficiary). If your beneficiary has been married more than once, a marriage certificate for each marriage will be needed. If your beneficiary has naturalization papers or a passport issued in her married name, this may be submitted in lieu of a marriage certificate. If a certificate for a prior marriage is not available, your spouse's sworn statement of the name change may be acceptable to establish name continuity. A marriage certificate will also verify survivor continuance eligibility.

SURVIVOR CONTINUANCE

What is Survivor Continuance? Survivor Continuance is an employer-paid benefit provided by the State of California, University of California, California State University and school employers. Public agencies have the option of contracting with CalPERS to provide this benefit. For persons without Social Security coverage with the providing employer, survivor continuance is 50% of the Unmodified Allowance payable because of service with that employer. For persons with Social Security coverage, the survivor continuance is 25% of the Unmodified Allowance. Survivor continuance is payable to an eligible survivor following the death of the retired member.

Who is eligible to receive Survivor Continuance? Since this is a benefit provided by statute, at no cost to you, the eligible survivors provided by law are: 1) Your spouse, if you were married at least one year prior to retirement and remain married continuously until your death. For members who retire on Disability Retirement, the one year prior to retirement requirement is waived, but the marriage must have taken place prior to retirement. 2) Your unmarried child under the age of 18, or your disabled child if the disabling condition occurred prior to the age of 18 and has been continuous. A disabled child cannot have been married and must be incapable of substantial gainful employment. 3) Your dependent parent or parents who are dependent upon you for at least 50% of support at the time of the your death.

Does Survivor Continuance Affect My Benefit Calculation? Yes, if you elect an Option 2, 2W, 3, 3W or 4. If your retirement election document does not show survivor continuance, it *probably does not apply*. However, if you feel survivor continuance should be included in your calculation please contact us immediately.

If your benefit was calculated with survivor continuance and your spouse does not meet the appropriate marriage prior to retirement requirement, your benefit is incorrect. You should contact us immediately to receive a corrected benefit calculation.

ELECTION DOCUMENT CHECKLIST

Please complete this checklist to ensure that your Election of Optional Settlement and Beneficiary Designation form (BAS-898) is properly completed. AN INCOMPLETE FORM CANNOT BE PROCESSED AND MAY BE RETURNED TO YOU WHICH WILL RESULT IN A DELAY IN THE PAYMENT OF YOUR RETIREMENT BENEFITS.

- Have you carefully read ALL the information contained on your Election of Optional Settlement and Beneficiary Designation form (BAS-898)? **SEE REVERSE FOR QUESTIONS ABOUT YOUR ELECTION FORM.**
- Does the dollar amount of the benefit entered EXACTLY match the amount indicated under the optional settlement information - "Your Monthly Allowance"? (i.e. If your calculation includes Temporary Annuity this amount SHOULD NOT be included in the dollar amount entered).
- If you elected Option 2, 2W, 3 or 3W did you complete the beneficiary information required? The beneficiary MUST be the same person listed on the front page of your election form.
- If you are eligible for CalPERS administered health benefits at the time of your death, your spouse is eligible for continued coverage if he/she is currently covered and receives a death benefit that provides a continuing monthly allowance. Did you keep this fact in mind in selecting your Optional Settlement?
- Did you designate a beneficiary for the lump sum death benefit (Part C in the election form)? This benefit is payable in addition to any payment under the option you select.
- If your calculation includes Temporary Annuity, did you complete the PRS-509, Beneficiary Designation form, for any balance of Temporary Annuity payments?
- If your election form does not contain a spousal signature, you MUST complete a BAS-800, Justification for Non Signature of Spouse and return it with your election form.
- Is your signature (and spouse if applicable) notarized by a Notary Public or Witnessed by a CalPERS representative? (Do not tear apart until completely filled out and notarized) **NOTE:** If you reside in a foreign country your form may be witnessed by the Consulate.

Prompt completion and return of your BAS-898, election form, will ensure timely payment of your retirement benefits (Please return Golden Rod copy to CalPERS and keep white copy for your records). If your retirement date is prior to the month in which you are returning the document, you will be placed on our bi-weekly roll and can expect payment for your retroactive allowance within approximately two weeks. If your retirement date is in the current month, we must receive the election document by the tenth of that month in order to process payment on the first of the next month.

NOTE: Your service retirement application may be cancelled ONLY if a written request is received in this System prior to the issuance of ANY payment. An approved disability application MAY NOT be cancelled. Please refer to your disability approval letter.

PERS-BAS-453-F (01/96)

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QUESTIONS ABOUT YOUR ELECTION FORM?

THEN YOU AND YOUR INTERESTED FAMILY MEMBERS SHOULD ATTEND OUR INFORMATION SESSION HELD EVERY THURSDAY AT 10:00 A.M. AT THE FOLLOWING LOCATIONS:

Sacramento Area Office
Lincoln Plaza, Room 1490
400 P Street
Sacramento, CA 95814
(916) 326-3630

San Francisco Area Office
301 Howard Street, Suite 2020
San Francisco, CA 94105
(415) 396-9700

Los Angeles Area Office
11766 Wilshire Blvd., Suite 1600
Los Angeles, CA 90025
(310) 231-3464

After a brief presentation, staff will be available to answer questions, witness your election document and provide information on CalPERS benefits and Post Retirement issues.

In addition, our Area and Field Offices are open Monday through Friday from 8:00 a.m. to 5:00 p.m. to assist you in completing and witnessing your election document. No appointment is necessary and all offices are accessible to persons with disabilities.

Sacramento Area Office
Lincoln Plaza, Room 1490
400 P Street
Sacramento, CA 95814
(916) 326-3630

Orange County Field Office
Koll Center Orange, Suite 750
500 North State College Blvd.
Orange, CA 92668
(714) 935-2625

San Diego Field Office
7676 Hazard Center Drive, Suite 350
San Diego, CA 92108
(619) 220-5454

Santa Clara County Field Office
650 Castro Street, Suite 240
Mountain View, CA 94041
(415) 428-0112

San Bernardino Field Office
Lakeside Tower, 3rd Floor
650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408
(909) 383-4431

San Francisco Area Office
301 Howard St., Suite 2020
San Francisco, CA 94105
(415) 396-9700

Fresno County Field Office
10 River Park Place East, Suite 230
Fresno, CA 93720
(209) 433-0164

Los Angeles Area Office
11766 Wilshire Blvd., Suite 1600
Los Angeles, CA 90025
(310) 231-3464



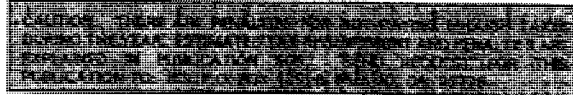
TAX WITHHOLDING ELECTION

Benefit Application Services Division
P.O. Box 942711
Sacramento, CA 94229-2711
Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3232; FAX (916) 326-3934

PERS ACCOUNT ID:

PAYEE SSN:

GMS NO. 1545-0415



FEDERAL TAX WITHHOLDING ELECTION (W4P) MAKE ONE ELECTION, SIGN AND RETURN:

DO NOT WITHHOLD FEDERAL INCOME TAX.

OR

WITHHOLD FEDERAL INCOME TAX. THE AMOUNT I WANT WITHHELD IS \$_____ .00 MONTHLY.

OR

WITHHOLD FEDERAL INCOME TAX BASED ON THE TAX TABLES FOR:
 A MARRIED INDIVIDUAL WITH _____ TAX WITHHOLDING EXEMPTIONS.
(Enter 0 or a number)
 A SINGLE INDIVIDUAL WITH _____ TAX WITHHOLDING EXEMPTIONS.
(Enter 0 or a number)
IN ADDITION TO THE AMOUNT TO BE WITHHELD BASED ON THE TAX TABLES, WITHHOLD \$_____ .00 MONTHLY.

STATE OF CALIFORNIA TAX WITHHOLDING ELECTION (DE-4P) MAKE ONE ELECTION, SIGN AND RETURN: *OPTIONAL FOR OUT-OF-STATE RESIDENTS*

DO NOT WITHHOLD STATE OF CALIFORNIA INCOME TAX.

OR

WITHHOLD STATE OF CALIFORNIA INCOME TAX. THE AMOUNT I WANT WITHHELD IS \$_____ .00 MONTHLY.

OR

WITHHOLD STATE OF CALIFORNIA INCOME TAX BASED ON THE TAX TABLES FOR:
 A MARRIED INDIVIDUAL WITH _____ TAX WITHHOLDING EXEMPTIONS.
(Enter 0 or a number)
 A SINGLE INDIVIDUAL WITH _____ TAX WITHHOLDING EXEMPTIONS.
(Enter 0 or a number)
IN ADDITION TO THE AMOUNT TO BE WITHHELD BASED ON THE TAX TABLES, WITHHOLD \$_____ .00 MONTHLY.

OR

WITHHOLD STATE OF CALIFORNIA INCOME TAX IN THE AMOUNT OF 10% OF THE AMOUNT WITHHELD FOR FEDERAL INCOME TAX WITHHOLDING.

◆ _____ { } _____
PAYEE'S SIGNATURE TELEPHONE NO. DATE

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

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This combination Federal Tax Withholding (W-4P) and California State Tax Withholding Election (DE-4P) form is being provided for you to make your tax withholding election(s). This form may be used for making an election for either or both federal and California State tax withholding. Please make **only one** election on each section that you fill out, sign, and return the form to CalPERS.

FEDERAL TAX WITHHOLDING INFORMATION

Federal regulations require all payees whose allowances are taxable to either make a specific election for no withholding, elect a specific dollar amount of withholding, or make an election using the tax tables based on marital status and number of exemptions. If no election is filed, CalPERS is required by law to withhold taxes based on the filing status of a married person with three exemptions. For persons having withholding based on tax tables, taxes will not be withheld unless your gross pay exceeds the minimum amount listed on the tax tables for that filing status.

We are required to remind you that there are penalties imposed by the IRS for not paying enough taxes during the year. Estimated tax requirements and penalties are explained in IRS Publication 505. Additionally, IRS Publication 575, *Pension and Annuity Income*, may also be of assistance to you. These publications may be requested by writing to IRS, P.O. Box 12626, Fresno, California 93778.

◆ **INFORMATION FOR NEW RETIREES RECEIVING THIS FORM WITH THEIR RETIREMENT ELECTION DOCUMENT**

New retirees will receive a letter from CalPERS (about the time the first retirement warrant is received) that will provide the amount of normal (already taxed) and tax-deferred contributions and interest paid into the System. Until you receive this letter, you may wish to refer to your latest Annual Member Statement for an approximation of your contributions and interest for determining the taxability of your retirement benefits.

CALIFORNIA STATE TAX WITHHOLDING INFORMATION

California State tax withholding will be handled in the same manner as federal tax withholding (for California residents). If you reside outside California, no California State taxes will be withheld unless you specifically request this withholding. However, we have been advised by the California Franchise Tax Board that pension benefits paid by CalPERS are considered as California source income and CalPERS is required to report the payments to the California Franchise Tax Board.

PLEASE NOTE:

CalPERS STAFF ARE NOT QUALIFIED TAX EXPERTS AND THEREFORE CANNOT PROVIDE ADVICE ON THE TAXABILITY OF YOUR PENSION. IF YOU REQUIRE ASSISTANCE, WE SUGGEST YOU CONTACT A QUALIFIED TAX CONSULTANT, THE IRS, OR THE CALIFORNIA FRANCHISE TAX BOARD.

IF YOU HAVE PREVIOUSLY FILED A TAX WITHHOLDING ELECTION WITH CalPERS, THAT ELECTION WILL REMAIN IN EFFECT UNTIL A NEW ELECTION IS FILED.



Benefit Application Services Division
P.O. Box 942711
Sacramento, CA 94229-2711
Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3232; FAX (916) 326-3934

JUSTIFICATION FOR NON SIGNATURE OF SPOUSE

Pursuant to Government Code Section 21261, the member's current spouse must be made aware of the selection of benefits or change of beneficiary made by a member. The spouse of a CalPERS member must acknowledge the submission of: a request for refund of contributions; election of retirement optional settlement and designation of beneficiary for Pre-retirement Death Benefits.

If a spouse's signature does not appear on one of the above-named documents, the following information MUST be completed by the member and submitted with the application/form.

PERS ACCOUNT ID:	NAME:
APPLICATION SUBMITTED: (Form Name and Number) ELECTION OF OPTIONAL SETTLEMENT AND BENEFICIARY DESIGNATION, PERS-BAS-898	

- I am not legally married (never married, divorced, widow/er).
- I am married, but my spouse did not sign the form because either:
 - I do not know and have taken all reasonable steps to determine the whereabouts of my spouse; OR,
 - My spouse has been advised of the application and has refused to sign the acknowledgement; OR,
 - My spouse is incapable of executing the acknowledgement because of an incapacitating mental or physical condition; OR,
 - My spouse is incapable of executing the acknowledgement because of an incapacitating mental or physical condition; OR,
 - My spouse has no identifiable community property interest in the benefit; OR,
 - My spouse and I have executed a marriage settlement agreement which makes the community property law inapplicable to the marriage.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT.

Signature of Member

Date

PERS-BAS-800-M (1/96)

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

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**Public Employees' Retirement System
Benefits Division**
P.O. Box 942711
Sacramento, CA 94229-2711
(916) 326-3232
Telecommunications Device for
the Deaf -- (916) 326-3240

Dear Annuitant:

As an alternative to mailing you your monthly benefit, PERS is offering you the **option** of having your allowance electronically transferred to your financial institution. Electronic Fund Transfer (EFT) is limited by law to those financial institutions within the United States which are banks, savings and loans, and credit unions. This is an optional program. If you wish to continue receiving your warrants at your home address or mailed to your bank, you **do not** need to take any action.

WHAT IS EFT?

With EFT, your PERS allowance is sent electronically to your financial institution and credited directly to your account. There is no paper warrant printed or sent through the mail. With EFT, you will receive information on the amount of deposit, deductions and other information on a Direct Deposit Advice stub sent to your home monthly, by the Office of the State Controller.

WHAT ARE THE ADVANTAGES OF EFT?

- Immediate and uninterrupted deposits during periods of absence from residence.
- Reduced risk of loss, theft, or forgery of benefit warrants.
- Elimination of problems associated with cashing of benefit warrants, such as travel to check-cashing facilities and standing in line.

In order to participate in EFT, please read both sides of this letter and complete Section 1 of the EFT Enrollment Form (PERS-BEN-1199P). After your financial institution has completed Section 2, return the **original white copy** to PERS. If you are requesting EFT to your checking account, please attach a **voided check** to the original white copy before returning the form to PERS. The yellow copy should be retained by your financial institution and the pink copy is for your records.

WHEN WILL MY FIRST DIRECT DEPOSIT TRANSACTION BE CREDITED TO MY ACCOUNT?

Your first transaction should occur within **two to three months** after your request form is received by PERS. This amount of time is necessary to process your request and perform a preliminary test transaction to ensure that the bank routing number and depositor branch and account numbers are recorded accurately. PERS will continue mailing monthly warrants until your first EFT transaction takes place.

Prior to transmission of your initial EFT transaction, you will receive an effective date notification at the home address you have on record with PERS. Also, at your home address, you will receive a monthly Direct Deposit Advice stub indicating the allowance payable, itemized deductions, and other important benefit information.

CHANGING ACCOUNT NUMBER AND/OR FINANCIAL INSTITUTION

Your EFT will continue to be received by the selected financial institution until you notify PERS to cancel or change the EFT transaction. Even if you only wish to change account numbers within the same financial institution, you must repeat the EFT enrollment process and complete another form with the new information. A change in account numbers requires a preliminary test transaction to ensure that your money is accurately transmitted to the new account. To effect this change, you must complete a new PERS-BEN-1199P and ask the financial institution to complete their section of the form. **It is recommended that you keep the old account open until the transaction is complete and you receive verification that the first EFT payment has been credited to the new account.**

PERS is proud to provide this service to you.

IMPORTANT INFORMATION ON REVERSE SIDE

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

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INFORMATION AND INSTRUCTIONS

PLEASE READ THIS CAREFULLY

WHEN TO USE THE PERS-BEN-1199P

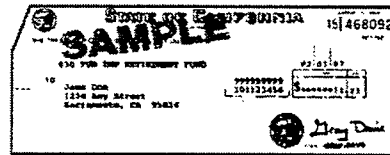
The EFT Enrollment Form, PERS-BEN-1199P, should be filled out in full and signed by both the annuitant and an authorized official of the financial institution for the following purposes:

1. To sign up as a new enrollee.
2. To change depositor account numbers within a financial organization.
3. To change your EFT from checking to savings or vice versa.
4. To change your EFT from one financial organization to another.

INFORMATION FOUND ON WARRANTS

Most of the information needed to complete boxes A, B and C in Section 1 of the EFT Enrollment Form is printed on your PERS warrant:

- (A) Be sure your current home address is shown.
- (B) Annuitant's social security number is usually printed here on warrants.



SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS

Joint account holders should immediately advise both PERS and the financial institution of the death of the PERS annuitant. Funds deposited after the date of death are to be returned to PERS. PERS will then make a determination regarding benefits payable and beneficiary's entitlement. Failure to notify PERS of the death of an annuitant could result in substantial liability to the account holder.

CANCELLATION

The agreement represented by this authorization remains in effect until cancelled by the annuitant by written notice to PERS, or by the death or legal incapacity of the annuitant. It is the annuitant's responsibility to notify the receiving financial institution that the authorization has been cancelled.

The agreement represented by this authorization may be cancelled by the financial institution by providing the annuitant a written notice 30 days in advance of the cancellation date. The annuitant must immediately advise PERS if the authorization is cancelled by the financial institution. The financial institution cannot cancel the authorization by advise to PERS.

INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the Public Employees' Retirement System to provide the following information to individuals 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. Submission of the requested information is mandatory. Failure to supply the 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 Appeals Board, State 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 PERS. 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 System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, PERS, 400 P Street, P.O. Box 942702, Sacramento, California, 94229-2702.

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 P.O. BOX 942711, SACRAMENTO, CA 94229-2711

PERS ELECTRONIC FUND TRANSFER ENROLLMENT FORM

To sign up for EFT, please read the cover letter and fill in the information requested in Section 1. Then take this form to your financial institution. The financial institution will complete Section 2. The original white copy of the completed form should then be returned to PERS at the above address.

The PERS payee Roll and Account number are printed on the PERS warrant. (See illustration on back side of cover letter.)

It is important to keep PERS advised of any change in your home address so that you will receive your monthly Direct Deposit Advice, annual tax statements, and other important benefit information.

A separate form must be completed for each type of payment to be sent by EFT.

SECTION 1 (TO BE COMPLETED BY ANNUITANT)

A. Name of Annuitant		B. Annuitant Social Security #	C. PERS Roll and Account #
Address		<input type="checkbox"/> Checking (Please attach a voided check) <input type="checkbox"/> Savings (Check Only One)	
City	State	Zip Code	
ANNUITANT CERTIFICATION		JOINT ACCOUNT HOLDER'S CERTIFICATION	
I certify that I am entitled to the payment identified above, and that I have read and understood the information and instructions on this form. In signing this form I authorize my payment to be sent to the financial institution named below to be deposited to the designated account. I authorize amounts transferred after my date of death or transmitted in error to be debited to my account.		I certify that I have read and understood the information and instructions on this form, including the SPECIAL NOTICE TO JOINT ACCOUNT HOLDERS.	
Signature of Annuitant		Name and Address of Joint Account Holder	
Date		Signature of Joint Account Holder	
Date		Date	
Phone Number: ()			

SECTION 2 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

Name and Address of Financial Institution		Depositor Branch and Account Number (Please show exactly how the number should be recorded including any necessary spaces, zeros, or dashes)	
Branch Name and Number	Branch Telephone Number	Routing Number	Check Digit
FINANCIAL INSTITUTION CERTIFICATION			
I confirm the identity of the above-named payee(s) and the account number. As representative of the above-named financial institution, I certify that the financial institution agrees to receive and deposit the payment identified above.			
Signature of Representative		Print or Type Representative's Name	Date

PERS-BEN-1199P (Rev. 1/88)

RETURN ONLY THE WHITE COPY TO PERS

YELLOW COPY TO FINANCIAL INSTITUTION

PINK COPY TO ANNUITANT

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State of California-Board of Administration
Public Employees' Retirement System
400 P Street, P.O. Box 942718
Sacramento, CA 94229-2718
Telephone: (916) 328-3848
Telecommunications Device For
The Deaf-(916) 328-3240

Reply to Section 462
REFER TO NO. 540-32-9876
November 15, 1996

To: 0249 Sacramento Co. Schools Unit Code: 045
Personnel Section
CGC 600001

From: Post Retirement Services Division
Public Employees' Retirement System

Subject: John Booth Retirement Date Retirement Type
540-32-9876 12/31/96 Service

Final payroll information is required in order to adjust the member's file to reflect the correct allowance. Please complete and return this form. Failure to accurately complete and promptly return this form will delay the final calculation of the member's allowance.

*** Please note that the retirement law states that the retirement date cannot be earlier than the day following the last day on payroll. Please notify us immediately if this member will not separate prior to December 31, 1996.

**** IMPORTANT ****

ALL INFORMATION MUST BE COMPLETED AFTER THE MEMBER LEAVES EMPLOYMENT STATUS.

I. Effective Dates Regarding Separation:

A. Separation Date 12/30/96 (This date cannot be later than the day prior to the retirement date.)

B. Last Day on Payroll 12/30/96 (This is the last day for which contributions were withheld. This date cannot be later than the separation date.)

II. Payroll and Contribution Information (Last Month of Employment):

Payperiod	Payrate	Time Worked			Amount Earned	Retirement Contributions	
		Mos	Days	Hrs		Normal	Other (Specify)
12/1/96-12/30/96	2,000.00	1			2,000.00	140.00	

III. Unused Sick Leave at Separation:

Total Number of Days of Unused Sick Leave 86.500 Days (Not hours)

Signature Mabel Ellis Date 12/7/96

Title Payroll Officer Phone (916) 922-6433

PERS-PRS-200

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

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

Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3232; FAX (916) 326-3934

REPLY TO: SECTION 419
REFER TO: 540-32-9876
December 19, 1996

John Booth
1991 Sacramento Lane
Sacramento, CA 98765

CONGRATULATIONS ON YOUR RETIREMENT!

PLEASE RETAIN BENEFIT APPROVAL LETTER FOR INCOME TAX PURPOSES

YOUR SERVICE RETIREMENT ALLOWANCE:

Your election to receive the Option 2 Allowance has been processed. Your monthly retirement benefit is \$973.76 based on your retirement date of 12/19/96. This amount does not include any deduction you have authorized this system to make. Your first regular warrant will arrive on or shortly after 2/1/97 and will cover the period of 01/01/97 through 1/31/97. Your retroactive warrant will be issued on 01/01/97, and will cover the period of 12/19/96 through 12/31/96. Your future retirement warrants will be mailed to arrive on or shortly after the first of the month following the month to which they apply.

Please endorse and cash or deposit each warrant promptly. Unless direct bank mailings are authorized, your personal endorsement is required.

Your retirement allowance shown above is an approximation of the amount you are eligible to receive. An adjustment to your account, if needed, to reflect an increase in service (i.e. sick leave service credit, Golden Handshake service credit), a change in retirement date, or increase in salary will be completed after final payroll information has been received. Any questions concerning an adjustment or pertaining to your future retirement benefits should be directed to the Post Retirement Services Division, P.O. Box 942716, Sacramento, CA 94229-2716 or by telephoning (916) 326-3848 or (800) 352-2238.

BENEFICIARY/SURVIVOR ALLOWANCE:

Upon your death, benefits will be paid to your beneficiary in accordance with the designation indicated on your retirement election document. If you elected a benefit which requires marriage and/or birth documentation and you have not submitted these documents, please send them immediately to the Post Retirement Services Division. If the documents are not in file at the time of your death, it may be necessary to delay payment of benefits to your beneficiary.

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

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INCOME TAX INFORMATION:

The following information regarding your contributions will assist you in the determination of the taxability of your benefit. Please refer to the enclosed booklet PUB-12 "Taxes and Your Retirement" or contact your local IRS office or the State Franchise Tax Board for more information on taxes.

	Total Contributions and Interest	Interest	Taxed Contributions	Non-taxed Contributions
CONTRIBUTIONS:				
Normal	\$ \$58,676.63	\$22,667.73	\$14,506.44	\$21,520.69

Based on our taxed contributions, your monthly tax free amount is \$60.44.

The staff of the Public Employees' Retirement System hope that your transition into retirement has been a pleasant experience. We look forward to assisting you in the future.

, Supervisor
Retirement Eligibility and Payment Section

Enclosure

PERS-BAS-11



Benefit Application Services Division
P.O. Box 942711
Sacramento, CA 94229-2711
Telecommunications Device for the Deaf - (916) 326-3240
(916) 326-3232; FAX (916) 326-3934

REPLY TO: Section 419
REFER TO: No. 540-32-9876
December 19, 1996

To: 0249 Sacramento County Schools
Unit Code 045
Personnel
60001

From: Benefit Application Services Division
Public Employees' Retirement System

Subject: Booth, John
540-32-9876

Notice of Placement on Retirement Roll:

This is to advise you that the above member has been placed on our 2/95 Service Retirement Roll with an effective date of 12/31/94. In accordance with Government Code, Section 21252, the member must be separated from employment at least one day prior to the effective date of retirement. Please notify us immediately if separation did not occur by that date.

Please see your CalPERS Procedure Manual for information regarding employment of a retired member.

PERS-BAS-62

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

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DEDUCTIONS AFTER RETIREMENT

HEALTH INSURANCE

For public agencies covered under the Public Employees' Medical and Hospital Care Act, enrollment of a member is continued without change when the member retires. Coverage will continue into retirement if the individual is enrolled at the time of separation from employment and their effective date of retirement is within 120 days of separation.

Direct authorization may be established for automatic deduction of payments for health insurance administered by CalPERS as well as life insurance premiums, union dues, credit union payments or shares, or to charitable organizations.

GENERAL PROCEDURES FOR DIRECT AUTHORIZATION OF HEALTH/LIFE INSURANCE

1. The agency determines the eligibility of the member to continue such coverage into retirement and forwards the authorization form to the carrier, not to CalPERS. This form must be signed by the member.
2. The carrier must then authorize the deductions by sending CalPERS a special deduction authorization form. **Premiums will be deducted only as authorized by the carrier.** Any additions, changes, or cancellations must be submitted to CalPERS by the carrier.
3. Normally, the carrier will require two (2) months premiums in advance to provide CalPERS with adequate time to process the deduction.

OTHER DIRECT AUTHORIZATIONS

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

1. The organization has contracted with CalPERS to provide this service (members must contact the organization for this information);
2. The member authorizes to have money deducted through the organization;
3. The organization submits the authorization directly to CalPERS; and

4. Authorized deductions are *stopped* or *changed* upon receipt of written authorization from the organization.

The System's function is limited to the mechanics of deducting and determining what deduction authorization is proper. Inquiries concerning identification cards, insurance benefits, or premium schedules, claims, address changes, enrollment changes, etc., should be directed to the insurance carrier.

INCOME TAX WITHHOLDING

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

PAYMENTS FOR PURCHASING SERVICE CREDIT

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

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

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DEDUCTIONS AFTER RETIREMENT CON'T.

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

SOCIAL SECURITY INSTRUCTIONS

Members having Social Security coverage, integrated with System coverage, should contact their local federal Social Security Office about three months before their retirement.

Reference material needed by the Social Security Office will be: Social Security number, name of the employer, and documentary proof of birth.

TEMPORARY ANNUITY PAYMENTS

Members who are retiring for service can elect to receive an additional monthly allowance from CalPERS. The benefit is payable from retirement date to a specific age that the member selects, 59 1/2 or any whole age from 60 to 68. You can also name the dollar amount you wish to receive within certain limitations. This benefit is NOT free. The member's CalPERS lifetime allowance is reduced to pay for the temporary annuity.

The Temporary Annuity brochure (PERS-PUB-13) can be requested by employers from the CalPERS supply section. Member questions on the program can be directed to either CalPERS Benefits Application Services Division, P.O. Box 942711, Sacramento, California 94229-2711, (916) 326-3232 or any of the CalPERS area and field offices listed in the appendix chapter of this manual.

DISABILITY RETIREMENT OR INDUSTRIAL DISABILITY RETIREMENT

You should maintain a supply of "Your Application For Disability Retirement (PERS-PUB-35)", which includes the disability application, forms to be completed and important information regarding disability retirement. You should familiarize yourselves with the information in the publication to provide assistance to your employees.

GENERAL INFORMATION AND REQUIREMENTS

Retirement for *disability*, available to all members (miscellaneous and safety) credited with five or more years of service, is retirement resulting from mental or physical incapacity for the performance of duty. The injury or disease causing the incapacity need not be job-related.

NOTE: A member who is employed on a part-time basis and has worked at least five years may be eligible for retirement with less than five years of credited service. Contact any CalPERS office to determine whether this exception may apply.

Retirement for *industrial disability*, available to all local safety members and those miscellaneous members covered by contract under Government Code Section 21151 is retirement resulting from mental or physical incapacity for the performance of duties. The disabling injury or disease must be work incurred or job-related. Age, service, and contributions are not considered for qualifying purposes.

Application for disability, or industrial disability, retirement may be made by the member, by a **duly authorized official** of the employing public agency, or any person on behalf of the member.

"Duly authorized official" referred to above, is defined in Government Code Section 21152(c) as "The governing body, or an official designated by the governing body of the contracting agency, if the member is an employee of a contracting agency." Portions of "Resolution No. 3 - Delegation of Authority" may be used if the contracting agency wants to submit a delegation of authority that only addresses making disability applications on behalf of employees.

Government Code Section 21252 provides that the retirement shall not become effective earlier than the first day of the month in which the member's application is received in the System's headquarters or CalPERS Area or field office.

Government Code Section 21153 provides that the employer may not separate a member because of disability who is otherwise eligible to retire for disability. The employer must apply for the disability retirement of such member unless the member waives the right to retire for disability and elects to either withdraw his contributions or leave them in the fund for a future service retirement.

The application for disability retirement shall be made only (1) while a member is in local agency service, or (2) for a member, whose contributions will be made under Government Code Section 20997, and is absent on military service, or (3) within four months after the discontinuance of the local agency service of the member, or while on an approved leave of absence, or (4) while the member is physically or mentally incapacitated to perform his duties from the date of discontinuance of local agency service to the time of application or motion.

If a member has been approved for disability retirement, the law states the member must be retired forthwith. The member may, unless contrary to local rules or regulations, remain on pay status to use sick leave or compensating time off for overtime to which the member is entitled. The determination of what sick leave and/or compensating time that a person is entitled to is a matter that must be resolved by each employer.

MISCELLANEOUS MEMBER — DISABILITY RETIREMENT

Miscellaneous members submit applications for disability retirement on The Application for Disability Retirement (PERS-BAS-369D). The form is included in the brochure "Your Application For Disability Retirement" (PERS-PUB-35).

A Medical Report Form (PERS-BAS-1372) to be completed by the member's personal physician, and an Authorization for Release of Medical Information

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DISABILITY RETIREMENT OR INDUSTRIAL DISABILITY RETIREMENT CON'T.

(PERS-BAS-35) to be completed and returned by the member are also included. In the event that the medical information supplied to CalPERS is inadequate, CalPERS may arrange an independent medical examination.

At the same time the member will provide the employer with a PERS-BAS-64 requesting a copy of the member's job description. CalPERS will provide a PERS-BAS-194 requesting advance payroll information. Submission of the job description should not be delayed for completion of the BAS-194. Employers should return the BAS-194 as soon as information is available so that CalPERS can calculate the allowance as soon as the application is approved and mail the "Election of Optional Settlement and Beneficiary Designation" (PERS-BAS-898) to the member.

SAFETY MEMBER—DISABILITY RETIREMENT

Safety members submit applications for disability retirement on form, Application for Disability Retirement (PERS-BAS-369D). Local safety members do not complete items 14, 16, 17 and 18 on the application. Upon receipt of a request for disability retirement, the System will contact the member and employer, acknowledging receipt of the application.

In accordance with Government Code Section 21156, a local safety member shall be retired for disability only upon the employer's determination that the member is incapacitated physically or mentally for the performance of the duties of the position and terminates the member's employment for that reason.

The determination must be made within 6 months of CalPERS request for such determination in accordance with Government Code Section 21157. The member may waive this requirement.

The employer will determine if the disability is industrial, except that in disputed cases the agency, or the member, may refer the matter to the Workers' Compensation Appeals Board for a determination.

The member's effective date of retirement without the member's consent cannot be earlier than the termination of the employee's leave of absence without loss of salary under Labor Code Section 4350, or when disability is permanent and stationary as found by the

Workers' Compensation Appeals Board, if earlier (Government Code Section 21164).

LOCAL AGENCY DETERMINATION PROCEDURES

Before the Retirement System can act on any local safety member's application for disability retirement, the following questions must be resolved by the agency and the information transmitted in the form of a Resolution.

1. Is the member substantially incapacitated for the performance of work duties, and will the incapacity exist for a permanent or extended and uncertain duration? It is the agency's responsibility to order a medical examination and obtain such evidence as is necessary to make a determination. Such evidence may be obtained from the Workers' Compensation insurer. On the basis of its accumulated evidence, the agency must determine whether the member is disabled.

This determination must be made within 6 months from the date of CalPERS request for such determination. Also, the agency must bear the responsibility for any investigation of retired members for possible reinstatement action.

2. If a determination is made that the member is disabled, is the disability considered "industrial"? Industrial means disability as a result of injury or disease arising out of and in the course of employment as a local safety member (Government Code Section 20046).

If there is no application filed with the Workers' Compensation Appeals Board for a determination pursuant to Government Code Section 21166, the agency is required to provide the determination of industrial causation.

If either the member or agency applies to Workers' Compensation Appeals Board for a determination, only that Board can decide the "industrial" question (Government Code Section 21166). A copy of this decision must be sent to the Public Employees' Retirement System. CalPERS will assume that the findings are not disputed, and will proceed accordingly, unless the agency notifies CalPERS that a Petition for Reconsideration has been filed.

DISABILITY RETIREMENT OR INDUSTRIAL DISABILITY RETIREMENT CON'T.

3. What is the effective date of the retirement? The retirement effective date is established in accordance with Government Code Sections 21163 and 21164. These sections state that the member's retirement, without the member's consent, cannot be effective earlier than:
 - a. the expiration of accrued sick leave or compensating time off, unless, with respect to such leave, the provisions of local ordinances or rules of the employer provide to the contrary; or
 - b. when disability is found to be permanent and stationary by the Workers' Compensation Appeals Board; or
 - c. the termination of the employee's fully compensated leave of absence under Labor Code Section 4850.
6. Did the member come into safety membership with the agency later than January 1, 1980? If so, CalPERS must be informed of the type of disability and how it occurred. Also, does the agency believe that the injury (a) is the direct consequence of a violent act perpetrated upon the member; or (b) occurred during the performance of those portions of the member's duties which are particularly hazardous or dangerous? This information is required so the System can determine what benefit is payable under Government Code Section 21417.
7. If the member is found to be disabled due to a mental disorder, is the member competent to act on his own behalf in legally binding retirement matters? The agency must certify this information to the Retirement System before any decision by the member will be accepted.

NOTE: Under Labor Code Section 4850, the leave cannot end earlier than one year unless the employee is determined to be permanent and stationary by W.C.A.B. and the member will be receiving advanced disability pension payments—paid by the employer. See "Advanced Disability Pension Payments" below.

CalPERS will require the agency determining the member's disability to provide information necessary for CalPERS to determine the effective date. Government Code Sections 21252 and 21253 may also apply.

4. Is there any third party liability related to the injury which caused the disability? The Retirement System requires that the agency file an accident report along with its decision as to the possibility of any third party liability. The reason for this information is that the System will retain its rights of subrogation in disability cases.
5. In order to comply with an annual report requirement, CalPERS must be informed of the member's primary disabling condition using the following categories; orthopedic, psychological, cardio-vascular, internal, neurological, or "other".

ADVANCED DISABILITY PENSION PAYMENTS (ADPP)

Employers may make "advanced disability pension payments" to safety members who have qualified for benefits under Labor Code Section 4850 and for whom they have approved for disability retirement, until they begin receiving their retirement benefits directly from CalPERS. When a safety member begins receiving these advanced disability pension payments, any payments being made under Labor Code Section 4850 are discontinued. CalPERS will notify the employer when the member has been placed on the retirement roll. The advanced disability pension payments are then stopped.

When CalPERS begins paying the disability retirement allowance to the member, the amount of the advanced disability pension payments the employer paid to the member will be deducted from the retroactive portion of the member's retirement allowance. If the retroactive portion does not cover the total amount, CalPERS will reduce the member's monthly allowance by as much as 10% until the balance has been deducted (Government Code Section 21419). CalPERS will reimburse the employer for advanced disability pension payments as deductions are made from the member's allowance until the total has been repaid. Advanced disability pension payments are not considered compensation for retirement purposes (Government Code Section 20630).

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DISABILITY RETIREMENT OR INDUSTRIAL DISABILITY RETIREMENT CON'T.

Advanced disability pension payments *shall not exceed 50%* of the average monthly pay rate for the last three years prior to retirement. If the member plans to choose an optional settlement, the advanced disability pension payment should be reduced accordingly (Labor Code Section 4850.3). If you are aware that a community property claim has been placed on a member's CalPERS account, you should also reduce the advanced disability pension payment to avoid a long delay in receiving total reimbursement by CalPERS from the member's retirement allowance.

In a situation where a community property claim has been filed against a member's account, it is recommended that your agency reduce the ADPP to 25% of the member's average monthly pay rate for the last three years prior to retirement. If CalPERS has notified your agency of the existence of a community property claim and the nonmember spouse is awarded a portion of the member's monthly allowance, the amount awarded to the nonmember spouse will be paid from the retroactive portion of the member's retirement allowance **before the ADPP is reimbursed to your agency**. If the member's remaining retroactive portion is not sufficient to cover the ADPP, the member's share of the allowance will be reduced by 10% until the total ADPP has been repaid.

Since retirement allowances are paid monthly, CalPERS would prefer that the employer make advanced disability pension payments monthly. If the retirement effective date is a day other than the first of the month, the member is entitled to receive retirement pay from the retirement effective date until the end of the month.

Example:

Retirement Date	Portion of Monthly Allowance to be paid by Employer as ADPP
March 5	27 out of 31 days (27/31)
September 30	1 out of 30 days (1/30)

Please include in the Resolution to CalPERS the following information:

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

Transmittal of the Agency's Determination

The following Resolutions are suggested samples which may be used by your agency in transmitting the required information to the Retirement System. All resolutions should state whether or not the employer will be making advanced disability pension payments for the member.

RESOLUTION NO. 1—DETERMINATION OF A MEMBER'S DISABILITY BY THE GOVERNING BODY

INSTRUCTIONS:

1. If the finding is that the member is **not disabled, use only first resolved clause.**
2. If the finding is that the member is disabled, resolved clause 2 or 3 must be added.

Clause 2 should be used if neither the member nor the agency seeks a determination by the Workers' Compensation Appeals Board, pursuant to Government Code Section 21026.

Clause 3 should be used if a petition has been or will be filed by either party.

3. In the determination of the retirement effective date use clause 4 or 5.

Clause 4 should be used if no dispute exists as to the retirement effective date.

Clause 5 should be used if the Workers' Compensation Appeals Board has decided the question as to the retirement effective date.

4. Include a statement by the agency to the effect that there is, or is not, a possibility of third party liability present; i.e., whether or not the member's disability was caused by negligence or an intentional act of a party other than the employer.
5. Include a statement by the agency as to whether the member will be paid Advanced Disability Pension Payments, and if so, how much?
6. Include a statement by the agency of the member's primary disabling condition.
7. If the member came into safety membership with the agency after January 1, 1980, include a statement by the agency describing the type and occurrence of the disability and whether or not the agency believes the injury (a) is a direct consequence of a violent act perpetrated upon the member's person or (b) occurred during the performance of those portions of the member's duties which are particularly hazardous and dangerous (Government Code Section 21412).

RESOLUTION NO. 1

RESOLUTION OF _____
(governing body)

(agency)

(Section 21156, Government Code)

WHEREAS, the _____ (hereinafter
(name of agency)

referred to as Agency) is a contracting agency of the Public Employee's Retirement System;

WHEREAS, the Public Employee's Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he is classified as a local safety member is disabled for purposes of the Public Employees's Retirement Law and whether such disability is "industrial" within the meaning of such Law;

WHEREAS, an application for (disability retirement) (reinstatement from disability retirement) of _____
(member's name)

employed by the Agency in the position of _____
(job title)

has been filed with the Public Employees' Retirement System; and

WHEREAS, the _____ has reviewed
(name of governing body)

the medical and other evidence relevant to such alleged disability;

(1) NOW, THEREFORE, BE IT RESOLVED:

That the _____
(name of government body)

find and determine and it does hereby find and determine that

(member's name) (is/is not) incapacitated

within the meaning of the Public Employees' Retirement Law for performance of his duties

in the position of _____ ; and
(job title)

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RESOLUTION NO. 1 CON'T.

(2) BE IT FURTHER RESOLVED THAT THE _____
(name of governing body)
find and determine and it does hereby find and determine that such disability _____ a result of injury or disease
(is) / (is not)
arising out of and in the course of employment.

Neither said _____ nor the agency _____ has applied to the Workers'
(member's name) (name of agency)
Compensation Appeals Board for a determination pursuant to Section 21166 whether such disability is industrial.

OR

(3) BE IT FURTHER RESOLVED THAT A PETITION _____
(will be filed) / (has been filed)
with the Workers' Compensation Appeals Board for a determination pursuant to Section 21166, Government Code; and
a copy of such determination _____ ; and
(is attached) / (will be provided when rendered)

(4) BE IT FURTHER RESOLVED that the member was, or will be, separated from his employment in the position
of _____
(job title)
after expiration of his leave rights under Section 21164, Government Code, effective _____
(date)
and that no dispute as to the expiration of such leave rights is pending.

OR

(5) BE IT FURTHER RESOLVED that the member was separated from his employment in the position
of _____
(job title)
effective _____, the date upon which the condition causing his disability became
(date)
permanent and stationary as determined by the Workers' Compensation Appeals Board in the attached finding.

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(6) There _____ a possibility of third party liability.
(is) / (is not)

(7) Advanced Disability Pension payments _____ be made. (If payments will be made, provide amount and
(will) / (will not)
frequency.) The payments will be made _____ in the amount of \$ _____ beginning _____.
(bi-weekly, monthly, etc.) (date)

(8) The primary disabling condition is _____. (If condition is psychological, add the following.) The member
(See Local Agency Determination, No.5)
_____ competent to act on his/her own behalf in legally binding retirement matters.
(is) / (is not)

(9) If the member entered the safety position with your agency after January 1, 1980, add the following: The member's
disabling condition _____ a direct consequence of a violent act perpetrated upon the member's person or
(is) / (is not)

(b) _____ occur during the performance of those portions of the member's duties which are particularly
(did) / (did not)
hazardous and dangerous.

RESOLUTION NO. 2—DETERMINATION OF DISABILITY BY THE OFFICIAL DELEGATE

This Resolution is made by an Official Delegate appointed by the Governing Body. The Governing Body delegates the authority to determine the disability with a written "Delegation of Authority" (Resolution No. 3). A copy of the "Delegation of Authority" (Resolution No. 3) should be attached to the Determination of Disability (Resolution No. 2).

INSTRUCTIONS:

1. If the finding is that the member is not disabled, use only the first paragraph.

2. If the finding is that the member is disabled, resolution clause 1 or 2 must be added.

Clause 1 should be used if neither the member nor the agency seeks a determination by Workers' Compensation Appeals Board, pursuant to Government Code Section 21166.

Clause 2 should be used if a petition has been or will be filed by either party.

3. Use clause 3 or 4 regarding the retirement effective date.

Clause 3 should be used if no dispute exists as to the retirement effective date.

Clause 4 should be used if the Workers' Compensation Appeals Board has decided the question as to the retirement effective date.

4. Include a statement by the agency to the effect that there is, or is not, a possibility of third party

liability present; i.e., whether or not the member's disability was caused by negligence or an intentional act of a party other than the employer.

5. Include a statement by the agency as to whether the member will be paid Advanced Disability Pension Payments, and if so how much?

6. Include a statement by the agency of the primary disabling condition.

7. Attach a certified copy of the Resolution (No. 3) of the Governing Body with each determination by the Official Delegate.

8. If the member came into safety membership with the agency after January 1, 1980, include a statement describing the type and occurrence of the disability and whether or not the agency believes the injury (a) is a direct consequence of a violent act perpetrated upon the member's person, or (b) occurred during the performance of those portions of the member's duties which are particularly hazardous and dangerous (Government Code Section 21417).

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RESOLUTION NO. 2 CON'T.

Pursuant to authority delegated to me by action of _____
(name of governing body)

of _____ (hereinafter referred to as Agency)
(name of agency)

dated _____, under Section 21173, Government Code, and after review of medical and other
(date)

evidence relevant thereto, I hereby determine that _____
(member's name)

a local safety member of the Public Employees' Retirement System, employed by the Agency _____
(is) / (is not)

incapacitated within the meaning of the Public Employees' Retirement Law for performance of his duties in the
position of _____
(job title)

(1) Pursuant to such authority I also determine that such incapacity _____ a result of injury or
(is) / (is not)

disease arising out of and in the course of his employment as local safety member. I certify that neither the Agency
nor the member has filed a petition for determination under Government Code Section 21166, to be made by the
Workers' Compensation Appeals Board.

OR

(2) A petition for determination under Government Code Section 21166 whether such disability is the result of injury
or disease arising out of and in the course of his/her employment by the Agency, in which he/she was a local safety
member, has been filed with the Workers' Compensation Appeals Board. A certified copy of such a determination

(is attached) / (will be provided when rendered)

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RESOLUTION NO. 2 CON'T.

(3) I hereby certify that the member was separated from his/her employment in the position _____

(job title)
after expiration of his leave rights under Section 21164, Government Code, effective _____
(date)
and that no dispute as to the expiration of such leave rights is pending.

OR

(4) I hereby certify that the member was separated from his/her employment in the position of _____

(job title)
effective _____, the day upon which the condition causing his/her disability
(date)
became permanent and stationary as determined by the Workers' Compensation Appeals Board in the attached finding.

(5) There _____ a possibility of third party liability.
(is) / (is not)

(6) Advanced Disability Pension payments _____ be made. (If payments will be made, provide amount
(will) / (will not)
and frequency.) The payments will be made _____ in the amount of \$ _____ beginning _____
(bi-weekly, monthly, etc.) (date)

(7) The primary disabling condition is _____. (If condition is psychological, add the following.) The member
(See Local Agency Determination No. 5)
_____ competent to act on his own behalf in legally binding retirement matters.
(is) / (is not)

(8) If the member entered the safety position with your agency after January 1, 1980, add the following: The member's
disabling condition _____ a direct consequence of a violent act perpetrated upon the member's person or
(is) / (is not)
(b) _____ occur during the performance of those portions of the member's duties which are
(did) / (did not)
particularly hazardous and dangerous.

(name)

(office or position)

(agency)

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RESOLUTION NO. 3 — DELEGATION OF AUTHORITY

RESOLUTION OF _____
(name of governing body)

(name of agency)

WHEREAS, the _____ (hereinafter referred to as Agency)
(name of agency)
is a contracting agency of the Public Employees' Retirement System;

WHEREAS, the Public Employees' Retirement Law requires that a contracting agency determine whether an employee of such agency in employment in which he is classified as a local safety member is disabled for purposes of the Public Employees' Retirement Law and whether such disability is "industrial" within the meaning of such Law:

WHEREAS, _____ has determined upon
(name of governing body)
legal advice that it may delegate authority under Section 21173 of the Government Code to make such determinations to the incumbent of the office/position of _____
(title)

NOW, THEREFORE, BE IT RESOLVED:

That the _____ delegate and it does hereby delegat
(name of governing body)
to the incumbent of the office/position of _____ authority to make
(title)
determinations under Section 21152(c), Government Code, on behalf of the Agency, of disability and whether such disability is industrial and to certify such determinations and all other necessary information to the Public Employees' Retirement System; and

BE IT FURTHER RESOLVED that such incumbent be and he/she is authorized to make applications on behalf of the Agency for disability retirement of all employees and to initiate requests for reinstatement of such employees who are retired for disability.

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MEMBER ALTERNATIVES FOLLOWING APPROVAL OF DISABILITY

When the member has been found to be "disabled", the member will be notified of the finding and advised that he must be retired "forthwith". *The member cannot cancel the application for disability retirement after disability has been determined.*

However:

1. If the member is also eligible and applies to retire for service (prior to the effective date of retirement for disability or within 30 days of notification of disability approval), the member may be retired for service.
2. The member may also elect to separate from employment and accept a refund of accumulated contributions in lieu of all future rights and benefits under this System.
3. The member may appeal the determination directly to the employer for local safety members and to CalPERS for miscellaneous members.

INSTRUCTIONS FOR COMPLETION – PERS-BAS-194

When the System receives an application for disability retirement, the Benefit Application Services Division will request advanced payroll information.

The Benefit Application Services Division will complete the heading of the form PERS-BAS-194 (see copy on following pages) as follows:

1. Member's name
2. Social Security number
3. Retirement date requested by the applicant
4. Employer name, agency and unit codes

The following is to be completed by the employer:

Part I

1. Separation date
2. Last day on pay status
3. Beginning and ending dates and type of leave of absence with compensation

NOTE: If a member retires on the day following the last day on the payroll, then the date of separation and the last day on the payroll will be the same date.

If a member goes on leave of absence or is absent without leave, etc., at the time of retirement, then the date of separation and the last day on the payroll may not be the same.

Part II

1. Inclusive dates of pay periods (monthly, semi-monthly, bi-weekly, or quadri-weekly) for the month of separation and each of the three months preceding separation.
2. Amount of full-time pay rate
3. Time worked in each pay period
 - a. month
 - b. days
 - c. hours

It may be necessary for the employer to estimate the last month's payroll information so that the payroll form may be received by CalPERS thirty days in advance of the member's retirement.

4. Amount earned in each pay period
5. Amount of normal retirement contributions for each pay period
6. Amount of other than normal contributions
7. Under "Specify" column heading, explain the other than normal contributions.

NOTE: 1. Do not combine contributions for maintenance and Special Compensation with normal contributions.
2. Do not deduct retirement contributions for lump sum vacation payments.
3. Do not delay submission of this form pending final payroll reporting. Where applicable, provide an estimate of the final payroll and label this line "ESTIMATE".

Part III

Authorized officer (Accounting/Payroll) signs name, title, date, and telephone number.

Immediately forward the original copy of the Form PERS-BAS-194 to the Benefit Application Services Division. Nonreceipt of the form by the Benefit Application Services Division on a timely basis may result in a delayed warrant to the recipient.



PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 PERS-BAS-194 (1/91)

Telephone (916) 326-3232
 Telecommunications Device for the Deaf (916) 326-3240

NOTICE OF APPLICATION FOR RETIREMENT - REQUEST FOR ADVANCE PAYROLL INFORMATION
 PLEASE COMPLETE AND RETURN AS SOON AS POSSIBLE

TO: Public Employees' Retirement System P.O. Box 942711 Sacramento, CA 94229-2711	FROM: (Name of Agency)	Agency Code: 0000
	City of Rangerville	Unit Code:
Name: Joe P. Smith	Social Security Number: 123-45-6789	Requested Retirement Date: October 1, 1996

THE ABOVE NAMED MEMBER HAS APPLIED TO THE SYSTEM FOR DISABILITY RETIREMENT

Your cooperation in immediately providing an advance estimate of the following information is an important part of accurately placing the member on the retirement rolls at the earliest possible date.

PART I - EFFECTIVE DATES REGARDING SEPARATION (Last day on pay status will be upon expiration of accrued sick leave or compensated time off.)

Separation Date: September 30, 1996	Last Day on Pay Status: September 30, 1996
--	---

LEAVE OF ABSENCE WITH COMPENSATION	Please explain difference between date of separation and last day on pay status, if any.
Beginning Date:	
Ending Date:	
Type of Compensation:	

PART II - ADVANCE ESTIMATE OF PAYROLL AND CONTRIBUTION INFORMATION

Please report, by payroll service period, for the last four months on pay status. Contributions should not be deducted after separation.

PAY PERIOD		PAY RATE	TIME WORKED			AMOUNT EARNED	RETIREMENT CONTRIBUTIONS		
FROM	THRU		MOS.	DAYS	HOURS		NORMAL	OTHER	(SPECIFY)
6/1/96	6/30/96	2,000	1			2,000	130.00		
7/1/96	7/30/96	2,000	1			2,000	130.00		
8/1/96	8/30/96	2,000	1			2,000	130.00		
9/1/96	9/30/96	2,000	1			2,000	130.00		

For Public Agency employers, please refer to the Public Agency Procedures Manual, or contact the Benefit Application Services Division for information regarding the completion of the BAS-194.

PART III - CERTIFICATION OF EMPLOYER

The above information is an estimate based on payroll information currently available.

Don Bush
 Signature of Payroll Officer

Personnel Assistant	9/1/96	(904) 322-1234
Title	Date	Telephone

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EMPLOYMENT OF A RETIREE

GENERAL RULE

Government Code Section 21220 provides that a retired person receiving a monthly allowance from this System shall not, except as otherwise provided, be employed in any capacity thereafter by a CalPERS employer unless he/she has first been reinstated from retirement. **Any person employed in violation of this Section shall be reinstated to CalPERS membership as of the date the unlawful employment occurred.** The person will be required to:

1. Reimburse CalPERS for any retirement allowance received during the period of employment in violation.
2. Pay CalPERS employee contributions that should have been paid during the period of unlawful employment, plus interest.
3. Pay toward reimbursement to CalPERS for administrative expenses incurred in handling the situation.

The employer who employs a retired person in violation of the law will be required to:

1. Pay CalPERS employer contributions which should have been paid during the period of unlawful employment, plus interest.
2. Pay toward reimbursement to CalPERS for administrative expenses incurred in handling the situation.

EXCEPTIONS TO GENERAL RULE

NOTE: Under the following provisions reinstatement from retirement is not required (except as noted), and no employee or employer contributions should be made to CalPERS. It is the employer's responsibility to monitor the employment as to whether reinstatement is required.

1. Temporary Employment - All Employers*

Any retired person may be employed by the appointing power of a state agency, or any other employer of this System, for a period not exceeding 960 hours in any calendar year for all employers; either during an emergency to prevent stoppage of public business or because the retired employee has skills needed in performing work of limited duration. The rate of pay for persons employed under this Section may not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties (Government Code Section 21224).

2. Juror or Election Officer*

Any retired person may serve as a juror or election officer and receive fees for such service (Government Code Section 21221 (c)).

3. School Crossing Guards*

Any retired person may be employed as a school crossing guard (Government Code Section 21221 (b)).

4. Temporary and Substitute Employment by State Agencies*

- a) Upon approval of the State Board of Control, a state agency may employ a retired person previously employed by that agency, where by reason of actual or potential litigation, or a proceeding before the State Board of Control, the services of such person are or may be necessary in preparing for trial or in testifying as to matters within or based upon his knowledge acquired while employed. The retired person may be paid a per diem and travel expenses not to exceed the rate paid other persons by state agencies for similar services. The per diem is then reduced by the retirement allowance paid to the retired person for the days of employment (Government Code Section 21223).

EMPLOYMENT OF A RETIREE CON'T.

- b) A retired person may be employed as a substitute in a position requiring certification qualifications pursuant to Section 59007 or 59113 of the Education Code, at the California School for the Deaf or the California School for the Blind. The total of all such service shall not exceed 960 hours in any fiscal year (Government Code Section 21225).

5. Staff of Schools, Colleges or University of California*

- a) A retired person may be employed as a member of the academic staff of California Community Colleges, or of the University of California not to exceed 960 hours in any fiscal year (Government Code Section 21226);
- b) A retired person may be employed, in any fiscal year, as a member of the academic staff of a California State University and College not to exceed 960 hours or 50 percent of the hours the member was employed during the last fiscal year of service prior to retirement (Government Code Section 21227);
- c) A retired person may be employed in a non-academic position if appointed by a school employer or by the Trustees of the California State University and Colleges because the retiree has skills needed in performing specialized work, of limited duration, which cannot exceed 960 hours in any fiscal year (Government Code Section 21229).

6. Appointive Positions*

- a) The Governor, director of a state department, Speaker of the Assembly, the President pro Tempore of the Senate or the governing board of a contracting agency, may appoint any retired member to serve as a member of any salaried or non-salaried board, commission or advisory committee (Government Code Section 21221(a)).
- b) The governing body of a contracting agency may appoint a retired person as an appointive member of the governing body; compensation for that office cannot exceed \$100.00 per month (Government Code Section 21221(e)).

- c) The Legislature, or either house, or a legislative committee, may appoint any retired person to a position deemed by the appointing power to be temporary in nature (Government Code Section 21221(f)).

- d) The governing body of a contracting agency may appoint a retired person to a position deemed by the governing body to be of limited duration and requiring specialized skills. The appointment shall be only to fill a temporary vacancy until a permanent appointment can be made by the governing body (Government Code Section 21221(g)).

7. Elective Positions*

Any retired person may serve as an elective officer without reinstatement from retirement provided that any part of the retirement allowance based on previous service in that same elected office shall be suspended during incumbency in such office (Government Code Sections 21221(d), 21222).

*Remember: No employee or employer contributions are made to CalPERS for this type of employment.

EMPLOYMENT OF RETIRED SCHOOL TEACHERS BY SCHOOL DISTRICT

School districts considering employment of retired school teachers should refer to Section 45134, 45135, 59007, 59113, 88033, and 88034 of the Education Code concerning the restrictions of such employment.

EMPLOYMENT BY A NON-PUBLIC EMPLOYEES' RETIREMENT SYSTEM EMPLOYER

A retired person receiving a monthly allowance from this System may be employed by any employer not participating with this System without being reinstated from retirement. A disability retirement pension (except in the case of Industrial Disability Retirement) may be subject to reduction during such employment, depending upon the salary of the new position, until the retired person attains the minimum age for voluntary service retirement applicable to members of his/her classification. It will be the responsibility of the retiree to report to CalPERS any salary earned with a non-CalPERS employer.

EMPLOYMENT OF A RETIREE CON'T

EMPLOYMENT OF A DISABILITY RETIREE IN A DIFFERENT MEMBER CLASSIFICATION

The Board may approve CalPERS reemployment without reinstatement for a member who is receiving a disability retirement allowance and who is offered a specific job in a member classification other than that from which he/she retired. Such employment cannot begin prior to the Board's approval (Government Code Section 21228).

To request reemployment approval, the retiree must submit:

1. Written request for reemployment.
2. Letter of intent to hire from the prospective employer.
3. Current copy of the job duty description for the position.
4. Current report from the treating physician stating that the person was examined and found able to substantially perform the tasks of the position.

Upon approval of the reemployment, the retiree will be required to report monthly earnings to CalPERS, as the disability retirement pension is subject to an earnings limit for as long as the employment continues.

Questions regarding employment of a retiree should be directed to the Post Retirement Services Division at 1 (800) 352-2238 or (916) 326-3848.

EMPLOYMENT OF AN "INDEPENDENT CONTRACTOR"

Although a true "contractual" arrangement is, by definition, not "employment," and thereby not subject to the restrictions listed in this section, PERS' experience is that the majority of such purported "contractual" arrangements turn out to be, upon examination, employer/employee relationships, which are subject to these restrictions.

CalPERS should review any contracts in advance of hiring, to determine the propriety of the employment. Refer such contracts to the Membership Review Unit/841, CalPERS Member Services Division.

See discussion of "Independent Contractors" in the "Positions Excluded by Retirement Law" section of the Membership chapter for further information.

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REINSTATEMENT FROM RETIREMENT

If you wish to hire a retired person on a permanent basis rather than a temporary basis, the retired person must reinstate from retirement. It is possible for a retiree to work under the "960 hours" rule prior to reinstatement, **but the retired person must be approved for reinstatement prior to being hired as a regular employee.** Please contact the Post Retirement Services Division at 1 (800) 352-2238 or (916) 326-3848 if you have questions regarding reinstatement.

SERVICE RETIREMENT

The Board, pursuant to the provisions of Government Code Section 21196, may reinstate a person who has been retired under this System for service upon:

1. The retiree's application to the Board for reinstatement.
2. CalPERS' receipt of a letter from the potential employing agency stating that if the retired member is reinstated from a service retirement, they will hire the retiree in a specific position on a specific date. A current duty statement for the new position should accompany this letter.

A person who has been retired under this System for service, following an involuntary termination of the person's employment, and who is subsequently reinstated to such employment by action on or after October 1, 1965, pursuant to an administrative or judicial proceeding, shall be returned to employment status for the period specified by the judgement. The requirements of Section 21196 shall not apply in this case (Government Code Section 21198).

A person who has been retired under this System for service may be reinstated from retirement pursuant to this article without regard to the requirements of Section 21101, upon the retiree's application to the Board, if upon reinstatement, the retiree will be appointed by the Governor to any state office or employment (Government Code Section 21199).

Reinstatement is not effective retroactively unless the retired person is working illegally (see 'Employment of a Retiree' this section). The effective date of such reinstatement shall be the first day of compensated employment **following**

approval of reinstatement and the service credit at the time of original retirement will be restored in full (Government Code Section 21196).

When a person is reinstated from retirement, the retirement allowance is cancelled and the retiree becomes a member of the System as of the date of reinstatement. The retiree's individual account shall be credited with the actuarial equivalent of the retiree's annuity at the date of reinstatement, not to exceed the amount of accumulated contributions at the date of retirement (Government Code Section 21200).

DISABILITY RETIREMENT

1. The Board may require any miscellaneous member receiving a disability retirement allowance, under the minimum age for voluntary retirement for service, to undergo a medical examination. If the Board determines that such recipient is not incapacitated for duty, the contracting agency shall be notified that such person is eligible for reinstatement to duty. The fact that the member was retired for disability does not prejudice any right to reinstatement to duty which the member may claim. The member's disability retirement allowance will be cancelled upon the employer's offer to re-employ the member (Government Code Sections 21192 and 21193).
2. Any retiree from a miscellaneous classified position may request approval from CalPERS to **reinstate**, whereby the retirement allowance is cancelled and the member resumes active member status, including earning additional service credit towards his/her subsequent retirement. To request approval, the member must request reinstatement in writing, provide a current job description for the position, and a current statement from his/her treating physician that indicates he/she was examined and is found able to perform the tasks of the position without limitation. If the member is requesting reinstatement into a different position than from which retired, he/she must also submit a letter of intent to hire from the prospective employer (Government Code Sections 21192 and 21193).

REINSTATEMENT FROM RETIREMENT CON'T

3. A member retired for **industrial disability** may request approval from CalPERS to reinstate to a position which is classified as miscellaneous. The same documents as noted in the preceding paragraph are required to request approval for this type of reinstatement. Upon subsequent retirement, the member's allowance will be recalculated using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If the member is eligible for a service retirement after the miscellaneous employment, he/she may receive whichever allowance is greater, but will retain the industrial disability retirement classification (Government Code Section 21197 and 21200).
4. Any local agency may require their safety members receiving disability retirement benefits, under the minimum age for voluntary retirement for service, to undergo medical examination. If the agency determines that the recipient is not incapacitated for duty and offers him/her employment in his/her former position or class, that person's disability retirement allowance shall be cancelled and the person will be reinstated to active membership.
5. If the member whose disability retirement has been cancelled does not re-enter CalPERS covered employment, an amount which is the actuarial equivalent of the member's annuity at cancellation shall be credited to the individual account, and shall be refunded unless the member is eligible to elect, and does elect, to allow his/her accumulated contributions to remain in the retirement fund (Government Code Section 21172).
6. Any safety member receiving a disability retirement allowance may submit a request for reinstatement to the governing body of the agency from which he/she retired. Such a person will be reinstated (a) upon determination by the governing body, or its lawful delegate, that the member is not incapacitated for duties to be assigned and (b) upon receipt of the employer's offer of re-employment.

The local agency **must** notify CalPERS to cancel the retirement, and CalPERS will establish an appropriate reinstatement date. Any employment prior to the established reinstatement date will be considered employment subject to limitations outlined in the section entitled "Employment of a Retiree".

The local agency **must** notify CalPERS to cancel the retirement, and CalPERS will establish an appropriate reinstatement date. Any employment prior to the established reinstatement date will be considered employment subject to limitations outlined in the section entitled "Employment of a Retiree".

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BENEFICIARY DESIGNATION (AFTER RETIREMENT)

NOTIFICATION OF CHANGE IN BENEFICIARY STATUS

It is important for a retired annuitant to notify CalPERS when any one of the following qualifying events occurs because his or her designated beneficiary's entitlement to certain CalPERS benefits could be affected:

- Marriage of the retired annuitant.
- Legal separation, dissolution or annulment of the retired annuitant's marriage.
- Birth or adoption of a child.

Should any one of these events occur, a retired annuitant's existing beneficiary designation for the balance of Option 1 contributions, the lump sum death benefit, or the balance of Temporary Annuity payments are automatically revoked. Once the designation is revoked, benefits will be paid to the statutory beneficiaries in the following sequence:

1. To the annuitant's spouse, or if none
2. To the annuitant's natural or adopted children, share and share alike, or if none
3. To the annuitant's parents, share and share alike, or if none
4. To the annuitant's brothers and sisters, share and share alike, or if none
5. To the annuitant's estate, if probated. If the estate does not require probate, benefits will be paid to the annuitant's surviving next of kin in the order prescribed by law.

A retired member may designate a new beneficiary by contacting CalPERS' Post Retirement Services Division to obtain a Beneficiary Designation (PERS-PRS-509) form, and by returning the completed form to CalPERS. **If the retired member wants his or her statutory beneficiary(ies) to receive the benefits payable, there is no need to file a PERS-PRS-509.**

However, filing PERS-PRS-509 may help us locate the person(s) upon the member's death.

For an explanation of the limited situations under which members may change their optional settlement of beneficiary designation after retirement, please see the

section entitled "Changing Optional Settlements and Beneficiary Designations".

A survivor or beneficiary who is receiving an allowance following the death of the retired member may designate a beneficiary to receive any unpaid allowance by requesting and filing a Designation for Beneficiary's or Survivor's Prorated Allowance (PERS-PRS-509B) form with CalPERS' Post Retirement Services Division. **Please reference the sample PERS-PRS-509 and PERS-PRS-509B forms on the following pages.**

QUALIFYING FOR POP-UP BENEFITS

Some retired members who elected the Option 2 or 3 allowance prior to January 1, 1990 may be entitled to an allowance increase if one of the following conditions occurs:

- (1) the Option 2 or 3 beneficiary spouse died on or after 1/1/90, and a copy of the death certificate was submitted to verify the event;
- (2) the Option 2 or 3 non-spouse beneficiary waives entitlement to the continuing monthly allowance on or after 1/1/93; or
- (3) the retired member files with the Board, on or after 1/1/94, a copy of his or her judgement regarding marriage dissolution or annulment or legal separation, whereby the member is awarded his or her total interest in CalPERS. (A Release BAS-343 may be used in lieu of a judgement.)

For individuals who retired prior to 1/1/90, the effective date and amount of the "pop-up" increase depend upon the following:

- (1) the member's retirement date and the date of the spouse's death,
- (2) the date CalPERS received the waiver from the non-spouse beneficiary, or
- (3) the date a judgement was filed awarding the member entire interest in his/her retirement benefits.

If the member was retired for 120 months or more prior to these events, no increase is payable.

BENEFICIARY DESIGNATION (AFTER RETIREMENT) CON'T.

When the retirement date is on or after 1/1/90, the member may be eligible for pop-up

- (1) if the Option 2 or 3 beneficiary (spouse or non spouse) died on or after 1/1/90 and a copy of the death certificate was submitted to verify the event;
- (2) if the Option 2 or 3 non-spouse beneficiary signed a waiver on or after 1/1/93; or
- (3) if the retired member selected Option 2 or 3 for his/her beneficiary spouse, was subsequently awarded the entire interest in his/her CalPERS benefits, and a judgement was filed on or after 1/1/94.

A member who retired on or after January 1, 1990 and who elected Option 2W or 3W is not entitled to any type of pop-up increase.

CHANGING OPTIONAL SETTLEMENTS AND BENEFICIARY DESIGNATIONS

1. A retired member who elected the Unmodified Allowance or Option 1:
 - a. May change the beneficiary for the retired member lump sum death benefit at any time.
 - b. May change the beneficiary for the balance of Option 1 or balance of Temporary Annuity at any time.
 - c. May name a spouse as beneficiary to receive an Option 2,3 or 4. However, if an election is not filed with CalPERS within 12 months of the date of marriage, the election will not be effective until 12 months after it is received by CalPERS. If either the member or the new beneficiary dies prior to the effective date of the election, the election will not be effective.
2. A retired member who elected Option 2, 3, or 4:
 - a. May change the beneficiary for the retired member lump sum death benefit at any time.
 - b. May change the beneficiary for the balance of temporary annuity at any time.
 - c. May change the optional beneficiary designation upon the optional beneficiary's

death. However, if an election is not filed with CalPERS within 12 months of the date of death, the election will not be effective until 12 months after it is received by CalPERS. If either the retired member or the new beneficiary dies prior to the effective date of the election, the election will not be effective.

- d. May choose a new optional beneficiary if the member marries and his or her former spouse was not named as beneficiary. This election must be filed with CalPERS within 12 months following marriage. The election's effective date will be the day following receipt of the election.

If an election is not made within 12 months of the qualifying event, the election will not be effective until 12 months after it is received by CalPERS.

- e. May change the optional beneficiary where the retired member, as part of a judgement of marriage dissolution or annulment or legal separation, was awarded total interest in the retirement system. However, if an election is not made within 12 months of the date of entry of the judgement, the election will not be effective until 12 months after it is received by CalPERS. If either the retired member or the new beneficiary dies prior to the effective date of the election, the election will not be effective.
- f. May revoke his or her beneficiary designation for a lifetime optional benefit in the event of a marriage annulment or dissolution, or a judgment awarding the entire community property interest in CalPERS benefits to the member. If the retired member's accumulated contributions exceed the total payments made to him or her to the date of death, the remaining balance of the accumulated contributions shall be paid to the member's estate or newly designated beneficiary. It is probable if more than 4 years have passed since the member's retirement date, no balance of contributions will be payable.

Changing an optional settlement will cause a reduction in the member's allowance.

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**INFORMATION AND INSTRUCTIONS FOR DESIGNATION
OF BENEFICIARY AFTER RETIREMENT**

A. This form is to be used by **RETIRED MEMBERS** only to designate a beneficiary for the benefits listed below. You may not name a beneficiary for a monthly allowance with this form.

- **The Lump Sum Death Benefit**
- **The Option 1 Balance**
- **The Balance of Temporary Annuity**

If you wish to name a different beneficiary for the Lump Sum and Option 1 or balance of Temporary Annuity, please request a second form.

B. If you wish to modify the optional settlement you elected at retirement, there are limited circumstances which may allow you to make a new election. Such an election will result in a reduction to your allowance. A new election may be made under the following circumstances:

- If, at retirement, you elected the Unmodified or Option allowance and you are married, you may elect to change your optional settlement in order to name your spouse as beneficiary for a monthly allowance.
- If, at retirement, you elected Option 2, 3, or 4, and your beneficiary dies, or, if you marry, or, if your spouse was named as beneficiary and you have since divorced, your marriage has been annulled, or you are legally separated and the judgement dividing the community property has awarded you total interest in your PERS retirement, you may elect to change your optional settlement.

You must make a specific request for a recalculation of option and provide your new beneficiary's birthdate to receive a new election document.

C. Retirement Law provides a member's marriage, dissolution or annulment of marriage, the birth or adoption of a child, **WILL AUTOMATICALLY REVOKE** any beneficiary designation for the benefits listed on the PERS-PRS-509. If no beneficiary designation is in effect on the date of death, lump sum death benefits payable will be paid to your survivors in the following order: 1) your spouse, 2) your children, 3) your parents, 4) your brothers and sisters, 5) your estate if probated. If your estate is payable but does not require probate, benefits will be paid to your surviving next of kin in the order prescribed by law.

D. Please use the attached form if you wish to designate a beneficiary other than the statutory beneficiaries listed above or in a different order. You may designate or change your beneficiary at any time by completing a new Beneficiary Designation form.

E. You may name as beneficiary any person, a corporation, or your estate. Payment cannot be made to an estate unless it is probated. You may designate a trust as beneficiary; however, you should provide the name of the trust, date of the trust, and the name and address where the trust is filed. Please do not designate the trustee by name as this is subject to change. You may designate your children or grandchildren, as a group. You may not designate a guardian to receive benefits for another person.

SEE REVERSE OF THIS PAGE FOR INSTRUCTIONS ON COMPLETING THIS FORM

PERS-PRS-509 (REV. 4/89)

INSTRUCTIONS

1. Prepare a rough draft list on scratch paper of who you wish to name, the relationship, social security number, and complete address. (The name must be the full given name, as "Mary Jane Smith", not "Mrs. John Edward Smith".)
2. Press firmly and print clearly with ball point pen or type all information requested. If you make an error, make the necessary correction by lining through the error and initialing the change. No erasures can be accepted.
3. Enter on the form the full name of your beneficiaries, relationship, social security number (if known), and the complete address for each. (If the form does not provide enough space, you may attach additional sheets provided you indicate whether you are designating "primary" or "secondary" beneficiaries.)
4. Sign the form in the presence of a witness (witness cannot be a named beneficiary) with your full name, as "John Edward Smith". Have the witness clearly sign the form.
5. Enter the date you signed the form and your current mailing address.
6. Mail original and duplicate of the completed form to the Public Employees' Retirement System at the address shown.
7. After review and processing, the payee copy will be returned for your records.

PLEASE NOTE:

The Beneficiary Designation may be invalid if the form contains erasures, if corrections are not initialed, or if the form is not dated. The effective date of the Beneficiary Designation is the date the completed form is received by the Retirement System.

INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the Public Employees' Retirement System to provide the following information to individuals 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 the 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 Appeals Board, State 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 PERS. 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 System. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, PERS, 400 P Street, P.O. Box 942702, Sacramento, California, 94229-2702.

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STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 P.O. BOX 942716
 SACRAMENTO, CA 94229-2716

BENEFICIARY DESIGNATION
 PERS-PRS-509 (Rev. 12/89)

Member's Full Name (Please Print)		FOR PERS USE ONLY Retirement Roll and Account Number	
Social Security Number	Birthdate	Telephone Number ()	

CHECK EITHER BOX 1 OR BOX 2. IF YOU CHECK BOX 2, INDICATE BENEFIT TYPE.

- I hereby designate the following person(s) who survive me, SHARE AND SHARE ALIKE, as BENEFICIARIES for any lump sum Death Benefits under the Public Employees' Retirement Law in the event of my death as a retired person.
(OR)
- I wish to designate separate beneficiaries for the various lump sum benefits that may be payable. This designation is for:
 - Lump Sum Death Benefit
 - Option 1 Balance
 - Temporary Annuity

PRIMARY BENEFICIARIES

First Name	Middle Name	Last Name	Relationship to Member	Social Security Number
Address		City	State	ZIP Code
First Name	Middle Name	Last Name	Relationship to Member	Social Security Number
Address		City	State	ZIP Code
First Name	Middle Name	Last Name	Relationship to Member	Social Security Number
Address		City	State	ZIP Code

SECONDARY BENEFICIARIES

In the event I survive the person(s) named above, I hereby designate the following person(s) who survive me, SHARE AND SHARE ALIKE, as BENEFICIARIES.

First Name	Middle Name	Last Name	Relationship to Member	Social Security Number
Address		City	State	ZIP Code
First Name	Middle Name	Last Name	Relationship to Member	Social Security Number
Address		City	State	ZIP Code

Should I survive all of the persons named above, I understand that the benefits payable on account of my death will be paid to my statutory beneficiaries, or to such other beneficiary or beneficiaries that I may hereafter designate in writing to the PERS Board of Administration, all in accordance with the applicable provisions of law BY THIS BENEFICIARY DESIGNATION, I HEREBY REVOKE ANY PREVIOUS DESIGNATION I HAVE FILED. I UNDERSTAND THAT MY MARRIAGE, DISSOLUTION OR ANNULMENT OF MY MARRIAGE, OR THE BIRTH OR ADOPTION OF A CHILD SUBSEQUENT TO THE DATE I EXECUTE THIS FORM WILL AUTOMATICALLY VOID THIS DESIGNATION.

MEMBER		SPOUSE'S ACKNOWLEDGMENT*	
Signature (Member's Full Name)	Date	BY SIGNING THIS BENEFICIARY DESIGNATION FORM, I ACKNOWLEDGE I AM AWARE OF THE DESIGNATION MADE BY MY SPOUSE. I ALSO HEREBY STATE I AM THE CURRENT SPOUSE.	
Address		Signature of Spouse	Date
City	State	ZIP Code	Date of Marriage

* NOTE: IF SPOUSE DOES NOT SIGN, the attached form, PRS-800, must be completed and returned with this beneficiary design.

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STATE OF CALIFORNIA
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 P.O. BOX 942718
 SACRAMENTO, CA 94229-2718
 STATEMENT OF REASON FOR ABSENCE
 SPOUSE'S SIGNATURE ON PERS-PRS-509
 PERS-PRS-800 (09/89)

FOR PERS USE ONLY		
Member's Full Name (Please Print)		Retirement Roll and Account Number
Social Security Number	Birthdate	Telephone Number ()

UNDER CALIFORNIA GOVERNMENT CODE SECTION 21261, THE CURRENT SPOUSE OF A RETIRED PERS MEMBER MUST BE MADE AWARE OF ANY CHANGE OF BENEFICIARY MADE BY THE RETIRED MEMBER.

WHEN THE SPOUSE'S SIGNATURE DOES NOT APPEAR ON THE DOCUMENT FILED WITH PERS TO RECORD A CHANGE IN BENEFICIARY DESIGNATION, A STATEMENT MUST BE FILED GIVING AN EXPLANATION FOR THE ABSENCE OF THE SPOUSE'S SIGNATURE.

**STATEMENT OF REASON FOR ABSENCE OF SPOUSE'S SIGNATURE
 ON BENEFICIARY DESIGNATION FORM, PERS-PRS-509**

I, (Name) _____, have submitted a Designation of Beneficiary After Retirement Form, PERS-PRS-509, dated _____ that will affect payment of death benefits. There is no signature in the Spouse's Signature Acknowledgement block for the reason indicated below:

I AM NOT LEGALLY MARRIED.

- Please enter explanation: I have never been married.
 I am divorced or my marriage was annulled.
 Date marriage ended: _____
 My spouse is deceased. Date of Death: _____

NOTE: If you are divorced or your spouse is deceased and PERS has not been furnished with a copy of the court order or death certificate, please provide PERS with a copy for placement in your file.

I AM MARRIED, BUT MY SPOUSE DID NOT SIGN THE FORM FOR THE REASON CHECKED BELOW:

- My spouse has been advised of my intent to change my beneficiary and has refused to sign the Beneficiary Designation Form, PERS-PRS-509.
- The whereabouts of my spouse is unknown. I have made every reasonable attempt to determine his/her whereabouts, but have been unable to locate him/her.
- My spouse is incapable of signing the beneficiary designation form because of an incapacitating mental or physical condition.
- My spouse has no identifiable community property interest in the benefit.
- My spouse and I have executed a marriage settlement agreement which under the Civil Code makes the community property law inapplicable to our marriage.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT.

SIGNATURE: _____ DATE: _____

THIS FORM MUST BE COMPLETED IF BENEFICIARY DESIGNATION DOES NOT CONTAIN SPOUSE'S SIGNATURE





**INFORMATION AND INSTRUCTION FOR DESIGNATION OF BENEFICIARY FORM
FOR PRO-RATED ALLOWANCE**

This form should only be used by a survivor or beneficiary of a retired PERS member to designate a beneficiary for the prorated allowance payment due upon their death.

The possible small amount of the benefit should be considered when naming a beneficiary.

NOTE: The prorated allowance is based on the number of days the benefit recipient was living. For example, if death occurs on March 15, the prorated allowance is 15/31 of the normal monthly benefit payable on April 1. Special quarterly increases are not included.

The Retirement Law provides that this designation is **NOT** revoked by any action other than the filing of another designation. If no beneficiary designation is in effect on the date of death the prorated benefit payable will be paid to your survivors in the following order:

- | | |
|-----------------------------|--|
| 1.) your probated estate, | 6.) step-children, |
| 2.) your spouse, | 7.) grandchildren, including step-grandchildren, |
| 3.) your children, | 8.) nieces & nephews, |
| 4.) your parents, | 9.) great grandchildren, or |
| 5.) your brother & sisters, | 10.) cousins |

Please use the attached form if you wish to designate a beneficiary or beneficiaries other than the statutory beneficiaries shown above, or in a different order. You may designate or change the beneficiaries you name at any time by completing a new Beneficiary Designation form.

You may name as beneficiary any person, a corporation, or your estate. Payment cannot be made to an estate that is not probated. You may designate a trust as your beneficiary; however, you should provide the name of the trust, date of trust, and the name and address where the trust is filed. We ask you not to designate the trustee by name as this is subject to change. Also, under request to the System, you may name your children or grandchildren as a group or class. You may not name or designate a guardian to receive the benefits for another person by use of this document.

SEE REVERSE SIDE OF THIS PAGE FOR INSTRUCTIONS ON COMPLETING THIS FORM

INSTRUCTIONS

1. Prepare a rough draft list on scratch paper of who you wish to name, the relationship, social security number, and complete address. (The name must be the full given name, as "Mary Jane Smith", not "Mrs. John Edward Smith".)
2. Press firmly and print clearly with ball point pen or type all information requested. If you make an error, make the necessary correction by lining through the error and initialing the change. No erasures can be accepted.
3. Check either Box 1 or Box 2. **Do not** check the benefit types listed under Box 2 if you check Box 1.
 - The Lump Sum Death Benefit is payable for most retired members.
 - Option 1 Balance is only payable if you elected Option 1. It is the return of any contributions not used to fund your benefit.
 - Temporary Annuity Balance is only payable if you chose to receive a temporary annuity based on your Social Security Benefit at age 62 or 65 and have not yet attained age 62 or 65.
4. Enter on the form the full name of your beneficiaries, relationship, social security number (if known), and the complete address for each. (If the form does not provide enough space, you may attach additional sheets provided you indicate whether you are designating "primary" or "secondary" beneficiaries. You should also indicate on the beneficiary designation form, PERS-509, that you have attached an additional sheet.)
5. Your spouse must sign your designation form to acknowledge being aware of the change of beneficiary you have made. **IMPORTANT:** If you are unable to obtain a spouse's signature, you must complete and return the attached form, PERS-800, Statement of Reason for Absence of Spouse's signature on PERS-PERS-509.
6. Sign the form. Enter the date you signed the form and your current mailing address.
7. Mail original and duplicate of the completed form to the Public Employees' Retirement System at the address shown.
8. After review and acceptance, the member copy will be returned for your records.

PLEASE NOTE: Your Beneficiary Designation cannot be processed without your spouse's signature or the completed Statement of Reason for Absence of Spouse's signature, PERS-800. The Beneficiary Designation may be invalid if the form contains erasures, if corrections are not initialed, or if the form is not dated. The effective date of the Beneficiary Designation is the date the completed form is received by the Retirement System. If you are legally separated, or divorced, check to be sure your beneficiary designation does not violate the terms of your marital settlement agreement. If it does, your beneficiary designation may be invalid.

INFORMATION PRACTICES STATEMENT

The Information Practices Act of 1977 and the Federal Privacy Act require the Public Employees' Retirement System to provide the following information to individuals 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 the 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 Appeals Board, State 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 PERS. 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 System. For questions concerning your rights under the information Practices Act of 1977, please contact the Information Coordinator, PERS, 400 P Street, P. O. Box 942702, Sacramento, California, 94229-2702.

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State of California
BENEFICIARY DESIGNATION
Designation For Beneficiary's or Survivor's Prorated Allowance

TO: Board of Administration
Public Employees' Retirement System
P.O. Box 942716
Sacramento, CA 94229-2716

FOR PERS USE ONLY

FROM: _____
Name

Deceased Member's Name

Social Security Number

Member's Social Security Number

Section 21204.5 of the California Government Code permits a person receiving a monthly allowance from PERS, as a beneficiary or survivor of a deceased PERS member, to designate a beneficiary to receive the prorated allowance which may become payable upon his/her death.

PRIMARY BENEFICIARY

I hereby designate the following person, if he/she survives me, to receive payment of any prorated allowance which may be payable upon my death.

FIRST NAME	MIDDLE NAME	LAST NAME	RELATIONSHIP	SOCIAL SECURITY #
ADDRESS (NO. & STREET)				
		CITY	STATE	ZIP CODE

SECONDARY BENEFICIARY

In the event I survive the person named above, I hereby designate the following person, if he/she survives me, to receive payment of any prorated allowance which may become payable upon my death.

FIRST NAME	MIDDLE NAME	LAST NAME	RELATIONSHIP	SOCIAL SECURITY #
ADDRESS (NO. & STREET)				
		CITY	STATE	ZIP CODE

Should I survive all persons named above, I understand the prorated allowance, if any, will be paid to my estate if probated. If my estate is not probated, the prorated allowance, if any, will be paid to my surviving next of kin in the order prescribed by law.

SIGNATURE

SIGNATURE OF WITNESS

ADDRESS (NO. & STREET)

DATE

CITY STATE ZIP CODE

PERS-PRS-509B (3/88)

BENEFICIARY'S PRORATA DESIGNATION

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DEATH OF A RETIREE

Immediately upon learning of the death of a retiree, the agency should provide the System with the name, birthdate, Social Security number, and date of death of the deceased, as well as the names, relationships, and addresses of the next of kin. A written or telephone communication detailing this information is acceptable for death notification provided it is given by a responsible official of the agency concerned. **A Form PERS-BAS-738 SHOULD NOT be submitted for a retired person's death.**

INFORMATION FOR FAMILY OF DECEASED

When a CalPERS retiree dies, there are several important steps a spouse or family member can take to help assure prompt payment of any benefits payable by CalPERS.

The first step is to notify CalPERS, Post-Retirement Services' Telephone Information Center, by telephone at 1 (800) 352-2238 or (916) 326-3848 or by letter. We will need the following information:

1. Name and Social Security number of deceased retiree.
2. The date of death.
3. Name, address, and telephone number of person providing notice of death.
4. Name, address, and telephone number of surviving spouse, other next of kin, or the person who will be settling the estate.

The second step is to accumulate documentation. The System will ask for:

1. A copy of the death certificate.
2. If the member's estate is to be paid any death benefits, letters of administration must be submitted by the executor of the estate.
3. Other documents which are not included in the member file such as marriage certificates or birth certificates.

The third step is completing the "Claimant Statement and Survivor Questionnaire" form that is sent by

CalPERS (See copy on following pages). This form is used to determine whether any event has occurred to invalidate the beneficiary designation or to identify persons who might be beneficiaries by law. It is a formal application to receive payment of death or survivor benefits determined payable by CalPERS. The person completing this form is certifying that he/ she is the person identified therein. This form should be completed in full and returned to CalPERS with the other documentation, death certificate, marriage certificate, newspaper clipping, etc.) as quickly as possible. Enclosed with the "Claimant Statement and Survivor Questionnaire" form will be a "Withholding Tax Election-Death Benefits" form so an election may be made for Federal and State Tax withholding (See copy on following pages).

HEALTH INSURANCE

If the beneficiary or survivor is entitled to continue coverage under the Public Employees' Medical and Hospital Care Act, as administered by CalPERS, the coverage will be continued automatically. A "Health Benefits Plan Enrollment Form" (HBD-12) is completed by CalPERS and a copy will be sent to the beneficiary or survivor.

WARRANTS ISSUED AFTER RETIREE'S DEATH

All checks or retirement warrants issued (dated) after the retiree's death should be promptly returned to the System.* If warrants have been mailed to a bank for direct deposit to the retiree's account, a check for the full amount of warrants issued after the retiree's death should be sent to the System. Any allowance accrued but unpaid prior to the retiree's death will be paid to the eligible beneficiary.

* Unless the CalPERS representative specifically tells the surviving spouse the payments do not need to be returned.

California Public Employees' Retirement System
Post Retirement Services Division
Post Office Box 1652 (400 P Street)
Sacramento, California 95812-1652
(916) 326-3848 or (800) 352-2238
TDD (916) 326-3240; FAX (916) 326-3933

Name of Deceased _____
Social Security Number _____
Date of Death _____

Claimant Statement/ Survivor Questionnaire - Death Of CalPERS Payee

This Box Must Be Completed

I hereby certify under penalty of perjury under the laws of the State of California that the information provided by me is correct to the best of my knowledge. I also hereby claim any benefits to which I may be entitled. I understand that completing this document does not necessarily entitle me to benefits.

Name (Please print) _____ Phone () _____

Signature _____ Date _____

Social Security Number _____ Relationship to deceased _____

Address for payment: Street _____ City _____ State _____ Zip _____

Address for other correspondence: Street _____ City _____ State _____ Zip _____

Continue Direct Deposit Yes No Account No. _____ Routing No. _____

If there is a surviving spouse or children, complete only Section I. If there is no spouse or children, please complete Sections I and II.

SECTION I

1. Will the estate of the deceased require probate? Yes No Don't Know

Did the Deceased Leave a Will? Yes No Don't Know

Executor/Administrator _____ Phone () _____

Address _____

Attorney Handling Probate _____ Phone () _____

Address _____

2. Was the deceased a member of another public retirement system in California? (i.e. STRS, UCRS, County, or City Retirement System) Yes No Don't Know

Name of System _____

Section I - continued on back

PERS-PRS-97 (11/96)

Complete And Return To CalPERS Promptly

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3. Was the deceased married on the date of death?

Yes No Don't Know

★ If Yes, give spouse's name, telephone number, address, date of birth and date of marriage.

Spouse's Name _____ Phone () _____

Spouse's Address _____

Spouse's Date of Birth _____ Date of Marriage _____

★ If No, REASON: Never Married Spouse Deceased _____ Divorced/Other _____
Date Date

4. Was the deceased survived by Natural or Adopted children?

Yes No Don't Know

★ If Yes, How Many? _____

Give name, birthdate, address, telephone number and indicate if child was disabled prior to attaining age 18 below. (Note: A child of the deceased adopted by another MAY be eligible for payment. Please include any such child in the list of children.)

★ If No, Reason: Never Had Children All Children Predeceased

Natural or Legally Adopted Children

Provide as much information as you know. If there are more than three children, please attach a sheet of paper and list the remaining children. The same information as requested on this sheet should be provided. Information about other next of kin should be entered in Section II / Next of Kin.

Name _____ Phone () _____
Street _____ City _____ State _____ Zip _____
Disabled Prior to 18? Yes No Birthdate _____
If under age 18 or disabled, who has care or custody of this child?
Name _____ Phone () _____
Street _____ City _____ State _____ Zip _____

Name _____ Phone () _____
Street _____ City _____ State _____ Zip _____
Disabled Prior to 18? Yes No Birthdate _____
If under age 18 or disabled, who has care or custody of this child?
Name _____ Phone () _____
Street _____ City _____ State _____ Zip _____

Name _____ Phone () _____
Street _____ City _____ State _____ Zip _____
Disabled Prior to 18? Yes No Birthdate _____
If under age 18 or disabled, who has care or custody of this child?
Name _____ Phone () _____
Street _____ City _____ State _____ Zip _____

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Claimant Statement/Survivor Questionnaire

Name of Deceased _____
Social Security Number _____

SECTION II / Next Of Kin

5. Was the deceased survived by a parent or parents?

Yes No Don't Know

★ If Yes, how many? Give name, address and telephone number.

Name _____ Address _____ Phone () _____

Name _____ Address _____ Phone () _____

6. Was the deceased survived by any brothers and/or sisters?

Yes No Don't Know

★ If Yes, how many? _____ Give name, address, telephone number and birthdate on the back of this form.

7. Was the deceased survived by any stepchildren having a parent/child relationship with the deceased?

Yes No Don't Know

★ If Yes, how many? _____ Give name, address, telephone number and birthdate on the back of this form.

8. Was the deceased survived by any grandchildren (including step-grandchildren)?

Yes No Don't Know

★ If Yes, how many? _____ Give name, address, telephone number and birthdate on the back of this form.

9. Was the deceased survived by nieces and/or nephews?

Yes No Don't Know

★ If Yes, how many? _____ Give name, address, telephone number and birthdate on the back of this form.

10. Was the deceased survived by great-grandchildren?

Yes No Don't Know

★ If Yes, how many? _____ Give name, address, telephone number and birthdate on the back of this form.

11. Was the deceased survived by cousins?

Yes No Don't Know

★ If Yes, how many? _____ Give name, address, telephone number and birthdate on the back of this form.

12. Did the deceased prepay his/her own funeral expenses?

Yes No Don't Know

★ If No, give name, address and phone number of person who paid funeral expenses.

Name _____ Address _____ Phone () _____

PERS-PRS-97 (8/95)

Complete And Return Entire Form To CalPERS

Other Next Of Kin

It is only necessary to enter information for the first category of next of kin in which there are persons who were living at the time of the death of the CalPERS benefit recipient. Be sure to indicate the relationship of the persons you list below (Brothers/Sisters, Stepchildren, Grandchildren, Nieces/Nephews, Great grandchildren, Cousins.)

Relationship To Deceased _____

Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____
If under age 18, enter birthdate _____	Who has custody of this child? _____
Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____

Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____
If under age 18, enter birthdate _____	Who has custody of this child? _____
Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____

Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____
If under age 18, enter birthdate _____	Who has custody of this child? _____
Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____

Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____
If under age 18, enter birthdate _____	Who has custody of this child? _____
Name _____	Phone (____) _____
Street _____	City _____ State _____ Zip _____

If there are additional next-of-kin with this same relationship, please attach a sheet of paper and list the remaining persons, providing this same information.

If you were required to complete Section II because there was no spouse or children, it must be returned with Section I.

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Post Retirement Services Division

Post Office Box 1652
Sacramento, CA 95812-1652
(916) 326-3848; (800) 352-2238
TDD - (916) 326-3240; FAX (916)326-3933

**COMPLETING THE TAX WITHHOLDING ELECTION
FOR SPOUSE/EX-SPOUSE CLAIMING DEATH BENEFITS**

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

A CalPERS monthly allowance is treated as payroll wages. Federal income tax will be withheld based on the rate of married person claiming three exemptions **unless** you complete the attached document to elect no withholding, elect a flat amount withheld or elect a different marital status or number of exemptions. If no election is submitted and the rate of married with three exemptions is used, no Federal tax will be withheld if the gross monthly payment is less than \$1,200.01 *. If you are a resident of the State of California, State income tax also will be withheld based on the rate of married person claiming three exemptions **unless** you elect no withholding, elect a flat amount withheld or elect a different marital status or number of exemptions. If you live in California and no election for State withholding is submitted and the rate of married with three exemptions is used, no taxes will be withheld if the gross payment is less than \$1,668.17 *. * Amounts are based on 1997 tax tables.

DIRECT ROLLOVER TO AN IRA

Under section 402(f) of the Internal Revenue Code, special tax rules apply to eligible rollover distributions. Please consult a tax advisor before making your tax election for the CalPERS benefits described below.

OPTION ONE AND TEMPORARY ANNUITY PAYMENTS

The Option One and Temporary Annuity benefits are payable as eligible rollover distributions. If a **spouse or ex-spouse** is beneficiary for these payment options, Federal taxes will be withheld at a rate of **20 percent** of the **taxable portion** of the benefit, **unless** the spouse/ex-spouse elects to have the **taxable portion** of these benefits rolled into an Individual Retirement Account (IRA). Failure to submit an election will result in CalPERS automatically withholding **20 percent** Federal tax.

You will need to make an election indicating whether or not you wish to have California State taxes withheld at the rate of **3 percent** of the taxable portion of the benefit. If you reside in California and do not make an election, CalPERS will automatically withhold **3 percent** for State taxes.

RETIRED DEATH BENEFIT

The Retired Death Benefit is a fully taxable, employer paid benefit. Federal tax will be withheld at a rate of **20%** unless an election is made to have the benefit paid directly to an IRA account. Failure to submit an election will result in CalPERS automatically withholding **20%** Federal tax.

You will need to make an election indicating whether or not you wish to have California State taxes withheld at the rate of **3 percent** of the benefit. If you reside in California and do not make an election, CalPERS will automatically withhold **3 percent** for State taxes.

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SPOUSE / EX-SPOUSE

Post Retirement Services Division
Post Office Box 1652
Sacramento, CA 95812-1652
(916) 326-3848; (800) 352-2238
TDD (916) 326-3240; FAX (916) 326-3933

NAME OF DECEASED _____

MEMBER SS# _____

TAX WITHHOLDING ELECTION FOR DEATH BENEFITS

You may be eligible to receive a death benefit payment. Please read the enclosed tax information and complete this form. Failure to return this form will result in taxes being withheld at the rate prescribed by law.

CAUTION: There are penalties for not paying enough taxes during the tax year. Estimated tax requirements and penalties are explained in Publication 505. Send your request for this publication to: Internal Revenue Service, P O Box 12626, Fresno, CA 93778.

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

FEDERAL TAX ELECTION

- I DO NOT elect to have federal tax withheld from my benefit payment(s).
- I elect to have federal tax withholdings of...
Marital Status: ___ Married ___ Exemptions
 ___ Single ___ Exemptions
In addition, I elect to have the following federal tax withheld _____ .00.
- I elect to have the following flat amount of federal tax withheld _____ .00.

CALIFORNIA STATE TAX ELECTION

- I DO NOT elect to have state tax withheld from my benefit payment(s).
- I elect to have state tax withholdings of...
Marital Status: ___ Married ___ Exemptions
 ___ Single ___ Exemptions
In addition, I elect to have the following state tax withheld _____ .00.
- I elect to have the following flat amount of state tax withheld _____ .00.
- Withhold State of California income tax in the amount of 10% of the amount withheld for federal income tax withholding.

OPTION ONE AND TEMPORARY ANNUITY PAYMENTS

FEDERAL TAX ELECTION

- I DO NOT wish to have the taxable portion of the lump sum benefit rolled into an IRA account and understand 20% federal tax will be withheld.
- I elect to have the taxable portion of the lump sum benefit rolled into the following IRA account.

Financial Institution _____
Plan Name _____
Account Number _____
Address of Institution _____

CALIFORNIA STATE TAX ELECTION

- I DO NOT elect to have state tax withheld from my lump sum benefit payment.
- I elect to have state tax withheld from my lump sum benefit payment.

RETIRED DEATH BENEFIT PAYMENT

FEDERAL TAX ELECTION

- I DO NOT wish to have the taxable portion of the retired death benefit rolled into an IRA account and understand 20% federal tax will be withheld.
- I elect to have the taxable portion of the retired death benefit rolled into the following IRA account.

Financial Institution _____
Plan Name _____
Account Number _____
Address of Institution _____

CALIFORNIA STATE TAX ELECTION

- I DO NOT elect to have state tax withheld from my retired death benefit payment.
- I elect to have state tax withheld from my retired death benefit payment.

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TAX AND INCOME REPORTING INFORMATION

Statement of Benefits Paid and Withholding: Every January, CalPERS provides each beneficiary with a statement showing the gross amount(s) of the benefits paid during the previous calendar year and the amount of income tax withheld, if any. Most payments made by CalPERS are reported to the IRS and California Franchise Tax Board. Questions about the taxability of CalPERS benefits should be directed to the IRS, the California Franchise Tax Board or your tax advisor.

Taxpayer Identification Number: Section 6109 of the IRS Code requires recipients of reportable payments to furnish the Taxpayer Identification Numbers (TINS). Your Social Security number (or Employer ID number, for a trust or organization) must be furnished to CalPERS even if you are not required to file a tax return.

Notice of Possible Penalties: If you elect not to have Federal tax and/or California State tax withheld, or if you do not have enough Federal or California State tax withheld, you may be responsible for payment of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. IRS Publication 505, TAX WITHHOLDING AND ESTIMATED TAX, provides additional information.

Changing a Tax Withholding Election: Once you file a tax withholding election for a monthly benefit, it will remain in effect until you file another election to revoke the original by completing a W-4P form for Federal tax and DE-4P form for State tax and submitting it to CalPERS. These forms can be obtained by contacting CalPERS.

Non-California Residents: Generally, these benefits are not subject to California State tax unless the beneficiary lives in California when payment is made. If you do not live in California, no State tax will be withheld unless you made an election for State withholding. If you are unsure whether you will be subject to California State taxes, please contact the California Franchise Tax Board or seek the advice of a qualified tax consultant.

- NOTICE -

Withholding of taxes is compulsory for spouse/ex-spouse beneficiaries. To insure your wishes are carried out, please complete and return the Tax Withholding Election for Death Benefits, PRS-281a.

PERS-PRS-282a



Post Retirement Services Division
Post Office Box 1652
Sacramento, CA 95812-1652
(916) 326-3848; (800) 352-2238
TDD - (916) 326-3240; FAX (916)326-3933

**COMPLETING THE TAX WITHHOLDING ELECTION
FOR NON-SPOUSE CLAIMING DEATH BENEFITS**

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

A CalPERS monthly allowance is treated as payroll wages. Federal income tax will be withheld based on the rate of married person claiming three exemptions **unless** you complete the attached document to elect no withholding, elect a flat amount withheld or elect a different marital status or number of exemptions. If no election is submitted and the rate of married with three exemptions is used, no Federal tax will be withheld if the gross monthly payment is less than \$1,200.01*.

If you are a resident of the State of California, State income tax also will be withheld based on the rate of married person claiming three exemptions **unless** you elect no withholding, elect a flat amount withheld or elect a different marital status or number of exemptions. If you live in California and no election for State withholding is submitted and the rate of married with three exemptions is used, no taxes will be withheld if the gross payment is less than \$1,668.17*.

* Amounts are based on 1997 tax tables.

OPTION ONE AND TEMPORARY ANNUITY PAYMENTS

If an Option One and/or Temporary Annuity benefit is payable to you as beneficiary and you are not the member's spouse (or ex-spouse), you will need to elect whether or not you wish to have taxes withheld. If elected, federal taxes will be withheld at a rate of **10 percent** of the **taxable portion** of the benefit. CalPERS will automatically withhold **10 percent** federal tax if you fail to submit a federal withholding election.

You will need to make an election indicating whether or not you wish to have California State taxes withheld at the rate of **3 percent** of the taxable portion of the benefit. If you reside in California and do not make an election, CalPERS will automatically withhold **3 percent** for State taxes.

RETIRED DEATH BENEFIT

The Retired Death Benefit is a fully taxable, employer paid benefit. Tax withholding is voluntary. If elected, federal taxes will be withheld at a rate of **10 percent** of the Retired Death Benefit. If no election is received, federal law requires CalPERS withhold **10 percent** of the full amount of this benefit.

You will need to make an election indicating whether or not you wish to have California State taxes withheld at the rate of **3 percent** of the benefit. If you reside in California and do not make an election, CalPERS will automatically withhold **3 percent** for State taxes.

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NON-SPOUSE

Post Retirement Services Division
Post Office Box 1652
Sacramento, CA 95812-1652
(916) 326-3848; (800) 352-2238
TDD (916) 326-3240; FAX (916) 326-3933

NAME OF DECEASED: _____

MEMBER SS#: _____

TAX WITHHOLDING ELECTION FOR DEATH BENEFITS

You may be eligible to receive a death benefit payment. Please read the enclosed tax information and then complete this form. Failure to return this form will result in taxes being withheld at the rate prescribed by law.

CAUTION: There are penalties for not paying enough taxes during the tax year. Estimated tax requirements and penalties are explained in Publication 505. Send your request for this publication to: Internal Revenue Service, PO Box 12626, Fresno, CA 93778.

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

FEDERAL TAX ELECTION

- I DO NOT elect to have federal tax withheld from my benefit payment(s).
- I elect to have federal tax withholdings of...
Marital Status:
____ Single ____ Exemptions
____ Married ____ Exemptions

In addition, I elect to have the following federal tax withheld _____ .00.

- I elect to have the following flat amount of federal tax withheld _____ .00.

CALIFORNIA STATE TAX ELECTION

- I DO NOT elect to have state tax withheld from my benefit payment(s).
- I elect to have state tax withholdings of...
Marital Status:
____ Single ____ Exemptions
____ Married ____ Exemptions

In addition, I elect to have the following state tax withheld _____ .00.

- I elect to have the following flat amount of state tax withheld _____ .00.
- Withhold State of California income tax in the amount of 10% of the amount withheld for federal income tax withholding.

OPTION ONE AND TEMPORARY ANNUITY PAYMENTS

FEDERAL TAX ELECTION

- I DO NOT elect to have federal tax withheld from my benefit payment.
- I elect to have federal tax withheld from my benefit payment.

CALIFORNIA STATE TAX ELECTION

- I DO NOT elect to have state tax withheld from my benefit payment.
- I elect to have state tax withheld from my benefit payment.

RETIRED DEATH BENEFIT PAYMENT

FEDERAL TAX ELECTION

- I DO NOT elect to have federal tax withheld from my benefit payment.
- I elect to have federal tax withheld from my benefit payment.

CALIFORNIA STATE TAX ELECTION

- I DO NOT elect to have state tax withheld from my benefit payment.
- I elect to have state tax withheld from my benefit payment.

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TAX AND INCOME REPORTING INFORMATION

Statement of Benefits Paid and Withholding: Every January, CalPERS provides each beneficiary with a statement showing the gross amount(s) of the benefits paid during the previous calendar year and the amount of income tax withheld, if any. Most payments made by CalPERS are reported to the IRS and California Franchise Tax Board. Questions about the taxability of CalPERS benefits should be directed to the IRS, the California Franchise Tax Board or your tax advisor.

Taxpayer Identification Number: Section 6109 of the IRS Code requires recipients of reportable payments to furnish the Taxpayer Identification Numbers (TINS). Your Social Security number (or Employer ID number, for a trust or organization) **must** be furnished to CalPERS even if you are not required to file a tax return.

Notice of Possible Penalties: If you elect **not** to have Federal tax and/or California State tax withheld, or if you do not have enough Federal or California State tax withheld, you may be responsible for payment of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. IRS Publication 505, TAX WITHHOLDING AND ESTIMATED TAX, provides additional information.

Changing a Tax Withholding Election: Once you file a tax withholding election for a monthly benefit, it will remain in effect until you file another election to revoke the original by completing a W-4P form for Federal tax and DE-4P form for State tax and submitting it to CalPERS. These forms can be obtained by contacting CalPERS.

Non-California Residents: Generally, these benefits are not subject to California State tax unless the beneficiary lives in California when payment is made. If you do not live in California, no State tax will be withheld unless you made an election for State withholding. If you are unsure whether you will be subject to California State taxes, please contact the California Franchise Tax Board or seek the advice of a qualified tax consultant.

- NOTICE -

Electing to withhold taxes is voluntary for non-spouse beneficiaries. To insure your wishes are carried out, please complete and return the Tax Withholding Election for Death Benefits, PRS-281.

PERS-PRS-282

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Information Practices Statement

The Information Practices Act of 1977 and the Federal Privacy Act require the California Public Employees' Retirement System to provide the following information to individuals 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 the information may result in the System being unable to perform its functions regarding the death benefits payable. 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, Worker's Compensation Appeals Board, State

Compensation Insurance Fund, County District Attorney, 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.

The beneficiary has the right to review the membership file of the deceased maintained by the System. Any person determined not to be the beneficiary may review any documents he/she submitted. For questions concerning your rights under the Information Practices Act of 1977, please contact the Information Coordinator, CalPERS, 400 P Street, P.O. Box 942702, Sacramento, California 94229-2702.



**NEW CalPERS PROGRAMS
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CalPERS DEFERRED COMPENSATION PROGRAM

Deferred compensation is an employer-sponsored benefit which allows the employees of an employer to defer a portion of pretax salary and direct how the deferral is invested. Both the deferral and the earnings on investment are shielded from income tax until the money is taken, usually in retirement.

Legislation enacted in 1991 granted the CalPERS board authority to develop a deferred compensation program for offer to public agencies and their participating employees. This authority allows CalPERS to offer any federally sanctioned retirement savings plan, including a deferred compensation plan qualified under Section 457 of the Internal Revenue Code.

After three years of research and development, CalPERS has developed a program that leverages the economies of scale inherent in the \$80 billion public retirement system. The CalPERS 457 Program provides state-of-the-art deferred compensation services at a low cost to participating public employees.

THE PROGRAM FEATURES:

- investment options designed specifically for retirement savings and managed under CalPERS supervision
- state-of-the-art customer services
- comprehensive administrative services including custody, recordkeeping, management, and marketing
- a simplified fee structure

The investment options include:

1. Money Market Fund
2. Stable Fixed Income Fund
3. Bond Fund
4. Actively Managed, Large Cap Equity Fund
5. S&P 500 Equity Index Fund

6. Actively Managed, Small Cap Equity Fund

7. International Equity Fund

8. Asset Allocation Fund

The funds are invested by a combination of in-house staff and external investment managers currently affiliated with the retirement system. This capitalizes on CalPERS' economies of scale by employing the investment management expertise of CalPERS' staff, augmented by the use of external investment managers under CalPERS' supervision. This allows the program to offer institutionally managed funds with significantly lower management fees, compared to retail mutual funds, and pass those savings along to participants. It also gives CalPERS overall control over the program and management of the funds.

State Street Bank and Trust has been retained as the program administrator to provide custody, recordkeeping and general administrative services, including marketing, communications, enrollment, and customer service. Plan services are state-of-the-art and include:

- Daily processing and daily fund transfer capabilities.
- Live customer service representatives with full access to on-line information.
- Automated Voice Response System which can be used to do all transactions 24 hours a day, including changes to investments, contributions, and enrollments.
- Educational and promotional materials for the employer and employee.
- Service representatives available to conduct meetings and enroll or counsel participants and employers at the employer's location.

CalPERS DEFERRED COMPENSATION PROGRAM

The fee structure for the program is simple with no hidden charges. There are no front or back-end sales charges, transaction charges or fixed fees. Depending on the specific investment funds selected by an individual, most participants will pay total fees of less than 1 percent.

Administration Fees:

Plan Sponsor Fee: .05% of assets

Plan Administration Fee: .65% of assets

Administration Subtotal

.70%

Investment Advisory Fees:

Stable Fixed Income Fund .20% of assets

Money Market Fund: .12% of assets

Bond Fund .14% of assets

S & P 500 Equity Index Fund .16% of assets

Large Cap Equity Fund .17% of assets

Small Cap Equity Fund .24% of assets

International Equity Fund .20% of assets

Asset Allocation Fund

Conservative Portfolio .2395% of assets

Moderate Portfolio .2043% of assets

Agressive Portfolio .2296% of assets

Investment Management Subtotal

.12% to .24%

For further information please call 1-800-699-7377

LONG-TERM CARE

Definition: Long-term care is the extended care one would need as a result of a chronic illness, serious accident or frailty of advanced age. Long-term care can be required by people at any age who are unable to perform some of the usual activities of daily living, such as bathing or dressing.

What CalPERS is Offering: An innovative long-term care program, more comprehensive and affordable than comparable plans available today. It is the nation's first self-funded long-term care program offered on a not-for-profit basis. The program consists of three plans with various options.

Who Can Apply: All California public employees and retirees, their spouses, parents and parents-in-law are eligible to apply for coverage.

When: The 1997 Application Period will be from **April 1, 1997 through June 30, 1997.**

To Request Enrollment Kit: Individuals should call 1-800-266-1050.

Employees and Retirees are not Covered: Medicare, medi-gap and other health insurance plans do not cover long-term care for chronic, disabling conditions. They are designed to pay for hospital and doctor's care. They only pay for a few weeks or months of the skilled care one might need after a hospital stay—not the extended care one would need as a result of a chronic illness, serious accident or frailty of advanced age. Half of all long-term care is paid out-of-pocket by individuals needing care. Medi-Cal only pays once the individual has exhausted his or her own resources paying for care.

What's the Risk? Chances are, many of us will need some type of long-term care. Six out of ten Americans over age 65 will need some form of long-term care. That care can be expensive. One year in a nursing home can cost over \$40,000 and care at home can cost \$20,000 or more annually. The average nursing home stay costs over \$100,000. And long-term care can be needed by anyone at any age.

The CalPERS Advantage: What's so special about CalPERS Long-Term Care Program?

- Rates are 20-30% less than comparable plans offered by insurance carriers.
- Comprehensive, flexible coverage. Applicants choose the care and providers they prefer.
- Expert Care Advisors help enrollees locate and select appropriate services, if they want.
- Covered by CalPERS on a not-for-profit basis. CalPERS has a 64-year history of financial stability and commitment to meeting its members' retirement needs.

Premium Structure: Monthly premiums are paid by enrollees. Rates are based on a person's age at the time they apply and on the amount of coverage selected.

Portable: Coverage continues if enrollee changes jobs or moves out of state. (In the Partnership Plan *ONLY*: Applicant needs to be a California resident and the Medi-Cal "spend-down" protection applies only in California.)

Guaranteed Renewable: Coverage cannot be canceled as long as premiums are paid when they are due.

LONG-TERM CARE

**CALPERS LONG-TERM CARE PROGRAM
 PLANS AT A GLANCE**

The three plans below were designed based on extensive research to understand needs and preferences of public employees and retirees. They choose the type and amount of coverage that best meets their needs. Employees and retirees may call 1-800-266-1050 **today** to request an enrollment kit for the 1997 application period. It will be sent in March 1997.

	COMPREHENSIVE PLAN	NURSING HOME/ ASSISTED LIVING FACILITY PLAN	PARTNERSHIP PLAN
Coverage Type	Home, community, nursing home and assisted living facility.	Nursing home and assisted living facility.	Home, community, nursing home and facility.
Coverage Amount	\$131,400 or Lifetime	\$131,400 or Lifetime	\$35,500 or \$73,000
Inflation Protection	Built-in automatic 5% annual increases with level premiums or optional period increases (when you increase your coverage your premiums will go up)	Same as Comprehensive Plan	Built-in automatic 5% annual increases with level premiums
Benefit	\$120/day Nursing Home \$60/day Assisted Living \$1,800/month Home care	\$120/day Nursing Home \$60/day Assisted Living	\$100/day Nursing Home \$50/day Assisted Living \$1,500/month Home care
Deductible	90 days once per lifetime	90 days once per lifetime	30 days once per lifetime

Payroll Deduction: A public employer may arrange payroll deduction for this program. An employer may call 1-800-982-1775 to discuss setting up this as a convenience for their employees.

Underwriting: All applications are subject to underwriting. During the 1997 Application Period, there will be four versions of the application. The appropriate version is determined by an applicant's status at the time of application: (1) Active Employee, (2) Spouse of Active Employee, (3) Retirees and their spouses, and (4) Parents and Parents-in-Law.

Employer Support: If public employers want to help educate their employees about the program during the 1997 Application Period, they can, distribute payroll inserts provided by the program, sponsor on-site employee workshops with time-off, and/or publish articles in employee newsletter. For more information, please call (916) 586-0167.

Customer Service: Enrolled individuals who have questions about their coverage or who wish to claim benefits should call 1-800-982-1775.



CALPERS MEMBER HOME LOAN PROGRAM

The CalPERS Member Home loan program is a benefit available to help PERs members with their home financing needs. A member may purchase a new home or refinance their existing home through this program which is open to all current CalPERS members and retirees.

Conventional fixed-rate loans with 10 to 30 year terms are available and may be used to finance owner-occupied one to four unit family residences up to 95% of the value of the home to a maximum of \$350,000.

In addition, eligible members (excluding annuitants) may borrow against their retirement accounts to obtain a down payment up to a maximum of the lesser of:

- 5% of the value of the home; or
- 50% of the available amount of contributions in the member's retirement account

For further information call: 1-800-874-PERS

CALPERS BULLETIN BOARD SYSTEM

The CalPERS Bulletin Board System (BBS) is a communications system designed to provide information electronically to employers. It enables the caller to view information on screen and/or download (transfer) the files to their computer to be printed at their convenience.

The CalPERS BBS is a **general information** System and **does not** include any specific member or employer data.

WHAT KIND OF INFORMATION WILL I FIND ON THE BBS?

Directory of Services

Description of Division, services offered, telephone numbers

Calendar of Events

Schedule of Board and Committee Meeting dates, Retirement Planning Workshops, Financial Planning Seminars, Employer Training Workshops

Legislation

Information on pending and chaptered legislation relating to CalPERS programs

Circular Letters

Important information on various CalPERS subjects

Additional Services

Includes information on membership, payroll, benefits (including the retirement estimate program), compensation information, public agency contracting information, health benefits information, CalPERS publications, press releases, member home loan program information, and new CalPERS Programs being offered

BBS Availability

24 Hours a day- 7 Days a week

CalPERS BBS User Requirements

Most communications software can be used to connect to CalPERS BBS. The software needs to be configured as follows:

Preferred

Bits:	8
Parity:	NONE
Stop Bits:	1

Acceptable

Bits:	7
Parity:	EVEN
Stop Bits:	1

Terminal Emulation: ANSI BBS, VT100, etc.
Minimum Modem Speed: 2400 BAUD

BBS Dial-In Number (916) 658-1515

As a general rule, new or revised information is update on a weekly basis. Future topic areas and potential enhancements to the system are constantly being developed. Your suggestions for topic areas/ information you would like to see on the BBS will help us in the on-going process of expanding the data contained on the BBS.

For more information on how to access the CalPERS Bulletin Board System or any suggestions you would like to share, please feel free to call our System Operator, Cathy Rogala, at (916) 558-4193.

CALPERS INTERNET SITE

CalPERS is now on-line with a comprehensive World Wide Web site providing instant access to general CalPERS information for members, employers, and the public.

“CalPERS On-line” can be found at www.calpers.ca.gov on the Internet. Currently there are over 100 pages of information on CalPERS retirement plans, health benefit programs and pension fund investments. In addition, an extensive Employer Information area is included on the web site for agencies to reference. Listed below are some of the topics you will find in the Employer Information area:

- Actuarial Information
- CalPERS Retirement Contracting Information
- CalPERS Software Programs (including the downloadable Retirement Estimate Program.)
- Employer Training
- Health Benefits Information
- Legislation
- Meeting Information
- Membership, Payroll & Compensation
- Prospective New Agency Contracting Information
- Public Agency Social Security Information
- Teachers' Medicare Information

Contact information for Actuarial & Employer Services Division staff is also available in the employer section.

The goal of the Web site is to provide useful information to members, employers and the public in a quick, easily accessible format. It will supplement, not replace our existing system of telephone and in-person service at our main and field offices.

In the future, the Site is expected to expand to over 300 pages including direct business transaction capabilities.

Let us know if we're providing the information you need on the Web site. Visit “CalPERS On-line” and complete the on-line survey.

If you have any comments or suggestions for employer information you would like available on the Web site, please leave an e-mail to the Office of Public Affairs or call the Actuarial and Employer Service Division at (916) 326-3420.

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HEADQUARTERS OFFICE LOCATION, MAIL, AND TELEPHONE INFORMATION

Headquarters Office Location*

Board of Administration
Public Employees' Retirement System
400 P Street, Room 3340
Sacramento, CA 95814
(916) 326-3000 Regular or Telephone
Device for the Deaf

Mailing Addresses

Correspondence and forms:

Board of Administration
Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715

**Payroll contribution payments, health benefit
plan premiums, Contingency Reserve Fund
contributions, and any supporting
documentation:**

Board of Administration
Public Employees' Retirement System
P.O. Box 1982
Sacramento, CA 95809-1982

**Social Security contributions and any
supporting documentation:**

Board of Administration
Public Employees' Retirement System
P.O. Box 2349
Sacramento, CA 95811-2349

*See next page for specific Division's P.O. Box and
Zip Code.

DIVISION P.O. BOX AND ZIP CODE INFORMATION

Division / Function	P.O. Box No.	Zip Code
Executive & Board Members	942701	94229-2701
Operations Support Services	942702	94229-2702
Fiscal Services	942703	94229-2703
Member Services	942704	94229-2704
Legislative Services	942705	94229-2705
Data Processing Services	942706	94229-2706
Legal	942707	94229-2707
Investments	942708	94229-2708
Actuarial & Employer Services	942709	94229-2709
Field Services	942710	94229-2710
Benefit Application Services	942711	94229-2711
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Health Benefits	942714	94229-2714
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Post-Retirement Services	942716	94229-2716
Benefits Estimates	942717	94229-2717
Human Resources	942718	94229-2718
Information & Program Development	942719	94229-2719

Payroll contribution payments, health benefit plan premiums, Contingency Reserve Fund contributions, and any supporting documentation:

Board of Administration
Public Employees' Retirement System
P.O. Box 1982
Sacramento, CA 95809-1982

Social Security contributions and any supporting documentation:

Board of Administration
Public Employees' Retirement System
P.O. Box 2349
Sacramento, CA 95811-2349

Area & Field Offices	Counties Served
<p>Sacramento Area Office Lincoln Plaza, Room 1490 400 P Street Sacramento, CA 95814 (916) 326-3630 FAX: 326-3176 ATSS: 475-3630</p>	<p>Alpine Lassen Sacramento Tehama Amador Modoc San Joaquin Trinity Butte Mono Shasta Tuolumme Calaveras Nevada Sierra Yolo Colusa Placer Siskiyou Yuba El Dorado Plumas Stanislaus Glenn Sutter</p>
<p>San Francisco Area Office 3901 Howard St., Suite 2020 San Francisco, CA 94105 (415) 396-9700 FAX: 396-9776 CALNET: 531-9700</p>	<p>Alameda Lake San Mateo Contra Costa Marin Santa Cruz DelNorte Mendocino Solano Humboldt Napa Sonoma SanFrancisco</p>
<p>Los Angeles Area Office 11766 Wilshire Blvd. Los Angeles, CA 90025 (310) 231-3464 FAX: 231-3480</p>	<p>Kern Los Angeles San Luis Obispo Santa Barbara Ventura</p>
<p>San Bernardino Field Office 650 Hospitality Lane, Suite # 330 San Bernardino, CA 92408 (909) 383-4431 FAX: 383-6882 ATSS: 670-4431</p>	<p>Inyo Riverside San Bernardino</p>
<p>Fresno County Field Office 10 River Park Place East, Suite 230 Fresno, CA 93720 (209) 433-0196 FAX: 209-433-0164</p>	<p>Fresno Kings Madera Mariposa Merced Tulare</p>
<p>Santa Clara County Field Office 650 Castro Street, Suite 240 Mountain View, CA 94041 (415) 428-0112 FAX: 428-0279</p>	<p>Monterey San Benito Santa Clara</p>
<p>Orange County Field Office 500 North State College Blvd., Suite730 Orange, CA 92668 (714) 935-2625 FAX: 935-2628</p>	<p>Orange</p>
<p>San Diego Field Office 7676 Hazard Center Drive Suite 350 Sab Diego, CA 92108 (619) 220-5454 FAX: 220-5457</p>	<p>Imperial San Diego</p>

SERVICE AND SUPPLY ORDER PERS-OSS-3A

The Supply Section (360) of CalPERS will fill your orders for forms, booklets, etc. To order supplies, complete a Service and Supply Order OSS-3A. An illustration of the form is on the following page.

COMPLETING THE FORM

Instructions for the use of the OSS-3A are located on the back of the form. You should submit the form typed in duplicate. One copy will be kept for our system records and one copy will be returned with your order.

Order supplies by form number and title. Indicate the number of forms or booklets under NUMBER OF UNITS. One unit represents one sheet, form or booklet. If you need additional space, please use additional forms. When completing SHIP TO include both street address and P.O. Box number. CalPERS will determine the best shipping method.

SIZE OF ORDER

When ordering supplies, please limit your order to a six months supply only. The system keeps a record of the supply needs of each agency. If an excess number of forms or booklets are ordered, the Supply Section will reduce the order to the maximum allowed for your agency.

INSTRUCTIONS PERS-OSS-3A

1. Please type all entries.
2. Submit blue and yellow copies to CalPERS, Retain the pink copy for your records. The yellow copy will be used as a packing slip when your order is shipped.
3. The central supply unit will provide a reorder date for items not in stock. It will be necessary to submit a new ADM-3A for back-ordered items on the reorder date indicated.
4. The employer code number must be provided on this request.
5. Filling out the attached label will expedite your order when completing the "ship to" and "label" portions, use street address only.
6. Include form number, title, and unit of measure (listed below).



AGENCY SUPPLY ORDER
PERS-OSS-3A (3/89)

INSTRUCTIONS ON REVERSE

TO: PUBLIC EMPLOYEES' RETIREMENT SYSTEM
ATTENTION: CENTRAL SUPPLY UNIT
P.O. BOX 942715
SACRAMENTO, CA 94229-2715

SHIP TO:		EMPLOYER CODE NUMBER:
CONTACT PERSON:		PHONE NUMBER: ()

FORM NUMBER	TITLE	NUMBER OF UNITS	UNIT OF MEASURE	REORDER DATE

<p>PLEASE TYPE IN SHIPPING ADDRESS ON LABEL BELOW USE STREET ADDRESS ONLY</p> <p>F CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM R 400 P STREET O P.O. BOX 942715 M SACRAMENTO, CA 94229-2715</p> <hr/> <p>T O</p>	<p>PERS USE ONLY</p> <p>DATE SENT TO AGENCY :</p> <hr/> <p>COMPLETED BY :</p> <hr/> <p>DATE RECEIVED IN CSU :</p> <hr/>
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RETAIN PINK COPY FOR YOUR RECORDS, SUBMIT BLUE AND YELLOW COPIES TO PERS



CalPERS FORMS

FORM NUMBER	TITLE	UNIT OF MEASURE
PERS-MSD-1	Member Action Request	set
PERS-MEM-211	Summary Correction Form	each
PERS-MEM-624	Supplemental Payroll Reporting Form	pad (50 sheets/pad)
PERS-ACC-625A	Payroll Listing for CalPERS	set
PERS-AESD-626	Summary Report	set
PERS-ACC-1279	Summary Report of Employer Contributions Due CalPERS for Contingency Reserve Fund Health Benefit Plans	each
PERS-OSS-3A	Agency Supply Order	set
PERS-HBD-12	Health Benefits Plan Enrollment Form	set
PERS-HBD-21	Direct Payment Authorization	set
PERS-HBD-32	Health Plan Guide	each
PERS-HBD-33	Health Plan Quality Performance Guide	each
PERS-HBD-38	Health Statement Request	each

CalPERS PUBLICATIONS

Planning your Service Retirement PERS-PUB-1
 School Members - 2% at 60 PERS-PUB-2
 State Member Benefits PERS-PUB-3
 State Miscellaneous - 2% at 60 - 1st Tier Benefits PERS-PUB-3A
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 State Safety - 2% at 55 PERS-PUB-3C
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First-Tier and Second-Tier Retirement Plans	PERS-MEM42(a,b,c)
Judges Member Benefit Booklet.....	JRS-JUD-1
Death Benefits for 'Active' CalPERS Members (rev. 11-93)	PERS-PUB-1000
Health Plan Guide	PERS-HBO-32
Health Plan Quality Performance Report.....	PERS-HBO-33

TO BE COMPLETED BY MANUAL COORDINATOR ONLY*

EMPLOYER CODE: _____ EMPLOYER NAME: _____

Detach and mail this card to PERS for the following reasons:

Increase/decrease in manual quantity:

TOTAL number of manuals/revisions needed _____ Number agency is currently receiving _____

Replacement manual needed: (Note: This *will not* change the number of manuals your agency receives.)

Number of replacement manuals needed _____

Revision to manual missing:

Revision Circular Number _____ No. of copies needed _____

Training in PERS procedures needed:

Contact person _____ Telephone No. () _____

Change in manual coordinator:

NEW Coordinator's name and title _____

Previous Coordinator's name and title _____

Agency address change:

New agency address _____

Street and/or Post Office Box

City

Zip Code

Telephone No.

*Schools, please note: The County Superintendent's Office distributes manuals to school districts. Please contact them for additional manuals.

TO BE COMPLETED BY MANUAL COORDINATOR ONLY*

EMPLOYER CODE: _____ EMPLOYER NAME: _____

Detach and mail this card to PERS for the following reasons:

Increase/decrease in manual quantity:

TOTAL number of manuals/revisions needed _____ Number agency is currently receiving _____

Replacement manual needed: (Note: This *will not* change the number of manuals your agency receives.)

Number of replacement manuals needed _____

Revision to manual missing:

Revision Circular Number _____ No. of copies needed _____

Training in PERS procedures needed:

Contact person _____ Telephone No. () _____

Change in manual coordinator:

NEW Coordinator's name and title _____

Previous Coordinator's name and title _____

Agency address change:

New agency address _____

Street and/or Post Office Box

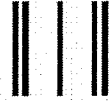
City

Zip Code

Telephone No.

*Schools, please note: The County Superintendent's Office distributes manuals to school districts. Please contact them for additional manuals.

FROM _____

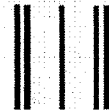


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**CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL AND EMPLOYER SERVICES DIVISION
P.O. BOX 942709
SACRAMENTO, CA 94229-2709**



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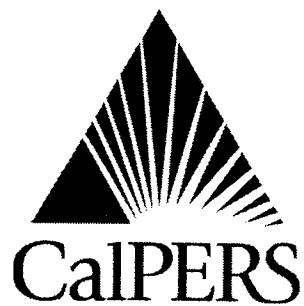


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ACTUARIAL AND EMPLOYER SERVICES DIVISION
P.O. BOX 942709
SACRAMENTO, CA 94229-2709**

PUBLIC AGENCY & SCHOOLS REFERENCE GUIDE

**CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM**



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

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INTRODUCTION

This Guide is designed to help you in your preparation of information for CalPERS. The Guide is divided into the following sections:

- Contract Coverage
- Membership
- Compensation Review
- Payroll Reporting
- Benefits
- Web Services and Publications
- Education and Other Resources
- Appendix

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

We encourage you to share this information with your agency's representatives who are responsible for enrolling employees into CalPERS membership or conveying benefit information to staff.

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

UPDATES TO THIS GUIDE

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

GUIDE COORDINATOR RESPONSIBILITIES

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

CONFIDENTIALITY OF MEMBER DATA

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

HEADQUARTERS OFFICE LOCATION

California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95811
(916) 795-3000

MAILING ADDRESS AND FAX NUMBER

California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
Fax: 800-959-6545

TDD (Speech and Hearing Impaired)
(877) 249-7442
California Relay Service –
Telecommunications Device for the Deaf
(800) 735-2929

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

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

EMPLOYER INFORMATION

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

MEMBER INFORMATION

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

CALPERS REGIONAL OFFICES

AREAS OF SERVICE

- Public information counters
- Retirement counseling
- Order retirement estimates

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

ABOUT SERVICE RETIREMENT

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

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

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

$$\begin{array}{r} \text{Service Credit (years)} \\ \times \\ \text{Benefit Factor (percent per year)} \\ \times \\ \text{Final Compensation (monthly, dollars)} \\ = \\ \text{Unmodified Allowance (pension)} \end{array}$$

A member's retirement benefit formula is based on their membership category, which is determined by the employer, classification (miscellaneous, safety, industrial, or peace officer/firefighter) and specific provisions outlined in each agency's contract with CalPERS.

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PUBLIC AGENCY CONTRACT INFORMATION

In order to contract for retirement benefits with CalPERS, an employer must meet the definition of a Public Agency as defined by the California Public Employees' Retirement Law (PERL) which states:

"Public agency" means any city, county, district, other local authority or public body of or within this state.

Through my|CalPERS, your agency has immediate access to all of its current contract information. Retirement benefits can be provided for two general categories, miscellaneous and safety. Contracts vary depending upon the member categories covered, the formula the agency elects to provide, and the optional benefit provisions selected. These optional benefits may be provided at the time the original contract is established or they may be added later through the contract amendment process.

Public agencies may include various contract options in their retirement plan or plans. You may have a miscellaneous plan for employees, who are not in a hazardous occupation, and one or more safety plans for police, firefighters, peace officers, and other safety employees.

Statutes require some features of public agency plans; others are optional.

The agency must select whether to:

- Provide service credit for unused sick leave
- Permit employees to purchase various military or other forms of additional service credit
- Permit industrial disability retirement for miscellaneous members
- Offer the maximum cost of living adjustment

The agency must also determine the amount of the lump sum death benefit for retired members and the level of benefits to provide to survivors of employees not covered by Social Security.

INITIATE NEW CONTRACT

To initiate the contract process, you are required to complete the initial Applicant Questionnaire to assist CalPERS in the first of two phases of the application process (see Circular Letter 200-022-13). The information received will aid

CalPERS in determining your agency's eligibility under Internal Revenue Code (IRC) section 414(d) and the Public Employees' Retirement Law (PERL) to participate in the CalPERS retirement program. If your agency chooses to pursue participation with CalPERS, you must provide timely responses to the Applicant Questionnaire with the supporting documentation and the Employer Certification signed by your official authority to make this declaration. We cannot continue with our determination of your contract request until you have completed the first phase of our application process.

Your agency must be a public agency as defined by California Public Employees' Retirement Law (PERL). Defined public agencies include: city, county, town or special district. Refer to PERL Code Sections 20056 and 20057 for a complete description. If you're unsure whether your agency meets the criteria, you should contact our Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

AMENDMENTS AND VALUATION REQUESTS

You may request a contract amendment, a valuation request, or request to terminate a contract online. The documents and associated contracts will be uploaded to my|CalPERS and the process will begin automatically.

You may also research the status of a contract change in my|CalPERS and view the current status of a contract amendment process, see what elements are under review and if additional information is needed, determine if the amendment has been approved, and know when it is activated.

Agencies can amend their contracts for lower levels of benefits, including retirement formula changes, for new hires. Current employees are not affected by these amendments.

Additionally, you may request multiple valuations online, and confirm your intent to pay. A notification will be sent electronically when the valuation is ready to view online. Please note that CalPERS must receive payment before the valuation request can be processed.

Public Agency Contract Information

The updated ***Optional Benefits Listing*** (PERS-CON-40) contains all of the benefits your agency can contract for and is available on the CalPERS Website.

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

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

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

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

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

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

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

RESOLUTIONS

In my|CalPERS, you can upload and submit resolutions online. CalPERS receives the document immediately, and the status will be displayed. You will be able to select a resolution (such as Two Years Additional Service Credit, a.k.a. Golden Handshake) to view its status, and select criteria in order to generate a resolution that can be taken to your governing body for

approval. Then the signed resolutions can be submitted electronically via my|CalPERS.

RISK POOLING (G.C. SECTIONS 20840, 20841, 20842)

Risk pooling is the process of combining assets and liabilities across employers to produce large risk sharing pools. Most CalPERS employers are in a "risk pool". These risk pools help reduce or eliminate the large fluctuations in the employer's contribution rate caused by unexpected demographic events.

The CalPERS Board is authorized to create risk pools for public agencies and mandate participation for all plans with less than 100 active members. Your agency will be assigned to risk pools based on your service retirement formula and member category(ies). An agency may have more than one risk pool in its plan. Government Code Section 20840(e) requires that each pool contain certain benefits; however, agencies can amend their contracts for optional benefits. For additional information visit the CalPERS Website at www.calpers.ca.gov or contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

CONTRACT DETAILS

Your agency's retirement contract information may be accessed via my|CalPERS at any time. Access to my|CalPERS will be granted by your agency's System Access Administrator.

To review your agency's contract in my|CalPERS, select the Profile global navigation tab, then the Retirement Contract local navigation tab. The Business Partner Retirement Contract Report will include member categories, benefit formulas, whether you're in a risk pool, final compensation, cost of living adjustments, employer and employee contribution rates, and resolutions on file.

NOTE:
Any questions regarding establishing a contract or requesting an amendment should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) or visit the CalPERS Website at www.calpers.ca.gov

EMPLOYEE COST SHARING

G.C. section 20516 (Employees Sharing Additional Cost) permits employees to share a portion of their employer's pension cost. There are two methods: Amendment Method and Memorandum of Understanding (outside CalPERS).

AMENDMENT METHOD:

The employer and employees have agreed in writing to share additional cost. The agreement must be reviewed and approved by CalPERS before any agency may proceed with the amendment.

The increased member contributions will be credited to each member's account as normal contributions and will be refundable to members who separate from CalPERS covered employment and elect to withdraw their contributions.

If an employer adopts a 414(h)(2) resolution, the members contributions (including the cost sharing portion) are tax deferred.

MEMORANDUM OF UNDERSTANDING (OUTSIDE CALPERS):

Section 20516 also permits an employer to make an independent agreement with its employees to share the employer cost without requiring an amendment to the contract. If an employer chooses this method, the increased member contributions will NOT be credited to each member's account and will NOT be refundable to members who separated from CalPERS covered employment and elect to withdraw their contributions. Any such agreement in a memorandum of understanding shall not be a part of the contract between the employer and CalPERS. The Contracts staff has been instructed to advise employers to check with the IRS about the tax consequences in this method of cost sharing.

COUNTY SCHOOL COVERAGE

The County Superintendents of Schools were mandated into the California Public Employees' Retirement System (CalPERS), effective July 1, 1949, by the State Legislature (Government Code (G.C.) section 20063) to provide for classified positions. Retirement coverage of CalPERS school members is uniform throughout the State with the exception of those County Superintendents of Schools who have contracted for Two Years Additional Service Credit (G.C. section 20904; see Optional Contract Provisions for County Schools).

The following provisions are mandated benefits provided to school members (classified) by legislation:

MILITARY SERVICE CREDIT (G.C. SECTION 20997)

If a member was granted a military leave of absence under G.C. section 20990, entered the military within 90 days of leaving the agency and returned within 6 months of his/her discharge, the agency will pay all the contributions for the absence.

1959 SURVIVOR BENEFITS (G.C. SECTION 21574.7)

Members covered by the 1959 Survivor Benefit are not covered by Social Security. This benefit consists of a monthly allowance payable to eligible family members if the member's death occurs during employment.

SICK LEAVE CREDIT (G.C. SECTION 20963)

Employees who became members prior to July 1, 1980, will receive additional service credit at the rate of 0.004 years for each day of unused sick leave. This benefit is not applicable to any person who becomes a member on or after July 1, 1980 and December 31, 1998. This includes individuals who terminated their membership prior to July 1, 1980, whether or not they redeposit for that service after July 1, 1980.

SICK LEAVE CREDIT - SCHOOL SAFETY MEMBERS (G.C. SECTION 20963.5)

Service credit for unused sick leave is not applicable to school safety members employed on July 1, 1980 to January 1, 1999. Credit for unused sick leave may apply to school safety members who retire after January 1, 1999. At retirement, each school safety member will receive 0.004 years of service credit for each day of unused sick leave.

RETIRED DEATH BENEFIT (G.C. SECTION 21623)

This section provides that the death benefit paid to beneficiaries of retired members will be \$2,000.

POST-RETIREMENT SURVIVOR ALLOWANCE (G.C. SECTIONS 21629 AND 21630)

The Post-Retirement Survivor Allowance benefit provides that upon the death of a member after retirement for service or disability, an allowance shall be continued to the surviving spouse/domestic partner.

For service retirement, the surviving spouse/domestic partner must be married/registered to the member for one year prior to the member's retirement and be married continuously to the date of the retired member's death.

For disability retirement, there is no marriage vesting requirement. The surviving spouse/domestic partner who was married/registered to the member on the date of their retirement and continuously to the date of the member's death is entitled to this benefit.

Natural or adopted unmarried children under age 18 are eligible if the member has no eligible spouse. The children will receive this monthly benefit until their marriage or age 18. An unmarried child who was disabled prior to age 18 and whose disability has continued, without interruption, will receive this benefit until the disability ends or until their marriage. Qualifying dependent parents are eligible if the member has no eligible spouse or eligible children.

FINAL COMPENSATION (G.C. SECTION 20035.5)

The highest annual compensation that was earnable by the school member during the consecutive 12-month period of employment immediately preceding the effective date of their retirement.

NOTE:

The Public Employees' Pension Reform Act of 2013 (PEPRA) that took effect on January 1, 2013 implemented a 3-year final compensation period for school employees that meet the definition of a new member under PEPRA.

**REDUCED WORKTIME PROGRAM
(G.C. SECTION 20905)**

A full-time school member may reduce their work schedule to part-time employment and for that period of part-time employment, receive the credit he or she would have received if he or she was employed on a full-time basis.

The school member's retirement allowance, as well as any other benefits he or she is entitled to, will be based upon the full-time salary as long as both the employer and the school member make contributions to the retirement fund that would have been contributed if the member was employed on a full-time basis for that period of part-time employment. See the program requirements in the Payroll Reporting chapter.

OPTIONAL CONTRACT PROVISIONS FOR COUNTY SCHOOLS

The following provisions are optional benefits that county schools may contract for:

OPTIONAL MEMBERSHIP FOR PART-TIME EMPLOYEES (G.C. SECTION 20325)

Regular part-time employees who are excluded from CalPERS membership because they work less than an average of 20 hours per week (pursuant to G.C. section 20305) may individually elect to become members if a County Superintendent of Schools, a school district, or a community college district adopts a resolution and transmits it through the County Superintendent of Schools to the CalPERS Board. The resolution will not be effective until received by CalPERS. A sample resolution may be obtained from CalPERS upon request.

Compulsory Social Security coverage will result for regular part-time employees regardless of whether they elect to join CalPERS.

Individuals who elect membership will have the same contribution rate as other employees in the same member classification. Individuals may exercise their membership election rights anytime while in employment. Individuals who become members may purchase previously excluded part-time service.

Employer Cost: School districts subject to this benefit must pay Social Security contributions for their part-time employees in addition to CalPERS contributions (if the member elects to join CalPERS).

Member Cost: See description above.

SCHOOL POLICE AS "SCHOOL SAFETY MEMBERS" (G.C. SECTION 20444)

A school district or community college district which has a police department, pursuant to Education Code Section 39670 or 72330, may enter into a contract with CalPERS to reclassify those employees whose principal duties consist of active law enforcement as a "school safety member." The reclassification is retroactive to the date the employee was employed as a school police officer.

Adoption of this provision will require the district to join a risk pool as a contracting agency with a

higher safety benefit formula factor than the schedule for the miscellaneous formula. Districts may also provide any of the optional benefits listed which are available to "local safety members."

To initiate the process to enter into a contract, refer to the **Contract Amendment Procedures** (PERS-CON-41) available on the CalPERS Website.

Employer Cost: Valuation required.

Member Cost: The employee contribution rate will depend upon the safety retirement formula provided. Members subject to a safety formula other than the 2% @ 50, 3% @ 50, or 3% @ 55 formula, will have the right to elect to remain subject to the miscellaneous formula should they determine that the reclassification will be to their disadvantage.

TWO YEARS ADDITIONAL SERVICE CREDIT, A.K.A. GOLDEN HANDSHAKE (G.C. SECTION 20904)

The 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:

- 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.
- 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.
- The County Superintendent of Schools must certify that the retirements under this section will either: (1) result in a net savings to the

Optional Contract Provisions for County Schools

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 one 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 of 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 or by installments. 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.

If paying by installments, payment in-full must be made within 30 days of the billing date to avoid interest charges. Otherwise, semi-annual installment payments including interest charges can be scheduled for up to five years from the billing date.

Member Cost: None.

**COST ESTIMATE FACTORS TWO YEARS
 ADDITIONAL SERVICE CREDIT, A.K.A.
 GOLDEN HANDSHAKE**

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 pay rate for each person by the corresponding factor (always use the full-time pay rate). The result is the approximate cost of the benefit.

School Members (2% @ 55 Formula)	
Ages	
50-54	0.42
55-59	0.57
60-64	0.60
65-69	0.56

AMENDMENT PROCEDURES FOR G.C. 20904

The procedures for contracting for G.C. section 20904 are as follows:

1. The County Superintendent of Schools must request to amend its CalPERS contract to provide G.C. section 20904. An authorized representative may submit a resolution via the my|CalPERS system. Individual districts must work in conjunction with the County Superintendent's Office to ensure that correct information is provided to CalPERS.
2. The my|CalPERS system will generate the Resolution of Intention and other documents to be adopted by the governing body. G.C. 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.
3. In addition to providing a Certification of Publication of Costs, the County Superintendent will be required to:
 - 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.
 - Certify that it is the intention at the time G.C. 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 one 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, CalPERS will upload or mail the final documents and instructions.

Optional Contract Provisions for County Schools

5. After the contract has been amended to include G.C. section 20904, the County Superintendent of Schools may provide a designated period for granting two years of additional service credit for school members by submitting a resolution request via the my|CalPERS system. You will be able to select the designated period and employee classifications within that school district. 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. my|CalPERS automatically provides the documents necessary to establish the designated periods. Since CalPERS contracts with the County Superintendent of Schools and not the individual school districts, the resolutions must be adopted by the Office of the County Superintendent of Schools. Any number of designated periods may be established, but not overlap.

6. After the expiration of each designated period, the Office of the County Superintendent of 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 semi-annual installment payments including interest charges can be scheduled for up to five years from the billing date.

**\$3,000, \$4,000, or \$5,000 RETIRED
DEATH BENEFIT (G.C. SECTION 21623.6)**

The lump sum death benefit paid to beneficiaries of retired members will be \$3,000, \$4,000, or \$5,000. This benefit would be applicable to deaths occurring after the effective date of the contract amendment. The actuarial valuation request must specify the selected benefit amount. The benefit must be applicable to all districts under the jurisdiction of the County Superintendent.

Employer Cost: Valuation required.
Member Cost: None.

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

CALPERS MEMBERSHIP

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

A CalPERS member should not continue to be reported in membership when:

- The person enters a position that is excluded by law (other than due to time base/appointment length), or by an agency's contract.
- The person enters a position eligible for optional membership; the individual must submit an election of optional membership in order to be a member in such a position. (See "Optional Members of CalPERS" section for more information.)
- The person enters a position that is also in membership with another public retirement system. (See the "Positions Excluded by Retirement Law (PERL) from CalPERS Coverage" section later in this chapter.)
- The person is subject to an Alternate Retirement Plan (ARP) under G.C. section 20306. (Refer to the Alternate Retirement Plan (ARP) information within this section.)
- The person is legally working after retirement. (The laws and reporting responsibilities for post-retirement employment are different from the laws for membership; refer to the "Employment of a Retiree" section for more information.)

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

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

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

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

It is recommended that an employer complete and retain a copy of documentation (e.g., **Notice of Exclusion From CalPERS Membership** form PERS-AESD-139) on which the employee indicates "Not a CalPERS member"; to demonstrate that such an inquiry was made, in order to guard against possible G.C. section 20283 liability in the future.

IMMEDIATE MEMBERSHIP UPON HIRE

Many employees should be eligible to enter CalPERS membership immediately upon employment (G.C. section 20281), namely:

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

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

FULL-TIME EMPLOYEES

CalPERS considers full-time employment to be between 34 and 60 hours per week. Employees

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

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

LESS THAN FULL-TIME EMPLOYEES

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

Because the "overtime" provisions of G.C. section 20635 apply only to members of CalPERS, overtime service is included in computing the 1,000 hours or 125 days.

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

QUALIFICATION WHEN WORKING MORE THAN ONE POSITION

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

All employees of a school district - with the sole exception of School Safety Members - are considered to be employees of the County Superintendent of Schools, and thus of the same employer for CalPERS purposes; (G.C. section 20610). Therefore, service with different districts (including charter schools) within the same county should be added together for purposes of meeting the membership criteria.

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

A school district/county office of education that contracts separately for school safety members, or that participates in a risk pool, is a separate public agency by law, and therefore such service would be kept separately when determining qualification.

EMPLOYEES WHO MUST BE MONITORED

Qualification for membership is reached when:

1. The person's full-time employment continues longer than six months (e.g., an employee may have been hired on a full-time indefinite basis to fill in for a worker who is out due to serious illness for an unknown period of time, where the worker ends up working more than six months). In such case, the effective date of membership is not later than the first day of the first pay period of the seventh month of employment (e.g., if employee completes six months of employment on September 23rd, she or he should be enrolled no later than the first pay period of October).
2. The person works 1,000 hours in a fiscal year (if paid on other than a daily or *per diem* basis). Any overtime hours worked are counted toward these 1,000 hours. Time during which the member is paid for time excused from working due to vacation, holiday pay, sick leave, etc., is included in the 1,000 hours.
3. The person works more than 125 days in a fiscal year (if paid on a daily or *per diem* basis). For this purpose, "day" means each 8 hours of compensated service; e.g. a firefighter working a 24-hour shift is working 3 such "days" per shift.

CalPERS Membership Eligibility

In cases where employees qualify based on completing 1,000 hours or 125 days, membership becomes effective no later than the first day of the first pay period of the month following the month in which 1,000 hours or 125 days were completed (e.g., if an employee completes 1,000 hours on May 31st, membership can be effective no later than the first/next June pay period. If the employee completes 1,000 hours on June 1st, membership can be no later than the first July pay period).

FURLOUGH LEGISLATION - SCHOOL EMPLOYERS

Legislation passed in 2010 added G.C. section 20969.2 to the Public Employees' Retirement Law. This legislation ensures that certain persons subject to mandatory furloughs will not have their CalPERS retirement benefits negatively impacted due to the furlough.

MEMBERSHIP ELIGIBILITY AND FURLOUGHS

The work hours of employees who do not have a fixed term of appointment and who work on a seasonal, limited-term, on-call, emergency, intermittent, substitute, irregular or other part-time basis as outlined in G.C. section 20305 should be monitored to determine the point at which service that would have been credited but for the mandatory furlough would have qualified the employee for membership in CalPERS. The hours that an employee would have worked had the employee not been subject to mandatory furloughs should be counted toward qualification of CalPERS membership.

SUMMARY OF GENERAL PRINCIPLES

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

1. Persons who are already members of CalPERS are not excluded from membership because they are working less than full-time. (G.C. section 20305(a)(1))
2. Persons enter membership upon appointment to a position with one of the following conditions:
 - a. The appointment/employment fixes a term of **full-time, continuous** employment in excess of six months.

- b. The position requires **regular, part-time** service for at least an average of 20 hours per week for one year or longer.
3. Persons must otherwise be **monitored** to determine when and if they qualify for membership. Qualification for membership is reached when:
 - a. No term (length) of appointment is specified in the appointment/employment, but full-time employment continues longer than six months.
 - b. The person works more than 125 days in a fiscal year if paid on a "per diem" basis (i.e., "per day"). For this purpose, "day" means each 8 hours of compensated service; (e.g. a firefighter working a 24-hour shift is working 3 "days" per shift).
 - c. The person works 1,000 hours in a fiscal year if paid on other than a per diem basis. Any overtime hours worked are counted as qualifying time.

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

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

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

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

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

CalPERS Membership Eligibility

PEPRA defines a new member as any of the following:

- A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any California Public Retirement System.
- A new hire who is brought into CalPERS membership for the first time on or after January 1, 2013, and who was a member with another California Public Retirement System prior to January 1, 2013, and is not eligible for reciprocity.
- A member who first established CalPERS membership prior to January 1, 2013, and who is rehired by a different CalPERS employer after a break in service of greater than six months.

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

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

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

PEPRA does not require retroactive reductions to benefits earned for prior service, even where a member separates from service and is later rehired as a new member by a new employer and becomes subject to the applicable PEPRA

formula. In these cases, the member's "classic member" service will be calculated separately from his or her service as a "new member".

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

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

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

FAILURE TO ENROLL MEMBER ON A TIMELY BASIS

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

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

WHAT ARE ARREARS?

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

There are two types of arrears. G.C. section 20283 applies if any portion of the arrears period occurred prior to, during and after July 1, 1994. A member who qualified for membership and the arrears period is prior to July 1, 1994, is considered a mandatory arrears case. In mandatory arrears cases, the member is responsible for the member contributions and the employer is responsible for the employer contributions for the arrears period.

EMPLOYER BILLING FOR ARREARS

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

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

NOTE

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

NOTICE OF EXCLUSION FROM CALPERS MEMBERSHIP

For employees who do not qualify for CalPERS membership, the Notice of Exclusion from CalPERS Membership form (PERS-AESD-139) should be completed, and given to the employee in order to inform them of the specific reason for their exclusion and to fulfill the employer's responsibility of notification. Do not send copies

of this form to CalPERS; however, a copy should be provided to the employee and a copy should be kept with the employee's records.

ALTERNATE RETIREMENT PLAN (ARP) G.C. SECTION 20306 (PUBLIC AGENCIES AND SCHOOLS)

G.C. section 20306 provides that public agencies and school districts that have an alternate retirement plan established as a pension trust¹ prior to July 1, 1997 must conduct an election among their non-safety members who are credited with less than five years of CalPERS service to determine whether they want to (1) retain their usual active CalPERS membership, or instead (2) participate in the alternate retirement plan if their time base drops below the minimum membership thresholds (e.g., 20 hours per week) specified in G.C. section 20305.

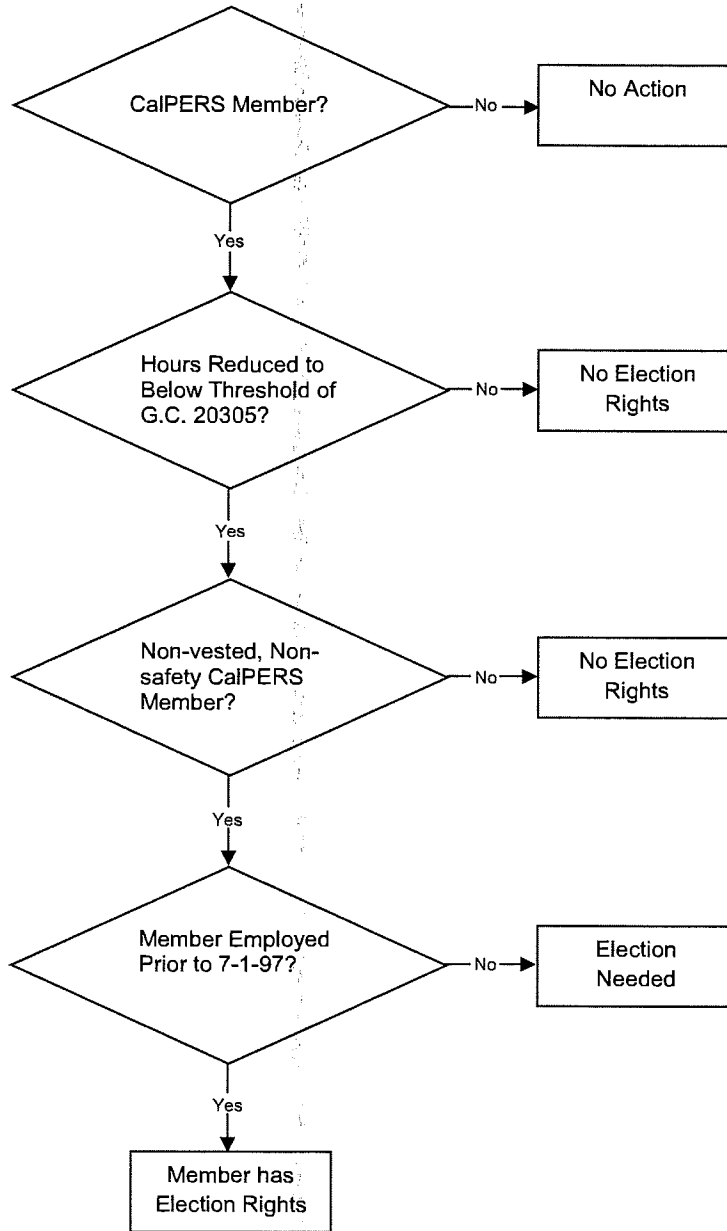
Employees entering employment after the original ARP election are mandated into ARP coverage if they (1) work less than the G.C. section 20305 threshold, and (2) have less than 5 years of service credit. The employer will determine new employees' ARP status (based on any election they made; their 20305 qualification status; and whether or not they have 5 years of service), as follows:

- For employees subject to collective bargaining, their MOU will determine their eligibility to participate in the ARP or CalPERS.
- For employees not represented by a bargaining group, the public agency shall determine the employees' eligibility to participate either in CalPERS or the alternate retirement plan if their time base falls below CalPERS membership thresholds.

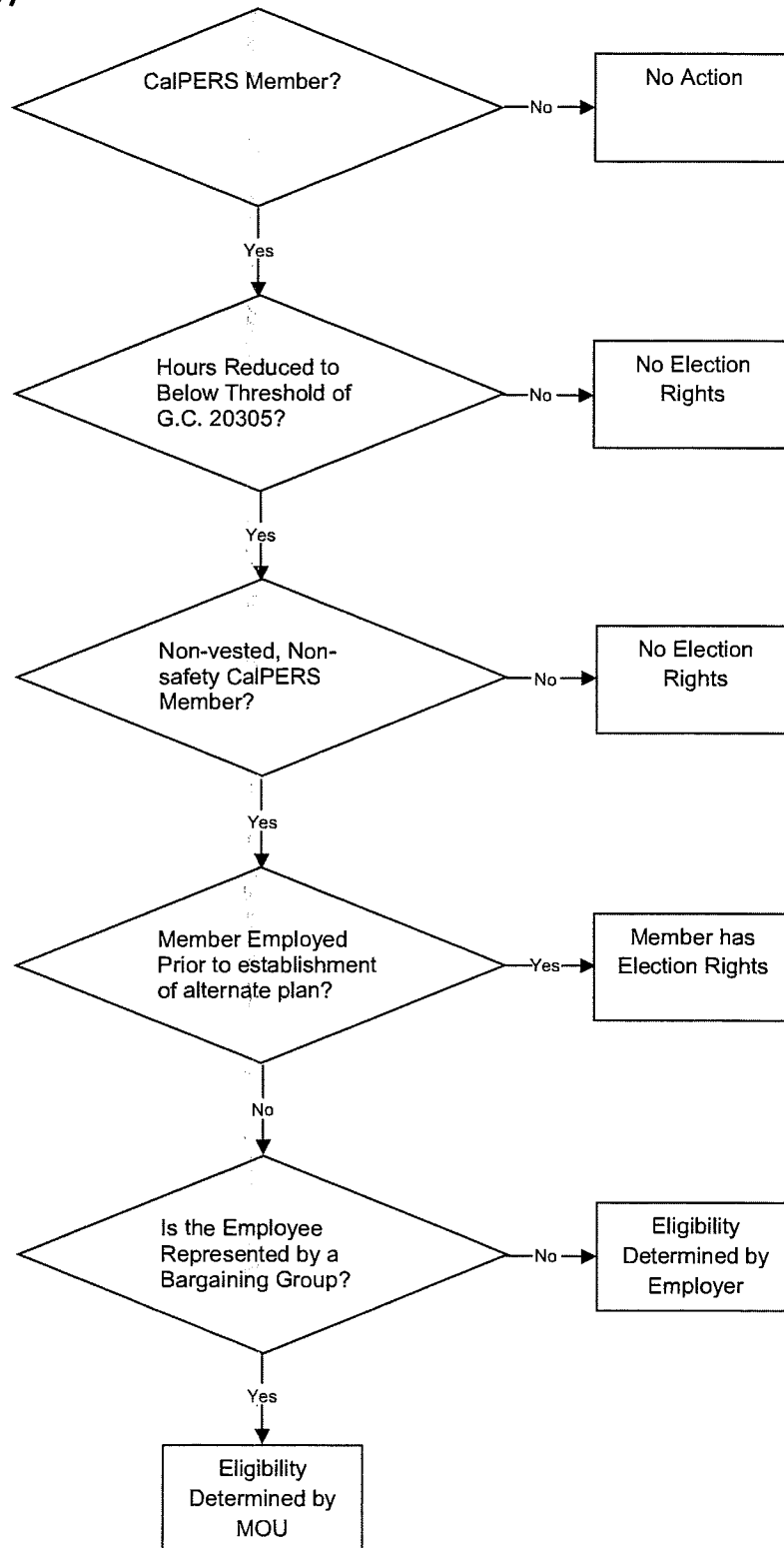
See the "Eligibility to Participate in the CalPERS/Alternate Retirement Plan Election" flow chart on the following page for more information or contact the CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

¹ "Article 1.5 (commencing with section 53212) of Chapter 2 of Part 1 of Division 1 of Title 5"

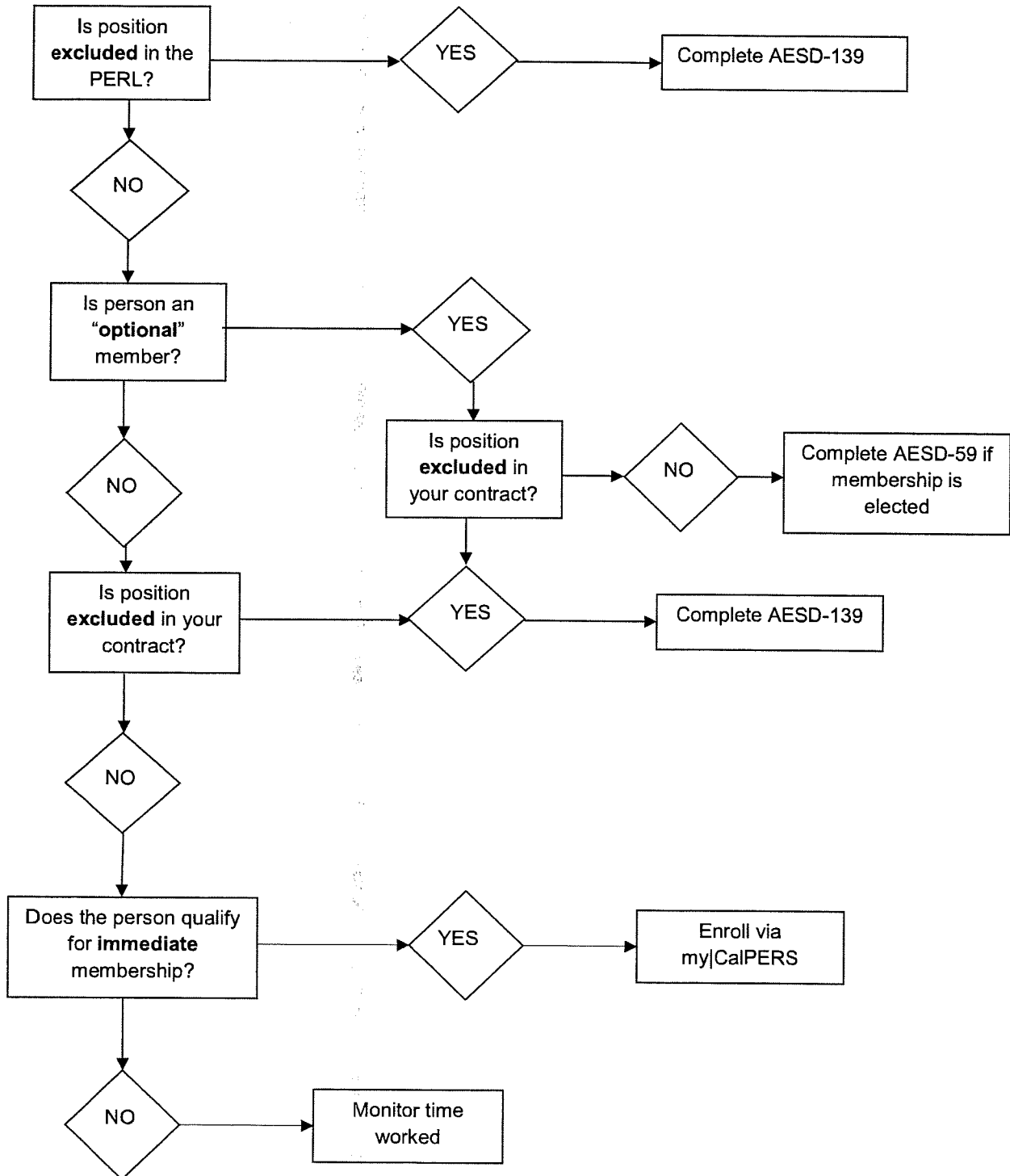
ELIGIBILITY TO PARTICIPATE IN THE CALPERS/ALTERNATE RETIREMENT PLAN ELECTION - EMPLOYED PRIOR TO 7-1-97



**ELIGIBILITY TO PARTICIPATE IN THE CALPERS/ALTERNATE RETIREMENT PLAN ELECTION - EMPLOYED
AFTER 7-1-97**



DETERMINING MEMBERSHIP ELIGIBILITY



APPOINTMENT OVERVIEW

An appointment is a continuous block of employment with a single employer from the hire date, regardless of whether the employee is qualified for membership on that date, until the permanent separation date. For schools, each district is treated as an employer, and an employee should not have more than one appointment under this condition, unless that employee has multiple jobs across school districts. Changes between districts are considered permanent separations or new appointments rather than appointment changes.

When an appointment is entered, an Appointment ID is generated by myCalPERS. The Appointment ID is a conditional data element for payroll reporting.

NEW APPOINTMENTS REQUIRED

A new appointment should be created when:

- A new employee is hired and qualifies for membership.
- An employee who previously did not qualify for membership is now qualified for membership.
- An employee who was permanently separated from the employer is rehired, and meets membership eligibility criteria.
- An employee transfers from one school district to another, within the same county office of education, and between county offices of education.
- A CalPERS retiree begins working for your agency as Retired Annuitant.

NOTE:

When entering data for a Retired Annuitant on to the Appointment Details page, you should select the "Yes" radio button next to "Is the member subject to Social Security?" Although we are aware that retired annuitants are not subject to Social Security, this is a workaround that will allow the payroll record to update the hours worked in each pay period.

Multiple appointments may be established for one employee, for example:

- An employee with an existing appointment decides to take a second job in another school district and will maintain both jobs concurrently. A new appointment is required for the second job.

- An employee works concurrently in multiple member categories (miscellaneous and safety) during the same pay period.
- An employer chooses to establish appointments by position (pay rate), and the employee worked in both positions during the same pay period.
- An employee with an existing appointment decides to take a second job with the same employer or school district and will maintain both jobs concurrently.
- An employee becomes a CalPERS member prior to January 1, 2013 and returns to work with the same employer is considered a classic member under PEPR. Their original membership date would apply. If they return to work with a different CalPERS employer and their break in service between employers is greater than six months, then they would be considered a new member.

NEW APPOINTMENTS NOT REQUIRED

A new appointment is not required when:

- An employee returns from leave of absence; report as an appointment change using transaction type: End Leave.
- An employee reinstates to a former position by a court action (will be managed internally by CalPERS and cannot be reported by the employer). CalPERS will delete the permanent separation.
- An employee reduces their time base resulting in changing to local ARP. Report using transaction type: To Local ARP.
- An employee changes member category. Report as an appointment change.
- An employee changes jobs. If the change impacts benefits, it should be reported as an appointment change.

APPOINTMENT CHANGES NOT REQUIRED

An appointment change is not required when:

- There is a pay increase or decrease. This action is reported in the payroll file.
- A job changes that does not impact benefits.
- There is a promotion or demotion.

REPORTING APPOINTMENT CHANGES

An appointment change must be reported when an employee permanently separates from the employer, including:

- Termination with the possibility of appeal.
- Transferring from one school district to another school district (even within the same county office of education).

PERMANENT SEPARATION DATES IN MY | CALPERS

In the integrated my|CalPERS system, the permanent separation date is now part of a series of system validations. **Therefore, the permanent separation date must be reported as the day after the last day an employee works for your agency, which is often the day after the last day on payroll.**

The permanent separation date will frequently be the same day as a member's retirement date or start date of a new appointment. It is imperative that your agency follow this important business rule to avoid transaction errors due to automatic system validations.

A permanent separation date must also be reported for all employees who end employment with your agency, regardless of the reason. This is required in my|CalPERS to ensure benefits are administered timely and accurately, especially for those employees nearing retirement. All transactions within my|CalPERS, including health and retirement, rely on the permanent separation date to be reported in this manner.

REPORTING PERMANENT SEPARATION NOT REQUIRED

A permanent separation is not required when an employee begins a leave of absence, but you must update my|CalPERS with an appointment change. Upon the members return from the leave of absence you again must update my|CalPERS with an appointment change.

NOTE:
Members may purchase certain service credit, such as Temporary Disability Leave of Absence, Begin Leaves and End Leaves must be reported in the member's my|CalPERS appointment profile for CalPERS to process the member's request to purchase their eligible leave of absence service credit type.

my|CalPERS Member Self-Service

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

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

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, local sheriffs, firefighters, safety officers, county peace officers..., employed by a contracting agency who have by contract been included within this System." (G.C. section 20420)

2. LOCAL MISCELLANEOUS MEMBERS

This category includes "all employees of a county office of education, school district, or community college district who are included in a risk pool and all employees of a contracting agency who have by contract been included within this System, except local safety members." (G.C. section 20383)

3. SCHOOL MEMBERS

This category "includes all employees within the jurisdiction of a school employer, other than local policemen, school safety members and members included in a risk pool." (G.C. section 20370(d))

4. SCHOOL SAFETY MEMBERS

This category includes "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." (G.C. section 20444). This category only applies to a school district or a community college district that enters into a contract with the board on or after January 1, 1990.

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 the employee's job classification and duties, compared to the standards defined in the Government Code, and as provided in the agency's contract with CalPERS.

The Government Code provisions for the most common safety positions (e.g., police officer, firefighter, deputy sheriff, etc.) are all mandatory for contracting agencies whose contract includes such positions. There are a number of other provisions, however, for which a contracting agency may choose to contract if it so wishes, to provide safety membership to other employees, as well as to reclassify previous service with the same duties/job title in such classes. All contract activity can be viewed in myCalPERS, including reclassification information.

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 the criteria for such membership.

Safety membership most commonly requires service having principal duties of providing either active law enforcement or active firefighting services. Such 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 that a person be "employed and qualifying as patrol officers," "employed and qualifying as patrolmen," "employed and qualifying as firefighters," or "employed and qualifying as deputy sheriffs," irrespective of their current duties. Typically, such persons are referred to as sworn personnel, because they take an oath to uphold the Constitution, safeguard the lives and

Membership Categories

property of citizens, etc. This sworn criterion is particularly important for persons who are promoted up through the ranks to supervisory/managerial positions (e.g., sergeant, captain, chief, etc.), but who retain their sworn status after promotion.

Almost all agencies with safety classifications have established procedures in place (e.g., certification and/or academy training; physical fitness requirements, etc.) by which persons originally become qualifying as patrol officers, firefighters, or deputy sheriffs, and have standards (such as periodic physical fitness tests) which must be met in order to maintain such status. Such sworn personnel in supervisory or managerial positions who remain "employed and qualifying" as patrol officers, firefighters, or deputy sheriffs could (perhaps in special circumstances such as a major emergency, or a work stoppage) be required to return to typical safety duties; accordingly, the safety status of such an individual is appropriate, even though the person's current duties may not frequently involve such "active law enforcement/firefighting" duties.

However, if a person gives up such qualifying/sworn status after accepting a promotion, and is no longer qualifying as such, safety membership can no longer be given for this service.

NOTE:
There are no provisions in the law that would allow a member or employer to pay the difference in contributions between miscellaneous and safety membership, in order to allow a miscellaneous member to be reported to CalPERS as safety.

EXCEPTIONS

There are some instances where persons have been given mandatory safety membership only if employed during a specific period of time. For example, legislation passed in 1987 (AB 839, Chapter 1411) brought certain miscellaneous members employed in positions such as, fire investigators, fire prevention officers, or fire trainers between January 1, 1988, and October 2, 1989, into safety membership as local firefighters. In such *exceptional* situations, it is possible to have some persons in the same job classification who are "safety" and some who are not, if they were hired at different times.

CAUTIONS

CalPERS has had cases where an employee was inappropriately retained in safety membership after receiving an appointment to a non-safety position (such as City Manager, or Director of Public Safety). 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, and the individual is no longer a sworn member of a police department, fire department, etc.

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. Such retroactive corrective actions may include correction of service credit, retirement contributions paid, and adjustment of retirement allowance paid (if any). If you are unsure about the proper membership category for a given position, submit a job description/duty statement to:

California Public Employees' Retirement System
Customer Account Services Division
Employer Account Management
Membership Reporting
P.O. Box 942709
Sacramento, CA 94229-2709

for a determination. Such a review should also be requested upon establishing a new position, or upon making significant changes in the duties of a previously-reviewed position. The following definitions for Local Safety Members will assist you in determining membership category:

MANDATORY SAFETY STATUS

LOCAL POLICE OFFICER

"Local police officer" means 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 qualifying as

Membership Categories

patrolmen or equal or higher rank irrespective of the duties to which they are assigned. (G.C. section 20425)

LOCAL FIREFIGHTER

"Local firefighter" means 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 or equal or higher rank, irrespective of the duties to which they are assigned. (G.C. section 20433)

COUNTY PEACE OFFICER

SHERIFF AND SHERIFF'S OFFICERS

"County peace officer" means 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 whose functions do not clearly come 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 qualifying as deputy sheriffs or equal or higher rank irrespective of the duties to which they are assigned. (G.C. section 20436)

DISTRICT ATTORNEY'S OFFICE

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." (G.C. section 20436)

OTHER LOCAL SAFETY

OCEAN BEACH LIFEGUARDS

"Local safety member" also includes 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 those water areas of submerged objects and bodies of persons drowned or believed to have drowned in those 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 lifeguard, but who performs additional duties, some of which (including the maintenance of peace and order and the 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) that in other areas are customarily performed by firefighters, and other and further duties that do not come directly within any of the above 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 life guarding or lifesaving service, even though the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active life guarding or lifesaving service.

This section does not apply to the employees of any contracting agency having a contract with the board made prior to September 18, 1959, until the agency elects to subject itself and its employees to the provisions of this section by amendment to its contract with the board pursuant to G.C. section 20474; except that an election is required only among the employees to whom the provisions of this section apply.

The amendments of this section, made by Chapter 130 of the Statutes of 1982 do not constitute a substantive change in the law and shall not be construed to entitle any person to

any right or benefit that he or she was not already entitled to prior to December 31, 1982.

NOTE:
This provision is mandatory for all contracting agencies with CalPERS contract dates of September 18, 1959 or later. It is an optional contract provision for contracting agencies with CalPERS contract dates of prior to September 18, 1959. See Other Local Safety listing in this section (G.C. section 20421).

LOCAL SAFETY OFFICER

"Local safety officer" means 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 the employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement or firefighting and prevention service, but not excepting persons employed and qualifying as patrol officers or equal or higher rank, or as firefighters, hose officers, or equal or higher rank, irrespective of the duties to which they are assigned.

"Local safety officer" does not include persons employed to perform identification or communication duties. This provision shall not apply to persons employed and qualified as patrol officers or equal or higher rank, or as firefighters, hose officers, or equal or higher rank. (G.C. section 20424)

OTHER SAFETY CLASSIFICATIONS — PROVIDED BY OPTIONAL CONTRACT PROVISIONS

The following classifications can be added to your safety categories by amending your agency's contract. If your agency has contracted for these other safety classifications, they will be listed on your contract activity page in myCalPERS.

It should be noted that many of these optional sections do not contain the "employed and qualifying" language that is used to give police officers, firefighters, sheriff's deputies, etc. safety status when they promote into the supervisory/managerial ranks. Therefore, persons must be performing the specified duties

in order to qualify for safety coverage under such sections.

RECLASSIFICATION

A member who is employed in a position that is reclassified from local miscellaneous to local safety (other than under the 2% @ 50, 3% @ 50, or 3% @ 55 retirement formulas) may make an irrevocable election in writing to remain subject to the miscellaneous service retirement benefit by filing a notice of that election with CalPERS within 90 days after notification by CalPERS. (G.C. section 20443)

LOCAL POLICE OFFICER

JUVENILE BUREAU OFFICER

If provided for by your agency's contract, "Local police officer" also includes 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 the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement. (G.C. section 20427)

PEACE OFFICER UNDER PENAL CODE, NOT WITH CITY OR COUNTY

If provided for by your agency's contract, "local police officer" also includes 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. (G.C. section 20429)

CITY JAILERS

If provided for by your agency contract, "local police officer" also includes any employee of a contracting agency that is a city, who is employed in a jail or a detention or correctional

facility and having as his or her 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. (G.C. section 20431)

LOCAL SHERIFF

If provided for by your agency's contract, "local sheriff" means 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 whose functions do not clearly come 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 qualifying as deputy sheriffs or equal or higher rank irrespective of the duties to which they are assigned. (G.C. section 20432)

Contracting for this section allows agencies to provide a different level of retirement benefits (e.g., retirement formula) to "local sheriff officers" than to "county peace officers."

COUNTY PEACE OFFICER

CONSTABLE, MARSHAL

If provided by your agency contract, "county peace officer" shall also include the constable and each regularly employed deputy constable and the marshal and each regularly employed deputy marshal who serves the superior court. He or she shall receive credit for service as a peace officer for any time he or she served as constable or deputy constable of a township or justice court or marshal or deputy marshal of a municipal court in the same county. (G.C. section 20437)

IDENTIFICATION AND/OR COMMUNICATION DUTIES

If provided by your agency contract, "county peace officer" does not include persons employed to perform identification or communication duties other than persons in that employment on August 4, 1972, who elected within 90 days thereafter to be local safety members. 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 the 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 may not apply to service following any subsequent acceptance of appointment to a position other than that held on the effective date. This subdivision does not apply to persons employed and qualified as deputy sheriffs or equal or higher rank. (G.C. section 20436)

PROBATION OFFICER, JUVENILE HALL CUSTODY

If provided by your agency's contract, "county peace officer" shall also include 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 that service. (G.C. section 20438)

Membership Categories

COUNTY JAIL—CUSTODIAL EMPLOYEES

If provided by agency contract, "county peace officer" shall also include 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 the jail or facility, whether or not these employees are deputized. It shall 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, that service or the employees are deputized. (G.C. section 20439)

BAILIFFS

If provided for by your agency's contract, "county peace officer" shall also include employees of the sheriff employed to attend sessions of the superior or former municipal courts and preserve order in the courtrooms, to guard and maintain the security of prisoners during court appearances, or to summon jurors and take responsibility for them while they are deliberating or absent from the courtroom. It shall not include persons employed as clerks, typists, teachers, instructors or psychologists. (G.C. section 20440)

COUNTY PARK RANGERS

If provided for by your agency's contract, "county peace officer" shall also include persons employed by a county parks and recreation 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 Park Ranger class series. (G.C. section 20441)

OTHER LOCAL SAFETY

LIFEGUARDS

NOTE: This provision is mandatory for all contracting agencies with CalPERS contract dates of September 18, 1959 or later. It is an optional contract provision for contracting agencies with CalPERS contract dates prior to September 18, 1959.

If provided for by your agency's contract, "local safety member" also includes 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 those water areas of submerged objects and bodies of persons drowned or believed to have drowned in those 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 lifeguard, but who performs additional duties, some of which (including the maintenance of peace and order and the 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) that in other areas are customarily performed by firefighters, and other and further duties that do not come directly within any of the above 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 the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active lifeguarding or lifesaving service. (G.C. section 20421)

EMERGENCY MEDICAL TECHNICIAN/PARAMEDIC

If provided for by your agency's contract, "local safety member" also includes all employees of a public agency whose principal duties consist of rendering pre-hospital emergency medical care to ill or injured persons and who are employees designated as Emergency Medical Technician—I, Emergency Medical Technician—II, or Emergency Medical Technician—Paramedic, as defined by, respectively, Sections 1797.80, 1797.82, and 1797.84 of the Health and Safety Code. (G.C. section 20422)

HARBOR OR PORT POLICE OFFICER

If provided for by your agency's 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 (b) of Section, 830.33 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,

Membership Categories

and Chapter 2 (commencing with Section 9850) of Division 3.5 of the Vehicle Code (G.C. section 20423).

PARK RANGERS

If provided for by your agency's contract, "local safety member" also includes any park ranger employed by a contracting agency who is a peace officer as defined in subdivision (b) of Section 830.31 of the Penal Code and whose primary responsibility is maintaining the peace and whose duties include law enforcement, emergency medical care first response, or fire suppression and prevention (G.C. section 20423.5)

LOCAL PROSECUTORS, PUBLIC DEFENDERS, AND PUBLIC DEFENDER INVESTIGATORS

For all of these categories, the member's effective date of retirement must be on or after the date this section becomes applicable to the member's contracting agency.

LOCAL PROSECUTORS

G.C. section 20423.6 covers all of the following groups of employees:

1. A county officer or employee who, on or after January 1, 2002:
 - Was employed in the office of the district attorney.
 - Had a job title/classification of district attorney, deputy district attorney, chief deputy district attorney, senior deputy district attorney, assistant district attorney, chief assistant district attorney, senior assistant district attorney, or any other similar classification or title.
2. A county officer or employee who:
 - Was employed in the office of a district attorney prior to the date the local child support agency transitioned from the district attorney to a new county department, as specified in Section 17304 of the Family Code.
 - Had a job title/classification of district attorney, deputy district attorney, chief deputy district attorney, senior deputy district attorney, assistant district attorney, chief assistant district attorney, senior assistant district attorney, or any other similar classification or title.
 - On or after January 1, 2002, was an attorney in a local child support agency, as
3. A city officer or employee who, on or after January 1, 2002:
 - Was employed in the office of the city attorney.
 - Was primarily engaged in the active enforcement of criminal laws within any court operating in a county.
 - Had a job title/classification of city attorney, deputy city attorney, chief deputy city attorney, assistant city attorney, chief assistant city attorney, or any other similar classification or title.

defined in subdivision (h) of Section 17000 of the Family Code, with no break in service between employment by a district attorney and the local child support agency.

LOCAL PUBLIC DEFENDER

A city or county officer or employee who, on or after January 1, 2002:

- Was employed in the office of the public defender, the alternate public defender, or any similar office title.
- Had a job title/classification of public defender, deputy public defender, chief deputy public defender, senior deputy public defender, assistant public defender, chief assistant public defender, senior assistant public defender, or any other similar classification or title.

LOCAL PUBLIC DEFENDER INVESTIGATOR

A city or county officer or employee who, on or after January 1, 2002:

- Was employed in the office of the public defender, the alternate public defender, or any other similar office title.
- Had a job title/classification of inspector, investigator, detective, or any other similar classification or title.
- Had principal duties of investigating crime and criminal cases.

SCHOOLS

LOCAL POLICE OFFICER

"Local police officer" also includes any officer or employee of a school district or a community college district that 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 the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement. This section shall only apply to any school district or community college district that prior to June 30, 1982, had amended its contract to provide membership for local police officers. (G.C. section 20430)

SCHOOL SAFETY MEMBERS

If provided for by your agency's 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 the person is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement. This section shall only apply to a school district or a community college district that, pursuant to subdivision (i) of G.C. section 20057, entered into a contract with the board on or after January 1, 1990. (G.C. section 20444)

LOCAL FIREFIGHTER

If provided for by your agency's contract, "local firefighter" also means 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, 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 or equal or higher rank, irrespective of the duties to which they are assigned. (G.C. section 20434)

HAZARDOUS MATERIALS SERVICES

If provided for by your agency's contract, "local firefighter" also means 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 hazardous materials services, even though that employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of hazardous materials services, but not excepting persons employed and qualifying as firefighters or equal or higher rank, irrespective of the duties to which they are assigned. (G.C. section 20434.5)

FIRE TRAINING FUNCTION FOR A CONTRACTING AGENCY

If provided for by your agency's contract, "local firefighter" means 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 or equal or higher rank, irrespective of the duties to which they are assigned. (G.C. section 20435)

H.R. 743 — SOCIAL SECURITY PROTECTION ACT OF 2004

On March 2, 2004, President Bush signed H.R. 743, the Social Security Protection Act of 2004, into law. Section 419(c) of H.R. 743 provides that any individual entering employment on or after January 1, 2005 in a position not subject to Social Security, be provided a written notice explaining the maximum effect not being subject to Social Security may have on the calculation of the primary insurance amounts and on the benefit amounts of monthly periodic payments or benefits.

Membership Categories

The notice has been developed by the Social Security Administration "in language calculated to be understood by the average individual". The written notice provided is to include a form for the individuals to complete and sign certifying receipt of the notice. Once completed and signed, the notification is to be submitted to the agency and to the retirement system the employing entity provides for its employees. H.R. 743 is silent as to any reason for the certifications being submitted to the retirement systems, how long the certifications must be retained, or any retrieval capability requirements. The Social Security Administration (SSA) provides the notification, certification form and instructions to public employers through their website at www.socialsecurity.gov. Questions should be directed to your local social security office or to the SSA using the Web address provided above. CalPERS will provide any additional information on this topic as it becomes available.

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DETERMINING RETIREMENT BENEFITS

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

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

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

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

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

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

NOTE:

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

Scenario 1 – Classic Member

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

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

Scenario 2 – Classic Member

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

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

Scenario 3 – Classic Member

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

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

Scenario 4 – Classic Member

The employee was hired part-time on January 1, 2011, and did not qualify for immediate membership and had to be monitored. On May 1, 2011, the employer added a second level of benefits changing the cost of living allowance (COLA) from 3% to 2%. On January 1, 2012, the employee qualified for membership.

Result: Since the employee qualified for membership after the addition of a second level of benefits, the employer is required to enroll the

Determining Retirement Benefits

employee into the second level with a COLA of 2% and a membership date of January 1, 2012.

Scenario 5 – New Member

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

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

Scenario 6 – Classic Member

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

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

Scenario 7 – Classic Member

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

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

Scenario 1 – Retired Classic Member

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

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

Scenario 2 – Retired Classic Member

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

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

Scenario 3 – Retired Classic Member

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

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

Scenario 4 – Retired Classic Member

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

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

Scenario 5 – Retired Classic Member

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

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

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

Determining Retirement Benefits

NOTE:
To learn more about reinstatement from retirement refer to: Reinstatement From Retirement Section.

POSITIONS EXCLUDED BY RETIREMENT LAW (PERL) FROM CALPERS COVERAGE

The following is a list of positions that are excluded from CalPERS coverage as stated by California Public Employees' Retirement Law (PERL):

MEMBERS OF OTHER RETIREMENT SYSTEMS

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

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

PERSONS WHO ARE NOT "EMPLOYEES" OF A CALPERS-COVERED AGENCY

Only compensated "employees" of agencies contracting with CalPERS for retirement coverage are eligible for CalPERS membership. CalPERS uses the "Common Law Control Test" as a guide to determining whether or not an individual is an employee, as well as which entity (if more than one) is purportedly employing a worker.

The Supreme Court decision in the case of Metropolitan Water District of Southern California v. Superior Court of Los Angeles (32 Cal. 4th 491) may be referenced for additional guidance in this area. The Court concluded that the law "requires contracting public agencies to enroll in CalPERS all common law employees except those excluded under a specific statutory or contractual provision." Also, "the PERL contains no broad exclusion for...[employees] hired through private labor agencies or suppliers." This decision also cited the Tieberg v. Unemployment Ins. App. Bd. Case (2 Cal.3rd 949), which stated that, "The right to control the means by which the work is accomplished is clearly the most significant test of the employment relationship."

INDEPENDENT CONTRACTORS

Independent contractors are not "employees" and are excluded from membership in CalPERS by G.C. section 20300(b). An independent

contractor is someone who contracts to provide a service or complete a task according to his or her own methods, and is not subject to the contracting entity's control as to the end product, final result of work, or manner and means by which the work is performed.

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

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

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

For further clarification of independent contractors or contract employees, we recommend contacting the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

ELECTED OR APPOINTED OFFICERS

G.C. sections 20320-20325 exclude certain public officers and employees from membership unless an election is filed with CalPERS to waive the exclusion and establish membership.

Positions Excluded by Retirement Law

Those persons qualifying for "optional" membership rights are predominately, but not limited to, elected and appointed officers of public agencies, schools, and the State of California. Refer to the "Optional Members of CalPERS" section for more complete information to determine who is excluded but may be eligible under optional member provisions.

STUDENT ASSISTANTS/AIDES

A student in 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 G.C. section 20300(c).

TEMPORARY TEACHER-ASSISTANT CERTIFICATE

Persons employed as teacher-assistants under Education Code section 44926 (who possess a temporary certificate to serve as a teacher-assistant, and are enrolled in a California teacher training institution) are excluded from CalPERS membership by G.C. section 20300(d).

PROFESSIONAL LEGAL SERVICES TO A CITY

Persons rendering professional legal services to a city are excluded under G.C. section 20300(h) with the exception of persons in one of the following offices/positions:

1. The office of city attorney;
2. The office of assistant city attorney; or
3. An established position of deputy city attorney.

However, a city attorney, assistant city attorney, or deputy city attorney, may also be eligible for the "optional" member provisions of G.C. section 20322. Refer to the "Optional Members of CalPERS" section for further information.

INMATES OF PUBLIC AGENCY INSTITUTIONS

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

**BOARD MEMBERS OF THE STATE
COMPENSATION INSURANCE FUND**

Board Members of the State Compensation Insurance Fund, including those appointed by the Governor.

ADDITIONAL INFORMATION

CONTRACT EXCLUSIONS (PUBLIC AGENCIES ONLY)

G.C. 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 for groups of employees, in categories such as by departments or duties (e.g., Lifeguards; Crossing Guards; federally-funded non-civil service employees, etc.).

Any current exclusions in your agency's CalPERS contract will be shown on your contract activity page in my|CalPERS. CalPERS Board Resolution MSD-97-01 provides the criteria used to review and approve/deny requested contract exclusions. As a general guideline, the exclusion of groups of employees who are career employees, or could reasonably be anticipated to become career employees, is not permitted.

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 such an exclusion, even if they have not yet qualified for CalPERS membership.

INVALID/SUPERSEDED CONTRACT EXCLUSIONS

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

G.C. section 20305(b) 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. Except as provided in G.C. section 20502, no contract or contract amendment entered into after January 1, 1981, shall contain any provision excluding persons on an irregular employment basis."

Employees not excluded by contract must still meet the normal criteria for membership in CalPERS.

"OPTIONAL" MEMBERS OF CALPERS

The Government Code provides "optional" membership rights for certain public officers and employees. Those eligible "optional" members are excluded from membership unless and until a written election for membership is filed with CalPERS. (Refer to the *Election of Optional Membership* (PERS-AESD-59) section for instructions on how to establish "optional membership." This form can be downloaded on the CalPERS Website). Membership becomes effective from the date the election is signed and sent to CalPERS.

NOTE:
Changes in legislation have made "optional" member eligibility determinations more complex. This section provides basic information based on employer type and/or "optional" position category to assist in making those determinations. However, if you have any questions concerning "optional" membership eligibility or rights, contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

Once membership has been elected, an "optional" member may elect to contribute and receive service credit for prior-"optional" member service. See the publication *CalPERS Service Credit Purchase Options* (PUB-12) for more information.

When an "optional" member purchases service credit for prior employment, it will not change the membership date.

GENERAL PRINCIPLES

1. Elected or appointed officials who do not receive "compensation" other than reimbursement of expenses (or who waive such compensation) cannot elect membership, or receive service credit.
2. Once membership is elected and established, "optional" members are generally subject to the same CalPERS laws and regulations that apply to compulsory members (except as stated below).
3. Optional membership is an irrevocable election. There is no government code provision to allow for cancellation of membership prior to separation from the

elected/appointed position. A separate election form must be made for each optional membership position, even if the position(s) are with the same employer.

4. For members of a City Council or County Board of Supervisors first elected or appointed on or after July 1, 1994 (unless continuously in employment since June 30, 1994), final compensation at retirement for service in this office will be based *only* on salaries earned in such office. (G.C. section 20039)
5. Optional members as listed below receive full-time service credit and are deemed full-time for all CalPERS purposes (G.C. section 20899). Therefore, contract exclusions of less than full-time employees do not apply to optional members.

NOTE:
Such full-time status may result in an overtime situation, if the member has any other concurrent CalPERS positions. (See "Overtime Positions" section for more information.)

Optional members at public agencies and schools are those defined by G.C. section 20322, to include the following groups:

ELECTIVE OFFICERS

Elected Officers are persons elected by vote of the people (e.g., Mayor, City Council members, County Supervisors, Sheriff, District Attorney, City Clerk, etc.). This also includes persons who are appointed to fill the unexpired office of an elective officer (e.g., a person appointed by a City Council to fill the remainder of a term for a member who resigns; or dies in office).

NOTE:
County Board of Education members are considered, for CalPERS purposes, as employees of the county, rather than employees of the County Superintendent of Schools, even if the board is fiscally independent of the county. Therefore, the county must contract for CalPERS coverage for such persons to be eligible, unless it provided G.C. section 20361.2 prior to its repeal effective July 1, 1994.

"Optional" Members of CalPERS

APPOINTIVE OFFICERS OF A CITY OR COUNTY

Persons who are appointed to a "fixed term of office" with a city or county are included in the definition of "elective officer" by G.C. section 20322(b). Such officers are listed in G.C. sections such as 24000, 36501, etc.

CITY ATTORNEY

Persons holding this office, provided they are common law employees, are eligible for "optional" membership in certain conditions:

- Prior to March 4, 1972, an elected City Attorney was an "optional" member. (An appointed City Attorney was not, but was subject to compulsory membership, if meeting the normal time base/appointment length qualifications for membership.)
- From March 4, 1972 through June 30, 1994, all City Attorneys were defined as "elective officers" and thus "optional" members whether or not they were actually elected to office.
- After July 1, 1994, all City Attorneys are excluded from the definition of "elective officer." Thus, even if they are elected to office, they no longer are considered "elective officers" or "optional" members for CalPERS purposes. Consequently, they must now meet the normal time base/appointment length qualifications for membership under G.C. 20305. In addition, City Attorneys must take an oath prescribed by the constitution before entering the office. Failure to take and file the constitutional oath of office results in a vacancy in the office.

In addition to these, between January 1, 1986 and June 30, 1994, an Assistant/Deputy City Attorney in a city that had contracted for G.C. section 20361.3 (now repealed, but still applicable for an agency that contracted for it while it was law) was included in the definition of "elective officers," and was thus an "optional" member - even though the individual had not been elected to office.

PART-TIME EMPLOYEES

Employers can contract for G.C. section 20325, to allow all part-time employees who work less than 20 hours a week for one year or more to elect "optional" membership. However, few employers contract for this provision.

If such an 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. If such an eligible employee wishes to elect "optional" membership, they should complete the **Election of Optional Membership - Part-Time Employee (PERS-AESD-229)** form, which can be downloaded from the CalPERS Website.

EXCLUSIONS FROM MEMBERSHIP

Since July 1, 1994, a large number of persons who formerly had "optional" membership rights have been excluded from membership entirely. Thus, not only are they no longer "optional" members, they are no longer eligible for CalPERS membership.

Those excluded are members of commissions, boards, councils, or similar legislative or administrative bodies (e.g., water districts, sanitation districts, redevelopment agencies, transportation commissions, etc.). Regular employees of such agencies are not excluded; only the members of the governing board of such bodies.

City Council members and members of a County Board of Supervisors are specifically not excluded from membership by these law changes, and remain eligible for "optional" membership (G.C. section 20322(c)).

Elective/appointive officers who are not serving on administrative bodies also remain eligible to elect "optional" membership (e.g., District Attorney, City Clerk, County Counsel, City Treasurer, etc.).

The exclusions only apply to persons first elected or appointed to office on or after July 1, 1994 (or on or after January 1, 1997), who did not continuously remain in their office.

A person who was first elected/appointed prior to July 1, 1994 and continuously remained in this office, still have the right to elect "optional" membership. For example, a person who was elected in 1990 and has remained continuously in the same office but has not yet elected "optional" membership, has the right to elect membership; whereas a person first elected in 2000 does not have the right, and would be excluded from membership. The excluded positions are:

SCHOOL BOARD MEMBERS

School Board members are excluded if they are first elected/appointed to their position on or

“Optional” Members of CalPERS

after July 1, 1994. However, if the person has been in the same position continuously since before July 1, 1994, they have the right to elect optional membership, and/or should still be reported in membership.

ELECTED/APPOINTED OFFICERS OF ADMINISTRATIVE BODIES OF NON-CITY/COUNTY CONTRACTING AGENCIES

Members with a contracting agency other than a city or county are excluded if they are first elected/appointed to their position on or after July 1, 1994. However, if the person has been in the same position continuously since before July 1, 1994, they have the right to elect optional membership, and/or should still be reported in membership.

ELECTED/APPOINTED OFFICERS OF ADMINISTRATIVE BODIES OF ANY CONTRACTING AGENCIES

Members are excluded if they are first elected/appointed to their position on or after January 1, 1997. However, if the person has been in the same position continuously since before July 1, 1997, they have the right to elect optional membership, and/or should still be reported in membership. As stated above, City Council members, and County Supervisors are not excluded.

ELECTION OF OPTIONAL MEMBERSHIP (AESD-59)

A completed and signed *Election of Optional Membership* form (PERS-AESD-59), is required to validate and establish membership for an individual who qualifies as an “optional” member as an elective/appointive officer under G.C. section 20322.

Refer to the “Optional Members of CalPERS” section of this manual to determine “optional” membership eligibility.

WHEN TO COMPLETE

Once it has been determined that the individual does qualify for and requests “optional” membership, the PERS-AESD-59 form should be completed and submitted to CalPERS for review and approval of membership.

1. The optional member must be advised of his or her rights to elect membership when first eligible for membership (i.e., upon first taking office) but the election can be made at any time while in that elected/appointed

position - even on the incumbent’s last day in office. You should document in your personnel records the fact that the information was provided to the individual, as well as any direct response received from the individual (e.g., “Ms. Smith declined membership at this time”). Do not send a notice to CalPERS if membership is declined.

2. When a current active or inactive member assumes an “optional” member position and elects membership for that office, complete a PERS-AESD-59 and enroll through my|CalPERS.

NOTE:

The individual’s current CalPERS membership status does not serve as qualification for eligibility to continue the person in membership automatically; an “optional” member election must be submitted.

OTHER GENERAL PROVISIONS AND INSTRUCTIONS

1. For CalPERS retirement purposes, optional members qualifying under G.C. section 20322 are deemed full-time and earn full-time service credit. (G.C. section 20899).

NOTE:

This full-time status may result in an overtime situation, if the member has any other concurrent CalPERS positions.

2. Optional members excluded by an agency’s CalPERS contract remain excluded regardless if a PERS-AESD-59 election is filed. Typical contract exclusions that can apply are defined as “Elective Officers and Members of the Governing Body”, and those citing specific position titles.
3. The optional member must receive “compensation” in order for membership to be reported and service credit earned. Reimbursement of expenses alone is not considered compensation under the Government Code.
4. Elimination of, or waiver of compensation; once membership has been elected does not constitute a “permanent separation” from membership for purposes of canceling membership and electing a refund of

"Optional" Members of CalPERS

contributions, as long as the person remains active in the same elected position with that employer.

5. Membership should not be established for an optional member unless the PERS-AESD-59 is signed and filed with the CalPERS Board of Administration in accordance with the "When to Complete" instructions.
6. Submit the original signed form PERS-AESD-59 to CalPERS; retain copies for the member and employer personnel records.
7. Refer to the "Pay Rate and Earnings Relationship" section in the Payroll Reporting chapter for normal contribution reporting instructions.
8. An optional member may elect to purchase and receive service credit for prior "optional" member service. When purchasing prior "optional" member service credit, an officer must purchase all prior "optional" member service for that employer, not just a portion of the "optional" member service period.
9. An officer who is no longer in office, but is currently an active or inactive CalPERS member, may also elect to contribute for prior "optional" member service.
10. See the publication ***Service Credit Purchase Options*** (PUB-12) or refer to the ***Redeposit of Withdrawn Contributions and Other Types of Service*** publication. Do not attach the inquiry to the PERS-AESD-59; it should be submitted separately.

SCHOOL EMPLOYMENT: CALPERS OR CALSTRS?

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 California State Teachers' Retirement System (CalSTRS), while classified employees may be eligible for membership in CalPERS:

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

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

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

Education Code Section 22508(c):

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

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

Employees in Certain State Bargaining Groups

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

- A. The employee is represented by a State Bargaining Unit that represents educational consultants, professional educators, or librarians employed by the state; OR
- B. The employee is excluded from the definition of "State employee" in G.C. Section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph "A" above; OR
- C. The employee is in a non-civil service position in the Executive branch, yet performs, manages or supervises work similar to employees under Subparagraph "A" above.

SB 1694 (Chapter 880, Statutes of 2000) also amended Section 20309 of the Government Code to provide an election right to CalPERS members who are employed with the State Board of Governors of the California Community Colleges or the State Department of Education when they subsequently enter employment that qualifies for membership in the CalSTRS Defined Benefit Program.

School Employment: CalPERS or CalSTRS?

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

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

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

1. The member must have entered State employment within 30 days of separation from CalSTRS-covered employment;
2. The member must have had no other intervening employment;
3. The change of employment occurred between July 1, 1991 and September 11, 2000;
4. The member must be subject to the State Second-Tier.
5. The member meets one of the following criteria:
 - A. Is represented by a State Bargaining Unit that has agreed to an MOU making their represented employees subject to G.C. section 20309.5;
 - B. Is excluded from the definition of "State employee" in G.C. section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph "A" above;
 - C. Is in a non-civil service position in the Executive branch, yet performs, manages or supervises work similar to

employees under Subparagraph "A" above.

INFORMATION AND INSTRUCTIONS

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

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

If the employee elects, the completed form must:

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

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

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

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

Send elections to:

CalSTRS
P.O. Box 15275
Sacramento, CA 95851-0275

School Employment: CalPERS or CalSTRS?

And

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

Completed elections may also be uploaded into myCalPERS.

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

DIFFERENCES BETWEEN CALPERS AND CALSTRS

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

1. CalPERS members may or may not have Social Security coverage (most do), whereas CalSTRS members generally do not;
2. The Benefit Factors based on age for service retirement may be different;
3. The employee contribution rates may be different;
4. Persons entering membership in either system between July 1, 1980 and December 31, 1998 may not be eligible to convert unused sick leave credits to service credit at retirement.

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

You can also receive the publication "Join CalSTRS? Join CalPERS?" at www.calstrs.com or by calling CalSTRS.

CALSTRS CONTACT INFORMATION

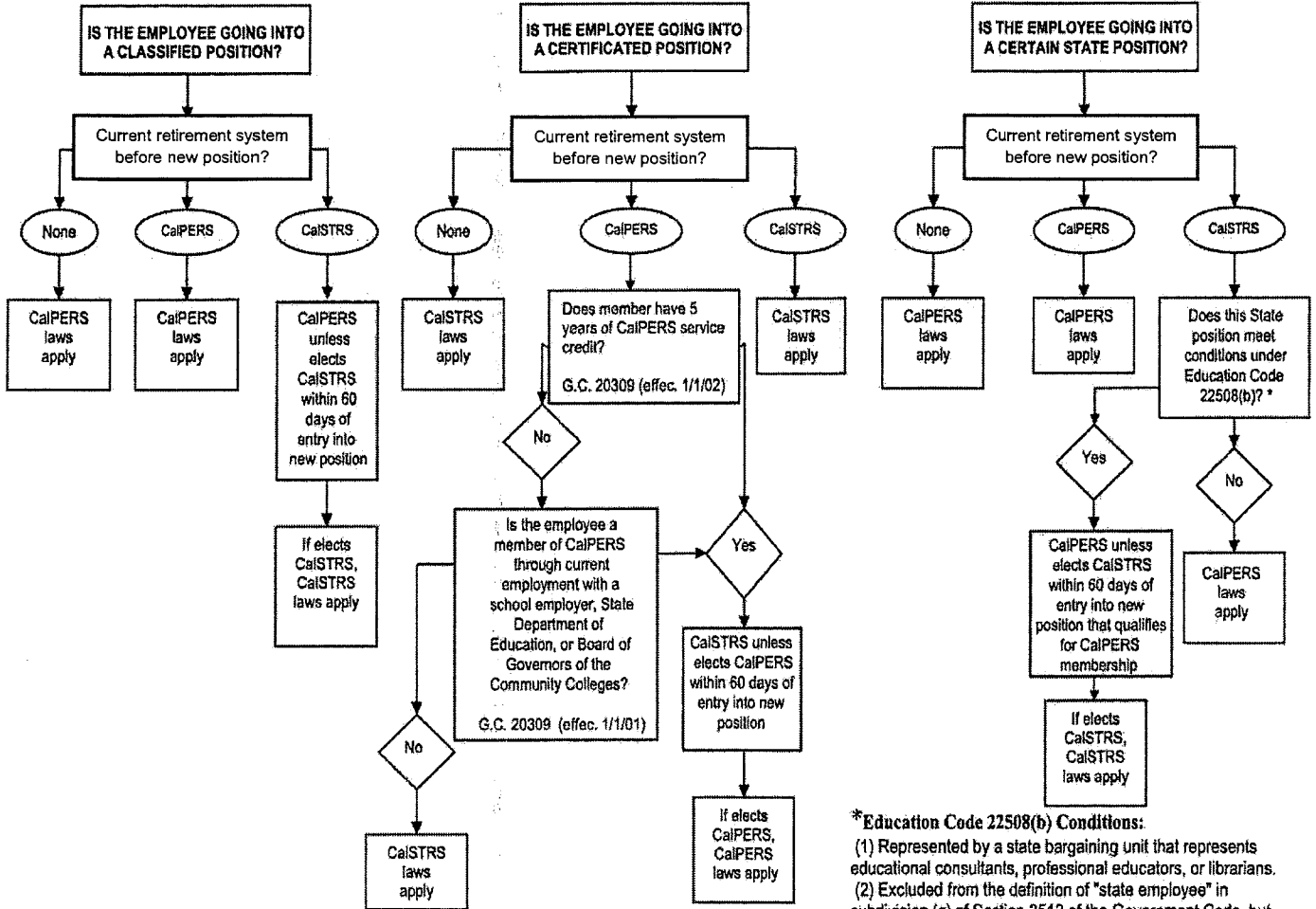
CalSTRS (800) 228-5453 or (916) 414-5040
(FAX) or www.calstrs.com

ADDITIONAL INFORMATION

1. A person is a "member" of CalPERS or CalSTRS unless they have permanently separated from all employment covered by the system and received a refund of his or her contributions and interest on deposit.
2. It is possible to be an active (i.e., currently employed) member of both CalSTRS and CalPERS as long as this dual coverage is for different positions.
3. The right of election arises for a CalPERS member through school employment, Board of Governors, and the State Department of Education. If a person has CalPERS membership through some other type of employer (most State or contracting Public agencies), the right of election of coverage to remain a CalPERS member arises only if the member has attained 5 years of service and changes positions on or after January 1, 2002.
4. The right of election can only be offered to an eligible CalPERS employee when the new position qualifies for mandatory membership in the Defined Benefit Program under CalSTRS.
5. The election should be filed with the system indicated by the Education Code section (see previous page); send a duplicate copy to the other system for informational purposes, clearly labeled "COPY".

School Employment: CalPERS or CalSTRS?

CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION



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

REPORTING MULTIPLE POSITIONS/OVERTIME POSITIONS

G.C. section 20635 defines "overtime" as follows:

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

CalPERS considers full-time employment to be between 34 and 60 hours per week. Employers generally have the ability to determine what constitutes full-time for an employee provided that the employee works between 34 and 60 hours per week (the exception is non-certificated school employers which is discussed below). Once the full-time weekly hours are determined the additional hours worked during the week by the employee will constitute overtime under G.C. section 20635.

G.C. section 20635.1 defines overtime as follows for school members:

"For the purposes of this part, overtime for school members is the aggregate service performed by an employee as a member for all school employers and in all categories of employment in excess of 40 hours of work per week, and for which monetary compensation is paid."

G.C. section 20636.1 states that for all non-certificated school members full-time employment is considered 40 hours per week. This means that all hours up to 40 per week must be reported to CalPERS for non-certificated school members at the straight time rate and only those hours above 40 are considered overtime.

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

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

With the implementation of myCalPERS, all positions should be reported to CalPERS. This means you should enroll the participant and submit payroll with contributions. CalPERS will determine what employment is considered overtime, meaning which positions should be contributory (where employer and employee contributions are submitted to CalPERS), and which positions are non-contributory, (where no contributions are submitted).

If CalPERS determines that a position is overtime, you will be instructed to reverse the overtime contributions for that participant which will provide a credit to the employer's account. When submitting payroll for the participant's overtime position you must report the payroll as non-contributory on your payroll reporting. If the member contributions are not employer paid member contributions, the overtime contributions will need to be refunded to the employee by the employer. CalPERS will not refund the member their overtime contributions.

The following scenarios illustrate proper enrollment and reporting of participants when working in multiple positions:

1. The participant currently holds one full-time position subject to CalPERS, and accepts a second concurrent qualifying part-time position.

ACTION: The part-time position must be enrolled and reported to CalPERS. CalPERS will make the determination on which position is overtime.

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

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

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

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

Additional Information

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

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

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

UPDATING EMPLOYEE DEMOGRAPHIC INFORMATION

To ensure consistent information between your agency and CalPERS, you should validate and make any changes to your employees' demographic information via my|CalPERS, as this will update CalPERS automatically. This includes changes to the following items:

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

BIRTH DATE CERTIFICATION REQUEST

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

When to Complete

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

Instructions

ACTIVE MEMBER

- If this is the **first time** to correct the birth date, process the change by updating my|CalPERS with the correct date of birth.
- If a birth date correction has been previously requested, please notify CalPERS in writing and include one of the "Acceptable Documents" listed below with the request.

INACTIVE MEMBER

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

Acceptable Documents

The following is the list of acceptable documents, listed in the order of preference, to be used in resolving a birth date discrepancy. Please submit copies only to CalPERS as originals cannot be returned.

1. BIRTH CERTIFICATE or HOSPITAL BIRTH RECORD
2. CALIFORNIA DRIVERS LICENSE
3. NATURALIZATION/PASSPORT (U.S. or Canada).
4. FOREIGN PASSPORT that includes a valid INS-94 form (record of arrival and departure).
5. BORDER CROSSING CARD with a valid INS-94 form (includes "Mica" and "Laser Visa" border crossing cards).
6. CHURCH BAPTISMAL, CRADLE or BLESSING RECORD that shows a date of birth and was established during the first few years of life.
7. PRIMARY or SECONDARY SCHOOL RECORDS showing age at certain year or birth date. Write to the Superintendent of Schools to request records.
8. NATURALIZATION, PASSPORT or IMMIGRATION DOCUMENTS
9. RECORDS OF AGE OR BIRTH DATE which are dated prior to 21st birthday, such as church, fraternal order, insurance, hospital, medical, adoption, guardianship, or newspaper notice of age.
10. DELAYED BIRTH CERTIFICATE. Contact the state in which you were born to obtain a copy.
11. CENSUS RECORDS from federal or state government—preferably the first two censuses taken after date of birth.
12. FAMILY BIBLE in which birth date was recorded within reasonable period of time after birth.
13. SOCIAL SECURITY CERTIFICATION documents which show the date of birth that has been established by the Social Security Administration (contact the Social Security Office where you applied for Social Security benefits).

In the event that none of the above listed documents are available, submit a written request to:

California Public Employees' Retirement System
Customer Account Services Division
Retirement Account Services
P.O. Box 942709
Sacramento, CA 94229-2709

If you have additional questions, contact the
CalPERS Customer Contact Center at **888**
CalPERS (or **888-225-7377**).

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

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

1. When the rate of contribution or effective date of membership must be changed or canceled;
2. To notify your agency to correct, through payroll credit procedures, non-members or overtime earnings reported in error;
3. To notify your agency to correct the Account Code and any earnings and contributions reported in error; and
4. To notify your agency when a member has made an election to change their tier.

SPECIAL INSTRUCTIONS

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

RECIPROCITY AND SIMILAR BENEFITS

FULL RECIPROCITY

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

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

In order for all the benefits of reciprocity to apply:

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

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

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

RECIPROCAL 1937 ACT COUNTIES

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

RECIPROCAL PUBLIC AGENCIES

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

NOTE:

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

NON-RECIPROCAL & UCRS RETIREMENT SYSTEMS

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

State Teachers' Retirement System
Legislators' Retirement System
Judges' Retirement System
Judges' Retirement System II
University of California Retirement System
(includes the University of California Retirement Plan. Service rendered prior to October 1, 1963 was covered by CalPERS).

RECIPROcity REQUIREMENTS

CONDITIONS FOR ACQUIRING THE BENEFITS OF FULL RECIPROcity

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

1. The employee voluntarily elects reciprocity and continues in membership in CalPERS by leaving his or her contributions (if any) on deposit (or by later redepositing contributions he or she had withdrawn); and
2. The employee enters into employment that results in membership in the new system within six months of discontinuance of employment as a member of CalPERS (see note); and
3. The employee must retire on the same date under both systems by submitting a retirement application to each system respectively.
4. Certain exceptions may exist if the employee is employed under an independent public agency retirement system before the effective date of that system's reciprocal agreement with CalPERS.

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

A member should complete the ***Election to Coordinate Retirement when Changing Retirement Systems*** form in the ***When You Change Retirement Systems*** publication (PUB-16) and mail to the address on the form.

IMPORTANT RESTRICTIONS

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

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

For more information, contact the following retirement systems:

California State Teachers' Retirement System
P.O. Box 15275
Sacramento CA 95851-0275
(800) 228-5453

Judges' and Legislators' Retirement System
P.O. Box 942705
Sacramento CA 94229-2705
(916) 795-3688

University of California Retirement Plan
P.O. Box 24570
Oakland CA 94623-1570
(800) 888-8267

RIGHTS AND BENEFITS WITH FULL RECIPROCITY

Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. The information contained here expresses current CalPERS law.

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

NOTE

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

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

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

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

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

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

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

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

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

CALPERS BENEFITS FOR NON-QUALIFYING INDIVIDUALS

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

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

- **Redeposit Rights:** If the employee withdrew their CalPERS contributions and interest and later joined a reciprocal retirement system, they can re-establish CalPERS service credit and membership by making a redeposit.
- **Refund Restriction:** The member may not withdraw their CalPERS Contributions once they have entered employment covered by the University of California Retirement Plan (UCRP) or if, within six months of leaving State service, they entered employment covered by a system under the County Employees' Retirement Law of 1937 or covered by certain other public agency retirement systems.

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

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

- **University of California Retirement Plan Final Compensation:** The average pay rate during any 12-month or 36-month period of employment with the University of California will be used for computing final compensation, if the member retires from both systems on the same date as long as membership requirements in both systems are met.

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

There is no formal reciprocity agreement established between CalPERS and the following systems:

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

However, the following benefits and requirements apply to CalPERS members who enter employment with these systems and retire on the same date under both systems.

FINAL COMPENSATION

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

REDEPOSIT RIGHTS

A member of CalSTRS, LRS, JRS, or JRS II may redeposit in CalPERS previously withdrawn CalPERS contributions in order to re-establish service credit in this system.

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

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

REFUND RESTRICTION

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

VESTING

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

DISABILITY RETIREMENT

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

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

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

HOW TO NOTIFY CALPERS WHEN THE MEMBER CHANGES RETIREMENT SYSTEMS

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

- Completing the ***Election to Coordinate Retirement When Changing Retirement Systems*** form in the ***When You Change Retirement Systems*** publication (PUB-16).
- Complete one of the forms in the CalPERS Refund Election Package (public agency or school employees) or the separation document (State employees) when separating from CalPERS-covered employment.

Please direct requests for information or inquiries to:

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

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

JRS, JRS II, AND LRS MEMBERS

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

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

Judges' & Legislators' Retirement Systems
P.O. Box 942705
Sacramento, CA 94229-2705
(916) 795-3688
(916) 795-1500 — Fax

LONG-TERM CARE PROGRAM MEMBERS

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

SERVICE CREDIT PURCHASE OPTIONS

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

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

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

EMPLOYER ROLE IN SERVICE CREDIT PURCHASES

Three types of service credit require employer certification of the application requesting the service credit purchase.

- Service Prior to Membership
- Leave of Absence
- Layoff, Prior Service, Optional Member Service

CalPERS offers a variety of service credit purchase options to your employees that do not require employer certification. These include:

- Redeposit of Withdrawn Contributions
- Military Service
- Peace Corps, Americorps VISTA & Americorps

EMPLOYER COST

The service credit purchases where employers are actually billed are:

- Member-Paid Arrears (for the employer share)
- Employer-Paid Arrears (for the member and employer share) (G.C. section 20283)

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

Service Credit Cost Estimator

The [Service Credit Cost Estimator](#) tool (Cost Estimator) provides members a cost estimate for purchasing various types of service credit. The Cost Estimator is located on the CalPERS Website at www.calpers.ca.gov, or members may visit their local CalPERS Regional Office to utilize the self-service computer, in order to generate an online cost estimate and access the required request forms from the results page, when applicable. The Cost Estimator can calculate a cost estimate for the following types of service credit:

- Maternity/Paternity Leave of Absence
- Military Service Credit (Military)
- Redeposit of Withdrawn Contributions (Redeposit)
- Peace Corps or AmeriCorps*Vista Service
- Sabbatical Leave of Absence
- Service Prior to Membership (SPM)

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

- Redeposit of Withdrawn Contributions
- Service Prior to Membership
- State and Schools Military/Public Agency Military

To request the purchase of Military, SPM, and Redeposit, members should follow these steps to obtain an estimate and the request form:

- Visit the CalPERS Website at www.calpers.ca.gov.
- Search for the Service Credit Cost Estimator.
- Complete a cost estimate for the appropriate service credit type.
- Print out the service credit cost estimate from the results page.
- Select the link to download the Service Credit Cost Request form.

Service Credit Purchase Options

- Complete the request form and mail it to CalPERS along with the printed cost estimate.

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

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

REDEPOSIT

Members of CalPERS have the right to redeposit contributions previously withdrawn from CalPERS. The redeposit of withdrawn contributions restores service credit for previous employment. The member must redeposit the amount withdrawn, plus a sum equal to the interest, which would have accrued, had the member's funds been left on deposit. Interest will be charged from the first of the month following the date of withdrawal to the date of final payment. Payments may be made in one lump sum or by installment payments, or by a combination of an initial partial lump sum payment and the balance by installment payments. (G.C. sections 20750 and 20752 to 20756).

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date.

A member, whose ex-spouse received a portion from the member's account as part of a community property judgment or settlement AND took a refund of the contributions, can redeposit those funds in CalPERS. (G.C. sections 20751 and 20751.5).

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date.

SERVICE PRIOR TO MEMBERSHIP

Service Prior to Membership (SPM) is service rendered after the date of contract between a public agency, State, or School District and CalPERS, but before the employee entered

CalPERS membership. This may include time spent working for a federal or State employer under the Comprehensive Employment and Training Act (CETA). Election to contribute for SPM will result in additional service credit. Persons who were employed under the following conditions are eligible for SPM:

1. Those who worked the six months membership qualification period prior to July 18, 1961.
2. Those who worked the part-month membership qualification period between July 18, 1961 and October 1, 1963.
3. Those employed less than 87 hours per month or less than an average of 20 hours per week prior to becoming a member.
4. Those formerly employed in temporary or seasonal employment in which they were excluded from membership under G.C. section 20305.
5. Those "optional" elective officers, Governor appointees and Legislative employees who are excluded because of their failure to exercise their right of election of membership under G.C. sections 20320, 20322, 20324, or 21021 and are no longer working in an "optional" position. If still in an "optional" position, refer to the "Optional Member Service" section.
6. Those who worked under CETA for a federal- or State-sponsored program such as the Public Employee Program, Public Service Employment, Disabled Veterans' Outreach Program, Public Service Employment Program, or Cal Esteem. (G.C. sections 21020 and 21028).

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement effective date.

Active or inactive CalPERS members cannot purchase CalPERS service time if:

1. The agency where the service was earned does not currently have a contract with CalPERS.
2. Their service is excluded by law or by the employer's contract with CalPERS
3. They worked at a school in a certificated position. (They should contact the California State Teachers' Retirement System (CalSTRS) to find out if they can purchase the service with that system.)
4. They worked at the University of California after October 1, 1963.
5. They are retired.

Service Credit Purchase Options

VERIFICATION OF SERVICE PRIOR TO MEMBERSHIP

When members request to purchase SPM, they obtain a "Request for Service Credit Cost Information Service Prior to Membership, CETA & Fellowship" form (PERS-MEM-370) available through the Service Credit Cost Estimator results page. On this form, members must indicate the prior employer information including the period of employment and the hours and time base worked per month. If this employment is with a State agency that reports payroll through the State Controller's Office (SCO) or with the California State University, the form is sent directly to CalPERS for processing.

If this employment is with a non-SCO State agency, public agency, or school district, this form is sent to that employer for certification. The employer either certifies they concur with the information provided by the member, or follows directions on the form to input the correct employment information into myCalPERS, then forwards the completed form to CalPERS.

ADDITIONAL RETIREMENT SERVICE CREDIT (ARSC)

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

MILITARY SERVICE

PUBLIC AGENCY MEMBERS

G.C. section 21024 effective December 1, 1975 and amended December 1, 1977 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 election to purchase military service credit. Member may make contributions 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.

4. Members may receive credit not to exceed four years.

PUBLIC AGENCY RETIREES

G.C. 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 G.C. section 21024 and 21027.
2. Military service was rendered prior to CalPERS membership with contracting agency that has amended their contract accordingly.
3. The member retired immediately from the contracting agency and before the effective date of the agency's contract amendment for G.C. section 21024.
4. Retiree makes contributions required.
5. Retiree may receive credit not to exceed four years.

MILITARY SERVICE CREDIT AS PRIOR SERVICE

G.C. section 20996 provides employees, who are or were on military leave at the time your agency contracts for CalPERS coverage and returned 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 for this service credit. Your agency would be liable for the cost.

STATE AND COUNTY SCHOOL MEMBERS AND RETIREES

G.C. section 21029 provides that 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 (within 120 days of separation) from employment.
2. Must have a minimum of one year of CalPERS service and one year of military service. Service is granted on a basis of one year of military service credit for each year of credited CalPERS service credit, not to exceed four years.
3. Make election to purchase military service credit. Member may make contributions in one lump sum or by installment payments, or by a combination of an initial partial lump

Service Credit Purchase Options

- sum payment and the balance by installment payments.
4. In addition, State retirees must have retired on or after December 31, 1981.

The cost for the military service is based on current pay rate, the amount needed to fund the benefit, and how much military service credit is purchased. Members can use the online Service Credit Cost Estimator on the CalPERS Website at www.calpers.ca.gov to get an estimate of this cost.

LEAVE OF ABSENCE

There are certain conditions in which some leaves of absence and some public employment may be creditable under CalPERS.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

CERTIFICATION

When a member requests to purchase Service Credit for a Leave of Absence, they are provided with a **Request for Service Credit Cost Information – Leave of Absence** form (PERS-MSD-371). On this form, they indicate the prior employer information, including the period of employment and hours or time base worked per month. The member completes sections 1-3, and the employer completes section 4. Upon completion, the employer may return the form to the member or if appropriate, forward it to the employee's Worker Compensation carrier for Temporary Disability certification, as appropriate.

TEMPORARY DISABILITY LEAVE

Temporary disability leave is time off while receiving temporary disability payments because of a job-related injury or job-related illness.

Members must either return to active CalPERS membership or retire. There is no limit to the amount of time members may purchase.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

EDUCATIONAL LEAVE OF ABSENCE

Educational leave of absence is time off to pursue higher education.

Members must be a State, University of California, or California State University employee both before and on their return from the leave. Members may purchase a maximum of two years' service credit (even if the combined total of the members' educational leave exceeds two years).

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

SERIOUS ILLNESS LEAVE OF ABSENCE

Serious illness Leave of Absence is an employer-approved uncompensated leave of the member's own serious illness or injury.

The employer must certify the member was on an employer-approved for a leave because of the member's own serious illness or injury. The member must return to active service with a CalPERS-covered employer following the leave. There is no maximum time limit to Serious Illness Leave of Absence that a member can purchase.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

SABBATICAL LEAVE OF ABSENCE

Sabbatical Leave of Absence is time off for partially compensated leave of absence from CalPERS-covered employment. You must be an active or inactive CalPERS member. There is no maximum time you can purchase. You must return to CalPERS-covered employment after your leave of absence.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

MATERNITY/PATERNITY LEAVE OF ABSENCE

Maternity/Paternity Leave of Absence is time off after the birth or adoption of a child. You must return to CalPERS-covered employment at the end of the approved leave, and remain in the CalPERS-covered employment at least the same amount of time. You can purchase up to 12 months per leave. You cannot purchase additional service if you have already earned a full year of credit (10 full-time months) during that fiscal year (July 1 through June 30).

Service Credit Purchase Options

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

SERVICE LEAVE

Service leave is time off to work with a college or university; a local, state, federal, or foreign government agency; or certain nonprofit organizations.

Members may purchase a maximum of two years' credit for each service leave. Members must return to CalPERS-covered employment after service leave. By law, some service leaves of absence are not eligible for CalPERS service credit, even if the employer gives prior approval.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

CREDIT FOR ABSENCE FROM EMPLOYMENT FOR MILITARY SERVICE

G.C. sections 20990 through 20998 provide that a member who was absent on military service may be eligible to receive credit for the absence at employer cost. To be eligible for this service credit the member must have:

1. Been in the employment of a CalPERS covered agency prior to entering military service.
2. Been granted a military leave or have resigned from employment for the purpose of entering active duty 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 CalPERS within six months after discharge from active duty. If the member did not return to employment within six months after discharge, they may be eligible to purchase this service credit.

ALTERNATE RETIREMENT PROGRAM

If the member was previously employed by the State of California as a new first-time State miscellaneous or industrial employee hired on August 11, 2004 through June 30, 2013 and **DID NOT** elect to transfer their ARP contributions from their ARP account to CalPERS to buy retirement service credit for the time the member was enrolled in ARP, the member remains eligible to purchase the ARP time from CalPERS in the future. If the member decides to purchase

this service in the future, the service will be calculated at a present value cost. The member may purchase this service credit by making contributions in one lump sum, by installment payments, or by a combination of an initial partial lump sum payment and the balance by installment payments.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

LAYOFF, PRIOR SERVICE, AND OPTIONAL MEMBER SERVICE

CERTIFICATION

When a member requests to purchase Service Credit for layoff, prior service, or optional member service, they are provided with a **Request for Service Credit Cost Information – Layoff, Prior Service & Optional Member Service** form (PERS-MSD-372). On this form, they indicate the prior employer information, including the period of employment. The member completes sections 1-3, and the employer completes sections 4-6, as appropriate. If this employment is with the State or with a California State University, employer certification is not required and this form is sent to CalPERS using the address on the form for processing. Upon completion, the employer returns the form to the member.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

LAYOFF

G.C. section 21022 allows certain local members, under specified conditions, to purchase service credit for a period of unemployment resulting from a layoff. The section only applies when a member previously laid off is then rehired by the same public agency and only when the public agency has contracted for this provision. No similar provision exists in the Public Employees' Retirement Law for State and school employees who have been laid off and are later rehired.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

Service Credit Purchase Options

PRIOR SERVICE

Prior Service is service rendered before the date of contract between a public agency and CalPERS or for service rendered before the effective date a contract exclusion is removed, pursuant to G.C. section 20503, for those in previously excluded classes. Prior Service is also service rendered for the State of California before January 1, 1932, or for part-time State Employment between January 1, 1932 and September 19, 1939. (G.C. sections 20055, 20930, 20931, 20933, 20934 and 20972)

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.

Public agencies may amend their contract to allow members to purchase Prior Service which is not provided at employer cost (G.C. section 21031).

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

EXCEPTION - LOCAL SYSTEM

A former member of the local retirement system who withdrew any contributions prior to the effective date of that agency's contract with this system is entitled to credit for the service upon which those contributions were made if they elect to deposit any of those withdrawn contributions with this system under the terms and conditions specified in G.C. section 20750. (G.C. section 20531)

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

OPTIONAL MEMBER SERVICE

Optional Member Service is service rendered prior to membership in certain exempt, appointed, or elected positions that allow employees the option of joining CalPERS. Employees can purchase service credit for Optional Member Service if they are (or elect to become, if eligible) a CalPERS member.

Employees cannot purchase credit for Optional Member Service if the position held is ineligible due to law or the employer's CalPERS contract

or if the credit request is received after retirement.

The following employees are considered to be rendering Optional Member Service:

- A State employee who was appointed by the Governor, Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer, or Superintendent of Public Instruction and is exempt from civil service.
- Some officials elected or appointed to a fixed term of office with a city or county and elected officials of the state or a contracting agency. (This may include city attorneys, assistant city attorneys, and elected/appointed officials of schools and contracting agencies; however, eligibility is determined by the dates of your term of office).
- An employee of the California State Senate or Assembly whose wages are paid from funds controlled by either body.

Employees must be in one of the above positions on the date they request their cost information, and they must elect CalPERS membership before or at the same time the credit is elected. There are no limitations on the amount of time that can be purchased.

Employees who are CalPERS members, but no longer in an Optional Member Service position may be eligible to purchase credit for their past service under the Service Prior to Membership credit type.

NOTE: To receive this credit, a member's request must be filed with CalPERS before their retirement date is effective.

CONTRACT EXCLUSIONS

If the requested employment is excluded by the employer's CalPERS contract, the purchase of this service credit is not possible. If the exclusion was removed or superseded by law after the employment was rendered, service credit rights would depend on the Government Code provisions under which the exclusion was removed.

PAYMENT METHODS

A member may elect, at any time prior to retirement, to make contributions for reposit or

Service Credit Purchase Options

other types of eligible service credit. If a member elects a cash lump-sum payment, no notification for installment payments will be sent to the employer because the account will have been paid in full.

If the employer has a pre-tax resolution or agreement with CalPERS, employees can make installment payments as pre-tax deductions from their active payroll. Since pre-tax payments cannot continue into retirement, they will automatically convert to after-tax payments after retirement. Also, if a member separates from their employer, the member's pre-tax payroll deductions will need to be converted to after-tax (or taxed) payments made directly to CalPERS.

Except in unusual cases where the employer requires pre-tax installment payments only, the member may also make installment payments on an after-tax basis for service credit purchases. The member has the flexibility of modifying the payment schedule for after-tax payments; however, the member cannot adjust pre-tax payment schedules once they are elected.

If a member files an election with CalPERS for a service credit purchase such as redeposit, service prior to membership or other "public service", and chooses to make contributions by installment payments, CalPERS will certify and approve the election and send the agency an authorization for payroll deductions.

In the event an employee is making installment payments and permanently separates from employment, they should contact CalPERS directly at the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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

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 are available for public review.

California Government Code (G.C.) sections 20630 and 20636 of Public Employees' Retirement Law (PERL) define compensation earnable, pay rate, and special compensation as follows:

COMPENSATION (G.C. SECTION 20630)

Compensation is broadly defined as payment to employees for services performed during normal working hours or for time during which the employee is excused from work because of holidays, sick leave, industrial disability, (payments under Labor Code section 4800, 4850 or Education Code section 44043, 87042) 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.

REQUIREMENT FOR A PUBLICLY AVAILABLE PAY SCHEDULE (CCR 570.5)

This regulation provides that each pay schedule meet the following requirements:

- Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws
- Identifies the position title for every employee position
- Shows the pay rate for each position
- Indicates the time base for each pay rate

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

WORKERS' COMPENSATION TEMPORARY DISABILITY AND INDUSTRIAL DISABILITY LEAVE PAYMENTS

WHAT IS REPORTABLE TO CALPERS?

G.C. section 20630 defines "Compensation" as: ". . . the remuneration paid out of funds controlled by the employer in payment for the member's services performed during normal working hours or for time during which the member is excused from work because of: holidays; sick leave; industrial disability leave, during which, benefits are payable pursuant to sections 4800 and 4850 of the Labor Code or Article 4 (commencing with section 19869 of Chapter 2.5 of Part 2.6; or Education Code Section 44043, 87042) vacation; compensatory time off; or leave of absence. . ."

Labor Code section 4850 included in the definition above, contains industrial disability leave provisions for various specified safety members of CalPERS. This pay is reportable to CalPERS. Education Code section 44043 or 87042 contains industrial disability leave provisions for employees of the Superintendent of Schools. This compensation may also be reported to CalPERS.

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

COMPENSATION EARNABLE (G.C. SECTION 20636 AND G.C. SECTION 20636.1)

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

PAY RATE

"Pay rate" means 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. For purposes of this part, for classified school members, full-time employment is 40 hours per week, and payments

General Information for all Reporting Methods

for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed.

"Pay rate" for a member who is not in a group or class means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e) of G.C. section 20636.

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 and is reported in addition to and separately from pay rate.

Special compensation is delineated specifically and exclusively in the regulations adopted in the **California Code of Regulations (CCR) Section 571 (a) and (b)**. Subsection 'b' specifies the standards that all special compensation items must meet.

CCR 571 (b) AMENDMENT

CCR 571 (b) was amended to ensure greater transparency and disclosure of special compensation items in written labor policies or agreements. The labor policy or agreement must include:

- The conditions for payment of the item of special compensation, and
- Eligibility requirements and amount for each special compensation item.

The written labor policy or agreement cannot reference another document in lieu of disclosing the details of the special compensation. In addition, the written labor policy or agreement must be duly approved, posted, or immediately accessible and available for public review, retained for not less than five years, and include an effective date.

A complete reprint of CCR 571 (a) and 571 (b) is on the following pages.

Only those items listed in the CCR 571 (a) and meeting the criteria listed in CCR 571 (b) are reportable. If the special compensation item is not included in the exclusive list, it is not reportable for retirement purposes. Please note:

- All special compensation is required to be reported separately from pay rate as special compensation, as it is earned.
- Do not report special compensation prospectively, it must be reported for the pay period in which it was earned.
- Special compensation shall be for services rendered during normal working hours, and when reported to the Board, the employer shall identify the pay period in which the special compensation was earned.

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

Final settlement pay means any pay or cash conversions of employee benefits, in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. Final settlement pay may consist of severance pay or so called "golden parachutes". It may be based on accruals over a period of prior service. It is generally, but not always, paid during the period of final compensation. It may be paid in either lump sum, or periodic payments.

Final settlement pay may also take the form of a bonus, retroactive adjustment to pay rate, conversion of special compensation to pay rate, or any other method of payroll reported to CalPERS. All forms of final settlement pay are prohibited from being considered special compensation.

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.

COMPENSATION PAID TO COURT REPORTERS

Report compensation for Court Reporters who qualify for CalPERS membership. 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. For more information, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

General Information for all Reporting Methods

**COMPENSATION EARNABLE FOR PART-TIME SERVICE
(G.C. SECTION 20967)**

For the purpose of calculating retirement benefits based on part-time service, except under G.C section 21381, compensation earnable shall be taken as the compensation that would have been earnable if the employment had been on a full-time basis and the member had worked full time, and shall conform to the definitions given in G.C section 20636.1 for school members and G.C. section 20636 for all other members.

CALIFORNIA CODE OF REGULATIONS (CCR)

Special compensation items must meet definitions listed in 571 (a) as well as the criteria outlined in 571(b) to be reported to CalPERS.

**CCR 571 (a) — DEFINITION OF SPECIAL
COMPENSATION**

The following list exclusively identifies and defines special compensation items for members employed by contracting agencies and school employers that must be reported to CalPERS if they are contained in a written labor policy or agreement.

(1) INCENTIVE PAY

Bonus — Compensation to employees for superior performance such as “annual performance bonus” and “merit pay.” A program or system must be in place to plan and identify performance goals and objectives. If provided only during a member’s final compensation period, it shall be excluded from the final compensation as “final settlement” pay.

Dictation/Shorthand/Typing Premium — Compensation to clerical employees for short hand, dictation or typing at a specified speed.

Longevity Pay — Additional compensation to employees who have been with an employer, or in a specified job classification, for a certain minimum period of time exceeding five years.

Management Incentive Pay — Compensation granted to management employees in the form of additional time off or extra pay due to the unique nature of their job. Employees within the group cannot have the option to take time off or receive extra pay. This compensation must be reported periodically as earned and must be for duties performed during normal work hours. This compensation cannot be for overtime, nor in lieu of other benefits excluded under the statutes,

nor for special compensation not otherwise listed in section 571.

Marksmanship Pay — Compensation to local police officers, county peace officers and school police or security officers who meet an established criterion, such as, “certification” as a marksperson.

Master Police Officer — Compensation to local police officers, county peace officers and school police or security officers who meet specified requirements, years of employment, performance standards, education, Peace Officer Standard Training (POST), and perform a specialty assignment.

Physical Fitness Program — Compensation to local safety members and school security officers who meet an established physical fitness criterion.

Value of Employer-Paid Member

Contributions (EPMC) — The full monetary value of employer-paid member contributions (EPMC) paid to CalPERS and reported as an item of special compensation on behalf of all members in a group or class.

The value of EPMC is calculated on all “compensation earnable” excluding the special compensation of the monetary value of EPMC paid to CalPERS by the employer under G.C. section 20636(c)(4) thus eliminating a perpetual calculation.

- A. A resolution or ordinance of the governing body must be provided to CalPERS indicating the group or class, effective date, and the percent or amount of EPMC being paid and reported as an item of special compensation. The resolution or ordinance must be formally adopted by the employer’s governing body, and submitted to CalPERS for review and approval.
- B. The resolution or ordinance must specify that the value of EPMC will be reported as an item of special compensation consistently, for all members in the affected group or class of employment — except that the employer’s governing body may elect a “time-in-grade exception” which shall only apply to persons newly hired into the pertinent group or class of employment.

General Information for all Reporting Methods

- C. To be classified as "newly-hired", a member of the group or class must not have been previously hired or retained by the employer in any capacity whatsoever.
- D. The time-in-grade exception must be elected in the same resolution or ordinance, or by amendment thereto, as adopted by the employer's governing body for the purpose of paying and reporting the value of EPMC, pursuant to the CCR section 571. The exception can only be used for the value of EPMC, and not for any other item of special compensation.
 - 1. The time-in-grade exception must be applied consistently to all newly-hired employees in the pertinent group or class.
 - 2. The time-in-grade requirement may be incremental, not to exceed a total of five (5) years. For example, the initial requirement may be three years for paying fifty percent (50%) with increases of twenty-five percent (25%) for each additional year of time-in-grade.
 - 3. Once the initial time-in-grade requirement has been met by a newly-hired employee, the employer shall begin paying and reporting the value of EPMC for him or her to the same extent as for all others in the pertinent group or class.
- E. To implement the time-in-grade exception, the employer's governing body must acknowledge that it may experience an upward adjustment to its employer contribution rate. The acknowledgment must be included in the resolution or ordinance by which the employer's governing body elected to pay and report EPMC as an item of special compensation, by adoption or amendment thereto.
- F. The full terms of the resolution or ordinance by which the employer's governing body elects to pay and report the value of EPMC as an item of special compensation, along with any time-in-grade exception for newly-hired employees, must be incorporated into the written labor agreement that pertains to the affected group or class of employment.

The time-in-grade exception from paying and reporting the value of EPMC as an item of special compensation pursuant to CCR section 571, is separate and apart from the time-in-grade exception from paying EPMC pursuant to CCR section 569. Both of these exceptions are separate and apart from, nor do they apply to, the process for converting EPMC to pay rate during the period of final compensation, pursuant to G.C. section 20692.

Off-Salary-Schedule Pay — Compensation in addition to base salary paid in similar lump-sum amounts to a group or class of employees. These payments are routinely negotiated through collective bargaining in lieu of increases to the salary schedule. These payments are based on a similar percent of scheduled salary not to exceed six percent (6%) per fiscal year. The contracting agency or school employer may adopt similar action for non-represented groups or classes of employment as were negotiated through collective bargaining.

(2) EDUCATIONAL PAY

The items of special compensation outlined below do not include reimbursement to an employee for the cost of an application or test, books, tuition, or travel.

Applicator's Differential — Compensation to employees who are required to maintain a Qualified Pesticide Applicator's Certificate.

Certified Public Accountant Incentive — Compensation to miscellaneous employees passing an exam and receiving a license as a Certified Public Accountant.

Educational Incentive — Compensation to employees for completing educational courses, certificates, and degrees which enhance their ability to do their job. A program or system must be in place to evaluate and approve acceptable courses. The cost of education that is required for the employee's current job classification is not included in this item of special compensation.

Emergency Medical Technician Pay — Compensation to safety employees who obtain and maintain an emergency medical technician (EMT) certification.

Engineering Registration Premium — Compensation to engineers who have taken and passed a California engineering proficiency

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exam and are registered with the State of California.

Government Agency Required Licenses — Compensation to employees receiving and maintaining a license required by government or regulatory agencies to perform their duties.

International Conference of Building Officials (ICBO) Certificate — Compensation to building inspectors who obtain and maintain an International Conference of Building Officials (ICBO) certificate in one or more certified areas.

Mechanical Premium (Brake Adjustment License, SMOG Inspector License) — Compensation to employees who obtain and maintain state-required mechanical licenses.

National Institute of Automotive Service Excellence (NIASE) Certificate — Compensation to mechanics who obtain and maintain a National Institute of Automotive Service Excellence (NIASE) certificate.

Notary Pay — Compensation to clerical employees who obtain and maintain a notary public certificate from the State of California or are deputized by an agency's chief administrative officer to sign legal or financial documents for the agency.

Paramedic Pay — Compensation to employees who obtain and maintain certification in auxiliary medical techniques.

Peace Officer Standard Training (POST) Certificate Pay — Compensation to local police officers, county peace officers and school police or security officers who obtain Peace Officer Standard Training (POST) certification.

Reading Specialist Premium — Compensation to certificated employees who have obtained special training and provide literacy instruction as part of their teaching duties.

Recertification Bonus — Compensation to local firefighters who obtain and maintain a fire safety and prevention certificate for a specified period of time.

Special Class Driver's License Pay — Compensation to school bus drivers or street maintenance employees who are required to

obtain and maintain a special class driver's license to perform their duties.

Undergraduate/Graduate/Doctoral Credit — Compensation to school district employees who are required to obtain a specified degree.

(3) PREMIUM PAY

Temporary Upgrade Pay — Compensation to employees who are required by their employer, or governing board or body, to work in an upgraded position/classification of limited duration.

(4) SPECIAL ASSIGNMENT PAY

Accountant Premium — Compensation to rank and file employees who are routinely and consistently responsible for developing the employer's budget.

Administrative Secretary Premium — Compensation to an administrative secretary responsible for coordinating meetings, plans and other specialized activities for the governing board of the contracting agency or school employer.

Aircraft/Helicopter Pilot Premium — Compensation to safety employees who are routinely and consistently assigned as aircraft/helicopter pilots.

Asphalt Work Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to mix, transport and/or apply a tar-like substance for sidewalks, roads, roofs and/or parking lots.

Audio Visual Premium — Compensation to miscellaneous employees who are routinely and consistently responsible for operating audio visual equipment.

Auditorium Preparation Premium — Compensation to school employees who are routinely and consistently assigned to prepare auditorium(s), i.e. setting up stages, lighting, props and chairs for performing arts purposes.

Bilingual Premium — Compensation to employees who are routinely and consistently assigned to positions requiring communication skills in languages other than English.

Branch Assignment Premium — Compensation to employees who are routinely and consistently assigned to a branch office or

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work site that is identified as "rural" or "remote" in the written labor agreement.

Canine Officer/Animal Premium —

Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to handle, train and board a canine or horse. Compensation shall not include veterinarian fees, feed or other reimbursable expenses for upkeep of the animal.

Cement Finisher Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to finish cement work, e.g. watering, brushing or surfacing.

Circulation Librarian Premium —

Compensation to library staff who are routinely and consistently assigned to the circulation desk of the library.

Computer Operations Premium —

Compensation to employees who have special knowledge of computer processes and applications.

Confidential Premium — Compensation to rank and file employees who are routinely and consistently assigned to sensitive positions requiring trust and discretion.

Contract Administrator Coordinator Premium —

Compensation to school employees who routinely and consistently coordinate administrative contracts for instruction or facility maintenance.

Crime Scene Investigator Premium —

Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to analyze and explore a crime scene.

Critical Care Differential Premium —

Compensation to nursing staff who are routinely and consistently assigned to critical and intensive medical or psychological care areas.

D.A.R.E. Premium — Compensation to local police officers, county peace officers, and school police or security officers who routinely and consistently provide training to students on drug abuse resistance.

Detective Division Premium — Compensation to local police officers, county peace officers and

school police, or security officers who are routinely and consistently assigned to a detective or investigative division or intelligence duties.

Detention Services Premium — Compensation to employees who are routinely and consistently assigned to areas where criminally charged persons are confined and nursing staff who are routinely and consistently assigned to an adult facility where criminally charged persons are confined.

DUI Traffic Officer Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to enforce Driving Under the Influence (DUI) of alcohol or drug laws.

Extradition Officer Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to return a person to the custody of another jurisdiction.

Fire Inspector Premium — Compensation to "fire inspector" personnel who are routinely and consistently assigned to inspect buildings and other permanent structures for compliance with governmental safety standards.

Fire Investigator Premium — Compensation to "fire investigation" personnel who are routinely and consistently assigned to investigate causes of destructive burning.

Fire Prevention Assignment Premium — Compensation to rank and file local firefighters who are routinely and consistently assigned to specific fire inspections and investigative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.

Fire Staff Premium — Compensation to rank and file local firefighters who are routinely and consistently assigned to administrative work during normal hours of employment that may differ from the work schedule of fire suppression personnel.

Flight Time Premium — Compensation to safety employees for time spent as co-pilot or crew on work related air missions.

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Float Differential Premium — Compensation for nurses not specifically assigned to a specific station.

Front Desk Assignment (Jail) — Compensation to employees staffing a jail who are routinely and consistently assigned the duty of responding to questions from the public.

Fugitive Officer Premium — Compensation to local police and county peace officers who are routinely and consistently assigned to pursue persons who have or are fleeing from justice.

Gang Detail Assignment Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to enforce laws relating to a group of individuals banded together for unlawful activities.

Grading Assignment Premium — Compensation to employees who are routinely and consistently assigned to inspect the degree of rise or descent of a sloping surface.

Hazard Premium — Compensation to employees who are routinely and consistently exposed to toxic, radioactive, explosive, or other hazardous substances or perform hazardous activities to implement health or safety procedures.

Heavy/Special Equipment Operator — Compensation to employees who are routinely and consistently assigned to operate heavy equipment or specialized equipment.

Height Premium — Compensation to employees who are routinely and consistently required to work on ladders or mechanical devices at heights over 40 feet.

Housing Specialist Premium — Compensation to city housing specialists who are routinely and consistently assigned to perform administrative functions of the housing division.

Juvenile Officer Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to enforce laws that restrict the activities of juveniles.

Lead Worker/Supervisor Premium — Compensation to employees who are routinely

and consistently assigned to a lead or supervisory position over other employee's subordinate classifications or agency-sponsored program participants.

Library Reference Desk Premium — Compensation to library staff who are routinely and consistently assigned to provide direction or resources to library patrons.

Maintenance Premiums:

Gas Maintenance Premium — Compensation to maintenance employees who are routinely and consistently assigned to inspect gas construction, repair instruments, or perform pipeline welder duties.

Plumber Irrigation System Premium — Compensation to plumbers who are routinely and consistently assigned as irrigation systems plumbing specialists.

Refuse Collector Premium — Compensation to maintenance employees who are routinely and consistently assigned to collect refuse.

Street Lamp Replacement Premium — Compensation to maintenance employees who are routinely and consistently assigned to replace street lamps from an aerial bucket.

Motor Coach Operator (MCO) Instructor Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to train MCOs, i.e. bus drivers.

Motorcycle Patrol Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to operate and/or patrol on motorcycle.

Mounted Patrol Premium — Compensation to local police officers and county peace officers who are routinely and consistently assigned to patrol on horseback.

Narcotic Division Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to drug enforcement.

Paramedic Coordinator Premium — Compensation to paramedics who are routinely and consistently assigned to coordinate training activities in auxiliary medical techniques.

General Information for all Reporting Methods

Park Construction Premium —

Compensation to groundskeepers who are routinely and consistently assigned to build park equipment.

Park Maintenance/Equipment Manager Premium —

Compensation to park maintenance employees who are routinely and consistently assigned to equipment management and other administrative duties.

Parking Citation Premium — Compensation to employees who are routinely and consistently assigned to read parking meters and cite drivers who have violated parking laws.

Patrol Premium — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to patrol detail.

Police Administrative Officer — Compensation to rank and file police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to police administration to provide support for the police chief and command staff in the operation of the police department.

Police Investigator Premium — Compensation to rank and file local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to analyze crimes or investigate accidents.

Police Liaison Premium — Compensation to rank and file local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to function as a liaison between special persons, groups or courts and the police/sheriff department.

Police Polygraph Officer — Compensation to local police officers, county peace officers, and school police or security officers who are routinely and consistently assigned to administer and interpret polygraph exams.

Police Records Assignment Premium — Compensation to employees who are routinely and consistently assigned to the police records division.

Rangemaster Premium — Compensation to local police officers, county peace officers, and

school police or security officers who are routinely and consistently assigned to supervise the target range facilities and all related activities.

Refugee Arrival Cleanup Premium — Compensation to employees who are routinely and consistently assigned to cleanup from activities directly related to refugee arrival flights.

Safety Officer Training/Coordinator Premium — Compensation to employees who are routinely and consistently assigned to instruct personnel in safety procedures.

Sandblasting Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to operate sandblasting equipment.

School Yard Premium — Compensation to part-time school district employees who are routinely and consistently assigned to supervise students during recreation.

Search Pay Premium — Compensation to employees who are routinely and consistently assigned to search and process prisoners in the induction area of jails.

Severely Disabled Premium — Compensation to school instructional aides who are routinely and consistently assigned to work with severely disabled students.

Sewer Crew Premium — Compensation to laborers who are routinely and consistently assigned to repair and maintain sewer systems.

Shift Differential — Compensation to employees who are routinely and consistently scheduled to work other than a standard "daytime" shift, e.g. graveyard shift, swing shift, shift change, rotating shift, split shift, or weekends.

Solo Patrol Premium — Compensation to local police officers, county peace officers and school police or security officers who are routinely and consistently assigned to patrol alone in vehicles.

Sprinkler and Backflow Premium — Compensation to groundskeepers who are routinely and consistently assigned to repair large sprinkler head controllers, valves, and backflow prevention devices.

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Tiller Premium — Compensation to local firefighters who are routinely and consistently assigned to operate the tiller on an aerial ladder.

Tire Technician Premium — Compensation to equipment attendants who are routinely and consistently assigned to work on heavy duty tires, e.g. for buses and large construction equipment.

Traffic Detail Premium — Compensation to employees who are routinely and consistently assigned to direct traffic.

Training Premium — Compensation to employees who are routinely and consistently assigned to train employees.

Tree Crew Premium — Compensation to maintenance workers who are routinely and consistently assigned to remove, prune, or otherwise care for trees.

Utility Meter Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to re-read utility meters, repair, or set and install meters.

Utilities Systems Operation Premium — Compensation to maintenance or carpenter employees who are routinely and consistently assigned to planner duties in the maintenance division.

Water Certification Premium — Compensation to miscellaneous employees who are routinely and consistently assigned to test local water quality for compliance with governmental health standards.

(5) STATUTORY ITEMS

Fair Labor Standards Act (FLSA) — Compensation paid for normal full-time work schedule including premium pay required by FLSA. For example, a firefighter's normal work schedule is 56 hours per week. FLSA states premium pay must be paid on all hours worked above 53 hours per week up to what is considered normal for employees on a full-time basis. In this example, the firefighter works 56 hours in a normal work week. Therefore, compensation would be reported for 53 hours per week and FLSA premium pay would be reported for 3 hours per week. Any work performed above 56 hours per week would be considered overtime and would not be reported to CalPERS.

Holiday Pay — Additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays. If these employees are paid over and above their normal monthly rate of pay for approved holidays, the additional compensation is holiday pay and reportable to CalPERS.

For those employees with written labor agreements providing holiday credit and allowing employees to cash out accumulated holiday credit, the cash out must be done at least annually and reported in the period earned.

If a written labor agreement allows an employee to accumulate holiday credit beyond the year in which it is earned and an employee later elects to cash out accumulated holiday credit, it is not compensation for CalPERS purposes.

If an employee utilizes the cash out option only during their final compensation period, it will be considered final settlement pay and excluded from reportable compensation.

If the cash out option is also utilized near their final compensation period, it may still be excluded based upon a review of the contracting agency or school employer's experience relating to:

- The number of employees in the group with this option;
- The number of employees who exercise this option;
- The frequency with which employees exercise this option;
- Whether or not the cash out is paid periodically, and in a manner that is historically consistent; and
- Whether or not the cash out would create an unfunded liability over and above CalPERS actuarial assumptions.

This review will be conducted by CalPERS on a case-by-case basis.

Uniform Allowance — Compensation paid or the monetary value for the purchase, rental and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and

General Information for all Reporting Methods

safety such as protective vests, pistols, bullets, and safety shoes.

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:

CalPERS

Customer Account Services Division
Compensation and Employer Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709

CCR 571 (b)

The Board has determined that all items of special compensation listed in subsection (a) must be:

1. Contained in a written labor policy or agreement and:
 - A. Have been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
 - B. Indicate the conditions for payment of the item of special compensation, including but not limited to, eligibility for, and amount of, the special compensation;
 - C. Are posted at the office of the employer and be immediately accessible and available for public review from the employer during normal business hours or posted on the employer's website;
 - D. Indicate an effective date and date of any revisions;
 - E. Are retained by the employer and available for public inspection for not less than five years; and
 - F. Do not reference another document in lieu or disclosing the item of special compensation.

2. Available to all members in the group or class;
3. Part of normally required duties;
4. Performed during normal hours of employment;
5. Paid periodically as earned;
6. Historically consistent with prior payments for the job classification;
7. Not paid exclusively in the final compensation period;
8. Not final settlement pay; and,
9. Not creating an unfunded liability over and above CalPERS actuarial assumptions.

NOTE:
Special Compensation items must meet definitions listed in CCR 571 (a) as well as the criteria outlined in CCR 571 (b) to be reported to CalPERS.

CCR 571 (c)

Only items listed in CCR 571 (a) have been affirmatively determined to be special compensation. All items of special compensation reported to CalPERS will be subject to review for continued conformity with all of the standards listed in CCR 571 (b).

CCR 571 (d)

If an item of special compensation reported for a member is not listed in CCR 571 (a) or is out of compliance with any of the standards in CCR 571 (b) as reported for an individual, then it shall not be used to calculate the final compensation for that individual.

EMPLOYERS PAYING MEMBER CONTRIBUTIONS

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

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

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

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

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

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

State and federal statutes provide various provisions for paying and reporting member contributions. Below are five provisions, a brief description of each and requirements to implement any of the five. Samples of all five

resolutions are located on the CalPERS [Forms & Publications Center](#).

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 or class in order to pay EPMC for the individual.

Determinations for "group of one" and closest related group are made on a case-by-case basis by the Customer Account Services Division, Compensation and Employer Review Unit. For this option a resolution is required (see [Sample A](#)). A copy should be sent to:

CalPERS

Customer Account Services Division
Compensation and Employer Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709

CALIFORNIA CODE OF REGULATIONS (CCR) SECTION 569

Under payment of member contributions with time in-grade, an employer may implement a cumulative "time-in-grade exception" for newly-hired employees upon the election by a contracting agency or school employer for the payment of normal member contributions (Employer Paid Member Contributions - EPMC) based on compensation within the pertinent group or class. To elect the "time-in-grade exception," the employer's governing body must adopt a resolution (see [Sample B](#)) or ordinance that specifies the "time-in-grade" schedule and group or class involved. The "time-in-grade exception" cannot take effect until after the resolution or ordinance has been reviewed and approved by CalPERS.

To be classified as "newly hired", a member of the group or class must not have been previously hired or retained by the employer in any capacity.

PAYING AND REPORTING THE VALUE OF EPMC

Effective July 1, 1994, under G.C. section 20636(c) and California Code of Regulations section 571 (a) (1), an employer has the option

Employers Paying Member Contributions

of reporting the value of EPMC to CalPERS as special 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 the Customer Account Services Division, Compensation and Employer Review Unit.

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 **Sample C**.
3. The Resolution must be sent to the Compensation and Employer Review Unit 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 special compensation.
5. The value of EPMC must be reported on all compensation, i.e., pay rate and special compensation. Do not report the value of EPMC on the value of EPMC under G.C. 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 apply to all districts under the County Office of Education.

Reporting the value of EPMC should not affect the calculations the agency makes for overtime or other special payments employees receive as a factor of base salary. Reporting the value of EPMC is not subject to state and federal income taxes, nor Social Security and Medicare taxes. However, since there is no case or ruling directly

related to Social Security and Medicare, affected employers should consider seeking a ruling from the Internal Revenue Service 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 pay rate increases for groups of employees. 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 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 collect the same amount of money from member and employer contributions to pay for that benefit.

PAYING AND REPORTING THE VALUE OF EPMC WITH TIME IN GRADE

Under the CCR section 571 regulation, an employer may implement a cumulative "time-in-grade exception" for newly-hired employees for contracting agency or school employers to pay and report the value of EPMC as an item of "special compensation" within the pertinent group or class. To elect the "time-in-grade exception," the employer's governing body must adopt a resolution (see **Sample D**) that specifies the "time-in-grade" schedule and group or class involved. The "time-in-grade exception" cannot take effect until after the resolution has been reviewed and approved by CalPERS. To be classified as "newly hired", a member of the group or class must not have been previously hired or retained by the employer in any capacity.

CONVERTING EPMC TO PAY RATE IN THE FINAL COMPENSATION PERIOD (CONTRACT AMENDMENT METHOD)

The conversion of EPMC to pay rate in an employee's final compensation period is the only conversion provision allowed in the PERL. To contract for this provision, your agency must have a resolution on file for EPMC. 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, your agency must adopt this provision for the closest related group or class in order to convert EPMC to pay rate for the individual.

Employers Paying Member Contributions

Determinations for "group of one" and closest related group are made on a case-by-case basis by the Customer Account Services Division, Compensation and Employer Review Unit. G.C. 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 G.C. section 20691, 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 pay rate of the members by an amount equal to the normal contributions paid by the employer on behalf of the employees in the pay period immediately prior to the final compensation period or increase the pay rate 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."

Request a valuation from the Retirement Contract Services Unit and follow the contract amendment procedures for this provision. For more information on requesting a valuation, refer to the Contract Coverage chapter.

After an agency amends its contract with CalPERS to provide this conversion, the new employer rate is effective the same day the amendment is effective. 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 pay rate in the final compensation period. The conversion would be allowed from the effective date of the contract amendment and cannot be reported prior to the contract amendment effective date.

Should an agency decide to stop paying members' contributions in the final compensation period and instead increase the pay rate by an equal amount, it would need to comply with the following:

1. Include the provision in each written labor policy or agreement adopting this provision. The amount of EPMC converted to pay rate 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.

2. Stop paying the member's 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.
3. The conversion of EPMC must be on all compensation (i.e., pay rate and special compensation).

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 period (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.

For more information or questions, please refer to the California Code of Regulations, section 566.1, found in the PERL or you may contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

NOTE:
Individual school districts cannot amend for this provision. All districts in a County Office of Education must amend for this provision by passing a resolution. After all districts have passed a resolution, the County Office of Education may amend its contract to convert EPMC to pay rate in the final compensation period.

TAX-DEFERRING THE MEMBER-PAID CONTRIBUTIONS INTERNAL REVENUE CODE SECTION 414(h)(2) EMPLOYER PICK-UP

A benefit that employers can provide to their employees at no cost to the employer or employee is Internal Revenue Code (IRC) section 414(h)(2), Employer Pick-Up.

Under this provision, employees pay their own member contributions from reportable compensation and defer state and federal income taxes on the member contributions. The Employer Pick-Up allows employees' contributions to be treated as employer contributions for federal and state tax purposes,

Employers Paying Member Contributions

thus lowering the employees' taxable gross income.

The amount reported to the Internal Revenue Service is reportable compensation 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 is based upon employees' salary, such as overtime, will be computed on the employees' original gross salary (base pay including the member contributions). There is no increase in the member's pay rate reported to CalPERS when reporting tax-deferred member contributions under IRC section 414(h)(2). For more information on IRC section 414(h)(2), visit www.irs.gov.

To implement this provision, the employer's duly authorized board of trustees must adopt the appropriate resolution for the affected group or class of employees (see *Sample E*). Once the resolution is adopted, contributions for all employees in the affected group or class must be reported to CalPERS on a tax-deferred basis. Employees may not elect Employer Pick-Up on an individual basis.

Copies of all resolutions for member contributions should be sent to:

CalPERS

Customer Account Services Division
Compensation and Employer Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709

For more information, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

PRE-TAX PAYROLL DEDUCTION PLAN (A.K.A. PLAN) FOR SERVICE CREDIT PURCHASE(S)

By filing a Resolution (see *Sample F*) with CalPERS, your agency is allowed to extend the pick-up of member contributions under IRC section 414(h)(2) provisions for member payments by payroll deductions for service credit purchases. Agencies that opt to participate in this "pick-up" program provide their employees, who elect to participate, with the benefit of deferring income tax liability on member service credit purchases.

County Superintendents of Schools need submit only one Resolution which will cover all the districts/units within that superintendent's jurisdiction. The effective date for commencement of the Plan cannot be any earlier than the date the completed resolution and the completed Readiness to Report form are received and approved by CalPERS.

PLAN RESTRICTIONS/REQUIREMENTS

EMPLOYER

1. The agency must complete and submit a request in my|CalPERS for the resolution to allow their employees to participate in the Plan. Navigate to the resolution in my|CalPERS by this path: Help/Manage Retirement Contract/Employer Paid Member Contribution (EPMC) Details Page/How to.../ and select "How to Initiate Tax-Deferred Service Credit Purchase Resolution".
2. The wording of the resolution cannot be altered.
3. The resolution applies to all employees in the specified member category (ies).
4. Upon receipt of an approval letter from CalPERS, the agency must also complete the "Readiness to Report" form. This form certifies that your payroll system can concurrently report both after-tax (taxed) and pre-tax (tax-deferred) payroll deductions for any employee with multiple service credit elections.
5. Pre-tax payroll deductions must not be reported until the member has elected the Plan. For each electing member, CalPERS will send a payroll deduction authorization form specifying their effective date of pre-tax reporting. IRS does not allow retroactive deductions.
6. The employer is responsible for reducing the taxable income of a member by the pre-tax payroll deduction amount.
7. Pre-tax deductions will be completed through the payroll reporting process. Contributions should be reported in the Tax-deferred Member Contribution fields instead of the Normal Member Contribution fields.

Employers Paying Member Contributions

8. If an employee has more than one service credit purchase authorization, each authorization must be reported as separate entries.
9. 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.
10. The employer is responsible for all payroll corrections (including W-2 reporting) for the member.
11. The employer will report payroll deductions for service credit purchases for members who choose not to elect the Plan on an after-tax basis.
12. Once the Plan Resolution is adopted, it is irrevocable.
6. A member who elects the Plan deductions then changes employers will automatically continue pre-tax payroll deduction payments if the new employer is a Plan participant. If the new employer does not have a pre-tax resolution on file with CalPERS, the deductions will be taken on an after-tax basis.
7. A member who elects the Plan is not allowed to make changes to their payment schedule; such as: additional direct cash payments (i.e., lump sum, partial payments, or increased scheduled payments).
8. A member who elects the Plan and terminates employment will be given the option to pay the lump sum balance or continue payments on an after-tax basis through Direct Payments to CalPERS.
9. A member who elects the Plan and retires may request to pay the lump sum balance prior to retirement. If no request is made, payments will continue through retirement allowance deductions as after-tax deductions.

MEMBER

1. Upon approval of the employer/CalPERS resolution, the member has the option to file a binding irrevocable election with CalPERS to elect the Plan for each type of service credit purchase.
2. Members with an existing after-tax receivable who are not within 90 days of retirement or do not have a delinquent status on their receivable account will be notified by CalPERS of their opportunity to elect the Plan.
3. Members requesting service credit purchase(s) will be provided the pre-tax election opportunity (if the employer is a Plan participant and the member's membership category(ies) is covered under the resolution) with their cost information letter.
4. The Plan amount and time period are irrevocable and cannot be adjusted or discontinued at any time during the payroll deduction schedule.
5. The deductions are member contributions and are subject to income taxes when received by the member as either a retirement benefit or refund.
10. Electing the Plan will reduce the taxable gross and may lower the amount the member can contribute into a defined contribution plan. It is the member's responsibility to determine the potential impact prior to electing the Plan.
11. Once pre-tax deductions are elected, it is irrevocable unless #6, #8, or #9 above applies.

For more information contact:

CalPERS
Customer Account Services Division
Service Credit Costing and Elections Units
P.O. Box 942704
Sacramento, CA 94229-2704

Or contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

COMPENSATION LIMITS

COMPENSATION LIMITS (IRC SECTION 401(a)(17))

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

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

For those members who are subject to the limit, their final compensation will be capped at the limit in effect for each 12 consecutive-month period that is used to calculate their allowance if they were to retire. For example, the compensation limit for 2014 is \$260,000. Therefore, the member should not make contributions on earnings that exceed the \$260,000 limit within the 2014 calendar year. The earnings that are mentioned are those earnings that are reportable to CalPERS, which exclude earnings for overtime, automobile allowances, lump sum payouts, etc. The compensation limit does not limit the salary an employer can pay an employee who is a member of CalPERS.

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

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

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

NEW MEMBER CONTRIBUTION CAPS	
New Member with Social Security	\$115,064 <i>(100% of the 2014 Social Security contribution and benefit base)</i>
New Member without Social Security	\$138,077 <i>(120% of the 2014 Social Security contribution and benefit base)</i>

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

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

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

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

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

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PAYROLL REPORTING

As a CalPERS contracting agency, you must submit specific information about each employee to CalPERS in the form of a payroll report. Government code sections 20120-20124 require payroll to be submitted by contracting agencies.

ACCURATELY REPORTING PAYROLL

CalPERS retirement benefits are funded by contributions paid by contracting employers, member contributions, and earnings from CalPERS investments.

It is your responsibility to ensure your employees are enrolled and reported accurately and timely. It is important that member contributions and payroll be reported accurately and on a timely basis to ensure correct payment of benefits.

Eligible employees must be enrolled into CalPERS membership within 90 days of hire. If not, your agency will be responsible for:

- Employee and employer retirement contributions for the time in violation
- A \$500 administrative fee per person

ISSUES RESULTING FROM INACCURATE PAYROLL REPORTING

CalPERS needs timely and accurate payroll information in order to correctly calculate your employees' service credit and final compensation for retirement benefits. If you report incorrect pay rates and earnings for your employees, you may cause:

- Service credit accrual discrepancies
- Service credit inaccuracies
- Delays in member retirement processing
- Inaccurate retirement estimates
- Incorrect payment of benefits
- A \$200 delinquency fee for late payroll reporting

PAYROLL RECORD INFORMATION

The payroll record is the most common record type. It contains information about an employee's earnings, contributions, and other pertinent information, such as:

- Transaction Type*
- Appointment*
- Pay Rate Type* (e.g., hourly, daily, monthly)

- Pay Rate*
- Reportable Earnings*
- Scheduled Full Time Hours per Week* (required for all pay rate types)
- Scheduled Full Time Days per Week* (only applicable for the daily pay rate type)
- Total Hours Worked* (required only if employee is a retired annuitant)
- Special Compensation
- Contribution Amounts (such as taxed member paid, tax deferred member paid, and tax deferred employer paid)

Items required when reporting Retired Annuitants are denoted with an asterisk.

TRANSACTION TYPE

Each payroll record will have one of the following transaction types to describe the type of contribution, deduction, or adjustment being reported:

- Earned Period Reporting – Current earned period contribution/deduction payroll record.
- Prior Period Adjustment – Adjustment to prior period payroll record.
- Earned Period No Contribution and No Service – Earned period payroll record for a Retiree and Local Alternate Retirement Plan member.
- Prior Period No Contribution and No Service – Prior period payroll record for a retiree and Local Alternate Retirement Plan member.
- Retroactive Salary Adjustment – A retroactive salary adjustment is to capture a salary increase covering multiple periods.
- Retroactive Special Compensation Adjustment – Retroactive special compensation adjustment record is to report or correct special compensation for multiple prior periods.

APPOINTMENT

Information about each of the employee's appointments, including the CalPERS ID, appointment date, and associated member category compensation. Detailed information about appointments is outlined in the

Appointment Overview section of the Membership chapter.

PAY RATE TYPE

Denotes the pay rate type for paying employees either an hourly, daily, or monthly amount.

PAY RATE

“Pay Rate” is the normal full-time 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.

NOTE: When submitting a payroll report, always use the member's full-time pay rate.

The pay rate must be a positive numeric value. CalPERS requires that pay rates be reported with two places after the decimal. For example:

- An hourly rate of \$8.70 and one-half would be reported as 8.70.
- A daily rate of \$60.00 would be reported as 60.00.

For further information on reporting pay rates, see “Pay Rate and Earnings Relationship” later in this chapter.

REPORTABLE EARNINGS

Employees' earnings represent compensation they earned during normal working hours. When you report earnings, you must identify the pay period in which employees earn the compensation, regardless of when you pay the compensation or report it to CalPERS. This is true for both pay rate and special compensation payroll entries.

In addition, earnings generate service credit and are crucial to the retirement calculation. If earnings are incorrectly reported on payroll reports, then CalPERS will have to make adjustments to ensure that your employees receive the correct retirement allowance.

SCHEDULED FULL-TIME HOURS PER WEEK

Denotes the number of hours an employee is scheduled to work per week and is required for all pay rate types. CalPERS considers full-time employment to range from 34 to 60 hours per week. However, for classified school members, G.C. 20636.1 requires full-

time employment at 40 hours per week. See the Pay rate and Earnings Relationship section later in this chapter for more information.

SCHEDULED FULL-TIME DAYS PER WEEK

Denotes the number of days an employee is scheduled to work per week and is required for the daily pay rate type.

TOTAL HOURS WORKED

Denotes the total number of hours that an employee works during the specified earned period. This information is required only if the employee is a retired annuitant.

SPECIAL COMPENSATION

There are over 100 types of special compensation that fall within one of the six following special compensation categories:

- Educational pay
- Incentive pay
- Premium pay
- Special assignment pay
- Statutory items
- Unknown

NOTE: The 'unknown' special compensation category value is used as a default value when a category is not specified. Refer to the Compensation Review chapter for more information on this, or any other issues related to compensation.

You will add or delete each special compensation type and amount to an employee's payroll record, an employee's payroll record may contain multiple categories and types of special compensation. Each special compensation item should be separated into its own line item. Do not combine special compensation.

NOTE: If a special compensation type is selected that does not exist in your MOU or contract with CalPERS, the record will have a 'valid with exceptions' status as a warning of a potential problem in myCalPERS.

CONTRIBUTION AMOUNTS

Employee contributions are a percentage of your employees' earnings that are reported to CalPERS to fund their retirement benefits. This percentage is based on the group or class of employees, the retirement benefit formula and other options in your contract.

You must report and submit employee contributions to CalPERS on behalf of each employee.

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA) - ELIMINATION OF OFF SETS

Prior to PEPRA, local public agency and California State University (CSU) employers did not collect CalPERS employee contributions on the first one-third of a member's payroll up to \$400 and \$513 per month respectively. This resulted in local public agency and CSU employee's with coordinated service (paid Social Security taxes) to experience a one-time adjustment of \$133.33 to the final compensation factor used to calculate their pension.

CalPERS has determined that PEPRA eliminates the contribution and Off Set adjustments to the final compensation factor for all employees of local public agencies and CSU enrolled in any of the new PEPRA formulas. For more information, see Circular Letter 200-024-13.

EMPLOYER CONTRIBUTION TYPES

Information about the following two employer contribution types may be contained within a payroll record:

- **Tax Deferred Employer Paid Member:** Tax deferred and paid by the employer for the specified earned period.
- **Tax Deferred Employer Paid Additional Contributions:** Additional contributions that are tax deferred and paid by the employer (this program is discontinued and is not available to new members, i.e., this type of contribution is only applicable to members who have participated in the program continuously prior to July 1, 1983).

MEMBER CONTRIBUTION TYPES

A payroll record may contain information about the following types of member contributions for the specified earned period:

- **Taxed Member Paid:** Taxed and paid by the employee for the specified earned period.
- **Tax Deferred Member Paid:** Tax deferred and paid by the employee for the specified earned period.

- **Survivor Contribution:** Paid by the employee into a 1959 survivor account during the specified earned period.
- **Taxed Member Paid Additional Contribution:** Additional contributions that are taxed paid by the employee (this program is discontinued and is not available to new members, i.e., this type of contribution is only applicable to members who have participated in the program continuously prior to July 1, 1983).

SURVIVOR CONTRIBUTION TYPE

"Survivor Contribution" is the amount of contribution a member pays for the 1959 Survivor Benefit. Members covered by the 1959 Survivor Benefit contribute the amounts on the table following based on the reporting frequency. Please note that the survivor contribution index levels change each fiscal year.

Reporting Frequency	Contribution Each Service Period	
	Index Level	All Other Levels
Monthly	\$2.60	\$2.00
Semi-Monthly	\$1.30	\$1.00
Bi-weekly	\$1.20	\$0.93
Quadri-weekly	\$2.40	\$1.86

The 1959 Survivor Benefit provides for a survivor benefit upon death of the member before retirement. In most cases, a member does not have both 1959 Survivor Benefit coverage and Social Security coverage with a single employer. Contact the CalPERS Customer Contact Center if you have questions.

The full amount of survivor contribution is due for a service period even if only one day's earnings are reported. Make only one deduction each service period. The contribution is not due on retroactive salary adjustments or special compensation entries. When the member is covered, the survivor contribution should always be shown as a 3-digit numeric value. It may be positive or negative depending on the circumstances.

If a member does not receive any compensation for a service period because of an official leave of absence, no contribution is due for that service period. Entries adjusting the survivor contributions

Payroll Reporting

should be included as part of the current entries or prior period earnings adjustment entries. The survivor contribution is not credited to the member's account and is not refundable.

PAYROLL SCHEDULE TYPES

You can report payroll on the following four types of payroll schedules:

- Monthly
- Semi-monthly
- Bi-weekly
- Quadri-weekly

NUMBER OF PAYROLL		
Frequency	# of Payroll Periods/Year	Description
Monthly	12	Monthly
Semi-monthly	24	First half of month (1st through 15th)
		Second half of the month (16th through the end of the month)
Bi-weekly	26	First report in the month (ending on the 1st through the 14th)
		Second report in the month (ending on the 15th through the 28th)
		Third report in the month (occurs whenever service period ending dates are 29, 30, or 31)
Quadri-weekly	13	First report in the month (ending on the 1st through the 28th)
		Second report in the month (occurs whenever the service period ending dates are 29, 30 or 31)

NOTE: Changes in the frequency in which payroll reports are submitted must be approved by CalPERS in advance. If you have questions regarding changing payroll frequencies, contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

NOTE: If you use different time periods to report employees' earnings and contributions, you may have more than one type of payroll schedule (e.g., when you have optional members that are reported differently than your regular employees or divisions that report payroll differently).

SELECTING AN EARNED PERIOD

Each payroll report is submitted in association with an earned period that is identified by the begin date and end date of the employer's payroll schedule (i.e., the earned period must be selected for each payroll and SIP report submitted to my|CalPERS).

The earned period of each payroll report record is populated with the earned period from the payroll report. However, these dates should be adjusted if the member did not work for the full earned period or if they are reporting an adjustment transaction (i.e., the record period begin and end dates should be modified to reflect a mid-period appointment or separation). The following examples illustrate this:

FIRST DAY ON PAYROLL IN THE MIDDLE OF A PAY PERIOD

The participant's appointment must be entered in my|CalPERS before payroll can be reported. The begin date of the payroll record should be listed as the participant's start date, not the first day in the earned period.

For example: Your agency has a bi-weekly pay schedule; the earned period is March 3 to March 16. The participant's appointment date is March 8. The payroll record should be keyed with a start date of March 8 and an end date of March 15.

LAST DAY ON PAYROLL BEFORE THE END OF THE PAY PERIOD

The participant's permanent separation date should be entered in their appointment history before the payroll is submitted. The permanent separation date must be reported

as the day after the last day an employee works for your agency, which is often the day after the last day on payroll.

For example: Your agency has a monthly pay schedule; the earned period is January 1 to January 31. The participant's last day on payroll is January 23 and the pay period ends January 31. The payroll record begin date would be January 1 and the end date would be January 23.

If you copy a prior posted payroll report, the participant will need to be deleted from the report and re-added so the end date can be adjusted.

NOTE: The first day after the last day payroll is earned is the earliest the permanent separation date or retirement date may be. For more information on this, refer to the Appointment Overview section in the Membership chapter.

TRANSMITTING PAYROLL INFORMATION

There are four options for transmitting payroll information via my|CalPERS:

- Copy forward a previously posted payroll report as an alternative to uploading a file with new payroll records, you can copy a previously posted payroll report, make modifications to the copied records, and then submit the report for the current earned period. This method is the most commonly used and is best when earnings are the same (or very similar) across earned periods.

NOTE: When an adjustment record has been submitted to correct a previous payroll report record, the adjustment record will not be copied forward when you copy the original payroll record.

- Uploading a new payroll report can be selected and a file can be uploaded that is located on your local system to the my|CalPERS system.
- File Transfer Protocol (FTP), which is a my|CalPERS reporting method. The employer will create an XML file containing enrollment and payroll contributions data and have a scheduled process that will FTP the file to CalPERS.
- Manually entering payroll records can create a payroll report by manually entering the necessary information for

each payroll record within the report. This method is used primarily by a new agency.

For more information on the four options for transmitting payroll information visit the Technical Toolkit for Employers on the CalPERS Website at www.calpers.ca.gov by selecting my|CalPERS for Employers then Technical Resources for file reporters.

PROCESSING - PAYROLL REPORT STATUSES

There are four statuses when processing payroll reports via my|CalPERS.

PENDING RELEASE

This is a new report that needs to be validated.

SUSPENDED

The report may be suspended if there are errors detected, however, when this occurs, you may accept valid records only (recommended) and correct the errors at a later time. You can also submit an adjustment report at any time to adjust or correct the payroll data for a single earned period report, or for multiple earned period reports.

PROCESSING

If no errors are found, the Status will change from "Processing" to "Posted". If even one error is found, the Status will change from "Processing" to "Suspended". You will need to correct the error(s), and then select the Process Report button to resubmit the report.

POSTED

The file has been processed and all records have posted to the member account.

PAYROLL STATUSES

A payroll record will be in one of the following statuses:

PENDING VALIDATION

The payroll record status prior to the record being validated.

VALID

When a payroll transaction is valid, it has nothing technically wrong with any of its elements. Valid transactions can be posted immediately. However, please validate what is being posted to the member's account.

VALID WITH EXCEPTIONS

The record has been validated with warnings; you must validate this transaction before it can be posted. For example, if a pay rate is extremely high, the payroll transaction will be in an exception status and will not post immediately. Once you validate the transaction to be correct, it can then be posted. If you validate the exception to be incorrect, then it can be deleted and a correct transaction may be created and posted.

ERROR

The record has been validated and contains an error. You must correct an error status before the transaction can post. my|CalPERS will indicate which element of the payroll has an error.

POSTED

The record has been validated, is free of errors, and has posted to the employee's account. To make any changes, you must submit an adjustment report.

MY | CALPERS MEMBER SELF-SERVICES

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

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

RETIRED ANNUITANTS

Retired Annuitants (RA) working for your agency must be reported to CalPERS. Only after the appointment is updated for the RA, payroll with a transaction type of *Earned Period No Contribution No Service* must be submitted for them.

At this time, RA records are not included in files that are submitted via the copy forward method. Therefore, you will need to add each RA record to the file if using this method. my|CalPERS will track their hours as their agency posts their records. A letter will be sent to the RA and the agency when the RA reaches 800 and 900 hours.

The following items are required when reporting Retired Annuitants:

- Transaction Type
- Appointment
- Pay Rate Type
- Pay Rate
- Reportable Earnings
- Scheduled Full Time Hours per Week
- Scheduled Full Time Days per Week
- Total Hours Worked

NOTE: Failure to correct and post payroll in a timely manner will result in members losing interest on their contributions, incorrect service credit accrual and/or incorrect or delayed benefits that may be payable to these members. Also, note that the data submitted on the payroll reports, whether correct or incorrect, is used by CalPERS actuaries to determine your agency's contribution rate. Inaccurate or incomplete data may inadvertently cause your agency's contribution rate to be incorrect.

REPORTING DEADLINES, EXTENSIONS, WAIVERS, AND PENALTIES

REPORTING DEADLINES

MISSING/LATE EARNED PERIOD REPORTS

Effective July 1, 2012, Earned Period Reports must be submitted by each Business Partner on or before 30 calendar days after the end of the previous service period. If a Business Partner fails to submit their Earned Period Reports on time, CalPERS will assess an administrative fee of \$200.00 for every Earned Period Report that is delinquent. The \$200.00 administrative fee will be assessed every additional 30 calendar days until the late or missing Earned Period Report is submitted. Adjustment reports will not be subject to this part of administrative fees.

PAYROLL REPORTING EXTENSIONS AND WAIVERS

CalPERS may, for good cause, grant an extension of time for the payment of contributions and/or the posting of each Earned Period Report. This is provided that the Business Partner sends a payroll schedule extension request for each Earned Period Report via my|CalPERS Payroll Schedule page at least 10 working days before the due date. Each payroll extension request must be for one Earned Period Report at a time. An extension request covering multiple Earned Period Reports will be rejected.

CalPERS may waive assessed fees upon satisfactory proof of conditions existing beyond the Business Partner's control. Normally, CalPERS does not consider internal procedures or payment processes used by a Business Partner as acceptable justification for incomplete or erroneous reporting and/or underpayment of contributions. Requests to waive assessed fees should be submitted via my|CalPERS.

The Fee List will list all assessed fees and can be viewed from the Billing and Payment Summary page and the Payroll Schedule page in my|CalPERS. Extensions and Fee Waivers are submitted from the Billing and Payment Summary page and Payroll Schedule page in my|CalPERS.

ADMINISTRATIVE AND DELINQUENCY CHARGES

INCOMPLETE EARNED PERIOD AND ADJUSTMENT REPORTS

Each Business Partner has 60 calendar days from the date the my|CalPERS system gives an error message on the payroll record. Any payroll error(s) remaining in the staging area uncorrected after 60 calendar days will generate a \$200.00 administrative fee until all errors are corrected and posted. For each 30 day period after that, if the same error(s) continue to remain in the staging area and are not corrected, an additional \$200.00 administrative fee will be assessed.

UNDERPAYMENT OF CONTRIBUTIONS

Member and employer contributions must be received by CalPERS Headquarters within 15 calendar days after the end date of the service period to which they refer. The remaining balance or 100% of contributions are due 30 calendar days after the end date of the service period.

WITHIN THE FISCAL YEAR

Employers are required to remit all contributions due to CalPERS on or before 15 calendar days from the end date of the pay period to which they refer (e.g., contributions for pay period ending April 30th are due no later than May 15th).

If an employer pays less than 90% of the total contributions due, CalPERS will invoice the employer for the full amount of all unpaid contributions for the pay period.

If the employer does not pay the entire amount of the outstanding balance within 30 calendar days of the invoice date, interest will be assessed on 100% of the outstanding amount from the original due date of the contributions until paid. Interest will be charged at 10% per annum pursuant to Government Code Section 20572(b) of the Public Employees' Retirement Law. The 10% interest will continue to accrue until that specific account receivable is paid in full.

AT THE END OF THE FISCAL YEAR

If the total contributions paid by an employer are less than 99% of the total contributions due at the end of the FY (i.e., June 30th), CalPERS will invoice the employer for the full amount of the unpaid contributions for the year. If the employer does not

pay the entire amount of the outstanding balance within 30 calendar days of the invoice date, interest will be assessed on 100% of the outstanding amount from the original due date of the contributions until paid. Interest will be charged at 10% per annum. The 10% interest will continue to accrue until that specific account receivable is paid in full.

EMPLOYER DELINQUENCY NOTIFICATION

When delinquent contributions are identified, employers will generally be notified by CalPERS through the employer's preferred communication method or by mail, if no preference has been selected. Employers may also access this information through updates to the Employer's Billing and Payment Summary section of my|CalPERS.

The new procedures are intended to help ensure the timely payment of contributions necessary to help preserve the integrity and soundness of the System.

Please note, in addition to the interest charges set forth above, CalPERS has other rights and remedies when contributions are not made in a timely manner. CalPERS reserves the right to collect any and all additional amounts that may be asserted under applicable law including, without limitation, costs of collection, attorneys' fees and penalties for repeated delinquencies. Furthermore, failure to provide a delinquency notice or my|CalPERS notation or any discrepancy between a delinquency notice or my|CalPERS notation and applicable law does not affect the rights of CalPERS to collect all monies, which it is entitled to be paid under applicable law.

BASIC CONTRIBUTION CALCULATION

This section defines the basic method of calculating a member's normal contributions. It does not apply to receivables or additional contributions. The method of calculating the member's normal contributions varies depending upon the member's contribution rate, provisions of the employer contract and whether or not the member has Social Security coverage. However, the following basic instructions apply to all members:

1. In my|CalPERS, locate the member category within the Retirement Contract – Rate Summary panel that applies to the member.
2. One of the following will apply (depending upon participant retirement enrollments):
 - a. Without Social Security modification
 - b. With Social Security modification

3. If (a) applies, multiply the reported member earnings by the percentage rate indicated in the Retirement Contract – Rate Summary panel.

If (b) applies, modify the member total earnings for each earned period (regular earnings using the Old Age and Survivors Disability Insurance (OASDI) Modification Chart below). Multiply the modified earnings by the percentage rate indicated in the Retirement Contract – Rate Summary panel.

NOTE: Employees working in two or more units will have a Social Security modification factor applied only once for the total normal earnings in the service period.

NOTE: If the Member Contribution rate indicates 0%, report a zero contribution amount and stop here.

OASDI MODIFICATION CHART FOR PUBLIC AGENCIES AND SCHOOLS (MODIFICATION AMOUNT \$400.00)			
Reporting frequency	If earnings are less than	If earnings are more than or equal to	Miscellaneous members and safety members reported under modified formulas
MONTHLY	\$400.00	XXX.XX	EARNINGS X 0.66667 X RATE
	XXX.XX	\$400.00	EARNINGS MINUS \$133.33 X RATE
SEMI-MONTHLY	\$200.00	XXX.XX	EARNINGS X 0.66667 X RATE
	XXX.XX	\$200.00	EARNINGS MINUS \$66.67 X RATE
BI-WEEKLY	\$184.62	XXX.XX	EARNINGS X 0.66667 X RATE
	XXX.XX	\$184.62	EARNINGS MINUS \$61.54 X RATE
QUADRI-WEEKLY	\$369.23	XXX.XX	EARNINGS X 0.66667 X RATE
	XXX.XX	\$369.23	EARNINGS MINUS \$123.07 X RATE

NOTE: CSUC Auxiliary Organizations that contract for the same contribution rate and modification factors as State Miscellaneous members will calculate contributions according to the formula applicable (G.C. section 20680).

NOTE: Do not apply the full OASDI modification factor more than once per pay period. If total earnings (regular pay rate and special compensation) are less than earnings on the OASDI modification chart, all earnings will be modified by 0.66667 to calculate member contributions.

PAY RATE AND EARNINGS RELATIONSHIP

Pay rate is the amount of compensation a member is paid for a unit of time (i.e., hour, day or month) and must be listed on a publicly available pay schedule (CCR 570.5). The pay rate should remain stable throughout a fiscal year except for pay raises, demotions, or changes of position. If a member works in more than one position or receives a raise in the middle of a pay period, report amounts earned under each pay rate separately.

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

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

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

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

IMPACT ON FINAL BENEFITS

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

1. service credit
2. benefit factor
3. final compensation

Service credit is derived from the pay rate and earnings reported to CalPERS.

SERVICE CREDIT ACCRUAL

The amount of service credit a member accrues during the fiscal year will depend on the number of days, hours or months they work and are reported to CalPERS.

Pay Rate and Earnings Relationship

FULL-TIME SERVICE CREDIT

Service credit is one of the three critical elements that are used to calculate a member's retirement allowance. CalPERS limits the amount of service credit a member can earn to 1.000 year per fiscal year (July 1 – June 30).

G.C. section 20962 explains what constitutes a full year of service credit for monthly, hourly, or daily employees while G.C. section 20966 speaks to partial service credit calculations.

G.C. SECTION 20962 - EXPLAINS WHAT CONSTITUTES 1 YEAR OF SERVICE CREDIT

1. Daily Employee = 215 days to earn 1 year of service credit
2. Hourly Employee = 1,720 hours to earn 1 year of service credit
3. Monthly Employee = 10.000 months to earn 1 year of service credit

G.C. SECTION 20966 - PARTIAL SERVICE CREDIT CALCULATIONS

The following partial service credit calculations are illustrative examples of the ratio used to calculate service credit for part-time employees:

1. Daily: Employee works 185 days during the fiscal year
 - $185 \text{ days} \div 215 \text{ days} = 0.860 \text{ years of service credit}$
2. Hourly: Employee works 1295 hours during the fiscal year
 - $1295 \text{ hours} \div 1720 \text{ hours} = 0.753 \text{ years of service credit}$
3. Monthly: Employee works 7.200 months during the fiscal year
 - $7.200 \text{ months} \div 10.000 \text{ months} = 0.720 \text{ years of service credit}$

If a member does not meet the full-time markers established under G.C. section 20962, then they will not earn a full year of CalPERS service credit.

The pay rate and earnings relationship which drives service credit accrual is illustrated in the table below.

EARNINGS DIVIDED BY PAY RATE EQUALS SERVICE CREDIT						
Example:	1.	Member Earnings	=	\$1,200.00	=	0.100 years of service credit
		Monthly Pay Rate	=	\$1,200.000		
	2.	Member Earnings	=	\$ 600.00	=	0.050 years of service credit
		Monthly Pay Rate	=	\$1,200.000		
	3.	Member Earnings	=	\$ 600.00	=	80 hours worked divided by
		Hourly Pay Rate	=	\$ 7.500	=	1720 = 0.047 years of service credit
	4.	Member Earnings	=	\$ 600.00	=	20 days worked divided by 215
		Daily Pay Rate	=	\$ 30.000	=	= 0.093 years of service credit

Pay Rate and Earnings Relationship

REPORTING EQUAL PAYMENTS

In accordance with G.C. sections 20630 and 20633 employers shall identify the pay period in which the compensation was earned by the employee regardless of when it is reported in myCalPERS or paid.

Some employers make equal salary payments to their employees throughout the year.

Employers may report equal payments during the member's appointment period provided the member renders services within the pay period reported to CalPERS.

Salary withheld during the year to pay members during the time they are off should be reported as earned. In order to comply with G.C. section 20630, equal payments cannot be reported outside the appointment period during a time when the member does not render service.

SCHOOL MEMBER PAY RATES

Report school members to CalPERS using the actual rate of pay at which they are hired (i.e., hourly, daily, or monthly). Do not convert an hourly or daily pay rate to a monthly equivalent, as this could result in incorrect final benefits for the member. If a contract employee is working outside the timeframe of the contract (e.g., summer session), use the salary schedule for the position worked.

REDUCED WORKTIME PROGRAM FOR CLASSIFIED/CERTIFICATED SCHOOL MEMBERS

Certain classified and certificated school district members may enter into a reduced work time program without loss of retirement credit, if the governing board of a school district or community college district elects to establish regulations to implement such a program (Education Code sections 44922, 45139, 87483, 88038, 89516 and G.C. sections 20900 and 20905).

The minimum requirements for such a program are:

1. Eligible employees must be at least 55 years old;
2. The employee must have 10 years full-time classified service and the immediately preceding five years must be without a break;
3. Transfer to reduced work time is optional to the employee and termination from the

program requires employee and employer consent;

4. Salary shall be a pro-rata share of the active salary and no benefit entitlements shall be lost, including health, survivor benefits, disability benefits and retirement;
5. The minimum part-time employment level must be 50% of the employee's previous full-time employment; and
6. The part-time program shall not exceed five years nor extend beyond the end of the school year during which the employee reaches age 70.

The employer, not CalPERS, is required to verify the eligibility of the employee and to maintain the necessary records to identify the employees involved in the program.

No notice is required to be sent to CalPERS. The employer should report employees under the reduced worktime program as if they had worked full time (i.e. report the pay rate and earnings the employee would receive if she/he works full-time). The employee will also pay member contributions based on the full-time earnings reported. This will result in full service credit and benefits based on full salary levels. The employer and member contributions on the full-time pay will automatically pay for the cost of the program.

PROPER REPORTING OF OVERTIME PAY RATES FOR SCHOOL MEMBERS

G.C. section 20636.1 requires all services rendered up to 40 hours per week be reported for non-certificated school members.

G.C. section 20635.1 indicates that overtime compensation is excluded from reporting. Schools commonly have employees who have a regular work week that is less than 40 hours per week, these employees may or may not be paid at a straight-time, hourly rate for those hours. For any services rendered in excess of their regular work week, they receive an overtime rate of pay. In order to comply with G.C. section 20636.1, schools must report this employee to CalPERS for the hours worked over their normal work week, up to 40 hours per week. Even though the member is being paid an overtime rate, any hours worked between the regular work week and 40 hours per week are required to be reported to CalPERS at the straight time hourly rate that corresponds with the salary schedule for that classification. All earnings for services rendered in excess of 40 hours per

Pay Rate and Earnings Relationship

week should not be reported to CalPERS. Overtime rates should not be reported to CalPERS for non-certificated school employees in accordance with G.C. 20635.1.

Examples of proper and improper reporting follow. These examples are for an employee being paid \$15 per hour for hours up to 35 hours per week (35 hours x 4 weeks = 140 hours). The employee is being paid \$22.50 per hour for hours from 36 to 40 per week (5 hours x 4 weeks = 20 hours). The \$22.50 per hour pay rate should not be reported to CalPERS.

All pay rates and earnings should reflect the straight time rate of \$15 per hour. In the correct example below, reporting to CalPERS may be consolidated on one line reflecting a \$15 hourly pay rate and total earnings of \$2,400.

Incorrect data is shaded below:

Month	Pay Rate	Member Earnings
Correct		
Sept (Reg hrs.)	\$15.00	\$2,100.00
Sept (OT hrs.)	\$15.00	\$300.00
Incorrect		
Sept (Reg hrs.)	\$15.00	\$2,100.00
Sept (OT hrs.)	\$22.50	\$450.00
Incorrect		
Sept (Reg hrs.)	\$15.00	\$2,100.00
Sept (OT hrs.)	\$15.00	\$450.00
Incorrect		
Sept (Reg hrs.)	\$15.00	\$2,100.00
Sept (OT hrs.)	\$22.50	\$300.00

FURLOUGH REPORTING

A furlough plan represents any time period during which members are directed to be absent from work without pay on the day or days designated by their employer or by a memorandum of understanding by the parties for purposes of achieving budgetary savings. A reduction in pay or pay cut imposed by an employer without any corresponding days off does not constitute a furlough. The result of a furlough is a reduction in earnings.

LOCAL SAFETY & SCHOOL MEMBER FURLOUGH LEGISLATION

Furlough legislation, which added G.C. section 20962.2 to the PERL, protects local safety and school members who have their retirement benefits reduced due to furlough. The employer will need to report the full pay rate and the reduced earnings resulting from the furlough days. The member may see a reduction in service credit depending on the nature of the furlough program.

If a member is reported as working less than 10 full months, 215 days, or 1720 hours in a fiscal year, the service credit earned will be less than one year. A member would begin to see less than a full year of service if they are working 12 months and less than 144 hours per month.

Implementation of G.C. section 20962.2 does not change the manner in which an employer reports payroll to CalPERS. Employers should continue to report the member's normal pay rate and the furlough reduced earnings to CalPERS. Due to the variety and complexity of the furlough plans being administered among employers, CalPERS has determined that the most efficient approach to implement this legislation is through an annual adjustment process, in which CalPERS will request employers to furnish specific furlough information.

NOTE: This provision in the PERL has no sunset date, therefore, future furloughs which impact local safety or school members will be covered.

Circular Letter 200-005-11 has more detailed information about Furlough Legislation and can be found on the CalPERS Website.

SERVICE PURCHASE OPTION

There is no provision in the PERL which allows members to purchase furlough time.

For more information, call the CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

PAYMENT OF CONTRIBUTIONS USING ELECTRONIC FUNDS TRANSFER (EFT)

Electronic Fund Transfer (EFT) is a method of instructing financial institutions to electronically transfer money from one account to another, eliminating the use of paper checks. Transfers are initiated by using the online payment service at www.calpers.ca.gov.

CalPERS is now offering EFT payment services for all receivables. With EFT payments, you may expect to benefit from a reduction of manual paper processing and the associated errors. You will also reduce costs associated with check processing, reconciliation, and postage, as well as assuring the date your payment is received.

NOTE: Beginning with the July 2011 payroll reporting period, the AESB 626 will no longer be used to submit contributions to CalPERS. To submit contributions follow the directions as indicated per Circular Letter 200-026-11. Be advised that if sending via EFT, your agency must send one EFT for each rate plan (formerly known as Coverage Group).

HOW FUNDS ARE TRANSFERRED

Funds are transferred through an Automated Clearing House (ACH). The Automated Clearing House is a partnership of financial institutions established to exchange funds electronically between participants.

CalPERS offers two electronic payment services you can use to make and manage your receivables, EFT debit method — online through my|CalPERS or EFT credit method initiated through your financial institution.

Electronic payment services let you transfer funds from your agency's checking account directly to our bank — safely, securely, and easily.

- Save time and money — no postage costs and no worries about lost or stolen checks.
- Control your payments — schedule in advance the exact date and time your payments are dispersed.

- Eliminate any penalties or assessments due to missed payment deadlines.
- Any location, at any time — all you need is Internet access.

EFT-DEBIT METHOD PAYMENT SERVICE

my|CalPERS offers real time access, tracking of your payment transactions, and control and flexibility.

- Security — all payment information is encrypted using "Verisign" technology.
- Accuracy — review, modify, or cancel a payment any time before settlement.
- Convenience — payment history is just a click away. Payment amount, settlement date and time, and more can be reviewed, sorted, printed, and used for validation or accounting reports.
- No Cost- CalPERS pays the cost for you to report an ACH debit transaction.

EFT-CREDIT METHOD PAYMENT SERVICE

This payment option is for agencies unable to utilize the EFT debit method. For ACH Credit payments, you instruct your financial institution to debit your account and credit the State's bank account. For this type of transaction you must ensure your financial institution has the ability to send ACH credit transactions in the required format (CalPERS Credit File Specifications). There are normal set-up and transaction fees for which you are responsible. There may also be special hardware and software requirements. Contact your financial institution for requirement details.

ELECTRONIC PAYMENT SERVICES

EFT-Debit Method Enrollment

The ACH debit method allows you to transfer funds by authorizing CalPERS to electronically debit a bank account you control for the amount you report via the CalPERS Website to the CalPERS Data Collector.

CalPERS does not have access to your bank account without your authorization by the ACH Debit process for each payment. Funds can only be transferred to CalPERS for the specific purpose and dollar amounts you request and initiate.

The information you are requested to provide will identify you, the purpose of the payment, and the amount. If you authorize a payment before 3:00 PM Pacific Time, it will be withdrawn from your bank account and deposited into a CalPERS account the following banking day. Two banking days from your settlement date, payment identification is downloaded into the CalPERS accounting system crediting your agency with a payment.

Please make allowance for this time period when reviewing the date your payment is due and determining your settlement date.

Example: If your payment is due Monday, March 10th, you must have a settlement date by Thursday, March 6th. Then, the payment will be credited in the CalPERS accounting system on Monday, March 10th. Please remember to calculate additional time for bank holidays.

EFT-Credit Method Enrollment

An **Enrollment Authorization** form must be completed and signed for each employer transferring funds to CalPERS. If you are transferring funds on behalf of other employers you must obtain a separate authorization for each entity.

To obtain a copy of the **Enrollment Authorization** form, please visit the **Forms & Publications Center** on the CalPERS Website at **www.calpers.ca.gov**.

Following your registration for the EFT Credit Method, CalPERS will provide you the ACH file specifications for your financial institution. Please do not attempt to transfer funds until you have received the file specifications.

For more information, visit the CalPERS Website at **www.calpers.ca.gov** or contact a CalPERS representative by calling **888 CalPERS** (or 888-225-7377).

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

BENEFICIARY DESIGNATION FORM (PERS-BSD-241)

The purpose of the ***Beneficiary Designation Form***, (PERS-BSD-241), is to:

1. Provide a means for a member who is not retirement eligible and who is not eligible for the Alternate Death Benefit (under age 50 with 20 or more years of service) to designate beneficiaries other than the statutory beneficiaries provided by the retirement law. The statutory beneficiaries are listed under item C on the front of the PERS-BSD-241.
2. Provide a means for a member who is married or in a registered domestic partnership and is either eligible to retire (age 50 or over with a minimum of five years of service credit) or who is eligible for the Alternate Death Benefit (under age 50 with 20 or more years of service) to designate beneficiaries to receive a one-time payment of the member's community property share. The spouse/registered domestic partner, by law, is still entitled to a choice of a monthly allowance or lump sum benefit. However, the amount is limited to just their community property share if the member designates other beneficiaries on this form.
3. Change the designated beneficiaries.
4. Designate any person or legal entity such as a college, university, corporation, trust, or estate as beneficiary.

Any of the following life events will revoke the ***Beneficiary Designation Form*** (PERS-BSD-241):

1. Marriage/Registration of Domestic Partnership.
2. Dissolution or annulment of marriage or termination of domestic partnership. However, a designation filed after the initiation of dissolution of marriage, termination of partnership, or annulment is **NOT** revoked when the dissolution, termination, or annulment is finalized.
3. Birth or adoption of a child.

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

NOTE:
Following a revoking action, the statutory beneficiaries then become the designated beneficiaries unless a new ***Beneficiary Designation Form*** (PERS-BSD-241) has been filed. Members may designate or change beneficiaries at any time by completing another ***Beneficiary Designation Form***.

SPECIAL INSTRUCTIONS

1. Changes on the form are acceptable only when they are clear and initialed by the member.
2. Complete the ***Beneficiary Designation Form***, make a copy for your records, then mail to CalPERS at the address provided on the form.
3. After CalPERS reviews the form, a confirmation letter will be mailed to the member within approximately 6 weeks. If the form is not acceptable, a new form will be mailed to the member.

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

Also, there is a box the member can check to certify they are not legally married or not in a domestic partnership. If this box is checked, the ***Justification for Absence of Spouse or Registered Domestic Partner's Signature*** (PERS-BSD-800A) form is not required.

REPORTING AN IMMINENT DEATH OR TERMINAL ILLNESS POWER OF ATTORNEY

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

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

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

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

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

1. Member's name, Social Security Number, and birth date.
2. Probable effective retirement date or date when leave credit will expire.
3. Current salary information and balance of accumulated sick leave.
4. Name, relationship, birth date, and sex of the person to be designated as the member's beneficiary.
5. Address and telephone number where information can be communicated.
6. Nature and seriousness of illness, estimated life expectancy, and whether the member is presently competent.

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

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

The retirement application/election form can be faxed to us at (916) 795-1281 with a notation of "Emergency Retirement" in the top margin on the front page. Do not mail the original. The original should be provided to the member for his/her records.

POWER OF ATTORNEY

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

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

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

Keep the original for your records. Upon receipt of the fax, a CalPERS representative will call you.

DEATH OF AN ACTIVE MEMBER

EMPLOYER NOTIFICATION TO SYSTEM

Immediately upon learning of an employee's death, your agency should contact CalPERS at **888 CalPERS** (or **888-225-7377**) and provide the following information:

1. Member name, Social Security Number, birth date, and CalPERS ID.
2. Date of death, cause of death and date of separation
3. Name, address and telephone number of next-of-kin
4. The birth date and date of marriage/partnership if a spouse/registered domestic partner is next-of-kin.

CalPERS will send you a partially completed, *Report of Separation for Death* (PERS-BSD-738) form with the following information:

1. Employer name and CalPERS ID
2. Name and Social Security Number
3. Date of death

INSTRUCTIONS FOR COMPLETION OF PERS-BSD-738

Your agency should verify and, if necessary, correct any information on the form. Complete the remainder of form as follows:

PART I – EFFECTIVE DATES

1. Separation Date – The permanent separation date must be reported as the day *after* the last day an employee works for your agency, which is often the day after the last day on payroll.
2. Reason for Separation – If separation is not due to death, enter reason for separation. Separation date cannot be later than death date.
3. Last Day on Pay Status – Enter last day on payroll.
4. Timebase – Enter time base.

PART II – PAYROLL/CONTRIBUTION INFORMATION

1. Dates of pay periods (monthly, semi-monthly, bi-weekly, or quadri-weekly) for the month of separation and each of the three months preceding separation.
2. Amount of full-time pay rate.
3. Gross regular amount earned in each pay period.
4. Amount of regular retirement contributions for each pay period.

5. Amount of special compensation earnings for each pay period.
6. Amount of special compensation contributions for each pay period.
7. Under "Other" column heading, explain other than normal contributions (e.g., retroactive salary increase, etc.).

NOTE:

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

PART III – UNUSED SICK LEAVE

Please indicate the total number of **days** of unused sick leave credited (if any) to the member on death date. Show partial days to three decimal places.

PART IV – HEALTH INSURANCE

Complete only if the member had health insurance coverage under the Public Employees' Medical and Hospital Care Act. A request for change in health benefits coverage based upon change in family status (death) may be made by an enrolled surviving family member who continues to receive an allowance.

PART V – SIGNATURE

Have this form signed by an authorized officer; enter title, phone number and date. Fax completed form PERS-BSD-738 to CalPERS immediately at 916-795-1281.

NOTIFICATION BY OTHER THAN EMPLOYER

When CalPERS is informed of an employee's death by someone other than the employer, CalPERS will also initiate the form PERS-BSD-738, partially filled in, and forward to the employer. The employer completes the balance of the form per instructions found in "Employer Notification to System".

INFORMATION FOR FAMILY OF DECEASED

When CalPERS is notified of an active employee's death, a letter (which may not provide an estimate of the benefits payable) and the publication **Pre-Retirement Survivor Benefits** (PUB-55) will be sent to the next of kin. The booklet explains the benefits which may be payable and provides an Application for **Active Member/Non-Member Survivor Benefits** (PERS-BSD-1167).

If an estimate is not provided, or if only lump sum benefits are payable, the PERS-BSD-1167 may serve as the claim form if completed by the designated or statutory beneficiary. If there is a choice of monthly or lump sum benefit an election must be made on the PERS-BSD-1167. If the information provided in the initial PERS-BSD-1167, along with any designation on file, indicates the proper beneficiary remains to be contacted, a claim form will be sent to the proper beneficiary. Payment of death benefits will be as soon as possible after receipt of the claim form and any other documents required (e.g., marriage, birth, or death certificates).

To determine the beneficiary(ies), CalPERS will check the database for a valid ***Beneficiary Designation Form** (PERS-BSD-241) (See Beneficiary Designation Form section for more information). If a valid PERS-BSD-241 has been filed and if the member was eligible for retirement, or if the Alternate Death Benefit is payable, the allowance payable to the surviving spouse will be reduced and the beneficiary(ies) designated will receive a one-time payment of the employee's community property share. If the PERS-BSD-241 is no longer valid or has not been filed, death benefits will normally be paid to the statutory beneficiary as follows:

- I. If the member was eligible for retirement or if the Alternate Death Benefit is payable on the date of death:
 - a) Member's surviving spouse or registered domestic partner if married/registered for at least one year prior to the onset of the illness or injury that caused the member's death,
 - b) Unmarried minor child
- II. If the member was not eligible for a monthly allowance:
 - a) Member's registered domestic partner or surviving spouse (whether or not still living together at the time of death); or, if none,
 - b) Natural and adopted children, including (in limited circumstances) a natural child adopted by another, share and share alike; or, if none,
 - c) Parents, share and share alike; or, if none,
 - d) Brothers and sisters, share and share alike; or, if none,
 - e) Member's estate (if probated, or subject to probate); or, if not,
 - f) Member's trust, if one exists; or, if not,
 - g) Stepchildren, share and share alike; or, if none,
 - h) Grandchildren, including step-grandchildren, share and share alike; or, if none,
 - i) Nieces and nephews, share and share alike; or, if none,
 - j) Great-grandchildren, share and share alike; or, if none,
 - k) Cousins, share and share alike.

*Any of the following events will, by law, revoke the **Beneficiary Designation Form** (PERS-BSD-241):

- a) Marriage or registration of domestic partnership.
- b) Dissolution or annulment of marriage or termination of partnership if initiated after the designation was filed.
- c) Birth or adoption of a child.
- d) Termination of employment which results in a refund of contributions or in payment of a monthly retirement allowance.

Information for Family of Deceased

Following the member's death, a spouse or registered domestic partner may request a ***Disclaimer of Benefits*** (myCalPERS 0362) form if he/she does not wish to receive their community property interest in the death benefits. If the ***Disclaimer of Benefits*** (myCalPERS 0362) form is completed, then the entire Basic Death Benefit may be paid to the person(s) designated on the PERS-BSD-241, unless the member is survived by a minor child who would become the statutory beneficiary entitled to a monthly allowance.

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

RETIREMENT — GENERAL

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

REQUEST FOR ESTIMATES OR COUNSELING

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

1. Members may receive immediate estimates by using the CalPERS On-Line Retirement Estimate Calculators, available on the CalPERS Website, www.calpers.ca.gov. Using the online Retirement Estimate Calculator allows members the flexibility to calculate an estimate using assumptions or projections anticipated by or known to the member, allowing them to determine the best retirement date based on these anticipated changes or projections. This is also the recommended service for members seeking retirement estimates with a retirement date more than one year in the future. Please note that CalPERS-generated estimates do not project future salary increases, changes in time base, or unreported special compensation.
2. CalPERS generated retirement estimates are processed by the Benefit Services Division. These estimates use the payroll reported by the employer. However, actual final compensation may be different after payroll reconciliation and review, and will be based on compensation allowable by law. Members who are within one year of their expected retirement date may request a CalPERS generated Retirement Estimate if they download, complete, and mail the **Retirement Allowance Estimate Request** form to CalPERS located on the CalPERS Website. Members within one year of retirement may request two CalPERS generated estimate requests in a 12-month period. Alternatively, a request form can be mailed to you by calling CalPERS at 888 CalPERS (or 888-225-7377).
3. All information on the Retirement Allowance Estimate Request form must be completed before an estimate can be processed. **Important:** Please be sure the address and CalPERS ID and/or Social Security number are legible.
4. Retirement benefit estimates will be mailed to the address indicated on the request form within 120 days of receipt of the request by CalPERS.
5. A request for an estimate is NOT an application for retirement. A **Service Retirement Election Application** (my|CalPERS 1206) or **Disability Retirement Election Application** (my|CalPERS 1200) must be submitted to apply for retirement. An application for retirement may not be used to request an estimate. If the member plans to retire in the near future, the employer should provide the member with our CalPERS publication **Planning Your Service Retirement** (PUB 1) and the CalPERS **Local Miscellaneous Benefits** publication (PUB 8) or the CalPERS **Local Safety Benefits** publication (PUB 9) or the CalPERS **School Benefits** publication (PUB 2). These publications provide additional benefits to consider in preparing for retirement.
6. Members are encouraged to take a CalPERS retirement planning class prior to submitting their application for retirement. CalPERS offers a series of five classes designed to educate and inform CalPERS members at any stage of their careers. Members are encouraged to take these classes throughout their careers to ensure they understand their benefits and to prepare for retirement. These classes are available both online and in a classroom with an instructor. Visit the **CalPERS Education Center** on our website www.calpers.ca.gov to view the latest schedules and enroll in a class.

WHEN TO APPLY

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

NOTE:

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

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

CalPERS

Benefit Services Division
P.O. Box 942715
Sacramento, CA 94229-2715

ADDITIONAL NOTES FOR SUBMITTING FORMS

If the application is submitted by fax (800-959-6545) to the Benefits Services Division, DO NOT send the original hard copy application.

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

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

In the case of an application for retirement filed with the Board more than nine months after discontinuance of the member's service, the effective date shall be no earlier than the first of the month in which the member's application was received at an office of the Board or by an employee of CalPERS designated by the Board.

WHO MAY APPLY

SERVICE RETIREMENT

A Local public agency or school member who has reached age 50 and has earned at least five years of credited service may submit an application for retirement. A Local Miscellaneous or School member with a membership date on or after January 1, 2013 must be age 52. Local members with service credit under the Second Tier formula must be age 55 unless they were a member of the system prior to the employer's contract amendment to provide that formula. The application must show a definite retirement date and be submitted by the member. It is the employee's responsibility, not the employer's, to see that the retirement application is sent to CalPERS.

If the member is employed in an overtime position or multiple positions with CalPERS employers, the member MUST separate from all employment to retire, even though they may not be receiving service credit for one or more of the positions.

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

DISABILITY OR INDUSTRIAL DISABILITY RETIREMENT

Please refer to the instructions found under "Disability Retirement or Industrial Disability Retirement" in this section of the guide.

REQUESTING ADDITIONAL SERVICE CREDIT

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

[A Guide to Your CalPERS Service Credit Purchase Options](#) (PUB 12) can be downloaded from the Forms & Publications Center on the CalPERS Website at www.calpers.ca.gov.

Service credit requests and questions should be directed to:

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

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

CANCELLATION OF RETIREMENT APPLICATION

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

1. Once 30 days after the first retirement payment has been issued (regardless of whether the check is cashed), the member will not be allowed to cancel the retirement.
2. A member may request a refund of accumulated contributions in writing in lieu of retirement prior to the issuance of the first full monthly payment.

SERVICE RETIREMENT

MINIMUM REQUIREMENTS FOR SERVICE RETIREMENT

A member shall be retired for service upon written application if the member has reached the minimum retirement age and has earned at least five years of credited service. Minimum retirement age is 50 for 1st-Tier retirement plan. Local Miscellaneous and School members with a membership date on or after January 1, 2013 must be age 52. Minimum age for the 2nd-Tier retirement plan is 55 unless they were a member of the system prior to the employer's contract amendment to provide that formula.

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

SERVICE RETIREMENT PROCESSING — DOCUMENT SEQUENCE

1. **Service Retirement Election Application** (PERS-BSD-369-S) is received by CalPERS from the member. Please note that if the member is married but is not able to obtain the spouse's signature on the **Service Retirement Election Application** form, they must complete a **Justification for Absence of Spouse's Signature** (PERS-BSD-800A).

The application package must include information regarding required marriage and birth date evidence. **Do not submit any original certificates.** Send only photocopies of important documents as CalPERS cannot return original documents. Each page of all documents submitted to CalPERS should include the member's Social Security Number or CalPERS ID in the upper right hand corner for identification.

The **Direct Deposit Authorization** (PERS-BSD-1199-P) form can also be submitted with the election application form.

2. **Employer Certification** Employers must certify the separation information by submitting it and any

updates online using my|CalPERS. Separation information includes the employee's permanent separation date and any unused sick leave balances. If the information is submitted prior to CalPERS processing the member application the additional service credit will be included in the member's initial retirement benefit. Otherwise the member's account will be adjusted after the information is submitted. To receive sick leave credit according to Collective Bargaining Unit Contracts, the member's retirement date must be within 120 days from the date of separation from the employer granting the sick leave.

Service credit for unused sick leave is a mandated benefit for public agencies that participate in risk pools. For all others, it is an optional benefit.

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

CONVERSION OF SICK LEAVE CREDITS

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

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

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

The accrual of sick leave credits must be consistent for members of the same group or class who work like or similar hours. Service credit, which was not earned through the "accrual

of sick leave" policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave for which a member receives compensation, (sick leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit.

3. A **Retirement Acknowledgment Letter to Participant** (my|CalPERS 0964) is sent to the member and the **Employer Acknowledgment Letter** (PERS-BSD-197) within 5-10 days of receipt of the **Service Retirement Election Application** (PERS-BSD-369-S) in our Sacramento Headquarters office letting them know we have begun processing the request. If the member does not receive an acknowledgment letter within 10 days they should contact CalPERS immediately.

4. A **First Payment Acknowledgement Letter** (my|CalPERS 0924) will be sent to the member prior to receipt of the first retirement check. This letter will provide the date of the first retirement check, the amount the member can expect to receive, and important income tax information.

Also included is the **Account Detail Information Sheet** which explains the data used to calculate the member's retirement allowance.

NOTE:
Changes to the benefit option election member's make, designated beneficiary(ies), or the retirement date you request on the **Service Retirement Election Application** can only be made within 30 days of receiving the first retirement benefit check.

5. **Notice of Placement on Retirement Roll** (my|CalPERS 0926) is sent to the employer after the employee is placed on the retirement roll. The my|CalPERS 0926 provides the employer with the number of sick leave days that were included in the employee's retirement calculation. If all the information is correct, then no action is needed.

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

For future employment of the retiree, please refer to the section on "Employment of a Retiree" and the section on Reinstatement from Retirement".

DEDUCTIONS AFTER RETIREMENT

HEALTH INSURANCE

For public agencies covered under the Public Employees' Medical and Hospital Care Act (PEMCHA), enrollment of a member is continued without change when the member retires. Coverage will continue into retirement if the individual is enrolled at the time of separation from employment and their effective date of retirement is within 120 days of separation. For questions on health insurance benefits, please refer to the [Health Benefits Procedure Manual for Public Agencies](#).

Direct Authorization may be established for automatic deduction of payments for group health insurance administered by the employer as well as life insurance premiums, union dues, credit union payments or shares, or contributions to charitable organizations.

NOTE:

Most deductions will stop at retirement and the member will need to re-establish necessary deductions.

GENERAL PROCEDURES FOR DIRECT AUTHORIZATION OF HEALTH/LIFE INSURANCE

1. Your agency determines the eligibility of the member to continue such coverage into retirement and forwards the authorization form to the carrier, not to CalPERS. This form must be signed by the member.
2. The Direct Authorization deductions are now processed by the carrier using my|CalPERS for on-line transaction processing or file uploads. The deductions are no longer processed by CalPERS staff. CalPERS does not have the authority to start, stop, or change a Direct Authorization deduction. The member must contact the employer or carrier to affect any change on a Direct Authorization.
3. Normally, the carrier will require two (2) months premiums in advance to provide CalPERS with adequate time to process the deduction.

OTHER DIRECT AUTHORIZATIONS

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

1. The organization has contracted with CalPERS to provide this service (members must contact the organization for this information);
2. The member authorizes to have money deducted through the organization; and
3. The organization submits the authorization directly to CalPERS.

CalPERS does not have the authority to start, stop or change a Direct Authorization deduction. The member must contact the organization to affect any change on a Direct Authorization.

CalPERS function is limited to the mechanics of deducting and determining what deduction authorization is proper. Inquiries concerning these types of "other deductions," should be directed to the organization.

INCOME TAX WITHHOLDING

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

Deductions after Retirement

PAYMENTS FOR PURCHASING SERVICE CREDIT

A member who previously elected to purchase public service credit, redeposit contributions for service credit, or has arrears contributions, may elect upon retirement to continue any payments due into retirement. In such cases, service credit will be included in the retirement calculation and a monthly payment will be taken from the member's retirement allowance. Any balance still unpaid upon the member's death shall be deducted from death benefits otherwise payable.

A retired member's survivor entitled to a monthly survivor allowance may elect to continue such deductions from the monthly allowance in lieu of the lump sum payment otherwise required. The following criteria must be adhered to:

1. No installment payments (deductions) are permitted unless an election has been made prior to retirement.
2. Death benefits against which unpaid balances may be deducted include the lump sum benefit, survivor continuance benefits, and payments under all optional settlements.

SOCIAL SECURITY INSTRUCTIONS

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

TEMPORARY ANNUITY PAYMENTS

Members applying for service retirement can elect to receive an additional monthly allowance from CalPERS.

For members entering CalPERS membership prior to January 1, 2002, the benefit is payable from retirement date to a specific age that the member selects, 59 ½ or any whole age from 60 to 68. The member can name the dollar amount they wish to receive within certain limitations.

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

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

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

DISABILITY RETIREMENT AND INDUSTRIAL DISABILITY RETIREMENT

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

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

DISABILITY RETIREMENT

Retirement for disability, available to all members (miscellaneous, industrial and safety classifications) credited with five or more years of service, is retirement resulting from mental or physical incapacity for the performance of the usual duties. There is no minimum age requirement for disability retirement. The injury or disease causing the incapacity need not be job-related.

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

INDUSTRIAL DISABILITY RETIREMENT (IDR)

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

WHEN TO APPLY

The application for disability retirement shall be made only:

- While a member is in local agency service, or;
- For a member whose contributions will be made under G.C. section 20997, and is absent on military service, or;
- Within four months after the discontinuance of the local agency service of the member, or while on approved leave of absence, or;
- While the member is physically or mentally incapacitated to perform his/her duties from the date of discontinuance of local agency service to the time of application.

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

EMERGENCY RETIREMENT

CalPERS can expedite retirement processing for members who are facing a terminal illness. If this is the case, CalPERS should be contacted immediately to discuss an emergency retirement. We will make every effort possible to quickly obtain the necessary information and complete our processing. However, for any post-retirement death benefits to be paid, the member must be living on the effective date of retirement. For more information, contact CalPERS at **888 CalPERS** (or **888-225-7377**).

WHO CAN APPLY

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

G.C. section 21153 provides that the employer may not separate a member because of disability who is otherwise eligible to retire for disability. The employer must apply for the disability retirement of such member unless the member waives the right to retire for disability and elects to

Disability Retirement or Industrial Disability Retirement

either withdraw his contributions or leave them in the fund for a future service retirement.

EMPLOYER ORIGINATED APPLICATION

When an employer is submitting the **Disability Retirement Election Application** (my|CalPERS 1200) on the member's behalf, the following sections must be completed:

- Section 1 Member Information
- Section 2 Retirement Information – only complete the employer name and member's position title.
- Section 3 Disability Information
- Section 8 Workers' Compensation Information
- Section 12 Employer-Originated Application – Signature must be made by the Duly Authorized Official on file with CalPERS or processing will be delayed.

The employer should not complete:

- Section 4 Treating Physician Detail
- Section 5 Option Election
- Section 6 Retired Death Benefit
- Section 7 Survivor Continuance
- Section 2 Employee Section-last day on payroll
- Section 9 Tax Withholding Election
- Section 10 CalPERS Health Coverage
- Section 11 Member Signature & Notary

A Supplemental Retirement Information form will be sent to the member for the additional information once the disability is approved by CalPERS.

The **Disability Retirement Election Application** (my|CalPERS 1200) form is available on the CalPERS Website at www.calpers.ca.gov or contact CalPERS at 888 CalPERS (or 888-225-7377).

WHAT TO SUBMIT WITH APPLICATION

The following documentation should be submitted with the application the employer files on behalf of the member:

- Job Duty Statement
- Physical Requirements of the Position/Occupational Title form
- Personnel Records
- Adverse Actions
- Investigation Reports
- Medical Information to Support Application (Fitness for Duty reports, doctor notes, etc.)

NOTE:

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

LOCAL SAFETY MEMBERS

Safety members submit applications for disability retirement on the **Disability Retirement Election Application** (my|CalPERS 1200). Local safety members are not required to complete Section 3 (Workers' Compensation Information) and Section 4 (Disability Information) on the application.

APPLICATION ACKNOWLEDGEMENT

Upon receipt of a request for disability retirement, CalPERS will contact the member and employer, acknowledging receipt of the application.

CalPERS will continue to notify the employer of the member's request for disability or industrial disability retirement; however, a copy of the retirement application will not accompany the letter.

THE DETERMINATION

In accordance with G.C. section 21156, a local safety member shall be retired for disability only upon the employer's determination that the member is incapacitated physically or mentally for the performance of the usual job duties with the current employer.

The disability decision is based upon competent medical opinion and all medical and vocational information provided by the member, employer and workers' compensation carrier. The determination is based on actual/present disability, not prospective inability to perform the job duties.

The determination must be made within six months of the CalPERS request for such determination in accordance with G.C. section 21157.

Failure to provide this determination within six months places your agency in violation of G.C. section 21157. As a contracting agency of CalPERS, you are the statutory delegate with authority to perform the function of disability determinations for your local safety employees, within the time frame specified by law. However, the member may waive this requirement. The employer will determine if the disability is industrial, except that in disputed cases the agency, or the member, may refer the matter to

Disability Retirement or Industrial Disability Retirement

the Workers' Compensation Appeals Board for a determination of industrial causation.

EFFECTIVE DATE OF RETIREMENT

The member's effective date of retirement without the member's consent cannot be earlier than the termination of the employee's leave of absence without loss of salary under Labor Code Section 4850 (L.C. section), or when disability is permanent and stationary as found by the Workers' Compensation Appeals Board, if earlier. (G.C. section 21164)

INDUSTRIAL DISABILITY ALLOWANCE

Generally, the industrial disability retirement allowance of a local safety member under age 50 will be 50% (or more by additional contract provisions) of final compensation. Please refer to your Business Partner Retirement Contract Report for a complete list of provisions in your agency's contract. You can view your Business Partner Retirement Contract Report in my|CalPERS.

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

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

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

LOCAL AGENCY DETERMINATION PROCEDURES

Before the Retirement System can act on any local safety member's application for disability

retirement, the following questions must be resolved by the agency and the information mailed to CalPERS in the form of a Resolution or determination letter:

1. Is the member substantially incapacitated from performing the usual duties of the position?
2. If incapacitated, will the incapacity exist for a permanent or extended and uncertain duration of six months or longer?

It is your agency's responsibility to order a medical examination and obtain such evidence as is necessary to make a determination.

Such evidence may be obtained from the Workers' Compensation insurer. On the basis of its accumulated evidence, the agency must determine whether the member is disabled within the meaning of the Public Employees' Retirement Law.

This determination must be made within six months from the date of the CalPERS request for such determination. Also, the agency must bear the responsibility for any investigation of retired members for possible reinstatement action.

3. If a determination is made that the member is disabled, is the disability considered "industrial"?

Industrial means disability as a result of injury or disease arising out of and in the course of employment as a local safety member (G.C. section 20046). If there is no application filed with the Workers' Compensation Appeals Board for a determination pursuant to G.C. section 21166, the agency is required to provide the determination of industrial causation.

If either the member or agency applies to Workers' Compensation Appeals Board for a determination, only that Board can decide the "industrial" question (G.C. section 21166).

A copy of this decision must be sent to CalPERS. CalPERS will assume that the findings are not disputed, and will proceed accordingly, unless the agency notifies CalPERS that a Petition for Reconsideration has been filed.

4. What is the last day of compensation?

Disability Retirement or Industrial Disability Retirement

5. What is the effective date of retirement?

The retirement effective date is established in accordance with G.C. sections 21163 and 21164. These sections state that the member's retirement, without the member's consent, cannot be effective until:

- a. The expiration of accrued sick leave or compensating time off, unless, with respect to such leave, the provisions of local ordinances or rules of the employer provide to the contrary; and/or
- b. The termination of the employee's fully compensated leave of absence under L.C. section 4850; and/or
- c. An earlier date during the leave when the disability is found to be permanent and stationary by the Workers' Compensation Appeals Board.

CalPERS will require the agency determining the member's disability to provide information necessary for CalPERS to determine the effective date. The member should not be kept on payroll to exhaust accrued vacation once a disability determination has been made. G.C. section 21252 may also apply.

NOTE:
Under L.C. section 4850, the leave cannot end earlier than one year unless the disability is determined to be permanent and stationary by the Workers' Compensation Appeals Board and the member will be receiving advanced disability pension payments — paid by the employer. See "Advanced Disability Pension Payments."

6. Is there any third party liability related to the injury which caused the disability?

CalPERS requires that the agency file an accident report along with its decision as to the possibility of any third party liability. The reason for this information is that CalPERS will retain its rights of subrogation in disability cases.

7. If the member is found to be disabled due to a mental disorder, is the member competent to act on his/her own behalf in legally binding retirement matters?

The agency must certify this information to CalPERS before a retirement benefit can be issued to the member.

If a determination is made that the member is not disabled, the agency must notify the member and CalPERS. Notification to the member of their right to appeal the agency's decision and request a hearing within a designated number of days from the date of the notice, shall be by certified mail, return receipt requested, or by personal service.

If the member appeals the determination, the agency is required to comply with the Administrative Procedures Act (APA) in the disability retirement determination process.

All related local agency determination documents can be mailed to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796
Fax: (916) 795-1280

**ADVANCED DISABILITY PENSION PAYMENTS
(ADPP)**

Employers must make "advanced disability pension payments" to safety members who have qualified for benefits under L.C. section 4850 and have submitted an application for industrial disability retirement, until the member begins receiving their retirement benefits directly from CalPERS, or the application for disability retirement is denied.

Employers must commence ADPP no later than 30 days from the date of the last payment of salary/ wages, benefits under L.C. section 4850 or sick leave. Employers are required to commence ADPP when the employee files an application for disability retirement at least 60 days prior to the payment of ADPP and cooperates with providing medical information, attending medical examinations, and the evaluation process established by CalPERS.

The 30 day period for the commencement of ADPP shall be tolled by whatever period of time is directly related to the employee's failure to apply for disability retirement or full cooperation with the process.

Disability Retirement or Industrial Disability Retirement

NOTE
ADPP cannot be paid to members who are receiving a service retirement allowance.

Contact CalPERS at **888 CalPERS** (or **888-225-7377**) before paying ADPP if the member has applied for Service Retirement pending Industrial Disability Retirement.

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

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

ADPP is not considered compensation for retirement purposes. (G.C. section 20630)

The local safety employer is required to pay ADPP until the employee is approved or disapproved for a disability retirement allowance, only if the employee meets specified conditions set forth in L.C. section 4850.4. If an employee's disability retirement application is denied, the local agency and the employee shall arrange for the employee to repay all ADPP.

Advanced disability pension payments shall not exceed 50% of the average monthly pay rate for the last three years prior to retirement. If the member plans to choose an optional settlement, the ADPP should be reduced accordingly. (L.C. section 4850.3)

COMMUNITY PROPERTY CLAIMS

In a situation where a community property claim has been filed against a member's account, it is recommended that your agency reduce the ADPP to 25% of the member's average monthly pay rate for the last three years prior to retirement. If CalPERS has notified your agency of the existence of a community property claim and the non-member spouse is awarded a portion of the member's monthly allowance, the amount awarded to the non-member spouse will be paid

from the retroactive portion of the member's retirement allowance before the ADPP is reimbursed to your agency.

If the member's remaining retroactive portion is not sufficient to cover the ADPP, the member's share of the allowance will be reduced by 10% until the total ADPP has been repaid. If the application for disability retirement is denied, the employee is responsible for reimbursing the employer the amount of ADPP received and any repayment plan is decided between the employer and employee.

Since retirement allowances are paid monthly, CalPERS would prefer that the employer make advanced disability pension payments monthly. ADPP should be paid for the preceding month. If the retirement effective date is a day other than the first of the month, the member is entitled to receive retirement pay from the retirement effective date until the end of the month.

Example:

Retirement Date	Portion of Monthly Allowance to be paid by Employer as ADPP
March 5	27 out of 31 days (27/31)
September 30	1 out of 30 days (1/30)

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

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

TRANSMITTAL OF THE AGENCY'S DETERMINATION

There are sample resolutions located in the **Appendix** of this Guide that may be used by your agency in transmitting the required information to CalPERS. All resolutions should state whether or not the employer will be making advance disability pension payments to the member.

Disability Retirement or Industrial Disability Retirement

SCHOOL MEMBERS AND LOCAL MISCELLANEOUS MEMBERS

APPLICATION PROCESS

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

Estimate — The member's first step should be to request a Disability Retirement Estimate online at the CalPERS Website, complete and submit the **Retirement Allowance Estimate Request** (my|CalPERS 1211) form also available online. Alternatively, a request can be made by calling CalPERS at **888 CalPERS** (or **888-225-7377**).

Complete Package — In order for CalPERS to process a request for disability retirement, a complete package must be received within 30 calendar days. If a complete package is not received within this time frame, CalPERS will cancel the member's application. A complete package consists of:

- A completed **Disability Retirement Election Application** (my|CalPERS 1200).
- A completed **Authorization to Disclose Protected Health Information** (my|CalPERS 1203) signed by the member.
- A completed **Physician's Report on Disability** (my|CalPERS 1204) from a physician who specializes in the member's disabling condition. The physician must provide a diagnosis on the member's condition and include information about how it prevents the member from performing their job duties (an incomplete form will delay the review process).
- An **Employer Information for Disability Retirement** (my|CalPERS 1201) form with the job description attached. This form must be used as a cover sheet for the job description and any other documents the employer submits to CalPERS.

NOTE:

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

- A completed **Physical Requirements of Position/Occupation Title** (my|CalPERS 0700) form providing detailed information on the specific physical requirements of the member's position or occupational title.
- A completed **Workers' Compensation Carrier Request** form from the insurance carrier, if the member has a job-related injury, with medical records attached related to the claimed disability.

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

It is the member's responsibility to follow up with the employer, workers' compensation carrier, and treating physician(s) to ensure the requested information is submitted to CalPERS. If the required information is not received within 30 calendar days of application submission, the application will be cancelled.

Application — When the member submits the **Disability Retirement Election Application** (my|CalPERS 1200), the following sections must be completed:

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

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

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

Disability Retirement or Industrial Disability Retirement

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

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

Generally, the disability retirement determination can be made within three to six months after CalPERS receives all required information for a complete package. However, if additional information is needed, this will extend the review process.

If the member is found to be disabled due to a mental disorder, competency will be decided based on medical opinion. Conservatorship or a valid Power of Attorney may be required before benefits are payable. For Power of Attorney instructions, please refer to the booklet **Power of Attorney** (PUB 30).

NOTE:
If the member is currently enrolled in the CalPERS health plan and becomes employed in another job pending the determination of disability retirement benefits, eligibility for CalPERS health benefits may be affected after retirement.

RETIREMENT EFFECTIVE DATE

If the application was received within nine months after discontinuance of employment, the effective date of disability retirement will be the day following the last day of payroll.

In the case of an application for disability retirement filed with CalPERS more than nine months after discontinuance of the member's service, the effective date of the application shall be determined in accordance with G.C. section 20160, or if no date is indicated the effective date will be the first of the month the application is received.

If a member has been approved for disability retirement, the law states the member must be retired immediately. The member may, unless

contrary to local rules or regulations, remain on pay status to use sick leave and/or compensating time off that a person is entitled to; entitlement is a matter that must be resolved by each employer.

MEMBER ALTERNATIVES FOLLOWING THE DISABILITY DETERMINATION

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

1. If the member is also eligible and applies to retire for service (prior to the effective date of retirement for disability or within 30 days of notification of disability retirement approval), the member may be retired for service.
2. The member may also elect to separate from employment and accept a refund of accumulated contributions in lieu of all future rights and benefits from CalPERS.
3. The member may appeal the determination directly to the employer for local safety members and to CalPERS for miscellaneous members.

When the member has been found to be "not disabled" and the application is denied, the member will be notified of the finding and provided the opportunity to appeal the decision.

NOTE:
With the exception of Local Safety members, all appeals must be submitted in writing directly to CalPERS within 30 days from the date of the notification letter.

Appeals may be mailed to:

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

CalPERS is subject to the Administrative Procedures Act (APA) and the governing body of the contracting agency (or its authorized representative) acts as a delegate of the CalPERS Board of Administration in making the determination of substantial incapacity/disability. Therefore, the contracting agency is bound by the APA in the same manner as the CalPERS Board. So, in case of an appeal to the determination, the

Disability Retirement or Industrial Disability Retirement

dispute must be heard by an administrative law judge of the State Office of Administrative Hearings.

The APA is set forth in the Government Code and the statutes describe the requirements and methods for conducting an administrative hearing. If the contracting agency determines that the member is not incapacitated for the performance of duty, it shall notify the member and CalPERS of this determination. The determination should be sent to the member by certified mail (return receipt requested) giving the member a specified time period in which to appeal and request a hearing. This is proper due process. Please refer to the APA Sample Procedural Resolution in the **Appendix** section of this Guide.

GENERAL DISABILITY CALCULATION

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

- How many years of service credit the member has;
- The benefit factor (1.8 percent for public agency and school members, or 1.35 percent for the local 1.5 percent at 65 formula); and
- The final compensation and whether to figure it on a 12 or 36 month basis.

Find the benefit factor and years of service credit in the following groupings. Follow the instructions listed and fill in the worksheet.

LOCAL PUBLIC AGENCY AND SCHOOL MEMBERS

A Local Public Agency Miscellaneous or School Member must have at least five years of service credit to be eligible for disability retirement.

If the member has between 5 and 10 years, OR 18 1/2 or more years of service credit, multiply the years of service by 1.8 percent to determine the percentage of final compensation.

If the member has between 10 and 18 1/2 years of service credit, add to that figure the number of years until the member will be age 60 and multiply the TOTAL by 1.8 percent to determine the percentage of final compensation. (The maximum percentage allowable is 33 1/3 percent).

THEN

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

OTHER LOCAL PUBLIC AGENCIES

If your agency contracts for the 1.5 percent at 65 formula, the member must have five years of service credit to be eligible for disability retirement.

If the member has between 5 and 10 years, OR 24.692 or more years of service credit, multiply the years of service by 1.350 percent to determine the percentage of final compensation.

If the member has between 10 and 24.691 years of service credit, add to that figure the number of years until the member will be age 65 and multiply the TOTAL by 1.350 percent. (The maximum percentage allowable is 33 1/3 percent).

THEN

Multiply the percentage of final compensation by the highest consecutive 12 or 36 month average monthly salary (depending on employer's contract) to determine the Unmodified Allowance. Please note if the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability.

Figuring the Disability Allowance Worksheet

Years of Service	Benefit Factor	% of Final Compensation
_____	X _____%	= _____%
% of Final Retirement	Final Compensation	Compensation Allowance
_____ %	X \$ _____	= \$ _____

CANCELLATION OF APPLICATION

If a member desires to cancel the disability retirement application, other than an employer originated application, the request must be made in writing. The member's signature is required.

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Cancellation requests can be mailed to:

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

A cancellation is binding; the member must thereafter re-apply whenever he/she is ready to retire. However, if the member is currently receiving service retirement benefits, the member cannot re-apply for disability or industrial disability retirement.

If the member has been found to be disabled, and the disability was approved, please refer to the Member Alternatives Following Disability Determination section earlier in this chapter for more information.

SUBROGATION

Under the law, if someone other than the employer caused an injury that results in disability retirement benefits being paid to the member, CalPERS has the right to recover up to one-half of the total retirement benefit costs from the responsible party. This is known as the "right of subrogation."

If the member pursues a claim against any person for the same injuries that also entitles the member to a disability retirement from CalPERS (other than a Workers' Compensation claim or an uninsured motorist claim), the member must inform CalPERS by calling **888 CalPERS** (or **888-225-7377**).

This is true even if the claim has not yet resulted in a court action. CalPERS has the right to participate in the claim through filing its own action against the responsible party, intervening in the claim, or filing a lien against any judgment recovered.

If such a claim is settled without notifying CalPERS, we may also be entitled to file a lawsuit against the member for recovery under our subrogation rights.

INSTRUCTIONS FOR COMPLETION OF THE MY | CALPERS 1205

Upon approval of an application for disability retirement by CalPERS, the Benefit Services Division will require payroll information to begin the disability retirement payments.

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

The first section is to be completed by the member:

Section 1 – Employing Agency and Member Information:

- Name of Employing Agency
- Member's name
- Social Security Number or CalPERS ID
- Retirement date requested by the applicant

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

Section 2 – Effective Separation or Termination Dates

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

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

Section 3 – Unused Sick Leave at Time of Separation

If the member has a sick leave balance that was not used at the time of separation from

Disability Retirement or Industrial Disability Retirement

employment, report the total number of 8 hour days, not hours, of unused sick leave.

Section 4 – Certification of Employer

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

Immediately mail the my|CalPERS 1205 form to the address provided on the form. Failure to submit the form on a timely basis may result in a delayed warrant to the recipient. Please note the following:

- Do not combine contributions for maintenance and Special Compensation with normal contributions. Use the "other" column.
- Do not deduct retirement contributions from lump sum vacation payments.
- Do not delay submission of this form awaiting final payroll data. Estimate the last period's payroll information and label this line "Estimate."

EMPLOYMENT OF A RETIREE

GENERAL RULE

G.C. section 21220 provides that a retiree on service, disability, or industrial disability receiving a monthly allowance from CalPERS, shall not, except as provided, be employed in any capacity by a CalPERS employer unless the retiree has first been reinstated from retirement.

Any retiree employed in violation of this section is subject to reinstatement to CalPERS membership as of the date the unlawful employment occurred.

The retiree will be required to:

1. Reimburse CalPERS for all retirement allowance received during the period of unlawful employment.
2. Pay CalPERS employee contributions that should have been paid during the period of unlawful employment, plus interest.

The employer who employs a retiree in violation of this section will be required to:

1. Pay CalPERS employer contributions that should have been paid during the period of unlawful employment, plus interest.

A retiree may work for a CalPERS employer (an employer who contracts with CalPERS for retirement benefits) as a limited duration employee (retired annuitant) only as specified in California retirement law. California retirement law consists of provisions both the Public Employees' Retirement Law (PERL) and the Public Employees' Pension Reform Act of 2013 (PEPRA).

A 180-day waiting period is required for all employees who retire from a public employer before retirees can return to work for an employer in the public retirement system from which they retired without reinstating from retirement, except under certain specified circumstances. The 180-day waiting period starts from the date of retirement (G.C. section 7522.56). The exceptions for public agency and school employers are:

- The retiree is a firefighter or public safety officer as defined in G.C. 3301 (peace officer) who performs peace officer or firefighter retired annuitant work. If the retiree is on service retirement, please see the Bona Fide

Separation in Service Requirement in this section.

- The governing body of the public agency or the County Office of Education of the school employer presents CalPERS with a resolution, passed in a public meeting, that approves the appointment in which the employer has certified the nature of the employment and that the appointment is necessary to fill a critically needed position before the 180 days has passed. The appointment may not be placed on a consent calendar.
- Any public retiree appointed to a full-time position on a State board or commission will be required to suspend his or her retirement allowance and become an active member of CalPERS, unless the appointment is non-salaried (G.C. section 7522.57).

The 180-day waiting period provision applies without exception to retirees who receive a golden handshake or any other employer incentive to retire. Retired annuitants who started working before January 1, 2013, are not impacted by the 180-day waiting period.

As currently required, employers must continue to report in my|CalPERS all the hours worked by any CalPERS retired annuitant in order to monitor the 960-hour limit per fiscal year. CalPERS retirees who are hired as independent contractors, contract employees, and consultants directly by a CalPERS employer are considered retired annuitants and must be reported and tracked in my|CalPERS.

my|CalPERS will be updated to validate the 180-day waiting period for all new enrollments and will flag any potential violations of this waiting period for additional review. Potential violations will not prohibit the online my|CalPERS enrollment. To enroll a retiree under the certification-resolution exception to the 180-day waiting period, the employer must submit a copy of the certification-resolution to CalPERS. Please include a copy of the retiree's employment agreement along with the certification-resolution and mail the documents to:

Employment of a Retiree

CalPERS
Benefit Services Division
PO Box 942711
Sacramento, CA 94229-2711

There will be no other changes to the enrollment process. Specific questions about the 180-day wait process should be directed to the Benefit Services Division through the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

LIMITED DURATION EMPLOYMENT

Under the following provisions, reinstatement from retirement is not required (except as noted), and no employee or employer contributions should be made to CalPERS. It is both the employer's and the employee's responsibility to monitor the employment to ensure the retiree does not exceed 960 hours in a fiscal year and the appointment is of limited duration.

NOTE

This information applies **ONLY** to limited duration employment situations. If the retiree is found to be employed in a permanent full-time or part-time or regular staff position regardless of the number of hours worked, the retiree will be subject to mandatory reinstatement from retirement into CalPERS membership retroactive to the date the unlawful employment occurred.

BONA FIDE SEPARATION IN SERVICE RETIREMENT

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

1. There was no agreement to return to work as a retired annuitant between the member and the employer before the member retired, and
2. There is a bona fide break in service of 60 days between the retirement date and the date the retiree's employment will begin.

"Normal retirement age" is the age named in the member's retirement benefit formula. For example, the "normal retirement age" for a 2% @ 55 retirement benefit formula is 55. However, if the member has more than one retirement benefit formula, then the "normal retirement age" is determined and governed by the highest "normal retirement age", even if the member's service in

that formula was with a previous CalPERS employer and/or several years prior. Members can review their retirement formulas on their Annual Member Statements, available online, via their myCalPERS member account, or mailed in November.

Example: Joe Smith is a public agency/school miscellaneous member who retired June 30, 2010 at age 52 with 20 years of service. His retirement benefit formula at retirement was 2% at 55. Because he has not reached his "normal retirement age" of 55, he must have a bona fide separation in service which means: (1) he and the CalPERS covered employer must not have had a predetermined agreement for him to return to work before his retirement, and (2) he must have a 60 day separation between his retirement date and the first day of employment as a retired annuitant.

This restriction is per G.C. section 21220.5 and was added to CalPERS law to comply with IRS tax regulations prohibiting in-service distributions of pension benefits. The only exception to the G.C. section 21220.5 restrictions for retirees under normal retirement age is in emergency situations as defined in G.C. section 8558.

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

PUBLIC AGENCY EMPLOYERS

Any retiree may be employed by the appointing power of a CalPERS public agency employer, for a limited duration appointment to a position not to exceed 960 hours in any fiscal year for all such employers; either (1) during an emergency to prevent stoppage of public business or (2) because the retiree has specialized skills needed in performing work of limited duration. The compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties divided by 173.333 to equal an hourly rate. Retired annuitants shall not receive any benefit, incentive, compensation in lieu of benefits, or other forms of compensation in addition to the hourly rate (G.C. section 21224).

SCHOOL EMPLOYERS

1. A retiree may be temporarily employed in a certificated position for the California School

Employment of a Retiree

for the Deaf & Blind not to exceed 960 hours in a fiscal year (G.C. section 21225).

2. A retiree may be employed in a non-academic position if appointed by a school employer or by the Trustees of the California State University because the retiree has specialized skills needed in performing work, of limited duration, which cannot exceed 960 hours in any fiscal year. The compensation for the appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties divided by 173.333 to equal an hourly rate. Retired annuitants shall not receive any benefit, incentive, compensation in lieu of benefits, or other forms of compensation in addition to the hourly payrate (G.C. section 21229).

UNEMPLOYMENT BENEFITS AND RETIRED ANNUITANT EMPLOYMENT

California law prohibits the reappointment of a retired annuitant by a CalPERS employer if, during the 12-month period prior to reappointment, the retiree received unemployment insurance compensation for prior retired annuitant employment with any public employer.

A retiree shall certify in writing to the employer upon accepting an offer of post retirement employment that he or she is in compliance with this requirement (G.C. 7522.56 (e)(1)). Public Agencies and School Employers may require retirees provide a current Unemployment Insurance Benefit (UIB) printout from the Employment Development Department showing whether or not they have collected unemployment insurance within the last 12 months.

If a currently employed retiree is discovered to have received unemployment insurance compensation based on prior retired annuitant employment with any public employer, the current employment must be terminated on the last day of the current pay period and the retiree shall not be eligible for reappointment for 12 months following the termination of the current employment (G.C. sections 21224, 21225, 21226, 21227, and 21229).

A violation of this provision will not result in mandatory reinstatement from retirement for the retiree.

Questions regarding post retirement employment of retirees should be directed to the Benefit Services Division through the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

JUROR OR ELECTION OFFICER

Any retiree may serve as juror or election officer and receive fees for such service (G.C. section 21221(c)).

SCHOOL CROSSING GUARDS

Any retiree may be employed as a school crossing guard (G.C. section 21221(b)).

SERVICE FOR LITIGATION

A retired former employee may be employed to prepare for potential or actual litigation or to testify in trial proceedings or at a hearing and be paid per diem and necessary travel expenses not to exceed the rate paid other persons for similar services. The per diem paid must be reduced by the daily equivalent of the retiree's retirement annuity. Contact the CalPERS Benefit Services Division to obtain the amount of the retiree's monthly annuity benefit (G.C. section 21223).

For a retired public agency employee and a retired school employee, this employment must be approved by the governing body of the CalPERS contracting agency. CalPERS considers the governing body of a school employer to be the County Office of Education.

EMPLOYMENT OF RETIRED SCHOOL TEACHERS BY SCHOOL DISTRICT

School districts considering employment of retired school teachers should refer to sections 45134, 45135, 59007, 59113, 88033, 88034 of the Education Code and PEPRA, or contact CalSTRS, concerning the restrictions of such employment.

SPECIAL APPOINTMENTS - THE 180-DAY WAIT PERIOD DOES NOT APPLY

1. The Governor, Speaker of the Assembly, the President pro Tempore of the Senate, director of a State department, or the governing board of a contracting agency, may appoint a CalPERS retiree to serve as a full-time member on a state board or commission, salaried or non-salaried. If the retiree serves as a non-salaried member, the retiree may serve without reinstating from retirement. If

Employment of a Retiree

- the retiree accepts the salary, the retiree must reinstate form retirement (G.C. section 7522.57(c) and G.C. section 21221(a)). Please see the Membership section for membership election information.
2. The Governor, Speaker of the Assembly, the President pro Tempore of the Senate, director of a State department, or the governing board of a contracting agency, may appoint a retiree who receives a pension from another public retirement system to serve as a full time member on a state board or commission. If the retiree serves as a nonsalaried member, the retiree may serve without suspending the retirement benefit from the other system. If the retiree accepts the salary, the retiree must suspend the retirement benefit from the other system and become a member of CalPERS. (G.C. section 7522.57(d)(1)(2)(i) and G.C. section 21221(a)). Please see the Membership Section for membership election information.
 3. The Governor, Speaker of the Assembly, the President pro Tempore of the Senate, director of a State department, or the governing board of a contracting agency may appoint any retiree to serve as a part time member on a state board or commission, salaried or nonsalaried. The salary can be no more than \$60,000 annually which shall be increased in any fiscal year in which a general salary increase is provided to state employees. (G.C. section 7522.57(b) and G.C. section 21221(a)).
 4. The Legislature, either house, or a legislative committee may appoint any retiree to a position deemed by the appointing power to be temporary in nature (G.C. section 21221(f)).
 5. The governing body of a contracting agency may appoint a retiree to a position, found by resolution by its governing body to be available because of a leave of absence granted a person on payroll status, and found by the governing body to require specialized skills. This temporary employment shall terminate at the end of the leave of absence and cannot exceed a period of one year. Appointments under this section shall be reported to CalPERS and shall be accompanied by the resolution adopted by the governing body (G.C. section 21221(g)).
 6. The governing body of a contracting agency may appoint a retiree as an interim appointment to a vacant position during recruitment for a permanent appointment. This appointment must be deemed by the governing body to require specialized skills or during an emergency to prevent the stoppage of public business. A retiree shall only be appointed once to this vacant position. These appointments, including any made concurrently pursuant to Section 21224 or 21229, shall not exceed a combined total of 960 hours for all employers each fiscal year. The compensation for the interim appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties divided by 173.333 to equal an hourly rate. A retiree appointed to a vacant position shall not receive any benefit, incentive, compensation in lieu of benefits, or other forms of compensation in addition to the hourly rate (G.C. section 21221(h)).

SPECIAL APPOINTMENTS - THE 180-DAY WAIT PERIOD DOES APPLY

1. The Governor, Speaker of the Assembly, the President pro Tempore of the Senate, director of a State department, or the governing board of a contracting agency, may appoint any retiree to serve as a member of a state advisory committee, salaried or nonsalaried (G.C. section 21221(a)).
2. A retiree may be appointed to serve as a member of a public agency or school employer board, commission or advisory committee, salaried or nonsalaried.
3. The governing body of a contracting agency may appoint a retiree as an appointive member of the governing body; compensation for that office cannot exceed \$100.00 per month (G.C. section 21221(e)).

NOTE:
The G.C. section 21221(h) provision to exceed 960 hours was removed effective June 27, 2012 by SB 1021.

ELECTIVE POSITIONS

Any retiree may serve as an elective officer without reinstatement from retirement, however any part of the retirement allowance based on previous service in that same elected office shall be suspended during incumbency in such office (G.C. sections 21221(d), 21222).

Employment of a Retiree

EMPLOYMENT BY A NON-CALPERS AND NON-PUBLIC RETIREMENT SYSTEM EMPLOYER

A retiree receiving a monthly allowance from CalPERS may be employed by any employer not participating in CalPERS or any non-public retirement system without reinstatement from retirement. A disability retirement pension (except in the case of industrial disability retirement) may be subject to an earnings limit during such employment, until the retiree attains the minimum age for voluntary service retirement applicable to the member's classification. It is the responsibility of the retiree to report to CalPERS any salary earned from such an employer.

A CSU academic retiree may be employed with a school employer in a certificated STRS-qualified position without reinstatement (provided that he or she has never previously made a STRS-PERS election. Please see the section within this guide: Membership-School Employment: CalPERS or CalSTRS? There is no temporary employment or limited hour requirement for a CalPERS retiree working in a CalSTRS position.

EMPLOYMENT OF A RETIREE AS AN "INDEPENDENT CONTRACTOR", "CONSULTANT", OR "CONTRACT EMPLOYEE"

CalPERS retirees working directly for a CalPERS employer through an independent contractor, consultant or any other contract agreement are subject to the retirement law restrictions for retired annuitant employment. These retirees must be enrolled as retired annuitants in my|CalPERS and the hours they work reported with the hourly payrate as defined in G.C. section 21224 for public agencies and G.C. section 21229 for school employers.

EMPLOYMENT OR CO-EMPLOYMENT THROUGH A THIRD PARTY EMPLOYER (ALL RETIREES)

Before employing a retiree through a third party employer or temporary employment agency, please contact CalPERS. If the retiree will be an employee of the CalPERS employer under common-law principles, the retiree employment could be subject to CalPERS restrictions, even if a third party employer pays the retiree's wage.

Direct specific questions about employment of a retiree through a third party employer or temporary employment agency to the Benefit Services Division at **888 CalPERS** (or **888-225-**

7377) or submit your questions along with a copy of the third party contract with the scope of duties to:

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

EMPLOYMENT OF A DISABILITY/INDUSTRIAL DISABILITY RETIREE

NOTE:
For limited duration employment not to exceed 960 hours per fiscal year, see Limited Duration Employment in the section.

The Board may approve CalPERS re-employment without reinstatement for a member who is receiving a disability/industrial disability retirement allowance and who is offered a specific job in a position that is significantly different from that which the member retired. Such employment cannot begin prior to the Board's approval (G.C. section 21228).

To request re-employment approval, the employer retiree must submit the following:

1. The retired person needs to complete and sign Section 1 of the **Request to Work While Receiving Disability/Industrial Disability Retirement Benefits** (my|CalPERS 1199) form provided in the publication, **Employment After Retirement** (PUB 33).
2. The prospective employer completes Section 2 of the request form, stating their "intent to hire" the retired person upon CalPERS approval. Attach a copy of the current job duty statement for the position which the retired person is requesting to work. Include the starting salary for the retiree and the salary range for the position. In addition, you will be expected to notify CalPERS of any salary increase when paid to the retiree and all increases, such as cost-of-living adjustments, when applied to the salary range of the position.

If the retiree is to be promoted or changes positions, a new re-employment approval must be obtained prior to the position change, or the retiree may be subject to retroactive reinstatement from disability/industrial disability retirement and be liable for reimbursement of any retirement allowance paid.

Employment of a Retiree

3. The employer and member must complete, sign, and submit the **Physical Requirements of the Position/Occupational Title** form (my|CalPERS 0700).
4. Provide a medical report from the retired person's physician who specializes in the member's disabling condition stating that he/she has recently examined the retired person, reviewed the job duty statement, **Physical Requirements of the Position/Occupational Title** (my|CalPERS 0700) form, and finds the retired person is able to perform all tasks without restriction or limitation. CalPERS may require an independent medical evaluation to supplement the doctor's report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination.

Upon approval of the re-employment, the retired person will be required to report monthly earnings to CalPERS, as the disability retirement pension is subject to an earnings limit for as long as the employment continues. Please note that no employee or employer contributions are made to CalPERS for these types of employment.

For specific questions concerning employment of a CalPERS retiree, please review the publication **Employment After Retirement** (PUB 33) available in the Forms & Publication Center on the CalPERS Website at www.calpers.ca.gov or contact CalPERS at **888 CalPERS** (or 888-225-7377).

REINSTATEMENT FROM RETIREMENT

PUBLIC EMPLOYEES' PENSION REFORM ACT OF 2013 (PEPRA)

Employees who reinstate from retirement on or after January 1, 2013 with the same employer from which they retired would be entitled to the retirement formula that was in effect on December 31, 2012.

NOTE:

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

However, such employees who reinstate from retirement with a different employer may be enrolled into one of the new retirement formulas depending on whether or not they are considered a "new member" under PEPRA.

NOTE:

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

If you wish to hire a retired person in a permanent position, whether full-time or part-time, the retired person must reinstate from retirement into active CalPERS membership. A person on service retirement does not need approval prior to beginning active employment. However, to avoid an overpayment of retirement benefits and prevent payroll reporting problems for the employer, it is important to submit the **Reinstatement From Service Retirement Application** (my|CalPERS 0668) in a timely manner.

NOTE:

A retired person on a disability or industrial disability must be approved for reinstatement prior to being hired as a regular employee.

The publication **Reinstatement From Retirement** (PUB 37) includes the reinstatement applications for retired members on service, disability, or industrial disability retirement as well as information about the voluntary reinstatement process in general. There is also information about mandatory reinstatement and the other consequences of unlawful or "illegal" employment. The publication is available in the Forms &

Publications Center on the CalPERS Website at www.calpers.ca.gov or by calling **888 CalPERS** (or 888-225-7377).

Please be aware that reinstatement to an employer other than the one the member retired from could change the benefits the member was previously entitled to receive. The member should contact the employer's personnel office and clarify any questions they have about health benefits, vision care, dental care and death benefits that they offer their employees and retirees.

Reinstatement from retirement affects the cost-of-living adjustment (COLA) benefits the member will be entitled to receive in the future. COLAs are determined based upon the year in which the member retires. Reinstatement will change the base year of the future retirement, and will therefore, also change the date the member will be entitled to begin receiving future COLAs. To be retired again following the member's reinstatement, they must submit a new application for retirement. The member should contact their employer's personnel office or CalPERS prior to retirement to obtain the correct application document.

SERVICE RETIREMENT

The Board, pursuant to the provisions of G.C. section 21196, may reinstate a person who has been retired under this Retirement System for service upon:

1. CalPERS receipt of the completed **Reinstatement From Service Retirement Application** (my|CalPERS 0668) form. This form is enclosed in the **Reinstatement From Retirement** (PUB 37) publication.
2. The member is responsible for completing Sections 1 and 3. Section 2 must be completed by a Human Resource or Personnel representative of the employer certifying the start date or hire date of the permanent position.

A person who has been retired under this Retirement System for service, following an involuntary termination of the person's employment, and who is subsequently reinstated to such employment by action on or after October

Reinstatement from Retirement

1, 1965, pursuant to an administrative or judicial proceeding, shall be returned to employment status for the period specified by the judgment. The requirements of G.C. section 21196 shall not apply in this case (G.C. section 21198). A person who has been retired under this Retirement System for service may be reinstated from retirement pursuant to this article without regard to the requirements of G.C. section 21196, upon the retiree's application to the Board, if upon reinstatement, the retiree will be appointed by the Governor to any State office or employment (G.C. section 21199).

When a person is reinstated from retirement, the retirement allowance is canceled and the retiree becomes a member of the Retirement System as of the date of reinstatement. The retiree's individual account shall be credited with the actuarial equivalent of the retiree's annuity at the date of reinstatement, not to exceed the amount of accumulated contributions at the date of retirement (G.C. section 21200).

DISABILITY/INDUSTRIAL DISABILITY RETIREMENT

A member retired for disability/industrial disability may request approval from CalPERS to reinstate to another CalPERS covered position.

1. The Board may require any member receiving a disability retirement allowance, under the minimum age for voluntary retirement for service, to undergo a medical examination. If the Board determines that such recipient is not incapacitated for duty, the agency shall be notified that such person is eligible for reinstatement to duty. The fact that the member was retired for disability does not prejudice any right to reinstatement to duty, which the member may claim. The member's disability retirement allowance will be canceled on the effective date of the employer's job offer (G.C. sections 21192 and 21193).
2. Any retiree may request approval from CalPERS to reinstate, whereby the retirement allowance is canceled and the member resumes active member status, including earning additional service credit towards his/her subsequent retirement.

To request approval, the employer and member must:

- Complete Sections 1 and 2 of the **Request for Reinstatement from Disability /Industrial Disability Retirement** form (my|CalPERS 0669) found in the **Reinstatement From Retirement** publication (PUB 37);
- Provide a current job duty statement for the position, and complete the **Physical Requirements of the Position/ Occupational Title** form (my|CalPERS 0700);
- Provide a medical report from the retired person's physician who specializes in the member's disabling condition stating that he/she has recently examined the retired person, reviewed the job duty statement, and **Physical Requirements of the Position/Occupational Title** (my|CalPERS 0700) form, and finds the retired person is able to perform all tasks without restriction or limitation. CalPERS may require an independent medical evaluation to supplement the doctor's report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination.

If the member is requesting reinstatement into a different position from which they retired, the prospective employer must complete Section 3 stating their intent to hire the member upon CalPERS approval (G.C. sections 21192 and 21193).

If the member whose disability/industrial disability retirement has been canceled does not re-enter CalPERS covered employment, an amount which is the actuarial equivalent of the member's annuity at cancellation shall be credited to the individual account, and shall be refunded unless the member is eligible to elect, and does elect, to allow his/her accumulated contributions to remain in the retirement fund (G.C. section 21172).

ADDITIONAL INFORMATION FOR INDUSTRIAL DISABILITY

For reinstatement from Industrial Disability only, the member must:

- Check the box in Section 2

The prospective employer must:

- Complete Section 3 stating their intent to hire the member upon CalPERS approval (G.C. sections 21192 and 21193).

Reinstatement from Retirement

Upon subsequent retirement, the member's allowance will be recalculated based on the highest final compensation period during employment using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If the member is eligible for a service retirement after the miscellaneous employment, the member may receive whichever allowance is greater, but will retain the industrial disability retirement classification (G.C. sections 21197 and 21200).

BENEFICIARY DESIGNATION (AFTER RETIREMENT)

NOTIFICATION OF CHANGE IN BENEFICIARY STATUS

It is important for a retired member to contact CalPERS to request a **Changing Your Beneficiary or Monthly Benefit After Retirement** (PUB 98) publication when any one of the following qualifying events occurs because his or her designated beneficiary's entitlement to certain CalPERS benefits could be affected:

- Marriage or domestic partnership of the retired member.
- Legal separation, dissolution or annulment of marriage or termination of domestic partnership of the retired member if initiated after the designation was filed.
- Birth or adoption of a child.
- Death of Retirement Option Beneficiary

Should any one of these events occur, a retired member's existing beneficiary designation for the balance of Option 1 contributions, the lump sum death benefit, or the balance of Temporary Annuity payments are automatically revoked. Once the designation is revoked, lump sum benefits will be paid to the statutory beneficiaries in the following sequence:

1. To the retired member's spouse/domestic partner, or if none;
2. To the retired member's natural or adopted children, share and share alike, or if none;
3. To the retired member's parents, share and share alike, or if none;
4. To the retired member's brothers and sisters, share and share alike, or if none;
5. To the retired member's estate, if probated. If the estate does not require probate, but there is a trust, benefits will be paid to the trust. If there is no trust, benefits will be paid to the retiree's surviving next of kin in the order prescribed by law.

A retired member may designate a new beneficiary by obtaining a **Changing Your Beneficiary or Monthly Benefit After Retirement** (PUB 98) publication, which includes a Post Retirement Lump Sum Beneficiary Designation Form (PERS BSD 509P), and returning the completed form to:

CalPERS
P.O. Box 942715
Sacramento, CA 94229-2715

The publication is available in the Forms & Publication Center on the CalPERS Website at www.calpers.ca.gov or by contacting CalPERS at 888 CalPERS (or 888-225-7377).

If the retired member wants his or her statutory beneficiary(ies) to receive the lump sum benefits payable, there is no need to file a PERS BSD 509P. However, filing PERS BSD 509P may help us locate the person(s) upon the member's death.

The member's spouse or domestic partner is required to sign the PERS BSD 509P acknowledging the designation made by the retired member. If the retired member does not certify they have no spouse/domestic partner or the document does not include the spouse/domestic partner signature, a **Justification for Absence of Spouse/Domestic Partner Signature** (PERS-BSD-800A) form must be completed and submitted with their designation.

NOTE:
A retired member's designation and benefit entitlement to any lump sum death benefit may be impacted by any domestic relations court order which awards a current or ex-spouse/domestic partner a community property interest in the retired member's CalPERS retirement account.

For an explanation of the limited situations under which retired members may change their optional settlement of beneficiary designation after retirement, please see the section entitled "Changing Your Retirement Option or Life Option Beneficiary" later in this section.

A survivor or beneficiary who is receiving an allowance following the death of the retired member may designate a beneficiary to receive

Beneficiary Designation (After Retirement)

any unpaid allowance by requesting and filing a **Designation for Beneficiary's or Survivor's Prorated Allowance** (PERS-BSD-509B) form with CalPERS Benefit Services Division at:

CalPERS
P.O. Box 942715
Sacramento, CA 94229-2715

If a retired member marries or enters into a registered domestic partnership, the new spouse/domestic partner is not automatically entitled to a monthly death benefit. A retired member would have to modify the Option and name a new beneficiary. A modification will cause a reduction in the retired member's allowance to provide an ongoing allowance with health coverage to the new spouse or domestic partner. For more information, the retired member must read the **Changing Your Beneficiary or Monthly Benefit After Retirement** (PUB-98) publication. The publication is available on the CalPERS Website at www.calpers.ca.gov or contact CalPERS at 888 CalPERS (or 888-225-7377).

QUALIFYING FOR POP-UP BENEFITS

If the retired member elected the Option 2 or 3 benefit on or after January 1, 1990, the retired member's allowance will increase to a higher allowance, if one of the following events occurs:

- The retired member's beneficiary dies.
- The retired member's Option 2 or Option 3 beneficiary is the retired member's spouse/domestic partner and they divorce, legally separate, annul their marriage, or terminate their domestic partnership and they provide CalPERS with a copy of their judgment that awards the retired member the entire community property interest in their CalPERS benefits.
- The retired member's non-spouse/domestic partner beneficiary waives entitlement to the Option 2 or 3 benefit by filing a **Non-Spouse/Domestic Partner Disclaimer of CalPERS Benefits** (my|CalPERS 0362) form.

If the retired member elected the Option 2 or 3 benefit before January 1, 1990 and one of the three events listed above occurred less than 10 years following their retirement date, the retired member's allowance may be increased to the actuarial equivalent of the Unmodified allowance.

If the retired member elected the Option 2 or 3 benefit before January 1, 1990 and one of the

three events occurred more than 10 years following their retirement date, the retired member is not entitled to an allowance increase.

There is no pop-up increase if the retired member elected Option 2W or 3W (W=waived pop-up). If the retired member feels they are entitled to an increase, the retired member should request a **Changing Your Beneficiary or Monthly Benefit After Retirement** (PUB 98) publication, which contains a Request for Option 2 or 3 "Pop-Up" Increase (PERS0M0015DMC) Form.

POP-UP EFFECTIVE DATE BENEFICIARY DEATH

The retired member's allowance will increase to a higher allowance effective on the first of the month following their beneficiary's month of death.

DISSOLUTION OF MARRIAGE, LEGAL SEPARATION, ANNULMENT, OR TERMINATION OF DOMESTIC PARTNERSHIP

The retired member's allowance will be increased to a higher allowance effective the first of the month following our receipt of the judgment awarding them total interest in their CalPERS benefit.

NON-SPOUSE/DOMESTIC PARTNER BENEFICIARY DISCLAIMER

The retired member's beneficiary will be asked to sign a **Non-Spouse/Domestic Partner Disclaimer of CalPERS Benefits** (my|CalPERS 0362) form that will be provided by CalPERS upon request, which must be signed, notarized and approved by CalPERS.

The retired member's allowance will increase effective the first of the month following CalPERS receipt of the properly completed and notarized **Non-Spouse/Domestic Partner Disclaimer of CalPERS Benefits** (my|CalPERS 0362) form.

CHANGING BENEFICIARY DESIGNATIONS & MODIFYING YOUR LIFE OPTION AND/OR LIFE OPTION BENEFICIARY

A retired member who elected the Unmodified Allowance or Option 1 may change the beneficiary for the lump sum retired death benefit Option 1 or balance of Temporary Annuity at any time. A retired member can also modify their current retirement election and name a new beneficiary for a lifetime option allowance after a qualifying event (as described below), and

Beneficiary Designation (After Retirement)

provided their current lifetime option beneficiary is not a former or legally separated spouse/domestic partner who has community property interest in their CalPERS retirement benefit.

Electing a modification of option reduces the retired member's current allowance. The amount of the retired member's allowance reduction depends upon the retired member's age and the age of their new beneficiary at the time of the election. Modifying a retired member's option is also referred to as a "recalculation of option."

QUALIFYING EVENTS

The following are events that we allow the member to modify their allowance or retirement option and name a new beneficiary for a lifetime option benefit.

1. Death of Retirement Option Beneficiary

If the retired member elected:

- a. Unmodified Allowance or Option 1
 - The death of their beneficiary is not a qualifying event.
- b. Option 2, 2W, 3, 3W, or 4
 - The retired member can modify their election of the Option 2, 2W, 3, 3W, or 4 to another option other than the unmodified allowance and name a new beneficiary.

2. Retired Member's Marriage/Registered Domestic Partner

If the retired member elected:

- a. Unmodified Allowance
 - The retired member can modify their election of the Unmodified Allowance to an Option 1, 2, 2W, 3, 3W, or 4 and name their current spouse/domestic partner as beneficiary.
- b. Option 1
 - The retired member can modify their Option 1 to an Option 2, 2W, 3, 3W, or 4 and name their current spouse/domestic partner as beneficiary.
- c. Option 2, 2W, 3, 3W, or 4
 - If retired member has a former spouse/domestic partner and they are not the Option 2, 2W, 3, 3W, or 4 beneficiary, they can modify their election to an Option 1, 2, 2W, 3, 3W, or 4 and name their current

spouse/domestic partner as beneficiary. If the retired member named someone as their beneficiary for a lifetime option benefit and then later marries or enters into a domestic partnership with that same person, it would not be a qualifying event, since that person is already their lifetime option beneficiary.

NOTE: If the retired member's former spouse/domestic partner is the retired member's beneficiary, see the Dissolution of Marriage, Legal Separation, Annulment or termination of domestic partnership.

3. Dissolution of Marriage, Legal Separation, Annulment or Termination of Domestic Partnership

If the retired member elected:

- a. Unmodified Allowance or Option 1
 - This is not a qualifying event.
- b. Option 2, 2W, 3, 3W, or 4
 - If the retired member's former or legally separated spouse/domestic partner is the Option 2, 2W, 3, 3W or 4 beneficiary and the dissolution/termination or legal separation judgment dividing the community property awards the member the entire interest in the CalPERS retirement, the beneficiary can be changed and the member can modify the election to an Option 1, 2, 2W, 3, 3W or 4 and name a new beneficiary.

NOTE: If the retired member's former or legally separated spouse or domestic partner is their Option 2, 2W, 3, 3W or 4 beneficiary and the dissolution/termination or legal separation judgment dividing the community property does not award the retired member the entire interest in their CalPERS retirement, the retired member's former or legally separated spouse or domestic partner cannot be removed as beneficiary.

Beneficiary Designation (After Retirement)

4. Non-Spouse/Non-Domestic Partner Beneficiary Disclaims Lifetime Allowance

If the retired member elected:

- a. Unmodified Allowance or Option 1, 2, 2W, 3, 3W or 4
 - Regardless of what option the retired member chooses, a non-spouse/ domestic partner beneficiary disclaimer is not a qualifying event for a modification of option. This simply means the non-spouse/ domestic partner beneficiary relinquished their entitlement to CalPERS benefits.

If a retired member wishes to change their option and/or name a new beneficiary for lifetime option allowance, the retired member should request the **Changing Your Beneficiary or Monthly Benefit After Retirement** (PUB 98) publication which contains an Application to Modify Option and/or Life Option Beneficiary form (PERS01M0014DMC). The publication is available in the Forms & Publication Center on the CalPERS Website at www.calpers.ca.gov or contact CalPERS at **888 CalPERS** (or 888-225-7377).

EFFECTIVE DATE FOR CHANGING AN OPTION

If the retired member made an election to change their option within 12 months of the qualifying event, the effective date is the first of the month following CalPERS receipt of their completed election document. Both the retired member and their new beneficiary must be alive on the effective date.

If the retired member makes an election to modify their option more than 12 months after the qualifying event, the modification will not become effective until 12 months after the election is made. Both the retired member and their new beneficiary must be alive on the deferred election effective date.

HEALTH INSURANCE

When a retired member considers a modification of retirement option, they need to remember that continuation of CalPERS health insurance coverage of a new spouse/domestic partner depends on their being enrolled as a dependent on the retired member's plan at the time of the retired member's death and the retired member made an election of option that provides the new spouse/domestic partner with a monthly allowance.

If a retired member has CalPERS health insurance, they must immediately notify CalPERS if they divorce, terminate a domestic partnership or suffer the death of a spouse, domestic partner or other dependent. Failure to make a timely notification may result in incorrect premium deductions from the retired member's monthly allowance.

DEATH OF A RETIREE

If you become aware of the death of a retiree, please contact CalPERS with the name, birth date, Social Security Number, and date of death of the deceased, as well as the names, relationships, and addresses of the next of kin. A written or telephone communication detailing this information is acceptable for death notification provided an official of the agency gives it. The Report for Separation for Death – Request for Payroll Information (PERS-BSD-738) form should NOT be submitted for a retired person's death.

INFORMATION FOR FAMILY OF DECEASED

When a CalPERS retiree dies, there are several important steps a spouse or family member can take to help assure prompt payment of any benefits payable by CalPERS. The first step is to notify CalPERS by telephone at **888 CalPERS** (or **888-225-7377**) or by letter at P.O. Box 1652, Sacramento, CA, 95811-1652. We will need the following information:

1. Name and Social Security Number of deceased retiree.
2. The date of death.
3. Name, address, and telephone number of person providing notice of death.
4. Name, address, and telephone number of surviving spouse/domestic partner, other next-of-kin, or the person whom will be settling the estate.
5. If applicable, Social Security Number of surviving spouse/domestic partner.
6. Date of birth of surviving spouse/domestic partner.
7. Date of marriage/registration of domestic partnership.
8. Whether or not surviving spouse/domestic partner is able to handle his/her own financial affairs.

The second step is to accumulate documentation. CalPERS will ask for:

1. A photocopy of the certified death certificate with the member's Social Security Number written in the top right corner.
2. The name, address and phone number of the person handling the estate if the member's estate requires probate. Letters of administration must be submitted by the executor of the estate before benefits can be paid to the estate.

3. Other documents which are not included in the member file such as photocopies of marriage certificates, domestic partnership registration or birth certificates with Social Security Number.

The third step is completing the **Application for Retired Member/Payee Survivor Benefits** (my|CalPERS 1191) form that is sent by CalPERS. This form is used to determine whether any event has occurred to invalidate the beneficiary designation or to identify persons who might be beneficiaries by law. It is a formal application to receive payment of death or survivor benefits determined payable by CalPERS. The person completing this form is certifying that he/she is the person identified therein. This form should be completed in full and returned to CalPERS with the copies of the other documentation, (death certificate, marriage certificate, newspaper clipping, etc.) as quickly as possible. Enclosed with the **Application for Retired Member/Payee Survivor Benefits** (my|CalPERS 1191) form will be a **Tax Withholding Election for Survivor Benefits** (my|CalPERS 1190) form so an election may be made for Federal and State Tax withholding.

HEALTH INSURANCE

If the beneficiary or survivor is entitled to a monthly benefit and continued coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA), as administered by CalPERS, the coverage will be continued automatically. A **Health Benefits Plan Enrollment Form** (HBD-12) is completed by CalPERS and a copy will be sent to the beneficiary or survivor.

WARRANTS ISSUED AFTER RETIREE'S DEATH

All checks or retirement warrants issued (dated) after the retiree's death should be promptly returned to CalPERS.* If funds have been transferred to a bank for direct deposit to the retiree's account, CalPERS will contact the bank directly regarding reimbursement of the full amount of the warrants issued after the retiree's death. Any allowance accrued but unpaid prior to the retiree's death will be paid to the eligible beneficiary.

**Unless the CalPERS representative specifically tells the surviving spouse or registered domestic partner that the payments do not need to be returned.*

COMPLETING THE TAX WITHHOLDING ELECTION FOR DEATH BENEFITS

MONTHLY AND/OR PRORATED PAYMENT INCLUDING ANY ALLOWANCE ADJUSTMENTS

The retirement allowance is treated as payroll wages. Federal income tax will be withheld based on the rate of a married person claiming three exemptions unless the beneficiary or survivor elects no withholding, elects a flat amount withheld, or elects a different marital status or number of exemptions. If no election is submitted and the rate of married with three exemptions is used, no federal tax will be withheld if the gross monthly payment is less than the IRS minimum level.

If the beneficiary or survivor is a resident of the State of California, state income tax will also be withheld based on the rate of a married person claiming three exemptions unless they elect no withholding, elect a flat amount withheld, or elect a different marital status or number of exemptions. For California residents, if no election for state withholding is submitted and the rate of married with three exemptions is used, no taxes will be withheld if the gross monthly payment is less than the Franchise Tax Board minimum level.

OPTION ONE, TEMPORARY ANNUITY PAYMENTS AND RETIRED DEATH BENEFIT

If the benefit is payable to a spouse (or ex-spouse awarded a community property interest), death benefits may be non-taxable, partially taxable, or fully taxable. Any taxable portion of the benefit will be subject to 20 percent federal withholding unless rolled over into an IRA. The non-taxable portion of the distribution is not eligible for rollover. This portion will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The spouse should consult a tax advisor before making a tax election for these benefits.

If someone other than the retiree's spouse or ex-spouse is a beneficiary of all or a portion of an Option One, Temporary Annuity balance, or Retired Death Benefit, the taxable portion of the benefit will be subject to 20 percent federal withholding unless rolled over into an "inherited" type IRA. The non-taxable portion of the distribution is not eligible for rollover. It will be paid with no taxes deducted and will be reported to the tax authorities as a non-taxable benefit. Special tax rules apply to eligible rollover distributions. The non-spouse beneficiary should consult a tax advisor before making a tax election for these benefits.

If the beneficiary lives in California, CalPERS will automatically withhold 3 percent of the taxable portion of the payment for State taxes. If they do not wish to have State tax withheld from an Option One, Temporary Annuity or retired death benefit payment, they must submit a **Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover** form (myCalPERS 1192) with the appropriate box checked.

TAX AND INCOME REPORTING INFORMATION

STATEMENT OF BENEFITS PAID AND WITHHOLDING

In January of the year following payment, CalPERS provides each beneficiary with a statement showing the gross amount(s) of benefits paid during the previous calendar year and the amount of income tax withheld, if any. Most payments made by CalPERS are reported to the IRS and Franchise Tax Board. Questions about the taxability of CalPERS benefits should be directed to the IRS, the California Franchise Tax Board, or a tax advisor.

TAXPAYER IDENTIFICATION NUMBER

Section 6109 of the IRS Code requires recipients of reportable payments to furnish Taxpayer Identification Numbers (TINs). The Social Security Number (or Employer ID number, if a trust or organization) must be furnished to CalPERS, even if the beneficiary is not required to file a tax return.

NOTICE OF POSSIBLE PENALTIES

If the beneficiary elects not to have federal tax and/or California State tax withheld, or not enough federal or California State tax withheld, the beneficiary may be responsible for payment of estimated tax. The beneficiary may also incur penalties under the estimated tax rules if withholding and estimated tax payments are not sufficient. IRS Publication 505, ***Tax Withholding and Estimated Tax***, provides additional information.

CHANGING A TAX WITHHOLDING ELECTION

Once a tax withholding election for a monthly benefit is filed, it will remain in effect until another election is filed revoking the original.

To file another election, the beneficiary would need to complete federal form W-4P and state form DE-4P and submit them to CalPERS. This form can be viewed and printed from the "Forms & Publications Directory" on the CalPERS Website.

REFUND OF MEMBER CONTRIBUTIONS

MEMBER REFUNDS

Once a permanent separation has been entered into my|CalPERS, an Options at Separation letter is generated to the member. The letter explains the members options based on age and vesting as well as providing tax information if they choose to withdraw their contributions and interest.

If the member is moving from one CalPERS covered employer to another, he or she may not receive a return of contributions. In addition, if the member is moving to any of the public funded retirement systems with which CalPERS has a reciprocal agreement, the member may not elect to withdraw his or her contributions. If the member is moving to a position covered under CalSTRS, Legislators' Retirement System, University of California Retirement Plan, or the Judges' Retirement Systems, he or she may not elect to refund.

Should the member prefer to leave their funds in CalPERS, they need not respond to the Options at Separation letter. Their contributions will continue to earn interest at the current rate. As long as the contributions remain in CalPERS, an Annual Member Statement will be mailed to the current address on record. If the member has at least five years of service credit, he or she can apply for a retirement allowance at age 50 or older. If the funds are still in CalPERS when the member reaches age 70, an election to either refund or retire must be made.

Should the member prefer a refund of contributions and interest, he or she will need to return the **Refund/Rollover Election Package** (PERS02M0324) directly to CalPERS. The form is located on the CalPERS Website or can be obtained by calling CalPERS and requesting a copy. The member can elect to withdraw his or her contributions and interest as an in-hand distribution or as a rollover to an IRA or other qualified retirement plan.

A refund will not be issued until the member has been permanently separated from all CalPERS-covered employers via my|CalPERS.

NOTE:
A member who is on an extended leave without pay or on a military leave may not receive a refund of their CalPERS retirement contributions. These types of refunds are considered "in service distributions," which are not allowed by the Internal Revenue Service.

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

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CALPERS WEB SERVICES

MY|CALPERS

The my|CalPERS system is a self-service, web-based platform developed for employers, business partners, and members to conduct business with CalPERS. my|CalPERS offers robust services by providing faster and more reliable service to all CalPERS customers, while ensuring that all business transactions with CalPERS are quick, easy, and secure.

You can find specific information about this system by accessing the my|CalPERS for Employers pages on the CalPERS Website at: [my|CalPERS for Employers](#)

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

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

SYSTEM ACCESS ADMINISTRATION

An agency's my|CalPERS system access administrator (SAA) is a key point of contact. The person is accountable for providing my|CalPERS access to any additional users. This involves utilizing system administrator pages in my|CalPERS to associate predefined access roles to each contact and assign the user a unique username and password. In addition, they have the responsibility to reset a user's password, lock a user's access rights to my|CalPERS and change a user's access role(s).

You can find specific information about SAA on the CalPERS Website at: <http://www.calpers.ca.gov/index.jsp?bc=/employer/mycalpers/register-administrator.xml>

CALPERS ON-LINE

CalPERS On-Line provides instant access to general CalPERS information for employers, members, and the public.

CalPERS On-Line at www.calpers.ca.gov highlights information about CalPERS retirement plans, health benefit programs, and pension fund investments. Please refer to the comprehensive "Employer Information" area to find the following information:

- Actuarial Information
- CalPERS Retirement Calculation Information
- Circular Letters
- Elected Official Toolkit
- Employer Education
- Employer Forms & Publications
- Employer Rates
- Health Benefits Information
- Membership, Payroll and Compensation Information

The *Employer Information* section also provides information about how to contact CalPERS.

CalPERS strives to provide useful information to employers, members and the public in a quick, easily accessible format through the website. *CalPERS On-Line* supplements the existing telephone and in-person services at our headquarters and Regional Offices.

If you have any comments or suggestions for the *Employer Information* section of the website, please e-mail CalPERS through the online "Ask CalPERS" service or call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

CALPERS EMPLOYER BULLETIN

CalPERS Employer Bulletins provide the latest news and information regarding Circular Letters, Board of Administration information, and other communications, tailored specifically for employers via email. Agency personnel (i.e., accounting and payroll staff, health benefits officers, city managers, etc.), administrators, and other interested parties can all benefit from this service by receiving CalPERS Employer Bulletins directly in their email box as soon as news is released. Each CalPERS Employer Bulletin comes in a plain text format for easy viewing and email retrieval and contains direct links to the actual employer information on the CalPERS Website.

You can sign up for CalPERS Employer Bulletins on the CalPERS Website at www.calpers.ca.gov.

CIRCULAR LETTERS

Circular Letters are a uniform method of communicating with State, Schools, and Public Agencies. CalPERS uses Circular Letters to keep employers informed of changes to CalPERS policies and procedures, as well as to share important information and announcements. These letters provide important documentation to reference when working on CalPERS issues. Circular Letters are mailed to employers, but you can also receive an email informing you of the release of a new letter by subscribing to CalPERS Employer Bulletins.

CalPERS On-Line has an archive of letters going back to 1996. You can search by date or key word to find the information you need.

SUBSCRIPTIONS SERVICES

CalPERS On-Line Subscriptions are your direct link to the latest CalPERS news and information by email. Available subscriptions include:

- Employer Bulletins
- CalPERS Agenda Alerts
- CalPERS News
- CalPERS News Feeds
- Press Alerts

Employer Bulletins are the latest employer-related news and information sent directly to your email box.

CalPERS Agenda Alerts are a direct link to Board of Administration Meeting Notices and Agendas as soon as they are available.

CalPERS News is our newsletter delivered directly to your email twice a month for important information on issues and activities impacting CalPERS programs and services.

CalPERS News Feeds are headlines delivered instantly to your favorite news reader.

Finally, Press Alerts allow you to receive an email notification and a direct link for each press release we issue.

ORDERING FORMS & PUBLICATIONS

Forms & Publications are available through my|CalPERS, *CalPERS On-Line*, or email.

VIA MY | CALPERS

You can order Forms & Publications via the my|CalPERS system by selecting the "request" link from the my|CalPERS home page.

VIA CALPERS ON-LINE

CalPERS Forms & Publications are available for download from *CalPERS On-Line*. They are also available in hardcopy.

- Access *CalPERS On-Line* at www.calpers.ca.gov
- Select the "Forms & Publication Center" box
- Select the Employer, General information, Members, or CalPERS Reports links.

VIA EMAIL

To order supplies in bulk, please email:
Public_Agency_Requests@calpers.ca.gov.

Please include your agency name, agency address, agency telephone number (with area code) and CalPERS identification number for shipping purposes. Also include the form or publication number, title, number of units ordered and unit of measure for each item ordered, with each request.

SIZE OF ORDER

When ordering supplies, please limit your order to a six-month supply. my|CalPERS keeps a record of the supply needs of each agency. If an excess number of forms or publications are ordered, the Supply Section will reduce the order to the maximum allowed for your agency.

OTHER PUBLICATIONS

To find the PERL, Elected Official Toolkit, and Workplace Wellness Resources, please select the following link:

<http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/er-pubs/misc-pubs/home.xml>

If you need assistance, please call the CalPERS Customer Contact Center
888 CalPERS (or 888-225-7377).

LIST OF CALPERS MEMBER PUBLICATIONS

The following member publications may help you convey CalPERS benefit information to your employees. All publications are available in the ***Forms & Publications Center*** on *CalPERS On-Line*.

<u>Planning Your Service Retirement</u>	<u>PUB-1</u>
<u>School Member Benefit Publication</u>	<u>PUB-2</u>
<u>State Miscellaneous & Industrial Member Benefit Publication</u>	<u>PUB 6</u>
<u>State Safety Member Benefit Publication</u>	<u>PUB 7</u>
<u>Local Miscellaneous Member Benefit Publication</u>	<u>PUB-8</u>
<u>Local Safety Member Benefit Publication</u>	<u>PUB-9</u>
<u>Alternate Retirement Program</u>	<u>PUB-10</u>
<u>National Guard Member Benefit Publication</u>	<u>PUB-11</u>
<u>A Guide to Your CalPERS Service Credit Purchase Options</u>	<u>PUB-12</u>
<u>Temporary Annuity</u>	<u>PUB-13</u>
<u>Partial Service Retirement</u>	<u>PUB-14</u>
<u>When You Change Retirement Systems</u>	<u>PUB-16</u>
<u>Retirement Option 4</u>	<u>PUB-18</u>
<u>Power Of Attorney</u>	<u>PUB-30</u>
<u>Retired Member Death Benefits</u>	<u>PUB-31</u>
<u>Employment After Retirement</u>	<u>PUB-33</u>
<u>A Guide to Completing Your CalPERS Disability Retirement Election</u>	<u>PUB-35</u>
<u>Reinstatement From Retirement</u>	<u>PUB-37</u>
<u>A Guide to CalPERS Community Property</u>	<u>PUB-38A</u>
<u>CalPERS Domestic Relations Model Orders</u>	<u>PUB-38B</u>
<u>A Guide to Completing Your Service Retirement Election</u>	<u>PUB-43</u>
<u>A Guide to Completing Your Non-Member Service Retirement Election</u>	<u>PUB-44</u>
<u>State Miscellaneous & Industrial Benefit Election Package</u>	<u>PUB-52</u>

Changing Your Beneficiary or Monthly Benefit After Retirement

PUB-98

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CALPERS EDUCATION AND EVENTS

CalPERS provides various education and training offerings to assist you and your employees in conducting business with CalPERS as well as learn about member benefits. You can find important information, additional resources, and quick tips to help you maximize the services we offer by viewing the education pages on CalPERS On-Line.

CalPERS also provides special request Employer Business rules and my|CalPERS System Training for those Public Agency and School Employers that need additional assistance with determining CalPERS membership eligibility and reporting responsibilities.

TYPES OF TRAINING

In order to accommodate individual learning styles, we provide different types of training to help you conduct business with CalPERS.

ON-LINE TRAINING

Online training modules provide a convenient, self-directed, and self-paced training experience. Requiring only the use of a computer with Internet connection and Adobe Flash Player, participants can access this type of training 24 hours a day, seven days a week.

INSTRUCTOR-LED TRAINING

Our instructor-led training (ILT) classes are classroom style training where each participant will follow along with an instructor through scenarios associated with each lesson.

These ILT hands-on classes are delivered onsite at CalPERS Regional Offices and select alternate locations.

Log in to my|CalPERS and select the **Education** tab to view a list of available ILTs and register for courses.

WEBINAR TRAINING

Webinars are instructor-led training offered via Web conferencing technology. Using a simulated my|CalPERS environment, instructors remotely guide participants through specific scenarios associated with each lesson. Webinars are convenient because you can have more staff trained without the time and expense of travel.

Instead, your employees can learn together, ask questions, and receive feedback instantly using both audio and text chat tools. In addition, more staff can be trained at once since webinars can be held in a conference room. Webinars require only the use of a computer, Internet connection, and a free Web conference tool.

EMPLOYER EDUCATION

Our classes provide you valuable information about CalPERS membership, accurate reporting, your role in employee benefits, and available online resources.

EMPLOYER CLASSES

my|CalPERS System Training Classes

In our instructor-led my|CalPERS system training classes, you'll learn how to submit your agency's health, membership, and payroll transactions. New classes are added regularly and are filled on a first-come, first-served basis.

For information on upcoming training dates and locations, please view the my|CalPERS System Training page at the following link: [my|CalPERS Training Classes](#)

Employer Business Rules

In addition to my|CalPERS system training, CalPERS offers Employer Business Rules classes. These 3-hour classes are designed for Public Agency and School employers that conduct business with CalPERS. The classes outline your reporting responsibilities and provide employer-specific business rule education on membership, compensation, payroll, benefits, and more.

The current schedule and more information on upcoming Employer Business Rules can be viewed on CalPERS Online at: [Business Rules Training Classes](#)

If you prefer to take an online course or are unable to attend an instructor-led class, business rule training is always available in my|CalPERS through the Education tab. Here you'll be able to access the information you need regarding contracts, membership eligibility, compensation, and more.

How to Enroll

To register for an instructor-led my|CalPERS system training class or an Employer Business

Rules class, log in to my|CalPERS and enroll through the Education tab.

You may enroll yourself or your employees by performing the following steps:

- From the Education tab, select the Select a Class link.
- Select the class title link.
- From the Class Details page, select the Enroll link.
- Select who you would like to enroll (i.e., yourself, your employees, or both).
- Select the Next button to enter contact information for each enrollee.

If you need assistance or have any questions, please contact the CalPERS Customer Contact Center at **888 CalPERS** or (888-225-7377).

Disability Retirement Workshops

CalPERS Customer Service and Outreach Division sponsor the Benefit Services Division, Disability Section, who conduct Disability Retirement workshops. The three-hour workshop is an interactive process intended to benefit the Human Resources personnel, Return-To-Work Coordinators, Health & Safety Officers, Risk Managers, and other interested employer and employee representatives. These workshops provide information on all aspects of disability and industrial disability retirement, local safety, reinstatement, employment after retirement issues, and include Q & A opportunities.

For workshop information, select the following link:

<http://www.calpers.ca.gov/index.jsp?bc=/employer/program-services/retirement/dis-ind-retire/schedule.xml>

CALPERS ANNUAL EDUCATIONAL FORUM

CalPERS holds a three-day Educational Forum every Fall. The Forum provides employers the opportunity to get the most up-to-date CalPERS information, attend classes, and talk to CalPERS Board members and staff at this event focused entirely on employer topics. Registration materials are generally mailed in August.

If you have not attended this popular event before and would like to be placed on our direct mailing list, please e-mail your request to: calpers_conference@calpers.ca.gov.

MEMBER EDUCATION

Our member education classes provide your employees with valuable information about their CalPERS membership benefits, savings and health programs, and available online resources.

MEMBER CLASSES

WEBINARS

CalPERS currently offers the following webinars:

- Planning Your Retirement Webinar

This free two-hour webinar will provide information about your CalPERS benefits and the retirement process.

- Your Retirement Application and Options Webinar

Learn about retirement options and how to complete your service retirement application.

EMPLOYER-SPONSORED RETIREMENT

PLANNING CLASSES FOR MEMBERS

CalPERS Regional Office staff conduct employer-sponsored retirement planning classes at the employer's facility. The class provides customized explanations of the employee benefits offered by the employer. A minimum audience of 20 is recommended to request an employer-sponsored class. If the audience will be less than 20, please contact CalPERS.

To request an employer-sponsored class, call CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

RETIREMENT CLASSES FOR MEMBERS

CalPERS Regional Office staff conduct Retirement Planning Classes throughout California to help members prepare for retirement. We offer five classes based on a member's career life cycle. All five classes are available as in-person classes or online classes.

NEW CALPERS MEMBER

This class is for members who are new to the CalPERS retirement system. Members receive an overview of CalPERS programs and benefits.

CONTINUING CALPERS MEMBER

This class is for members who are not yet ready to retire but want more information about CalPERS benefits and programs.

PLANNING YOUR RETIREMENT

This class is for members nearing retirement and is designed to help members plan and prepare for retirement.

COMPLETING YOUR RETIREMENT APPLICATION

This class is for members who are ready to retire. It provides detailed information on the step-by-step process of filling out the retirement application.

RETIRED CALPERS MEMBER

This class is for members who have already retired. The class provides retirees with information about CalPERS programs and provides a refresher on retirement benefits.

HOW TO ENROLL

Advise your employees to log into my|CalPERS, select *my education*, then "Select a Class" to find a date and time. Active member class schedules are regularly provided to the Human Resources Divisions of all CalPERS employers.

Schedules for member classes are established twice a year, in April and October. Enrollment is on a first-come, first-served basis and is free to all members and their spouses.

CALPERS SUPPLEMENTAL INCOME 457 PLAN

Deferred compensation is an employer-sponsored benefit that allows employees of an employer to defer a portion of pre-tax salary and direct how the deferral is invested. Both the deferral and the earnings on investment are shielded from income tax until the money is taken, usually in retirement.

Legislation enacted in 1991 granted the CalPERS Board authority to develop a deferred compensation program to offer to public agencies and their participating employees. This authority allows CalPERS to offer any federally sanctioned retirement savings plan, including a deferred compensation plan qualified under Section 457 of the Internal Revenue Code.

After three years of research and development, CalPERS developed a program that leverages the economies of scale inherent in the \$250 billion public retirement system. The CalPERS 457 Program provides state-of-the-art deferred compensation services at a low cost to participating public employees. All assets are held in trust for the exclusive benefit of participants by the CalPERS Board.

PROGRAM FEATURES

- Full trust protection
- Investment options designed specifically for retirement savings and managed under CalPERS supervision
- State-of-the-art customer services
- Comprehensive administrative services including custody, recordkeeping, management, and marketing
- A simplified fee structure

CORE INVESTMENT OPTIONS

- Money Market Fund
- Stable Fixed Income Fund
- Bond Fund
- Actively Managed, Large Cap Equity Fund
- S&P 500 Equity Index Fund
- Actively Managed, Small Cap Equity Fund
- Russell 2000 Equity Index Fund
- International Equity Fund
- Asset Allocation Fund

The funds are invested by a combination of in-house staff and external investment managers currently affiliated with the retirement system. This capitalizes on CalPERS economies of scale by employing the investment management expertise of CalPERS staff, augmented by the use of external investment managers under CalPERS supervision. This allows the program to offer institutionally managed funds with significantly lower management fees, compared to retail mutual funds, and pass those savings along to participants. It also gives CalPERS overall control over the program and management of the funds.

FDIC-insured bank certificates of deposit (CDs) and access to over 5,000 retail mutual funds through a self-managed brokerage account (SMA) are also offered.

State Street Bank and Trust has been retained as the program administrator to provide custody, recordkeeping and general administrative services, including marketing, communications, enrollment, and customer service. Plan services are state-of-the-art and include:

- Daily processing and daily fund transfer capabilities.
- Live customer service representatives with full access to online information.
- Automated Voice Response System and Internet access allows transactions 24 hours a day to make changes to investments.
- Contributions and enrollments can be changed if the agency's payroll is automated.
- Educational and promotional materials for the employer and employee.
- Service representatives available to conduct meetings and enroll or counsel participants and employers at the employer's location.

The fee structure for the program is simple with no hidden charges. There are no front or back-end sales charges, transaction charges, or fixed fees. Depending on the specific investment funds selected by an individual, most participants will pay total fees of less than 1 percent.

Administration Fees:		
	Plan Administration Fee:	.26% of assets
Investment Advisory Fees:		
	Stable Fixed Income Fund	.25% of assets
	Money Market Fund:	.29% of assets
	Bond Fund	.29% of assets
	S & P 500 Equity Index Fund	.09% of assets
	Large Cap Equity Fund	.63 % of assets
	Russell 2000 Equity Index Funds	.23% of assets
	Small Cap Equity Fund	.68% of assets
	International Equity Fund	.68% of assets
	Asset Allocation Fund	
	Conservative Portfolio	.6795% of assets
	Moderate Portfolio	.6443% of assets
	Aggressive Portfolio	.6696% of assets
	Investment Management Subtotal	.09% to .68%

For any questions and more information on the Deferred Compensation Program, please call the CalPERS Information Line at 1-877-557-3655 to speak to a Participant Service Representative.

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) FUND

The California Employers' Retiree Benefit Trust (CERBT) Fund is an investment vehicle that can be used by California public employers, including State agencies to prefund future retiree health and Other Post Employment Benefit (OPEB) costs.

OVERVIEW

The CERBT Fund is a Section 115 Trust set up for the purpose of receiving employer contributions that will prefund health and other post-employment benefit costs for retirees and their beneficiaries. By joining this trust fund, all California public employers can help finance future OPEB costs in large part from the investment earnings provided by CalPERS. Just as earnings from invested retirement contributions cover \$3 of every \$4 spent in pension benefits, the CERBT intends to generate investment earnings to apply toward OPEB obligations.

WHY PREFUND?

- Prefunding enables you to make actuarially determined periodic contributions to partially or completely fund your future obligations.
- Enhances financial security for retirees.
- Earnings on assets reduce employer contributions.
- May prevent your net OPEB obligation from becoming a significant liability on your balance sheet.
- Can contribute to a positive credit rating.

BENEFITS OF INVESTING WITH CALPERS

- 80 years' experience in administering employer-sponsored pension plans for public employees since 1932.
- CalPERS is the largest public pension system in the U.S., managing more than \$200 billion in assets for more than 3,000 California employers and a history of exceptional risk-adjusted investment performance.
- CalPERS has an outstanding record of investment performance. Over the past 20 years, CalPERS has averaged a 10 percent rate of return on our investments.
- Low administrative fees.
- As an agency of the State of California, CalPERS is required to cover all operational costs and to retain no profit. We seek to provide the lowest cost service to all participating agencies, irrespective of size or financial resources. For these reasons, the CalPERS OPEB trust is organized to charge

a single cost rate to all participating agencies. The cost charged to participating employers is based on the average daily balance of assets.

- Dedicated employer service specialists and quality customer service.
- CalPERS has a seasoned team of investment professionals with a proven track record and is dedicated to meeting the needs of our participants and beneficiaries, while minimizing the cost to employers

INFORMATION FOR NON-PEMHCA AGENCIES

AB 554 (Chapter 318, statutes of 2007) became law on January 1, 2008. California public employers can join the CERBT to prefund OPEB obligations:

- Local government employers can participate in the fund even if they are not currently affiliated with CalPERS.
- The requirement to contract for health benefits through CalPERS has been dropped.

CERBT FUND WORKSHOPS

CERBT Fund Workshops provide information about our trust fund and other services we offer to prepare you to measure, report, and prefund OPEB liabilities. The following subjects are covered in the workshops:

Features and Benefits of the CalPERS CERBT Program

In this workshop, you will find solutions on how to pay for OPEB liabilities through the CERBT Fund. All employers are encouraged to attend. Topics include:

- Investment fiduciary responsibility
- Accounting compliance
- World class investment management
- Program simplicity
- New asset investment allocation strategies
- Lowest cost services

CERBT Administration and Education

In this workshop, you will learn about the administration and processes of the CERBT Fund. All employers are encouraged to attend. Topics include:

- New asset allocation strategies
- Contributions and disbursements
- Accruals
- Alternative Measurement Method (AMM)
- Valuation renewals
- End of the year financial reporting

For more information on CERBT, call the CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377) or visit the CalPERS Website at:

www.calpers.ca.gov/CERBT or email to:
CERBT4U@calpers.ca.gov.