


Circular Letter

California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2704
(916) 326-3141
Telecommunications Device for the Deaf
No Voice (916) 326-3240

Date: March 21, 1997
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Special:

**TO: ALL CONTRACTING PUBLIC AGENCIES;
COUNT SUPERINTENDENTS OF SCHOOLS; AND
SCHOOL DISTRICTS**

**SUBJECT: Government Section Code 20306
(Alternate Retirement Plan)**

This is to inform you of the mandatory provisions in Government Code Section 20306 (added by Stats. 1996, Chapter 1164, AB 2400; effective July 1, 1997).

All Public Agencies and Schools which have a qualifying alternate retirement plan in place as of July 1, 1997 must conduct an election among their non-vested, CalPERS members (excluding local safety employees). CalPERS non-safety members who have not yet accrued five years of service credit have the right to elect whether they wish to remain in CalPERS membership or enter membership in the alternate retirement plan if their service falls below CalPERS membership thresholds (see Gov. Code Sec. 20305). **Qualifying employees must be given their election options no later than October 1, 1997.**

If your agency has an alternate retirement plan, established for your part-time employees (i.e., those who work less than qualifying time under Sec. 20305), please complete the attached questionnaire and return it to this office as soon as possible. A written package of information will be issued within 60 days of our receipt of the completed questionnaire. This package will address the following information: Employee eligibility criteria; your responsibilities in conducting this election; and CalPERS' requirements. If you wish, we will also assist you in compiling an election package for your employees (sample ballot, list of eligible employees, list of CalPERS benefits to compare with the alternate plan).

Please note that social security is not a "qualifying alternate plan". If your part-time employees are covered by social security only, this new law does not apply to your agency. CalPERS is not prepared to render advice on whether or not your alternate plan is "qualifying".

Please also be aware that the law includes an election requirement for alternate plans adopted after July 1, 1997. If you are considering the adoption of such a plan, please contact CalPERS for details. Additional Circular Letters will follow as the program is developed. If you have any questions, please call (916) 326-3141.

/s/

Barbara Hegdal, Chief
Member Services Division

A BCDEF

Member Services Division

P.O. Box 942704

Sacramento, CA 94229-2704

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**INFORMATION ON EXISTING
ALTERNATE RETIREMENT PLAN
FOR PART-TIME EMPLOYEES**

YES, this agency has a qualifying alternate retirement plan.

Employer Code:

Employer Name (County Office of Education and District):

What is the name of the alternate retirement plan?

What kind of plan do you provide (i.e., defined benefit, defined contribution, 414(h)(2), pension trust, etc.)?
Include summary plan description, if available.

Name of Person Completing Form:

Title:

Telephone Number:

Signature

Mail to: California Public Employees' Retirement System
Member Services Division, Unit 820
P.O. Box 942704
Sacramento, CA 94229-9704