



Financial Circular Letter

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To: All CalPERS Employers

Subject: Mandate of Electronic Fund Payments

The purpose of this circular letter is to inform you that beginning on July 1, 2017, CalPERS will no longer accept check payments from contracting agencies for pension retirement contributions. Government Code Section 20538 requires contracting agencies to pay all amounts due to the retirement system for pension retirement contributions through an electronic funds transfer method. This change is part of our initiative to streamline and automate payment processing.

There are two methods of electronic fund payments available to contracting agencies:

- 1) Electronic Funds Transfer (EFT) Debit Method – offered online through my|CalPERS, this service is free. Contracting agencies can authorize CalPERS to debit their bank accounts for a specified amount, on a specified date. Payments can be scheduled up to 30 days in advance and can be cancelled up to the date prior to settlement.
- 2) Automated Clearing House (ACH) Method – This option allows contracting agencies to instruct their banks to debit their accounts and credit the State's bank account, using CalPERS' credit file specifications. Contracting agencies are responsible for any set-up and transaction fees charged by their banks.

More information regarding how to set up either method of payment is available in the [Electronic Funds Transfer Authorization](#) process guide on our website.

Questions

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or 888-225-7377).

Kristin Montgomery, Controller
Financial Reporting and Accounting