



California Public Employees' Retirement System
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Announcements

Circular Letter

June 7, 2019

Circular Letter: 200-018-19

Distribution: VI, XII, XVI

To: All Public Agencies and School Employers
Subject: Reporting Out-of-Class Hours Worked (New myCalPERS Functionality)

Purpose

The purpose of this Circular Letter is to inform you of new myCalPERS functionality designed to provide employers the ability to report Out-of-Class hours worked in accordance with Government (Gov.) Code section 20480. The new functionality within myCalPERS allows you to:

1. Certify there are Out-of-Class hours to report
2. Submit records for employees who meet Out-of-Class hours worked criteria
3. Associate labor agreements and salary schedules to Out-of-Class records
4. View penalties that may be assessed in accordance with Gov. Code section 20480
5. View receivables and pay invoices for assessed penalties

Prior Communication

On April 27, 2018, the California Public Employees' Retirement System (CalPERS) published Circular Letter [200-021-18 \(PDF\)](#) to inform Public Agencies and School Employers that Gov. Code section 20480 became effective January 1, 2018. The letter detailed employer responsibilities for tracking and reporting hours worked in a vacant position.

As an attachment to the Circular Letter, CalPERS provided an *Out-of-Class Appointment Employer Certification* form designed to allow employers the ability to manually submit information to CalPERS.

Effective July 1, 2019, the *Out-of-Class Appointment Employer Certification* form will no longer be accepted. Employers are required to certify Out-of-Class appointments through myCalPERS.

Letters to Employers

Beginning June 2019, CalPERS will mail up to two (2) notification letters to each employer's preferred address on file, as identified in myCalPERS.

Letter	When	What
Annual Notice	During the month of June	The notice informs employers to report all Out-of-Class appointments in myCalPERS by July 30 for the prior fiscal year.
Failure to Comply Notice	During the month of August	The notice informs non-compliant employers that CalPERS has yet to receive required information and that penalties and/or administrative fees may be assessed.

Gov. Code section 20480

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an Out-of-Class appointment to mean an appointment to an upgraded position or higher classification by an employer or governing board or body due to a vacancy for a limited duration.

For purposes of this section, a "vacant position" refers to a position that is vacant during a recruitment for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence.

Penalties

Employers who violate this provision must make payments to the system equal to three times the employee and employer contributions that would otherwise be paid to the system on the difference between the compensation paid for the Out-of-Class appointment and the compensation that otherwise may have been paid and reported to the system for the employee's permanent position in accordance with a publicly available pay schedule. The penalty shall be applied for the entire period the employee works in an Out-of-Class

appointment. In addition, the employer will be responsible for a fee of \$200 to cover administrative expenses.

Penalties paid to the system are not normal contributions or additional contributions that would normally be credited to an employee's individual PERS account. The employee shall bear no liability, obligation, or expense because of the unlawful actions of the employer.

Additional Resources

The following resources are available on the CalPERS website for employers:

- [mylCalPERS Reporting Out-of-Class Appointments Student Guide \(PDF\)](#) provides detailed steps on how to use the new employer verification pages.
- [Out-of-Class Reporting Data Element Definitions Document \(PDF\)](#) is a mylCalPERS technical resource that provides electronic file data element definitions found within an Out-of-Class record.
- [Out-of-Class Reporting Frequently Asked Questions \(PDF\)](#) provides a list of the most commonly asked questions submitted by Public Agencies and School Employers.

To view Gov. Code section 20480 in its entirety, go to leginfo.legislature.ca.gov.

Questions

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

Renee Ostrander, Chief
Employer Account Management Division