



California Public Employees' Retirement System
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Membership

Circular Letter

December 30, 2021

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Distribution: IV, V, VI

To: All State Employers and Public Agencies
Subject: Changes to Optional Membership

Purpose

The purpose of this Circular Letter is to inform you of an update to the Public Employees' Retirement Law (PERL), which sets the provisions of the enrollment eligibility date for optional members.

Background

The PERL provides optional membership rights for certain elected or appointed officers, state appointees, and legislative employees. Optional members are excluded from membership unless they submit a signed election to become a member of the California Public Employees' Retirement System (CalPERS). Historically, CalPERS utilized the date the optional member election was signed and the date the election was received by CalPERS to determine the appropriate enrollment eligibility date.

CalPERS will begin administering the updated provisions of Government Code sections 20320 – 20325 of the PERL effective January 1, 2022, as amended by SB 634. The law was revised based upon feedback from business partners to improve customer service by reducing impacts from enrollment date adjustments.

Summary of Impacts

Beginning January 1, 2022, CalPERS will adhere to the updated laws that govern the optional member enrollment eligibility date. The new government codes allow for a member to be

enrolled effective the date the optional member qualifies for CalPERS membership (applicable date), which may be the effective date of the term/appointment, provided the Election of Optional Membership form is received by CalPERS within 90 days of the applicable date. If the Election of Optional Membership form is **not** received by CalPERS within 90 days of the date they qualified for membership, the enrollment eligibility date will be the first day of the month in which the election is received by CalPERS.

For example, if a city council member is elected to office and their term begins on January 1, 2022, they have until April 1, 2022 (90-day period) to submit the election of optional membership **and** for CalPERS to receive the form to be eligible for the enrolment eligibility date of January 1, 2022. In this scenario, if the election is received by CalPERS on June 15, 2022, the enrollment eligibility date for this appointment will be June 1, 2022, because the election was received outside the 90-day period.

Agency Responsibility

It is your responsibility to communicate the following to your members:

- Discuss the option and requirements of electing CalPERS membership with the eligible optional member.
- Provide the optional member with the Optional Member Guide and the appropriate election form which can be downloaded from the [CalPERS website](#). The Guide and Election of Optional Membership forms are being updated to comply with the law and will be available on our website effective January 1, 2022. You are responsible for ensuring the updated Election of Optional Membership form is utilized effective January 1, 2022.

If the optional member elects CalPERS membership, upon receipt of the signed election form:

1. Ensure the member election is submitted on the updated form.
Note: For more information regarding how an optional member can qualify for membership, see the state or public agency and schools reference guide that applies to your specific employer.
2. Enroll the optional member into CalPERS membership by submitting the original election form to CalPERS, preferably by associating the form to the appointment within myCalPERS. You should maintain a copy of the election for your records. If you need assistance uploading the form in myCalPERS, contact the [Member Election Team](#).
3. Determine the member's enrollment eligibility date based on the new provisions set forth by law.
 - A. If the completed election is received by CalPERS within 90 days of the applicable date, the date the member became eligible for membership for the term/appointment can be the CalPERS enrollment date.

- B. If the completed election is received by CalPERS after 90 days of the applicable date, the enrollment eligibility date would be the first day of the month when the election is received by CalPERS.
- C. The optional member's payroll and contributions should be reported effective the first day of the member's enrollment eligibility date.

Note: If the optional member chooses not to elect CalPERS membership, we recommend you complete the [Notice of Exclusion \(PDF\)](#) form to document the optional member was informed of their option to elect CalPERS membership and chose to decline. This documentation can be signed and dated by the agency as well as the eligible optional member and a copy retained in their personnel file. Without proper documentation, the agency will be unable to dispute if the member later claims they were not informed of the right to elect.

Additional Resources

Reference the updated optional member resources:

- Optional Member election forms
 - [Election of Optional Membership – Elective Officer \(PDF\)](#)
 - [Election of Optional Membership – State Appointee \(PDF\)](#)
 - [Election of Optional Membership – Legislative Employee \(PDF\)](#)
- [Optional Member Guide \(PDF\)](#)

Agencies are required to provide the Optional Member Guide to eligible optional members with the appropriate Election of Optional Membership form. The Optional Member Guide provides additional information regarding the requirements, benefits, and restrictions of electing CalPERS membership. The updated Optional Member Guide is an attachment to this Circular Letter.

Questions

If you have any questions, contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) or email the [Member Election Team](#).

Renee Ostrander, Chief
Employer Account Management Division

Attachment: [Optional Member Guide \(PDF\)](#)