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This Guide is designed to help you in your preparation of information for the California Public Employees’ Retirement System. The Guide is divided into the following sections:

- General Membership Information
- CSU-Only Membership
- Pay Rate and Service Credit
- Benefits Procedures
- Web Services and Publications
- Education and Other Resources
- Appendix

These seven 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 Forms & Publications on the CalPERS website for your reference.

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

**UPDATES TO THIS GUIDE**

Since this Guide is being distributed via the CalPERS website only, updates will be provided in the same way. Each section will have a revision date to ensure you are using the most current information available. Please select the Policies & Procedures tab on the CalPERS website to view the Reference & Health Guides page for a list of revision dates. Expand each of the revision histories at the bottom of the page by selecting the desired guide name.

**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”.

**myCalPERS Member Self-Service**

myCalPERS provides members access to 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.

Employers are expected to be knowledgeable of all areas covered in the 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.
HEADQUARTERS OFFICE LOCATION
California Public Employees’ Retirement System
400 Q Street
Sacramento, CA 95811
(916) 795-3000

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
- Employer statements
- 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
- 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 Headquarters & Regional Offices - CalPERS.
ABOUT SERVICE RETIREMENT

Service retirement is a lifetime benefit that is derived from key employment information you provide. Your employee may apply for a service retirement when they have five years of CalPERS service and meet the age requirement. If they were hired prior to January 1, 2013 they must be age 50. If they were hired on or after January 1, 2013, they must be at least age 52.

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:

\[
\text{Service Credit (years)} \times \text{Benefit Factor (percent per year)} \times \text{Final Compensation (monthly, dollars)} = \text{Unmodified Allowance (pension)}
\]

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 the law.
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CALPERS MEMBERSHIP ELIGIBILITY

If a person is currently a member of CalPERS (i.e., has contributions/service credit 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) for a CalPERS-covered agency.

EXCEPTION:
State Second-Tier members who are not vested and have been permanently separated for more than six months must re-qualify for membership. (See "First Tier vs Second Tier" section of this Guide.)

NOTE:
Employees of the Department of Forestry and Fire Protection who qualify for State Peace Officer/Firefighter membership under G.C. section 20392, or State Safety membership under G.C. section 20400, also qualify for immediate membership, even if working less than full-time.

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 in a fiscal year) but have not actually been enrolled in membership they are, by law a member of CalPERS, even if the employer has not yet reported payroll to CalPERS on their behalf.

Once membership has been established, an employee remains in membership until (1) they take a refund of their member contributions after permanently separating from all CalPERS-covered employment, or (2) they retire.

You can determine whether or not an employee is currently a member of CalPERS by:

1. Asking the employee (be aware some employees may not know they are a CalPERS member),
2. Using the Participant Inquiry function of the myCalPERS system; and/or
3. Contacting the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

IMMEDIATE MEMBERSHIP UPON HIRE
Employees must be enrolled into CalPERS membership immediately upon the date of hire (G.C. section 20281), if:

• Already a CalPERS member, unless working in a position excluded by law.
• Employees hired to work full-time in excess of six months.
• Employees working "regular, part-time service," who work "at least an average of 20 hours a week" for one year or longer.

EMPLOYEES WHO MUST BE MONITORED

FULL-TIME EMPLOYEES
Employees in full-time employment whose appointment/employment does not fix a term of employment longer than six months must be monitored; if full-time employment continues for more than six consecutive months and the employment is compensated, 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
Employers must monitor the number of hours their irregular-basis employees work in a fiscal year (July 1 – June 30).

Irregular-basis employees, i.e., seasonal, limited-term, on-call, emergency, and intermittent are excluded from membership unless the employment is compensated and meets one (1) of the following conditions:

• Works 1,000 hours in a fiscal year; or
• Works 125 days in a fiscal year, if paid on a per diem basis

In such cases, membership becomes effective no later than the first day of the next pay period after the completion of 1,000 hours or 125 days in a fiscal year.
Employment in which the employee is compensated for time excused from work due to vacation, sick leave, etc., is included in the computation of the 1,000 hours and 125 days.

When monitoring an employee for the 1,000 hour threshold, all hours the employee is compensated for must be counted towards membership qualifications, even if the compensation would not be reportable to CalPERS, if the employee was a member (e.g. compensation for overtime hours).

For example, if an employee were called in to work 4 hours on July 4, which is a paid 8 hour holiday for the employee, the employee would have 12 hours counted towards their membership qualification.

However, if this example applied to an active CalPERS member, then the 4 hours would be considered overtime and not reportable to CalPERS.

DETERMINING IF A PART-TIME SEASONAL EMPLOYEE IS ELIGIBLE FOR MEMBERSHIP
1. Check Participant Inquiry in myCalPERS to determine if the employee is already a CalPERS member.

2. Look for PIMS/CSUC transactions to determine if employee is already a CalPERS member. If the employee is already a member of CalPERS, that employee must be immediately enrolled into CalPERS membership (if the member has funds on deposit and/or service credit).

3. Ask newly hired employees if they are a member of CalPERS and document it in writing. A public agency or county school could have formerly employed some members. Document this information on the Notice of Exclusion from CalPERS Membership (PERS-EAMD-139S) form.

4. Monitor all compensated hours worked. If the employee reaches 1,000 hours or 125 days in a fiscal year, membership must be established.

NOTICE OF EXCLUSION FROM CALPERS MEMBERSHIP
For employees who do not qualify for CalPERS membership, the “Notice of Exclusion from CalPERS Membership” (PERS-EAMD-139S) should be completed, signed and a copy 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 this form to CalPERS. The original should be kept in the employee’s personnel file.

QUALIFICATION WHEN WORKING MORE THAN ONE POSITION
Membership qualification can be met by employees who work more than one position for the same employer. Employment in all positions with an employer (including both safety and miscellaneous positions) must be considered in determining membership qualifications. 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 hours of both positions to meet the 20-hour a week minimum.

Employment with different CalPERS-covered agencies, such as a state agency and a public agency, are not combined for membership qualification purposes.

CALIFORNIA STATE UNIVERSITY TEMPORARY FACULTY (CSU)
Must work half time or more for either (1) two consecutive semesters, or (2) three consecutive quarters (G.C. section 20305(4)(A)). Refer to the CSU-Only section for specific information to membership qualification for CSU employees.

SUMMARY OF GENERAL PRINCIPLES FOR MEMBERSHIP ELIGIBILITY
The general principles to follow to determine when and if an employee is eligible for membership, if not excluded by law are as follows:

1. Persons who are already members of CalPERS with funds on deposit regardless of time base. (G.C. section 20305(a)(1))

2. Employees entering 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. A CSU Temporary Faculty employee appointed for one academic year at full-time.
c. The position requires **regular, part-time** service for at least an average of 20 hours per week (or its equivalent) for one year or longer.

3. Employees 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 employee works 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 employment; (e.g. a firefighter working a 24-hour shift is working three “days” per shift).

c. The employee works 1,000 hours in a fiscal year. Any overtime hours worked are counted towards the 1,000 hours.

In such cases, membership becomes effective **no later than** the first day of the next pay period after (1) the sixth month of full-time employment or (2) 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 counts towards membership qualifications including overtime hours and hours subject to mandatory furloughs.

For example, if an employee were called in to work 4 hours on July 4, which is a paid 8 hour holiday for the employee, the employee would have 12 hours counted towards their membership qualification.

However, if this example applied to an active CalPERS 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

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:**
All State agencies, including CSU, are treated as a single employer under PEPRA.

Each employer must store the participant details necessary to categorize individuals as new members or classic members in your databases.

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.”

All new hires on or after January 1, 2013, who are CalPERS members must complete the Member Reciprocal Self-Certification form (PERS-EAMD-801) to accurately process membership enrollment (New Member vs
CalPERS Membership Eligibility

Classic Member). Refer to the State Controller’s Office Personnel Letters #13-012 (Civil Service Only) and #13-013 (CSU Only) for instructions on when to submit the PERS-CASD-801 form to SCO.

For agencies that do not use the Uniform State Payroll System (USPS), myCalPERS includes fields on the enrollment page where your agency will identify if the new hire is coming from a reciprocal agency and will prompt you for the necessary data elements which subject them to reciprocity. Do not submit the PERS-CASD-801 form to SCO, submit to CalPERS.

Based on the enrollment information, the myCalPERS system will automatically determine the proper retirement benefit formula 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:** Each employer must store the participant details necessary to categorize individuals as new members or classic members in your databases.

**WHEN NOT TO REPORT**
A CalPERS member should not continue to be reported in membership when:

- The employee enters a position that is excluded by law.
- The employee enters a position eligible for optional membership and has not yet elected membership. The optional member/employee must submit an election of optional membership in order to be a member in such position, regardless of prior membership status. (See “Optional Members of CalPERS” section for more information).
- The employee enters a position that is also in membership with another public retirement system. (See “Positions Excluded by Retirement Law (PERL) from CalPERS Coverage” section.)
- The employee is legally working after retirement. (The laws for post-retirement employment are different from the laws for membership; refer to the “Employment of a Retiree” section).

**NOTE:**
Multiple part-time positions with different agencies should be reported, even if the sum of the hours of the positions exceeds full-time.

**FAILURE TO TIMELY ENROLL A MEMBER**
It is the employer’s responsibility to determine if its employees are eligible for CalPERS membership. If an employer fails 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 will be required to pay all arrears costs for the member contributions and a $500 administrative cost per member. The employer shall not pass on to an employee any costs assessed due to untimely enrollment. (G.C. section 20283)

**WHAT ARE ARREARS?**
Arrears costs are the employee contributions due on 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 employment rendered.

There are two types of arrears:

- G.C. section 20283 arrears; and
- G.C. section 20160 mandatory arrears

G.C. section 20283 arrears apply if any portion of the arrears period began prior to and continued after July 1, 1994; or the arrears period is after July 1, 1994. Arrear cases that are determined under G.C. section 20283, the employer is responsible for the member and employer contributions for the arrears period.

G.C. section 20160 mandatory arrears apply if a member qualified for membership and the entire arrears period is prior to July 1, 1994. In mandatory arrear cases, the member is responsible for the member contributions and the employer is responsible for the employer contributions for the arrears period. Mandatory
arrears may apply on or after July 1, 1994, if G.C. section 20160 does not apply.

The employer is responsible to know the basic eligibility rules and when to enroll their employees into membership. CalPERS G.C. section 20283, states: “any employer that fails to enroll an employee into membership within 90 days of eligibility shall be required to pay all the arrears contributions (both employer and member) and a $500 administrative fee per member to the System.”

The employer shall not pass on to an employee any costs assessed due to untimely enrollment for G.C. 20283 arrears.

EMPLOYER BILLING FOR ARREARS
(CENTRAL STATE AGENCIES)
CalPERS submits a Transfer Certification Letter with the ACC343 form to the State Controller’s Office (SCO) requesting the SCO to transfer funds to CalPERS.

EMPLOYER BILLING FOR ARREARS
(NON-CENTRAL STATE AGENCIES)
Employers will be invoiced through myCalPERS of the arrears due. Employers are notified based on their preferred communication method in myCalPERS. 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 myCalPERS. 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.

Employers are expected to be knowledgeable of all areas covered in the 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, contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) in advance for advice about such situations, so that we can review the facts and advise you appropriately.
When determining if an employee should be placed in first or second tier, you will need to find out if the miscellaneous or industrial employee is a previous member of CalPERS (do they have service and/or funds on deposit from another contracting Public Agency, County School or State agency that is under CalPERS).

If no, refer to “CalPERS Membership Eligibility” in the “Civil Service/CSU Membership” section to determine when to bring the employee into membership. Once the employee qualifies for CalPERS membership, place the employee into First-Tier and provide the employee with the “State Miscellaneous & Industrial Members Second Tier Benefit Election Package” (PERS-PUB-52).

If yes, see chart below.

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<td>Permanent Separation is Less than 90 days</td>
<td>Permanent Separation is 91 days to Six Months</td>
<td>Permanent Separation is over Six Months and Member has less than 10 years of Second-Tier Service</td>
</tr>
<tr>
<td>• The employee is brought into CalPERS membership immediately.</td>
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<td>• The employee is brought into CalPERS membership immediately.</td>
</tr>
<tr>
<td>• Place the employee into First-Tier.</td>
<td>• Place the employee into Second-Tier.</td>
<td>• Place the employee into First-Tier.</td>
</tr>
<tr>
<td>• Provide the employee with the PUB-52.</td>
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</tr>
<tr>
<td>• If break in service is more than 90 days, place the employee into First-Tier.</td>
<td>• If break in service is less than 90 days, see 1, 2 or 3 below.</td>
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</tr>
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</tr>
<tr>
<td>• If break is less than 90 days, see 1, 2 or 3 below.</td>
<td></td>
<td>• The employee needs to re-qualify for CalPERS membership.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Upon meeting qualifications, bring the employee into CalPERS membership.</td>
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<tr>
<td></td>
<td></td>
<td>• Place the employee into First-Tier.</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>• Provide the employee with the PUB-52.</td>
</tr>
</tbody>
</table>
Mixed First- and Second-Tier Service: (break in service is less than 90 days)

1. If the member’s last appointment was State Second-Tier, place the member in State Second-Tier and do not provide the PUB-52.

2. If the member’s last appointment was State Safety, POFF or CHP Patrol and the member has elected to convert their past State Second-Tier service to First-Tier service, place the member into State First-Tier and do not provide the PUB-52.

3. If the member’s last appointment was State Safety, POFF or CHP Patrol and the member has not elected to convert their past State Second-Tier service to First-Tier service, place the member into State Second-Tier and do not provide the PUB-52.

The member may contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377) to request the election material to elect into State First-Tier for future and/or past State Second-Tier service any time prior to retirement, provided they are employed by the State on or after January 1, 2000.
**ACCOUNT CODE OVERVIEW**

**ACCOUNT CODE**

Account codes are used by state agencies when appointing employees to a position(s). For those employees eligible for CalPERS membership, account codes are used to determine the retirement benefit formula, member contribution rate, and final compensation (12 or 36 month) period to which members are entitled as mandated by law and/or Memorandum of Understanding (MOU).

It is very important to know the employee’s membership status and appointment date when determining which account code to use. Using an incorrect account code may cause an underpayment or overpayment of employer and/or member contributions. It is your responsibility to correctly determine which account code to use.

The following information is needed to help you determine which member group a member should be placed in. If you need assistance in determining an account code, contact the SCO Retirement Liaison Unit at (916) 342-1471.

1. **Member Group** – for the position the member is going into:
   - Miscellaneous – G.C. section 20380
   - Industrial – G.C. section 20382
   - Safety – G.C. sections 20399 to 20415
   - Peace Officer/Firefighter (POFF) – G.C. sections 20391 to 20398, 20416
   - CHP – G.C. section 20390

   You can refer to the above sections of the California Public Employees’ Retirement Law (PERL) if you need to determine the member classification. If after referring to the PERL, you still cannot determine the member classification, contact CalPERS for assistance.

2. **First-Tier vs. Second-Tier**
   (This applies to Miscellaneous/Industrial State Civil Service members only. CSU members do not have Second-Tier). First-Tier refers to a retirement benefit formula where members make contributions (normally 8%, but can be raised or lowered by collective bargaining agreements) to CalPERS and are covered under the State Miscellaneous/Industrial 2% at age 55, 2% at age 60, or 2% at age 62 formula.

   Second-Tier refers to a retirement benefit formula where members did not make contributions to CalPERS and are covered under the 1.25% at age 65 or 1.25% at age 67 formula. Effective July 1, 2013, all Second-Tier members contribute to CalPERS.

   **NOTE:** CalPERS has determined that the Public Employees’ Pension Reform Act of 2013 (PEPRA) mandates member contributions be made on the full amount of employee earnings and eliminates the contribution and Off Set adjustments to the final compensation factor for all new State employees in the State Second Tier retirement benefit formula.

   For additional information on the First- and Second-Tier Retirement Plans, refer to the “Your Retirement Formula Options” section of the [State Miscellaneous & Industrial Members Second Tier Benefit Election Package](#) (PERS-PUB-52).

3. **Social Security**:

   - Exception: If the member is a non-resident alien with an F-1, J-1, M-1 or Q-1 Visa, they are not subject to Social Security.

4. **Medicare** applies as follows:

   - **Miscellaneous/Industrial** members who elected “no” to Social Security in 1961 but were rehired following a permanent separation or break in service on/after 04/01/86 will have to pay Medicare only, no Social Security.
   - **Safety, POFF, or CHP** members:
If first hired with the State prior to April 1, 1986, the member will not have to pay Medicare.

- If first hired with the State prior to April 1, 1986 and was rehired following a permanent separation or break in service on or after 04/01/86, the member will have to pay Medicare.

- If first hired with the State on/after April 1, 1986, the member will have to pay Medicare.

- Exception: If the member is a non-resident alien with an F-1, J-1, M-1 or Q-1 Visa, they are not subject to Social Security.

5. Final Compensation

- Effective September 1, 1991, all state employees were given a 1-year final compensation in the calculation of their retirement benefit. This means that 12 consecutive months of salary will be averaged to calculate their retirement benefit.

- Effective September 1, 2006, all new state employees in collective bargaining unit 2 were given a 3-year final compensation in the calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any State employment in collective bargaining unit 2 prior to September 1, 2006 will exempt the member from the 3-year final compensation.

- Effective January 1, 2007, all new State employees in collective bargaining units 1, 3, 4, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 were given a 3-year final compensation in the calculation of their retirement benefit. This means that 36 consecutive months of salary will be averaged to calculate their retirement benefit. Any State employment in the bargaining units listed above prior to January 1, 2007 will exempt the member from the 3-year final compensation.

6. Retirement Formula Changes

The retirement formula and method of calculating final compensation for collective bargaining units 1, 3, 4, 11, 14, 15, 17, 20, and 21 for employees first employed with the State on January 15, 2011 through December 31, 2012, with no prior service will be as follows

NOTE: "Prior State employment" includes any State service (such as part-time, seasonal, or temporary employment) that can be purchased as CalPERS service credit.

- Miscellaneous/Industrial – 2%@60 formula based on 3-year highest compensation
• State Safety – 2%@55 formula based on 3-year highest compensation

• Second Tier – 1.25%@65 formula based on 3-year highest compensation

For more information, see the California Department of Human Resources website at www.calhr.ca.gov.

7. **Collective Bargaining Unit (CBU):**

Some account codes are based on what collective bargaining unit the member is in. For state civil employees, there are currently 21 bargaining units (1 – 21).

• Non-represented members are Supervisors, Confidential employees, and Managers (S, C, and M). With this group, ignore the bargaining unit number if the member is miscellaneous, industrial or safety.

**NOTE:**
For the non-represented “exempt” employee who’s CBID (Section 126 on the PAR) is E01 through E21 they will be associated with the particular CBU. If the employee’s CBID is anything else, e.g., E; E00; E48; E97; E99 etc., then they will be associated with all the other non-represented groups of Supervisors, Confidentials, and Managers (S, C, and M).

8. **Concurrent Employment:**

If the employee is concurrently working in another CalPERS-covered position, enroll the employee into membership and CalPERS will determine which position is overtime. Please refer to "Overtime Positions" in the "General Information" section for additional information.

**WHERE HAVE COVERAGE GROUPS GONE?**

In the past, CalPERS assigned coverage group codes to designate a specific retirement benefit formula for a group of employees. Each coverage group code was unique for each retirement benefit formula. For State employers the correct coverage group code depended on government code provisions and specific dates pertinent to employment history of each employee. This required knowledge on the part of the employer to determine the correct coverage group code to enroll an employee into.

To alleviate the need for employers to try to select the appropriate coverage group code, the my|CalPERS system now determines the retirement benefit formula of each member based on a combination of data elements reported by the employer. This change allows the my|CalPERS system to be more robust and flexible in meeting the demands of future government code provisions. This will assure proper benefit payments to our future retirees and beneficiaries, with less room for error.

**ACCOUNT CODE QUESTIONS**

Effective August 24, 2015, the State Controller’s Office (SCO) has requested that State agencies contact the SCO Retirement Liaison at (916) 324-1471 for questions regarding account codes, requests for account code corrections, adjustments and/or verification.

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).
The Alternate Retirement Program (ARP) was a mandatory savings plan for certain new first-time State miscellaneous and industrial employees hired on August 11, 2004 through June 30, 2013.

State miscellaneous and industrial employees who become CalPERS eligible on or after July 1, 2013, are not subject to ARP.

For more information on ARP, please refer to the CalHR website.
DETERMINING MEMBERSHIP ELIGIBILITY

Is this person employed as a CalPERS retiree?

YES

See "Employment of a Retiree" in the Benefits Procedure Section and/or "Employment after Retirement" publication

NO

Is position "excluded" in the PERL?

YES

Complete PERS-EAMD-139S, if applicable

NO

Is person an "optional" member?

YES

Complete myCalPERS 0840; or myCalPERS 0841 or myCalPERS 0842 if membership is elected

NO

Does the person qualify for immediate membership?

YES

Enroll into CalPERS

NO

Complete PERS-EAMD-139S, and monitor time worked. Submit enrollment if/when employee qualifies for membership.
MEMBERS OF OTHER RETIREMENT SYSTEMS
Persons who are receiving service credit in another public retirement system (Federal, State, County, City, other local agency or CalSTRS) are excluded from receiving service credit with CalPERS for that same employment under G.C. section 20303.

NOTE: Persons can have dual membership in two or more public retirement systems, as long as it is for different employment.

EXCEPTION: G.C. section 20303(b)(4) provides that persons participating in a “supplemental defined benefits plan” that has received a ruling from IRS that the plan qualifies under section 401(a) of the Internal Revenue Code, where the plan provisions state that CalPERS is the primary plan for these employers, and plan participation will not in any way interfere with CalPERS benefits; are not prohibited from such dual participation.

HEALTH AND WELFARE OR TRADE RATE EMPLOYMENT
Employees hired in Skilled Trades classifications are excluded from CalPERS if payments are made to the Health & Welfare Fund of the Union. (use account codes NA or NH, depending on whether the employee is subject to Medicare coverage.) If the employee is not entitled to have payments made to the Health & Welfare fund, use normal CalPERS eligibility rules for determining membership.

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 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 retroactively applicable), if the worker is found to be an “employee” of your agency.

ELECTED OR APPOINTED OFFICERS
G.C. sections 20320–20325, exclude certain officers and employees from membership unless an election is filed with CalPERS to waive the exclusion and establish membership. Those persons eligible 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 eligible under optional member provisions.

STUDENT AIDES IN THE SPECIAL SCHOOLS OF THE STATE DEPARTMENT OF EDUCATION
Students working as Student Aids at one of the special schools of the State Department of
Positions Excluded by Retirement Law (PERL) from CalPERS Coverage

Education are excluded from membership in this system.

**California Conservation Corps Participants**
Participants, other than staff officers and employees, are excluded from membership.

**Assembly Fellows, Senate Fellows, and Executive Fellows**
Program employees are excluded. For CSU employees only, this is Class Code 2944. Once the employee becomes a member, this time may be purchased. Refer to Service Credit Purchase Options (PUB-12).

**Inmates of State 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.

**Exclusions Applicable Only to California State University**

**Student Assistants**
Indicated by the following class codes:

- **0100** Youth Summer Aid
- **1150** Instructional Student Assistant
- **1151** Instructional Student Assistant, On-Campus Work Study
- **1868** Student Assistant — Non Resident
- **1869** Resident Assistant
- **1870** Student Assistant
- **1871** Student Trainee, Work Study on Campus
- **1872** Student Trainee, Work Study Off Campus
- **1874** Bridge Student Assistant
- **1875** Bridge Student Trainee, On-Campus Work Study
- **1876** Bridge Student Trainee, Off-Campus Work Study
- **2325** Graduate Assistant, Monthly
- **2326** Graduate Assistant, On-Campus Work Study
- **2355** Graduate Assistant

**Extension Service**
Where compensation is established on the basis of class enrollment; these are indicated by the following class codes:

- **2322** Instructional Faculty, Special Programs
- **2323** Instructional Faculty, Extension — For Credit
- **2362** Demonstration Instructional Faculty
- **2363** Instructional Faculty, Extension — For Non-Credit
- **2365** Instructional Faculty, Music Studio

**Summer Session/Intersession**
Employment in the following class codes are generally excluded from CalPERS since employment is typically in addition to other full time employment. However, if employment in the other class is less than full time, then the following class codes are reportable to CalPERS:

- **2357** Instructional Faculty, Summer Session
- **2368** Instructional Faculty, Extra Quarter Assignment, QSYRO
- **2390** Instructional Faculty, Summer Quarter Assignment
- **2394** Instructional Faculty, Executive Committee, Academic Senate
- **2395** Instructional Faculty, Chairman, Academic Senate
- **2402** Instructional Faculty, Summer Arts Program

**Exclusions Applicable Only to University of California**

**Employees Hired after October 1, 1963**
Persons are excluded from CalPERS membership and are subject to the University of California Retirement Plan (UCRP).
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.

- CalPERS membership date
- Retirement benefit formula
- Final compensation
- Member and/or employer rate
- Cost of living allowance (COLA)

NOTE:
Prior to January 1, 2013, the state hire date determines the retirement benefit formula. After January 1, 2013, the membership date determines the retirement formula.

Scenario 1 – Classic Member
An employee, hired by a State agency on October 1, 2012 and enrolled in CalPERS membership, subsequently separates from the employer on March 31, 2013. The employee is later hired by a different State agency on December 1, 2013, after PEPRA took effect on January 1, 2013.

Result: Although the employee had a break in service more than six months between the separation date, but returned to a State agency, they are considered a classic member.

Scenario 2 – Classic Member
An employee was hired by a State agency and enrolled into CalPERS membership on February 1, 2003, under the 2% at 55 retirement benefit formula. The member separated and withdrew their CalPERS contributions, terminating their membership. Starting 2009, legislation changed the retirement benefit formula for State miscellaneous and industrial member to the 2% at age 60 retirement benefit formula. On May 1, 2015, the employee is rehired with a different State agency and again qualifies for membership.

Result: Although the member had more than a six month break in service, he/she returned to a State agency and is considered a classic member subject to the 2% at age 55 retirement benefit formula without having to redeposit his/her withdrawn contributions.

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 State agency.

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 State agency.

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. To learn more about reinstatement from retirement refer to the “Reinstatement From Retirement” section in the Benefits Procedures chapter of this Guide.
OPTIONAL MEMBERS OF CALPERS

The Government Code provides “optional” membership rights for certain elected and appointed officers. Optional members are excluded from CalPERS membership unless an election to participate in CalPERS is filed with CalPERS.

If membership is elected and established:

1. Other than the choice whether or not to elect CalPERS membership, “optional” members are subject to the standard CalPERS laws and regulations that apply to non-optional members.

2. Membership becomes effective the date the election form is received and filed with CalPERS.

3. There is no government code provision to opt out of membership prior to separation from office. Once elected, membership must be continued for all future consecutive "optional" member positions with the same employer as long as the future positions are not excluded by law.

TYPES OF OPTIONAL MEMBERS
There are five classes of State employees that are eligible for optional membership:

1. **State Officers elected by the People** — The Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General or Insurance Commissioner (G.C. section 20322(b)).

2. **Appointees of State Officers** — (G.C. section 20320)
   These include:
   a) Persons directly appointed by the Governor, without nomination of any officer or board
   b) Persons exempt from Civil Service, and directly appointed by the:
      - Attorney General
      - Lieutenant Governor
      - Controller
      - Secretary of State
      - Treasurer

3. **Officers of the Senate or Assembly** — Elected by either or both such houses. (G.C. section 20322(b))

4. **Legislative Employees** — Employees of the Senate or the Assembly whose salaries are paid from the operating funds of the Senate or the Assembly (G.C. section 20324).

NOTE: Legislative Employers should use the Public Agency and Schools Reference Guide for most of their questions, since they are not covered by the Uniform State Payroll System (USPS).

5. **Constitutional Officers, Insurance Commissioner and Legislative Statutory Officers** — Can elect CalPERS membership effective January 1, 2013 (G.C. section 9355.4, 9355.41 and 9355.45).

6. **California National Guard** — G.C. section 20326 provides that California National Guard officers, warrant officers, and enlisted personnel may elect membership by completing the Election of Optional Membership – California National Guard Member form. An election form may be obtained by calling CalPERS toll free at 888 CalPERS (or 888-225-7377). The election may be made at any time while in service with the California National Guard.

ELECTING NATIONAL GUARD MEMBERSHIP
The election form must be submitted to the Military Department. Do not submit the election form directly to CalPERS. The Military Department will verify the person’s National Guard status, contact the member to arrange a contribution payment plan, and submit the membership form to CalPERS. Once elected, the membership remains in effect for all future service with the California National Guard. A National Guard member may be eligible to purchase past National Guard service, and/or
redeposit contributions previously withdrawn from CalPERS. Other types of qualifying purchasable service credit include certain types of leave of absence.

**NATIONAL GUARD BENEFITS**
National Guard members are covered by the state miscellaneous benefit formula of 2% at age 55. A National Guard member does not have all the benefits of a state employee. State benefits that are not available to National Guard members include CalPERS health benefits, state dental and vision care benefits, golden handshake retirement incentives and the use of salaries under another CalPERS employer or a reciprocal retirement system to compute “final compensation” for their National Guard service.

**ONE-TIME CANCELLATION OF NATIONAL GUARD MEMBERSHIP**
G.C. section 20327 provides that a National Guard member may, on a prospective basis, cancel his or her election of membership by filing a written notice of cancellation. This prospective cancellation may be made one time only.

To prospectively cancel National Guard membership, the member must complete the Cancellation of Election of Optional Membership – California National Guard Member form. An election form may be obtained by calling CalPERS toll free at 888 CalPERS (or 888-225-7377). The form must be submitted to the Military Department, not to CalPERS. The Military Department will notify the member of the final amount due to the account, and notify CalPERS of the decision to cancel membership.

When a member elects to cancel CalPERS membership, they stop paying contributions. Contributions already paid to CalPERS remain in the member’s account at CalPERS and continue to earn interest. If a member has elected to purchase service credit, they must continue making those payments until the purchase(s) is paid in full.

If a member cancels their CalPERS membership and separates from the California National Guard, they may be eligible to receive a refund of their contributions and terminate their CalPERS account.

For more information on National Guard membership refer to CalPERS

**National Guard Benefits** (PUB-11).

**GENERAL PROVISIONS/INSTRUCTIONS**

- Optional membership may not be established unless and until the officer signs and submits the election form electing membership in CalPERS.

<table>
<thead>
<tr>
<th>Form</th>
<th>Type of “Optional” Member</th>
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</thead>
<tbody>
<tr>
<td>myCalPERS 0840</td>
<td>Legislative Employees</td>
</tr>
<tr>
<td>myCalPERS 0841</td>
<td>Officers of the Senate or Assembly; and State Officers elected by the People</td>
</tr>
<tr>
<td>myCalPERS 0842</td>
<td>Appointees of State Officers</td>
</tr>
</tbody>
</table>

- Membership may be elected at any time while in an eligible position. However, membership is established on the date the election form is filed with CalPERS; the position must be compensated for other than reimbursement expenses.

- Any officer concurrently employed in a position also covered by or potentially covered by CalPERS should first contact CalPERS to determine the impact should optional membership be elected.

- Any officer concurrently employed in a position reportable to a private benefit plan or another retirement system should first contact that organization to determine if CalPERS membership will impact their benefits.

- An officer appointed to an unexpired elected term of office has the same optional membership rights as if elected in their own right.

- Once optional membership is elected, it must be continued for all future consecutive optional member positions not excluded by law with the same employer. A member cannot receive a refund or retire from CalPERS while continuing to hold an optional member position for which the membership was established. There is no provision in the PERL to opt out of CalPERS membership while remaining in the optional
member position, even if compensation is waived.

• Legislative staff employees: Though optional member status is provided by G.C. section 20324, membership cannot be established unless the employee is working qualifying time, based on the same criteria as applied to “non-optional” members. The pay rate and earnings reported to CalPERS will determine the amount of service credit accrued.

**ELECTION OF OPTIONAL MEMBERSHIP (my|CalPERS 0840, my|CalPERS 0841, OR my|CalPERS 0842)**

A completed and signed “Election of Optional Membership” form (my|CalPERS 0840, my|CalPERS 0841 or my|CalPERS 0842) is required to validate and establish membership for an individual who qualifies as an “optional” member. The form must be submitted to CalPERS at the same time the officer/employee enrollment is sent to the State Controller’s Office in order to satisfy the legal requirements. The forms may be downloaded from the [Forms & Publications](#) page or by selecting the appropriate link below.

**NOTE:**
Legislative Employees electing optional membership are directly enrolled into the my|CalPERS system.

**WHEN TO COMPLETE**
The election form should be completed only after it is determined that the officer/employee is eligible for optional membership.

1. The optional member must first be advised of their CalPERS rights when eligible for optional membership. The election can be made at any time during the eligible optional member position. Document in employer personnel records that the information was provided as well as any response received. Do not send a notice to CalPERS if membership is declined.

2. The election form should not be completed as a request for additional information or service credit. It is to be used only when the person has decided to establish CalPERS membership for the optional position.

3. The signed election form must be filed with CalPERS.

4. Complete the appropriate election form and membership transaction when a current active or inactive member assumes an optional member position and is electing membership for that office.

5. When changing optional member positions within the same agency, or with another CalPERS covered agency, the optional member must complete another election form for the newly elected optional member position.
SERVICE CREDIT

1. Optional member service is time spent working in certain exempt, appointed, or elected positions that allow officer/employee the option of joining CalPERS. Officers/employees can purchase service credit for optional member service if they are (or elect to become, if eligible) a CalPERS member. Retired members cannot purchase service credit for optional member service.

2. An "optional" member may elect to contribute and receive service credit for previous qualifying employment. Such election would not change the membership date back to the beginning date of the service purchased by the member.

3. A “legislative staff employee” (G.C. section 20324) shall have the option as to how much of their previous legislative employment is to be credited.

4. A person who is no longer in the optional member position, but is currently an active or inactive CalPERS member, may also elect to purchase previous eligible optional member service.

5. See “A Guide to Your Service Credit Purchase Options” (PUB-12) for further instructions on submitting an additional service credit inquiry. Do not attach the inquiry to the optional member election forms; it should be submitted separately to the address provided on the forms.
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 and library media workers) are all in certificated positions.

2. **CLASSIFIED**
   An employee in a non-certificated position (e.g., office workers, custodial staff, and cafeteria workers).

In general terms, employees in new certificated positions are, upon meeting normal qualification requirements, or by permissive election, 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 eligible for membership in CalSTRS or CalPERS may not actually qualify for membership in either system (due to “part-time” or “temporary/seasonal” status, etc.); thus, some school employees may not be members of either system until their working hours or conditions change.

The Education Code 22508 provision 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 below) in a position which requires CalPERS membership (i.e., a classified position), will be enrolled into 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 be enrolled into 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.

A member of CalSTRS who becomes employed by the same or a different school district, a community college district, a county superintendent of schools or limited State employment, as defined in Education Code section 22508, to perform service that requires membership in CalPERS will have that service credited with CalPERS unless he/she files a written election (within 60 days from the date of hire in the new position) to have the service credited with CalSTRS.

A member of CalPERS who is employed by a school employer, Board of Governors of Community College Districts or State Department of Education or has at least five years of CalPERS credited service, as defined in G.C. section 20309, and who subsequently becomes employed to perform creditable service that requires membership in CalSTRS Defined Benefit Program, will have that service credited with CalSTRS unless he/she files a written election (within 60 days of the date of hire in the new position) to have the service credited with CalPERS.

**AMENDMENTS – INCLUSION OF STATE EMPLOYEES, STATE BOARD OF GOVERNORS OF THE CALIFORNIA COMMUNITY COLLEGES AND VESTED MEMBERS**
CalPERS or CalSTRS?

Employees in Certain State Bargaining Groups

SB 1694 (Chapter 880, Statutes of 2000) amended section 22508 of the Education Code, and now provides that this same election right will be given to CalSTRS members that enter State employment where one (1) 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.

SB 165 (Chapter 77, Statutes of 2001) again amended G.C. section 20309 to also include CalPERS members with five years of CalPERS credited service. 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. An election opportunity when they subsequently enter employment that qualifies for membership in the CalSTRS Defined Benefit Program on or after January 1, 2002.

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.


4. The member must be subject to the State Second-Tier.

5. The member meets one (1) 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 (i.e., meets the minimum requirements of membership; changes school districts) 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” (ES-372) which is obtained from the CalSTRS Forms & Publications Ordering System. 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.

Retirement does not cancel an election and may affect post-retirement employment.

If the employee does not exercise the right of election within 60 days from the date of hire, the employee is reported to the retirement system that normally covers that employment.

Send elections to:

CalSTRS  
P.O. Box 15275  
Sacramento, CA 95851-0275

And

CalPERS  
Employer Account Management Division  
Attn: Unit 841  
P.O. Box 9427094

Sacramento, CA 94229-27094

Completed elections may also be uploaded into myCalPERS.

Use the following charts in this section as a guide to determine if the employee is eligible for this election and the retirement system coverage.

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.

The publication “Join CalSTRS? Join CalPERS?” can be obtained at www.calstrs.com or by calling CalSTRS.

We suggest you contact CalSTRS or CalPERS if you have any specific questions or need additional information relating to an employee’s choice of coverage.

CALSTRS CONTACT INFORMATION  
CalSTRS Phone (800) 228-5453 or Fax (916) 414-5040 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. A CalPERS member with less than five years of service must be actively employed under CalPERS with a school employer, Board of Governors of the Community Colleges or the State Department of Education without a break in service to be eligible for the right of election.

4. The right of election can only be offered to an eligible CalPERS member when the new certificated position qualifies for mandatory membership in the Defined Benefit Program under CalSTRS requirements.

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.”
CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION

IS THE EMPLOYEE GOING INTO A CLASSIFIED POSITION WHICH REQUIRES MEMBERSHIP IN CALPERS?

Employee’s current retirement system?

None
- CalPERS laws apply

CalPERS
- CalPERS laws apply

CalSTRS
- CalPERS unless elects CalSTRS within 60 days of entry into new position
  - If elects CalSTRS, CalSTRS laws apply
CalPERS or CalSTRS?

CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION

IS THE EMPLOYEE GOING INTO A CERTIFICATED POSITION WHICH REQUIRES MEMBERSHIP IN THE DEFINED BENEFIT PLAN WITH CALSTRS?*

Employee’s current retirement system?

None

CalSTRS laws apply

CalPERS

Does member have five years of CalPERS service credit? See (1) below.

No

CalSTRS laws apply

CalSTRS

Is the employee an active member of CalPERS with a school employer, State Department of Education, or Board of Governors of the Community Colleges? See (2) below.

Yes

CalSTRS unless elects CalPERS within 60 days of entry into new position

If elects CalPERS, CalPERS laws apply

CalSTRS laws apply

*Substitute or part-time employment for employee who is not previously a CalSTRS member may not require membership. Please call CalSTRS prior to administering election.

(1) G.C. section 20309 (Chapter 77, Stats. 2001) effective 1-1-2002
(2) G.C. section 20309 (Chapter 880, Stats. 2000) effective 1-1-2001
CalPERS or CalSTRS?

CalPERS/CalSTRS RETIREMENT SYSTEM ELECTION

IS THE EMPLOYEE GOING INTO A CERTAIN STATE POSITION WHICH REQUIRES MEMBERSHIP IN CALPERS?

Employee’s current retirement system?

None

CalPERS

CalSTRS

CalPERS laws apply

CalPERS laws apply

Does this State position meet conditions under Education Code 22508(b)?*

Yes

CalPERS unless elects CalSTRS within 60 days of entry into new position that qualifies for CalPERS membership

If elects CalSTRS, CalSTRS laws apply laws

No

CalPERS laws apply

*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).
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.”

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 must be reported to CalPERS.

With the implementation of myCalPERS, all positions should be reported to CalPERS. This means you should enroll the member through PIMS/CSUC. CalPERS will determine which employment is considered overtime.

If CalPERS determines a position is overtime, a Retirement System Transaction (R01) is submitted to SCO instructing SCO to correct the account code to NM on the overtime position. SCO will reverse the overtime contributions and refund these contributions to the member. 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 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 must be enrolled and reported to CalPERS.

3. The participant works two full-time positions, either with the same employer or with two different CalPERS-covered employers.

   **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 must be reported to CalPERS, with the other position deemed the non-reportable "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 prior to July 1, 1994. Service after July 1, 1994 will require the position with the highest pay rate or base pay to be reported to CalPERS.
To ensure consistent information between your agency, SCO, and CalPERS, you should validate and make any changes to your employees’ demographic information via SCO’s Personnel Information Management System (PIMS), as this will update both SCO’s and CalPERS’ system automatically. This includes changes to the following items:

- Name
- Address
- Social Security Number
- Birth Date
- Gender

**NOTE:**
Member and beneficiary birthdates must be accurate in order for CalPERS to calculate and pay benefits. Member and beneficiary birthdate verification from the Acceptable Documents list will be required at the time a retirement application is submitted. *Do not send originals and always include the Social Security number or CalPERS ID on all documents in the upper right hand corner.*

### BIRTH DATE CERTIFICATION REQUEST

**INSTRUCTIONS**

**ACTIVE MEMBER**
- If this is the first time to correct the birth date, process the change by updating the Personnel Information Management System (PIMS) 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 and to complete the myCalPERS 0351 form located on myCalPERS Member Self-Service.

**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 the Employer Account Management Division. If you have additional questions, contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

**MY|CALPERS MEMBER SELF-SERVICE**

my|CalPERS provides members access to 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.

Employers are expected to be knowledgeable of all areas covered in the 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.
RECIPROCITY

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.

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 meet the specific reciprocal requirements.
- The member must have retired on the same date 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 (PERS-PUB-16) at www.calpers.ca.gov or by calling 888 CalPERS (or 888 225-7377).

INDEPENDENT PUBLIC AGENCY RETIREMENT SYSTEMS

City of Concord (11/27/70)*
City of Costa Mesa (4/1/78)
(Safety employees only)
City of Fresno (2/18/02)
(Misc. and Safety Retirement Systems)
City of Los Angeles (7/14/97)
City of Oakland (4/1/71)
(non-Safety employees only)
City of Pasadena (5/4/01)
(Fire and Police Retirement)
City of Sacramento (11/4/74)
City of San Clemente
(safety 1/1/85; non-safety 6/9/14)*
City of San Diego (6/25/92)
City and County of San Francisco (7/29/88)
City of San Jose (misc. 12/9/94; safety 9/30/94)
Contra Costa Water District (3/2/88)
County of San Luis Obispo (4/19/84)
East Bay Municipal Utility District (4/16/84)
East Bay Regional Park District (7/1/96)
(Safety employees only)
Los Angeles County Metropolitan Transportation Authority (5/12/71)
(Non-Contract Employees’ Retirement Income Plan, formerly Southern California Rapid Transit District)

* These entities are now CalPERS-covered employers. If you earned service credit in these systems prior to their CalPERS contract, you may be eligible for reciprocity for that earlier service credit.

THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)

Only UCRS members who participate in the University of California Defined Benefit Retirement Plan (UCRP), which contracted with CalPERS on October 1, 1963, may be eligible for reciprocal provisions.

RECIPROCAL 1937 ACT COUNTIES

<table>
<thead>
<tr>
<th>Marin</th>
<th>Sonoma</th>
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<tbody>
<tr>
<td>Mendocino</td>
<td>Stanislaus</td>
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<tr>
<td>Merced</td>
<td>Tulare</td>
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<tr>
<td>Orange</td>
<td>Ventura</td>
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INDEPENDENT PUBLIC AGENCY RETIREMENT SYSTEMS

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* These entities are now CalPERS-covered employers. If you earned service credit in these systems prior to their CalPERS contract, you may be eligible for reciprocity for that earlier service credit.

THE UNIVERSITY OF CALIFORNIA RETIREMENT SYSTEM (UCRS)

Only UCRS members who participate in the University of California Defined Benefit Retirement Plan (UCRP), which contracted with CalPERS on October 1, 1963, may be eligible for reciprocal provisions.
NOTE:
All Reciprocal 1937 Act Counties and Reciprocal Public Agencies have reciprocity with each other as a result of contracting for reciprocity with CalPERS. EXCEPTION: This agreement does not apply to UCRP. UCRP is not part of this agreement with any other reciprocal agencies.
RECIPIROCITY REQUIREMENTS

CONDITIONS FOR ACQUIRING 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:

• **MAINTAIN MEMBERSHIP**
  You must continue membership in the first retirement system by leaving your service credit and contributions (if any) on deposit. The employee voluntarily elects reciprocity and continues in membership in CalPERS by leaving his or her contributions (if any) on deposit (or by later re-depositing contributions he or she had withdrawn); and

• **MOVEMENT TO A NEW RECIPROCAL SYSTEM**
  You must enter employment that results in membership in the new system within six months of leaving CalPERS-covered employment. (Eligibility for reciprocity is determined by the retirement laws in effect at the time of movement between employers and retirement systems. Since July 1, 1976, retirement law has required movement within six months.) ;and

• **NO OVERLAPPING SERVICE**
  You must discontinue your employment relationship from the first system before entering employment or membership with the subsequent system. 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*;

• **CONCURRENT RETIREMENT BETWEEN RECIPROCAL SYSTEMS**
  In order to receive full reciprocal benefits, you must retire on the same date from both or all systems by submitting a retirement application in accordance with the rules and regulations associated with each system.

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.

* 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 **Confirmation of Intent to Establish Reciprocity When Changing Retirement Systems** form in the **When You Change Retirement Systems** booklet (PERS-PUB-16).

IMPORTANT RESTRICTIONS

When changing retirement systems, the employee must satisfy several statutory conditions, as follows, in order to receive the full benefits of reciprocity:

**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 or while on a Leave of Absence. 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.

**NEW STATE EMPLOYEES**

State miscellaneous or industrial employees hired for the first time on August 11, 2004 through June 30, 2013 are placed in the Alternate Retirement Plan (ARP) administered
by the Savings Plus Program in the California Department of Human Resources. They are excluded from ARP if they are members of a CalPERS reciprocal retirement system (within the prior six months) or are a member of JRS, JRS II, LRS, CalSTRS, or UCRP.

**REINSTATEMENT FROM RETIREMENT**
If in the future you reinstate to active employment in a CalPERS-covered position and have retired under reciprocity, there is no provision in the law to allow you to apply reciprocal rights to your subsequent retirement since you will no longer be retired from both systems on the same date.
PROVISIONS UNDER 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.

FINAL COMPENSATION
Use highest compensation earnable under any system in computing final compensation if retirement from all systems is concurrent.

NOTE:
If you retire on a service retirement from another reciprocal system before you have met the CalPERS minimum retirement age, you can later retire under CalPERS effective on the first date you become eligible for retirement. We will still use your highest rate of pay under any of the reciprocal systems. This provision does not apply to the nonreciprocal systems.

If the member became an elected or appointed officer after July 1, 1994, we will use the highest rate of pay under CalPERS only. Reciprocal provisions of final compensation sharing do not apply even if the requirements are met (G.C. section 20039).

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). 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.

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 was 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.

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. An additional benefit, Employer Share, may be payable; however, 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.

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 California 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.
Even if the member does not qualify for full reciprocity, CalPERS offers the following provisions for some non-qualifying individuals:

**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.

**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). 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.

**MOVEMENT TO A RECIPROCAL SYSTEM PRIOR TO RECIPROCITY AGREEMENT**
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.
Reciprocal Provisions for the University of California Retirement System

The University of California Retirement System (UCRS)

Only for those members of the University of California Defined Benefit Retirement Plan (UCRP), which was contracted with CalPERS on October 1, 1963, are eligible.

Some UCRP members after October 1, 1963 were given an election to remain in CalPERS. Members should always submit a formal request for review.

Members of UCRS who participate in the Defined Benefit Plan, also referred to as University of California Retirement Plan (UCRP), may qualify for provisions even if the reciprocal movement requirements are not met for full reciprocity.

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.

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). 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.

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 (Government Code: 20034).

Public Employees’ Pension Reform Act of 2013 (PEPRA)

As a result of PEPRA, effective January 1, 2013, CalPERS will consider movement between California 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.
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, an agreement with these systems provides similar provisions. The following apply to CalPERS members who enter employment with these 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 elected or an appointed officer on or after July 1, 1994, we will use their highest rate of pay under CalPERS only; provisions of final compensation sharing will not apply even if the requirements are met.

**Redeposit Rights**
A member of CalSTRS, LRS, JRS, or JRS II may redeposit in CalPERS previously withdrawn CalPERS contributions in order to reestablish 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.

**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.

**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.
PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA)
As a result of PEPRA, effective January 1, 2013, CalPERS will consider movement between California 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.
When the employee becomes a member of a reciprocal or non-reciprocal public retirement system, they can notify CalPERS by completing and submitting the Confirmation of Intent to Establish Reciprocity When Changing Retirement Systems form, which is available in the When You Change Retirement Systems booklet (PERS-PUB-16).

Please direct requests for information or inquiries to:

CalPERS
Employer Account Management Division
Attn: Unit 841
P.O. Box 9427094
Sacramento, CA 94229-27094

For more detailed information on reciprocity, refer to the When You Change Retirement Systems publication (PERS-PUB-16).

JRS, JRS II, and LRS Members
As a result of PEPRA, effective January 1, 2013, the statutes that govern the Legislators’ Retirement System (LRS) closed the LRS to all newly elected or appointed officers. Newly elected or appointed Constitutional Officers, Insurance Commissioner and Legislative Statutory Officers are only eligible for optional CalPERS membership.

myCalPERS has been modified to remove LRS enrollment as an option for new members. The current enrollment process that allows new members to elect optional membership into CalPERS will not change.

Contact the Judges’ or Legislators’ Retirement System directly when an employee becomes a member of a reciprocal or non-reciprocal public retirement system:

Judges’ & Legislators’ Retirement System
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.
SERVICE CREDIT
Service credit represents the accumulated amount of your employee’s 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 factors used to calculate an employee’s retirement benefit, along with their retirement formula and final compensation.

For a complete list of service credit purchase types, payment options, and instructions, please refer to the CalPERS publications A Guide to Your CalPERS Service Credit Purchase Options (PERS-PUB-12) and A Guide to Your CalPERS Military Service Credit Options (PERS-PUB-15) available through the CalPERS Forms & Publications page online or by calling 888 CalPERS (or 888-225-7377).

EMPLOYER ROLE IN SERVICE CREDIT PURCHASES
The following types of service credit require employer certification of the application requesting the service credit purchase:

- Service Prior to Membership (SPM)
- Leave of Absence
- Layoff, Prior Service, Optional Member Service
- Comprehensive Employment & Training Act (CETA) or Fellowship

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 Leave of Absence
- Military
- Alternate Retirement Program (ARP)
- Peace Corps, AmeriCorps*VISTA & AmeriCorps
- Base Realignment and Closure (BRAC) Firefighter

EMPLOYER COST
The service credit types where employers are actually billed are:

- Redeposit Arrears (for the employer share)
- Member-Paid Arrears (for the employer share)
- Employer-Paid Arrears (for the member and employer share)

For 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 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 when applicable. The Cost Estimator can calculate a cost estimate for the following types of service credit:

- ARP
- Maternity/Paternity Leave of Absence
- Military
- Redeposit of Withdrawn Contributions (Redeposit)
- Peace Corps or AmeriCorps*VISTA Service
- Sabbatical Leave of Absence
- SPM
For Military, Redeposit, and SPM, it is recommended that a cost estimate be attached to the service credit purchase request form. For convenience, request forms are available for download on the Cost Estimator Results Page.

To request service credit cost information, members should follow these steps:

- Visit the CalPERS website at www.calpers.ca.gov
- If applicable, 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
- Go to the Forms and Publications page
- Select the link to download the applicable Service Credit Cost Request form
- Complete the request form and mail it to CalPERS (include a copy of the cost estimate when applicable)

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 will be returned to the member as incomplete and the request will be closed.

NOTE:
A member’s election to purchase service must be received by CalPERS before their effective retirement date.

REDEPOSIT
Members of this System 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 in the manner it would have accrued if the contributions had not been withdrawn, through the completion of payments.

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.

It is recommended that members submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

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 the System, but before the employee entered CalPERS membership. An election to contribute for SPM will result in additional service credit. Persons who were employed under the following conditions may be eligible to request service prior to membership:

1. Those employed less than 87 hours per month, or less than an average of 20 hours per week, prior to becoming a member.
2. Those formerly employed in temporary or seasonal employment in which they were excluded from membership under G.C. section 20305.
3. Those optional elective officers, Governor Appointees, and Legislative employees who are no longer working in an “optional” position. If still in an “optional” position, refer to the “Optional Members of CalPERS” section.

Active or inactive CalPERS members cannot purchase CalPERS SPM service credit 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.

**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](#) form (PERS-MSD-370) available through the Service Credit Cost Estimator results page, or through the Forms & Publications 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 must follow the directions on the form to complete the required pay period detail information section of the form, per pay period, and then returns the completed form to the member to submit to CalPERS.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

**COMPREHENSIVE EMPLOYMENT & TRAINING ACT (CETA) OR FELLOWSHIP SERVICE**

G.C. sections 21030 and 21020.5 provide employees the option to purchase eligible time spent working for a CalPERS-covered employer under CETA, or time spent working under the Assembly, Senate, Executive, or Judicial Administration Fellowship program before becoming a CalPERS member.

When a member requests to purchase service credit for CETA or Fellowship service, they must complete the [Request for Service Credit Cost Information – Comprehensive Employment & Training Act (CETA) or Fellowship](#) form (PERS-MSD-370A). Once the member has completed the member section of the request form, the member must send the form to the applicable employer for certification. The employer must follow the directions on the form to complete the required pay period detail information section of the form, per pay period, and then return the completed form to the member to submit to CalPERS.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

**BASE REALIGNMENT AND CLOSURE (BRAC) FIREFIGHTER SERVICE**

G.C. section 21024.5 provides employees the option to purchase eligible time spent working as a permanent career civilian federal firefighter or permanent career state firefighter who had their services terminated at a California federal military installation.

The member must submit a completed request form [Request for Service Credit Cost Information – Base Realignment and Closure (BRAC) Firefighter](#) form (PERS-MSD-374) to CalPERS, with all required documentation.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

**NOTE:**

To determine eligibility, supporting documentation (e.g. Standard Form 50) must be submitted with the completed request form.

**LAYOFF, PRIOR SERVICE, AND OPTIONAL MEMBER SERVICE**

Layoff and Prior Service are only available to contracted public agency employers that have included the applicable benefits in their contract with CalPERS.

**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.

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 service credit 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 service credit type.

Certification
When a member requests to purchase service credit for layoff, prior service, or Optional Member Service, they must complete the Request for Service Credit Cost Information – Layoff, Prior Service & Optional Member Service form (PERS-MSD-372). Once the member has completed the member section of the request form, the member must send the form to the applicable employer for certification. The employer must follow the directions on the form to complete the required pay period detail information section of the form, per pay period, and then return the completed form to the member to submit to CalPERS.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

Additional Retirement Service Credit (ARSC – Air Time)
As a result of the Public Employees’ Pension Reform Act of 2013 (PEPRA), ARSC has been eliminated as a service credit purchase option. All requests received prior to January 1, 2013 have been processed. If the member has already elected to purchase ARSC, their purchase will not be impacted.

Peace Corps, AmeriCorps*VISTA, and AmeriCorps
A member may be eligible to purchase credit for up to three years of service in the Peace Corps, AmeriCorps*VISTA (Volunteers In Service to America) or AmeriCorps. The member must be able to provide CalPERS with documentation certifying their dates of service. If the member does not have a certification letter, one may be requested.

The member may request a letter by visiting:

www.peacecorps.gov or
www.nationalservice.gov/programs/americorps

The member must submit a completed request form to CalPERS. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

Credit for Military Service Prior to Employment
G.C. section 21029 provides that State and School 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 the State or School 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. Must not have been dishonorably discharged from active duty

4. Member elects to purchase military service credit

5. In addition, State and School retirees must have retired on or after December 31, 1981.

6. Members with Public Agencies which have contracted for military service benefits under G.C. sections 21024 (for active members) and 21027 (for retired members) may also be eligible to receive credit for their military service. Retired members must have retired directly within 120 days of separation from Public Agency employment and before the effective date of the election by his or her employer to be subject to section 21024. Employers contracting for 21027 must have also contracted for 21024.

Members can use the online Service Credit Cost Estimator on the CalPERS website to get an estimate of this cost.

For more information on active duty military, consult the CalPERS website www.calpers.ca.gov or the publication A Guide to Your CalPERS Military Service Credit Purchase Options (PERS-PUB-15).

The member must submit a completed request form to CalPERS, with all required documentation. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement (not including requests for retired military).

NOTE:
To determine eligibility, a copy of the discharge or other document (such as DD214) indicating the beginning and ending dates of active duty must be submitted to the system.

A copy of the discharge document can be obtained from the National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100. The member can also complete and mail in the Standard Form 180, available on their website at www.archives.gov.

Credit for Absence from Employment for Military Service

G.C. section 20997 provides that a member whose absence from employment for military service may be eligible to receive service credit for the absence at employer cost. The employer does not need to amend its contract for the benefit. If the member is not eligible to receive the service credit at employer cost, the member may be eligible to purchase the service credit at member cost (G. C. section 20991).

To be eligible for this service credit (at employer cost or member cost) 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 into military service.

3. Entered active duty within 90 days after leaving agency employment.

4. Returned to CalPERS covered employment after being discharged from active duty military service. CalPERS will determine the member’s eligibility, and whether there is a member cost associated to the military leave of absence service credit.

For more information on Military Leave of Absence, consult the CalPERS website www.calpers.ca.gov or A Guide to Your CalPERS Military Service Credit Options (PERS-PUB-15).

The member must submit a completed request form to CalPERS, with all required documentation. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

Leave of Absence

There are certain conditions in which some leaves of absence types may be creditable in CalPERS.

Temporary Disability Leave
Temporary disability leave of absence is time off while receiving temporary disability payments.
because of a job-related injury or job-related illness.

A member may purchase as much service credit that was not credited to their account as a result of the leave of absence.

**Educational Leave of Absence**

Educational leave of absence is an employer-approved leave for the purpose of further 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 of service credit (even if the combined total of the members’ educational leave exceeds two years).

**Serious Illness Leave of Absence**

Serious Illness leave of absence is an employer-approved leave due to the member’s own serious illness or injury.

The employer must certify the member was on an employer-approved leave due to the member’s own serious illness or injury. The member must return to active service with a CalPERS-covered employer following the leave.

A member may purchase as much service credit that was not credited to their account as a result of the leave of absence.

**Sabbatical Leave of Absence**

Sabbatical Leave of Absence is time off for partially compensated leave of absence from CalPERS-covered employment. The member must return to CalPERS-covered employment at the end of the leave of absence.

A member may purchase as much service credit that was not credited to their account as a result of the leave of absence.

**Maternity/Paternity Leave of Absence**

Maternity/Paternity Leave of Absence is time off after the birth or adoption of a child. The member 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. A member can purchase up to one year of service credit per leave of absence period.

**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 of service credit for each service leave. Members must return to CalPERS-covered employment after service leave.

For all leave of absence types, the member must submit a completed request form to CalPERS, with all required documentation. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

**Certification**

When a member requests to purchase Service Credit for a leave of absence, they must complete a [Request for Service Credit Cost Information – Leave of Absence](PERS-MSD-371). On this form, the member indicates the information for the employer that granted the leave, including the type of leave granted and the start and end dates for the period of the leave of absence. The employer that granted the leave of absence would also need to certify the dates and type of the leave. Upon completion, the employer may return the form to the member or if appropriate, forward it to the employee’s Worker’s Compensation carrier for Temporary Disability certification, as appropriate.

**Alternate Retirement Program (ARP)**

State members who meet these conditions would be eligible to purchase their ARP service credit if they:

- Were a new State miscellaneous or industrial employee hired on August 11, 2004 through June 30, 2013, and
- Have reached the conclusion of their three month ARP election period and did not elect to convert their ARP time to CalPERS service credit; or
- Received a distribution of ARP funds after separating from State service, but prior to their three-month election period; or
• Had ARP funds distributed to a former spouse or domestic partner while funds were being maintained by CalHR.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

**EXCLUDED POSITIONS**

If the requested employment is excluded by law, 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. Please refer to the excluded section for more information.

**PAYMENT METHODS**

A member may elect, at any time prior to retirement, to make contributions for an eligible service credit purchase. If a member elects a cash lump-sum payment, no notification will be sent to the employer.

If a member elects to purchase service credit with installment payments, upon approval, CalPERS will send the current employer an authorization for payroll deductions. No deductions should be made until the authorizing form is received.

The employer must begin the payroll deductions authorized on the effective date and continue until payments are completed or the employee separates from employment. 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).

At retirement, any unpaid balance may be paid by lump sum or will be continued as a deduction from the retirement allowance (G.C. section 20776).

It is recommended the member submit their completed request to purchase service credit at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

**IMPORTANT CONSIDERATIONS WHEN PURCHASING SERVICE CREDIT**

The purchase of service credit may impact and/or be subject to the following:

• Community Property Orders. Please refer to the CalPERS publication Community Property (PUB-38A).

• Social Security Benefits. Please refer the member to their local Social Security office.

• Taxability in Retirement. Please refer the member to a tax consultant.

• Disability/Industrial Disability Retirement. Please refer to the CalPERS publication Disability Retirement Election Application (PUB-35).

**INQUIRIES**

The member may obtain cost information if they are eligible by first completing the appropriate request form. The request forms can be obtained through the Forms and Publications page on the CalPERS website at www.calpers.ca.gov. The following is a list of the forms:

• Redeposit of Withdrawn Contributions – PERS-MSD-368

• Military Service – PERS-MSD-369

• Military Leave of Absence – PERS-MSD-369A

• Base Realignment and Closure (BRAC) firefighter – PERS-MSD-374

• Service Prior to Membership – PERS-MEM-370

• CETA & Fellowship Service – PERS-MEM-370A

• Leave of Absence – PERS-MSD-371

• Layoff, Prior Service & Optional Member Service – PERS-MSD-372

• Peace Corps, AmeriCorps*VISTA or AmeriCorps Service – PERS-MSD-373

The request forms used for military and military leave of absence service credit can also be
obtained from A Guide to your CalPERS Military Service Credit Options (PERS-PUB-15).

For Military, Redeposit, and SPM, it is recommended that a cost estimate be attached to the service credit purchase request form. Request forms are available for download on the Cost Estimator Results Page if applicable, once a member has generated an 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 service credit, a member’s election must be received by CalPERS before their effective retirement date (not including requests for Military Service Credit).
The California State University

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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.
OVERVIEW
The California State University (CSU) is comprised of 23 campuses and the Office of the Chancellor, which is the administrative headquarters for the CSU system. Responsibility for the CSU is vested in the Board of Trustees, whose members are appointed by the Governor. The Trustees appoint the Chancellor, who is the chief executive officer of the system, and the Presidents, who are the chief executive officers on the respective campuses. The CSU employs over 45,000 faculty and staff.

Please note that while the CSU is considered a state agency, it is not part of the civil service structure and, as a result, is not covered by the rules and regulations of the California Department of Human Resources. Generally, the CSU is governed by different Government Code sections than civil service, in addition to the Education Code and Title 5 regulations. The Office of the Chancellor is responsible for developing policy governing the CSU.

Under the purview of the Higher Education Employer - Employee Relations Act (HEERA), CSU employees are designated into the following employee categories: Executive (E98), Management Personnel Plan (MPP) (M80), Confidential (C99), Excluded (E99) employees and ten (10) separate collective bargaining units (R01-R10). These collective bargaining units are separate and distinct from the unions representing civil service employees. A list of the current unions and their agents is provided.

RETIREMENT PROGRAMS
Eligible CSU employees participate in one of six CalPERS retirement programs:

1. Peace Officer/Firefighter (POFF) 3% @ 50
   Effective January 1, 2002, covered eligible active Management Personnel Plan (MPP) public safety employees and public safety employees covered by the CSU - State University Police Association (SUPA – Unit 8) agreement who were hired by the State prior to July 1, 2011. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees. Those safety members who were inactive as of January 1, 2002 remain under the 3% @ 55 formula. Employees who were active on/after January 1, 2002 and are first hired by the State prior to July 1, 2011 are subject to the 3% @ 50 formula and a one year final compensation.

2. Peace Officer/Firefighter (POFF) 2.5% @ 55
   All State employees first hired by the State on/after July 1, 2011 who are appointed to or transfer to a POFF position in either a Management Personnel Plan (MPP) covered position or into a position covered by the CSU – State University Police Association (SUPA – Unit 8) are subject to the 2.5% @ 55 POFF formula and a three year final compensation period. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees.

3. State Safety 2.5% @ 55
   Effective July 1, 2001, Police Officer, Intermittent employees in the E99 collective bargaining unit became subject to the 2.5% @ 55 State Safety formula. Employees who were active on/after July 1, 2001 and first hired by the State prior to January 15, 2011 are subject to the 2.5% @ 55 POFF formula and a one year final compensation. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees.

4. State Safety 2% @ 55
   All State employees first hired by the State on/after January 15, 2011 who are appointed to or transfer to a Police Officer, Intermittent position in the E99 collective bargaining unit are subject to the 2% @ 55 State Safety formula and a three year final compensation period. Refer to the State Safety Benefits publication for retirement program information covering CSU public safety employees.

5. State Miscellaneous 2% @ 55
   For all other eligible employee categories, refer to the State Miscellaneous & Industrial Benefits publication for retirement program information. State employees first hired by the State prior to January 15, 2011 are subject to the 2% @ 55 State miscellaneous formula and a one year final compensation period.
6. State Miscellaneous 2% @ 60
All State employees hired on/after January 15, 2011 who are appointed to or transfer to a miscellaneous position are subject to the 2% @ 60 miscellaneous formula and a three year final compensation period. Refer to the State Miscellaneous & Industrial Benefits publication for retirement program information.

7. State Miscellaneous 2% @ 62
State employees that become miscellaneous members of CalPERS on or after January 1, 2013 are subject to the PEPRA retirement formula. See State Miscellaneous & Industrial Benefits publication for exceptions.

8. State Safety 2% @ 57, 2.5% @ 57
State employees that become state safety members of CalPERS on or after January 1, 2013 are subject to the PEPRA retirement formula. See State Safety Benefits publication for exceptions.

MEMBERSHIP ELIGIBILITY

1. Excluded from CalPERS membership for the first six months. If employment extends beyond six months, membership is mandatory, effective not later than the first day of the seventh month of employment. The employer is responsible for monitoring the employment period (G.C. section 20305 [a][3][A]).

2. Excluded until employee works 1,000 hours (or 125 days if paid on a per diem basis) in a fiscal year (July 1 – June 30). Membership is mandatory, effective not later than the first of the month following the month in which 1,000 hours (or 125 days) is completed. Overtime hours worked is included when counting hours or days for purposes of determining qualifying membership. The employer is responsible for monitoring the number of hours worked (G.C. section 20305[a][3][B]).

3. Temporary Faculty Eligibility Rules:
   - If appointed for an academic year at full-time, the employee qualifies for CalPERS membership at the time of the appointment.
   - If appointed for one semester/one quarter, the employee qualifies for membership at the beginning of the third consecutive semester at half-time or more, or at the beginning of the fourth quarter at half-time or more.
   - If appointed for an academic year at half-time or more, the employee qualifies for membership at the beginning of the third consecutive semester at half-time or more, or at the beginning of the fourth quarter at half-time or more (G.C. section 20305 [a][4][A]).
   - If appointed for a non-academic year (e.g. 10-month or 12-month), CalPERS membership rules follow the same eligibility criteria as staff appointment types. Refer to G.C. section 20305.

Specific questions concerning membership should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
<table>
<thead>
<tr>
<th>STATUS</th>
<th>APPOINTMENT TYPE</th>
<th>MEMBERSHIP MANDATORY AT TIME OF APPOINTMENT</th>
<th>INITIALLY EXCLUDED, BUT MONITOR TIME WORKED</th>
<th>EXCLUDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT CalPERS MEMBER (Actively contributes or has funds on deposit or has service credits.)</td>
<td>Summer session or inter-session academic employment if the employee is NOT full-time (G.C. section 20300 [k])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Appointments OTHER THAN those listed below in EXCLUDED status</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXCLUDED (Regardless of current membership status.)</td>
<td>Employees covered by State Teachers Retirement System (G.C. section 20300 [g])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Student Assistants (G.C. section 20300 [c])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extension faculty whose compensation is based on class enrollment (G.C. section 20300 [j])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Summer session or inter-session academic employment if the employee IS full-time (G.C. section 20300 [k])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Independent Contractor (G.C. section 20330[b])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Individuals employed as result of Job Training Partnership Act of 1982, CETA miscellaneous position on or after 7-1-79. (May buy-back earlier service.) (G.C. section 20330 [f])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>STATUS</td>
<td>APPOINTMENT TYPE</td>
<td>MEMBERSHIP MANDATORY AT TIME OF APPOINTMENT</td>
<td>INITIALLY EXCLUDED, BUT MONITOR TIME WORKED</td>
<td>EXCLUDED</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>--------------------------------------------</td>
<td>---------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>NOT A CURRENT MEMBER (Was never a member or had contributions refunded).</td>
<td>Full-time appointment for more than 6 months (G.C. section 20305 [a][3][A])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Full-time appointment for less than 6 months (G.C. section 20305 [a][3][A])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Works an average of 20 hours per week; appointment is for 1-year or longer (G.C. section 20305 [a][2])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Works less than 20 hours per week (G.C. section 20305 [a][3][B])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Irregular basis appointment (seasonal, emergency, hourly intermittent, substitute, special consultant, on-call, limited term, etc.) (G.C. section 20305 [a][3][B])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for one academic year at full-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for one academic year at part-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for semester/quarter at full-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Temporary faculty (A-52 appointment) for semester/quarter at part-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ACCOUNT CODES**

Effective August 24, 2015, the State Controller’s Office (SCO) has requested that State Agencies contact the SCO Retirement Liaison at (916) 324-1471 for questions regarding account codes, requests for account code corrections, adjustments and/or verification.

Specific questions concerning membership eligibility should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
**Benefits**
CSU retirees receive the following benefits:

- Full health benefits upon retirement at age 50 with five years of service credit or with established reciprocity, and
- Coverage under a basic dental plan paid for by the CSU.
- Faculty Early Retirement Program (FERP) participants continue enrollment in an enhanced dental plan and receive the CSU vision benefit if appointed half time or more. Upon completion of the FERP service, the retiree drops to a basic dental plan and is not eligible for vision coverage.

**CSU Retiree Dental**
Under certain conditions, CSU employees are eligible to continue dental coverage into retirement. The dental coverage provided to CSU retired annuitants is at the Basic plan level. Participants in FERP are the only CSU retired annuitants eligible for continued dental coverage at the Enhanced level.

The CSU offers two dental plans: a DMO (prepaid) plan through PMI DeltaCare and an indemnity plan through Delta Dental. Currently, the CSU pays the full cost of dental coverage for all CSU retired annuitants and their eligible dependents, including domestic partners.

Responsibility for the day-to-day dental contract administration rests with Human Resources Administration in the CSU Chancellor's Office. Human Resources Administration interprets regulations, answers questions, and assists retirees in resolving problems regarding the dental plan.

CalPERS is responsible for processing the annual retiree dental open enrollment requests, and other change requests. Detailed information regarding the CSU dental program is available in the CSU Dental Program Administrative Manual.

**Faculty Programs — Early Retirement, Reduced Time Base and Leaves**
The CSU has several retirement-related programs unique to faculty employees.

**Faculty Early Retirement Program (FERP)**
The Faculty Early Retirement Program permits tenured faculty or tenured librarian employees who retire the ability to work one semester or an average percentage for the academic year, at the same rank and salary held prior to retirement. In order to be eligible, the employee:

- Must be at least age 55;
- Must be eligible for service retirement;
- Must be granted service retirement; and
- Shall be entitled for no more than five years.

The assignment shall be one (1) academic term not to exceed a total of ninety (90) days or fifty (50) percent of the employee's hours worked (time base) in the fiscal year proceeding retirement, whichever is less. Participants may request further reduction in time base; however, the reduction shall continue for the duration of the FERP appointment.

Participation in FERP shall commence at the beginning of the campus academic year. Service retirement shall begin concurrently with or prior to the beginning of the campus academic year.

Participants may be appointed in university extension (consistent with the CSU Additional Employment policy) during the academic term(s) under FERP. Other CSU additional employment is not allowed.

Continued employment in the FERP shall terminate in the event of dismissal for cause, layoff, or failure to meet the employment commitment.

In addition to the retirement pay appropriate to the age and years of service at the time of retirement, participants are paid for the teaching assignment on a pro-rata basis, in accordance with the rank and salary held at the time of retirement.

Since participants are retired, no service credit is accumulated through this program. For this same reason, there is no retirement contribution or Social Security withholding. To ensure this, report the FERP appointment using the Appointment Code of “A56” on the PIMS report. Sick leave is converted to service credit upon retirement; however, up to 48 hours of sick leave may be carried into FERP.
Participants are ineligible for sabbatical leaves or other paid leaves.

FERP participants are eligible to receive CSU vision coverage and an enhanced dental plan. Upon completion, the dental plan reverts to the basic plan and vision coverage is eliminated.

**REDUCED WORKLOAD PROGRAM - CSU FACULTY (G.C. SECTION 20900)**

A member participating in the Reduced Workload Program will reduce his or her time base from full-time to part-time. While employed part-time the member shall receive the service credit that he or she would have earned if he or she was employed on a full-time basis, provided the member and his or her employer both elect to contribute to CalPERS the amount that would have been contributed if the member was employed on a full-time basis.

Employer personnel departments, in conjunction with CalPERS administrative staff, are responsible for the administration of the Reduced Workload Program. In order to be eligible to participate in the Reduced Workload Program, members must meet each of the following criteria:

- Be an academic employee of the California State University;
- Be subject to the criteria provided in Education Code 44922, 87483, or 89516 of the Education Code;
- Must not be older than 70 years of age;
- Their Appointment under the Reduced Workload Program is limited to a period of five years of part-time service.

The employer shall maintain the necessary records to separately identify each employee receiving credit pursuant to G.C. 20900.

CalPERS members and employers must complete the Reduced Workload Program Eligibility and Election Certification form and submit this form to CalPERS. The **Reduced Workload Program Eligibility and Election Certification form** can be downloaded from the CalPERS website under forms and publications.

See the Payroll Reporting section for additional requirements and instructions on how to report payroll for employees in the Reduced Workload Program.

**PRE-RETIREMENT REDUCTION IN TIME BASE (PRTB)**

Tenured faculty in bargaining unit 3 with 10 years of full-time service (with at least the last five years being continuous full-time) is eligible to apply for the PRTB program. Sabbatical leaves count towards the service requirement. Applicants must be 55 to 64 years of age (CalPERS) or 55 to 63 (STRS). Faculty members in this program are not retired. The program allows faculty to reduce their time base to 2/3, 1/2, or 1/3 for up to five years. Participants retain the same rank and status they had prior to participation.

The campus sets the PRTB assignment and work schedule. For example, a participant on a 1/2 assignment may work full-time for one semester or half-time for the academic year, depending on the needs of the campus.

If a participant fails to meet the employment commitment, salary adjustment or repayment of an overpayment may be required.

PRTB participants are considered full-time for the purpose of restrictions on additional employment. Salary is pro-rated according to time base and is paid in twelve equal monthly installments per year.

Service credit is accumulated as though working full-time and retirement contributions are based on the full-time salary rate. Social Security contributions are based on actual salary earned.

Participants retain sick leave and accumulate additional sick leave on a pro-rata basis. Participants are not eligible for sabbatical leaves or other paid leaves. Participants remain eligible for health and other benefits.

Retirement and entry into FERP is allowed after participation in PRTB, provided the eligibility requirements are met. The FERP employment options are based on the PRTB reduced time base.

**SABBATICAL LEAVES**

All full-time faculty unit employees are eligible to apply for a sabbatical leave after six years of full-time service at a campus and after six years of service since the last sabbatical or Difference in Pay (DIP) Leave. Final approval of a sabbatical leave shall not be granted until the
The California State University applicant has filed a suitable bond or an accepted statement of assets or a promissory note that total at least the amount of salary to be paid during the leave.

Faculty on sabbatical leave are considered in work status and entitled to the same provisions of employment and applicable benefits provided by the CSU in the same manner as if the employee were not on a sabbatical leave. However, service credit towards retirement will be reduced according to the earnings the employee will receive.

Faculty unit employees on sabbatical leave shall not accept additional and/or outside employment without prior approval of the campus President.

Faculty shall render service to the CSU upon return from a sabbatical leave at the rate of one term of service for each term of leave.

The salary for a faculty member on sabbatical leave is paid in accordance with the collective bargaining agreement. If the sabbatical is longer than one semester or quarter, then the salary is at a reduced rate and service credit is reduced.

Information about purchasing Sabbatical Leave Service Credit can be obtained from the A Guide to your CalPERS Service Credit Purchase Options (PUB-12) or from the CalPERS website at www.calpers.ca.gov.

DIFFERENCE IN PAY (DIP) LEAVES
All full-time faculty unit employees are eligible to apply for a DIP leave after six years of full-time service at a campus and after three years of service since the last sabbatical or Difference in Pay (DIP) leave.

Final approval of a DIP leave shall not be granted until the applicant has filed a suitable bond or an accepted statement of assets or a promissory note that total at least the amount of salary to be paid during the leave. Faculty on DIP are considered to be in work status and entitled to the same provisions of employment and applicable benefits provided by the CSU in the same manner as if the employee were not on sabbatical leave.

However, service credit towards retirement will be reduced according to the earnings the employee will receive.

Faculty unit employees on DIP leave shall not accept additional and/or outside employment without prior approval of the campus President.

Faculty shall render service to the CSU upon return from a DIP leave at the rate of one term of service for each term of leave.

The salary for a DIP leave shall be the difference between the employee’s salary and the minimum salary of the instructor (or librarian) rank. Service credit is reduced based on reduced salary paid.

CONTACT
The California State University
Office of the Chancellor
Human Resources Management
401 Golden Shore Drive
Long Beach, CA 90802-4210
(562) 951-4411
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.
Pay rate and special compensation must be in written pay schedules, memorandums of understanding, bargaining agreements, or similar documents that are available for public review.

Guidelines defining compensation, compensation earnable, pay rate, and special compensation are listed below in the California Public Employees’ Retirement Law (PERL) in G.C. sections 20630, 20636, and the California Code of Regulations section 570.5.

**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 leave (payments under Labor Code sections 4800 and 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, and shall not exceed compensation earnable.

**PUBLICLY AVAILABLE PAY SCHEDULE (CCR 570.5)**
This regulation requires 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
- Indicates an effective date and date of any revisions

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 pay rate may be determined if an employer fails to meet the requirements.

**WORKERS’ COMPENSATION TEMPORARY DISABILITY AND INDUSTRIAL DISABILITY LEAVE PAYMENTS**
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. Excused time includes: 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 contains industrial disability leave provisions for various specified safety members of CalPERS. This pay is reportable 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 is reportable to CalPERS.

**COMPENSATION EARNABLE (G.C. SECTION 20636 (g) (1))**
Compensation earnable for state members means the average monthly compensation, as determined by the board, upon the basis of the average time put in by members in the same group or class of employment and at the same rate of pay, and is composed of the pay rate and special compensation of the member.

**PAY RATE (G.C. SECTION 20636 (g) (2))**
Pay rate for state members means the average monthly remuneration paid in cash out of funds paid by the employer to similarly situated members of the same group or class of employment, in payment for the member’s services or for time during which the member is
excused from work because of holidays, sick leave, vacation, compensating time off, or leave of absence.

**GROUP OR CLASS OF EMPLOYMENT (G.C. SECTION 20636 (e) (1))**

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.

**SPECIAL COMPENSATION (G.C. SECTION 20636 (g) (3)(A-D))**

The following list identifies special compensation items included for state members:

- The monetary value of living quarters, board, lodging, fuel, laundry, and other advantages of any nature furnished to a member by his or her employer in payment for the member’s services.
- Compensation for performing normally required duties, such as holiday pay, bonuses (for duties performed on regular work shift), educational incentive pay, maintenance and noncash payments, out-of-class pay, marksmanship pay, hazard pay, motorcycle pay, paramedic pay, emergency medical technician pay, Peace Officer Standards and Training (POST) certificate pay, and split shift differential.
- Compensation for uniforms in certain circumstances. (G.C. section 20632)
- Other payments the board may determine to be within special compensation.

Pay rate and special compensation for state members do **not** include any of the following:

- The provision by the state employer of a medical or hospital service or care plan or insurance plan for its employees, a contribution by the employer to meet the premium or charge for that plan, or a payment into a private fund to provide health and welfare benefits for employees.
- A payment by the state employer of the employee portion of taxes imposed by the Federal Insurance Contribution Act.
- Amounts not available for payment of salaries that are and applied by the employer for the purchase of annuity contracts including those that meet the requirements of Section 403(b) of Title 26 of the United States code.
- Employer payments credited as employee contributions for benefits provided by this system.
- Employer payments credited to employee accounts in deferred compensation plans.
- Payments for unused vacation, annual leave, personal leave, sick leave, or compensated time off.
- Final settlement pay.
- Payments for overtime, including pay in lieu of vacation or holiday.
- Compensation for additional services outside regular duties, such as standby pay, callback pay, court duty, allowance for automobiles, and bonuses for duties performed after the member’s regular work shift.
- Payments applied for the purchase of a retirement plan or money purchase pension plan.
- Payments to be covered by a flexible benefits program, where those payments reflect amounts that exceed the salary.
- Other payments the board may determine are not pay rate or special compensation.

**PENSIONABLE COMPENSATION (PEPRA) (G.C. SECTION 7522.34)**

Pensionable compensation is a term defined by statute and will be used in the calculation of retirement benefits for all new PEPRA members. It is defined as, “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, pursuant to publicly available pay schedules…”

Also set forth in the statute are items specifically excluded from pensionable compensation. These include:

- Any compensation deemed by the Board to have been paid to increase a retirement benefit.
- Converted cash benefits
- Any on-time or ad hoc payments
- Severance or any other payment given in anticipation of separation from employment.

Pensionable compensation further excludes, payments for unused leave credits, any payment for services rendered outside of normal working hours, employer provided allowances or reimbursements, overtime payments outside of...
the United States Labor Code Title 29, section 207 (k), employer paid deferred compensation, any bonus, or any other payment as determined by the Board.

Further, any form of compensation identified that has been agreed to be non-pensionable pursuant to a memorandum of understanding (MOU). The state employer subject to the MOU shall inform CalPERS of the excluded compensation and provide a copy of the MOU.

State employers may determine if excluded compensation identified in the statute shall apply to non-represented state employees who are aligned with state employees subject to the MOU described above. State employers shall inform CalPERS of the exclusion of this compensation and provide a copy of the public pay schedule detailing the exclusion.

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 is a list of the procedures for reporting a member who has reached the limit. CalPERS notifies all employers of the new limits each year in January by sending a Circular Letter. Also, myCalPERS will automatically track the earnings 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. The determination of compensation for each 12 month period shall be subject to the annual compensation in effect for the calendar year (January – December), in which the 12 month period begins.

For example, the 2017 compensation limit for classic members is $270,000. Therefore, the member should not make contributions on earnings that exceed the $270,000 limit within the 2017 calendar year. The earnings that are mentioned are those 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.

If an employee’s compensation reaches the limit, payroll will error out in the myCalPERS system, prompting the employer to not report employee contributions.

The employer will continue reporting pay rate, and member earnings, but no member or employer contributions for the earned periods remaining in the calendar year. Reporting the earnings allows the employee to continue earning service credit without making contributions on earnings that exceed the limit.

If an employee’s pay rate increases after the time you cease reporting contributions, please report the higher pay rate and earnings on your Earned Period Report.

Once the calendar year is over, the system 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) – CONTRIBUTION CAPS
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.

<table>
<thead>
<tr>
<th>NEW MEMBER CONTRIBUTION CAPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Member with Social</td>
</tr>
<tr>
<td>$118,775</td>
</tr>
<tr>
<td>(100% of the 2017 Social</td>
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<tr>
<td>Security contribution and</td>
</tr>
<tr>
<td>benefit base)</td>
</tr>
<tr>
<td>New Member without Social</td>
</tr>
<tr>
<td>$142,530</td>
</tr>
<tr>
<td>(120% of the 2017 Social</td>
</tr>
<tr>
<td>Security contribution and</td>
</tr>
<tr>
<td>benefit base)</td>
</tr>
</tbody>
</table>
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 cap has been reached for that calendar year (January – December). Member and employer contributions must stop when the member’s actual earnings reach the contribution caps 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 contributions. 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.

PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA) – EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC)

PEPRA prohibits Employer Paid Member Contributions (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. Payroll will error out in the my|CalPERS system if EPMC is reported for a new member.

Agencies must notify CalPERS in writing if they determine that their MOU is impaired and provide a certification to CalPERS. It should be signed by the agency’s presiding officer and confirmed that the 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 (G.C. section 20693).

LEGISLATIVE OR JUDICIAL BRANCH EMPLOYEES

Contact CalPERS directly at 888 CalPERS (or 888-225-7377) for questions regarding compensation for exempt, Legislative, or Judicial employees.
Pay rate indicates the amount of compensation a member is paid for a unit of time (e.g., hour, day or month). The pay rate should remain stable throughout a fiscal year except for pay raises, changes of position, etc. If a member works in more than one position, receives a raise in the middle of an earned period, or has a variable pay rate, 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.

**IMPACT ON FINAL BENEFITS**

Reporting correct pay rates for your active employees is essential in calculating correct member benefits at retirement. The three critical elements used in calculating retirement benefits are:

- Service Credit
- Benefit Factor
- Final Compensation

Service credit and final compensation are directly related to the pay rate and earnings reported for the member. Service credit is derived from the pay rate and earnings reported as illustrated below.

<table>
<thead>
<tr>
<th>Example</th>
<th>Member Earnings Monthly Pay Rate</th>
<th>$1,200.00</th>
<th>$1,200.00</th>
<th>= 1 month worked divided by 10 = 0.100 years of service credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td>$600.00</td>
<td>$1,200.00</td>
<td>= 0.5 months worked divided by 10 = 0.050 years of service credit</td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td>$600.00</td>
<td>$7.50</td>
<td>= 80 hours worked divided by 1720 = 0.047 years of service credit</td>
</tr>
<tr>
<td>4.</td>
<td></td>
<td>$600.00</td>
<td>$30.00</td>
<td>= 20 days worked divided by 215 = 0.093 years of service credit</td>
</tr>
</tbody>
</table>
NOTE:
Always use the pay rate featured on a publicly available pay schedule. The pay rate should not change except when a pay raise or demotion occurs.

FULL-TIME SERVICE CREDIT
(G.C. SECTION 20962)
One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

a. One academic year of service for persons employed on an academic year basis by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.

b. Ten (10) months of service for persons employed on a monthly basis.

c. Two hundred fifteen (215) days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.

d. One thousand seven hundred twenty (1,720) hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.

e. Nine months of service for state employees represented by State Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision. A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Partial credit will be given for those working less than the full-time markers described previously (10 months, 215 days, and 1,720 hours). Service credited in hours, days, or months is converted to a percentage of a year at the end of each fiscal year. Service credit for each fiscal year is combined to arrive at total service credit.

MAXIMUM SERVICE CREDIT AMOUNT
As one of the major factors used in the retirement calculation, service credit is checked carefully for each payroll entry. CalPERS limits the amount of service credit for each entry to full-time. Credit for more than one year of service shall not be allowed for service rendered in any fiscal year.
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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.
The purpose of the Pre-Retirement Lump Sum Beneficiary Designation Form (myCalPERS 0772) is to:

1. Provide a means for a member who is not retirement eligible and who is not eligible for the Alternate Death Benefit (first tier members under age 50 with 20 or more years of service, second tier members under age 55 with 20 or more years of service, members under PEPRA age 52 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 Section 4; item C of the myCalPERS 0772.

2. Provide a means for a member who is married or in a registered domestic partnership and is eligible to retire or who is eligible for the Alternate Death Benefit 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. (G.C. sections 21490 and 21492)

4. Designate any person or legal entity such as a college, university, corporation, trust, or estate as beneficiary (CCR 582 and G.C. section 21490)

Any of the following life events will revoke the Pre-Retirement Lump Sum Beneficiary Designation Form (myCalPERS 0772) (G.C. section 21492):

1. Marriage/Registration of Domestic Partnership.

2. Dissolution or annulment of marriage or termination of a registered 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 membership that results in a refund of contributions, or in payment of a monthly retirement allowance.

NOTE: Following a revoking action, lump sum benefits will be paid to the statutory beneficiaries unless a new Pre-Retirement Lump Sum Beneficiary Designation Form myCalPERS 0772 has been filed. Members may designate or change beneficiaries at any time by filing a new Beneficiary Designation. (G.C. sections 21492 and 21493)

SPECIAL INSTRUCTIONS

1. Changes on the form are not accepted unless specified on the instructions page.

2. Complete the Pre-Retirement Lump Sum Beneficiary Designation Form; make a copy for your records, and 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 generally within about 4 weeks. If the form is not acceptable, a new form will be mailed to the member.

4. Wet signature is required on the form.

NOTE: The Pre-Retirement Lump Sum 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 registered domestic partnership. If this box is checked, the Justification for Absence of Spouse’s or Registered Domestic Partner’s Signature (PERS-BSD-800A) form, is not required.
REPORTING AN IMMINENT DEATH OR TERMINAL ILLNESS/
POWER OF ATTORNEY

When an employer becomes aware of an employee’s imminent death, terminal illness, or serious surgery the employer 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 in one’s own behalf may become impaired thereby jeopardizing later desired retirement action.

If a person is competent to complete the CalPERS Special Power of Attorney (PERS-OSS-138) form located in the A Guide to the CalPERS Special Power of Attorney publication (PUB 30), the person may give his or 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.
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 election filed with CalPERS prior to the member’s death (G.C. sections 21503 and 21530).

The retirement application/election form can be faxed to CalPERS at (916) 795-1281 with a notation of “Emergency Retirement” in the top margin of the front page. Do not mail the original. The original should be given to the member for their records.

POWER OF ATTORNEY
For information on the A Guide to the CalPERS Special Power of Attorney (PUB 30), please visit our Forms & Publications page on the CalPERS website 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 the employer should complete a Disability Retirement Election/Application, (PERS-BSD-369-D) form located in the A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB-35).

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 “PRECAUTIONARY” in the top margin on the first page, and then fax it to (916) 795-1281. Keep the original for your records.
EMPLOYER NOTIFICATION TO SYSTEM
Immediately upon learning of an employee’s death, the employer 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 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:

- Employer name and CalPERS ID
- Member name, CalPERS ID and the last four digits of the member’s Social Security Number
- Date of death

INSTRUCTIONS FOR COMPLETION OF PERS-BSD-738
The employer 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 – Provide the last day that the member was considered an employee of your organization. This can be the date of death, any day prior to the date of death, or the day after death.
2. Reason for Separation – If separation is not due to death, provide a brief explanation for the reason for separation.
3. Last Day on Pay Status – Provide the date that the member was last on pay status with your organization. This would be the last day the member was subject to CalPERS contributions, whether or not they were deducted from their earnings. Please explain any difference between date of separation and last day on pay status, or, if member was on leave of absence, please provide the dates of absence.
4. Time base – Provide time base. If part-time, also indicate required hours. Required hours are needed for the entire period of employment.

PART II — UNUSED SICK LEAVE AND/OR UNUSED EDUCATIONAL LEAVE
Please indicate the total number of days or hours of unused sick leave and educational leave credited (if any) to the member at the time of separation. Show partial days to three decimal places.

PART III — HEALTH AND DENTAL INSURANCE
Complete only if the member had health and dental 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 IV — SIGNATURE
Have this form signed by an authorized officer; enter title, phone number, extension and date. Fax completed form PERS-BSD-738 to CalPERS immediately at (916) 795-3988.

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 PERS-BSD-738 form, partially filled in, and forward to the employer. The employer completes the balance of the form per instructions found on page 2 of the form.

CONTINUATION OF HEALTH BENEFITS
AB-1639 (G.C. section 19849.15) Overview (Does Not Apply to CSU Employees)

Assembly Bill 1639 was passed into law on October 10, 1999, for survivors of State members. This bill was created to prevent the lapse of health coverage between the member’s death and the determination of the survivors’
health benefits eligibility and monthly allowance. The deceased member’s employer must pay the total amount of the premiums for 120 days for eligible survivors; however, the employer may elect to bill survivors for the survivors’ share of the premiums.

**Procedures**
1. Employer reports the member’s death to CalPERS.
2. Employer completes a Direct Payment Authorization (HBD-21) form using the survivors’ (e.g. spouse or domestic partner; if no spouse or domestic partner, use the information of the youngest survivor) Social Security number and demographic information.
3. Employer enters the Direct Pay enrollment for health benefits only in myCalPERS.
4. Employer sends the completed HBD-21 and 120-day premium check directly to the health plan carrier.
5. Employer bills the spouse or other eligible family member(s) for the employee’s share of the cost.
6. Employer completes the same steps for dental and vision benefits.

**HBD-21 Instructions for AB 1639**
Employers must complete and submit the following sections of the HBD-21 to the survivor’s health plan for enrollment.

**Part A**
**Employee Information**
1. Survivor’s Social Security number
2. Survivor’s full name
3. Survivor’s home phone number
4. Survivor’s home address

**Part B**
**Carrier and Premium**
5a. Survivor’s health plan’s name and address
5b. Health plan 4 digit code (e.g., Kaiser 0562)
6a. Gross premium for 120 days of health coverage (4 months)
6b. Do not complete

6c. Do not complete
6d. No signature required
6e. No date required

**Part C**
**Reason for Direct Pay**
Always use box 14 (other) and write in the explanation box *AB 1639 survivor coverage for 120 days*. Leave all other boxes blank.

**Part D**
**Agency Information**
15a. Name, address and contact number of the deceased member’s employer
15b. Do not complete
16. Start and end dates of the survivor coverage under AB 1639 (4 month period beginning the first of the month following the member’s death and ending the last day of the 4 month coverage)
17. Do not complete
18. Health Benefit Officer’s signature
19. Date the HBD-21 was completed
20. Employer’s telephone number
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 (my|CalPERS 0675).

If an estimate is not provided, or if only lump sum benefits are payable, the my|CalPERS 0675 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 my|CalPERS 0675. If the information provided in the initial my|CalPERS 0675, 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). (G.C. sections 21498 and 21499)

To determine the beneficiary (ies), CalPERS will check the system for a valid beneficiary designation, filed either by Pre-Retirement Lump Sum Beneficiary Designation Form my|CalPERS 0772 (See Beneficiary Designation Form section for more information) or completed online through my|CalPERS. If a valid beneficiary designation 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 beneficiary designation 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 (G.C. section 21493):
   a) Member’s surviving spouse or registered domestic partner if married/registered for at least one year or prior to the onset of the illness or injury that caused the member’s death, b) Unmarried minor child(ren)

II. If the member was not eligible for a monthly allowance (G.C. section 21493):
   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 none,
   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 (G.C. section 21492):

   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 membership that results in a refund of contributions, or termination of employment that results in payment of a monthly retirement allowance.
Following the member’s death, a spouse or registered domestic partner may request a **Disclaimer of Benefits** (BAS-140) form if he/she does not wish to receive their community property interest in the death benefits. If the **Disclaimer of Benefits** (BAS-140) form is completed, then the entire Basic Death Benefit may be paid to the designated beneficiary (ies) 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.
Members who wish to obtain an estimate of their CalPERS retirement allowance can do one or more of the following:

1. Members who are more than one year from retirement may obtain retirement estimates by logging into their personal myCalPERS account at my.calpers.ca.gov. These estimates are based on the most current payroll and final compensation information submitted to CalPERS and allows them to save multiple estimates based on different retirement dates and beneficiary scenarios.

2. Members may use the CalPERS Retirement Estimate Calculator at www.calpers.ca.gov if they want the flexibility to calculate an estimate using their own anticipated assumptions or projections. The CalPERS Retirement Estimate Calculator does not require the member to log-in and will only provide an estimate of the Unmodified Allowance.

3. CalPERS generated retirement estimates are processed by the Benefit Services Division. These estimates use the payroll reported by the employer and do not project future salary increases, changes in time base, or unreported special compensation. Please note, 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 at the address located at the bottom of the form. 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).

4. 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.

5. Retirement benefit estimates will be mailed to the address on file within 30 days of receipt of the request by CalPERS. If the address indicated on the estimate request form does not match the address on file, the estimate request will be rejected.

Address changes for an active employee must be submitted by the employer. An inactive employee will be mailed an address change form to submit back to CalPERS.

6. A request for an estimate is NOT an application for retirement. A Service Retirement Election Application (PERS- BSD-369-S) or Disability Retirement Election Application (PERS-BSD-369-D) 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 the CalPERS brochure Planning Your Service Retirement (PUB 1) and the CalPERS State Miscellaneous and Industrial Benefits Booklet (PUB 6) or the CalPERS State Safety Booklet (PUB 7). These publications provide additional benefits to consider in preparing for retirement.

7. Members are encouraged to take a CalPERS retirement planning class prior to submitting their application for retirement. CalPERS offers 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 for more information. Members can log into their own myCalPERS account to view the latest schedules and enroll, or call our toll free number 888 CalPERS (or 888-225-7377).
**HOW TO APPLY**
Members may apply for retirement online through their personal myCalPERS account at my.calpers.ca.gov or they can submit a hardcopy retirement application available in the Forms & Publications area on our website at www.calpers.ca.gov.

Members can also print an application started in myCalPERS and bring it to a Regional Office if they don’t want to submit their application online.

**WHEN TO APPLY**
Members should submit an application for retirement no more than 120 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 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 942711
Sacramento, CA 94229-2711

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 state service, the effective date of retirement will be the day following the last day of payroll. (G.C. section 21252)

In the case of an application for retirement filed with the Board more than nine months after discontinuance of the member’s state service, the effective date shall be the first of the month in which the member’s application was received at an office of the Board or by an employee of this system designated by the Board. (G. C. section 21252)

**ADDITIONAL NOTES FOR SUBMITTING FORMS**
If the application is submitted by FAX 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.

**WHO MAY APPLY**

**SERVICE RETIREMENT**
A First-Tier State member who has reached age 50 and has earned at least five years of credited service may submit an application for retirement. (G.C. section 21060) A State Miscellaneous and Industrial member with a membership date on or after January 1, 2013 must be age 52 (G.C. section 7522.20). A Second-Tier member who has reached age 55 and has earned at least ten years of credited service may submit an application for retirement (G.C. sections 21074 and 21093(a)).

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 CalPERS.

A member who is employed on a permanent part-time basis and has worked at least five calendar years for First-Tier or ten years for Second-Tier may be eligible to retire with less than five or ten years of credited service. The retirement benefit the member will receive will be based on their actual service credit amount. (G.C. sections 20962 and 20970)

**NOTE:**
If the member is employed in an overtime position or multiple positions with CalPERS employers, the member MUST stop working at all CalPERS-covered employment before their retirement date, including all full-time and part-time positions with a CalPERS employer. (G.C. sections 21282, 22970.23, and 22970.25)


**Disability or Industrial Disability Retirement**

Please refer to the instructions found under “Disability Retirement or Industrial Disability Retirement” in this section of the guide.

**Before Retirement**

To be Eligible for Retirement a Member Must Terminate All CalPERS Employment: A member must terminate, i.e., “separate from”, all employment with all CalPERS employers to be eligible for retirement. This applies if the member works for more than one employer or works in more than one position for a single employer, if the member is employed full-time for one employer and part-time for a different employer, holds any combination of full-time and part-time jobs with one or more than one employer, or is in an elected or appointed position with a CalPERS employer. If the member does not terminate all CalPERS employment before the retirement date the retirement will either be cancelled or an automatic change of the retirement date will be processed when this violation is discovered.

**Requesting Additional Service Credit**

The retirement date can be no earlier than the day following receipt of the election to purchase service credit by CalPERS. It is important that the member request any additional service credit well in advance of their retirement to avoid possible delays or impacts to the retirement date and benefits.

A Guide to Your CalPERS Service Credit Purchase Options (PUB 12) can be downloaded from the CalPERS website at www.calpers.ca.gov or requested by employers from the CalPERS Central Supply Section by submitting an email request to: mailto:Public_Agency_Requests@calpers.ca.gov

Service credit requests and questions should be directed to:

CalPERS
Member Account Management 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.

**Final Compensation**

The final compensation in the calculation of a state employee’s retirement benefit is the highest average annual compensation earnable for either 12 or 36 consecutive months, depending on the employee’s membership date and employer’s contract. California Code of Regulations (CCR) 579.24(b) states that if a member has a combination of classic and PEPRA service, two separate final compensation periods will be used with service credit earned under each classification.

Legislation and labor contracts provide retirement contribution increases for employees in certain bargaining units, and changes to the retirement benefits and final compensation period for new employees who have no prior State employment.

It is essential to pay particular attention to the date the employee was first hired by the State and their bargaining unit or affiliation to ensure contributions paid into this System are correct. Failure to properly report your employees impacts the timeliness and accuracy of benefits paid and could result in a financial hardship for your employees when errors are ultimately discovered and corrected as required by law.

Any questions about bargaining unit agreements should be directed to the California Department of Human Resources (CalHR). Additional information can be found on their website at www.calhr.ca.gov under Policy Memos.

For more information, refer to California Public Employees’ Retirement Law (PERL), G.C. sections 20037–20037.15.

**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 retirement payment. (G.C. section 20730)

DIVORCE OR TERMINATION OF DOMESTIC PARTNERSHIP

Members with a community property claim on their retirement account should resolve the claim before retirement to avoid possible delays in processing their retirement benefits. Members should not wait to submit their retirement application, because waiting to apply may affect the retirement date and other benefits they are entitled to receive.
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 under First Tier or ten years under Second Tier. Minimum retirement age is 50 for First Tier retirement plan. (G.C. section 21060(a)) State Miscellaneous and Industrial members with a membership date on or after January 1, 2013 must be age 52. (G.C. section 7522.20) The minimum retirement age is 55 for Second Tier retirement plan. (G.C. sections 21076, 21076.5, and 21093) A member with credited service under both First Tier and Second Tier should contact CalPERS for exceptions to the Second Tier minimum age and service requirement.

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. The retirement benefit the member will receive will be based on their actual service credit amount. (G.C. sections 20962 and 20970)

SERVICE RETIREMENT PROCESSING — DOCUMENT SEQUENCE

1. Service Retirement Election Application (PERS-BSD-369-S) is received in the System 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 or Registered Domestic Partner’s Signature (PERS-BSD-800A). (G.C. section 21261)

   The application package includes information regarding required marriage and birth date evidence. (G.C. section 20128) **Do not submit any original certificates.** Send only photocopies of important documents; 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. A member may complete the Direct Deposit Information section in the election application form or submit a separate Direct Deposit Authorization form (my|CalPERS 1288) at a later date. (G.C. section 21269)

2. **Sick Leave/Education Leave** Employers must certify the separation information by submitting it and any updates online using my|CalPERS. (C.C.R. section 565.1 (a)) Separation information includes the employee’s permanent separation date and any unused sick leave or educational 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.

   It is imperative that you report a permanent separation when an employee retires or otherwise ends employment with your agency regardless of the reason. (G.C. section 20221 (a)) 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.

   To receive sick leave credit or educational leave credit, the member’s retirement date must be within 120 days from the date of separation from the employer granting the sick leave or educational leave. Educational leave shall ONLY apply to eligible State members in bargaining units that have agreed to the benefit in a memorandum of understanding through collective bargaining. (G.C. section 20963 and 20965)

   **NOTE:** Sick leave/educational leave information must be reported in 8 hour days only. Employers can take whatever in-house procedures they desire to ensure appropriate sick leave/educational leave days are reported. For instance, the employee’s sick leave/educational leave can be taken off the books the day the certification is completed.
The Personnel Information Management System (PIMS) is still used to report credit for unused sick leave/educational leave. If your agency needs to correct the reported amounts, you should correct the permanent separation event on the appointment in myCalPERS which will allow you to update the sick leave/educational leave amounts to the correct number and the member’s account will be adjusted.

**Conversion of Sick Leave/Educational Leave Credits for Employees Working Eight Hours Per Day**

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/educational leave divided by **eight** to determine the number of days to report to CalPERS for the purposes of enhancing the retirement benefit.

Sick leave is converted to service credit by: days of reported sick leave \( \times 0.004 = \text{service credit} \). (G.C. section 20963) Example: 35 days \( \times 0.004 \) equals \( 0.140 \) years of service credit.

**NOTE:**
The accrual of sick leave/educational leave credits must be consistent for members of the same group or class who work like or similar hours. (G.C. section 20630) Service credit, which was not earned through the "accrual of sick leave/educational leave" policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave/educational leave for which a member receives compensation, (sick leave/educational leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit. (G.C. sections 20963 and 20965)

3. **A Retirement Acknowledgment Letter to Participant** (myCalPERS 0964) is sent to the member 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. **First Payment Acknowledgement Letter** (myCalPERS 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, the retirement option election, beneficiary and survivor information, and important income tax information. The member should keep these letters along with other CalPERS documents and review the information immediately to ensure it is correct.

**NOTE:**
The member must notify CalPERS within 30 days of the issuance of their first benefit payment if any changes need to be made in their benefit option election, beneficiary, or retirement date.

5. **Account Detail Information Sheet** is attached to the myCalPERS 0924, which explains the data used to calculate the member’s retirement allowance.

**NOTE:**
The member must notify CalPERS immediately if any of the information in this letter is inaccurate. They may be responsible for repaying any overpayment of retirement benefits resulting from the inaccurate information.

6. **First Acknowledgment Letter for Employers**

**Notice of Placement on Retirement Roll** (myCalPERS 0926) is sent to the employer after the employee is placed on the retirement roll. The myCalPERS 0926 provides the employer with the number of sick leave days that were included in the employee’s retirement calculation.

**NOTE:**
The myCalPERS 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 (C.C.R. section 559.501 (d) (e))**

Health eligibility continues for a retiree of the CalPERS Health Program under the following conditions:

- The retiree was eligible for CalPERS health enrollment upon permanent separation of employment;
- The retiree receives a monthly retirement allowance from CalPERS; and
- The effective date of retirement is within no more than one full pay period following the effective date of permanent separation of employment.

If the retiree meets all of the above conditions but the effective date of retirement is greater than one full pay period up to 120 calendar days following the effective date of permanent separation, the retiree must submit a request to CalPERS for enrollment. The effective date of coverage will be the first of the month following the date the request is received by CalPERS.

**NOTE:**
If the retirement effective date is greater than 120 calendar days following the effective date of permanent separation, the retiree will not be eligible to elect enrollment in the CalPERS Health Program.

For further information on health insurance benefits, please refer to the State Health Benefits Guide, visit the CalPERS website at www.calpers.ca.gov, or contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

**DENTAL INSURANCE (C.C.R. section 559.501 (d) (e))**

A member must be enrolled in or eligible for a state dental plan on their date of separation from employment and retire within 120 days of separation. For questions on eligibility, please refer to the CalHR Benefits Manual.

CalPERS sends a Notice of Placement on Retirement Roll (myCalPERS 0926) to notify you when a member is placed on the retirement roll.

A Dental Plan Enrollment Authorization (STD-692) must be completed and sent to CalPERS in order to enroll a member in retired coverage. It is not necessary to have the member’s signature on the form; it can be signed as an “Administrative Doc.” The STD-692 needs to be completed using the retired plan codes, not active. Please list in the “Remarks Section,” the member’s separation date and retirement effective date.

**VISION CARE (C.C.R. section 559.501 (d) (e))**

The State-sponsored vision plan is available to state annuitants. A member must be eligible for the vision care plan on the date of separation from employment and must retire within 120 days of separation. For additional information contact your personnel office or the California Department of Human Resources at (916) 322-0300.

**NOTE:**
Most deductions will stop at retirement and will need to be re-established (with the exception of health, dental, and some union memberships).

**DIRECT AUTHORIZATIONS (G.C. section 21264 and 21265)**

Direct authorization deductions for union dues, life insurance, 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.
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. A Tax Withholding Election form (myCalPERS 1289) must be completed to elect either a specific dollar amount of withholding; a withholding based on tax tables, or specifically elects 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.

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.

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. (G.C. section 21461)

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. (G.C. section 21461.5)

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 OR INDUSTRIAL DISABILITY RETIREMENT

You 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 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 (PERS-BSD-369-D).

DISABILITY RETIREMENT

Retirement for disability, available to all members (Miscellaneous, Industrial, Safety classifications) credited with at least five years of service credit for First Tier and at least 10 years of service credit if Second Tier, is retirement resulting from mental or physical incapacity for the performance of the usual duties. The injury or disease causing the incapacity need not be job-related. (G.C. sections 20026, 20027, and 21150)

NOTE:
A member who is employed on a permanent part-time basis and has worked at least five years for First Tier or ten years for Second Tier may be eligible to retire with less than five or ten years of credited service. The retirement benefit the member will receive will be based on their actual service credit amount. (G.C. sections 20962, 20966, and 20970)

INDUSTRIAL DISABILITY RETIREMENT

Retirement for industrial disability, available to all Safety members and those Miscellaneous and Industrial 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. (G.C. sections 20026, 20027, and 21151)

Generally, the industrial disability retirement allowance of a member under age 50 will be 50% of final compensation.

PUBLIC EMPLOYEES’ PENSION REFORM ACT OF 2013 (PEPRA)

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 an industrial 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. (G.C. section 21400)

WHEN TO APPLY

The application for disability retirement shall be made only (G.C. section 21154):

1. While a member is in state service, or

2. For a member, whose contributions will be made under G.C. section 20997, and is absent on military service, or

3. Within four months after the discontinuance of the state service of the member, or while on an approved leave of absence, or
4. While the member is physically or mentally incapacitated to perform their duties from the date of discontinuance of state service to the time of application or motion.

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 at least twelve consecutive months or will result in death, 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. (G.C. sections 21153 and 21252)

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. Please refer to the beginning of this chapter for more information. (G.C. sections 21153, 21252, and 21503 (d))

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 anyone on behalf of the member. “Duly authorized official” referred to above, 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 a member unless the member waives the right to retire for disability and elects to either withdraw their contributions or leave them on deposit for a future service retirement.

EMPLOYER ORIGINATED APPLICATION
When an employer is submitting the Disability Retirement Election Application (PERS-BSD-369-D) on the member’s behalf, the following sections must be completed:

Section 1 - Information About You

Section 2 - Information About Your Retirement - Complete the employer name and member’s position title only. The retirement date is not required.

Section 3 - Disability Information

Section 9 – Workers’ Compensation Detail

Section 14 - Employer Originated Application - Signature must be made by the Duly Authorized Official on file with CalPERS or processing will be delayed.

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 Position/Occupational Title form
- Personnel Records
- Adverse Actions
- SPB Decisions
- Investigation Reports
- Medical information to support application (e.g., 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.

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 in this chapter for further information).

Estimate — The member’s first step should be to request a Retirement Estimate online at the CalPERS website, or download, complete and submit the Retirement Allowance Estimate Request (PERS-BSD-470) form also available online. Alternatively, a request can be made by calling CalPERS at 888 CalPERS (or 888-225-7377). Disability estimates are not available using the online Estimate Calculator.
COMPLETE PACKAGE
In order for CalPERS to process a request for disability retirement, a complete package must be received within 21 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 (PERS-BSD-369-D).
- A completed Authorization to Disclose Protected Health Information (PERS-BSD-35) signed by the member.
- A completed Physician’s Report on Disability (PERS01M0051DMC) 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 (PERS01M0052DMC) 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.
- A completed Physical Requirements of Position/Occupation Title (PERS01M0050DMC) form providing detailed information on the specific physical requirements of the member’s position or occupational title.
- A completed Workers’ Compensation Carrier Request (PERS-BSD-92) form from the insurance carrier, if the member has a job-related injury, with medical records attached related to the claimed disability.

NOTE:
Submission of the job description should not be delayed for the completion of the Report of Separation & Advance Payroll Information (PERS-BSD-194) form. Employers should return the (PERS-BSD-194) form as soon as information is available.

Application — When the member submits the Disability Retirement Election Application (PERS-BSD-369-D), the following sections must be completed:

Sections 1 – 13 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.

Section 13 - Member’s signature must be witnessed by a CalPERS representative or be notarized.

DETERMINATION
Employers must forward all relevant personnel documents and medical records to CalPERS for any of the following circumstances for CalPERS’ determination of the member’s eligibility:

- Disciplinary process underway prior to the member’s separation from employment.
- The member was terminated for cause.
- The member resigned in lieu of termination.
- The member signed an Employment Reinstatement Waiver as part of a legal settlement.
- The member has been convicted of or is being investigated for a work related felony.

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. (G.C. sections 21156 and 21158) In the event the medical information supplied to CalPERS is insufficient to make a determination, CalPERS may arrange an Independent Medical Examination (IME).

If the member is found to be disabled due to a mental disorder, a valid Power of Attorney may be required before benefits are payable. For Power of Attorney instructions, please refer to the booklet Special 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. (C.C.R. sections 599.502 and 599.504)

RETIREMENT EFFECTIVE DATE
If the application was received within nine months after discontinuance of employment and in the case of retirement for disability, if the member was physically or mentally incapacitated to perform their duties from the date of discontinuance of employment to the time of written application for retirement, 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 of Administration more than nine months after discontinuance of the member’s state service, the effective date shall be the first of the month in which the application was received. (G.C. section 21252)

If a member has been approved for disability retirement, the law states the member must be retired immediately. The member may remain on pay status to use sick leave and/or compensating time off for overtime to which the member is entitled. The determination of what sick leave and/or compensating time off that a person is entitled to is a matter that must be resolved by each employer. (G.C. section 21163)

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 they 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 approval), the member may be retired for service. (G.C. section 21156 (a) (b))

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. (G.C. section 21172)

3. The member may appeal the approval determination directly to CalPERS.

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. (C.C.R. sections 555 and 555.1-555.4)

NOTE:
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
PO Box 2796
Sacramento, CA 95812-2796

CalPERS is subject to the Administrative Procedures Act (APA). Therefore, in case of an appeal to the determination, the 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.
TEMPORARY DISABILITY ALLOWANCE (TDA)
An employer is required to pay the employee a Temporary Disability Allowance (TDA), provided all of the following conditions have been met:

- The employee has exhausted their leave credits; and
- The employee is placed on involuntary leave status; and
- The employer is applying for disability or industrial disability retirement on the employee’s behalf.

To determine the amount of the TDA, submit an Employer Originated Disability Allowance Estimate Request (PERS-BSD-TDA Estimate) form. The request should be completed in full and mailed or faxed to:

CalPERS
Benefit Services Division
PO Box 94271
Sacramento, CA 94229-2715
Fax: (916) 795-0701

The request form must include the last day on pay status. The recommended retirement date to use on the application is the first of the month the application will be sent to CalPERS.

If the disability retirement is approved, CalPERS will reimburse the employer the amount of TDA that was paid to the member from the retroactive portion of the retirement allowance. If the amount of TDA exceeds the retroactive amount, the employer will be reimbursed from the member’s monthly retirement allowance at the rate of 10% until the reimbursement is satisfied. If the disability retirement is denied, the employer is responsible for paying the member the difference between the TDA and the employee’s salary. The member also receives leave credits for the time they were on TDA.

For additional information regarding TDA, please refer to CalHR’s Personnel Management Liaison (PML) memo 2002-005.

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 formula (1.8% for State Second Tier or 1.125% for State Second Tier); and
- The final compensation — based on the highest average annual compensation earnable during any 12 or 36 consecutive months of pay rate, not earnings, (usually the last 12 or 36 months of employment). See the Final Compensation topic in this section for information about whether to use 12-month or 36-month compensation.

Find the benefit factor and years of service credit in the following groupings. Follow the instructions listed and fill in the worksheet on the following page.

STATE First TIER
A State First Tier member must have at least five years of service credit to be eligible for disability retirement. (G.C. section 21150)

If the member has between five and 10 years, OR 18 ½ or more years of service credit, multiply the years of service by 1.8% to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓ %.)

(G.C. section 21423)

THEN

Multiply the percentage of final compensation by the highest average annual compensation earnable during any 12 or 36 consecutive months to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).

STATE Second TIER
A State Second Tier member must have at least ten years of service credit to be eligible for disability retirement.

If the member has between 10 and 18½ 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% to determine the percentage of final compensation. (The maximum percentage allowable is 33 ½ %.)

(G.C. section 21423)

THEN

Multiply the percentage of final compensation by the highest average annual compensation earnable during any 12 or 36 consecutive months to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).
67) and multiply the TOTAL by 1.125% to determine the percentage of final compensation. (The maximum percentage allowable is 33 1/3 %)
If the member has 29.629 years or more of service credit, multiply the years of service by 1.125% to determine the percentage of final compensation. (G.C. section 21424)

THEN

Multiply the percentage of final compensation by the highest average annual compensation earnable during any 12 or 36 consecutive months to find the Unmodified Allowance. (If the member is eligible for service retirement, the member will receive the higher allowance payable, service or disability).

SUBROGATION (G.C. sections 20250, 20252, 20253, 20254, and 20255)
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.” (G.C. section 20250)

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.

SICK LEAVE/EDUCATION LEAVE
Employers must certify the separation information by submitting it and any updates online using myCalPERS. Separation information includes the employee’s permanent separation date and any unused sick leave or educational 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.

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 myCalPERS, 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.

To receive sick leave credit or educational leave credit, the member’s retirement date must be within 120 days from the date of separation from the employer granting the sick leave or educational
leave. Educational leave shall ONLY apply to eligible State members in bargaining units that have agreed to the benefit in a memorandum of understanding through collective bargaining.

NOTE:
Sick leave/educational leave information must be reported in 8 hour days only. Employers can take whatever in-house procedures they desire to ensure appropriate sick leave/educational leave days are reported. For instance, the employee’s sick leave/educational leave can be taken off the books the day the certification is completed.

The Personnel Information Management System (PIMS) is still used to report credit for unused sick leave/educational leave. If your agency needs to correct the reported amounts, you should correct the permanent separation event on the appointment in myCalPERS which will allow you to update the sick leave/educational leave amounts to the correct number and the member’s account will be adjusted.

CONVERSION OF SICK LEAVE/EDUCATIONAL LEAVE CREDITS FOR EMPLOYEES WORKING EIGHT HOURS PER DAY
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/educational leave divided by eight to determine the number of days to report to CalPERS for the purposes of enhancing the retirement benefit.

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.

NOTE: The accrual of sick leave/educational 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/educational leave” policy, may not be credited on an individual basis for the purposes of enhancing the retirement benefit. Unused sick leave/educational leave for which a member receives compensation, (sick leave/educational leave cash out) should not be reported to CalPERS for purposes of enhancing the retirement benefit.

INSTRUCTIONS FOR COMPLETION OF THE PERS-BSD-194
Upon approval of an application for disability retirement by the System, the Benefit Services Division will require payroll information to begin the disability retirement payments.

The Report of Separation and Advance Payroll Information (PERS-BSD-194) 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 (if applicable)
• Last Day of 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 myCalPERS 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 you, which is the day after the last day on payroll or the day after a leave of absence with or without pay ends. 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.
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 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 PERS-BSD-194 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.”
Retirees must be enrolled (appointed) as a “Retired Annuitant” in the myCalPERS system. (G.C. section 20221.5)

**RESOURCES FOR HIRING RETIREES**
Refer to the following publications for specific employer guidelines:

- **Circular Letter 200-002-14**, Post Service Retirement Employment Requirements
- **Employer Checklist for Hiring CalPERS Retirees**
- **Circular Letter 200-053-16**, Requirements for Working after Disability Retirement for a CalPERS Employer

These publications are available on our CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**RESOURCES FOR MEMBERS AND RETIREES**
Advise your retiring employees and retirees to educate themselves before seeking post-retirement employment by reading our member publication **Employment After Retirement** (PUB 33), available through the Forms & Publications page on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**GOVERNMENT CODES**
California retirement law and federal tax law provide specific restrictions for employment after retirement.

Government Code (G.C.) sections 7522.56, 7522.57, 21202, 21220, 21220.5, 21221(h), 21224, 21227, 21229, 21231, and 21232 provide the requirements for employment of a CalPERS retiree. G.C. section 7522.56 provides that a retired person cannot serve, be employed by, or be employed through a contract directly by a public employer in the same public retirement system from which the retiree receives benefits without reinstatement from retirement (i.e. termination of the retirement), except as permitted.

“Retired annuitant” is our general term for a CalPERS retiree employed by a CalPERS employer under the authority of G.C. sections 7522.56, 21221(h), 21224, 21227 and 21229.

**CIVIL SERVICE ELIGIBILITY REQUIREMENT FOR RETIRED ANNUITANT EMPLOYMENT AND EMPLOYMENT UNDER G.C. SECTION 21232**
CalPERS service retirees can only be lawfully employed in retired annuitant compliant positions. CalPERS disability retirees can be lawfully employed in retired annuitant positions or upon CalPERS’ pre-approval be employed in permanent positions with certain restrictions. A state agency cannot hire a CalPERS retiree unless the retiree meets the Civil Service Act eligibility requirements to qualify as a state retired annuitant.

A CalPERS retired state civil service employee may be appointed as a retired annuitant to a position that is either (a) in the class in which the person had permanent or probationary status or a Career Executive Assignment (CEA) appointment at the time of retirement; or (b) in another class to which the person could have been permanently transferred, reinstated, or demoted at the time of retirement.

A CalPERS retiree who is not retired from state civil service, i.e. retired from a CalPERS public agency or school employer or a retired state employee exempt from civil service can only be appointed as a retired annuitant if he/she (a) qualifies for appointment under other civil service provisions such as emergency appointment, temporary authorization (TAU) appointment or (b) eligibility on a civil service employment list for the position.

For more information see the Personnel Management Policy and Procedures Manual pages 360.1 – 360.4 available from the California Department of Human Resources (CalHR).

Exempt From Civil Service or Non-Testing Positions: CalPERS retirees who are not civil service eligible to be hired as a state agency retired annuitant cannot be appointed to non-testing, exempt from civil service or any other state agency position without reinstatement from retirement.
retirement, i.e., terminating their CalPERS retirement.

**TERMINATION OF RETIREMENT DUE TO UNLAWFUL EMPLOYMENT**

Employers and retirees have equal responsibility to ensure any post-retirement employment is lawful. CalPERS service retirees can only be lawfully employed in retired annuitant compliant positions. CalPERS disability retirees can be lawfully employed in retired annuitant positions or upon CalPERS’ pre-approval be employed in permanent positions with certain restrictions.

Employment that violates any of the retired annuitant requirements or the G.C. section 21232 requirements for disability/industrial disability retirees is unlawful employment. Unlawful employment results in reinstatement from retirement for the retiree, i.e., termination of the retiree’s monthly retirement allowance and any other post-retirement benefit.

When reinstated for unlawful employment, the retiree is required to reimburse CalPERS for the retirement allowance received during the period of unlawful employment. Upon enrollment into active membership, the employee will pay member contributions plus interest to the employer for the period of unlawful employment. The employer will pay retroactive employer contributions plus interest and submit the member contributions thereby crediting the employee with service credit for the period of unlawful employment.

**SCREEN FOR RETIREES WHEN HIRING**

When interviewing potential employees, the employer should ensure they lawfully hire CalPERS retirees:

- Ask if the candidate is a CalPERS retiree and if so, to specify the type of retirement: service, disability, or industrial disability.

- Ensure the candidate is civil service eligible to be appointed as a retired annuitant. CalPERS retirees cannot be lawfully hired into positions exempt from civil service.

- If the candidate is a CalPERS service retiree and the position is not a retired annuitant position, inform the candidate that reinstatement from retirement (i.e., termination the CalPERS retirement and enrollment as an active employee) is required in order to be hired into the position. Refer to the publication Reinstatement from Retirement (Pub 37), for the voluntary reinstatement process.

- If the candidate is a CalPERS disability/industrial disability retiree and the position is a retired annuitant position, the employer will need to make sure the job duties must differ significantly from those required under the position from which the candidate retired. The position should not include duties or activities the candidate was previously restricted from performing at the time of his/her retirement. If the position is not a retired annuitant position, inform the candidate that CalPERS’ pre-approval must be obtained before being hired. Refer to the “Employment of a Disability/Industrial Disability Retiree” section of this guide for more information.

**WAIT PERIODS FOR RETIREES**

To be eligible for employment as a retired annuitant, all retirees (both service and disability/industrial disability) must meet the following requirements in order to work for a CalPERS state agency employer:

A. The 60 calendar day bona fide separation requirement if younger than normal retirement age on retirement date.

B. The 180-day wait period requirement or an allowable exception.

These requirements are further explained below.

**A. BONA FIDE SEPARATION IN SERVICE REQUIREMENT:**

The bona fide separation in service is required of CalPERS by Internal Revenue Code tax regulations in order to maintain our federal tax-qualified status. The only exception to the 60 calendar day separation is when a declared emergency as provided in G.C. section 8558 requires the employment of the retiree. (California Code of Regulations (CCR) sections 586-586.2 and G.C. 21220.5.

When the retiree is under his/her “normal retirement age” on the retirement date, employment cannot begin, even if an exception
to the 180-day wait period applies, unless both of the following conditions are met:

- There was no verbal or written agreement to return to work, either as a retired annuitant or in a position under G.C. section 21232, between the member and the employer before the member retired, and
- There is a termination of employment (separation in service) for 60 calendar 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 formulas. For example, the normal retirement age for a 2% @ 55 retirement benefit formula is 55. If the member has more than one retirement benefit formula, then the “normal retirement age” is the oldest benefit formula age, up to the maximum normal retirement age of 62. This applies even if the service in that formula was with a previous CalPERS employer and/or several years prior. Members can view all of their retirement formulas on their most recent or final Annual Member Statement, available online via their my|CalPERS member self-service account, or mailed (if elected) each November.

**Example 1:** Joe Smith is a state miscellaneous member who retired June 30, 2012 at age 52. His retirement benefit formula is 2% at 55. Because he has not reached his normal retirement age of 55, he must have the bona fide separation in service.

**Example 2:** Joe Smith is a current local miscellaneous member. His two retirement benefit formulas are 2% at 60 and 1.25% at 65. The normal retirement age for Joe is the maximum normal retirement age of 62, not 65. If Joe retires prior to age 62, he must have the bona fide separation in service.

If the retiree has reached his/her normal retirement age, i.e., the oldest formula age on the retirement date, this bona fide separation is not required.

**B. 180-DAY WAIT PERIOD REQUIREMENT**

All employees whose post-retirement employment begins January 1, 2013 or later must serve a 180-day wait period between the retirement date and the first day of post-retirement employment. There are certain exceptions to this wait period as identified below.

**NOTE:** None of the following exceptions apply if the retiree receives a Golden Handshake or any other retirement incentive (G.C. section 7522.56(f)).

The exceptions to the 180-day wait period for state agencies are as follows:

- **Firefighter or Public Safety Officer:** The person retired as a firefighter or public safety officer as defined in G.C. section 3301 (peace officer) and will perform firefighter or public safety officer retired annuitant work. (G.C. section 7522.56(f)(4) and CCR section 579.25).
- **FERP Participation:** The retiree is eligible to participate in the Faculty Early Retirement Program (FERP) pursuant to a collective bargaining agreement with the California State University that existed prior to January 1, 2013 or has been included in subsequent agreements.

**CalHR CERTIFICATION FOR STATE AGENCIES**

The state employer certifies the nature of the employment and that the appointment is necessary to fill a critically needed state employment position before 180 days have passed and the appointment has been approved by the Department of Human Resources (CalHR). CalHR will forward the approval to CalPERS. (G.C. section 7522.56)

**State Agencies’ Refer to the CalHR Online Human Resource Manual**

**State Agency Employees Not Subject to CalHR Approval:** The following state agencies must secure a 180-day wait period exception for their retirees as follows:

- **Legislative Employees Resolution-Certification:** For legislative employees, the Senate Committee on Rules or the Assembly Rules Committee certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and approves the appointment in a
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public meeting. The appointment may not be placed on a consent calendar.

• **Court Employees Resolution Certification:** For court employees, the Judicial Council of California certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days has passed and approves the appointment in a public meeting. The appointment may not be placed on a consent calendar. No court division other than the Judicial Council of California can approve the 180 day wait period exception.

• **California State University (CSU) Employees Resolution Certification:** For CSU employees, the Trustees of the CSU certify the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed and approves the appointment in a public meeting. The appointment may not be placed on a consent calendar.

**SAMPLE 180 – DAY EXCEPTIONS RESOLUTIONS FOR LEGISLATIVE, COURT AND CSU RETIREEs ONLY**

To secure a 180-day wait period exception, the legislative, court or CSU employer must submit the resolution-certification package (see instructions and sample resolutions at the links below) and a copy of the retiree’s employment agreement or personnel appointment document to CalPERS before the first day of employment.

- **180-Day Wait Period Exception Sample Resolution Public Agencies**
- **180-Day Wait Period Exception Sample Resolution Schools**

Submit documents by fax to (916) 795-4166 or mail to:

CalPERS  
C/o Membership & Post-Retirement Employment Determinations  
Employer Account Management Division  
PO Box 942709  
Sacramento, CA 94229-2709

**SERVICE RETIREMENT VS. DISABILITY/INDUSTRIAL DISABILITY RETIREMENT**

**SERVICE RETIREMENT**

A CalPERS service retiree may work for a CalPERS employer (i.e., an employer who contracts with CalPERS for retirement benefits or state agencies in a retired annuitant position as noted above under Civil Service Eligibility). If a service retiree is appointed to a permanent regular staff position, regardless of whether part time or full time, he/she is unlawfully employed and subject to termination of retirement, i.e., reinstatement from retirement. Refer to the **Termination of Retirement Due to Unlawful Employment** section for more information.

**DISABILITY/INDUSTRIAL DISABILITY RETIREMENT**

A CalPERS disability/industrial disability retiree may work for a CalPERS employer (i.e., an employer who contracts with CalPERS for retirement benefits or state agencies in a retired annuitant position, as noted above under Civil Service Eligibility, or in a permanent position). A retired annuitant position does not require CalPERS pre-approval; however, the position must be significantly different from the position which a retiree retired. The position should not include duties or activities that the retiree was previously restricted from performing at the time of his/her retirement.

CalPERS pre-approval is required for working in a permanent position (full-time or part-time) for a CalPERS employer. Refer to the **Employment of a Disability/Industrial Disability Retiree** section for more information.

**RETIRED ANNUITANT EMPLOYMENT REQUIREMENTS FOR ALL RETIREES**

For all retirees, CalPERS pre-approval is not required for appointment to retired annuitant positions. The retired annuitant requirements are:

- **Limited Duration Work:** The retiree has the skills needed to perform work of limited duration or the employment is needed during an emergency to prevent stoppage of public business.

- **960-hour Fiscal Year Limit:** A retired annuitant can work no more than 960 hours in a fiscal year, July 1 - June 30, for
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Employment with all CalPERS employers combined. There is no exception to this limit. The retiree and employer have equal responsibility to track the hours worked.

- A CSU academic retiree may be employed in any fiscal year as a member of the CSU academic staff in a retired annuitant position not to exceed 960 hours for all employers or 50 percent of the hours the member was employed during the last fiscal year of service prior to retirement whichever is less (GC sections 7522.56 and 21227).

Pay Rate Only Compensation:
- Extra Help Positions: The retiree can be paid no more than the maximum monthly base salary paid to other employees performing comparable duties as listed on the employer’s publicly available pay schedule divided by 173.333 to equal an hourly rate.

- Vacant Position Appointments: The retiree can be paid no less than the minimum and no more than the maximum monthly base salary paid to other employees performing comparable duties as listed on the employer’s publicly available pay schedule for the vacant position divided by 173.333 to equal an hourly rate.

No Benefits/Other Compensation: In addition to the hourly pay rate, the retiree cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate. There are no exceptions.

No Retirement Contributions: No retirement contributions are collected or paid for employed retirees. Only active members pay contributions. (G.C. sections 7522.56 and 21224).

UNEMPLOYMENT INSURANCE 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.

Employers may require retirees provide a current Unemployment Insurance Benefit (UIB) printout from the Employment Development Department (EDD) indicating whether or not they have collected unemployment insurance within the last 12 months to verify compliance:

- Retired Annuitant Self-Certification form CalHR Form 715 can be downloaded from the CalHR website at www.calhr.ca.gov.

- Authorization for Release of Unemployment Insurance Records for Retired Annuitants form EDD Form DE 1181 can be downloaded from the Employment Development Department (EDD) website at www.edd.ca.gov.

If a currently employed retiree is discovered to have received unemployment insurance compensation based on prior retired annuitant employment, the current employment must be terminated on the last day of the current pay period and the retiree shall not be eligible for reappointment by a CalPERS employer for 12 months following the termination of the current employment. A violation of this provision will not result in reinstatement from retirement. (G.C. sections 7522.56(e) and 21224)

SPECIAL APPOINTMENTS – RETIRED ANNUITANT REQUIREMENTS DO NOT APPLY

- Elected and Appointed Officers: As authorized by G.C. section 21231 (previously G.C. section 21221(d) and 21222), a CalPERS retiree may serve in an elected or appointed office while retired. However, if all or part of this retiree’s retirement allowance is based on service credit in that office, the portion of the retirement allowance based on that service credit is suspended during the retiree’s time...
in office. When the retiree leaves the office, his/her allowance is unsuspended prospectively.

- **Full-time State Board or Commission**: A CalPERS retiree may be appointed to serve on a full-time salaried state board or commission as follows: The retiree may serve without reinstatement from retirement as a non-salaried member and receive only the per diem authorized to all members of the board or commission. If the retiree accepts the salary, the retiree must reinstate from retirement (G.C. section 7522.57(c)).

- **Part-time State Board or Commission**: A CalPERS retiree may be appointed to serve on a part-time state board or commission provided the annual salary is no more than $60,000. This annual salary shall only be increased in any fiscal year in which a general salary increase is provided to state employees. (G.C. section 7522.57(b)).

- **Full-time State Board or Commission, Not a CalPERS Retiree**: A retiree from a public pension system other than CalPERS appointed to a full-time salaried board or commission shall choose one of the following:
  a. The retiree may serve without reinstatement from retirement as a non-salaried member and receive only the per diem authorized to all members of the board or commission.
  b. The retiree may suspend his or her retirement allowance(s) and instate as a new member of CalPERS to serve as a full-time salaried board or commission member. This service shall not be eligible for reciprocity with any other retirement system or plan. (G.C. section 7522.57(d)).

- **State Board of Parole Hearings**: A person retired from a public employer may serve without reinstatement from retirement upon appointment as a full-time member of the Board of Parole Hearings. This appointment is made by the Governor and requires confirmation by the California Senate. (Penal Code section 5075 and G.C. section 7522.57(e)).

### INDEPENDENT CONTRACTOR EMPLOYMENT – INDEPENDENT CONTRACTOR, CONSULTANT OR THIRD-PARTY EMPLOYEE

Before employing a retiree as an independent contractor, consultant or third-party employee, please see “Positions Excluded from CalPERS Coverage, Independent Contractors” and note the following:

- 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. (Refer to: [https://www.calpers.ca.gov/docs/05-01-neidengard-tri-counties-disabled.pdf](https://www.calpers.ca.gov/docs/05-01-neidengard-tri-counties-disabled.pdf)). A “contract employee” (i.e., a common law employee who periodically signs an employment contract) is eligible for CalPERS membership, if otherwise qualified.

- If the retiree will be your employee under common-law employment principles, i.e., there is an employer-employee relationship, the employment is subject to the retired annuitant requirements.

- Statutory positions, i.e., positions that are employees by statute cannot be filled by an independent contractor, consultant or third-party employee. Examples are City Mayor, Police Chief and Fire Chief.

It is recommended that prior to hiring a retiree as a purported independent contractor you obtain
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an Independent Contractor vs. Employee determination from CalPERS.

Contact the Employer Account Management Division at 888 CalPERS (or 888-225-7377) to request the Independent Contractor Checklist package.

EMPLOYMENT THROUGH A THIRD-PARTY EMPLOYER (ALL RETIREEs)

Before employing a retiree through a third-party employer, temporary employment agency or through the retiree’s own business entity, see “Positions Excluded from CalPERS Coverage, Independent Contractors” and note the following:

- The fact a third-party employer pays the retiree’s wages or salary does not exempt the employment from the retired annuitant requirements.

- If the retiree will be your employee under common-law employment principles, i.e., there is an employer-employee relationship, the employment is subject to the retired annuitant requirements.

- Statutory positions, i.e., positions that are employees by statute cannot be filled by employees of a third-party employer. Examples are City Mayor, Police Chief and Fire Chief.

- Payroll Reporting for Retired Annuitants hired through a Third-Party Employer: If a retiree hired through a third party employer qualifies as a retired annuitant, the retiree must be enrolled as a retired annuitant and you must obtain the pay rate and hours worked from the third party employer and report his/her payroll the same as for your directly employed retired annuitants.

It is recommended that prior to hiring a retiree as a purported employee of a third-party employer you obtain an Independent Contractor vs. Employee determination from CalPERS.

Contact the Employer Account Management Division at 888 CalPERS (or 888-225-7377) and request the Independent Contractor Checklist package.

EMPLOYMENT IN OTHER PUBLIC RETIREMENT SYSTEMS

If a retiree is a service retiree, he/she can be employed in positions that qualify for membership in any other public retirement system without terminating their CalPERS retirement.

If a retiree is a disability retiree, he/she can work for an employer in a different retirement system and continue to receive his/her CalPERS retirement allowance with the following restrictions:

- The employment must be in a position significantly different from the one from which the retiree retired. The position should not include duties of activities he/she was previously restricted from performing at the time of his/her retirement.

If a retiree is a disability retiree under the minimum service retirement age, his/her retirement benefit will be subject to an earnings limit. He/she is required to report his/her employment earnings to CalPERS either on a monthly or quarterly basis. The total employer-paid portion of his/her monthly retirement allowance and his/her new earnings cannot be greater than the current compensation of the position from which he/she retired. If the total is greater, his/her retirement allowance will be reduced.

- Contact us at 888 CalPERS (or 888-225-7377) to request a Disability Retiree’s Report of Earnings form.

If a retiree is an industrial disability retiree, his/her retirement allowance is not subject to an earnings limit, even if he/she is under the service retirement age.

- If a retiree is under service retirement age and is determined to be performing duties similar to those from which he/she was previously found disabled, CalPERS can re-evaluate his/her medical condition to determine whether he/she should be reinstated from retirement back into his/her former position.
A retiree’s disability retirement requires him/her to inform CalPERS immediately if he/she is no longer incapacitated or if he/she is currently employed in a position similar to the job he/she retired.

Employment in CalSTRS Certificated Positions: Upon clarification by the Department of Finance and the appropriate legislative committee analysts of the legislative intent of PEPRA’s G.C. section 7522.56, Conditions and Limitations on Service After Retirement, CalPERS will no longer interpret this section to prohibit CalPERS’ retirees from accepting CalSTRS covered certificated positions or positions in any other public retirement system. Given this, no new statute or amendment to G.C. section 7522.56 is required to allow for the lawful employment of CalPERS’ retirees in CalSTRS covered certificated positions or positions in any other public retirement system. The 180 day wait period and bona fide separation requirements do not apply to CalSTRS covered certificated positions or positions in any other public retirement system.

CalPERS retirees cannot elect CalSTRS membership for CalPERS covered classified positions per G.C. section 20309, which only applies to active CalPERS members.

Employment in JRS II or LRS: For information about employment in positions that qualify for membership in the Judges’ Retirement System II (JRS II) or the Legislators’ Retirement System (LRS), please call (916) 795-3688.

Private Sector Employment After Retirement
If a retiree is a service retiree, he/she can work for a private industry employer not associated with any CalPERS employer without restrictions and continue to receive his/her retirement allowance.

If a retiree is a disability retiree, he/she can work for a private industry employer not associated with any CalPERS employer and continue to receive his/her CalPERS retirement allowance with the following restrictions:

- The retiree’s employment must be in a position significantly different from the one from which he/she retired. The position should not include duties or activities he/she was previously restricted from performing at the time of his/her retirement.
- If a retiree is a disability retiree under the minimum service retirement age, his/her retirement benefit will be subject to an earnings limit. He/she is required to report his/her employment earnings to CalPERS either on a monthly or quarterly basis. The total employer-paid portion of his/her monthly retirement allowance and his/her new earnings cannot be greater than the current compensation of the position from which he/she retired. If the total is greater, his/her retirement allowance will be reduced.

Contact us at 888 CalPERS (or 888-225-7377) to request a Disability Retiree’s Report of Earnings form.

- If a retiree is an industrial disability retiree, his/her retirement allowance is not subject to an earnings limit, even if he/she is under the minimum service retirement age. (G.C. section 21432)

- If a retiree is under the service retirement age and is determined to be performing duties similar to those from which he/she was previously found disabled, CalPERS can re-evaluate his/her medical condition to determine whether he/she should be reinstated from retirement back into his/her former position.

A retiree’s disability retirement requires the retiree to inform CalPERS immediately if he/she is no longer incapacitated or if he/she is currently employed in a position similar to the job he/she retired.

Employment of a Disability/Industrial Disability Retiree
To be eligible for employment in a permanent position (part time or full time) while receiving a disability/industrial disability retirement allowance, a disability retiree must first meet the following requirements:

A. The bona fide separation requirement, if applicable

B. The 180-day wait period requirement or an allowable exception
C. No receipt of unemployment insurance payments for previous retired annuitant employment 12 months before the appointment

D. State Employer Civil Service Eligibility for employment with a state agency employer

CalPERS pre-approval is required for working in a permanent position (including permanent part time and full time) without reinstatement. Such employment cannot begin prior to the Board’s approval and must meet the requirement in G.C. section 21232. In addition, the position should not include duties or activities that the retiree was previously restricted from performing at the time of his/her retirement. Violation to any of these requirements will result in reinstatement from disability/industrial disability retirement and the member’s retirement benefits will be terminated. (G.C. sections 21220 and 21202)

A disability/industrial disability retiree cannot be employed in a pre-approved G.C. section 21232 permanent position and be employed in a retired annuitant position at the same time.

G.C. section 21232 states, “On and after January 1, 2013, a person who has retired for disability and has not attained the mandatory age for retirement for persons in the employment in which he or she will be employed, and whom the board finds is not disabled for that employment, may be so employed by any employer without reinstatement from retirement if the position is not the position from which this person retired or a position in the same member classification. The person’s disability retirement pension shall be reduced during this employment to an amount that, when added to the compensation received, equals the maximum compensation earnable by a person holding the position that he or she held at the time of retirement. This employment shall terminate upon the person’s attainment of the mandatory retirement age for persons in that employment. A person employed under this section shall not be concurrently employed under this article."

To request re-employment approval:
1. The retiree is required to review the Employment After Retirement (Pub 33) for information and requirements regarding working while receiving disability/industrial disability retirement benefits before applying.

2. The retiree needs to complete and sign Section 1 of the Request to Work While Receiving Disability/Industrial Disability Retirement Benefits (PERS07M0044DMC) form provided online.

3. The prospective employer completes Section 2 of the request form, stating their “intent to hire” the retiree upon CalPERS approval. Attach a copy of the current job duty statement and completed and signed Physical Requirements of Position/Occupational title (PERS01M0050DMC) form for the position which the retiree is requesting to work.

4. The retiree must schedule an appointment with a specialist for the disabling condition(s) that precluded them from working and provide the specialist with a copy of the position duty statement and the completed Physical Requirements of Position/Occupational Title form.

5. The retiree must provide CalPERS with a medical report on appropriate letterhead from the specialist visited. The report must include the following information:
   - Retiree’s name and the date of the most recent examination.
   - Confirmation that the specialist reviewed and discussed with the retiree the position duty statement (by title) and the Physical Requirements of Position/Occupational Title form.
   - Whether or not the retiree has any limitations or restrictions to performing all tasks involved.
   - Specific details explaining the restrictions, if any.
   - Specialist’s signature printed name, medical specialty, and contact information.

6. CalPERS may require an independent medical evaluation to supplement the doctor’s report. If so, CalPERS will select
Employment of a Retiree

the physician, schedule the appointment, and pay for the examination. (G.C. section 20129)

Upon approval of the re-employment, the employer is required to enroll the retiree in the myCalPERS system and report the retiree’s payroll. No retirement contributions are collected or paid for employed retirees. Only active members pay contributions.

The retiree will be required to submit a copy of their first paystub and a copy of his/her W-2 form annually, in January to CalPERS, as the disability/industrial disability retirement pension is subject to an earnings limit for as long as the employment continues. (G.C. section 21232)

If the retiree is to be promoted, demoted, lateral transferred, reclassified, change job location or restarts a previous approved position or changes to a different employer, 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.
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. (G.C. sections 7522.02 and 7522.04)

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 an employer which the employee has not previously worked under 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 service retiree in a permanent position, whether full-time or part-time, the service retiree must reinstate from service retirement into active CalPERS membership. (G.C. section 20096)

A member 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 (PERS-BSD-145) in a timely manner. This application is enclosed in the Reinstatement From Retirement publication (PUB 37).

If a disability or industrial disability retiree wants to reinstate to a permanent position, whether full-time or part-time, the disability retiree must obtain CalPERS’ pre-approval for reinstatement prior to being hired as a regular employee. (G.C. sections 21191, 21192 and 21193). Violation of this requirement will result in reinstatement from disability/industrial disability retirement i.e., termination of retirement, and may impact the retiree’s future re-retirement benefits, such as losing the benefit stated under G.C. section 21197.

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 on the Forms & Publications page 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 from which the member previously retired can result in the loss of the previous retirement benefits. The retiree should contact the new employer’s personnel office to clarify any questions about health and dental benefits, vision care, unused sick leave and death benefits available to that employer’s employees and retirees before reinstating. A previous Golden Handshake is permanently lost upon reinstatement with any employer.

Reinstatement from retirement affects the cost-of-living adjustment (COLA). The annual COLA increase will begin in the second calendar year after re-retirement. 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. (G.C. sections 21310.5, 21311, and 21313)

To retire again following reinstatement (re-retire), the member must submit a new application for retirement. The member should contact the employer’s personnel office or CalPERS prior to retirement to obtain the most current application document(s).

SERVICE RETIREMENT

The Board, pursuant to the provisions of G.C. section 21196, may reinstate a person who has been retired under this System for service upon CalPERS receipt of the completed Reinstatement From Service Retirement Application (PERS-BSD-145). This application is enclosed in the Reinstatement From Retirement publication (PUB 37).
The retiree 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 of the permanent employment.

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 judgment. The requirements of Section 21196 shall not apply in this case (G.C. 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 G.C. section 21196, upon the retiree’s application to CalPERS, 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 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 (G.C. section 21200).

**DISABILITY/INDUSTRIAL DISABILITY RETIREMENT (G.C. SECTIONS 21191, 21192, 21193 AND 21201)**

A retiree retired for disability/industrial disability may request approval from CalPERS to reinstate to another CalPERS covered position.

1. The Board may require any retiree receiving a disability/industrial disability retirement allowance, under the minimum age for voluntary retirement for service, to undergo a medical examination for the approved disabling condition(s). If CalPERS 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 retiree was retired for disability/industrial disability does not prejudice any right to reinstatement to duty, which the retiree may claim. The retiree’s disability/industrial 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 retiree resumes active member status, including earning additional service credit towards their subsequent retirement. Upon a disability retiree’s application for reinstatement, the Board may require the retiree, who is at least six months less than the age of compulsory retirement for service applicable to members of the class or category in which the retiree is applying for, to undergo a medical examination for the approved disabling condition(s). (G.C. sections 21192 and 21193)

3. A State disability retiree has reinstatement rights to the retired position. If he/she requests approval to reinstate in a different position or with a different employer other than the one he/she retired from, the retiree will be determined whether he/she can perform all the duties either the retired position or the new position. If he/she is still disabled for the retired position and not disabled for the new position, he/she still has the reinstatement rights to the retired position. If he/she is not disabled for either of the positions, he/she has the rights to reinstate to the retired position. However, if he/she decides to reinstate to the new position, he/she will lose the reinstatement rights to the retired position. (G.C. section 21193)

To request approval, the employer and retiree must:

- Complete sections 1 and 2 (if applicable, see Additional Information for Industrial Disability section below) of the Reinstatement from Disability/Industrial Disability Retirement application (PERS01M0036DMC) found in the Reinstatement From Retirement publication (PUB 37);

- If the retiree is requesting reinstatement into a different position from which they retired or reinstatement with a different employer, the prospective employer must complete section 3 stating their intent to hire the retiree upon CalPERS approval. (G.C. sections 21192 and 21193)

- The employer provides a current job duty statement for the position and a completed and signed Physical Requirements of Position/Occupational Title form (PERS01M0050DMC) to the retiree. If the
The retiree is requesting reinstatement into a different position from which they retired or reinstatement with a different employer, the retiree will need to obtain a current job duty statement and a completed and signed Physical Requirements of Position/Occupational Title form (PERS01M0050DMC) for the retired position from the former employer as well:

- The retiree must schedule an appointment with a specialist for the disabling condition(s) that was previously approved and provide the specialist with a copy of the position duty statement and the completed Physical Requirements of Position/Occupational Title form;
  - If the retiree is requesting reinstatement to his/her retired position with the same employer that he/she retired from, the specialist(s) must include in the medical report the following pertinent information on appropriate letterhead (G.C. sections 21192 and 21193):
    - The retiree’s name and the date of the most recent examination
    - The retiree’s current diagnosis
    - Confirmation that the specialist(s) reviewed and discussed with the retiree the position duty statement (by title) and the Physical Requirement of Position/Occupational Title form.
    - A statement as to whether the retiree is presently capable of performing all tasks involved for his/her retired position with or without restrictions or limitations.
    - If there are restrictions or limitations, include specific details about the restrictions for the former position.
    - The specialist’s signature, printed name, medical specialty, and contact information.
  - If the retiree is requesting reinstatement to a different position or with a different employer, the specialist(s) must include in the medical report the following pertinent information on appropriate letterhead (G.C. sections 21192 and 21193):
    - The retiree’s name and the date of the most recent examination
    - The retiree’s current diagnosis
    - Confirmation that the specialist(s) reviewed and discussed with the retiree the position duty statements (by title) and the Physical Requirement of Position/Occupational Title form for both the position he/she retired from and the new position he/she have applied for.
    - A statement as to whether the retiree is presently capable of performing all tasks involved for either of these positions with or without restrictions or limitations.
    - If there are restrictions or limitations, include specific details about the restrictions for both positions.
    - The specialist’s signature, printed name, medical specialty, and contact information.
- 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. (G.C. section 20129)
- If the retiree whose disability retirement has been canceled does not re-enter CalPERS covered employment, an amount which is the actuarial equivalent of the retiree’s annuity at cancellation shall be credited to the individual account, and shall be refunded unless the retiree is eligible to elect, and does elect, to allow their accumulated contributions to remain in the retirement fund (G.C. section 21172).

**ADDITIONAL INFORMATION FOR INDUSTRIAL DISABILITY**

For reinstatement from Industrial Disability to a miscellaneous position with a CalPERS-covered employer only, the retiree must also:

- Check the box in Section 2

The prospective employer must:

- Complete Section 3 stating their intent to hire the retiree upon CalPERS approval (G.C. sections 21192 and 21193).

Upon subsequent retirement, the retiree’s allowance will be recalculated based on the average of the highest pay rate and special compensation during any consecutive 12 or 36 months depending upon membership date using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If the retiree is eligible for a service retirement after the miscellaneous employment, the retiree may receive whichever allowance is greater, but will retain the
Reinstatement from Retirement

industrial disability retirement classification.
(G.C. § 21197 and 21201)

However, if the retiree is found no longer incapacitated from performance of the job duties of his/her retired position due to his/her approved disabling condition(s); he/she has the right to reinstate to his/her retired position. If he/she chooses to continue working in the miscellaneous position, he/she will lose his/her mandatory reinstatement rights to the retired position. In addition, he/she will no longer be covered under Government Code section 21201 when he/she stops working. He/she will not be entitled to resume an industrial disability retirement allowance using the salaries earnable under the miscellaneous position. (G.C. section 21193).
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 publication (PUB 98) 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 Registration of Domestic Partnership of the retiree. (G.C. section 21462)
- Legal separation, dissolution or annulment of the retiree’s marriage or termination of the retiree’s domestic partnership, if initiated after the designation was filed. (G.C. section 21462)
- Birth or adoption of a child. (G.C. section 21462)

Should any one of these events occur, a retiree’s existing beneficiary designation for the Return of Remaining Contributions, the lump sum Retired 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 retiree’s spouse/registered domestic partner, or if none;
2. To the retiree’s natural or adopted children, share and share alike, or if none;
3. To the retiree’s parents, share and share alike, or if none;
4. To the retiree’s brothers and sisters, share and share alike, or if none;
5. To the retiree’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 surviving next of kin in the order prescribed by law.

A retiree may designate a new beneficiary by obtaining a Changing Your Beneficiary or Monthly Benefit After Retirement publication (PUB 98), which includes a Post Retirement Lump Sum Beneficiary Designation Form (PERS-BSD-509-P) and returning the completed form to:

CalPERS
PO Box 942715
Sacramento, CA 94229-2715

The publication is available through the Forms & Publications page on the CalPERS website at www.calpers.ca.gov.

If the retiree 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 retiree’s death.

The retiree’s spouse or domestic partner is required to sign the PERS-BSD-509P acknowledging the designation made by the retiree. If the retiree does not certify they have no spouse/partner or the document does not include the spouse’s or partner’s signature, a Justification for Absence of Spouse’s or Registered Domestic Partner’s Signature (PERS-BSD-800A) must be completed and submitted with their designation.

NOTE: A retiree’s designation and benefit entitlement to any lump sum death benefit may be affected by any domestic relations court order, which awards a current or ex-spouse or partner a community property interest in the retiree’s CalPERS retirement account. (Family Code Section 2610)

For an explanation of the limited situations under which a retiree may change their optional settlement and/or life beneficiary designation after retirement, please refer to the Changing Your Retirement Option or Life Option Beneficiary publication (PUB 98). The publication is available on the CalPERS website at www.calpers.ca.gov.
A survivor or beneficiary who is receiving an allowance following the death of the retiree may designate a beneficiary to receive any unpaid allowance by completing and filing a Beneficiary Designation for Survivor’s Prorated Allowance (my|CalPERS 0777) form with CalPERS. (G.C. section 21491)

NOTE:
If a retiree marries or enters into a registered domestic partnership, the new spouse/domestic partner is not automatically entitled to a monthly death benefit. (G.C. sections 21454, 21453, 21462, and Family Code Section 2610) The retiree would have to modify the Option and name a new beneficiary. A modification will cause a reduction in the retiree’s allowance to provide an ongoing allowance with health and dental coverage to the new spouse or domestic partner. For more information, refer to the Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98) available on the CalPERS website at www.calpers.ca.gov.

QUALIFYING LIFE EVENTS AFTER RETIREMENT
Certain life events can impact a retiree’s CalPERS retirement benefits. Depending on the life event, the retiree can request to:

- Add or change a beneficiary designation,
- Remove a beneficiary designation, or
- Request a benefit allowance increase

Before making an election to add or change a beneficiary designation, the retiree must obtain an estimate of their new retirement allowance by logging in to their personal myCalPERS account at my.calpers.ca.gov and follow the prompts from the Retirement tab to Change Retirement Benefit.

For additional information, see the publication Changing Your Beneficiary or Monthly Benefit After Retirement (PUB 98).

Effective Date for Changing an Option (G.C. Section 21462)
If the retiree 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 the completed election document. Both the retiree and their new beneficiary must be alive on the effective date.

If the retiree 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 retiree and their new beneficiary must be alive on the deferred election effective date.

Insurance Coverage for a New Spouse/Registered Domestic Partner (G.C. Section 22830)
When a retiree considers a modification of retirement option, they need to remember that continuation of health or dental insurance coverage of a new spouse/domestic partner depends on their being enrolled as a dependent on the retiree’s plan at the time of the retiree’s death and whether the retiree made an election of option that provides the new spouse/domestic partner with a monthly benefit.

If a retiree 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 retiree’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 or CalPERS ID, 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 of Separation for Death form PERS-BSD-738 SHOULD NOT be submitted for a retiree’s death.

INFORMATION FOR FAMILY OF DECEASED
When a CalPERS retiree dies, there are several important steps a spouse/domestic partner or family member can take to help assure prompt payment of any benefits payable by CalPERS.

The first step is to notify CalPERS at 888 CalPERS (or 888-225-7377) or by letter at P.O. Box 1652, Sacramento, CA, 95812-1652. We will need as much of the following information as possible:

1. Name and Social Security number or CalPERS ID 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 or registered domestic partner if available.
6. Date of birth of surviving spouse or registered domestic partner if available.
7. Date of marriage or registration of domestic partnership if available.

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

1. A photocopy of the certified death certificate.
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 marriage certificates or birth certificates.

The third step is completing the Application for Retired Member/Payee Survivor Benefits (myCalPERS 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 other documentation, (death certificate, marriage certificate, newspaper clipping, etc.) as quickly as possible. Enclosed with the Application for Retired Member/Payee Survivor Benefits (myCalPERS 1191) form will be a Tax Withholding Election for Survivor Benefits (myCalPERS 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, as administered by CalPERS, the enrollment shall be continuous.
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, CalPERS will contact the bank directly to request repayment of 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. (G.C. section 21510)

* Unless the CalPERS representative specifically tells the surviving spouse/domestic partner 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, 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 (or a non-California resident who chooses to have California state taxes withheld), state income tax will also be withheld based on the rate of a married person claiming three exemptions unless they elect no withholding, 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.

**“RETURN OF REMAINING CONTRIBUTIONS”, TEMPORARY ANNUITY PAYMENTS AND RETIRED DEATH BENEFIT (C.C.R. SECTION 589.5 AND G.C. SECTION 22970.88)**
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 Return of Remaining Contributions, 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 unless the payments are rolled over into an IRA.

If they do not wish to have State tax withheld from Return of Remaining Contributions, 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.
STATEMENT OF BENEFITS PAID AND
WITHHOLDING (C.C.R. SECTION
589.5 AND G.C. SECTION
22970.88)
In January of the year following payment, CalPERS provides each retiree and/or beneficiary with a tax statement showing the gross amount(s) of benefits paid during the previous calendar year and the amount of income tax withheld, if any. All payments made by CalPERS are reported to the IRS and California State Franchise Tax Board. Questions about the taxability of CalPERS benefits should be directed to the IRS, the California State Franchise Tax Board, or a tax advisor.

NOTICE OF POSSIBLE PENALTIES
(C.C.R. SECTION 589.5 AND G.C.
SECTION 22970.88)
If the retiree and/or beneficiary elects not to have federal tax and/or California State tax withheld, or not enough federal or California State tax withheld, the retiree and/or beneficiary may be responsible for payment of estimated tax. The retiree and/or 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 (C.C.R. SECTION 589.5
AND G.C. SECTION 22970.88)
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 retiree and/or beneficiary would need to submit another Tax Withholding Election (myCalPERS 1289) form and submit it to CalPERS. This form can be viewed and printed from the Forms & Publications page on the CalPERS website.

TAXPAYER IDENTIFICATION NUMBER
(C.C.R. SECTION 589.5 AND G.C.
SECTION 22970.88)
Section 6109 of the IRS Code requires recipients of reportable payments to furnish Taxpayer Identification Numbers (TINs). The Social Security Number (SSN) for domestic payees; Individual Taxpayer Identification Number (ITIN) for foreign payees (or Employer ID number, if a trust, estate or organization) must be furnished to CalPERS, even if the retiree and/or beneficiary are not required to file a tax return.
REFUND OF MEMBER CONTRIBUTIONS

MEMBER REFUNDS

Once a permanent separation has been entered into myCalPERS, 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. (G.C. section 20730)

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. (G.C. section 20731)

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, members can review their Annual Member Statement which is available online, via their myCalPERS member account, or mailed (if elected) each November 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. (G.C. section 20731)

Should the member prefer a refund of contributions and interest, he or she will need to return the Refund/Rollover Election Package (myCalPERS 0802) 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. (G.C. section 20734)

A refund will not be issued until the member has been permanently separated from all CalPERS-covered employers via myCalPERS. (G.C. section 20733)

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.
An employer who employs a member who was convicted on or after January 1, 2013 by a state or federal trial court of any felony under the law for conduct arising out of or in the performance of his or her official duties, must notify CalPERS at 888 CalPERS (or 888-225-7377) within 90 days of the conviction. (G.C. sections 7522.72 and 7522.74)

The government code further states that CalPERS may assess a public employer a reasonable amount to reimburse the cost of audit, adjustment, or correction, if it determines that the public employer failed to comply with this section.

Members subject to G.C. 7522.72 or 7522.74 must forfeit all accrued rights and benefits in CalPERS retroactive to the first commission date of the crime and he or she can no longer work for a CalPERS-covered employer.

Upon notification, the employer will need to provide the following information:

- The earliest date (mm/dd/yyyy) of the commission of the felony
- The court(s) in which the case was heard
- The name and mailing address of the presiding judge
- The name and mailing address of the prosecuting attorney (state and/or federal)
- The description of the felony charges for which the employee was convicted
- Date of conviction/date of guilty plea
- In addition to providing the above information please submit a copy of the supporting court document(s) related to the employee’s felony conviction/guilty plea

For additional information about forfeiture of benefits please see the fact sheet at https://www.calpers.ca.gov/docs/forms-publications/forfeiture-benefits-fact-sheet.pdf
Internal Revenue Code section 415(b) (IRC 415) is a federal provision that limits the amount of annual retirement benefit an individual can receive from a tax-qualified, defined benefit pension plan such as CalPERS. The annual retirement benefits payable from CalPERS are subject to the dollar limits imposed by IRC 415. This law was enacted to prevent employers from using tax-qualified defined benefit plans as tax shelters. The CalPERS retirement plan may lose its tax-exempt status if it fails to comply with IRC 415.

The IRC 415 places a dollar limit on the annual retirement benefit (allowance) that can be received from CalPERS. CalPERS retirees whose retirement allowances are limited by IRC 415 will receive replacement benefits from a separate fund through the Replacement Benefit Plan (RBP), as permitted by California retirement law effective January 1, 2013. The RBP is funded by replacement benefit contributions paid by the retiree's former CalPERS employers.

When a retiree's retirement allowance exceeds the IRC 415 dollar limit CalPERS invoices the retiree's former employers for the amounts payable from the RBP. The invoice payments are deposited into the Replacement Benefit Fund (RBF). CalPERS issues payment from the RBF to the retiree. Payment of the employer invoices is required before any replacement benefit can be issued to a retiree.

Every CalPERS employer is deemed to participate in the RBP by statute. CalPERS' authority to administer the RBP is set forth in Government Code section 21750 et seq., and in Title 2 of the Code of Regulations section 589 et seq. Under section 21761, “all contracting agencies under this system shall be deemed to have elected to contract with the board for administration of the replacement benefit plan.” The Replacement Benefit Custodial Fund (“RBP Fund”) from which amounts exceeding I.R.C. § 415 limits are paid, is separate and apart from the retirement fund. (Gov. Code § 21758, subd. (a)). Employers are required to pay into the RBP Fund “amounts equivalent to the benefits that are not paid from the retirement fund to annuitants because of the application of the payment limitations under Section 415 of Title 26 of the United States Code; and administrative costs assessed to and paid by members enrolled in the replacement benefit plan.” (Gov. Code § 21758, subd. (c), and Cal. Code Regs., tit. 2, § 589.4, subd. (a) and (b)).

For additional information about IRC section 415(b) and the Replacement Benefit Plan, please see the FACT SHEET at [https://www.calpers.ca.gov/docs/forms-publications/irc-415b-fact-sheet.pdf](https://www.calpers.ca.gov/docs/forms-publications/irc-415b-fact-sheet.pdf)

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1 Effective January 1, 2013 only retirees with a CalPERS membership date prior to January 1, 2013 are eligible for the Replacement Benefit Plan in retirement.
2 All statutory references are to the Government Code and all regulation references are to Title 2 unless indicated otherwise.
Are public employees covered by Social Security?
Yes, public employees can be covered by Social Security benefits if the employer contracts for an optional Section 218 Agreement. The Section 218 Agreement allows employers that offer a government pension to also offer Social Security benefits to their employees. To learn more about contracting for coverage under the Section 218 agreement, please contact the State Social Security Administrator program, or visit our website at www.calpers.ca.gov/sssa

What is the Windfall Elimination Provision (WEP)?
If any part of the employee’s pension is based on work not covered by Social Security, the employee’s Social Security benefits may be affected.

NOTE:
If an employee has contributed to Social Security more than 30 years they may be exempt from WEP.

Who does WEP affect?
There are three general criteria. First, the employee works or worked in a government position not covered by Social Security. Second, the employee is entitled to a government pension from that employment. Third, the employee is eligible for a Social Security retirement or disability benefits.

Employees should review their Social Security earnings statement with an analyst from the Social Security Administration (SSA). If they have zeros in columns when they worked in government service, they may be subject to WEP.

How much is the WEP reduction?
The SSA website has a WEP calculator tool available. An Employee’s Social Security Benefits can be reduced if the employee had fewer than 30 years of substantial earnings. Employees will need a copy of their earnings statement to use the tool.

Does an employee’s Social Security estimate take WEP in consideration?
No, the estimate from Social Security does not factor in WEP. To find out how much the reduction will be, use the WEP calculator available on the Social Security website.

What is the Government Pension Offset (GPO)?
If any part of the employee’s government pension is based on work not covered by Social Security, the employee’s Social Security spouse’s or widow(er)’s benefits may be reduced.

NOTE:
GPO does not affect the employee’s spouse’s Social Security benefits based on their own earnings.

Who does GPO affect?
There are two general criteria. First, the employee is entitled to receive spousal or widow(er) Social Security benefits. Second, the employee is receiving a government pension from an employer in which the employee did not pay Social Security taxes.

How much is the GPO reduction?
The SSA website has a GPO calculator tool available. SSA will calculate two-thirds of the government pension and reduce the employee’s entitlement the employee is eligible for through their spouse.

Incorrect Application of WEP and GPO
There have been instances when the SSA applies the WEP and GPO to government employees incorrectly. If you have employees who are concerned please refer them to their local Social Security office or to contact the SSA Public Affairs team online.

Employees who have contributed to Social Security can sign up for a my Social Security account to access their Social Security Statement, review estimates of future Social Security retirement benefits, and more.
# CALPERS Web Services and Publications

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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.
**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 Technical Requirements pages and/or the MY|CalPERS Student Guides page on the CalPERS website.

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 and maintaining MY|CalPERS access to system users. This involves utilizing system administrator pages in MY|CalPERS to associate predefined access roles to each contact and assign the 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: System Access Administration

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**CalPERS Website**

The CalPERS website provides instant access to general CalPERS information for members, employers, and the public.

The CalPERS website highlights information about CalPERS retirement plans, health benefit programs, and pension fund investments. Agencies refer to the comprehensive Employer section to find the following information:

- Actuarial Information
- CalPERS Retirement Calculation Information
- Circular Letters
- Employer Education
- Employer Forms & Publications
- Employer Rates
- Health Benefits Information
- Membership, Payroll & Compensation Information

The Contact link at the top of every page directs you to information about how to contact CalPERS.

CalPERS strives to provide useful information to members, employers, and the public in a quick, easily accessible format through the website. The CalPERS website supplements the existing telephone and in-person services at our headquarters and regional offices.

If you have any comments or suggestions regarding the website, please contact CalPERS through the online Questions, Comments & Complaints form 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 through the [Email Subscriptions](#) page on the CalPERS website.

**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.

The CalPERS website 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 Website 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 news release we issue.
ORDERING FORMS & PUBLICATIONS

Forms & Publications are available through my|CalPERS, the CalPERS website 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 THE CALPERS WEBSITE**
Forms & publications are available by download from the CalPERS website through the Forms & Publications page.

**ORDERING FORMS & PUBLICATIONS**
Forms & Publications are also available in hardcopy. To order supplies in bulk, please use the following method:

**E-mail:**
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. The system 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**
- California Public Employees' Retirement Law (PERL)

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 will help you convey CalPERS benefit information to your employees. All publications are available in [Forms & Publications](#) on the CalPERS website.

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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 the CalPERS website.

**Types of Employer Training**

**On-line Training**
Our online training modules provide a convenient, self-directed and self-paced training experience. These modules include myCalPERS System Training as well as our Health and Retirement Business Rules. 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.

**Employer Education**
Our employer education classes provide you valuable information about CalPERS membership, payroll reporting, health enrollments and System Access Administration.

**Employer Classes**

**myCalPERS System Training Classes**
In our instructor-led myCalPERS system training classes, you'll learn how to submit your agency’s health, membership, and reporting transactions. This training is accompanied by the myCalPERS Student Guides. New classes are added regularly and are filled on a first-come, first-served basis.

**Employer Business Rules**
This class provides an overview of CalPERS membership criteria and related topics for state agencies. Topics covered in this class include determining membership qualifications, explaining agreements with other public retirement systems, criteria for working after retirement, retirement benefits, employer reporting responsibilities and additional CalPERS programs.

**Employer Business Rules for California State Universities (CSU)**
This class provides an overview of CalPERS membership criteria and CSU-related topics. Topics covered in this class include membership qualifications, agreements with other public retirement systems, criteria for working after retirement, retirement benefits, employer reporting responsibilities and additional CalPERS programs.

**Employer Health Business Rules**
The Health Business Rules Training class will help you learn about the State Health Benefits Guide, Health Benefits Officer (HBO) responsibilities and provide employer-specific health business rules education on health plan options, eligibility and enrollment requirements and health benefits into retirement.

**Training Dates and Locations**
For information on upcoming training dates and locations, please view the Employer Education Schedule. More schedule details and registration tools are available in myCalPERS through the Education tab. For class listings and materials, visit the Employer Training Classes page.

If you prefer to take an online course or are unable to attend an instructor-led class, business rule training is always available in myCalPERS 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 myCalPERS system training class or an Employer Business Rules class, log in to myCalPERS 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:
Disability Retirement Workshop Schedule

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_Educational_Forum@calpers.ca.gov

MEMBER EDUCATION

Our member education resources provide your employees with valuable information about their CalPERS membership benefits, savings and health programs, and available online resources.

EDUCATIONAL RESOURCES

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 the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

RETIREMENT CLASSES FOR MEMBERS
We offer six classes that are available either online or as instructor-led classes throughout California to help members prepare for retirement. Each of the classes is based on a member’s career life cycle.

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.

COMPLETING YOUR DISABILITY RETIREMENT APPLICATION (ONLINE ONLY)
This class is for members who need to complete the Disability Retirement Application forms and submit a complete application package.

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 their myCalPERS account, select the Education Resource tab, “View Classes” link to find a class that is convenient for them.

WEBINARS
CalPERS provides monthly webinars on a variety of topics as a convenient learning resource. Visit
the website under Member Education to register. Webinar examples include:

- Planning Your Retirement
- Your Retirement Application and Options
- CalPERS Members – Early Career Basics
- Power of Attorney
- Service Credit Purchase

Recorded webinars will be available for future on-demand viewing at the YouTube channel under the CalPERSNetwork.

**CalPERS Benefits Education Events**
CalPERS Benefits Education Events (CBEEs) are held throughout the state and open to members at all career stages.

CBEEs provide informative breakout sessions uniquely tailored for those early through mid-career as well as those nearing retirement. Members learn about health benefits, retirement benefits, and deferred compensation along with informational sessions on Social Security and myCalPERS.

Members will also have the opportunity to speak with representatives from CalPERS and our partner organizations.

For more information, select “Attend Training & Events” under the “I Want To” column to visit the CalPERS Benefits Education Events page at the CalPERS website.
The California Employers’ Retiree Benefit Trust (CERBT) Fund is an investment vehicle that can be used by all eligible California public employers to prefund Other Post-Employment Benefits (OPEB) such as health, vision, dental and life insurance.

**OVERVIEW**
The CERBT Fund is an agent multiple-employer OPEB trust plan administered by CalPERS, a California State agency, in compliance with Internal Revenue Code (IRC) Section 115 and with Governmental Accounting Standards Board (GASB) Statements. CERBT is an investment vehicle dedicated to prefunding OPEB for all eligible California public agencies, even for those not contracted with CalPERS. 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. Since its launch in 2007, more than 490 California public employers chose CERBT as their OPEB trust fund.

**WHY PREFUND?**
- Contributes to preserving a positive credit rating. Generates investment income from employer controlled contributions to pay for future retiree benefits.
- Reduces future employer cash flow requirements and budget dependency with investment.
- Reduces OPEB liabilities reported on employer annual financial statements.

**BENEFITS OF INVESTING WITH THE CERBT FUND**
As one of the nation’s largest public employer OPEB trust funds, we strive to sustain retiree health benefits. We do so by delivering an uncomplicated, low cost investment and administration program, high-quality service, compliance reporting, and education about the value of prefunding retiree healthcare benefits.
- Personal direct service and support
- Financial reporting compliant with governmental accounting standards
- All services provided at a single, low cost
- Assistance with GASB compliance and financial reporting
- Investment management by experts at CalPERS and internationally renowned consultants
- No revenue sharing agreements, surrender/withdrawal/deferred sales charges, investment performance charges, or minimum fee requirements
- Simple straightforward administrative procedures

**CERBT FUND WORKSHOPS**
Employers are encouraged to attend an upcoming workshop to learn about the features and benefits of the CERBT Fund. Topics include:
- Asset allocation strategies
- Contracting process
- GASB updates and compliance
- Investment management and fiduciary responsibility
- Program simplicity
- Lowest cost services
- You can register for a workshop on our website

For more information on CERBT:
- Visit the CalPERS website at: [California Employers’ Retiree Benefit Trust (CERBT) Fund - CalPERS](https://www.calpers.ca.gov)
- Email us at: CERBT4U@calpers.ca.gov
- Call the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**)
The CalPERS Health Benefits Program is governed by the Public Employees’ Medical and Hospital Care Act (PEMHCA) of the California Public Employees’ Retirement Law (G.C. sections 22750 and 22777). The program was established in 1962 to purchase health care for employees of the State of California, including the California State University System (CSU). In 1976, legislation was passed to allow other public employers, such as cities, counties, and school districts, to join the program. Currently, CalPERS provides health benefits to over 1.3 million covered lives.

State, CSU, and contracting Public Agencies must offer all eligible active and retired employees an opportunity to enroll in a CalPERS health plan of their choice. All employers are required by statute to contribute towards the cost of the health plan premium. Premiums and health plan benefits are approved annually by the CalPERS Board of Administration.

The CalPERS Health Benefits Program offers a choice of health plans to provide Basic coverage to active employees and Supplement to Medicare and Managed Medicare coverage for retired members. Eligible enrollees can choose between a variety of Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and employee association plans.

HMOs
CalPERS offers several HMOs, each serving specific geographic areas. Except for out-of-area emergencies, HMO members receive all their care from HMO doctors with a small co-payment for most services and supplies.

PPOs
CalPERS offers three self-funded PPO plans – PERSCare, PERS Choice and PERS Select. PERS Select is available in all California counties except: Alameda, Marin, Placer, and Solano. Members must reside or work in one of the 54 counties in which PERS Select is available to enroll in the plan. PERSCare and PERS Choice offer a PPO network through Blue Cross of California, with nationwide affiliations. PERSCare and PERS Choice offers out-of-area and worldwide coverage.

Employee Association Plans
CalPERS offers employee association health plans. An enrollee must belong to the specific employee association and pay applicable dues to enroll in one of these plans.

For further information on health insurance benefits, please refer to the State Health Benefits Guide, visit the CalPERS website at www.calpers.ca.gov, or contact the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
The CalPERS Long-Term Care Program offers long-term care benefits as an option to members. It is not an employer-paid benefit and is entirely funded by member premiums and investment of those premiums.

The Program is available to all current California public employees, retirees, their spouses, parents, parents-in-law; adult children and adult siblings between the ages of 18 and 79 are eligible to apply for coverage. Eligible public employees include, but are not limited to, those employed by the State of California and all State departments, state Assembly and Senate, judicial systems, school districts, cities, counties, special districts, public universities and community colleges.

The Long-Term Care Program is accepting applications. Please select the previous link or call 1-800-982-1775 for more information.
These forms are included only as examples for your reference and are not currently available through the CalPERS Forms & Publications web page. Although these forms were current as of the publication date of this Guide, CalPERS forms are subject to revision.

<table>
<thead>
<tr>
<th>Form Name</th>
<th>Form Number</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclaimer of Benefits</td>
<td>my</td>
<td>CalPERS 0362</td>
</tr>
<tr>
<td>Application for Retired Member/Payee Survivor Benefits</td>
<td>my</td>
<td>CalPERS 1191</td>
</tr>
<tr>
<td>Tax Withholding Election for Survivor Benefits</td>
<td>my</td>
<td>CalPERS 1190</td>
</tr>
<tr>
<td>Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover</td>
<td>my</td>
<td>CalPERS 1192</td>
</tr>
<tr>
<td>First Payment Acknowledgement</td>
<td>my</td>
<td>CalPERS 0924</td>
</tr>
<tr>
<td>First Acknowledgement Letter for Employers</td>
<td>my</td>
<td>CalPERS 0926</td>
</tr>
<tr>
<td>Retirement Acknowledgement Letter to Participant</td>
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<td>CalPERS 0964</td>
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</table>

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.
DISCLAIMER OF BENEFITS

I, __________________________ have been notified by ______________________, that I am entitled to receive benefits in the event of the death of ______________________.

Member’s First Name  Middle Initial  Last Name

I forgo the benefit of ______________________ plus any Cost of Living increases and other adjustments payable for life.

I, ______________________, WITH FULL UNDERSTANDING OF THE NATURE AND AMOUNT OF THE BENEFIT TO WHICH I AM ENTITLED, HEREBY FOREVER DISCLAIM ALL RIGHTS AND INTEREST I HAVE TO THIS BENEFIT IN ITS ENTIRETY.

I understand, due to my disclaimer of the above-described benefit, that it will be paid as if I were never entitled.

I understand by disclaiming my benefit, I have no right to designate any individual to whom the benefit shall be paid.

I understand that recommends I contact an attorney for legal advice prior to signing this Disclaimer of Benefits, but does not require such consultation.

I understand this Disclaimer of Benefits is irrevocable and will not be set aside for any reason, and I hereby release from any claim I have to this benefit.

I assert I have signed this document in accordance with my own free will and I have not been coerced or forced to sign this document by anyone.

I further assert that I understood the contents and effect of this document before signing it and any questions I had concerning the effect or contents of this document were fully answered by personnel prior to my signing this document.
Application for Retired Member/Payee Survivor Benefits

Name of the Deceased Member: ____________________________
Social Security Number / CalPERS ID Number: ________________

Signature Section
This section is required. Please be sure you sign your name here as it is correct to the best of your knowledge. You also understand that completing this application on your social document does not necessarily entitle you to benefits.

Provider an address for other correspondence only if it is different than the address you provided for payment.

Required Information
By filling out this section, you certify under penalty of perjury under the laws of the State of California that the information provided here is correct to the best of your knowledge. You also agree that any benefits to which you may be entitled. You understand that completing this application on your social document does not necessarily entitle you to benefits.

Name (Last Name, Middle Initial, First Name) ________________ Daytime Phone: ____________
Signature: ____________________________
Social Security Number: ____________________________
Relationship to Deceased: ________________
City: ____________________________
State: ________________
ZIP: ____________
Address for Other Correspondence:
City: ________________
State: ____________
ZIP: ____________

Section 1
Please fill out this form as completely as possible. The information will help us determine who is entitled to survivor benefits.

Information About the Member and Immediate Family
Was the estate of the deceased require probate? ____________
Yes: ____________
No: ____________
Don't know: ____________
Did the deceased leave a will? ____________
Yes: ____________
No: ____________
Don't know: ____________

Name of Executor/Administrator:
Address: ____________________________
City: ____________________________
State: ________________
ZIP: ____________
Daytime Phone: ____________

Attorney Handling Probate:
Address: ____________________________
City: ____________________________
State: ________________
ZIP: ____________
Daytime Phone: ____________
Appendix

CalPERS
California Public Employees’ Retirement System

Tax Withholding Election for Survivor Benefits

Section 1
Prorated Payment Including Any Allowance Adjustments
Federal Tax Withholding Election
☐ I do not elect to have federal tax withheld from my death benefit payment(s).
☐ I elect to have federal tax withheld based on: Single ☐ Married ☐ Number of Dependents Number of Exceptions

In addition, I elect to have the following amount of federal tax withheld: $ ____________

California State Tax Withholding Election
☐ I do not elect to have state tax withheld from my death benefit payments.
☐ I elect to have state tax withheld based on: Single ☐ Married ☐ Number of Dependents Number of Exceptions

In addition, I elect to have the following amount of state tax withheld: $ ____________

Section 2
Tax Election Declaration
By signing here, I hereby make the elections checked above.

Your Signature Social Security Number or Tax Identification Number
Date (mm/dd/yyyy)

Important: Failure to return this form will be considered an election to have taxes withheld.
Appendix

California Public Employees' Retirement System

Tax Withholding Election for Survivor Benefits Including Benefits Eligible for Rollover

Name of the deceased member: ____________________________
Social Security Number: ____________________________
CalPERS ID Number: ____________________________
You may be eligible for a lump sum and/or monthly benefit. Please complete all applicable sections of this form.

Important: Failure to return this form will be considered an election to have taxes withheld.

Section 1: Monthly (Periodic Payments) and/or Proceded Payment
Federal Tax Withholding Election

I do not elect to have federal tax withheld from my death benefit payment(s). [ ]
I elect to have federal tax withheld based on: Single [ ], Married [ ]
Number of Exemptions: ____________________________

In addition, I elect to have the following amount of federal tax withheld: ____________________________

California State Tax Withholding Election

I do not elect to have State tax withheld from my death benefit payment(s). [ ]
I elect to have State tax withheld based on: Single [ ], Married [ ]
Number of Exemptions: ____________________________

In addition, I elect to have the following amount of state tax withheld: ____________________________

Section 2: Lump Sum (Non-Periodic Payments) Option One and Temporary Annuity Payments
Federal Tax Withholding Election

I do not elect to have the taxable portion of the lump sum benefit payment rolled into an Individual Retirement Account (IRA). [ ]
I elect to have the taxable portion of the lump sum benefit payment rolled into the following Individual Retirement Account (IRA): ____________________________

Name of Financial Institution: ____________________________
Plan Name: ____________________________
Community Account Number: ____________________________
City: ____________________________
State: ____________________________
ZIP Code: ____________________________

California Tax Withholding 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. [ ]

[CalPERS logo]
Date

Name
Address
City/State/Zip

CalPERS ID:

Your Service Retirement Allowance:
Your election to receive the Option 2 has been processed.

Your retroactive warrant will be issued on June 04, 2012, and will cover the period of December 02, 2011 through May 31, 2012.

Your monthly retirement benefit is $2,241.64 based on your retirement date of December 02, 2011. This amount does not include any deduction you have authorized this system to make. Your first regular warrant will arrive on or shortly after July 01, 2012 and will cover the period of 06/01/2012 through 06/30/2012. Your future retirement warrant will be mailed to arrive shortly after the first of the month following the month to which they apply.

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 Benefit 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.

Income Tax Information:
The following information regarding your contributions will assist you in the determination of the taxability of your benefit.

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Total Contributions and Interest</th>
<th>Interest</th>
<th>Taxed Contributions</th>
<th>Non-Taxed Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

myCalPERS 0924
Appendix

California Public Employees' Retirement System

Date

Employer Name
Address
City/State/Zip

CalPERS ID:

Subject:

Participant CalPERS ID:

Notice of Placement on Retirement Roll:

This is to advise you that the employee named above has been placed on our 05/2012 Service Retirement roll with an effective date of May 01, 2012 and a separation date of April 30, 2012. 0.0 days of unused sick leave have been credited to the member's account. 0.0 days of unused education leave have been credited to the member's account. The employee's separation date is the date following the employee's last day in employment status. The date can be equal to but no later than the retirement date. Please notify us immediately if separation did not occur by the date.

For information regarding employment of a retired member, please see your "Procedure Manual for Reporting to the California Public Employees' Retirement System." If any of the information above is not correct, please contact us.

If you have any questions, please visit our Web site www.calpers.ca.gov, or you may contact us toll free at 888 CalPERS (or 888-225-7377).

Benefit Services Division

myCalPERS 0925

Page 1 of 1
Date

Name
Address
City/State/Zip

Dear

This letter is to acknowledge receipt of your application for
Service Retirement effective July 01, 2012.

If you are currently enrolled in a CalPERS 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.

You may be entitled to receive a disability retirement if you are unable to work because
of an illness or injury. To request a service/pending disability retirement, you must
complete a Disability Retirement Election Application. Please note that your retirement
date cannot be earlier than the day following your last day on pay status.

CalPERS will send you a letter providing the date of your first retirement check, the
amount you can expect to receive, and important income tax information. This letter is
usually sent after you have separated from employment but before you receive your
first retirement benefit check. Changes to the benefit option election you make,
beneficiary you designate, or the retirement date you request, cannot be made after
you receive your first full retirement benefit check.

Retirement Type:  
Retirement Effective Date:
Last Day on Payroll:  
Option Selected:
Date of Birth:  

Federal Tax:
State Tax:

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