# TABLE OF CONTENTS

Introduction ..................................................................................................................... 5  
General Membership Information ........................................................................................ 10  
  CalPERS Membership Eligibility ................................................................................ 14  
  Public Employees’ Pension Reform Act of 2013 (PEPRA) Definition of a New Member .......................................................... 16  
  First-Tier vs. Second-Tier ................................................................................... 20  
  Account Code Overview ..................................................................................... 21  
  The Alternate Retirement Program (ARP) (Civil Service Only) ........................... 24  
  Determining Membership Eligibility....................................................................... 25  
  Positions Excluded by Retirement Law (PERL) from CalPERS Coverage. ........ 26  
  Determining Retirement Benefits ........................................................................ 28  
  "Optional" Members of CalPERS............................................................................ 29  
  CalPERS or CalSTRS? ...................................................................................... 33  
  Overtime Positions ............................................................................................. 40  
  Updating Employee Demographic Information ................................................... 41  
  Reciprocity .......................................................................................................... 43  
  Reciprocity Requirements .................................................................................. 45  
  Provisions Under Full Reciprocity ........................................................................ 47  
  Reciprocal Provisions for Non-Qualifying Individuals ........................................ 48  
  Reciprocal Provisions for the University of California Retirement System .......... 49  
  CalPERS Provisions with Non-Reciprocal Public Retirement Systems .......... 50  
  How to Notify CalPERS when the Member Changes Retirement Systems ...... 51  
  Service Credit Purchase Options ........................................................................... 52
CSU - Only Membership ............................................................................................... 61

The California State University .................................................................................. 62

Pay Rate and Service Credit ...................................................................................... 70

Reportable/Non-Reportable Compensation .............................................................. 71

Service Credit ........................................................................................................ 76

Benefits Procedures .................................................................................................. 79

Beneficiary Designation Form .................................................................................... 83

Reporting an Imminent Death or Terminal Illness/ Power of Attorney ...................... 84

Death of an Active Member ....................................................................................... 85

Information for Family of Deceased .......................................................................... 87

Retirement — General ............................................................................................. 89

Service Retirement .................................................................................................. 93

Deductions after Retirement ..................................................................................... 96

Disability Retirement or Industrial Disability Retirement ......................................... 98

Employment of a Retiree ......................................................................................... 107

Reinstatement from Retirement ................................................................................ 117

Beneficiary Designation (after Retirement) .............................................................. 121

Death of a Retiree .................................................................................................. 123

Completing the Tax Withholding Election for Death Benefits ............................... 124

Tax and Income Reporting Information .................................................................... 125

Refund of Member Contributions .......................................................................... 126

Forfeiture of Benefits ............................................................................................. 127

IRC Section 415 (B) Replacement Benefit Plan ...................................................... 128
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updates to this Guide</td>
<td>6</td>
</tr>
<tr>
<td>Guide Coordinator Responsibilities</td>
<td>6</td>
</tr>
<tr>
<td>Confidentiality of Member Data</td>
<td>6</td>
</tr>
<tr>
<td>myCalPERS Member Self-Service</td>
<td>6</td>
</tr>
<tr>
<td>Headquarters Office Location</td>
<td>7</td>
</tr>
<tr>
<td>CalPERS Customer Contact Center</td>
<td>7</td>
</tr>
<tr>
<td>CalPERS Regional Offices</td>
<td>7</td>
</tr>
<tr>
<td>About Service Retirement</td>
<td>8</td>
</tr>
</tbody>
</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.
This Guide is designed to help you in your preparation of information for CalPERS.

The Guide is divided into the following sections:

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

These eight 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 your agency’s 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

Mailing Address and Fax Number
California Public Employees’ Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
Fax: 800-959-6545

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
- 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

Member Information
- Address changes
- Changing beneficiaries
- Community property information
- Cost-of-living adjustments (COLAs)
- Direct deposit of monthly benefit payment
- Monthly retirement warrants
- Post-retirement warrants
- 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.
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 each agency’s contract with CalPERS.
GENERAL MEMBERSHIP INFORMATION

TABLE OF CONTENTS

CalPERS Membership Eligibility ........................................................................................................ 14

Immediate Membership Upon Hire .................................................................................................. 14

Full-Time Employees ......................................................................................................................... 14

Less than Full-Time Employees ........................................................................................................ 14

Determining if a Part-Time Seasonal Employee is Eligible for Membership ................................ 15

Notice of Exclusion from CalPERS Membership .......................................................................... 15

Qualification When Working More than One Position .................................................................. 15

California State University Temporary Faculty (CSU) ................................................................. 15

Summary of General Principles for Membership Eligibility ...................................................... 15

Public Employees’ Pension Reform Act of 2013 (PEPRA) Definition of a New Member ............. 16

Member Reciprocal Self-Certification Form (PERS-EAMD-801) .................................................... 16

When Not to Report ............................................................................................................................ 18

Failure to Timely Enroll a Member ................................................................................................. 18

What are Arrears? ............................................................................................................................. 18

Employer Billing for Arrears (Central State Agencies) ................................................................. 19

Employer Billing for Arrears (Non-Central State Agencies) ......................................................... 19

First-Tier vs. Second-Tier .................................................................................................................. 20

Account Code Overview ................................................................................................................... 21

The Alternate Retirement Program (ARP) ....................................................................................... 24

Determining Membership Eligibility .............................................................................................. 25

Positions Excluded by Retirement Law (PERL) from CalPERS Coverage .................................... 26
Members of Other Retirement Systems ............................................................. 26
Health and Welfare or Trade Rate Employment................................................. 26
Independent Contractors .................................................................................... 26
Elected or Appointed Officers ............................................................................. 26
Student Aides in the Special Schools of the State Department of Education .... 27
California Conservation Corps Participants ....................................................... 27
Assembly Fellows, Senate Fellows, and Executive Fellows ............................... 27
Inmates of State Institutions ............................................................................... 27
Exclusions Applicable Only to California State University .............................. 27
Student Assistants .............................................................................................. 27
Extension Service ............................................................................................... 27
Summer Session/Intersession ............................................................................ 27
Exclusions Applicable Only to University of California................................. 27
Determining Retirement Benefits ........................................................................ 28
"Optional" Members of CalPERS .......................................................................... 29
Types of "Optional Members" ............................................................................ 29
General Provisions/Instructions ........................................................................ 30
Election of Optional Membership ...................................................................... 30
Service Credit ..................................................................................................... 31
Electing National Guard Membership ............................................................. 31
CalPERS or CalSTRS? ........................................................................................ 33
Certificated/Classified ....................................................................................... 33
Amendments ...................................................................................................... 34
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information and Instructions</td>
<td>35</td>
</tr>
<tr>
<td>Flowcharts</td>
<td>37</td>
</tr>
<tr>
<td>Overtime Positions</td>
<td>40</td>
</tr>
<tr>
<td>Updating Employee Demographic Information</td>
<td>41</td>
</tr>
<tr>
<td>Birth Date Certification Request</td>
<td>41</td>
</tr>
<tr>
<td>Instructions</td>
<td>41</td>
</tr>
<tr>
<td>Acceptable Documents</td>
<td>41</td>
</tr>
<tr>
<td>myCalPERS Member Self-Service</td>
<td>42</td>
</tr>
<tr>
<td>Reciprocity</td>
<td>43</td>
</tr>
<tr>
<td>Reciprocity Requirements</td>
<td>45</td>
</tr>
<tr>
<td>Conditions for Acquiring Full Reciprocity</td>
<td>45</td>
</tr>
<tr>
<td>Important Restrictions</td>
<td>45</td>
</tr>
<tr>
<td>Provisions Under Full Reciprocity</td>
<td>47</td>
</tr>
<tr>
<td>Reciprocal Provisions for Non-Qualifying Individuals</td>
<td>48</td>
</tr>
<tr>
<td>Reciprocal Provisions for the University of California Retirement System</td>
<td>49</td>
</tr>
<tr>
<td>CalPERS Provisions with Non-Reciprocal Public Retirement Systems</td>
<td>50</td>
</tr>
<tr>
<td>How to Notify CalPERS when the Member Changes Retirement Systems</td>
<td>51</td>
</tr>
<tr>
<td>JRS, JRS II, and LRS Members</td>
<td>51</td>
</tr>
<tr>
<td>Service Credit Purchase Options</td>
<td>52</td>
</tr>
<tr>
<td>Employer Role in Service Credit Purchases</td>
<td>52</td>
</tr>
<tr>
<td>Employer Cost</td>
<td>52</td>
</tr>
<tr>
<td>Service Credit Cost Estimator</td>
<td>52</td>
</tr>
<tr>
<td>Redeposit</td>
<td>53</td>
</tr>
<tr>
<td>Service Prior to Membership</td>
<td>53</td>
</tr>
</tbody>
</table>
Verification of Service Prior to Membership ........................................................ 54
Comprehensive Employment & Training Act (CETA) or Fellowship Service ..... 54
Base Realignment and Closure (BRAC) Firefighter Service ............................... 54
Layoff, Prior Service, and Optional Member Service .......................................... 54
Peace Corps, Americorps Vista, and Americorps ............................................... 55
Credit for Military Service Prior to Employment .................................................. 56
Credit for Absence from Employment for Military Service .............................. 56
Leave of Absence ............................................................................................... 57
Alternate Retirement Program ............................................................................ 58
Excluded Positions ............................................................................................. 58
Payment Methods ............................................................................................... 58
Important Considerations When Purchasing Service Credit ............................... 58
Inquiries .............................................................................................................. 58

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.
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 their 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. (Refer to "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 Gov. Code section 20392, or State Safety membership under Gov. Code 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 working less than full-time.

Membership is established when a person is hired or when contributions/service credit is credited to their account. Membership continues 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 Person Search function of the myCalPERS system
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 (Gov. Code section 20281), if the employee is:

- Already a CalPERS member, unless working in a position excluded by law
- Hired to work full-time in excess of six months
- Working "regular, part-time service," consisting of "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
CalPERS Membership Eligibility

15

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. Use the Person Search function 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) (PDF) 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) (PDF) form 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. This form should NOT be sent 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 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)

Employees must work half time or more for either (1) two consecutive semesters, or (2) three consecutive quarters (Gov. Code section 20305(4)(A)). Refer to the "CSU-Only Membership" section for specific information on membership qualifications 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. (Gov. Code section 20305(a)(1))

2. Employees entering membership upon appointment to a position with one of the following conditions:
CalPERS Membership Eligibility

16

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 that date, but who is not subject to reciprocity upon joining CalPERS.

- 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.

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.

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."

Member Reciprocal Self-Certification Form (PERS-EAMD-801)

With the implementation of PEPRA, CalPERS requires that you obtain and retain the Member Reciprocal Self-Certification Form (PERS-EAMD-801 (PDF)) for members enrolled on or after January 1, 2013. On this form, members...
provide essential information regarding their membership in qualifying public retirement systems that must be used to enroll them in CalPERS membership. The information the member self-certifies on the form will be entered in the "Reciprocity" panel in myCalPERS when the form is processed by the State Controller's Office (SCO). The system will utilize this information to determine the member's retirement enrollment level.

This form must be provided to all members upon enrollment, including members who have prior CalPERS membership. It is important this form be processed correctly for every new enrollment in CalPERS as the determination of PEPRA membership is made on an appointment-by-appointment basis.

The member has 10 business days from the date you provide them the form to complete and return it to your agency's personnel office. When the member submits the form, each required section should be thoroughly reviewed to ensure full dates were provided (including month, date and year), full names of qualifying retirement system(s) were used (no acronyms), and any CalPERS membership was excluded. CalPERS data should not be indicated on the form as this data is already stored in myCalPERS. If the form is incomplete or completed incorrectly, the member must complete and submit a new form.

An authorized representative from your agency must complete section 4 of the form, titled "To Be Completed by Employer Only." Enter the information regarding your agency and the member's enrollment with your agency in the appropriate fields.

If your agency uses the Uniform State Payroll System, the Member Reciprocal Self-Certification Form (PERS-EAMD-801) (PDF) should be sent to the (SCO) for processing. A copy of the form can be sent via email or standard mail. The original form must be retained in the member's employment records for auditing purposes. This form should not be sent to CalPERS. Refer to Personnel Letter #17-001 (PDF) released by the SCO regarding the Member Reciprocal Self-Certification Form for more direction on forwarding the form to the SCO.

The SCO will utilize the completed form to enter the self-certified information into myCalPERS. The information on the form must be entered for every appointment the member is enrolled in, even if you believe it will not impact their retirement enrollment level. It is not the employer's responsibility to ensure the accuracy of the self-certified data or make reciprocal determinations.

If the form is incomplete or completed incorrectly, the SCO will not process it and will send it back to your agency. It will then be your responsibility to ensure a new form is completed by the member and that any errors are corrected before the revised form is resent to SCO for processing.

If your agency does not use the Uniform State Payroll System, please refer to the Public Agency & Schools Reference Guide (PDF, 1.67 MB) for more direction regarding how to process the Member Reciprocal Self-Certification Form.

The purpose of the Member Reciprocal Self-Certification Form is to determine the member's retirement enrollment level based on their reciprocal membership. The form does not establish reciprocity or initiate a request to establish reciprocity. The member does not need to be approved for reciprocity for the information self-certified on this form to be processed.

It is important to ensure proper and timely processing of the Member Reciprocal Self-Certification for myCalPERS to accurately determine the member's retirement enrollment level. Ensure you are collecting this form from members upon CalPERS enrollment and the form is being sent to SCO as directed. Failing to send the form to SCO may cause the member's account to reflect an incorrect retirement enrollment level which can have many impacts to their account including ineligible retirement benefit formulas and adverse effects on how their retirement benefit is calculated. It will also cause delays in CalPERS processing timeframes. These impacts may lead to later adjustments to payroll contributions that your agency and the member will be responsible for.

These instructions cover many frequently encountered issues and inquiries. If you have a situation or question that is not covered here, contact us at 888 CalPERS (or 888-225-7377) for further assistance.
When Not to Report

A CalPERS member should not continue to be reported in membership and contributions should not be collected 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 to be a member in such position, regardless of prior membership status. (Refer to the "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 your agency's responsibility to determine if your employees are eligible for CalPERS membership. CalPERS Gov. Code 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. "Any costs assessed due to untimely enrollment shall not be passed on to an employee. (Gov. Code 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:

- Gov. Code section 20283 Employer Paid arrears
- Gov. Code section 20160 Member Paid arrears

Gov. Code section 20283 Employer Paid 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. For arrears cases that are determined under Gov. Code section 20283, the employer is responsible for the member and employer contributions for the entire arrears period.

Gov. Code section 20160 Member Paid arrears apply if a member qualified for membership and the entire arrears period is prior to July 1, 1994. In Member Paid arrear cases, the member is responsible for the member contributions and the employer is responsible for the employer contributions for the entire arrears period. Member Paid arrears may apply to a period that is on or after July 1, 1994, when it is determined Gov. Code section 20283 does not apply.

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)

For any arrears due, your agency will be invoiced through myCalPERS and notified based on the preferred communication method noted in myCalPERS. Employers are required to pay CalPERS directly by electronic funds.
transfer (EFT) Debit Method or Credit Method in myCalPERS.

A COGNOS report, "Arrears Receivable Summary Report" is available through myCalPERS. This report provides details regarding the member and the balance amount of the arrears.

**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 administrating Gov. Code 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 of this guide 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) (PDF).

If yes, see below:

**All First-Tier Service (Public Agency, County School or State):**
- The employee is brought into CalPERS membership immediately
- Place the employee into First-Tier
- Provide the employee with the PUB-52

**Mixed First and Second-Tier Service:**
- The employee is brought into CalPERS membership immediately
- If break in service is more than 90 days, place the employee into First-Tier
- Provide the employee with the PUB-52
- If break is less than 90 days, refer to "Mixed First- and Second-Tier Service (break in service is less than 90 days)"

**All State Second-Tier Service only (no State First-Tier, Public Agency or County School Service):**

- Permanent Separation is Less than 90 days -
  - The employee is brought into CalPERS membership immediately
  - Place the employee into Second-Tier

- Permanent Separation is 91 days to Six Months -
  - The employee is brought into CalPERS membership immediately
  - Place the employee into First-Tier
  - Provide the employee with the PUB-52

Permanent Separation is over Six Months and Member has less than 10 years of Second-Tier Service -
- The employee needs to re-qualify for CalPERS membership
- Upon meeting qualifications, bring the employee into CalPERS membership
- Place the employee into First-Tier
- Provide the employee with the PUB-52

Permanent Separation is over Six Months and Member has over 10 years of Second-Tier Service -
- The employee is brought into CalPERS membership immediately
- Place the employee into First-Tier
- Provide the employee with the PUB-52

**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) 372-7200.

1. **Member Group** – for the position the member is going into:

   - Miscellaneous – Gov. Code section 20380
   - Industrial – Gov. Code section 20382
   - Safety – Gov. Code sections 20399 to 20415
   - Peace Officer/Firefighter (POFF) – Gov. Code sections 20391 to 20398, 20416
   - CHP – Gov. Code 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 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 make lower 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) (PDF).

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.

- Effective October 31, 2010, all new state employees in collective bargaining units 5 and 8 as well as new non-represented employees associated with the above collective bargaining units 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 units 5 and 8 prior to October 31, 2010 will exempt the member from the 3-year final compensation.

- Effective January 15, 2011, all new State employees in bargaining units 6, 9, 10, and 13 as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 were given a 3-year final compensation in 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 as well as new non-represented employees associated with any collective bargaining units except those associated with 5 and 8 prior to January 15, 2011 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 myCalPERS 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 myCalPERS 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) (Civil Service Only)

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 became 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**

1. **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**

2. **Is position "excluded" in the PERL?**
   - **YES**: Complete PERS-EAMD-139S, if applicable.
   - **NO**

3. **Is person an "optional" member?**
   - **YES**: Complete myCalPERS 0840; or myCalPERS 0841 or myCalPERS 0842 if membership is elected.
   - **NO**

4. **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 Gov. Code section 20303.

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

**Exception:** Gov. Code 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 Gov. Code section 20300(b). An independent contractor is someone who contracts to provide a service or complete a task according to their 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 No. 05-01 (PDF), In the Matter of the Application for CalPERS membership credit by Lee Neidengard, Respondent and Tri-Counties Association Regional Center, Respondent.

Individuals that are employed through a third party temporary/staffing agency may fall into this category. However, these individuals most often are employees of the CalPERS contracting agency under the common law control test and should be monitored for CalPERS membership.

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) 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

Gov. Code 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 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) publication.

**Inmates of State Institutions (i.e., Prison/Penitentiary or Mental Hospital)**

Such persons are excluded from CalPERS membership by Gov. Code 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 based on 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, they 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 their withdrawn contributions.

Scenario 3 – Refunded Classic Member
A member separated from a State agency as a classic member on March 1, 2010 and withdrew their member contributions from CalPERS. On April 1, 2019, the member was rehired by another State agency and qualified for CalPERS membership.

Result: The member would return to employment as a classic member since the member is returning to the same employer they were previously eligible for classic membership.

NOTE:
All State of California departments are considered the same state employer. All school county offices and districts are considered the same school employer. Each public agency is considered a separate employer.

Scenario 4 – 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 and there is a break in service of more than 6 months.

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.
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 to elect CalPERS membership, "optional" members are subject to the standard CalPERS laws and regulations that apply to non-optional members.

2. Membership is effective no earlier than 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 if 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** — (Gov. Code section 20322(b))
   a) Constitutional Officers: Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General or Insurance Commissioner
   b) Legislative Statutory Officers: Can elect CalPERS membership effective January 1, 2013 (Gov. Code sections 9355.4, 9355.41 and 9355.45)

2. **Appointees of State Officers** — (Gov. Code section 20320)
   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

3. **Officers of the Senate or Assembly** — Elected by either or both such houses. (Gov. Code 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 (Gov. Code section 20324).

5. **California National Guard** — Gov. Code 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. Refer to the "Electing National Guard Membership" section for more information.

NOTE: Legislative Employers should use the Public Agency and Schools Reference Guide (PDF, 1.67 MB) for most of their questions, since they are not covered by the Uniform State Payroll System (USPS).
Optional Members of CalPERS

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 &quot;Optional&quot; Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>myCalPERS 0840 (PDF)</td>
<td>Legislative Employees</td>
</tr>
<tr>
<td>myCalPERS 0841 (PDF)</td>
<td>Officers of the Senate or Assembly; and State Officers elected by the People</td>
</tr>
<tr>
<td>myCalPERS 0842 (PDF)</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.

- 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.

- An elected or appointed officer is required to complete an election of optional membership for each term served.

- Legislative staff employees: Though optional member status is provided by Gov. Code 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

A completed and signed "Election of Optional Membership" form (see table) 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 to satisfy the legal requirements. The forms may be downloaded from the Forms & Publications page.

NOTE: Legislative Employees electing optional membership are directly enrolled into the myCalPERS 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 to enroll the Optional Member.

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" (Gov. Code 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 the "A Guide to Your Service Credit Purchase Options" (PUB-12) (PDF) publication 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.

ELECTING NATIONAL GUARD MEMBERSHIP

The election form must be submitted to the Military Department and should NOT be submitted 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. 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

Gov. Code 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 directly to the Military Department; and should NOT be submitted 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) (PDF).
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. Changes to the Education Code effective January 1, 2016 further clarified the definition of "creditable service" to the California State Teachers' Retirement System (CalSTRS).

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

In general terms, employees in certificated or creditable 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 Gov. Code 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 regarding choosing retirement coverage under one system or the other. The Public Employees Retirement Law (PERL) also contains Gov. Code 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 Gov. Code 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 CalSTRS unless they file 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 was employed by a school employer, Board of Governors of Community College Districts or State Department of Education within 120 days before the member date of hire to perform service that requires membership in the Defined Benefit program of CalSTRS or has at least five years of CalPERS credited service, as defined in Gov. Code 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 they file 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

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.

B. The employee is excluded from the definition of "State employee" in Gov. Code section 3513(c), yet performs, manages or supervises work similar to employees under Subparagraph "A" above.

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.

AB 590 (Chapter 108, Statutes of 2017) amended section 20309 to allow CalPERS members the election for members with less than 5 years of service if employed by a school employer, the Board of Governors of the California Community Colleges or the State Department of Education within 120 days before the member's date of hire to perform service that requires membership in the Defined Benefit Program of the State Teachers' Retirement Plan.

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 Gov. Code section 20309.5;

   b. Is excluded from the definition of "State employee" in Gov. Code section 3513(c), yet performs, manages or supervises work like to employees under Subparagraph "A" above;

   c. Is in a non-civil service position in the Executive branch, yet performs, manages or supervises work like to
employees under Subparagraph "A" above.

Information and Instructions

The right of election arises when the employee enters any new 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: Member Elections Team
P.O. Box 9427094
Sacramento, CA 94229-27094

When enrolling a member into myCalPERS it is required to upload the completed election and certify information to create an appointment for member electing CalPERS coverage for a CalSTRS reportable position.

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 many 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:

- CalPERS members may or may not have Social Security coverage (most do), whereas CalSTRS members generally do not.
- The Benefit Factors based on age for service retirement may be different.
- The employee contribution rates may be different.
- 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? (PDF) 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**
Phone (800) 228-5453
Fax (916) 414-5040
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 their 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 credit and changes positions on or after January 1, 2002.

4. A CalPERS member with less than 5 years of service credit must have been employed by a school employer, the Board of Governors of the California Community Colleges, or the State Department of Education within 120 days before the member's date of hire to perform service that requires membership in the Defined Benefit Program of the State Teachers' Retirement Plan to be eligible for the right of election.

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

6. The election should be filed with the system indicated by 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**

**EMPLOYEE ENTERING A CLASSIFIED POSITION WHICH REQUIRES MEMBERSHIP ON THE DATE OF HIRE 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
EMPLOYEE ENTERING A CERTIFICATED POSITION WHICH REQUIRES MEMBERSHIP ON THE DATE OF HIRE 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

Was the employee an active member of CalPERS with a school employer, State Department of Education or Board of Governors of the Community Colleges within 120 days before the member’s date of hire? See (2) below.

YES

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

NO

CalSTRS laws apply

If elects CalPERS, CalPERS 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) Gov. Code section 20309 (Chapter 77, Stats. 2001) effective 1-1-2002

(2) Gov. Code section 20309 (Chapter 880, Stats. 2000) effective 1-1-2001
CalPERS or CalSTRS?

CalPERS/CalSTRS Retirement System Election

**EMPLOYEE ENTERING A CERTAIN STATE POSITION WHICH REQUIRES MEMBERSHIP IN CALPERS?** *

Employee's current retirement system?

- None
- CalPERS
- CalSTRS

CalSTRS laws apply

If elects CalPERS, CalPERS laws apply

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

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

**YES**

**NO**

*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

Gov. Code 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 Gov. Code 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 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 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)

14. COURT ORDER TO CHANGE GENDER

If 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).

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.
**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.

When a member establishes reciprocity, there is no transfer of funds or service credit between retirement systems. They are a member of both systems and are subject to the membership and benefit obligations and rights of each system, except as they are modified by the reciprocity agreement.

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 the *When You Change Retirement Systems (PERS-PUB-16)* (PDF) publication at [www.calpers.ca.gov](http://www.calpers.ca.gov) or by calling 888 CalPERS (or 888 225-7377).

**Reciprocal 1937 Act Counties**

<table>
<thead>
<tr>
<th>Alameda</th>
<th>Sacramento</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contra Costa</td>
<td>San Bernardino</td>
</tr>
<tr>
<td>Fresno</td>
<td>San Diego</td>
</tr>
<tr>
<td>Imperial</td>
<td>San Joaquin</td>
</tr>
<tr>
<td>Kern</td>
<td>San Mateo</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Santa Barbara</td>
</tr>
<tr>
<td>Marin</td>
<td>Sonoma</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mendocino</th>
<th>Stanislaus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merced</td>
<td>Tulare</td>
</tr>
<tr>
<td>Orange</td>
<td>Ventura</td>
</tr>
</tbody>
</table>

**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.
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.
**Reciprocity 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**
  The member 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 their contributions (if any) on deposit (or by later re-depositing contributions he or she had withdrawn).

- **Movement to a New Reciprocal System**
  The member 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.)

- **No Overlapping Service**
  The member must discontinue your employment relationship from the first system before entering employment or membership with the subsequent system. The member 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**
  To receive full reciprocal benefits, a member 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.


**Important Restrictions**

When changing retirement systems, the member must satisfy several statutory conditions, as follows, 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 member 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 had 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.
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**
The highest compensation earnable under any system is used when computing final compensation if retirement from all systems is concurrent.

**NOTE:** If a member retires on a service retirement from another reciprocal system before meeting the CalPERS minimum retirement age, they can later retire under CalPERS effective the date they 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 (Gov. Code section 20039).

**Vesting**
A CalPERS member who is also a member of a reciprocal retirement system is 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 to retire concurrently from each system. You will need to contact the other retirement system to determine their retirement requirements.

**Disability Retirement**
If a 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 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 during employment under the other system, CalPERS pays an annuity that is the actuarial equivalent of the member’s contributions.

**Pre-Retirement Death Benefits**
If a 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 a 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.
Even if the member does not qualify for full reciprocity, CalPERS offers the following provisions for some non-qualifying individuals:

**Redeposit Rights**
If the member 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**
A CalPERS member who is also a member of a reciprocal retirement system is 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 to retire concurrently from each system. You will need to contact the other retirement system to determine their retirement requirements.

**Movement to a Reciprocal System Prior to Reciprocity Agreement**
If a member's 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 if they retire on the same date under both systems.
The University of California Retirement System (UCRS)

Members eligible or these provisions are only those of the University of California Defined Benefit Retirement Plan (UCRP), also known as the Defined Benefit Plan, which was contracted with CalPERS on October 1, 1963.

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

Members of UCRS who participate in the Defined Benefit Plan (or UCRP), may qualify for provisions even if the reciprocal movement requirements are not met for full reciprocity.

Redeposit Rights

If a member withdraws their CalPERS contributions and interest and later join a reciprocal retirement system, they can re-establish CalPERS service credit and membership by making a redeposit.

Vesting

A CalPERS member who is also a member of a reciprocal retirement system is 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 to retire concurrently from each system. You will need to 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 if membership requirements in both systems are met (Gov. Code section 20034).
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 if 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 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 (Gov. Code 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. The member should 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 for the provisions of final compensation to apply.

If a member retires 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 a member 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.
HOW TO NOTIFY CALPERS WHEN THE MEMBER CHANGES RETIREMENT SYSTEMS

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 (PERS-PUB-16) (PDF) publication.

Please direct requests for information or inquiries to:

CalPERS
Employer Account Management Division
Attn: Member Elections Team
P.O. Box 9427094
Sacramento, CA 94229-27094

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

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
Phone (916) 795-3688
Fax (916) 795-1500

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) (PDF) and A Guide to Your CalPERS Military Service Credit Options (PERS-PUB-15) (PDF), 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 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, 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:

1. Visit the CalPERS website at www.calpers.ca.gov
2. If applicable, search for the Service Credit Cost Estimator.
3. Complete a cost estimate for the appropriate service credit type.
4. Print out the service credit cost estimate form from the results page.
5. Go to the Forms and Publications page.
6. Select the link to download the applicable Service Credit Cost Request form.
7. 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

CalPERS members have the right to redeposit contributions previously withdrawn from the system. 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 Gov. Code 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 (PERS-MSD-370) (PDF) form 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 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.

**Comprehensive Employment & Training Act (CETA) or Fellowship Service**

Gov. Code 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 (PERS-MSD-370A) (PDF) form. 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**

Gov. Code 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 for Service Credit Cost Information – Base Realignment and Closure (BRAC) Firefighter (PERS-MSD-374) (PDF) 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.

**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 (PERS-MSD-372) (PDF) form. 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)
Due to 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

Gov. Code 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. 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. Not have been dishonorably discharged from active duty.
4. Elect to purchase military service credit.
5. 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 Gov. Code 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 section 21027 must also have contracted for section 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 at www.calpers.ca.gov or the A Guide to Your CalPERS Military Service Credit Purchase Options (PERS-PUB-15) (PDF) publication.

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

Gov. Code 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 (Gov. Code 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 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 at www.calpers.ca.gov or the A Guide to Your CalPERS Military Service Credit Purchase Options (PERS-PUB-15) (PDF) publication.
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 resulting from the leave of absence.

**Educational Leave of Absence**
Educational leave of absence is an employer-approved leave for 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 resulting from 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) (PDF) form. 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 (Gov. Code 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 Community Property (PUB-38A) (PDF, 1.14 MB) publication.
- 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 Disability Retirement Election Application (PUB-35) (PDF) publication.

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
Service Credit Purchase Options

- 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 the A Guide to your CalPERS Military Service Credit Options (PERS-PUB-15) (PDF) publication.

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).
# CSU – Only Membership

## Table of Contents

- The California State University ......................................................................................62
  - Overview ............................................................................................................. 62
  - Retirement Programs .......................................................................................... 62
  - Membership Eligibility ......................................................................................... 63
  - CSU Membership Chart ...................................................................................... 64
  - Account Codes .................................................................................................... 65
  - Benefits ............................................................................................................... 66
  - CSU Retiree Dental ............................................................................................. 66
  - Faculty Programs — Early Retirement, Reduced Time Base and Leaves .......... 66
    - Faculty Early Retirement Program (FERP) ......................................................... 66
    - Reduced Workload Program ............................................................................... 67
    - Pre-Retirement Reduction in Time Base (PRTB) ................................................ 67
    - Sabbatical Leaves ............................................................................................... 67
    - Difference in Pay (DIP) Leaves ........................................................................... 68
  - Contact ................................................................................................................ 68

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.

It is important to 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 (Gov. 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.

Due to 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.

All new hires on or after January 1, 2013, who are CalPERS members must complete the Member Reciprocal Self-Certification (PERS-EAMD-801) (PDF) form to accurately process membership enrollment (New Member vs Classic Member) for every new appointment. Refer to the State Controller's Office Personnel Letters #17-001 (PDF) (Civil Service) and (CSU) for instructions on when to submit the PERS-EAMD-801 form to SCO. A copy should be maintained in employees personnel file for audit purposes.

Based on the enrollment information, myCalPERS 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 for assistance at memberelectionteam@calpers.ca.gov.

NOTE:
Each employer must maintain a copy of the PERS-EAMD-801 form and the participant details necessary to categorize individuals as new members or classic members in your databases.

Retirement Programs

Eligible CSU employees participate in one of the following 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. 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.
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.

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.

5. State Safety 2% @ 57, 2.5% @ 57
State employees who are appointed to or transfer to a State safety position on or after January 1, 2013 are subject to the PEPS retirement formula.

6. State Miscellaneous 2% @ 55
All State employees first hired into a State miscellaneous position prior to January 15, 2011 are subject to the 2% @ 55 State miscellaneous formula and a one-year final compensation period.

7. State Miscellaneous 2% @ 60
All State employees first hired on/after January 15, 2011 who are appointed to or transfer to a State miscellaneous position are subject to the 2% @ 60 miscellaneous formula and a three-year final compensation period.

8. State Miscellaneous 2% @ 62
State employees who are appointed to or transfer to a State miscellaneous position on or after January 1, 2013 are subject to the PEPS retirement formula.

Additional retirement program information and exceptions
- For CSU public safety employees (#1-5 above), refer to the State Safety Benefits (PUB 7) (PDF) publication.
- For State Miscellaneous & Industrial employees (#6-8 above), refer to the State Miscellaneous & Industrial Benefits (PUB 6) (PDF) publication.

Membership Eligibility
1. Temporary, full-time employees who are not already CalPERS members are 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 (Gov. Code section 20305 [a][3][A]).

2. Temporary and part-time employees who are not already CalPERS members are excluded until the 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 are included when counting hours or days for purposes of determining qualifying membership. The employer is responsible for monitoring the number of hours worked (Gov. Code section 20305[a][3][B]).

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 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.
- 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 (Gov. Code 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 Gov. Code section 20305.

Specific questions concerning membership should be directed to the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).
**CSU Membership Chart**

**Status** – Current CalPERS Member (Actively contributes or has funds on deposit or has service credits.)

<table>
<thead>
<tr>
<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>Summer session or intersession academic employment if the employee is NOT full-time (Gov. Code section 20300 [k])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appointments OTHER THAN those listed below in EXCLUDED status</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Status** – Excluded (Regardless of current membership status.)

<table>
<thead>
<tr>
<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>Employees covered by State Teachers Retirement System (STRS) (Gov. Code section 20300 [g])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>Student Assistants (Gov. Code section 20300 [c])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>Extension faculty whose compensation is based on class enrollment (Gov. Code section 20300 [j])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>Summer session or intersession academic employment if the employee IS full-time (Gov. Code section 20300 [k])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<td>Independent Contractor (Gov. Code section 20330[b])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
<tr>
<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.) (Gov Code section 20330 [f])</td>
<td></td>
<td></td>
<td>YES</td>
</tr>
</tbody>
</table>
## Status – Not a Current Member (Was never a member or had contributions refunded.)

<table>
<thead>
<tr>
<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>Full-time appointment for more than 6 months (Gov. Code section 20305 [a][3][A])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time appointment for less than 6 months (Gov. Code section 20305 [a][3][A])</td>
<td></td>
<td>YES</td>
<td></td>
</tr>
<tr>
<td>Works an average of 20 hours per week; appointment is for 1-year or longer (Gov. Code section 20305 [a][2])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Works less than 20 hours per week (Gov. Code section 20305 [a][3][B])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irregular basis appointment (seasonal, emergency, hourly intermittent, substitute, special consultant, on-call, limited term, etc.) (Gov. Code section 20305 [a][3][B])</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary faculty (A-52 appointment) for one academic year (less than 6 months) at full-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary faculty (A-52 appointment) for one academic year (greater than 6 months) at full-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary faculty (A-52 appointment) for one academic year at part-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary faculty (A-52 appointment) for semester/quarter at full-time</td>
<td>YES</td>
<td></td>
<td></td>
</tr>
<tr>
<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 (FERP) 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. To be eligible, the employee:

- Must be at least age 55
- Must be eligible for service retirement
- Must be granted service retirement
- 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. 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 (Gov. Code 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. 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 Gov. Code 20900.

CalPERS members and employers must complete the Reduced Workload Program Eligibility and Election Certification (PDF) form and submit this form to CalPERS.

See the "Payroll Reporting" section of this guide 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 to restrict additional employment. Salary is pro-rated according to time base and 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 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 (PDF) (PUB-12) publication 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.

---

**CSU 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.
All reportable compensation must be pursuant to written pay schedules, memorandums of understanding (MOUs), bargaining agreements, or similar documents that are available for public review.

The statutes governing compensation are listed below, per Government Code (Gov. Code) sections 20630, 20636 and CCR sections 570 and 570.5.

Refer to the Pensionable Compensation (PEPRA) section of this chapter for the statutes and regulations governing pensionable compensation for new members with PEPRA membership.

Compensation (Gov. Code section 20630)

Compensation is broadly defined 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 the time during which the employee is excused from work because of holidays, sick leave, industrial disability leave (payable pursuant to Labor Code sections 4800 and 4850, Article 4 (commencing with section 19869) or Education Code section 44043 or 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.

Workers’ Compensation Temporary Disability and Industrial Disability Leave Payments

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
(Gov. Code section 20636 (g) (1))

Notwithstanding, Gov. Code section 20636(a), 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 (Gov. Code section 20636 (g) (2))

Notwithstanding, Gov. Code section 20636 (b), 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
(Gov. Code 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. One employee may not be considered a group or class.

Increases in compensation earnable granted to an employee who is not in a group or class shall be limited during the final compensation period and the preceding two years to the average of the increases in compensation earnable during the same period reported by the employer for all employees in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

Requirements for a 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 the established criteria and identifies how pay rate may be determined if an employer fails to meet the requirements.

**Special Compensation**  
(Gov. Code section 20636 (g) (3) (A-L))

Notwithstanding, Gov. Code section 20636 (c) the following list identifies special compensation items included for state members:

- The monetary value, as determined by the board, 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. (Gov. Code 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 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 Government 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.

**CCR Section 570 Final Settlement Pay - Excluded**

Final settlement pay means any pay or cash conversions of employee benefits, in excess of compensation earnable, that are granted or awarded to a member relating to or in anticipation of a separation from employment. Final settlement pay is excluded from payroll reporting to CalPERS, in either pay rate or compensation earnable and may consist of severance pay or so called "golden parachutes".
It may be based on accruals over a period of prior service. It is generally, but not always, paid during the period of final compensation. It may be paid in either lump sum or periodic payments.

Final settlement pay may also take the form of any item of special compensation not listed in section 571, bonus, retroactive adjustment to pay rate, conversion of special compensation to pay rate or any other method of payroll reported to CalPERS. All forms of final settlement pay are prohibited from being considered special compensation.

**Pensionable Compensation (PEPRA) (Gov. Code section 7522.34)**

For new PEPRA members, as defined in Gov. Code section 7522.04 (f) "pensionable compensation" must meet the following four criteria set forth in both Gov. Code section 7522.34 (a) and CCR 571.1 (a):

1. Pay is the normal rate of pay or base pay that is earned for normally required duties and historically consistent with prior payments for the job classification.
2. Paid in cash to similarly situated members of the same group or class of employment.
3. Paid for services rendered on a full-time basis during normal working hours.
4. Paid pursuant to publicly available pay schedules.

CCR section 571.1 (b) provides an exclusive list and defines the forms of pay the Board has determined to meet the criteria of "pensionable compensation" for individuals who are considered new members, so as each of the criteria in CCR section 571.1 (a) have been met.

As set forth in CCR section 571.1 (c), pensionable compensation for all new members does not include the items explicitly excluded from pensionable compensation under Gov. Code section 7522.34 (c).

The following forms of compensation are not reportable for PEPRA members:

- Temporary Upgrade Pay
- Management Incentive Pay
- Uniform Allowance
- Bonus
- Value of Employer Paid Member Contributions
- Off-Salary-Schedule Payments
- Fair Labor Standards Act for miscellaneous members (reportable for safety members only)

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.

Additionally, any form of identified compensation agreed to be non-pensionable pursuant to an MOU shall be excluded from pensionable compensation. The state employer 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.

Refer to Circular Letter No. 200-064-17 (PDF), Public Employees’ Pension Reform Act (PEPRA) of 2013 Adoption of Pensionable Compensation Regulations (Attachment – California Code of Regulations (CCR) section 571.1 (PDF)).

The purpose of this Circular Letter is to inform CalPERS covered employers of the adoption of section 571.1 to title 2 of the CCR, which further clarifies what CalPERS considers to be "pensionable compensation" as defined in Gov. Code section 7522.34.

This Circular Letter supersedes and replaces Circular Letter No. 200-062-12 dated December 27, 2012, as it applies to "pensionable compensation".

**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 considered 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 2020 compensation limit for classic members is $285,000. Therefore, the member should not make contributions on earnings that exceed the $285,000 limit within the 2020 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 you can pay an employee who is a member of CalPERS.

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

You 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.

### New Member Contribution Caps

| New Member with Social Security | $126,291 | (100% of the 2020 Social Security contribution and benefit base) |
| New Member without Social Security | $151,549 | (120% of the 2020 Social Security contribution and benefit base) |

NOTE: Please see the Membership chapter of this Guide for the definition of a new PEPRA member.

You will report full pay rate and actual earnings for all members in myCalPERS and the system will error and notify you 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, state employers, school employers, the judicial branch, or California State University (CSU), unless an employer’s existing MOU would be impaired by this restriction. It is the responsibility of 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.

Payroll will error in myCalPERS if EPMC is reported for a new member.
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.

**Earnings Divided by Pay Rate Equals Service Credit**

<table>
<thead>
<tr>
<th>Example</th>
<th>Member Earnings Monthly Pay Rate</th>
<th>=</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>2.</td>
<td>Member Earnings Monthly Pay Rate</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>Member Earnings Hourly Pay Rate</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>Member Earnings Daily Pay Rate</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
(Gov. Code section 20962)

One year of service credit shall be granted for service rendered and compensated in a fiscal year of 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 MOU 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.
# BENEFITS PROCEDURES

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiary Designation Form</strong></td>
<td>83</td>
</tr>
<tr>
<td>Special Instructions</td>
<td>83</td>
</tr>
<tr>
<td><strong>Reporting an Imminent Death or Terminal Illness/ Power of Attorney</strong></td>
<td>84</td>
</tr>
<tr>
<td><strong>Death of an Active Member</strong></td>
<td>85</td>
</tr>
<tr>
<td>Employer Notification to System</td>
<td>85</td>
</tr>
<tr>
<td>Notification By Other Than Employer</td>
<td>85</td>
</tr>
<tr>
<td>Continuation of Health Benefits</td>
<td>85</td>
</tr>
<tr>
<td><strong>Information for Family of Deceased</strong></td>
<td>87</td>
</tr>
<tr>
<td><strong>Retirement — General</strong></td>
<td>89</td>
</tr>
<tr>
<td>When to Apply</td>
<td>90</td>
</tr>
<tr>
<td>Additional Notes For Submitting Forms</td>
<td>90</td>
</tr>
<tr>
<td>Who May Apply</td>
<td>90</td>
</tr>
<tr>
<td>Disability or Industrial Disability Retirement</td>
<td>90</td>
</tr>
<tr>
<td>Requesting Additional Service Credit</td>
<td>91</td>
</tr>
<tr>
<td>Final Compensation</td>
<td>91</td>
</tr>
<tr>
<td>Cancellation of Retirement Application</td>
<td>91</td>
</tr>
<tr>
<td><strong>Service Retirement</strong></td>
<td>93</td>
</tr>
<tr>
<td>Minimum Requirements for Service Retirement</td>
<td>93</td>
</tr>
<tr>
<td>Service Retirement Processing — Document Sequence</td>
<td>93</td>
</tr>
<tr>
<td><strong>Deductions after Retirement</strong></td>
<td>96</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>96</td>
</tr>
<tr>
<td>Dental Insurance</td>
<td>96</td>
</tr>
</tbody>
</table>
Vision Care ................................................................................................................................. 96
Direct Authorizations .................................................................................................................. 96
Income Tax Withholding ............................................................................................................ 97
Payments for Purchasing Service Credit ................................................................................. 97
Social Security Instructions ........................................................................................................ 97
Temporary Annuity Payments ................................................................................................. 97

**Disability Retirement or Industrial Disability Retirement** ...................................................... 98

Disability Retirement ................................................................................................................. 98
Industrial Disability Retirement ................................................................................................. 98
Public Employees’ Pension Reform Act of 2013 (PEPRA) .......................................................... 98
When to Apply ............................................................................................................................. 98
Emergency Retirement ............................................................................................................... 99
Who Can Apply ............................................................................................................................ 99
Employer Originated Application .............................................................................................. 99
Application Process .................................................................................................................... 100
Complete Package ..................................................................................................................... 100
Determination ............................................................................................................................... 101
Retirement Effective Date ........................................................................................................... 101
Member Alternatives Following the Determination ................................................................. 101
Temporary Disability Allowance (TDA) ..................................................................................... 102
General Disability Calculation ................................................................................................. 103
Cancellation of Application ....................................................................................................... 103
Subrogation ................................................................................................................................. 104
Insurance Coverage for a New Spouse/Registered Domestic Partner .......... 122

Death of a Retiree ........................................................................................................... 123

Health Insurance ......................................................................................................... 123

Warrants Issued After Retiree’s Death ........................................................................ 123

Completing the Tax Withholding Election for Survivor Benefits .......................... 124

Monthly and/or Prorated Payment Including Any Allowance Adjustments......... 124

Temporary Annuity Payments and Retired Death Benefit ..................................... 124

Tax and Income Reporting Information ...................................................................... 125

Statement of Benefits Paid and Withholding .............................................................. 125

Taxpayer Identification Number .................................................................................. 125

Notice of Possible Penalties .......................................................................................... 125

Changing a Tax Withholding Election ...................................................................... 125

Refund of Member Contributions .............................................................................. 126

Forfeiture of Benefits .................................................................................................. 127

IRC Section 415 (B) Replacement Benefit Plan ......................................................... 128

Social Security and Public Employees ...................................................................... 129

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.
   (Gov. Code 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 Gov. Code section 21490)

Any of the following life events will revoke the Pre-Retirement Lump Sum Beneficiary Designation Form (myCalPERS 0772)
(Gov. Code 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 through their online account at myCalPERS.ca.gov or filing a new Pre-Retirement Lump-Sum Beneficiary Designation Form. (Gov. Code 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 on Section 3 of the form that 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) (PDF) 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 (PUB 30) (PDF) publication, 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:
For CalPERS to carry out the desired retirement action (e.g., provide an allowance to the beneficiary), it is imperative the member be alive on the effective date of retirement and an election filed with CalPERS prior to the member’s death (Gov. Code 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) (PDF).

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.
DEATH OF AN ACTIVE MEMBER

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, CalPERS ID or Social Security Number, and birth date,

2. Date of death and date of separation,

3. Name, address, and telephone number of next-of-kin,

4. If a spouse/registered domestic partner is next-of-kin, the birth date and date of marriage/partnership.

CalPERS will send you a partially completed, Report of Separation for Death (myCalPERS 0697) (PDF) form with the following information:

1. Employer name and CalPERS ID

2. Member name, CalPERS ID and the last four digits of the member’s Social Security Number

3. Date of death

INSTRUCTIONS FOR COMPLETION OF myCalPERS 0697

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 EDUCATIONAL LEAVE AT TIME OF SEPARATION

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/or 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 myCalPERS 0697 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 myCalPERS 0697 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 (Gov. Code 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) (PDF) 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 (myCalPERS 0675).

If an estimate is not provided, or if only lump sum benefits are payable, the myCalPERS 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 myCalPERS 0675. If the information provided in the initial myCalPERS 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 survivor 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). (Gov. Code 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 (myCalPERS 0772) (PDF) (See Beneficiary Designation Form section for more information) or completed online through myCalPERS. 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, survivor 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 (Gov. Code section 21493):
   a) Member’s surviving spouse or registered domestic partner if married/registered for at least one year
   b) Unmarried minor child(ren)

II. If the member was not eligible for a monthly allowance (Gov. Code 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 not,
   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 (Gov. Code 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 survivor 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](http://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](http://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 (PDF) 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 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)](http://www.calpers.ca.gov/download/PERS-BSD-369-S.pdf) (PDF) or [Disability Retirement Election Application (PERS-BSD-369D)](http://www.calpers.ca.gov/download/PERS-BSD-369D.pdf) (PDF) 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)](http://www.calpers.ca.gov/download/PUB-1.pdf) (PDF, 1.38 MB) and the CalPERS [State Miscellaneous and Industrial Benefits Booklet (PUB 6)](http://www.calpers.ca.gov/download/PUB-6.pdf) (PDF) or the CalPERS [State Safety Booklet (PUB 7)](http://www.calpers.ca.gov/download/PUB-7.pdf) (PDF). 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. They can visit the Member Education area on our website [www.calpers.ca.gov](http://www.calpers.ca.gov) to view the latest schedules and enroll in a class.
**How To Apply**
Members may apply for retirement online through their personal myCalPERS account at [my.calpers.ca.gov](http://my.calpers.ca.gov) or they can submit and mail a hardcopy retirement application available in the Forms & Publications area on our website at [www.calpers.ca.gov](http://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.

The application must be 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, to be eligible for the earliest possible retirement date, which is the day following the last day on payroll. If not, the retirement date can be no earlier than the first of the month in which CalPERS receives the application. (Gov. Code section 21252(a))

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. (Gov. Code section 21252)

**Additional Notes for Submitting Forms**
If the application is submitted by FAX to the Benefits Services Division, DO NOT have the member also send the original hard copy application. They should 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. (Gov. Code section 21060) A State Miscellaneous and Industrial member with a membership date on or after January 1, 2013 must be age 52 (Gov. Code section 7522.20). Members may be eligible to retire at age 50 if he or she has a combination of classic and PEPPRA service. 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 (Gov. Code 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 benefits the member will receive will be based on their actual service credit amount. (Gov. Code sections 20962 and 20970)

**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 employment.
part-time jobs with one or more than one employer, or is in an elected or appointed position with a CalPERS employer, even though they may not be receiving service credit for one or more of the positions (Gov. Code sections 21252, 22970.23 and 22970.25). 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 to Purchase 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 requests service credit purchase information 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) (PDF)* 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: 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](http://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](http://www.calhr.ca.gov) under Policy Memos.

For more information, refer to California Public Employees’ Retirement Law (PERL PDF, 5.12 MB), Gov. Code sections 20037–20037.15.

**Cancellation of Retirement Application**

If a member wants 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. (Gov. Code section 20730)

**Divorce or Termination of Domestic Partnership**

We will not release any service or disability retirement benefits, health or dental benefits,
refund of contributions, or death benefits until the member's community property claim is resolved. A member may still apply for retirement pending resolution to an unresolved community property claim; however, no benefits can be released until the community property issue is resolved. Once benefits become payable, they will be released and paid retroactively to the member's retirement date.
Service Retirement

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. (Gov. Code section 21060(a)) State Miscellaneous and Industrial members with a membership date on or after January 1, 2013 must be age 52. (Gov. Code section 7522.20) Members may be eligible to retire at age 50 if he or she has a combination of classic and PEPRA service. The minimum retirement age is 55 for Second Tier retirement plan. (Gov. Code 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 benefits the member will receive will be based on their actual service credit amount. (Gov. Code sections 20962 and 20970)

Service Retirement Processing — Document Sequence

1. Service Retirement Election Application (PERS-BSD-369S) (PDF) is received in the System from the member. Please note that the member's spouse or registered domestic partner must sign the Service Retirement Election Application form unless the member has elected the 100 percent Beneficiary Option 2 or 100 Percent Beneficiary Option 2 with Benefit Allowance Increase as his or her retirement payment option and designated his or her spouse or registered domestic partner as the beneficiary and the sole primary beneficiary of any lump sum benefits. Otherwise, they must complete and submit a Justification for Absence of Spouse's or Registered Domestic Partner's Signature (PERS-BSD-800A) (PDF). (Gov. Code section 21261)

The application package includes information regarding required marriage and birth date evidence. (Gov. Code 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 (myCalPERS 1288) (PDF) form at a later date. (Gov. Code section 21269)

2. Sick Leave/Education Leave Employers must certify the separation information by submitting it and any updates online using myCalPERS. (CCR 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. (Gov. Code section 20221 (a)) 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. (Gov. Code sections 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 hours, 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. (Gov. Code section 20963) 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. (Gov. Code 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. (Gov. Code 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-369S) (PDF) 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".
Health Insurance (CCR 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 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 (PDF), 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 (CCR 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) (PDF) must be completed and sent to CalPERS 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 (CCR 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 (except for health, dental, and some union memberships).

Direct Authorizations (Gov. Code sections 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. (Gov. Code 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. (Gov. Code 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 (PUB 13) (PDF) publication 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) (PDF), 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 (PDF) form prior to completing the Disability Retirement Election Application (PERS-BSD-369-D) (PDF).

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. (Gov. Code 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 benefits the member will receive will be based on their actual service credit amount. (Gov. Code 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 Gov. Code 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. (Gov. Code 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, 2023, 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. (Gov. Code section 21400)

When to Apply

The application for disability retirement shall be made only (Gov. Code section 21154):

1. While a member is in state service, or
2. For a member, whose contributions will be made under Gov. Code 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. (Gov. Code 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. (Gov. Code 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 any person on behalf of the member. "Duly authorized official" referred to above, is defined in Gov. Code, section 21152 (a) (b) (c).

Gov. Code 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 a disability retirement application on the member's behalf, they must complete the Employer-Generated Disability Retirement Application (PERS-BSD-369-D-ER) (PDF). The application must be signed 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
- Medical information to support application (e.g., Fitness for Duty reports, Doctor Notes, etc.)

Provide the following documentation if the employee has a pending "Adverse Action", was terminated for cause, resigned in lieu of termination, or is being investigated for or has been convicted of a work-related felony:

- Personnel Records
- Adverse Actions
- SPB Decisions
- Investigation Reports

Once CalPERS receives the employer originated application, the member will be notified and sent A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35). The member is required to complete the Disability Retirement Election Application (PERS-BSD-369-D) unless the member elects to waive the right to retire for disability.

The Employer-Originated Disability Retirement Application (PERS-BSD-369-D-ER) and Disability Retirement Election Application (PERS-BSD-369-D) forms are available on the CalPERS website at www.calpers.ca.gov or contact CalPERS at 888 CalPERS (or 888-225-7377).

NOTE:
A member cannot cancel an Employer-Originated Disability Retirement Application. If the member does not submit his/her application within the requested timeframe, CalPERS will administratively cancel the Employer Originated Application.
Disability Retirement or Industrial Disability Retirement

**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 earlier in this chapter for further information).

**Estimate** — The member’s first step should be to request a Disability Retirement Estimate, by completing and submitting the Retirement Allowance Estimate Request (PERS-BSD-470) (PDF) form available online. Alternatively, a request can be made by calling CalPERS at 888 CalPERS (or 888-225-7377). Disability estimates are not available online.

**Complete Package** — 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) (PDF).
- A completed Authorization to Disclose Protected Health Information (PERS-BSD-35) (PDF) signed by the member.
- A completed Physician’s Report on Disability (PERS01M0051DMC) (PDF) 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) (PDF) form along with medical records related to the claimed disability for an application for Industrial Disability Retirement, if the member has a job-related injury.

All the required forms needed are included in A Guide to Completing Your CalPERS Disability Retirement Election Application (PUB 35) (PDF). The member should read the entire publication prior to completing any forms so the information submitted is complete and accurate. This will assist CalPERS in making a determination in a timely manner.

NOTE: Submission of the job description should not be delayed for the completion of the Report of Separation & Advance Payroll Information (PERS-BSD-194) (PDF) form. Employers should return the PERS-BSD-194 form as soon as information is available.
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. 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 CalPERS Power of Attorney (PUB 30) (PDF).

**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. (Gov. Code 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. (Gov. Code 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. (Gov. Code 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. (Gov. Code 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. (Gov. Code 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. (CCR 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:
Disability Retirement or Industrial Disability Retirement

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 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) (PDF) 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.

You may provide the employee’s beneficiary information to receive an estimate that includes all retirement payment options available to the employee. If you do not provide the employee’s beneficiary information, CalPERS will only include the Unmodified Allowance and Return of Remaining Contributions Option 1 on the estimate.

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 (PDF).
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) depending on the employee’s membership date and employer’s agreement with CalPERS. 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. (Gov. Code section 21150)

If the member has between five and 10 years, or 18½ 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%.)

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 ⅓ %.)

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 29.629½ years of service credit, add to that figure the number of years until the member will be age 65 (or age 67 under Second Tier formula 1.25% @ 67) and multiply the TOTAL by 1.125% to determine the percentage of final compensation. (The maximum percentage allowable is 33 ⅓ %)

Figuring the Disability Allowance

\[
\text{Years of Service} \times \text{Benefit Factor} = \% \text{ of Final Compensation} \\
\text{Next} \\
\% \text{ of Final Compensation} \times \text{Final Compensation} = \text{the Unmodified Allowance (pension)}
\]

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. (Gov. Code 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).

Cancellation of Application

If a member wants to cancel the disability retirement application, other than an employer originated application, the request must be made in writing and prior to the determination to be valid. The member’s signature is required. A cancellation is binding; the member must thereafter re-apply whenever he/she is ready to retire. If the disability retirement has been approved, please refer to the "Member Alternatives Following Disability Determination"
section for more information. Cancellation requests can be mailed to:

CalPERS
P.O. Box 2796
Sacramento, CA 95812-2796

Subrogation (Gov. Code 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." (Gov. Code 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 hours, 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) (PDF) 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 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.”
**Employment of a Retiree**

Retirees must be enrolled (appointed) as a "Retired Annuitant" in myCalPERS and their payroll must be reported to CalPERS (Gov. Code section 20221.5).

**Resources for Hiring Retirees**

Refer to the following publications for specific employer guidelines:

- **Circular Letter 200-002-14 (PDF)**, Post Service Retirement Employment Requirements
- **Circular Letter 200-053-16 (PDF)**, Requirements for Working after Disability Retirement for a CalPERS Employer
- **Circular Letter 200-048-18 (PDF)**, Enrolling and Reporting Retired Members
- **Circular Letter 200-054-19 (PDF)**, Assembly Bill 672, Chapter 98 – Working After Disability/Industrial Disability Retirement

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

**Government Codes (Gov. Code)**

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

Gov. Code sections 7522.56, 7522.57, 21202, 21220, 21220.5, 21221(h), 21224, 21227, 21229, 21231, 21232 and 21233 provide the requirements for employment of a CalPERS retiree. Gov. Code 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 Gov. Code sections 7522.56, 21221(h), 21224, 21227 and 21229.

**Civil Service Eligibility Requirement for Retired Annuitant Employment and Employment under Gov. Code 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 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.

For more information on the civil service process refer to the CalHR Personnel Management Policy and Procedures Manual (pages 360.1 – 360.4) available from the California Department of Human Resources (CalHR).

**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 Gov. Code sections 21232 and 21233 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 with the following steps:

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

- 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 of CalPERS retirement and enrollment as an active employee) is required to be hired into the position. Refer to the publication Reinstatement from Retirement (PUB 37) (PDF), 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 needs to ensure the job duties 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 their 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 to work for a CalPERS state agency employer.

A. The 60-calendar day bona fide separation in service 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.

For exceptions for CalSTRS covered positions or positions in any other public retirement system refer to Employment in Other Public Retirement Systems in this section.

**Bona Fide Separation in Service Requirement**

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

When the retiree is under "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 Gov. Code section 21232, between the member and the employer before the member retired.

- 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 maximum normal retirement age up to 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 their retirement formulas on their most recent or final Annual Member Statement, available online via their myCalPERS 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 state miscellaneous member. His two retirement benefit formulas are 2% at 60 and 2% at 55. The normal retirement age for Joe is the maximum normal retirement age of 60, not 55. If Joe retires prior to age 60, he must have a bona fide separation in service.

If the retiree has reached normal retirement age, the bona fide separation is not required.

**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 their retirement date and their first day of post-retirement employment.

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

**180-Day Wait Period Exceptions**

- **Firefighter or Public Safety Officer:** The person retired as a firefighter or public safety officer as defined in Gov. Code section 3301 (peace officer) and will perform firefighter or public safety officer retired annuitant work. (Gov. Code 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 (Gov. Code section 7522.56). 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 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. 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 resolution 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 may submit the resolution-certification package (refer below for submission instructions and links to sample resolutions) 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 (PDF)**
- **180-Day Wait Period Exception Sample Resolution Schools (PDF)**

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

CalPERS
c/o Membership & Post-Retirement Employment Determinations
Employer Account Management Division
PO Box 942709
Sacramento, CA 94229-2709
Working_After_Retirement@calpers.ca.gov

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. If a service retiree is appointed to a permanent regular staff position, regardless of whether part time or full time, they are 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 or in a permanent position. A retired annuitant position does not require CalPERS pre-approval. However, disability retirees cannot be employed in the same position from which they retired or in a position which includes duties or activities they were restricted from performing at the time of their disability 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.

- **Extra Help Positions Only**: Retirees cannot be employed in any regular staff position such as "seasonal," "permanent intermittent," "exempt from civil service" "exempt from membership." "TAU," or any other "temporary" position other than a retired annuitant position.

- **960-Hour Fiscal Year Limit**: A retired annuitant can work no more than 960 hours in a fiscal year (July 1 - June 30), for 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**: A retiree in any retired annuitant position 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 divided by 173.333 to equal an hourly rate.

- **No Benefits/Other Compensation**: The retiree cannot receive any benefit, incentive, compensation in lieu of benefits, or other form of compensation in addition to the hourly pay rate. Overtime pay is allowed as is required by the Federal Fair Labor Standards Act. Additional compensation such as, but not limited to: Sick Leave, Holiday Pay and Shift Differentials, is not allowed. The retiree can only receive 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. (Gov. Code sections 7522.56 and 21224).

- **Enrollment**: All retirees hired as retired annuitants must be enrolled in myCalPERS. If an employer fails to enroll a retired member employed at their agency without reinstatement within 30 days of the effective date of hire, a $200 fee may be assessed per retired member per month until the retired member’s appointment is enrolled (Gov. Code section 21220(d)). These fees apply to appointments beginning July 1, 2018 or later. These fees shall not be passed on to the employee.

- **Payroll Reporting**: The payroll for retired annuitant appointments must be reported in myCalPERS. If an employer fails to report the pay rate and number of hours worked for a retired member employed at your agency without reinstatement, within 30 days of the last day of the pay period in which the retired member worked, a $200 fee may be assessed per retired member per month per pay period until the information is reported. Refer to the Payroll Reporting, Retired Annuitants section of this guide for more information (Gov. Code section 21220(e)). These fees apply to appointments beginning July 1, 2018 or later. These fees shall not be passed on to the employee.

### 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 they are in compliance with the above requirement.

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

Employers may require retirees to 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:

- Authorization for Release of Unemployment Insurance Records for Retired Annuitants form EDD Form DE 1181 (PDF) 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
Employment of a Retiree

result in reinstatement from retirement (Gov. Code sections 7522.56(e) and 21224).

Special Appointments – Retired Annuitant Requirements Do Not Apply

- **Elected and Appointed Officers**: As authorized by Gov. Code section 21231 (previously Gov. Code 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, their allowance is unsuspended prospectively. Elected and Appointed Officers authorized by Gov. Code section 21231 do not have to be enrolled into myCalPERS.

- **Full-time State Board or Commission**: A CalPERS retiree may be appointed to serve on a full-time salaried state board or commission. The retiree may serve without reinstatement from retirement as a nonsalaried 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 form retirement (Gov. Code 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. (Gov. Code 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 nonsalaried member and receive only the per diem authorized to all members of the board or commission.
  b. The retiree may suspend their 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. (Gov. Code 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 Gov. Code 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, refer to the Positions Excluded from CalPERS Coverage, Independent Contractors section of this guide and note the following:

- Independent contractors are not "employees" and are excluded from membership in CalPERS by Gov. Code section 20300(b). An independent contractor is someone who contracts to provide a service or complete a task according to their 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 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:...
Employment of a Retiree

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 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. If you would like a review of your proposed independent contractor service agreement, send the complete agreement by email to: Working_After_Retirement@calpers.ca.gov

Employment in Other Public Retirement Systems

If a retiree is a service retiree, they 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, they can work for an employer in a different retirement system and continue to receive their 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 or activities they were previously restricted from performing at the time of retirement.

- If a retiree is a disability retiree under the minimum service retirement age, their
retirement benefit will be subject to an earnings limit. They are being required to report their employment earnings to CalPERS either on a monthly or quarterly basis. The total employer-paid portion of the monthly retirement allowance and their new earnings cannot be greater than the current compensation of the position from which they retired. If the total is greater, their 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, their retirement allowance is not subject to an earnings limit, even if they are under the service retirement age.

- If a retiree is under service retirement age and is determined to be performing duties like those from which they were previously found disabled, CalPERS can re-evaluate their medical condition to determine whether they should be reinstated from retirement back into their former position.

A retiree’s disability retirement requires them to inform CalPERS immediately if they are no longer incapacitated or are currently employed in a position like the job they retired from.

**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 Gov. Code 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 Gov. Code 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 Gov. Code 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), contact CalPERS at (916) 795-3688.

**Private Sector Employment After Retirement**

If a retiree is a service retiree, they can work for a private industry employer not associated with any CalPERS employer without restrictions and continue to receive their retirement allowance.

If a retiree is a disability retiree, they can work for a private industry employer not associated with any CalPERS employer and continue to receive their CalPERS retirement allowance with the following restrictions:

- The retiree’s employment must be in a position significantly different from the one from which they retired. The position should not include duties or activities they were previously restricted from performing at the time of their retirement.

- If a retiree is a disability retiree under the minimum service retirement age, their retirement benefit will be subject to an earnings limit. They are required to report their employment earnings to CalPERS either on a monthly or quarterly basis. The total employer-paid portion of their monthly retirement allowance and their new earnings cannot be greater than the current compensation of the position from which they retired. If the total is greater, their 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, their retirement allowance is not subject to an earnings limit, even if they are under the minimum service retirement age.

- If a retiree is under the service retirement age and is determined to be performing duties like those from which they were previously found disabled, CalPERS can re-evaluate their medical condition to determine whether they
should be reinstated from retirement back into their former position.

A retiree’s disability retirement requires the retiree to inform CalPERS immediately if they are no longer incapacitated or are currently employed in a position like the job they retired from.

**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 (if applicable).

C. No receipt of unemployment insurance payments for previous retired annuitant employment 12 months before the appointment.

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 Gov. Code section 21232. Violation of any of these requirements will result in reinstatement from disability/industrial disability retirement and the member’s retirement benefits will be terminated. (Gov. Code sections 21202 and 21220)

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

Gov. Code 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 they will be employed, and whom the board finds are 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 they 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) (PDF) for information and requirements regarding working while receiving disability/industrial disability retirement benefits before applying.

2. The retiree completes and signs Section 1 of the Request to Work While Receiving Disability/Industrial Disability Retirement Benefits (PERS07M0044DMC) (PDF) form.

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 (PERS01M00050DMC) (PDF) 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.
Employment of a Retiree

- 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 the physician, schedule the appointment, and pay for the examination. (Gov. Code section 20129)

Additional Medical Reports from Local Safety Members
If the retiree retired for disability or industrial disability from a public agency local safety position, the retiree must also submit the medical documentation used at the time of their retirement identifying the restrictions placed upon them to CalPERS.

Upon approval of the re-employment, the employer is required to enroll the retiree in myCalPERS 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 their 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 (Gov. Code section 21232).

If the retiree has a position change (i.e., promotion, demotion, lateral transfer, reclassification, job relocation, restart of a previously approved position or change 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.
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. (Gov. Code sections 7522.02 and 7522.04)

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

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:  
Refer to 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 (Gov. Code 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 (PUB 37) (PDF) publication.

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. (Gov. Code 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 Gov. Code section 21197.

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. (Gov. Code 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 Gov. Code section 21196, may reinstate a person who has been retired through CalPERS 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 (PUB 37) (PDF) publication.
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 through CalPERS 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 (Gov. Code section 21198).

A person who has been retired through CalPERS for service may be reinstated from retirement pursuant to this article without regard to the requirements of Gov. Code 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 (Gov. Code section 21199).

When a person is reinstated from retirement, the retirement allowance is cancelled, and the retiree becomes a member of CalPERS 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 (Gov. Code section 21200).

Disability/Industrial Disability Retirement (Gov. Code 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 the Board 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 (Gov. Code 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). (Gov. Code sections 21192 and 21193)

3. A State disability retiree has reinstatement rights to the retired position. If the retiree requests approval to reinstate in a different position or with a different employer other than the one they retired from, it will be determined whether they can perform all the duties for either the retired position or the new position. If they are still disabled for the retired position and not disabled for the new position, they still have reinstatement rights to the retired position. If they are not disabled for either of the positions, they have the right to reinstate to the retired position. However, if they decide to reinstate to the new position, they will lose reinstatement rights to the retired position. (Gov. Code section 21193)

To request approval, the employer and retiree must:

- Complete sections 1 and 2 (if applicable, refer to the Additional Information for Industrial Disability section below) of the Reinstatement from Disability/Industrial Disability Retirement application (PERS01M0036DMC) found in the Reinstatement from Retirement (PUB 37) (PDF).

- 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. (Gov. Code 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 (PERS01M0050DMC) (PDF) form to the retiree. If the retiree is requesting reinstatement into a different position from which they retired or reinstatement with a different employer, the
Reinstatement from Retirement

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 their retired position with the same employer that they retired from, the specialist(s) must include in the medical report the following pertinent information on appropriate letterhead. (Gov. Code 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 their 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 (Gov. Code 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** forms for both the position they retired from and the new position they 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. (Gov. Code 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. (Gov. Code 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 (Gov. Code sections 21192 and 21193).

When the member retires again, the industrial benefit pays the higher of:

- 50 percent of the member’s highest consecutive 12-month or 36-month average monthly salary. An additional annuity may be paid if the member has contributions associated with non-safety service.

- A service retirement allowance, if the member qualifies for service retirement or if under age 50, an actuarially reduced age factor (determined by the member’s
Reinstatement from Retirement

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 industrial disability retirement classification. (Gov. Code sections 21197 and 21201)

NOTE:
If the member’s industrial disability benefit was based on classic salaries, and the member becomes subject to PEPRA in the new miscellaneous position, the member’s PEPRA salaries cannot be used toward their classic service.

If the retiree is found no longer incapacitated from performance of the job duties of their retired position due to their approved disabling condition(s); they have the right to reinstate to their retired position. If they choose to continue working in the miscellaneous position, they will lose their mandatory reinstatement rights to the retired position. In addition, they will no longer be covered under Gov. Code section 21201 when they stop working. The retiree will not be entitled to resume an industrial disability retirement allowance using the salaries earnable under the miscellaneous position. (Gov. Code 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 (PUB 98) (PDF) publication 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. (Gov. Code 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. (Gov. Code section 21462)
- Birth or adoption of a child. (Gov. Code section 21462)
- Death of Retirement Option Beneficiary (Gov. Code 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) (PDF) 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 unless the spouse or domestic partner is named as the sole beneficiary. If the spouse or domestic partner is not named as the sole beneficiary or the retiree does not certify they have no spouse/partner, and 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) (PDF) 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 a community property interest in the retiree’s CalPERS retirement account.

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 (myCalPERS 0777) (PDF) form with CalPERS. (Gov. Code 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. (Gov. Code 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) (PDF) 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) (PDF).

Effective Date for Changing an Option (Gov. Code 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 (Gov. Code 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 dependant 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.
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 **myCalPERS 0697** 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 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. (Gov. Code 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 Survivor 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 (CCR Section 589.5 and Gov. Code 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 "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 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.
TAX AND INCOME REPORTING INFORMATION

Statement of Benefits Paid and Withholding (CCR Section 589.5 and Gov. Code 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.

Taxpayer Identification Number (CCR Section 589.5 and Gov. Code 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.

Notice of Possible Penalties (CCR Section 589.5 and Gov. Code 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 (PDF, 2.00 MB), provides additional information.

Changing a Tax Withholding Election (CCR Section 589.5 and Gov. Code 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 access their online account at my.calpers.ca.gov or complete another Tax Withholding Election (myCalPERS 1289 (PDF) form and submit it to CalPERS. This form can be viewed and printed from the Forms & Publications page on the CalPERS website.
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 member's options based on age and vesting as well as providing tax information if they choose to withdraw their contributions and interest. (Gov. Code 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. (Gov. Code 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. If 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. (Gov. Code 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) (PDF) 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. (Gov. Code section 20734)

A refund will not be issued until the member has been permanently separated from all CalPERS-covered employers via myCalPERS. (Gov. Code 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.
FORFEITURE OF BENEFITS

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. (Gov. Code 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 Gov. Code sections 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
IRC Section 415 (B) Replacement Benefit Plan

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.

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.

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 Gov. Code section 21750 et seq., and in Title 2 of the Code of Regulations section 589 et seq.

All statutory references are to Title 2 unless indicated otherwise.

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
SOCIAL SECURITY AND PUBLIC EMPLOYEES

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 a 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.
### Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalPERS Web Services</td>
<td>132</td>
</tr>
<tr>
<td>Ordering Forms &amp; Publications</td>
<td>134</td>
</tr>
<tr>
<td>List of CalPERS Publications</td>
<td>135</td>
</tr>
</tbody>
</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.
**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](#)

**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:

- Board Meeting Notices and Agenda Alerts
- Ambassador Program Newsflash
- CalPERS Legislative News
- CalPERS Long-Term Care Program Alert
- CalPERS News
- Employer Bulletin
- Member Education Bulletin
- State Social Security Administrator Program Newsletter

Board Meeting Notices and Agenda Alerts are a direct link to Board of Administration Meeting Notices and Agendas as soon as they are available.

Ambassador Program Newsflash conveys the best practices for communicating the facts about pensions.

CalPERS Legislative News provides updates on CalPERS policy issues and actions.

CalPERS Long-Term Care Program Alert provides specific program news and updates.

CalPERS News is our newsletter delivered directly to your email as the news happens for important information on issues and activities impacting CalPERS programs and services.

Employer Bulletins are the latest employer-related news and information sent directly to your email box.

Member Education Bulletin provides class scheduling information including dates for CalPERS member education events, webinars, and instructor-led classes.

Finally, the State Social Security Administrator Program Newsletter delivers information about Social Security and Medicare coverage for state and local government employees.
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.

<table>
<thead>
<tr>
<th>Publication Description</th>
<th>Publication Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning Your Service Retirement (PDF, 1.38 MB)</td>
<td>PUB-1</td>
</tr>
<tr>
<td>School Member Benefit Publication (PDF)</td>
<td>PUB-2</td>
</tr>
<tr>
<td>State Miscellaneous &amp; Industrial Member Benefit Publication (PDF)</td>
<td>PUB-6</td>
</tr>
<tr>
<td>State Safety Member Benefit Publication (PDF)</td>
<td>PUB-7</td>
</tr>
<tr>
<td>Local Miscellaneous Member Benefit Publication (PDF, 4.91 MB)</td>
<td>PUB-8</td>
</tr>
<tr>
<td>Local Safety Member Benefit Publication (PDF)</td>
<td>PUB-9</td>
</tr>
<tr>
<td>National Guard Member Benefit Publication (PDF)</td>
<td>PUB-11</td>
</tr>
<tr>
<td>A Guide to Your CalPERS Service Credit Purchase Options (PDF)</td>
<td>PUB-12</td>
</tr>
<tr>
<td>Temporary Annuity (PDF)</td>
<td>PUB-13</td>
</tr>
<tr>
<td>Partial Service Retirement (PDF)</td>
<td>PUB-14</td>
</tr>
<tr>
<td>Military Service Credit Options (PDF)</td>
<td>PUB-15</td>
</tr>
<tr>
<td>When You Change Retirement Systems (PDF)</td>
<td>PUB-16</td>
</tr>
<tr>
<td>Special Power of Attorney (PDF)</td>
<td>PUB-30</td>
</tr>
<tr>
<td>Retired Member Death Benefits (PDF)</td>
<td>PUB-31</td>
</tr>
<tr>
<td>Employment After Retirement (PDF)</td>
<td>PUB-33</td>
</tr>
<tr>
<td>A Guide to Completing Your CalPERS Disability Retirement Election (PDF)</td>
<td>PUB-35</td>
</tr>
<tr>
<td>Reinstatement from Retirement (PDF)</td>
<td>PUB-37</td>
</tr>
<tr>
<td>A Guide to CalPERS Community Property (PDF, 1.14 MB)</td>
<td>PUB-38A</td>
</tr>
<tr>
<td>CalPERS Domestic Relations Model Orders (PDF)</td>
<td>PUB-38B</td>
</tr>
<tr>
<td>A Guide to Completing Your Service Retirement Election (PDF)</td>
<td>PUB-43</td>
</tr>
<tr>
<td>A Guide to Completing Your Nonmember Service Retirement Election (PDF)</td>
<td>PUB-44</td>
</tr>
<tr>
<td>State Second Tier Benefit Election Package (PDF)</td>
<td>PUB-52</td>
</tr>
<tr>
<td>Changing Your Beneficiary or Monthly Benefit After Retirement (PDF)</td>
<td>PUB-98</td>
</tr>
</tbody>
</table>
## EDUCATION AND OTHER RESOURCES
### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalPERS Education and Events</td>
<td>138</td>
</tr>
<tr>
<td>California Employers’ Retiree Benefit Trust (CERBT) Fund</td>
<td>141</td>
</tr>
<tr>
<td>CalPERS Health Benefits (PEMHCA)</td>
<td>142</td>
</tr>
<tr>
<td>CalPERS Long-Term Care</td>
<td>143</td>
</tr>
</tbody>
</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.
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 my|CalPERS 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

my|CalPERS System Training Classes
In our instructor-led my|CalPERS system training classes, you'll learn how to submit your agency's health, membership, and reporting transactions. This training is accompanied by the my|CalPERS 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 (PDF), 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 my|CalPERS 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 my|CalPERS 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 my|CalPERS system training class or an Employer Business Rules class, log in to my|CalPERS 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).

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 five 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. Your employees can explore and enroll in classes through our user-friendly enrollment platform. Once logged into their myCalPERS account, they can use our intuitive Education Resources tab to View Classes and learn what classes are available. They can also enroll by calling the CalPERS Customer Contact Center at 888 CalPERS (or 888-225-7377).

Your CalPERS and You
Whether your employees are early or midway through their career, the earlier they develop a better understanding of their CalPERS benefits, the more prepared they will be to plan for their retirement. Your employees will learn about their retirement income sources, how their pension is calculated, purchasing service credit, the importance of having a power of attorney on file, what happens if they leave their employer and much more.

Planning Your Retirement
Retiring is a significant milestone in a person’s life, so this class is designed for those employees nearing retirement to help them plan and prepare for retirement, so they can answer one of the most important questions, "When can I retire?" This class will provide information on what steps to take before that important day. Subjects include how their retirement is calculated, their retirement payment options, the importance of having a power of attorney on file, CalPERS health benefits, and more.

Completing Your Disability Retirement Application (Online only)
Did you know that your employees or someone on their behalf, can file a Disability Retirement Election Application for their retirement? If they have a disabling injury or illness that prevents them from performing their usual job duties with their current employer, they may be eligible for disability retirement. In this class, your employees will learn how and when to apply, which forms to complete based on their personal situation and the importance of having a power of attorney on file.

Benefits Basics (Employer requested instructor-led only)
This class provides a general overview of CalPERS benefits and the choices your employees have, to maximize their retirement security.

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
Did you know that your employees can take advantage of our free monthly webinars? Visit our website at www.calpers.ca.gov to see a list of our upcoming webinars. Monthly webinars are released as videos on our CalPERS Videos on our YouTube channel for future viewing.

CalPERS Benefits Education Events
Because we understand that planning and education are crucial components to making sound decisions, we offer free educational events about CalPERS benefits and programs to your employees at every stage of their career path.

The CalPERS Benefits Education Events (CBEEs) are offered throughout the State of California and provide informative event classes such as, Retirement & Health Benefits, Social Security, myCalPERS & Your Retirement Options and Deferred Compensation that are uniquely tailored for employees who are early through mid-career as well as for those nearing retirement.

These popular events are designed to reach out to your employees who show an early interest in planning for their eventual retirement as well as for those nearing retirement. Your employees will have the opportunity to attend and ask questions about their benefits along with what steps they need to take for the next phase of their career from CalPERS representatives and partner organizations.

For more information, select "Attend Training & Events" under the "I Want To" column to visit the CalPERS Benefits Education Events page on the CalPERS website.

Member Education Bulletin
CalPERS Email Subscriptions are your direct link to the latest CalPERS news and information. Stay informed about our free educational opportunities. Subscribe to the Member Education Bulletin to help you and your employees know about upcoming member education offerings. This email bulletin provides information about upcoming CalPERS education events such as: webinars, instructor-led classes and CalPERS Benefits Education Events (CBEE’S). Share this useful tool with your employees so they can get connected to great educational opportunities.

To receive educational event notifications in the future, your employees can subscribe to our Member Education Bulletin. To do so, visit our website at www.calpers.ca.gov, scroll down to Subscribe, enter your email address, select Subscribe and follow the simple steps to complete your subscription. Subscriptions are also available for Board Meeting Notice & Agenda Alerts, Employer Bulletin and CalPERS News.
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 525 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
- 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 (Gov. Code 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 (PDF), 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.
APPENDIX
TABLE OF CONTENTS

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>myCalPERS 0362</td>
<td>146</td>
</tr>
<tr>
<td>Application for Retired Member/Payee Survivor Benefits</td>
<td>myCalPERS 1191</td>
<td>147</td>
</tr>
<tr>
<td>Tax Withholding Election for Survivor Benefits</td>
<td>myCalPERS 1190</td>
<td>148</td>
</tr>
<tr>
<td>Tax Withholding Election for Survivor Benefits Including Benefits Eligible</td>
<td>myCalPERS 1192</td>
<td>149</td>
</tr>
<tr>
<td>Notice of Placement on Retirement Roll</td>
<td>myCalPERS 0926</td>
<td>151</td>
</tr>
<tr>
<td>Retirement Acknowledgement Letter to Participant</td>
<td>myCalPERS 0964</td>
<td>152</td>
</tr>
</tbody>
</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.
Important: Please attach a copy of the claim showing the original designation of benefits.

DISCLAIMER OF BENEFITS

I, ___________ have been notified by, that I
(Please print)
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. By signing 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 certify that the person who appears on your social security card and provides your social security number.

Name (First Name, Middle Initial, Last Name): ____________________________
Daytime Phone: ____________
Signature: ____________________________
Date (mm/dd/yyyy): ____________
Male / Female: ____________
Social Security Number: ____________________________
Relationship to Deceased: ____________________________
Gender: ____________________________
Address for Payment:
City: ____________________________
State: ____________________________
ZIP: ____________________________
Address for Other Correspondence:
City: ____________________________
State: ____________________________
ZIP: ____________________________

Section 1

Information About the Member and Immediate Family

Was the deceased a member of another public retirement system in California? (e.g., OTTO, WCOR, County or City Retirement System) □ Yes □ No □ Don’t Know
If Yes, Name of System: ____________________________

Is the estate of the deceased a ward? □ Yes □ No □ Don’t Know

If yes, who is the ward’s guardian? ____________________________

Name of Executor/Administrator:
Address: ____________________________
City: ____________________________
State: ____________________________
ZIP: ____________________________
Daytime Phone: ____________

Attorney Handling Probate:
Address: ____________________________
City: ____________________________
State: ____________________________
ZIP: ____________________________
Daytime Phone: ____________
Tax Withholding Election for Survivor Benefits

Section 1

Prorated Payment Including Any Allowance Adjustments

Federal Tax Withholding Election

☐ I do not wish to have federal tax withheld from my death benefit payment(s).

☐ I wish to have federal tax withheld based on: Single ☐ Married ☐

Number of Dependents: ☐ Married: ☐

Number of Dependents: ☐ Single: ☐

In addition, I elect to have the following amount of federal tax withheld: $ ________

California State Tax Withholding Election

☐ I do not wish to have state tax withheld from my death benefit payment(s).

☐ I wish to have state tax withheld based on: Single ☐ Married ☐

Number of Dependents: ☐ Married: ☐

Number of Dependents: ☐ Single: ☐

In addition, I elect to have the following amount of state tax withheld: $ ________

☐ I elect to have the following flat 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:
Returns to return this form will be considered an election to have taxes withheld.

Section 1
Monthly (Periodic Payments) and/or Prorated 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: ☐ 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: ☐ Number of Exemptions

In addition, I elect to have the following amount of state tax withheld $ ________________

☐ I elect to have the following amount of state tax withheld in the amount of 10 percent of the amount withheld for federal income tax withholding.

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 understand that 20 percent federal tax will be withheld.
☐ 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
IRA Information
☐ A spouse or an eligible community property interest has the right to receive the taxable portion into a "Qualified IRA" or "Inherited IRA."

However, Federal law provides that a spouse or same sex spouse beneficiary subject to 30% withholding unless rollover info on IRS Form 5450 when established on their behalf will be treated as an "Inherited IRA" pursuant to provision of IRC §403(b)(1).

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
P.O. Box 942715 Sacramento, CA 94228-2715
888 CalPERS (or 888-225-7377) | Fax: (800) 466-6546
www.calpers.ca.gov

Page 149
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>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix

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
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:  

myCalPERS 0904