Introduction

A new myCalPERS reporting process has been designed to help employers report out-of-class hours worked in vacant positions in accordance with Government (Gov.) Code section 20480.

Assembly Bill (AB) 1487, effective January 1, 2018, affects California Public Employees’ Retirement System (CalPERS) contracted employers. AB 1487 adds Government (Gov.) Code section 20480 which prohibits an out-of-class appointment by a public agency or school employer with employees serving a limited term (LT) appointment in a vacant position from exceeding 960 hours worked within each fiscal year (FY). This pertains to Classic and New Members (Public Employees’ Pension Reform Act).

The new functionality within myCalPERS allows you to:

• Verify out-of-class hours to report
• Submit record for employees who meet out-of-class hours worked criteria
• View penalties that have been assessed in accordance with Gov. Code section 20480
• Associate labor agreements and salary schedules to out-of-class records, and
• View and pay out-of-class receivables and administrative penalties

Disclaimer

As a security safeguard, business partner and participant information has been masked in this procedure guide.

Contents

Unit 1: Out-of-Class Reporting ............................................................................................................. 2
Unit 2: Maintaining Employer Supporting Documents ....................................................................... 12
CalPERS Resources .............................................................................................................................. 19
CalPERS Contacts ................................................................................................................................ 20
Unit 1: Out-of-Class Reporting

To assist you with tracking and reporting hours worked in a vacant position, you will learn:

- The definition of an out-of-class appointment
- When notifications are sent to employers
- How penalties are assessed

**Definition of Out-of-Class Appointment**

Gov. Code section 20480 of the Public Employees' Retirement Law (PERL) defines an “out-of-class appointment” as an appointment to an upgraded position or higher classification by an employer or governing board or body in a vacant position for a limited duration.

A “vacant position” refers to a position that is **vacant during recruitment** for a permanent appointment. A vacant position does not refer to a position that is temporarily available due to another employee's leave of absence.

**Employer Notifications**

Beginning June 2019, CalPERS will mail up to two notification letters to all contracting public agency and school employers to their preferred address in myCalPERS.

**Annual Notification – (June)**
The notice informs all public agency and school employers to report all out-of-class appointments in myCalPERS by July 30 for the prior fiscal year.

**Failure to Comply Notification – (August)**
All non-compliant public agency and school employers that report payroll directly to CalPERS will be informed that we have yet to receive required information. Penalties and/or administrative fees may be assessed.
Penalties

Penalties incurred with reporting out-of-class appointments are anticipated to be generated the following June after the out-of-class review period. For example, reporting out-of-class appointments for fiscal year 2018/2019 completed by July 30, 2019 will be invoiced June 2020.

Employers who violate this provision must make payments to CalPERS equal to three times the amount of money for the difference between member and employer contributions for the out-of-class appointment and the member and employer contributions reported to the system for the member's permanent position. The penalty shall be applied for the entire period(s) the member served in an out-of-class appointment. In addition, the employer will be responsible for a $200 fee to cover administrative expenses.

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

Contents

Scenario 1: Report No Out-of-Class Appointments ............................................................................ 4
Scenario 2: Report Out-of-Class Appointments .................................................................................. 5
Scenario 3: Out-of-Class File Upload ................................................................................................. 10
Scenario 1: Report No Out-of-Class Appointments

Using the out-of-class validation process, you will report to CalPERS that there are no out-of-class appointments for the selected fiscal year.

**Step Actions**

Step 1  **Select the** Reporting **global navigation tab.**

Step 2  **Select the** Out-of-Class Validation **local navigation link.**

Step 3  Within the Out-of-Class Validation section, select from the Fiscal Year drop-down.

Step 4  Within the Out-of-Class Validation section, select the No checkbox.

Step 5  **Select the** Save & Continue **button.**

Step 6  **Select the** Ok **button.**

You have completed this scenario.
Scenario 2: Report Out-of-Class Appointments

CalPERS requires employers to verify out-of-class hours worked in each vacant position.

Scenario

Using the out-of-class validation process, you will:

• Verify there are out-of-class hours to report
• Submit record for employees who meet the out-of-class hours worked criteria
• View penalties that were assessed in accordance with Gov. Code section 20480
• Associate labor agreements and salary schedules to out-of-class records

System Logic

Begin and End dates must be within selected fiscal year.

Step Actions

Out-of-Class Validation

Step 1  Select the Reporting global navigation tab.

Step 2  Select the Out-of-Class Validation local navigation link.

Step 3  Within the Out-of-Class Validation section, select from the Fiscal Year drop-down.

Step 4  Within the Out-of-Class Validation section, keep the Yes checkbox checked.

Step 5  Select the Save & Continue button.

Step 6  Within the Search or Add New Record to the Report section, enter the employee’s SSN or CalPERS ID in the appropriate field.

Step 7  Select the Add New button.
Step 8  Within the Out-of-Class Appointment Validation section, answer the validation criteria questions.

Step 9  Is the Out-of-Class Appointment a vacant position?

   **Yes:** Select the **Yes** checkbox and continue to step 10

   **No:** Select the **No** checkbox. The following error message will display: Due to the position not being vacant and recruited for, the record does not meet the criteria for an Out-of-Class appointment and does not require further validation information.

   Select the [Return to View Records](#) link to either add a new person or update report status to No if no additional record is required.

   **You have completed this scenario.**

Step 10  Is the Out-of-Class Appointment in a recruitment?

   **Yes:** Select the **Yes** checkbox and continue to step 11

   **No:** Select the **No** checkbox. The following error message will display: Due to the position not being vacant and recruited for, the record does not meet the criteria for an Out-of-Class appointment and does not require further validation information.

   Select the [Return to View Records](#) link to either add a new person or update report status to No if no additional record is required.

   **You have completed this scenario.**

Step 11  Within the Maintain Record Details section, enter the **Begin** and **End Dates**.

Step 12  Select the **Display** button.

Step 13  Select the appropriate **Appointment** radio button.
Active Appointment

Step 14 Within the Active Appointment subsection, populate all appropriate fields pursuant to information for the member’s original appointment before working in an out-of-class appointment.

Note: Within the Total Earnings field, enter what the employee would have earned if they worked in original position during out of class period.

Out-of-Class Appointment

Step 15 Within the Out-of-Class Appointment subsection, populate all appropriate fields pursuant to information for the out-of-class appointment.

Note: For Total Earnings and Total Paid Temporary Upgrade Pay, report the actual amount paid to the member for the entire reporting period, even if the compensation was not reported to CalPERS through regular payroll reporting.

Out-of-Class Hours Reported

Step 16 Within the Out-of-Class Hours Reported subsection, provide the Total Out-of-Class Hours Worked for this Period (include vacation, sick leave, or overtime hours the employee received paid compensation).

View Penalties

Step 17 Within the Penalty subsection, select the Calculate button.
Associate Labor Agreements/Salary Schedules

Step 18 Do you need to provide a salary schedule or written labor policy/agreement?

**Yes:** Continue to step 19

**No:** Skip to step 32

Step 19 Within the Associated Documents section, select the **Add New** button.

Step 20 Within the Document Search section, populate the following fields as necessary.

Step 21 Select the **Search** button.

Step 22 Do you need to upload a new document?

**Yes:** Continue to step 23

**No:** Continue to step 30

Step 23 In the Search Results section, select the Upload Document link.

Step 24 Within the Upload Compensation Review Supporting Document selection, select the **Browse** button.

Step 25 Select the supporting PDF document.

Step 26 Select the **Open** button.
Step 27  Complete the Upload Compensation Review Supporting Document section, including the Position Title/Group field.

Step 28  Select the **Save** button.

Step 29  Within the Search Results section, select appropriate document checkbox(s).

Step 30  Select the **Associate to Appointment** button.

Step 31  Select the **Return** button in the bottom left corner.

Step 32  Select the **Save & Exit** button.

Step 33  Within the Records Present in the Report section, your out-of-class record will display.

You have completed this scenario.
Scenario 3: Out-of-Class File Upload

You will report to CalPERS your out-of-class validations through file upload.

**Step Actions**

**Step 1** Select the **Reporting** global navigation tab.

**Step 2** Select the **Out-of-Class Validation** local navigation link.

**Step 3** Within the Out-of-Class Validation section, select from the Fiscal Year drop-down list.

**Step 4** Within the Out-of-Class Validation section, keep the **Yes** checkbox checked.

**Step 5** Select the **Save & Continue** button.

**Step 6** Within the Out-of-Class Validation section, select the **Upload File** link.

**Step 7** Within the Upload File section, select the **Browse** button.

**Step 8** Select the CSV document.

**Step 9** Select **Upload File** button.

**Step 10** Once your Out-of-Class Appointment has been uploaded and File Status is ready, press the **F5** key on your keyboard to refresh your totals.
Step 11  Your file has been validated and displays the number of records in the Valid and Error columns.

<table>
<thead>
<tr>
<th>File Name</th>
<th>Valid</th>
<th>Error</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>201504152125022_000_10035.csv</td>
<td>9</td>
<td>0</td>
<td>9</td>
</tr>
</tbody>
</table>

View Your Reported Out-of-Class Appointments

Step 12  Select the Reporting global navigation tab.

Step 13  Select the Out-of-Class Validation local navigation link.

Step 14  Within the Records Present in the Report section, your out-of-class record will display.

You have completed this scenario.
Unit 2: Maintaining Supporting Documents

In this unit, you will learn how to maintain your supporting documents used to support out-of-class validations.

Contents

Scenario 1: Upload New Supporting Document ............................................................................... 13
Scenario 2: Update Supporting Document Details ............................................................................... 15
Scenario 3: Inactivate Supporting Document ................................................................................... 17
Scenario 4: Reactivate Supporting Document .................................................................................. 18
**Scenario 1: Upload New Supporting Document**

**Scenario**

In this scenario you will upload a new salary schedule or written labor policy/agreement.

**Step Actions**

**Step 1**

Select the **Reporting** global navigation tab.

**Step 2**

Select the **Maintain Employer Supporting Documents** left-side navigation link.

**Step 3**

Within the Document Search section, complete all necessary fields.

**Step 4**

Select the **Search** button.

**Step 5**

In the Search Results section, select the **Upload Document** link.

**Step 6**

Within the Upload Compensation Review Supporting Document section, select the **Browse** button.
<table>
<thead>
<tr>
<th>Step</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 7</td>
<td>Select the supporting PDF document.</td>
</tr>
<tr>
<td>Step 8</td>
<td>Select the <strong>Open</strong> button.</td>
</tr>
<tr>
<td>Step 9</td>
<td>Complete the Upload Compensation Review Supporting Document section, including the Position Title/Group field.</td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="Upload Compensation Review Supporting Document" /></td>
</tr>
<tr>
<td>Step 10</td>
<td>Select the <strong>Save</strong> button.</td>
</tr>
</tbody>
</table>

**You have completed this scenario.**
Scenario 2: Update Supporting Document Details

Scenario

In this scenario, you will update supporting document details such as document name, effective date, or position/title group.

Step Actions

Step 1 Select the Reporting global navigation tab.

Step 2 Select the Maintain Employer Supporting Documents left-side navigation link.

Step 3 Within the Document Search section, complete all necessary fields.

Step 4 Select the Search button.

Step 5 Within the Search Results section, find the appropriate supporting, then select the Update Details link.
Step 6  Update the Upload Compensation Review Supporting Document section.

Step 7  Select the **Save** button.

You have completed this scenario.
Scenario 3: Inactivate Supporting Document

Scenario
In this scenario, you will inactivate a supporting document.

Step Actions

Step 1  Select the Reporting global navigation tab.

Step 2  Select the Maintain Employer Supporting Documents left-side navigation link.

Step 3  Within the Document Search section, complete all necessary fields.

Step 4  Select the Search button.

Step 5  Within the Search Results section, select appropriate document checkbox(s).

Step 6  Select the Inactivate Document button.

You have completed this scenario.
Scenario 4: Reactivate Supporting Document

Scenario
In this scenario, you will reactivate a supporting document.

Step Actions

Step 1  Select the Reporting global navigation tab.

Step 2  Select the Maintain Employer Supporting Documents left-side navigation link.

Step 3  Within the Document Search section, complete all necessary fields.

Step 4  Select the Search button.

Step 5  Within the Search Results section, find the appropriate inactive supporting document, then select the Update Details link.

Step 6  Select the Reactivate Document button.

You have completed this scenario.
CalPERS Resources

Obtain more information by visiting the CalPERS website at www.calpers.ca.gov.

- **Out-of-Class Reporting Data Element Definitions Document (PDF)**
  **Pathway:** CalPERS website > Employers > myCalPERS Technical Requirements > Technical Resources > (+) Employers > Reporting Out-of-Class Hours Worked (section) > Out-of-Class Hours Worked Reporting (PDF)

- **Out-of-Class Reporting Frequently Asked Questions (PDF)**
  **Pathway:** CalPERS website > Employers > myCalPERS Technical Requirements > Technical Resources > (+) Employers > Reporting Out-of-Class Hours Worked (section) > Frequently Asked Questions (PDF)

- **myCalPERS Student Guides & Resources**
  **Pathway:** CalPERS website > Employers > I Want To...: Find myCalPERS Student Guides

- **Online Classes for Employers (PDF)**
  **Pathway:** CalPERS website > Employers > I Want To...: Find myCalPERS Student Guides > Online Classes for Employers (PDF)

- **Employer Education Schedule (PDF)**
  **Pathway:** CalPERS website > Employers > I Want To...: Find myCalPERS Student Guides > Employer Education Schedule (PDF)

- **myCalPERS Technical Requirements**
  **Pathway:** CalPERS website > Employers > myCalPERS Technical Requirements

- **Public Agency & Schools Reference Guide (PDF)**
  **Pathway:** CalPERS website > Employers > Policies & Procedures > Reference & Health Guides > Public Agency & Schools Reference Guide (PDF)

- **Circular Letters**
  **Pathway:** CalPERS website > Employers > Policies & Procedures > Circular Letters

- **Public Employees' Retirement Law (PERL)**
  **Pathway:** CalPERS website > About > Laws, Legislation & Regulations > Public Employees’ Retirement Law (PERL)

- **myCalPERS Employer Reports (Cognos) Catalog**
  **Pathway:** CalPERS website > Employers > myCalPERS Technical Requirements > myCalPERS Employer Reports (Cognos) Catalog
CalPERS Contacts

Email

- To contact the employer educators for questions and inquiries, email CalPERS_Employer_Communications@CalPERS.CA.GOV
- To contact the Employer Response Team for assistance with your most critical, complex, or time-sensitive issues, email ERT@CalPERS.CA.GOV
- To contact CalPERS Membership Unit for questions regarding membership eligibility or if a non-contributory employee does not have the Earned Period No Contribution and No Service in the Transaction Type drop-down list, email Membership_Reporting@CalPERS.CA.GOV
- To contact the Compensation Compliance & Review Unit for special compensation questions and inquiries, email MOU_Review@CalPERS.CA.GOV

Phone or Fax

You can reach CalPERS at 888 CalPERS (or 888-225-7377), Monday through Friday, 8:00 a.m. to 5:00 p.m., except on state holidays.

- TTY: (877) 249-7442 (This number does not accept voice calls)
- CalPERS centralized fax number: (800) 959-6545
- Employer Response Team phone number: (800) 253-4594

Submit Inquiry

You can send secure messages through myCalPERS. Expand the Common Tasks left-side navigation folder and select the Submit Inquiry link to submit a question or request.