

Revision Date: December 2019 – Public Agency & Schools Reference Guide
Chapter: Payroll Reporting Procedures

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Legend: Deleted/Replaced – **Added/Revised**

Special Compensation

You will add or delete each special compensation type and amount to an applicable employee’s payroll record. In addition, an employee’s payroll record may contain multiple categories and types of special compensation. Each special compensation item should be separated into its own line item. Do not combine special compensation. **Special compensation should never be included in pay rate and earnings.**

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Survivor Contribution Type

Survivor Contribution is the amount of contribution a member pays for the 1959 Survivor Benefit. Members covered by the 1959 Survivor Benefit contribute the amounts on the table following based on the reporting frequency. Please note that the survivor contribution index levels change each fiscal year.

Reporting Frequency	Contribution Each Service Period	
	Index Level	All Other Levels
Monthly	\$2.10 2.90	\$2.00
Semi-Monthly	\$1.05 1.45	\$1.00
Bi-weekly	\$0.97 1.34	\$0.93
Quadri-weekly	\$1.94 2.68	\$1.86

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Transmitting Payroll Information

For more information on the four options for transmitting payroll information visit the [Employer Technical Resources](#) page **or the [myCalPERS Payroll Reporting \(PDF\)](#) on the CalPERS website.**

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NOTE: Total Compensation is the combined total of reportable earnings and special compensation for the reported earned period.

Employees working in two or more units will have a Social Security modification factor applied only once for the total compensation in the earned period.

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School Member Pay Rates

In accordance with Gov. Code section 20636.1, pay rate means the base pay of the member for services rendered on a full-time basis during normal working hours.

For classified members, full-time employment is 40 hours per week and shall be reported for all months of the year in which work is performed. Reporting the hourly pay rate for classified members is recommended, as positions are generally defined by service or duty days. The salary for positions does not generally represent a 40-hour pay rate equivalent when converted.

~~Do not convert~~ Additionally, an hourly or daily pay rate should not be converted to a monthly equivalent, as this could result in incorrect final benefits for the member. If a contract employee is working outside the timeframe of the contract (e.g., summer session), use the salary schedule for the position worked.

For certificated members, pursuant to Government Code section 20962(a)(1), members may earn one year of service credit for services rendered and compensated in a fiscal year in full-time employment of one academic year. Reporting the compensation as equal payments may ensure that one year of service credit is granted.

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Reporting Out-of-Class Appointment Total Hours Worked

Gov. Code section 20480 requires all contracting agency employers or school employers to track hours worked by an employee serving in an out-of-class appointment and report that service to CalPERS no later than 30 days following the end of each fiscal year.

Out-of-Class Appointment

Gov. Code section 20480 defines an out-of-class appointment to mean an appointment to an upgraded position or higher classification due to a vacancy for a limited duration.

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

Penalties

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

The penalty shall be applied for the entire period the employee works in an out-of-class appointment. In addition, the employer will be responsible for a fee of \$200 to cover administrative expenses.

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

Refer to [Circular Letter 200-018-19 \(PDF\)](#) on the CalPERS website for more detailed information and available resources regarding out-of-class hours reporting.
