School Employer Advisory Committee

February 6, 2019

CalPERS

Legislative Update

Andrea Peters

Legislative Affairs Division

CalPERS

School Employer Advisory Committee – SEAC

February 6, 2019

Veronica Silva-Gil

State Social Security Administrator Program

Agenda

- Section 218 Agreement Overview
- Retired Annuitant Definition
- Scenarios

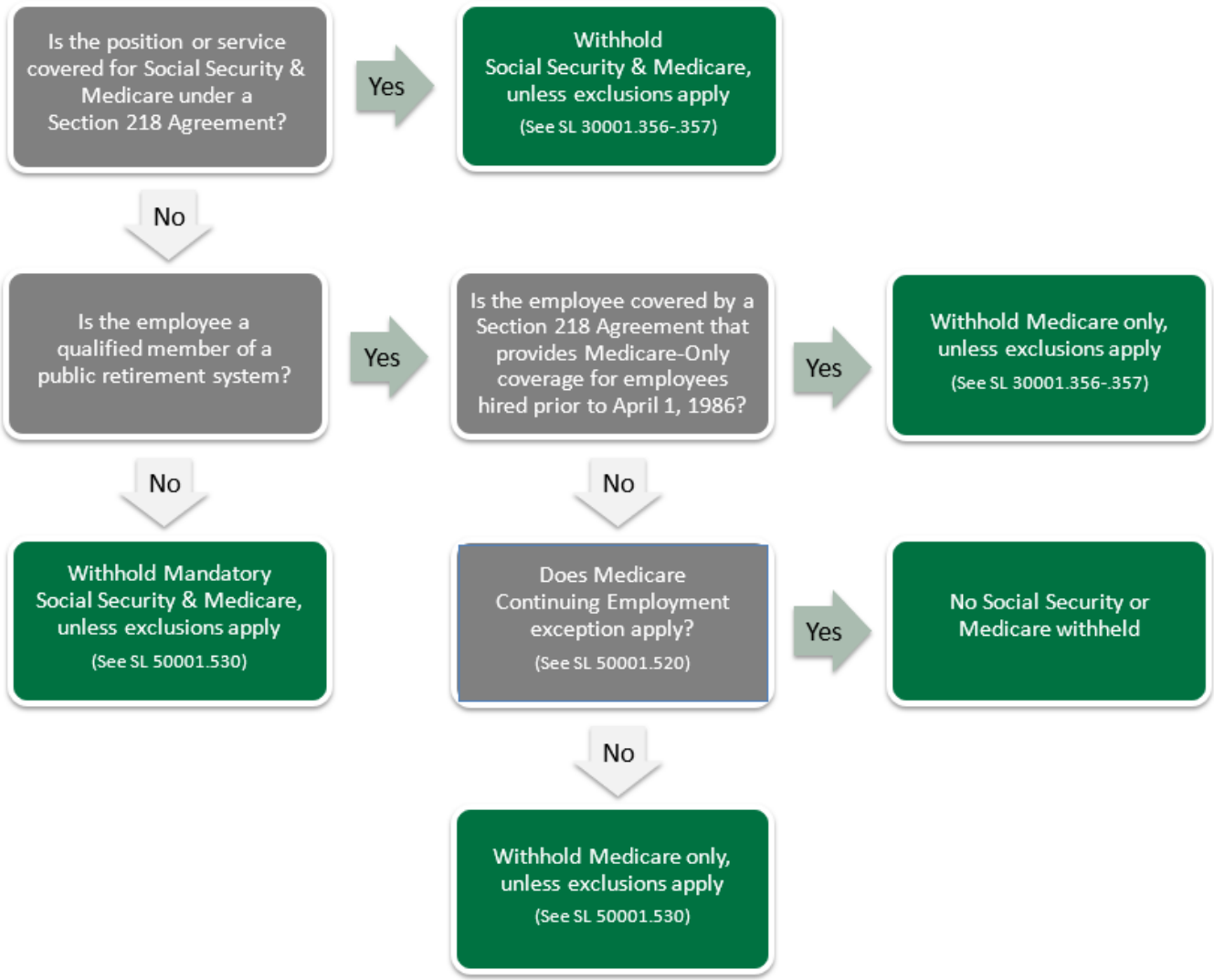
Section 218 Agreement Overview

Section 218 Agreement

- A Voluntary Agreement
- Provides Social Security Coverage to employees
- Modification 315: Effective date of coverage was January 1, 1956
- Exclusions: none

How does Section 218 Agreement coverage work?

- The agreement covers positions not individuals
- If the position is covered, the employee contributes to the Social Security program


Is the position or service covered for Social Security & Medicare under a Section 218 Agreement?
Yes
Withhold Social Security & Medicare, unless exclusions apply
(See SL 30001.356-.357)
No
Is the employee a qualified member of a public retirement system?
Yes
Is the employee covered by a Section 218 Agreement that provides Medicare-Only coverage for employees hired prior to April 1, 1986?
Yes
Withhold Medicare only, unless exclusions apply
(See SL 30001.356-.357)
No
Withhold Mandatory Social Security & Medicare, unless exclusions apply
(See SL 50001.530)
No
Does Medicare Continuing Employment exception apply?
(See SL 50001.520)
Yes
No Social Security or Medicare withheld
No
Withhold Medicare only, unless exclusions apply
(See SL 50001.530)

Section 218 Agreement Coverage

Is the position or service covered for Social Security and Medicare under a Section 218 Agreement?

Yes

Withhold
Social Security & Medicare, unless exclusions apply
(See SL 30001.356-.357)

Mandatory Social Security

- Public Law mandated Social Security and Medicare coverage for State and Local government employees who are not members of a public retirement system and not covered by a Section 218 Agreement beginning July 2, 1991

IRC 3121(b)(7)(F) and CFR 31.3121(b)(7)-2

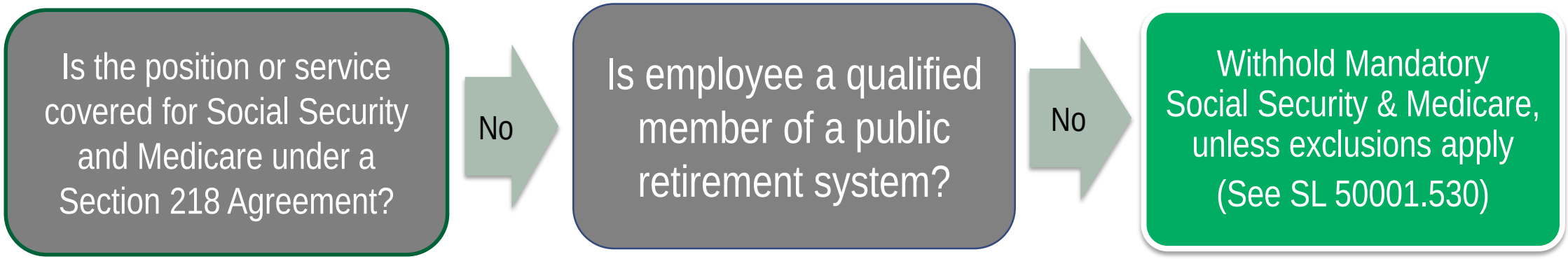
State and Local 50001.501

Mandatory Social Security Coverage

- 1966 Medicare was signed into Law
  - All public agencies with a Section 218 Agreement were automatically covered by Medicare
- All employees hired on or after 4/1/1986 are mandatorily covered by Medicare

(S.L. 50001.510)

Mandatory Social Security Coverage



Rehired/Retired Annuitant Defined

Definition

- A retiree for a State, political subdivision or instrumentality who participated in a qualifying retirement system
- And is rehired by his/her former employer or another employer that participates in the same qualifying retirement system as the former employer
- And the retiree is receiving a pension benefit from the retirement system, or has reached retirement age under that same retirement system

Rehired Annuitants and Mandatory Social Security

- If the *position* is not covered by a Section 218, then…
- Under IRS regulation, rehired annuitants are exempt from mandatory Social Security coverage if the annuitant is:
    - Employed by the same employer
    - Employed by a different employer who maintains the same retirement system

(State and Local Coverage 50001.580)

Scenarios

Scenario 1

- Retiree age 75 applies to be a bus driver at your city school district. He is already receiving Social Security and Medicare benefits. Has never worked for the school district or any other CalPERS-covered agency.

Should you withhold Social Security and Medicare taxes?

Scenario 1 - answer

Answer:

- Section 218 Agreement does not exclude bus drivers from coverage
- Yes both Social Security and Medicare
- He does not meet the definition of a retired annuitant
- Age or the fact that he is receiving benefits does not make a difference

Scenario 2

- Retiree from CalSTRS obtains a position at a local school district as an administrative assistant. Position covered under CalPERS.

Should you withhold Social Security and Medicare taxes?

Scenario 2 - answer

Answer:

- Section 218 Agreement does not exclude administrative assistants from coverage
- Yes both Social Security and Medicare
- He/She does not meet the definition of a retired annuitant

Scenario 3

- Retiree receiving a CalPERS pension obtains a substitute teaching job at a local school district. Position is covered under CalSTRS

Should you withhold Social Security and Medicare taxes?

Scenario 3 - answer

Answer:

- Section 218 Agreement does not cover positions under CalSTRS
- Yes both Social Security and Medicare, if retiree does not qualify for CalSTRS membership
- He/She does not meet the definition of a retired annuitant

Resources

Employer Resources

- Social Security State and Local Government
  - https://www.ssa.gov/slge/
- IRS Governments Tax Information for Federal, State, and Local Governments
  - https://www.irs.gov/government-entities/federal-state-local-governments
- Social Security & Medicare Webpage (SSSA Home page)
  - www.calpers.ca.gov/sssa
- SSSA Program Newsletter
  - Subscribe by visiting the SSSA Webpage

Upcoming Webinar Schedule

- AIR for COEs and Public Agencies
  - Wednesday, February 27, 10:00am-11:00am

- Hot topics in Social Security and Medicare
  - Wednesday, March 27, 10:00am-11:00am

- Register at: https://www.calpers.ca.gov/sssa

Questions

Hiring CalPERS Retirees as Independent Contractors

Christina Rollins, Section Manager

Employer Account Management Division

CalPERS

Objective

- How to distinguish between an employee, retired annuitant and an independent contractor
- What you need to know when hiring a CalPERS retiree

Types of Employment Relationships

- Employee
- Independent contractor
- Third party/labor supplier employment
- Retired annuitant

Retired Annuitant

- CalPERS retiree employed by a CalPERS employer in an employee position

Independent Contractor

- Excluded from CalPERS membership
- Contracted to provide a service or complete a task
- Not subject to the agency’s control

Third Party/Labor Supplier Employment

- Similar to Independent Contractor Review
- Information is used to determine which employer is controlling the work
- These workers typically tend to be employees of the CalPERS agency and not the temporary agency

Common Law Control Test

- Who has the right to control the manner and means of accomplishing the desired result?
- Is control executed only as to the result of the work and not the means by which it is accomplished?
- Additional secondary factors are considered

Review Process

Request is received to review contract

↓

Checklist sent to agency with requested information for review

↓

Preliminary Determination – independent contractor or employee

↓

Determination letter mailed to agency and employee

↓

Appeal process

CalPERS Resources

- CalPERS Customer Contact Center
  - **888 CalPERS** (or **888** - 225-7377)
- CalPERS website
  - www.calpers.ca.gov
- Public Employees' Retirement Law (PERL)
- Public Agency and School Reference Guide
- Working_After_Retirement@calpers.ca.gov

Questions?

my|CalPERS Retirement Appointment Reconciliation Updates

Adam Raymond & Varinder Singh

Employer Account Management Division

CalPERS

Presentation Objectives

- Share system enhancements
- Managing Retirement Appointment Reconciliation
- Business Partner On Leave Report

Retirement Appointment Reconciliation

These pages within my|CalPERS allow you to:

- Maintain accurate participant appointments
- Locate and identify unposted payroll records
- Streamline the appointment separation process
- Confirm unposted payroll

Updates

- Unposted payroll period data synchronized
  - School districts and county school offices can view same earned period data
- New filters and columns
- On Leave appointments are excluded:
  - The first 6 months from the Begin Leave date
  - When they have a future End Leave date
- Business Partner On Leave Report

Retirement Appointment Reconciliation Page

Home | Participant | Business Partner | Reporting | Admin | Workflow | my Toolbox

Manage Reports | Billing and Payment Summary | Payroll Schedules | Service Credit Purchase | Health Reconciliation | Retirement Appointment Reconciliation

Common Tasks

Name: City of CalPERS **CalPERS ID:** 1245123456

Unposted Payroll Reconciliation

Reconciliation Batch Date: 01/04/2019 08:40 AM **Total Number of Appointments Listed:** 4437

Search For Participants To Reconcile

Program: CalPERS
Member Category:
Appt Status:
Last Name:
Retired Annuitant :
SSN:
Member Account Status:
Payroll Past Due:
Participant CalPERS ID: 4154154151

The following filters can be used to identify participant appointments that have an Unposted Earned Period record found within the selected search criteria.

Payroll Schedule Type:
From Date:
Fiscal Year:
To Date:
Earned Period:

Search | Clear

Participants With Unposted Payroll

Select All

Maintain Enrollment

Number of Appointments: 1

Show 25 entries

Showing 1 to 1 of 1 entries

First | Previous | 1 | Next | Last

Participant CalPERS ID	Name	Appt ID	Appt Status	Member Account Status	Retired Annuitant	Last Reported Earned Period	Payroll Past Due	Unposted Payroll Periods
4154154151	Abird, Jan P.	92336692	Active	Active	No	10/27/2018 - 11/09/2018	Yes	Review

Show 25 entries

First | Previous | 1 | Next | Last

Select All

Maintain Enrollment

Generate Excel Report

CalPERS

Maintain Enrollment Page

Home | Participant | Business Partner | Reporting | Admin | Workflow | my Toolbox

Manage Reports | Billing and Payment Summary | Payroll Schedules | Service Credit Purchase | Health Reconciliation | Retirement Appointment Reconciliation

Common Tasks

Name: CalPERS County Schools **CalPERS ID:** 8585858585

*Required Fields

Maintain Appointment Event History

Participant CalPERS ID	Name	Division
3456780000	AADIL, JAQUE	4th Street Elementary School District
0012456781	Aanonson, blank	Sacramento River Charter School
1231231230	Aanonson, Carsella	Sacramento River Charter School

Appointment Event Details (1 of 3)

Participant CalPERS ID: 3456780000
Name: AADIL, JAQUE
Member Category: Miscellaneous
Enrolled in Health: No

Appt ID: 45563520
Start Date: 05/10/2011
Appt Status: Active
Last Reported Earned Period: 10/01/2018 - 10/31/2018

Event:*
Event Date:*

Delete Appointment | Skip Appointment

Save & Go to Next | Return

Review and Confirm Unposted Payroll Page

Home | Participant | Business Partner | Reporting | Admin | Workflow | my Toolbox

Manage Reports | Billing and Payment Summary | Payroll Schedules | Service Credit Purchase | Health Reconciliation | Retirement Appointment Reconciliation

Common Tasks

Name: City of CalPERS **CalPERS ID:** 7903930500

Participant Information

Participant CalPERS ID: 4492839371
Name: Abersman, Emmaly N.
Member Category: Miscellaneous
Member Account Status: Retired
Last Reported Earned Period: 10/27/2018 - 11/09/2018
Appt ID: 92343908
Appt Status: Active

View Transaction History

Unposted Payroll Periods (10 Records)

Select All | Confirm Unposted Payroll

Payroll has not been posted for the following payroll periods. Please post payroll and/or select the payroll periods to confirm payroll is not reportable.

Show 25 entries

Showing 1 to 10 of 10 entries

First Previous 1 Next Last

Earned Period Begin Date	Earned Period End Date	Payroll Due Date	Payroll Past Due	Payroll Record Status	Unposted Payroll Record Exists	Contributory
08/20/2016	09/02/2016	10/02/2016	Yes		No	No
09/03/2016	09/16/2016	10/16/2016	Yes	Error	Yes	No
09/17/2016	09/30/2016	10/30/2016	Yes		No	No
10/01/2016	10/14/2016	11/13/2016	Yes		No	No
03/04/2017	03/17/2017	04/16/2017	Yes		No	No
05/13/2017	05/26/2017	06/25/2017	Yes		No	No
06/09/2018	06/22/2018	07/22/2018	Yes		No	No
12/08/2018	12/21/2018	01/20/2019	No		No	No
12/22/2018	01/04/2019	02/03/2019	No		No	No
01/05/2019	01/18/2019	02/17/2019	No		No	No

Showing 1 to 10 of 10 entries

First Previous 1 Next Last

Select All | Confirm Unposted Payroll

Return

Payroll Schedule Page

Home | Participant | Business Partner | Reporting | Admin | Workflow | my Toolbox

Manage Reports | Billing and Payment Summary | Payroll Schedules | Service Credit Purchase | Health Reconciliation | Retirement Appointment Reconciliation

Common Tasks

Menu

Fees List

Name: CalPERS County Schools **CalPERS ID:** 8585858585

Unposted Payroll Reconciliation

Earned Period: 01/01/2019 - 01/31/2019 **Total Number of Appointments Listed:** 27162

Search for Participants with Unposted Payroll

Program: CalPERS
Division:
Last Name:
SSN:
Member Category/ Rate Plan:
Appt Status:
Division CalPERS ID:
Participant CalPERS ID: 4787478778
Member Account Status:
Retired Annuitant:

Search | Clear

Participants with Unposted Payroll

Payroll has not been posted for the following participants. Please report payroll or select the applicable appointments to confirm payroll is not reportable or maintain the enrollment.

Select All

Maintain Enrollment | Confirm Unposted Payroll

Show 25 entries

Showing 1 to 1 of 1 entries

First Previous 1 Next Last

Participant CalPERS ID	Name	Appt ID	Appt Status	Member Account Status	Retired Annuitant	Last Reported Payroll Record Status	Rate Plan	Projected Member Contributions	Projected Employer Contributions
4787478778	Abelo, Ra'Keshia O.	1858380	Active	Active	No	Posted	1949	$0.00	$0.00

Show 25 entries

First Previous 1 Next Last

Excel | Print

Select All

Maintain Enrollment | Confirm Unposted Payroll

Return

CalPERS

Key Takeaways: Up-to-date unposted payroll period information

Home | Profile | Reporting | Person Information | Education | Other Organizations

Manage Reports | Payroll Schedule | Member Requests | Retirement Appointment Reconciliation

Common Tasks

Name: ABCD Unified School District **CalPERS ID:** 7999991111

Unposted Payroll Reconciliation

Reconciliation Batch Date: 01/15/2019 08:53 PM **Total Number of Appointments Listed:** 268

Search For Participants To Reconcile

Program: CalPERS
Member Category:
Appt Status:
Last Name:
Retired Annuitant :
SSN:
Member Account Status:
Payroll Past Due:
Participant CalPERS ID:

The following filters can be used to identify participant appointments that have an Unposted Earned Period record found within the selected search criteria.

Payroll Schedule Type: Monthly **Fiscal Year:** 2018/2019 **Earned Period:** 01/01/2019 - 01/31/2019 due 03/02/2019
From Date: **To Date:**

Search | Clear

Participants With Unposted Payroll

Select All

Maintain Enrollment

Number of Appointments: 268

Show 25 entries

Showing 1 to 25 of 268 entries

First Previous 1 2 3 4 5 ... 11 Next Last

Participant CalPERS ID	Name	Appt ID	Appt Status	Member Account Status	Retired Annuitant	Last Reported Earned Period	Payroll Past Due	Unposted Payroll Periods
1234567890	AGUILO, Jarrul	1784630	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
9999999990	Akka, Simira	22707390	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
3211233210	Albrook, Eamon	92244595	Active	Active	No	03/01/2017 - 03/31/2017	No	Review
6789123456	ALDAHL, Dinh Dan	92218689	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
7899877890	Allread, Wilner D.	32135070	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
5556667779	Ameur, Dony	92423245	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
8989898989	Andrade-Zanudo, Singam	3361890	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
3214567895	Andrejeski, Deecye	92222922	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
7896547891	Angelini, geetanjali G.	27993670	Active	Active	No	11/01/2018 - 11/30/2018	No	Review
1112226660	Ansell-Mckinnon, Tayonia	31614680	Active	Active	No	11/01/2018 - 11/30/2018	No	Review

CalPERS

Key Takeaways: Pages show first 1,000 participant records

Home | Participant | Business Partner | Reporting | Admin | Workflow | my Toolbox

Manage Reports | Billing and Payment Summary | Payroll Schedules | Service Credit Purchase | Health Reconciliation | Retirement Appointment Reconciliation

Common Tasks

Name: City of CalPERS **CalPERS ID:** 7903930500

Unposted Payroll Reconciliation

Reconciliation Batch Date: 01/04/2019 08:40 AM **Total Number of Appointments Listed:** 4437

Search For Participants To Reconcile

Participants With Unposted Payroll

Select All

Maintain Enrollment

Number of Appointments: 1020

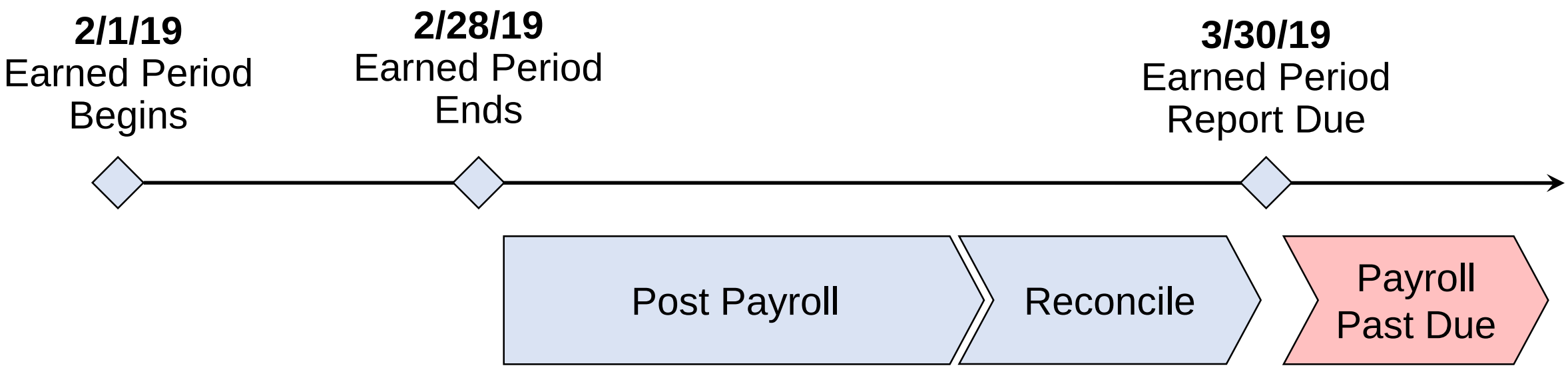
Show 25 entries

Showing 1 to 25 of 1,000 entries

First Previous 1 2 3 4 5 ... 40 Next Last

Participant CalPERS ID	Name	Appt ID	Appt Status	Member Account Status	Retired Annuitant	Last Reported Earned Period	Payroll Past Due	Unposted Payroll Periods
4492839371	Abersman, Emmaly N.	92343908	Active	Retired	Yes	10/27/2018 - 11/09/2018	Yes	Review
9209658023	Abrogar, Floridalma	92499235	Active	Active	No	10/27/2018 - 11/09/2018	Yes	Review
6872734297	Abrogar, SEYCHELLE	92441918	Perm Sep	Active	No	03/04/2017 - 03/12/2017	Yes	Review
1891275699	ACOSTA PASCUA, Mertyl G.	31298110	Active	Active	No	08/18/2018 - 08/31/2018	Yes	Review
1977425620	adagun, Toonie	92166529	Active	Active	No	12/23/2017 - 01/05/2018	Yes	Review
2594041318	Affeld, Radouane P.	92294591	Active	Retired	Yes	10/27/2018 - 11/09/2018	Yes	Review
5849072496	Aguillar, Angela Florence	92723108	Active	Active	No		Yes	Review
1725980201	Aguillar, MANEENAN	92344182	Active	Active	No	10/31/2015 - 11/13/2015	Yes	Review
2617373335	Aguillar, Warnage	92451876	Active	Active	No	11/10/2018 - 11/23/2018	Yes	Review
1165075006	AGUIRRE CHAVEZ, Roxii	92611226	Perm Sep	Inactive	No	05/26/2018 - 06/08/2018	Yes	Review
6742185334	Akimo, KENDRA Y D.	92230701	Perm Sep	Active	No	05/14/2016 - 05/27/2016	Yes	Review
2384062006	alabata, ROJINE M.	92574007	Active	Retired	Yes	09/29/2018 - 10/12/2018	Yes	Review
5095875976	Albarran-Jack, Joslette B.	92294724	Active	Retired	Yes	10/27/2018 - 11/09/2018	Yes	Review
7806850894	Albon, PADMA a.	30783190	Active	Active	No	06/23/2018 - 07/06/2018	Yes	Review
6417689778	ALDAHL, KIRTIS	92005785	Perm Sep	Inactive	No	06/11/2016 - 06/24/2016	Yes	Review

Managing Retirement Appointment Reconciliation (by Earned Period)



Note: You are encouraged to notify your divisions when payroll posts, allowing them to assist in reconciliation efforts.

Business Partner On Leave Report

Business Partner On Leave Report

Business Partner On Leave Report

Program : CalPERS
Business Partner : City of CalPERS
Date Range : Dec 1, 2018 - Jan 1, 2019

Participant CalPERS ID	Last Name	First Name	Middle Initial	Member Account Status	Appointment ID	Begin Leave Effective Date	End Leave Effective Date	Leave Type	Business Partner Name	BP CalPERS ID	Last Reported Payroll Earned Period End Date	Enrolled in Health	Health Enrollment Type	BP Category
6060631768	REYES VARGAS	Darin	D	Retired	25665650	11/06/2010		Other Leave	City of CalPERS	7903930500	06/29/2012	N		Public Agency

Resources

- Circular Letters
  - 200-015-16: Reporting Permanent Separation Dates in my|CalPERS
  - 200-003-17: Retirement Appointment Reconciliation (New my|CalPERS Functionality)
- Student Guides
  - my|CalPERS Payroll Contribution Reporting for Public Agencies, Schools & Non-Central State Agencies
  - my|CalPERS Retirement Appointment Reconciliation
  - my|CalPERS Retirement Enrollment
- Email: Employer_Technical_Support@calpers.ca.gov

Questions?

Reciprocal Compensation Request

Tim Herrback

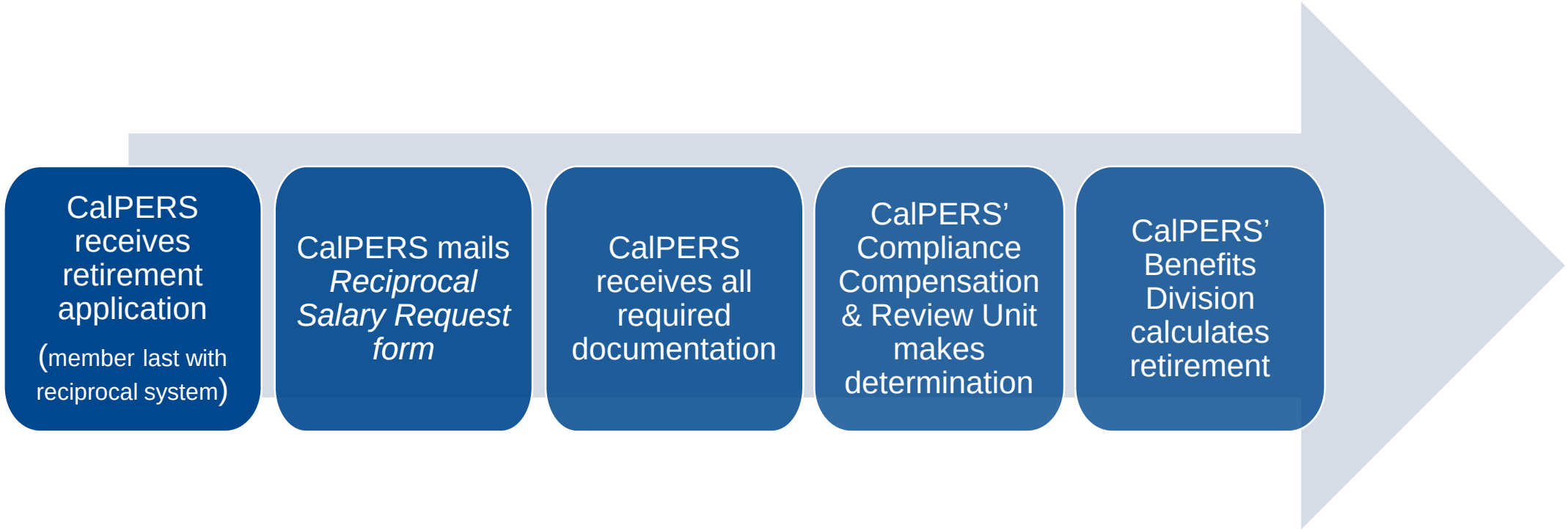
Employer Account Management Division

CalPERS

Reciprocal Compensation Request

- CalPERS Reciprocal Process
- Retirement Salary Request form
- Breakdown of Components requirements
- Contacting CalPERS

CalPERS Reciprocal Process



Retirement Salary Request form – Service Retirement

Retirement Salary Request Form

From:	**Agency Name:** **Street Address:** **City, State ZIP Code:**	
Member Name:		**CalPERS ID:**

1.	Member Position Title:	
2.	Effective retirement date with your system:	
3.	Date of membership with your system:	
4.	Type of service with your system:	☐ Miscellaneous ☐ Safety
5.	Total years of vested service with your system:	
6.	Pending disability application with your system	☐ Yes ☐ No
7.	If yes, what type of disability?	☐ Service ☐ Non-Service
8.	Does Final Average Compensation (**FAC**) include compensation other than normal rate of pay pursuant to a salary schedule (i.e. special compensation)?	☐ Yes ☐ No

CalPERS

Retirement Salary Request form – Service Retirement

Period	From:	To:	FAC	Subject to PEPRA?
☐ 1-Year			$	☐ Yes ☐ No
☐ 3-Year			$	☐ Yes ☐ No
☐ 3-Year			$	☐ Yes ☐ No

Additional Comments:

By signing this Retirement Salary Request – Disability Retirement Form, I certify that to the best of my knowledge the information contained herein and in the attached breakdown of compensation components is true, complete, and accurate.

Reciprocal System Representative Signature:		Reciprocal System Representative Job Title:	
Print Name:		Telephone:	( )
Date:		Email Address:	

Retirement Salary Request form – Disability Retirement

Retirement Salary Request Form – Disability Retirement

From:	**Agency Name:** **Street Address:** **City, State ZIP Code:**	
Member Name:		**CalPERS ID:**

1.	Member Position Title:	
2.	Effective retirement date with your system:	
3.	Has this member applied for disability retirement from your system?	☐ Yes ☐ No
4.	Type of service with your system:	☐ Miscellaneous ☐ Safety
5.	Has the member been granted a disability benefit or industrial disability benefit?	☐ Disability ☐ Industrial Disability
6.	If the member has been approved for disability benefit, what is the amount of disability allowance your system will pay based on his/her service with your system?	
7.	What would your system pay if the member's _____ years of CalPERS service were also credited under your system?	
8.	Does Final Average Compensation (**FAC**) include compensation other than normal rate of pay pursuant to a salary schedule (i.e. special compensation)?	☐ Yes ☐ No

Breakdown of Components Requirements

To ensure compliance with Gov. Code section 20221 and with PEPRA under C.C.R. title 2, § 579.24, a reciprocal retirement system shall provide the following:

- A breakdown of all compensation components (i.e. Pay Rate, Earnings, & Special Compensation)
- A publicly available pay schedule to substantiate the pay rate
- A written labor policy or agreement to substantiate special compensation

Failure to provide a breakdown of compensation may result in delayed payments to the member. In addition, CalPERS may elect to calculate the retirement benefit using the highest applicable FAC reported by a CalPERS employer.

For more information, refer to **Circular Letter 200-009-18** (February 1, 2018).

Contacting CalPERS

- CalPERS will send a follow-up email requesting required documentation
- Reciprocal system has 5 business days to respond
  - CalPERS will use applicable compensation provided if no further supporting documentation is provided
  - May use CalPERS salaries to place member on roll
- CalPERS' reciprocal mailbox: CompensationReciprocalCases@calpers.ca.gov

Question & Answer

CalPERS Subject Matter Experts

CalPERS

School Employer Advisory Committee

Thank you for joining us!

CalPERS