

School Employer Advisory Committee

November 13, 2019

Legislative Update

Andrea Peters
Jeremy McCarroll
Legislative Affairs Division

myCalPERS System Enhancements

Meghan Korte

Employer Account Management Division

CalPERS Reporting

Tim Herrback

Employer Account Management Division

Objectives

Reporting compensation for school employees

- Relevant Government Codes
 - Classified vs. Certificated
- Compliant pay rates

Managing adjustment reports

- Methods for making adjustments
- Timely posting and financials

Compliant Compensation (1 of 2)

Relevant Government (Gov.) Codes

- Gov. Code section 20630 (compensation)
 - Payment for services performed during normal working hours
- Gov. Code section 20633 (equal payments)
 - Salary withheld in accordance with section 45165 or 88164 of the Education Code
 - Withheld salary shall be reported as earned
- Gov. Code section 20636.1 (b) (full time basis)
 - Full-time employment for classified members is 40 hours per week

Compliant Compensation (2 of 2)

Pensionable Compensation

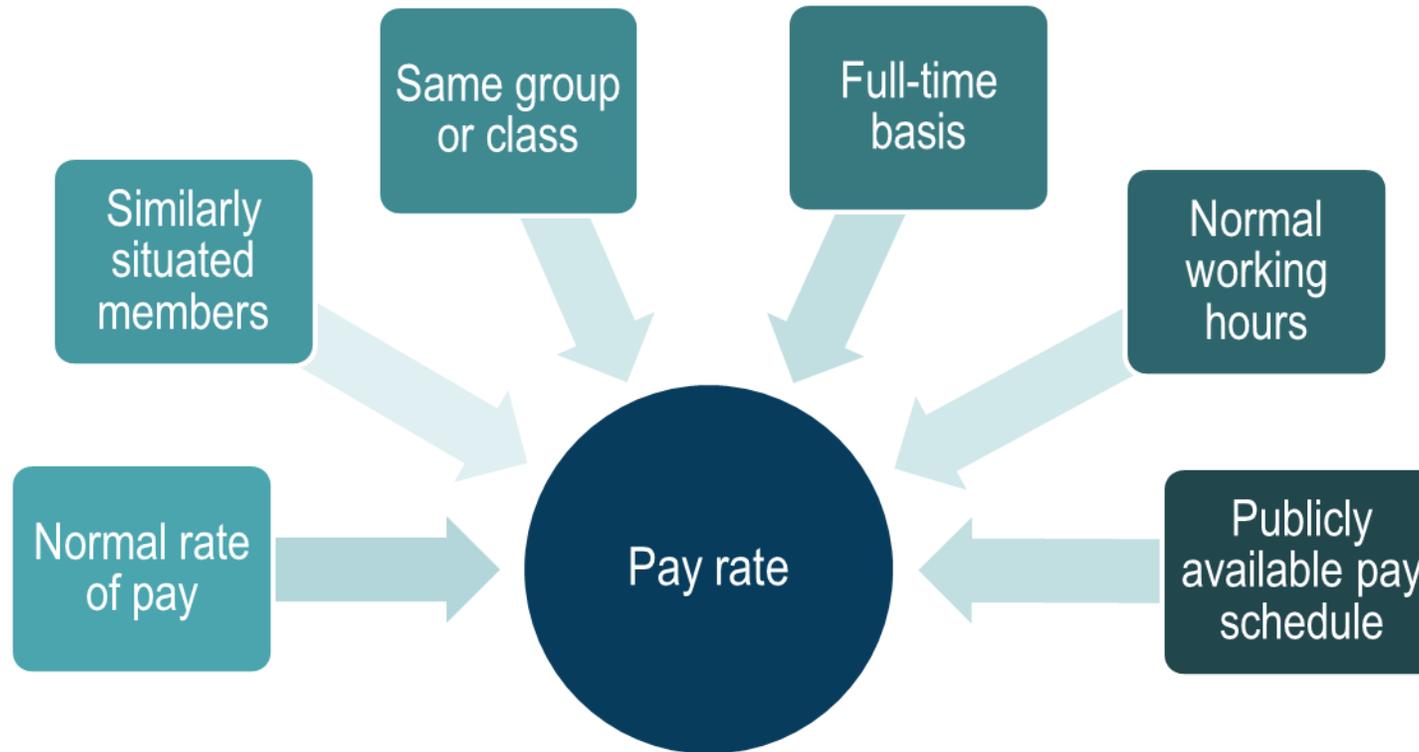
- Gov. Code section 7522.34 (a)
 - “... normal monthly rate of pay or base pay ... pursuant to publicly available pay schedules ...”
- Gov. Code section 7522.34 (b)
 - “Compensation that has been deferred ... deemed pensionable compensation when earned rather than when paid”

Requirements for Pay Schedule

California Code of Regulations section 570.5

- Duly approved and adopted
- Identify the position title for every position
- Show the pay rate for each identified position
- Indicate the time base
- Available for public review
- Indicate an effective date
- Retain for no less than five years
- Does not reference another document

Pay Rate



Equal Payments for Certificated Members

When to report:

- Positions for which creditable service would otherwise be reported to CalSTRS defined benefit program
- Member is eligible and has elected to remain with CalPERS
 - CalPERS must receive an election for each qualified position
- Creditable service is rendered during reporting period
- Generally reported with a monthly pay rate type
 - i.e., 10 months worked, 10 months paid

Non-Compliant Certificated Compensation

Position does not qualify for STRS

Employee did not perform service during month they were paid

Pay rate does not reflect full month increments

- i.e. a 10.5 month average instead of 11 months

Pay rate not pursuant to a full-time certificated salary schedule

Summer Session

Reportable to CalPERS

- Position qualifies for PERS reporting
 - Classified position
 - Creditable STRS position if eligible via the retirement system election (ES-372)
- Normal full-time pay rate for position
- As earned during the month(s) actually worked
- Pursuant to publicly available salary schedule
- Reported timely pursuant to defined payroll schedule

Maintain Payroll Records

Reverse records

Modify records

Correct posted records

Note: Do not use the **Manually Create Earned Period Report** option to submit adjustment only payroll transactions.

Maintain Payroll Records Limitations

Enrollment level changes

Appointment changes

Service credit purchase deductions

Earned periods prior to July 2011

Backout/Reapply Reports (BORA)

Traditional BORA (CalPERS created)

- Creates two reports for every earned period
 - Must post backouts first
 - Must update repost reports prior to posting

Backout-only BORA (CalPERS created)

- Creates one report for every earned period
 - Must post backouts first
 - Must report corrections manually

Phased corrections by fiscal year

- Completely manual process initiated by CalPERS

Questions?

Educational Forum Highlights

Brad Hanson

Jennifer Rocco

Employer Account Management Division

Questions & Answers

CalPERS Round Table