



California Public Employees' Retirement System
Employer Account Management Division
400 Q Street, Sacramento, CA 95811
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

Subject: Optional Member Guide

Dear Recipient,

The California Public Employees' Retirement System (CalPERS) administers a traditional defined benefit plan, often referred to as a pension plan, as the primary retirement plan for its members. The CalPERS defined benefit pension plan provides lifetime retirement income based on a predetermined formula that includes an employee's age at retirement, years of service, and the highest one-year or three-year average compensation. The CalPERS pension provides employees with a predictable monthly retirement benefit.

The California Public Employees' Retirement Law (PERL) describes optional membership rights for certain public officers and employees, such as city council members, county board of supervisors, legislative employees, and those that are directly appointed by the Governor. Those eligible optional members are excluded from membership unless a signed election is filed with CalPERS.

Electing Membership

If you are elected or appointed to an optional member position and you choose to elect membership under CalPERS, you must complete and submit the appropriate ***Election of Optional Membership*** form to your employer. Your employer will submit the form to CalPERS for a final review and approval of membership.

- Membership may be elected at any time, while in an eligible optional member position. However, the commencement of your membership for the optional member position is established no earlier than the date the election form is received by CalPERS.
- Your employer should provide the appropriate election form. You must complete and submit the election form to your employer if you desire to elect CalPERS membership. Once the form is submitted, make sure to confirm with your employer that you are enrolled in the my|CalPERS system and the election form is submitted to CalPERS.
- Once membership is elected and established, you will contribute to CalPERS retirement and are generally subject to the same laws and regulations that apply to compulsory members.
- Electing optional membership is an irrevocable election for each term served. There are no provisions in the PERL to allow for cancellation of membership prior to separation from the elected/appointed position and any other CalPERS-covered employment. You must complete a separate election form for each term served electing optional membership, even if the position(s) are with the same employer.

- If you are concurrently employed in a position also covered by, or potentially covered by, CalPERS, you should first contact CalPERS to determine the impacts to future retirement benefits should you elect optional membership.

Service Credit

You earn service credit for each year or partial year you work for a CalPERS-covered employer. Service credit accumulates on a fiscal year basis (July 1 through June 30) and is one of the factors we use to calculate your future retirement benefits.

- Optional members who are elective or appointive officers of the city or county receive full-time service credit and are deemed full-time for CalPERS retirement purposes.
- Optional member status is available for legislative staff and some state appointed employees, however membership cannot be established unless you qualify, based on the same membership enrollment criteria as applied to "non-optional" members. The pay rate and earnings reported to CalPERS will determine the amount of service credit accrued.
- As an optional member, you must receive "compensation" to be enrolled into membership and be reported to earn service credit. Reimbursement of expenses is not considered compensation earnable under the PERL and is ineligible to be reported. Compensation for service explicitly excluded under the PERL are ineligible to be reported to CalPERS.
- Optional members may elect to purchase and receive service credit for prior optional member service. When purchasing prior optional member service credit, you must purchase all prior optional member service for that employer. If you are no longer in the optional member position, but are currently an active or inactive CalPERS member, you may also be eligible to purchase prior optional member service. If you are interested in purchasing service credit, please refer to the ***A Guide to Your CalPERS Service Credit Purchase Options (PERS-PUB-12)*** publication available on our website at www.calpers.ca.gov.

Retirement Enrollment Level

The California Public Employees' Pension Reform Act of 2013 (PEPRA) changed the way CalPERS retirement and health benefits are applied, and places compensation limits on members. Under PEPRA, a new retirement enrollment level was created for members who meet the definition of a new member. Your retirement enrollment level is determined based on your enrollment date in CalPERS. Effective January 1, 2013, members who establish membership with a new CalPERS employer, after a break in service of more than six months, may be subject to the PEPRA retirement enrollment level. This is essential information to consider when deciding when to elect optional membership. Remember your enrollment date for optional membership is established on the date the election form is received by CalPERS. For more information regarding PEPRA and pension reform impacts, please visit our website at www.calpers.ca.gov.

Membership in Other Systems

If you are employed concurrently in a position reportable to a private benefit plan or another retirement system, you should first contact that organization to determine if CalPERS membership will impact their benefits.

Additional Resources

To understand what benefits you would be entitled to if you elect CalPERS membership, you can locate the employer specific Member Benefit Publication available on our website at www.calpers.ca.gov. The publications vary based on who your employer is; whether it be a public agency, state, or school.

If you have questions regarding your choice to elect optional membership, please do not hesitate to contact CalPERS at **888 CalPERS** (or **888-225-7377**).

Sincerely,

Membership Services
Employer Account Management Division