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Payroll

Circular Letter

March 19, 2020

Circular Letter: 200-016-20

Distribution: IV, V, VI, X, XII, XVI

To: All CalPERS Employers
Subject: COVID-19 Impacts to CalPERS Reporting-Frequently Asked Questions (FAQs)

Purpose

The purpose of this Circular Letter is to provide answers to frequently asked questions CalPERS has received regarding the impact of COVID-19 closures to schools and public agencies. These FAQs will provide guidance with reporting member data and contributions to CalPERS while facing the challenges of this pandemic together.

Q: Will CalPERS grant extensions for submitting and posting regular earned period payroll reports due to potential closures caused by COVID-19?

If a public agency or school's closure impacts the timely submission of their regular earned period payroll reports to CalPERS, the late reporting penalty and interest will automatically generate. However, it's understandable timely reporting may not be feasible. If the employer is aware in advance the report may be late, CalPERS encourages them to submit an extension request for all impacted earned periods. To submit an extension request, log in to myCalPERS. Select the **Reporting** global navigation tab, and then select the **Payroll Schedule** local navigation link. Within the **Payroll Schedule Options** panel, employers can request an extension for existing payroll or request an exemption for a non-reportable payroll earned period. If the system does not provide an extension request option for a select earned period, employers will then be required to request a waiver of penalties through the waiver request and dispute process.

Q: If contributions, payroll, or retired annuitant data is reported late during the COVID-19 pandemic, will CalPERS consider waiving fees and/or interest?

CalPERS is committed to working with employers on a case-by-case basis to determine if late reporting penalties and interest should be waived through the established dispute process. This includes all fees related to late reported payroll, retired annuitant fees, State Social Security fees, as well as interest on unpaid contributions and unfunded actuarial liability contributions.

Q: If a membership enrollment is reported late during the COVID-19 pandemic, will CalPERS consider waiving administrative cost and penalties?

CalPERS will still apply Government Code section 20283 for late membership enrollments. The employer will be billed for **both** member and employer contributions and a \$500 administrative cost will be assessed when membership enrollments are reported 90 days or later.

Q: If we put a full-time, eligible member on paid administrative leave because their work-site is shut down due to COVID-19, is their pay still considered reportable compensation?

Pursuant to Government Code section 20630, a member's compensation should be reported for items such as vacation, sick leave, compensatory time off, or leave of absence. If a member is on a paid administrative leave, earnings should continue to be reported as normal as it can be considered either compensatory time off or a paid leave of absence.

Q: If an employee is collecting unemployment insurance during the COVID-19 pandemic, is their time considered pensionable compensation or compensation earnable?

If your employees are granted compensatory time off or posting leave credits such as vacation or sick, that time is still reportable to CalPERS. Current law does not allow for unemployment insurance to be considered as compensation earnable or pensionable compensation and is **not** reportable to CalPERS.

Q: Can an employer make an advance estimated payment on contributions?

CalPERS **will** accept an advanced estimated payment for a future period. Once payroll is due for the future period, the employer can make up the difference between the estimated payment and what is truly due. CalPERS will waive any administrative fee and/or interest when the receivable is paid in full.

Q: Will CalPERS be reviewing the 960-hour limitation for contractors, retired annuitants, and others in response to the current situation with Coronavirus?

On March 4, 2020, Governor's Executive Order N-25-20 was issued, which lifts the work hour limitations and wait period requirements for retired annuitants. View the Circular Letter: [Governor's Executive Order N-25-20](#). There are no changes with the requirements for independent contractors.

Q: Do the exceptions in [Circular Letter: 200-015-20](#) "Governors Executive Order N-25-20" apply to existing retired annuitants, who are already working, or only those who were hired specifically to assist with the state of emergency?

The exceptions outlined in the Circular Letter **only** apply to retirees working to ensure adequate state staffing to expedite emergency response and recovery. It can apply to existing retired annuitants if they are redirected for this purpose.

Q: Should employers notify CalPERS of retired annuitants hired and/or redirected to fulfill duties related to CL 200-015-20?

All CalPERS-covered employers need to email this information to California Department of Human Resources (CalHR) at CAStateofEmergency@calhr.ca.gov. CalHR has a notification process in place to share this information with CalPERS.

CalPERS will continue to monitor the impact of COVID-19 with our stakeholders and will communicate additional information as it is made available. We are committed to serving and collaborating with our stakeholders during these challenging and uncertain times. Thank you for your partnership, commitment, and support.

Questions

If you have any questions or concerns, contact the CalPERS Customer Contact Center at **888-CalPERS** (or **888-225-7377**).

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