



California Public Employees' Retirement System  
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## Announcements

# Circular Letter

October 15, 2019

Circular Letter: 200-051-19

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

**To:** All CalPERS Employers

**Subject:** New Service Credit Election Notices

### Purpose

The purpose of this Circular Letter is to provide an overview of the new notification features for the Service Credit Purchase (SCP) program.

### What are the new features?

#### Notices

Over the past year, we implemented new notifications to keep you and your employees aware of any changes to the status of their SCP installment payment plan deductions. All the notices sent to you can be viewed in your agency's document history.

#### Service Credit Purchase Payroll Deduction Error (myCalPERS 2634):

SCP deductions are reported to us through payroll reporting. When payroll errors occur, the SCP deduction falls to the payroll error file and is not posted to the employee's SCP installment payment plan. When this occurs, you and your employee will receive this notification. It is imperative you monitor the payroll error file and resolve all SCP deduction errors immediately. Not acting timely can result in interest accruing on the employee's SCP installment payment plan due to a missed payment.

### **Service Credit Purchase Payroll Delinquency Notice (myCalPERS 2630):**

You and your employee will receive this notice if the SCP deduction is late. The notice will be generated when the account is delinquent 60 days. Another notice will be generated when the account is delinquent 90 days. Upon receipt of this notification, it is critical you research and resolve the issue immediately. Acting promptly will avoid interest accruing on the employee's SCP installment payment plan due to a missed payment.

### **Incorrect Service Credit Purchase Payroll Deduction (myCalPERS 2633):**

Similar to the Payroll Deduction Error notice, this notice will be sent to you when the incorrect SCP deduction is reported. It is vital you correct the deduction amount immediately to ensure the employee's SCP installment payment plan does not become delinquent.

### **Start and Stop Service Credit Purchase Payroll Deduction (myCalPERS 2637):**

Similar to the Start Payroll Deductions notice (described below), we will provide this notice to you when a SCP payment schedule needs to be updated. This notice is the only authorization that the payment amount can be changed. The notice will clearly label the previous payment schedule and the new payment schedule. Upon receiving this notice, update your employee's SCP deduction to the new payment schedule authorized on the notice.

## **Election Packet**

We also implemented many improvements to the service credit purchase election packet as well as the notice to start deductions.

### **Service Credit Purchase Election Packet (myCalPERS 0889):**

The service credit purchase election packet has been simplified, and now provides easy-to-follow instructions, including a checklist to help guide your employees through completing the election document. Your employees now have easy access to any rollover forms or payment method information on our website.

## Start Payroll Deductions for Service Credit Purchase (myCalPERS 2623):

This notice is provided when a new service credit election deduction needs to be set up. We updated this notice to include a simple, easy-to-read table that clearly identifies when the SCP deduction needs to start, the length of the installment payment plan, and the dollar amount of each deduction. Your employee is assessed interest from the date the SCP deduction needs to occur. A timely deduction start will avoid additional interest assessments for your employee.

### Questions

If you have any questions, visit our website at [www.calpers.ca.gov](http://www.calpers.ca.gov), or contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

Donald R. Martinez, Chief  
Member Account Management Division