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EXHIBIT 11

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Jacquelyn Takeda Morenz

From: Gary Stine <GStine@ocde.us>
Sent: Tuesday, December 8, 2020 11:36 AM
To: Jacquelyn Takeda Morenz
Subject: FW: District Days/Hours Per Month - PERS Audit

Follow Up Flag: Follow up
Flag Status: Flagged

From: Praveen Chaudhri <VChaudhri@ocde.us>
Sent: Tuesday, April 30, 2019 10:01 AM
To: Carl Piper <CPiper@ocde.us>; Jeffrey Riel <JRiel@ocde.us>; Nguyen, Hoai-Nam <nnguyen@tustin.k12.ca.us>; Mooradian, Victoria <vmooradian@tustin.k12.ca.us>
Cc: Aisling Barrera <ABarrera@ocde.us>; Cherry Angeles <CAngeles@ocde.us>
Subject: FW: District Days/Hours Per Month

Here is the information as per our conversation.

of Days per month used by the district

Dist	Fiscal Year	# of Days	# of Hours
004	2018-2019	21.000	168.000
020	2018-2019	21.000	168.000
022	2018-2019	21.600	173.330
030	2018-2019	22.000	176.000
034	2018-2019	21.600	172.800
038	2018-2019	21.000	168.000
051	2018-2019	21.000	168.000
052	2018-2019	22.000	176.000
056	2018-2019	21.750	174.000
066	2018-2019	21.750	174.000
070	2018-2019	21.650	173.200
075	2018-2019	21.000	168.000
078	2018-2019	21.000	168.000
080	2018-2019	21.750	174.000
082	2018-2019	21.750	174.000
083	2018-2019	21.660	173.280
084	2018-2019	21.000	168.000
087	2018-2019	21.000	168.000
090	2018-2019	21.750	174.000
092	2018-2019	21.750	174.000
093	2018-2019	22.000	176.000
096	2018-2019	21.000	168.000

Thank you
Veena

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ORANGE COUNTY DEPARTMENT OF EDUCATION
E-MAIL CONFIDENTIALITY NOTICE

This e-mail communication and any attachments, including documents, files, or previous e-mail messages, constitute electronic communications within the scope of the Electronic Communications Privacy Act, 18 U.S.C. § 2510 et seq. This e-mail communication may contain non-public, confidential or legally privileged information intended for the sole use of the designated recipient(s). The unauthorized and intentional interception, use, copy or disclosure of such information, or attempt to do so, is strictly prohibited and may be unlawful under applicable laws. 18 U.S.C. § 2511. If you have received this e-mail communication in error, please immediately notify the sender by return e-mail and delete the original e-mail from your system.

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EXHIBIT 12

August 8, 2007

Mr. Brock Wagner, Deputy Supt., Business
Tustin Unified School District
300 South C Street
Tustin, Ca 92780

Dear Mr. Wagner:

Per your request we have reviewed the Tustin Unified School District's pay and docking procedures for classified employees. Tustin is one of several Orange County School Districts, using a pay factor of 21 days per month. This pay factor provides a higher daily and hourly rate of pay benefit for your employees than is the average pay factor of 21.667. It also provides a higher overtime rate of pay.

School Districts have the option to set pay rates as long as they comply with the Federal Fair Labor Standards Act for paying minimum wage and overtime. In reviewing the district provided calculations, the pay factor of 21 days per month meets and exceeds the federal requirements for minimum wage and overtime hourly rate calculations.

As you may or may not be aware, California public school districts are not covered by the California Labor Code in regards to setting pay rates. The California Education Code is silent in regards to classified pay rates and looks to collective bargaining agreements to address specifics. We did not review your collective bargaining agreement language but did review your classified salary schedule and found it to be calculated correctly using the 21 day per month pay factor.

It was my pleasure to assist you and your staff in this review of your procedures.

Cordially,

Sondra Dougherty
Director, Support Services

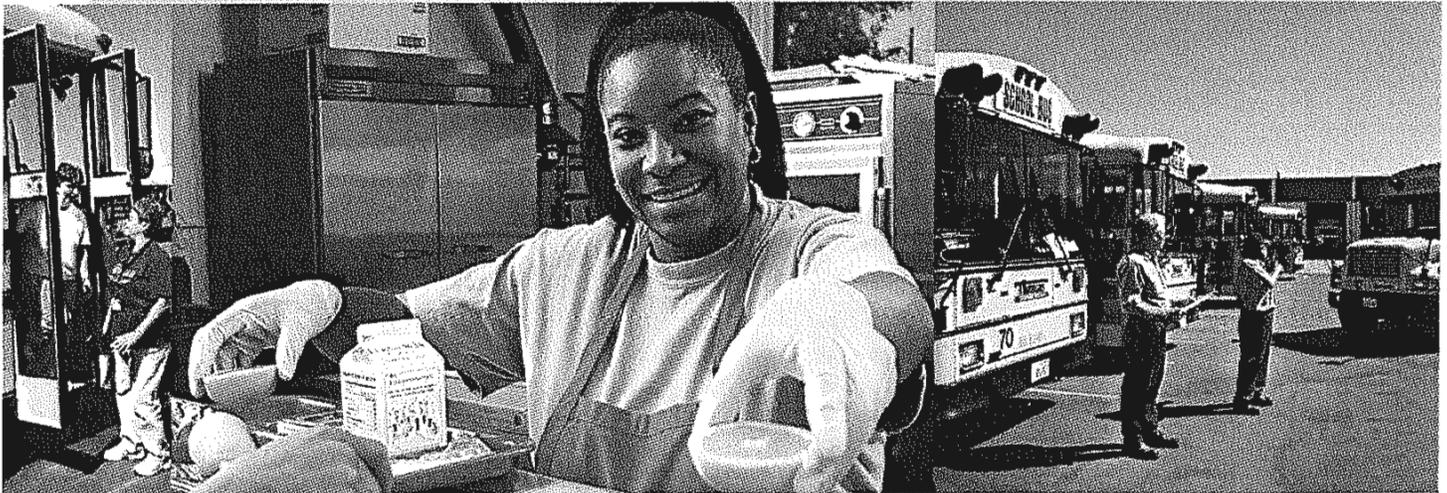
c: Robert Tucker, CSEA Labor Relations Representative

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EXHIBIT 13

YOUR BENEFITS | YOUR FUTURE

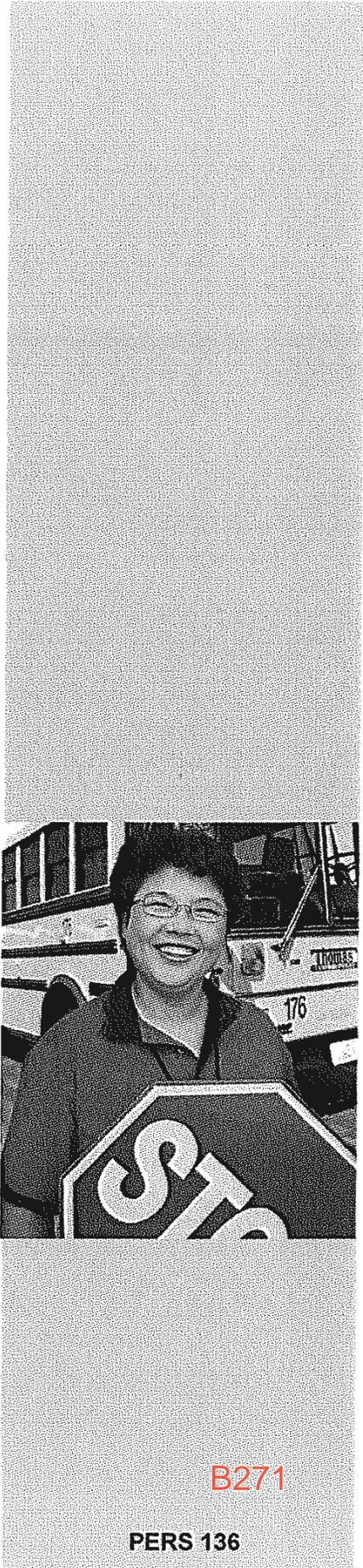
What You Need to Know About Your CalPERS
School Benefits

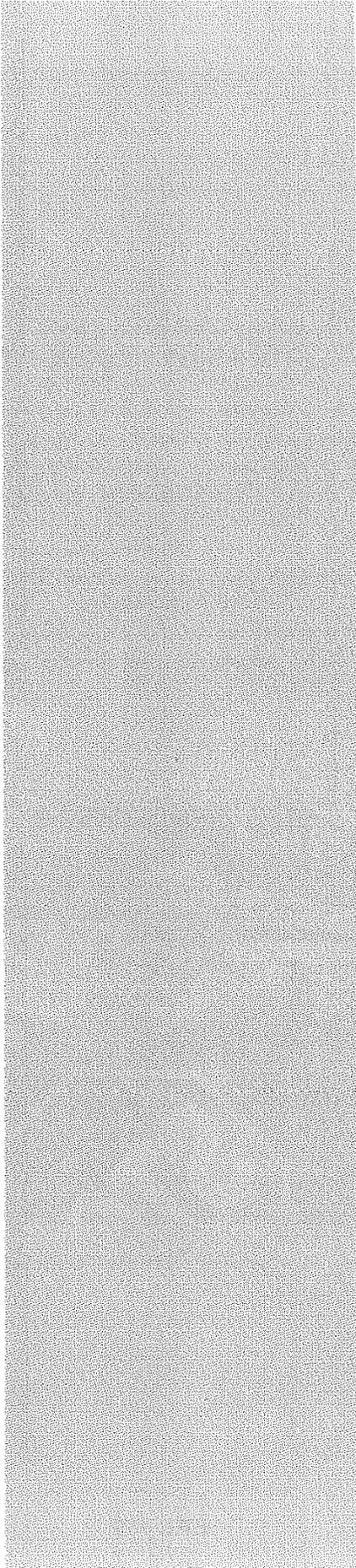


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INTRODUCTION

This publication describes the benefits available to you as a school CalPERS member. School members are individuals employed in a classified position within the jurisdiction of a school employer, except those who:

- Are local police
- Are covered under the California State Teachers' Retirement System (CalSTRS)
- Work directly for the Los Angeles or San Diego County Superintendent of Schools
- Are employed under the jurisdiction of a Joint Powers Authority contract
- Are eligible certificated employees who elect to retain CalPERS membership (see sidebar)

We'll describe how your CalPERS pension is funded, explain the three factors that make up a retirement benefit, and point out other considerations before and after retirement, such as CalPERS retiree health benefits, death benefits, and salary limits set by law.

You may obtain a copy of any publication or form referenced in this publication by calling CalPERS at 888 CalPERS (or 888-225-7377) or by visiting our website at www.calpers.ca.gov.

Certificated School Employees

Some certificated school employees are CalPERS members. These are CalPERS members who became certificated employees, and subject to CalSTRS coverage, but they were eligible to retain CalPERS membership. Currently, those eligible to retain CalPERS coverage include: former classified school employees, former State Department of Education employees, former employees of the Board of Governors of the California Community Colleges, and all CalPERS members with at least five years of service credit. This irrevocable election must have been made within 60 days of appointment. For more information, contact your personnel office.

Pay Rate

Pay rate is your base pay, paid on a full-time basis during normal working hours.

Special Compensation

In accordance with Board regulations, certain items of special compensation can be included in your final compensation. Contact your employer or CalPERS if you are unsure which types of special compensation can be included.

YOUR RETIREMENT BENEFIT

How Your Retirement Is Funded

Three sources fund a defined benefit retirement plan like CalPERS. First, employees generally make contributions into the System. The percentage of your contribution is fixed by statute and is generally intended to be an amount that will cover half of the normal cost of the benefit earned per year. Normal cost will vary by benefit type, as higher benefit formulas have higher normal costs. The second funding source is earnings from the investment of System assets in stocks, bonds, real estate, and other investment vehicles. The amount contributed from this source fluctuates from year to year. The balance of the funding is provided by employer contributions. Employer contributions decline when investment returns rise and increase when investment returns decline.

In a defined benefit retirement plan, you will receive a lifetime benefit determined by a set formula. For school members, CalPERS uses your years of service, age at retirement, and highest average annual compensation during any consecutive 12- or 36-month period of employment. This contrasts with a defined contribution plan (such as 403(b) or 457 plan), in which the benefits are determined not by a formula, but solely by the amount of contributions in an account, plus earnings.

There are two types of retirement benefits:

- Service retirement or “normal” retirement
- Disability retirement

Service Retirement or “Normal” Retirement

To be eligible for service retirement, you must be at least age 50 and have a minimum of five years of CalPERS-credited service. If you became a member on or after January 1, 2013, you must be at least 52. You may be eligible to retire at age 50 if you have a combination of classic and PEPRA service. There are some exceptions to the five-year requirement. If you are employed on a part-time basis, and have worked at least five years, contact CalPERS to find out if an exception will apply to you. There is no mandatory retirement age for school members.

If you are considering applying for a service retirement, review the CalPERS publications *Planning Your Service Retirement* (PUB 1) and *A Guide to Completing Your CalPERS Service Retirement Election Application* (PUB 43).

Disability Retirement

This type of retirement applies to you if you become disabled and can no longer perform the duties of your job. Disability retirement has no minimum age requirement and your disability does not have to be job related. However, you must have a minimum of five years of CalPERS service credit. If you are employed on a part-time basis, and you have worked at least five years, contact CalPERS to find out if an exception will apply to you.

You may apply for a disability retirement if:

- You are working for a CalPERS-covered employer; or
- You are within four months of separation from a CalPERS-covered employer; or
- You separated at any time from your CalPERS-covered employer because of a disability and you have remained disabled since then; or
- You are on military or approved leave.

Once CalPERS receives a complete application package from you or someone else on your behalf (such as your employer), we will review your file to see if the information is current and complete. After verification for completeness, CalPERS can normally make a determination within four to six months.

If you are considering applying for disability retirement, review the CalPERS publication *A Guide to Completing Your CalPERS Disability Retirement Election Application* (PUB 35).

How Your Retirement Benefit Is Calculated

Now that you understand the basic building blocks of a defined benefit retirement plan, it's time to learn how to calculate your retirement benefit. Three factors are multiplied together to calculate your service retirement:

- Service credit
- Benefit factor
- Final compensation

Service Credit

You earn service credit for each year or partial year you work for a CalPERS-covered employer. Part-time members earn service credit in proportion to the number of hours worked. Service credit accumulates on a fiscal year basis, July 1 through June 30. If you are paid on a monthly basis, 10 months of full-time employment will equal one year. You cannot earn more than one year of service credit in one fiscal year. If you work less than eight hours per day, it will take you longer to earn a year of service credit.

You may view your current service credit at any time by logging in to myCalPERS at my.calpers.ca.gov or by referring to your CalPERS Annual Member Statement to verify your service credit total as of each June 30.

School Safety Members

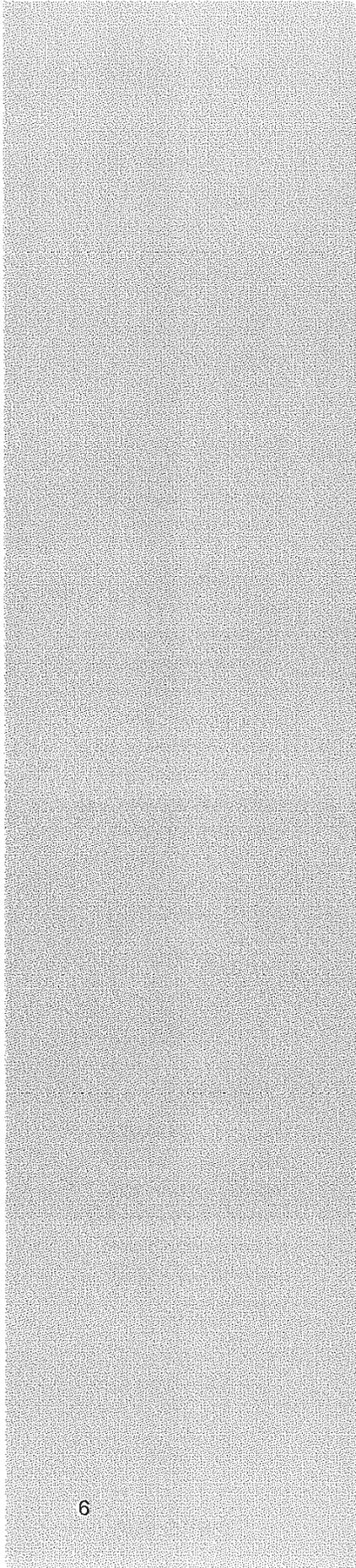
If you become disabled due to a job-related injury or illness and can no longer perform the duties of your job, you have the option to apply for an industrial disability retirement.

Emergency Retirement

CalPERS will expedite retirement processing if you are terminally ill or facing imminent death. Contact CalPERS or your employer immediately if there is a need for emergency retirement.

Health Benefit Vesting

Consult your personnel office or call CalPERS to determine if additional service credit applies to health benefit vesting requirements.



In some cases, you may be eligible for other types of service credit that can help you maximize your retirement benefits.

Other types of service include:

- Unused sick leave at retirement
- Redeposit of contributions you previously withdrew from CalPERS
- Service with a CalPERS-covered employer prior to your date of membership
- Service with a public agency prior to the date of that agency's agreement with CalPERS
- Certain types of leaves of absence, public service employment, Peace Corps, AmeriCorps VISTA, AmeriCorps, or military service

For more information about service credit, review the CalPERS publications *A Guide to Your CalPERS Service Credit Purchase Options* (PUB 12) and *A Guide to Your Military Service Credit Options* (PUB 15).

Benefit Factor

Your benefit factor is the percentage of pay to which you are entitled for each year of service. It is determined by your age at retirement and the retirement formula based on your membership date with each employer. This publication explains the following school retirement formulas:

2@55 2@62

Refer to your CalPERS Annual Member Statement to verify your retirement formula(s).

Understanding Your Retirement Formula

Starting on page 24, you'll find two charts for each of the school retirement formulas. The first chart shows how the benefit factor increases for each quarter year of age. The second chart shows the percentage of final compensation you will receive.

If you became a member prior to January 1, 2013, but you permanently separate from employment and return to membership after a break in service of more than six months, you are subject to the retirement formula in place on January 1, 2013, for any service credit earned after that date. This does not apply if you return to the same employer. The same employer does not necessarily mean the employer you last worked for. For example, if you worked for a school and then left to work for a public agency or state agency, you can return to a different school employer and it would be considered the same school employer.

Note: All State of California departments are considered the same state employer. All school county offices and districts are considered the same school employer. Each public agency is considered a separate employer.

Final Compensation

Your final compensation is the highest average annual compensation earnable for either 12 or 36 consecutive months, depending on your membership date and employer's contract. Which compensation period we use depends on your retirement formula(s). If you are not sure, ask your personnel office. We use your full-time pay rate, not your earnings. If you work part time, we will use your full-time equivalent pay rate to determine your final compensation. myCalPERS automatically finds and uses the highest compensation period during your employment with CalPERS.

If you have a combination of classic and California Public Employees' Pension Reform Act (PEPRA) service, we determine the final compensation for service credit accrued as a classic member separately from the final compensation for service accrued as a PEPRA member. We use both figures when calculating your retirement benefit.

If your membership date is on or after January 1, 2013, there is a cap on the compensation used to calculate your benefit. If your service is coordinated with Social Security, the compensation cap used to calculate your benefit is equal to the 2013 Social Security wage base, adjusted by the Consumer Price Index for All Urban Consumers: City Average. For 2018, the cap is \$121,388. If your service credit is not coordinated with Social Security, the compensation cap used to calculate your benefit is equal to 120 percent of the 2013 Social Security wage base, adjusted by the Consumer Price Index for All Urban Consumers: City Average, which is \$145,666 in 2018. The compensation limit is calculated based on the limit in effect for each calendar year included in the final compensation period.

If your CalPERS service was coordinated with Social Security, you did not contribute on the first \$133.33 of your monthly earnings. So, when computing your retirement allowance, you must reduce your final compensation by \$133.33. For service earned after January 1, 2001, final compensation will not be reduced by \$133.33.

For some school employees, monthly pay may have been reported to us on a 10- or 11-month basis instead of 12 months. If this is the case, your final compensation will be based on a 12-month average. For example, 10-month employees would calculate their final compensation as:

- $\$2,400 \times 10 = \$24,000$
- $\$24,000 / 12 = \$2,000$ final compensation



Estimating Your Retirement Benefit

More Than One Year From Retirement

You have two options for generating retirement estimates when you are more than one year from your expected retirement date.

The first option is to log in to my!CalPERS at my.calpers.ca.gov, which requires a username and password, to obtain an estimate that incorporates data your employer already reported to CalPERS. You can generate a variety of scenarios and save them in my!CalPERS for future reference.

The second option is to use the CalPERS Retirement Estimate Calculator on our website at www.calpers.ca.gov. This online calculator allows you to generate multiple estimates, customizing them to include projections based on:

- Career plans
- Expected promotions or pay increases
- Special compensation
- Possible changes to your time base
- Any expected formula changes
- Alternative retirement dates
- Additional service credit

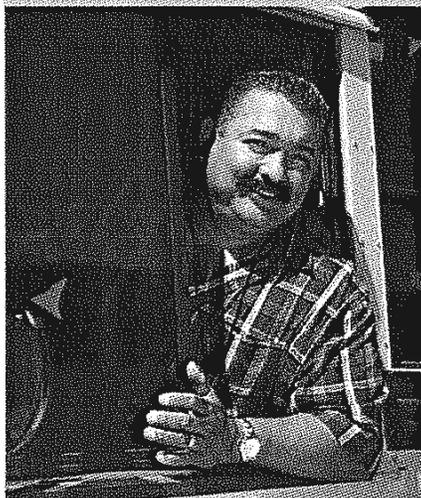
The estimate will provide only the Unmodified Allowance. You can print but not save estimates produced using this calculator.

Within One Year of Retirement

If you are within one year of your expected retirement date, you may request a CalPERS-generated retirement estimate by completing a *Retirement Allowance Estimate Request* form and mailing it to the address on the form. You can find this form on our website at www.calpers.ca.gov.

A CalPERS-generated retirement estimate uses your most current CalPERS account information, but does not include projections of salary increases, special compensation, or other job-related changes. It allows you to make informed retirement decisions and verify that our records properly reflect or match yours.

You are limited to **two** CalPERS-generated estimate requests in a 12-month period and must be within one year of retirement.



Your Retirement Payment Options

At retirement, you can choose to receive the highest benefit payable, which is referred to as the "Unmodified Allowance." The Unmodified Allowance provides a monthly benefit to you that ends upon your death.

You also have the choice of requesting a reduction in the Unmodified Allowance to provide a lump-sum or lifetime monthly benefit for a beneficiary upon your death. For more information about the retirement payment options available, review the CalPERS publication *Planning Your Service Retirement* (PUB 1).

Survivor Continuation

In making a decision about whether to reduce your Unmodified Allowance to provide for a beneficiary, you will want to consider Survivor Continuation. This is a contracted employer-paid benefit. This benefit consists of a monthly allowance that automatically continues to an eligible survivor following your death after retirement regardless of the retirement option you select.

Who Is Eligible?

- Your spouse, if you were married for at least one year before your retirement and remained married until the date of your death, will receive the Survivor Continuation benefit for life. (For disability retirement, you need only to have been married at retirement and remained married until the date of your death.)
- Your domestic partner, if you were in a legally state-recognized partnership at least one year prior to your retirement and continuously until your death, will receive the Survivor Continuation benefit for life. (For disability retirement, you need only to have been in a legally state-recognized domestic partnership at retirement and remained registered until the date of your death.)
- If you do not have an eligible spouse or registered domestic partner, your natural or adopted unmarried children under age 18 will receive this monthly benefit until marriage or age 18. An unmarried child who was disabled prior to age 18 and whose disability has continued without interruption will receive this benefit until the disability ends or until marriage.
- Qualifying financially dependent parents, if none of the above.

Survivor Continuation

Survivor Continuation will apply only if you have an eligible family member as of the date of your death.

Impact of Social Security

If your service is not coordinated with Social Security, Survivor Continuation will be one half of your Unmodified Allowance. If your service is coordinated with Social Security, it will be one-quarter of your Unmodified Allowance. If you have some time covered and some not covered, or if you have a combination of service under CalPERS with the state or a public agency, special consideration must be given to figure the amount of your Survivor Continuation benefit.

Pre-Retirement Death Benefits Designations

If you name a beneficiary other than your spouse or registered domestic partner, your spouse or registered domestic partner will still receive their community property share. The remainder will be paid to your designated beneficiary. To designate a beneficiary, use the CalPERS *Beneficiary Designation* form available from your personnel office or on our website at www.calpers.ca.gov. (This designation will be valid only if your death is not job related. Different rules apply to job-related death benefit eligibility.)

PRE-RETIREMENT DEATH BENEFITS

As a CalPERS member, you are eligible for various pre-retirement death benefits depending on your membership category, employer, retirement eligibility status, and other factors. The benefits range from a simple return of your contributions plus interest to a monthly allowance equal to half of what you would have received at retirement paid to a spouse or domestic partner. To be eligible for any type of monthly pre-retirement death benefit, your spouse or domestic partner must have been either married to you or legally registered before the occurrence of the injury or the onset of the illness that resulted in your death, or for at least one year prior to your death.

Each member's death benefits can vary significantly depending on circumstances and data. Questions relating to specific situations should be addressed to CalPERS for a more accurate description of individual benefits.

Upon a member's pre-retirement death, the employer and surviving family member are encouraged to immediately contact CalPERS for assistance.

For your convenience, we have divided the pre-retirement section into two parts:

- Not Eligible to Retire
- Eligible to Retire

Not Eligible to Retire

You must be at least age 50* and have a minimum of five years of CalPERS-credited service or have worked part time for at least five years to be eligible to retire. If you pass away before you are eligible, your beneficiary(ies) is entitled to the following benefits:

Basic Death Benefit

Your beneficiary will receive a lump-sum payment of:

- A refund of your contributions, plus interest; and
- Up to six months' pay (one month's salary for each year of current service, to a maximum of six months).

Your beneficiary will be determined as follows:

- Named beneficiary, or if none;
- Spouse or registered domestic partner, or if none;
- Your children, or if none;
- Parents, or if none;
- Brothers and sisters, or if none;
- Estate if probated, or if not;
- Trust, or if none;
- Next of kin, as provided by law.

* Or at least age 52 if you became a member on or after January 1, 2013.

1959 Survivor Benefit

Applicable only for those not covered under Social Security while employed with a CalPERS-covered agency. The 1959 Survivor Death Benefit cannot be paid if the Special Death Benefit is elected (see side bar).

Eligible to Retire

If you pass away at age 50* or over with a minimum of five years of CalPERS-credited service or have worked part time for at least five years, your beneficiary(ies) is eligible for the following monthly benefits:

1957 Survivor Benefit

This benefit provides a monthly allowance equal to one-half of what your highest "service retirement" allowance would have been had you retired on the date of your death. Those eligible to receive this allowance are:

- Your spouse or registered domestic partner, or if none;
- Your unmarried natural or adopted children under age 18.

Basic Death Benefit

The Basic Death Benefit will be paid if:

- No one is eligible for the monthly allowance described above.
- The person who is eligible for the monthly allowance above chooses instead to receive the Basic Death Benefit.
- A person other than a spouse or registered domestic partner is designated as a beneficiary to receive all or a portion of your lump-sum death benefit.**

Benefit Payments

Your beneficiary will receive a lump-sum payment of:

- A refund of your contributions plus interest; and
- Up to six months' pay (one month's salary rate for each year of current service to a maximum of six months).

If no one is eligible for the 1957 Survivor Benefit or the Special Death Benefit (if applicable), your beneficiary for the Basic Death Benefit will be determined as follows:

- Named beneficiary, or if none;
- Spouse or registered domestic partner, or if none;
- Children, or if none;
- Parents, or if none;
- Brothers and sisters, or if none;
- Estate if probated, or if not;
- Trust, or if none;
- Next of kin, as provided by law.

* Or at least age 52 if you became a member on or after January 1, 2013.

** No part of the Basic Death Benefit is payable if the Special Death Benefit is paid.

Special Death Benefit

If your death is the direct result of a violent act while you were performing your official duties, your surviving spouse, registered domestic partner, or unmarried children or eligible unmarried stepchildren under age 22 may receive a monthly allowance equal to one-half of your final compensation. If there are eligible surviving unmarried children in addition to your spouse or registered domestic partner, the allowance may be increased to a maximum of 75 percent of your final compensation. The Special Death Benefit is payable to your surviving spouse or registered domestic partner until death, or to your unmarried children until age 22.

Inactive CalPERS Members

Beneficiaries of members who were separated from employment more than 120 days for non-health reasons are only eligible for the Limited Death Benefit, which consists of a return of contributions and interest from the member's account.

1959 Survivor Benefit

Applicable only for those not covered under Social Security while employed with a CalPERS-covered agency. The 1959 Survivor Death Benefit cannot be paid if the Special Death Benefit is elected. (See below for more information.)

1959 Survivor Benefit Program

The 1959 Survivor Benefit is available to school members not covered by federal Social Security with their employer. Covered members are required to pay at least a \$2 monthly fee that is deducted from your salary specifically to fund the 1959 Survivor Benefit Program.

The Program provides a monthly allowance to eligible survivors of those covered by this benefit program and who died before retirement. The 1959 Survivor Benefit is paid in addition to any other pre-retirement death benefit paid by CalPERS, with the possible exception of the Special Death Benefit. If the 1959 Survivor Benefit is greater than the Special Death Benefit, then the difference is paid as the 1959 Survivor Benefit.

Eligible Survivors

Spouse

A surviving spouse is a husband or wife who was legally married to you at least one year before your death, or before the occurrence of the injury or onset of the illness that resulted in your death. A surviving spouse is entitled to the 1959 Survivor Benefit as long as they have care of an eligible unmarried child or are at least age 60. A surviving spouse can remarry and continue to receive the allowance.

Domestic Partner

To be eligible, the member and surviving domestic partner must have been in a legally state-recognized partnership at least one year before the member's death or before the occurrence of the injury or onset of the illness that resulted in the member's death. A surviving registered domestic partner is entitled to the 1959 Survivor Benefit as long as they have care of an eligible unmarried child or are at least age 60. A surviving registered domestic partner can register as a domestic partner to someone else and continue to receive the allowance.

Children

An unmarried child or stepchild (if the child was living with the member in a parent-child relationship) is eligible for benefits while under age 22. An unmarried child who is incapacitated because of a disability that began before attaining age 22 may be entitled to the benefit until the disability ends.

If an unmarried child is in the care of a guardian or is living alone, the unmarried child's portion of the benefit is paid to the guardian or to the unmarried child directly, rather than to the surviving spouse.

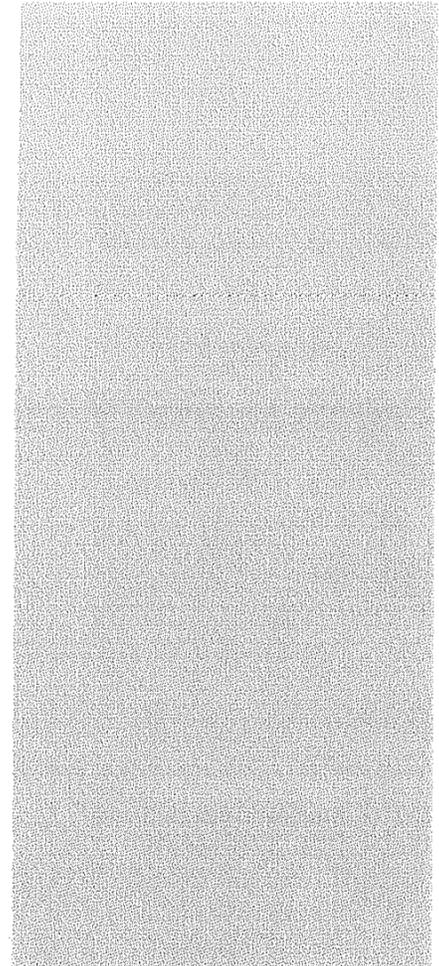
Parents

A parent who is at least age 60 may be eligible if there is no surviving spouse, registered domestic partner, or eligible unmarried children, and the parent was dependent on the member for at least half of their support at the time of the member's death.

1959 Survivor Monthly Allowance Levels

Eligible survivors may receive one of the following monthly allowances:

- A spouse or registered domestic partner who has care of two or more eligible unmarried children; or three eligible unmarried children only (split among them) \$1,800*
- A spouse or registered domestic partner who has care of one eligible unmarried child; or two eligible unmarried children only (split among them) \$1,500*
- One eligible unmarried child only; or a spouse or registered domestic partner at age 60 or older \$750*
- Dependent parents who are at least age 60 may be eligible if there are no other eligible survivors. \$750 each*



* Amounts can differ if all children are not in the spouse's or domestic partner's care.

PEMHCA

Public Employees' Medical and Hospital Care Act

Your Retirement Date

If the effective date of your retirement is more than 120 days after separation from employment, you are not eligible to be enrolled in a CalPERS health plan at retirement or at any future date.

Medicare Health Plans

If you are retired and enrolled in a CalPERS health plan when you become eligible for Social Security Medicare benefits, state law prohibits your continued enrollment in a Basic plan. You can continue your CalPERS health care by enrolling in Medicare, providing your Medicare information to CalPERS, and then transferring to a CalPERS Medicare health plan.

HEALTH BENEFITS COVERED UNDER PEMHCA

If you are nearing retirement, read this section to gain an understanding of how retirement will affect your health benefits. Contact your health benefits officer or personnel office for questions about your health benefits.

Once you are retired, contact CalPERS for questions about your health benefits or to make changes to your plan or dependents.

You can obtain health benefits publications, required forms, and other information about your CalPERS health benefits through our website at www.calpers.ca.gov or by calling CalPERS at 888 CalPERS (or 888-225-7377).

- Our *Health Program Guide* describes CalPERS Basic health plan eligibility, enrollment, and choices. It provides an overview of CalPERS health plan types and tells you how and when you can make changes to your plan (including what forms and documentation you will need). It also describes how life changes or changes in your employment status can affect your benefits and eligibility.
- Our annual *Health Benefit Summary* provides valuable information to help you make an informed choice about your health plan and compare benefits, covered services, and co-payment information for all CalPERS health plans.
- Our *Medicare Enrollment Guide* provides information about how Medicare works with your CalPERS health benefits.

Your Separation Date and Your Retirement Date

As retirement approaches, two dates are particularly important: your separation date (last day of employment) and your retirement date. If you are not sure when these dates occur, talk to your employer. The following are your health plan enrollment options when you retire:

If your separation date and your retirement date are within 30 days of each other and you are enrolled in a CalPERS health plan at the time of retirement:

Your coverage will continue into retirement without a break. If you do not want your health benefits to continue into retirement, you have the option to cancel your coverage by:

- Submitting a *Health Benefits Plan Enrollment* form to your employer (if you are still employed)
- Declining health coverage in the CalPERS *Service Retirement Election Application*
- Writing or calling CalPERS to request to cancel health coverage (if you are retired)

If your separation date and your retirement date are between 31 and 120 days of each other, and you are enrolled in a CalPERS health plan at separation:

Your coverage will not automatically continue. You may re-enroll by either writing to the CalPERS Health Account Management Division within 60 days of your retirement date and requesting re-enrollment, or waiting for the next Open Enrollment period.

- You can pay monthly premiums directly to your health plan when you are not on a regular pay status.
- You can avoid having your coverage suspended between your last day of work and your retirement date by paying the full monthly premium.
- Contact the health benefits officer where you worked and complete a *Direct Payment Authorization* form within 30 days of your last day on pay status.

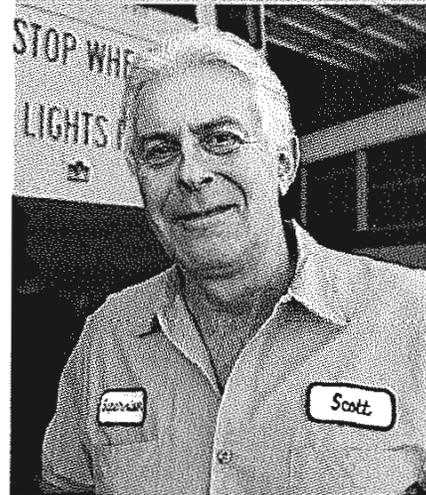
If you are eligible for CalPERS health benefits, but are not enrolled in a health plan at retirement and your retirement date is within 120 days of separation:

You may enroll within 60 days of retirement or during a future Open Enrollment period.

- Contact your health benefits officer if you are an active employee or the CalPERS Health Account Management Division if you are retired.

If your retirement effective date is more than 120 days after separation from employment:

You are not eligible for coverage at retirement or at any future date.



There are some exceptions to this rule. Contact CalPERS at 888 CalPERS (or 888-225-7377) if you have questions about your eligibility.

If you are retiring within 90 days of your own or your spouse's 65th birthday:
Contact the Social Security Administration at (800) 772-1213 or TTY (800) 325-0778 about signing up for Medicare. In addition to signing up for Medicare, you will have to change from a Basic health plan to a Medicare plan that combines your Medicare benefits with your CalPERS-sponsored health benefits. CalPERS Medicare health plan members have prescription drug coverage that is as good as or better than Medicare Part D prescription coverage and must not enroll in an external Medicare Part D plan. If you do enroll in a non-CalPERS Medicare Part D plan, you will lose your CalPERS health coverage.

If you were covered as a dependent through another health plan when you retired:

You may be eligible to enroll in a CalPERS health plan. Contact CalPERS for more information.

If you have questions about your CalPERS health benefits and you are an active member:

Contact your personnel office or health benefits officer. If you are a retiree, contact CalPERS at 888 CalPERS (or 888-225-7377).

Medicare

Medicare is a federal health insurance program for individuals:

- Age 65 or older
- Under age 65 with certain Social Security-qualified disabilities
- With End-Stage Renal Disease (ESRD)

Medicare is managed by the Centers for Medicare and Medicaid Services (CMS). The Social Security Administration (SSA) works with CMS to determine eligibility and to enroll individuals in Medicare.

Medicare consists of different parts:

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plans)
- Part D (Prescription Drug Coverage)

If you and/or your dependent are 65 or older, retired, enrolled in a CalPERS Basic health plan, and become Medicare eligible, you must enroll in Medicare Part A and Part B and transfer to a CalPERS Medicare health plan to continue CalPERS health coverage.

If you do not qualify for premium-free Part A based on your Social Security/ Medicare work record or the record of your current, former, or deceased spouse, you must provide supporting documentation from the SSA that you are not eligible for premium-free Part A to remain enrolled in a CalPERS Basic health plan. If you later qualify for Part A at no cost, you must enroll in Part A and Part B, provide your Medicare information to CalPERS, and then transfer to a CalPERS Medicare health plan.

If you are under age 65 and are Medicare eligible, you must provide your Medicare information to CalPERS and then transfer to a CalPERS Medicare health plan.

Although Part A may be at no cost to qualifying individuals, the SSA establishes a standard Part B premium. The monthly Part B premium must be paid to the SSA to remain enrolled in Part B. If your income exceeds established thresholds, the SSA will increase your Part B premium by an income-related monthly adjustment amount. Payment of the Part B premium is mandatory to protect your eligibility to remain enrolled in a CalPERS Medicare health plan. If you voluntarily terminate your enrollment in Part B, your CalPERS health coverage will be canceled.

CalPERS offers Medicare Advantage plans that include Part A, Part B, and Part D. You must remain enrolled in Part A, Part B, and Part D to continue your enrollment in a Medicare Advantage plan. If you voluntarily terminate your Medicare coverage, you will be disenrolled from the Medicare Advantage plan and canceled from CalPERS health coverage.

Disability

If you become eligible for Medicare due to a disability, special rules apply for you to continue your health benefits. Contact CalPERS for additional information.



**Making Direct
Payment for
Health Premiums
to Cover Delays**

If you are aware of a delay in receiving your first retirement check, you should contact your personnel office to discuss making direct payments for your health premiums. The direct payments will ensure continuation of services and claim payments for your current PEMHCA coverage. You will be reimbursed for the direct payment amounts by the plan as soon as CalPERS makes the payments.

CalPERS participates in a Medicare Part D prescription drug plan. If you are a Medicare-eligible subscriber or dependent, you are automatically enrolled into an Employer Group Waiver Plan (EGWP). If you are enrolled in a Preferred Provider Organization (PPO) Supplement to Medicare plan, you may choose to opt out of the Part D prescription drug coverage; however, you will be financially responsible for all of your prescription drug costs. If you enroll in a non-CalPERS Medicare Part D plan, you are no longer eligible to remain enrolled in a CalPERS Medicare health plan. Consequently, you and all of your covered dependents will be canceled from CalPERS health coverage.

Medicare Part D standard premiums are paid to your health carrier as part of the CalPERS health premium. As with Medicare Part B, if your income exceeds established thresholds, the SSA will assess an additional income-related monthly adjustment amount. This amount must be paid to the SSA to protect your Medicare enrollment and eligibility to remain enrolled in a CalPERS Medicare health plan. If you do not pay the additional amount, you will be disenrolled from EGWP and be financially responsible for all of your prescription drug costs.

CalPERS offers several Medicare health plans. See the CalPERS *Medicare Enrollment Guide* for more detailed information or visit our website at www.calpers.ca.gov.

For information about the Medicare program, call Medicare at (800) 633-4227 or TTY (877) 486-2048, or visit their website at www.medicare.gov.

For information regarding Medicare eligibility and enrollment, or Medicare premiums, call the SSA at (800) 772-1213 or TTY (800) 325-0778 or visit their website at www.ssa.gov.

Making Changes to Your Health Plan After Retirement

Once you retire, CalPERS becomes your health benefits officer or personnel office. This means you can make most changes to your health enrollment by calling CalPERS at 888 CalPERS (or 888-225-7377). For some changes, we will ask you to send additional information to CalPERS.

If you prefer, you can correspond with us in writing. Please include your (or the member's) name, Social Security number or CalPERS ID, a copy of your Medicare card (if applicable), and daytime phone number with area code.

OTHER CONSIDERATIONS

Social Security and Your CalPERS Pension

If you worked for a federal, state, or local government where you did not pay Social Security taxes, the pension you receive from that agency could reduce your Social Security benefits. Two laws that may impact your Social Security benefits are the Government Pension Offset and the Windfall Elimination Provision. Visit the [Social Security & Your CalPERS Pension](#) page on our website at www.calpers.ca.gov to see the relationship between the two benefits. You can also contact the Social Security Administration at (800) 772-1213 or visit their website at www.ssa.gov.

Reciprocity—Other California Public Retirement Systems

CalPERS has an agreement with many public retirement systems in California that allows movement from one public employer to another, within a specified time limit, without losing valuable retirement rights and related benefits. This is called “reciprocity.”

There is no transfer of funds or service credit between retirement systems when you establish reciprocity. You become a member of both systems and are subject to the membership and benefit obligations and rights of each system.

You must retire from each system separately, but it must be on the same date for all the benefits of reciprocity to apply. Once you've retired, you will receive separate retirement checks from each system.

For more information or to establish reciprocity, review the CalPERS publication *When You Change Retirement Systems* (PUB 16).

Cost-of-Living Adjustments

Cost-of-living adjustments (COLA) are provided by law and are based on the Consumer Price Index (CPI) for all United States cities. You are eligible to receive your first COLA in the second calendar year after your retirement date. The adjustment is paid on the May 1 check and then every year thereafter.

School employers provide for a maximum 2 percent COLA. The 2 percent is compounded annually and is not a flat percentage paid each year. The amount you actually receive is the lower of either the compounded CPI or the compounded percentage. In years with a low rate of inflation, it's possible the annual adjustment would result in less than a 1 percent increase to your retirement allowance. In these circumstances, the law states no adjustment will be made that year (Government Code section 21329).

Reciprocity

This agreement between retirement systems does not apply to health benefit vesting requirements.



If you work for other employers throughout your CalPERS career, such as a public agency, those agencies can contract for a maximum of 2, 3, 4, or 5 percent. If you have multiple employers with different contracted COLA percentages, we calculate the adjustment based on the contracted percentage for each of your employers and then add them together.

Inflation Protection

Added protection against inflation is provided by the Purchasing Power Protection Allowance (PPPA), created to restore your monthly benefit to 75 percent of its original purchasing power.

You will automatically receive PPPA supplemental payments on a monthly basis if your benefit falls below the 75 percent purchasing power level. The additional allowance would start, and adjustments to the allowance would occur, in May of each year.

Sick Leave Credit

At retirement, any unused sick leave you have can be converted to additional service credit.

You will receive credit for all unused sick leave certified by your employer. It takes 250 days of sick leave to receive one year of service credit. For example: if your employer certified 120 days of sick leave, your additional service credit would be 0.480 ($120 \times 0.004 = 0.480$) of a year's service credit. If your employer submits this information prior to CalPERS processing your retirement application, we will include the additional service credit in your initial retirement benefit. Otherwise, we will adjust your account to reflect a change in service credit at the time your employer submits it.

To receive sick leave credit, your retirement date must be within 120 days of the date of separation from employment. Your employer will divide your unused hours of sick leave by **eight** to determine the number of days to report to CalPERS.



Internal Revenue Code (IRC) Section 401(a)(17) Contribution and Salary Limit

If you first became a member of CalPERS on or after July 1, 1996, IRC section 401(a)(17) places limits on the amount of member contributions you can pay into CalPERS, a tax-qualified pension plan. This section applies to annual salaries (earnings) that exceed \$250,000. The actual dollar limit is set each year by the Internal Revenue Service. This section does not limit or place a cap on the salary an employer can pay an employee. It does specify the highest salary on which member contributions can be paid into an employee's CalPERS account. Your employer is responsible for monitoring when your salary reaches or exceeds this annual limit and for refunding any excess contributions. Each year CalPERS issues a Circular Letter to all employers announcing the IRC section 401(a)(17) limit for the calendar year.

At retirement, your highest average salary (final compensation amount) used to calculate your benefit will be the IRC section 401(a)(17) salary limit for that year. For example, if you became a member of CalPERS in August 1996, your annual salary is \$300,000, and the IRC section 401(a)(17) limit in the year you retire is \$250,000, you will pay contributions on \$250,000 of your salary and your retirement benefit calculation would use \$250,000 as your highest final compensation, if your compensation period is 12 months. If your compensation period is 36 months, your final compensation will be subject to the section 401(a)(17) limit in effect for each of those calendar years.

Internal Revenue Code (IRC) Section 415(b) Retirement Benefit Limit and CalPERS Replacement Benefit Plan (RBP)

IRC section 415(b) places a dollar limit on the annual retirement benefit you can receive from CalPERS, a tax-qualified pension plan. This limit generally applies to retirement benefits of approximately \$215,000 or more a year for employees retiring at their Social Security normal retirement age of 62 through 65. **Note:** The determination of whether your retirement benefit will be subject to this limit can only be made at retirement.

This dollar limit is set each year by the Internal Revenue Service and is adjusted for several factors including inflation, age at retirement, and after-tax contributions. If your retirement benefit must be limited under IRC section 415(b), you will be enrolled in the IRC section 415(b) Replacement Benefit Plan, an employer-funded plan, if eligible.

The CalPERS Replacement Benefit Plan provides a replacement benefit that will, to the extent possible, make up the amount your CalPERS benefit is limited, and is only available if your membership date is prior to January 1, 2013.

For additional information, see the IRC section 415(b) Replacement Benefit Plan Fact Sheet on our website at www.calpers.ca.gov.

Divorce, Legal Separation, or Termination of Domestic Partnership

In California, all types of retirement benefits are considered community property. If you have a community property claim on your retirement account, a hold is placed on your account and benefits are held until the claim is resolved. We recommend that you resolve the claim before you retire to avoid possible delays in processing your retirement benefits. **However, you should not wait to submit your retirement application. Waiting to apply for retirement may affect the retirement date and other benefits you are entitled to receive.** For more information, review the publication *A Guide to CalPERS Community Property* (PUB 38A).

Power of Attorney

A CalPERS special power of attorney allows you to designate a representative or agent, known as your attorney-in-fact, to conduct your retirement affairs. Should you become unable to act on your own behalf, your designated attorney-in-fact will be able to perform important duties concerning your CalPERS business, such as address changes, federal or state tax withholding elections, and retirement benefit elections.

The CalPERS special power of attorney is specifically designed for use by active and retired CalPERS members and beneficiaries. You may already have a power of attorney set up through another resource; however, it may not address your CalPERS retirement benefits. For more information, review the publication *CalPERS Special Power of Attorney* (PUB 30).

Benefit Forfeiture for Felony Convictions

Under the California Public Employees' Pension Reform Act of 2013, if you are convicted of a felony by a state or federal trial court in connection with your official job duties, you will forfeit all of your accrued rights and benefits from the commission of the felony forward and you will no longer be eligible to accrue further benefits with CalPERS, effective on the date of conviction (Government Code sections 7522.72 and 7522.74).

If you are convicted for such a crime, you and the prosecuting agency must notify your employer within 60 days of your conviction, and your employer must notify CalPERS within 90 days of your conviction.

CalPERS will remove the service credit and return any contributions you made during the forfeiture period, without interest. If after the removal of forfeited service and contributions you remain vested for retirement, you may apply for retirement once you reach minimum retirement age. If after the removal of forfeited service you are not vested for retirement, you may elect a refund of your remaining member contributions.

Should your conviction be overturned, your forfeited service will be restored to your account if you elect to redeposit the returned contributions, with interest.



The chart below shows how the benefit factor increases for each quarter year of age from 50 to 63.

2% at 55 Benefit Formula Minimum Age for Retirement 50				
Age	Exact Year	¼ Year	½ Year	¾ Year
50	1.100%	1.146%	1.190%	1.236%
51	1.280%	1.326%	1.370%	1.416%
52	1.460%	1.506%	1.550%	1.596%
53	1.640%	1.686%	1.730%	1.776%
54	1.820%	1.866%	1.910%	1.956%
55	2.000%	2.016%	2.032%	2.048%
56	2.064%	2.080%	2.096%	2.110%
57	2.126%	2.142%	2.158%	2.172%
58	2.188%	2.204%	2.220%	2.236%
59	2.250%	2.268%	2.282%	2.298%
60	2.314%	2.330%	2.346%	2.360%
61	2.376%	2.392%	2.406%	2.422%
62	2.438%	2.454%	2.470%	2.486%
63 or older	2.500%	—	—	—

FORMER ORIGINAL COMPENSATION



Age	50	51	52	53	54	55	56	57	58	59	60	61	62	63+
Benefit Factor	1.100	1.280	1.460	1.640	1.820	2.000	2.064	2.126	2.188	2.250	2.314	2.376	2.438	2.500
Years of Service	Percentage of Final Compensation													
5	5.50	6.40	7.30	8.20	9.10	10.00	10.32	10.63	10.94	11.25	11.57	11.88	12.19	12.50
6	6.60	7.68	8.76	9.84	10.92	12.00	12.38	12.76	13.13	13.50	13.88	14.26	14.63	15.00
7	7.70	8.96	10.22	11.48	12.74	14.00	14.45	14.88	15.32	15.75	16.20	16.63	17.07	17.50
8	8.80	10.24	11.68	13.12	14.56	16.00	16.51	17.01	17.50	18.00	18.51	19.01	19.50	20.00
9	9.90	11.52	13.14	14.76	16.38	18.00	18.58	19.13	19.69	20.25	20.83	21.38	21.94	22.50
10	11.00	12.80	14.60	16.40	18.20	20.00	20.64	21.26	21.88	22.50	23.14	23.76	24.38	25.00
11	12.10	14.08	16.06	18.04	20.02	22.00	22.70	23.39	24.07	24.75	25.45	26.14	26.82	27.50
12	13.20	15.36	17.52	19.68	21.84	24.00	24.77	25.51	26.26	27.00	27.77	28.51	29.26	30.00
13	14.30	16.64	18.98	21.32	23.66	26.00	26.83	27.64	28.44	29.25	30.08	30.89	31.69	32.50
14	15.40	17.92	20.44	22.96	25.48	28.00	28.90	29.76	30.63	31.50	32.40	33.26	34.13	35.00
15	16.50	19.20	21.90	24.60	27.30	30.00	30.96	31.89	32.82	33.75	34.71	35.64	36.57	37.50
16	17.60	20.48	23.36	26.24	29.12	32.00	33.02	34.02	35.01	36.00	37.02	38.02	39.01	40.00
17	18.70	21.76	24.82	27.88	30.94	34.00	35.09	36.14	37.20	38.25	39.34	40.39	41.45	42.50
18	19.80	23.04	26.28	29.52	32.76	36.00	37.15	38.27	39.38	40.50	41.65	42.77	43.88	45.00
19	20.90	24.32	27.74	31.16	34.58	38.00	39.22	40.39	41.57	42.75	43.97	45.14	46.32	47.50
20	22.00	25.60	29.20	32.80	36.40	40.00	41.28	42.52	43.76	45.00	46.28	47.52	48.76	50.00
21	23.10	26.88	30.66	34.44	38.22	42.00	43.34	44.65	45.95	47.25	48.59	49.90	51.20	52.50
22	24.20	28.16	32.12	36.08	40.04	44.00	45.41	46.77	48.14	49.50	50.91	52.27	53.64	55.00
23	25.30	29.44	33.58	37.72	41.86	46.00	47.47	48.90	50.32	51.75	53.22	54.65	56.07	57.50
24	26.40	30.72	35.04	39.36	43.68	48.00	49.54	51.02	52.51	54.00	55.54	57.02	58.51	60.00
25	27.50	32.00	36.50	41.00	45.50	50.00	51.60	53.15	54.70	56.25	57.85	59.40	60.95	62.50
26	28.60	33.28	37.96	42.64	47.32	52.00	53.66	55.28	56.89	58.50	60.16	61.78	63.39	65.00
27	29.70	34.56	39.42	44.28	49.14	54.00	55.73	57.40	59.08	60.75	62.48	64.15	65.83	67.50
28	30.80	35.84	40.88	45.92	50.96	56.00	57.79	59.53	61.26	63.00	64.79	66.53	68.26	70.00
29	31.90	37.12	42.34	47.56	52.78	58.00	59.86	61.65	63.45	65.25	67.11	68.90	70.70	72.50
30	33.00	38.40	43.80	49.20	54.60	60.00	61.92	63.78	65.64	67.50	69.42	71.28	73.14	75.00
31	34.10	39.68	45.26	50.84	56.42	62.00	63.98	65.91	67.83	69.75	71.73	73.66	75.58	77.50
32	35.20	40.96	46.72	52.48	58.24	64.00	66.05	68.03	70.02	72.00	74.05	76.03	78.02	80.00
33	36.30	42.24	48.18	54.12	60.06	66.00	68.11	70.16	72.20	74.25	76.36	78.41	80.45	82.50
34	—	43.52	49.64	55.76	61.88	68.00	70.18	72.28	74.39	76.50	78.68	80.78	82.89	85.00
35	—	—	51.10	57.40	63.70	70.00	72.24	74.41	76.58	78.75	80.99	83.16	85.33	87.50
36	—	—	—	59.04	65.52	72.00	74.30	76.54	78.77	81.00	83.30	85.54	87.77	90.00
37	—	—	—	—	67.34	74.00	76.37	78.66	80.96	83.25	85.62	87.91	90.21	92.50
38	—	—	—	—	—	76.00	78.43	80.79	83.14	85.50	87.93	90.29	92.64	95.00
39	—	—	—	—	—	—	80.50	82.91	85.33	87.75	90.25	92.66	95.08	97.50
40	—	—	—	—	—	—	—	85.04	87.52	90.00	92.56	95.04	97.52	100.0



RETIREMENT FORMULAS AND BENEFIT FACTOR

The chart below shows how the benefit factor increases for each quarter year of age from 52 to 67.

2% at 62 Benefit Formula				
Minimum Age for Retirement 52*				
Membership Date on or After January 1, 2013				
Age	Exact Year	¼ Year	½ Year	¾ Year
52	1.000%	1.025%	1.050%	1.075%
53	1.100%	1.125%	1.150%	1.175%
54	1.200%	1.225%	1.250%	1.275%
55	1.300%	1.325%	1.350%	1.375%
56	1.400%	1.425%	1.450%	1.475%
57	1.500%	1.525%	1.550%	1.575%
58	1.600%	1.625%	1.650%	1.675%
59	1.700%	1.725%	1.750%	1.775%
60	1.800%	1.825%	1.850%	1.875%
61	1.900%	1.925%	1.950%	1.975%
62	2.000%	2.025%	2.050%	2.075%
63	2.100%	2.125%	2.150%	2.175%
64	2.200%	2.225%	2.250%	2.275%
65	2.300%	2.325%	2.350%	2.375%
66	2.400%	2.425%	2.450%	2.475%
67 or older	2.500%	2.500%	2.500%	2.500%

* If you have combined classic and PEPRA service, you can retire as early as age 50 with an actuarially reduced benefit factor applied to your PEPRA service. Contact CalPERS for more information.

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Age	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67+
Benefit Factor	1.000	1.100	1.200	1.300	1.400	1.500	1.600	1.700	1.800	1.900	2.000	2.100	2.200	2.300	2.400	2.500
Years of Service	Percentage of Final Compensation															
5	5.00	5.50	6.00	6.50	7.00	7.50	8.00	8.50	9.00	9.50	10.00	10.50	11.00	11.50	12.00	12.50
6	6.00	6.60	7.20	7.80	8.40	9.00	9.60	10.20	10.80	11.40	12.00	12.60	13.20	13.80	14.40	15.00
7	7.00	7.70	8.40	9.10	9.80	10.50	11.20	11.90	12.60	13.30	14.00	14.70	15.40	16.10	16.80	17.50
8	8.00	8.80	9.60	10.40	11.20	12.00	12.80	13.60	14.40	15.20	16.00	16.80	17.60	18.40	19.20	20.00
9	9.00	9.90	10.80	11.70	12.60	13.50	14.40	15.30	16.20	17.10	18.00	18.90	19.80	20.70	21.60	22.50
10	10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00	20.00	21.00	22.00	23.00	24.00	25.00
11	11.00	12.10	13.20	14.30	15.40	16.50	17.60	18.70	19.80	20.90	22.00	23.10	24.20	25.30	26.40	27.50
12	12.00	13.20	14.40	15.60	16.80	18.00	19.20	20.40	21.60	22.80	24.00	25.20	26.40	27.60	28.80	30.00
13	13.00	14.30	15.60	16.90	18.20	19.50	20.80	22.10	23.40	24.70	26.00	27.30	28.60	29.90	31.20	32.50
14	14.00	15.40	16.80	18.20	19.60	21.00	22.40	23.80	25.20	26.60	28.00	29.40	30.80	32.20	33.60	35.00
15	15.00	16.50	18.00	19.50	21.00	22.50	24.00	25.50	27.00	28.50	30.00	31.50	33.00	34.50	36.00	37.50
16	16.00	17.60	19.20	20.80	22.40	24.00	25.60	27.20	28.80	30.40	32.00	33.60	35.20	36.80	38.40	40.00
17	17.00	18.70	20.40	22.10	23.80	25.50	27.20	28.90	30.60	32.30	34.00	35.70	37.40	39.10	40.80	42.50
18	18.00	19.80	21.60	23.40	25.20	27.00	28.80	30.60	32.40	34.20	36.00	37.80	39.60	41.40	43.20	45.00
19	19.00	20.90	22.80	24.70	26.60	28.50	30.40	32.30	34.20	36.10	38.00	39.90	41.80	43.70	45.60	47.50
20	20.00	22.00	24.00	26.00	28.00	30.00	32.00	34.00	36.00	38.00	40.00	42.00	44.00	46.00	48.00	50.00
21	21.00	23.10	25.20	27.30	29.40	31.50	33.60	35.70	37.80	39.90	42.00	44.10	46.20	48.30	50.40	52.50
22	22.00	24.20	26.40	28.60	30.80	33.00	35.20	37.40	39.60	41.80	44.00	46.20	48.40	50.60	52.80	55.00
23	23.00	25.30	27.60	29.90	32.20	34.50	36.80	39.10	41.40	43.70	46.00	48.30	50.60	52.90	55.20	57.50
24	24.00	26.40	28.80	31.20	33.60	36.00	38.40	40.80	43.20	45.60	48.00	50.40	52.80	55.20	57.60	60.00
25	25.00	27.50	30.00	32.50	35.00	37.50	40.00	42.50	45.00	47.50	50.00	52.50	55.00	57.50	60.00	62.50
26	26.00	28.60	31.20	33.80	36.40	39.00	41.60	44.20	46.80	49.40	52.00	54.60	57.20	59.80	62.40	65.00
27	27.00	29.70	32.40	35.10	37.80	40.50	43.20	45.90	48.60	51.30	54.00	56.70	59.40	62.10	64.80	67.50
28	28.00	30.80	33.60	36.40	39.20	42.00	44.80	47.60	50.40	53.20	56.00	58.80	61.60	64.40	67.20	70.00
29	29.00	31.90	34.80	37.70	40.60	43.50	46.40	49.30	52.20	55.10	58.00	60.90	63.80	66.70	69.60	72.50
30	30.00	33.00	36.00	39.00	42.00	45.00	48.00	51.00	54.00	57.00	60.00	63.00	66.00	69.00	72.00	75.00
31	31.00	34.10	37.20	40.30	43.40	46.50	49.60	52.70	55.80	58.90	62.00	65.10	68.20	71.30	74.40	77.50
32	32.00	35.20	38.40	41.60	44.80	48.00	51.20	54.40	57.60	60.80	64.00	67.20	70.40	73.60	76.80	80.00
33	33.00	36.30	39.60	42.90	46.20	49.50	52.80	56.10	59.40	62.70	66.00	69.30	72.60	75.90	79.20	82.50
34	34.00	37.40	40.80	44.20	47.60	51.00	54.40	57.80	61.20	64.60	68.00	71.40	74.80	78.20	81.60	85.00
35	35.00	38.50	42.00	45.50	49.00	52.50	56.00	59.50	63.00	66.50	70.00	73.50	77.00	80.50	84.00	87.50
36	36.00	39.60	43.20	46.80	50.40	54.00	57.60	61.20	64.80	68.40	72.00	75.60	79.20	82.80	86.40	90.00
37	37.00	40.70	44.40	48.10	51.80	55.50	59.20	62.90	66.60	70.30	74.00	77.70	81.40	85.10	88.80	92.50
38	38.00	41.80	45.60	49.40	53.20	57.00	60.80	64.60	68.40	72.20	76.00	79.80	83.60	87.40	91.20	95.00
39	39.00	42.90	46.80	50.70	54.60	58.50	62.40	66.30	70.20	74.10	78.00	81.90	85.80	89.70	93.60	97.50
40	40.00	44.00	48.00	52.00	56.00	60.00	64.00	68.00	72.00	76.00	80.00	84.00	88.00	92.00	96.00	100.00

Below are more information and more

CalPERS Website

Visit www.calpers.ca.gov for information on all our benefits and services. You can also sign up to receive email newsletters and alerts.

my|CalPERS

Log in at my.calpers.ca.gov to access real-time details and balances of your CalPERS accounts. With my|CalPERS you can:

- View, print, and save current and past statements.
- Select mailing preferences for your statements, newsletters, and retirement checks.
- Search for medical premium rates and health plans available in your area and confirm which dependents are covered on your health plan.
- Estimate your future retirement benefit and save estimates to view later.
- Send and receive secure messages.
- Order and download publications.
- Send account information to third parties, such as banks.
- Apply for service retirement.
- Change your beneficiary designation.
- Retirees can update contact information, set up direct deposit, change tax withholdings, and view annual tax statements.

CalPERS Education Center

Whether you're in the early stages of your career or getting ready to retire, visit the CalPERS Education Center in my|CalPERS to:

- Take online classes that help you have a better understanding of your CalPERS benefits.
- Register for instructor-led classes and download class materials.
- Register to attend a CalPERS Benefits Education Event at a location near you.
- Schedule a one-on-one appointment with a representative at your nearest CalPERS Regional Office.

Experience CalPERS Through Social Media

-  Facebook: www.facebook.com/myCalPERS
-  Twitter: www.twitter.com/CalPERS
-  Instagram: www.instagram.com/CalPERS
-  YouTube: www.youtube.com/CalPERS
-  LinkedIn: www.linkedin.com/company/CalPERS

Reach Us by Phone

Call us toll free at 888 CalPERS (or 888-225-7377).
Monday through Friday, 8:00 a.m. to 5:00 p.m.
TTY: (877) 249-7442

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Visit Your Nearest CalPERS Regional Office

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720

Glendale Regional Office

Glendale Plaza
655 North Central Avenue, Suite 1400
Glendale, CA 91203

Orange Regional Office

500 North State College Boulevard, Suite 750
Orange, CA 92868

Sacramento Regional Office

Lincoln Plaza East
400 Q Street, Room 1820
Sacramento, CA 95811

San Bernardino Regional Office

650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408

San Diego Regional Office

7676 Hazard Center Drive, Suite 350
San Diego, CA 92108

San Jose Regional Office

181 Metro Drive, Suite 520
San Jose, CA 95110

Walnut Creek Regional Office

Pacific Plaza
1340 Treat Boulevard, Suite 200
Walnut Creek, CA 94597

Visit the CalPERS website for directions to your local office.
Regional Office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m.



Glossary

This glossary can help you understand some of the words and phrases you may encounter when dealing with CalPERS.

Beneficiary

A person you designate to receive a benefit after your death, or other benefit recipient. (Also, see survivor, which has a different definition. Your beneficiary and survivor may or may not be the same person.)

Benefit Factor

The percentage of pay you are entitled to for each year of CalPERS-covered service. It is determined by your age at retirement and your retirement formula.

Break in Service

A break in service begins when you permanently separate from CalPERS-covered employment. A leave of absence, such as maternity leave, military leave, etc., is not considered a break in service.

CalPERS Medicare Plan

For CalPERS members in Social Security due to age (over 65) or Social Security-approved disability, Medicare becomes the primary payer of claims. If you have CalPERS health benefits coverage in retirement, the CalPERS Medicare health plan helps pay costs not covered by Medicare.

COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is federal legislation that allows you or a family member to continue your health plan enrollment when coverage is lost. A loss of coverage could include separation from employment, a dependent reaching age 26, or divorce.

Dependent

Those family members who meet specific eligibility criteria for coverage in the CalPERS Health Program. This includes your children up to age 26 who may or may not be dependent upon you for support.

Disability

An inability to substantially perform the duties of your job due to illness or injury, which is determined to be permanent or of an extended and uncertain duration.

Domestic Partner

Legally state-recognized domestic partners are qualified for benefits and rights that apply to a spouse.

Final Compensation

Your final compensation is your highest average annual compensation during any consecutive 12- or 36-month period of employment, depending on your membership date and employer's contract. Which compensation period we



use depends on your retirement formula(s). If you are not sure, ask your personnel office. We use your full-time pay rate, not your earnings. If you work part time, we will use your full-time equivalent pay rate to determine your final compensation. myCalPERS automatically finds and uses the highest compensation period during your employment with CalPERS.

Fiscal Year

CalPERS operates on a fiscal year calendar, which is July 1 to June 30 each year.

Health Insurance Portability & Accountability Act (HIPAA)

This federal law protects health insurance coverage for workers and their families when they change or lose their jobs. It also includes provisions providing national standards to protect the privacy of personal health information.

Member

An employee who qualifies for membership in CalPERS and whose employer has become obligated to pay contributions into the Retirement Fund.

Open Enrollment Period

A period of time determined by the CalPERS Board when you can enroll or change health plans, or add eligible family members not currently enrolled in the CalPERS Health Program.

PEMHCA

Public Employees' Medical and Hospital Care Act. Government Code sections 22751 et seq. is the body of state law that governs the CalPERS Health Program.

Reciprocal Agreement

An agreement between CalPERS and many public retirement systems within California that allows movement from one public employer to another, within a specified time limit, without losing valuable retirement rights and benefits.

Service Credit

Your credited years of employment with a CalPERS employer. This amount of service is credited to your CalPERS account and used in the formula to determine your retirement benefits. In some cases, other types of service credit (e.g., sick leave and service credit purchases) can be credited to your retirement account and used to enhance your retirement benefits.

Special Compensation

Additional income you might receive for uniform allowance, holiday pay, longevity pay, etc., and is reported separately from your base pay.

Survivor

A family member defined by law as eligible to receive specific benefits at your death.

PRIVACY NOTICE

The privacy of personal information is of the utmost importance to CalPERS. The following information is provided to you in compliance with the Information Practices Act of 1977 and the Federal Privacy Act of 1974.

Information Purpose

The information requested is collected pursuant to the Government Code (sections 20000 et seq.) and will be used for administration of Board duties under the Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to comply may result in CalPERS being unable to perform its functions regarding your status. Please do not include information that is not requested.

Social Security Numbers

Social Security numbers are collected on a mandatory and voluntary basis. If this is CalPERS' first request for disclosure of your Social Security number, then disclosure is mandatory. If your Social Security number has already been provided, disclosure is voluntary. Due to the use of Social Security numbers by other agencies for identification purposes, we may be unable to verify eligibility for benefits without the number.

Social Security numbers are used for the following purposes:

1. Enrollee identification
2. Payroll deduction/state contributions
3. Billing of contracting agencies for employee/employer contributions
4. Reports to CalPERS and other state agencies
5. Coordination of benefits among carriers
6. Resolving member appeals, complaints, or grievances with health plan carriers

Information Disclosure

Portions of this information may be transferred to other state agencies (such as your employer), physicians, and insurance carriers, but only in strict accordance with current statutes regarding confidentiality.

Your Rights

You have the right to review your membership files maintained by the System. For questions about this notice, our Privacy Policy, or your rights, please write to the CalPERS Privacy Officer at 400 Q Street, Sacramento, CA 95811 or call us at **888 CalPERS** (or **888-225-7377**).

CalPERS is governed by the Public Employees' Retirement Law and the Alternate Retirement Program provisions in the Government Code, together referred to as the Retirement Law. The statements in this publication are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this publication, any decisions will be based on the law and not this publication. If you have a question that is not answered by this general description, you may make a written request for advice regarding your specific situation directly to the CalPERS Privacy Officer at 400 Q Street, Sacramento, CA 95811.

NEGATIVE THANKS

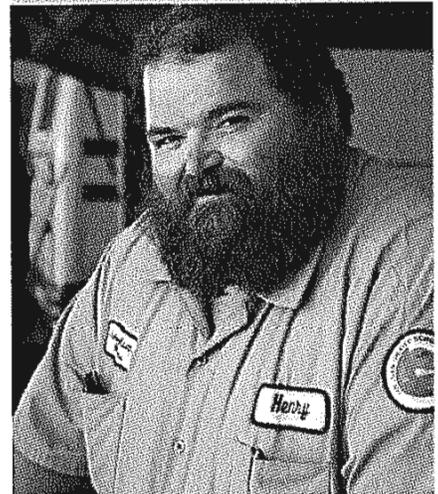
We thank the Folsom Cordova Unified School District and the San Juan Unified School District for their cooperation to make the photos for this publication possible.

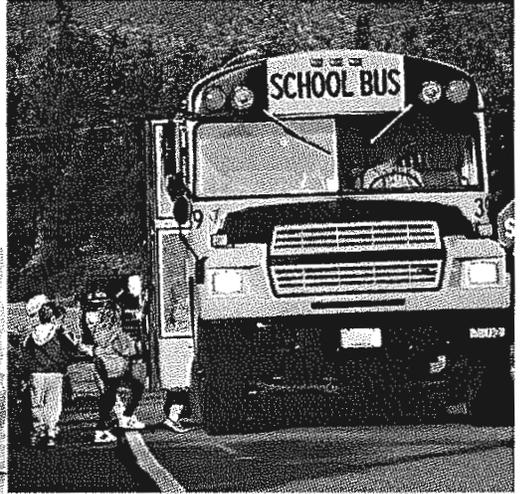
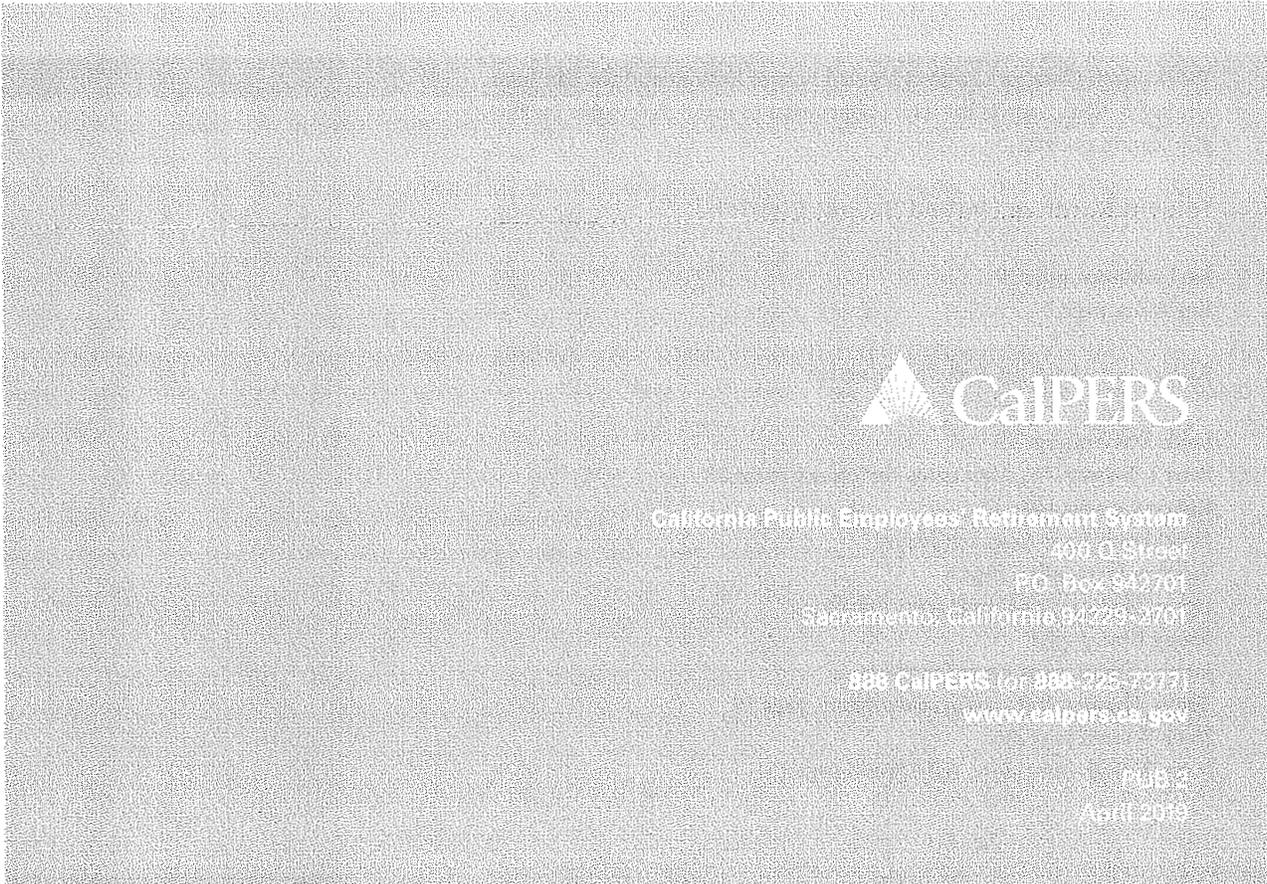
Folsom Cordova Unified School District

- Joe Lashinsky, page 20
- Kay Mills, page 7

San Juan Unified School District

- Loida Beltran, page 13
- Peter J. Beltran, Sr., front cover, right photo, page 29
- Robert Cesario, page 17
- Hazel Frost, front cover, left photo
- Valentin Hernandez, page 8
- Henry High, page 33, back cover, left photo
- Young Kim, page 1
- Juanita Olson, front cover, left photo
- Tonya Thomas, front cover, center photo, page 19
- Nena Wilson, page 30
- Scott Wilson, front cover, right photo, page 15





2019-4-1

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EXHIBIT 14

Public Agency & Schools Reference Guide

June 2021

California Public Employees' Retirement System



PAY RATE AND EARNINGS RELATIONSHIP

Pay rate is the amount of compensation a member is paid for a unit of time (i.e., hour, day, or month) and must be listed on a publicly available pay schedule (CCR section 570.5). The pay rate should remain in compliance with all applicable statutes. In addition, the pay rate should remain stable throughout a fiscal year except for pay raises, demotions, or changes of position. If a member works in more than one position or receives a raise in the middle of an earned period, report amounts earned under each pay rate separately.

An hourly pay rate for both a full-time and part-time employee is the rate of compensation to which an employee is entitled under an employment agreement which provides for compensation for each hour of regular time worked by the employee.

A daily pay rate for both a full-time and a part-time employee is the amount of compensation to which a full-time employee is entitled when the employee's services are performed under an employment agreement which provides for a daily rate of compensation.

A monthly pay rate for both a full-time and a part-time employee is the amount of compensation to which a full-time employee is entitled, when the employee's services are performed under an employment agreement which provides for a monthly rate of compensation.

CalPERS considers full-time employment a minimum of 34 hours per week. Employers can generally determine what constitutes full time for an employee provided that the employee works a minimum of 34 hours per week. However, Gov. Code section 20636.1 specifies that for all classified school members full time is up to 40 hours per week. This means that all hours up to 40 per week must be reported to CalPERS for classified school members at the straight-time rate.

Impact on Final Benefits

Reporting correct pay rates for your active members is essential in calculating correct member benefits at retirement. The three critical elements used in calculating retirement benefits are:

- Service credit
- Benefit factor
- Final compensation

Service credit and final compensation are derived from the pay rate and earnings reported to CalPERS.

Service Credit Accrual

The amount of service credit a member accrues during the fiscal year will depend on the number of days, hours, or months they work and are reported to CalPERS.

Pay Rate and Earnings Relationship

Full-Time Service Credit

Service credit is one of the three critical elements that are used to calculate a member's retirement allowance. CalPERS limits the amount of service credit a member can earn to 1.000 year per fiscal year (July 1 – June 30).

Gov. Code section 20962 explains what constitutes a full year of service credit for monthly, hourly, or daily employees while Gov. Code section 20966 speaks to partial service credit calculations.

Gov. Code section 20962 – What Constitutes 1 Year of Service Credit

1. Daily Employee = 215 days to earn 1 year of service credit
2. Hourly Employee = 1,720 hours to earn 1 year of service credit
3. Monthly Employee = 10.000 months to earn 1 year of service credit

Gov. Code section 20966 – Partial Service Credit Calculations

The following partial service credit calculations are illustrative examples of the ratio used to calculate service credit for part-time employees:

Earnings Divided by Pay Rate Equals Service Credit – Examples:

1. Daily: Employee works 185 days during the fiscal year
 - $185 \text{ days} \div 215 \text{ days} = 0.860 \text{ years of service credit}$
2. Hourly: Employee works 1295 hours during the fiscal year
 - $1295 \text{ hours} \div 1720 \text{ hours} = 0.753 \text{ years of service credit}$
3. Monthly: Employee works 7.2 months during the fiscal year
 - $7.200 \text{ months} \div 10.000 \text{ months} = 0.720 \text{ years of service credit}$

If a member does not meet the full-time markers established under Gov. Code section 20962, they will not earn a full year of CalPERS service credit.

The pay rate and earnings relationship which drives service credit accrual is illustrated in the table below.

Example:	1. <u>Member Earnings</u> Monthly Pay Rate	=	<u>\$1,200.00</u> \$1,200.000	=	1 month worked divided by 10 = 0.100 years of service credit
	2. <u>Member Earnings</u> Monthly Pay Rate	=	<u>\$ 600.00</u> \$1,200.000	=	0.5 months worked divided by 10 = 0.050 years of service credit
	3. <u>Member Earnings</u> Hourly Pay Rate	=	<u>\$ 600.00</u> \$ 7.500	=	80 hours worked divided by 1720 = 0.047 years of service credit
	4. <u>Member Earnings</u> Daily Pay Rate	=	<u>\$ 600.00</u> \$ 30.000	=	20 days worked divided by 215 = 0.093 years of service credit

Pay Rate and Earnings Relationship

Reporting Equal Payments

In accordance with Gov. Code sections 20630 and 20633, employers shall identify the earned period in which the compensation was earned by the employee, regardless of when it is reported in myCalPERS or paid.

Some employers make equal salary payments to their employees throughout the year. Employers may report equal payments during the member's appointment period provided the member renders services within the earned period reported to CalPERS.

Salary withheld during the year to pay members during the time they are off should be reported as earned. To comply with Gov. Code section 20630, equal payments cannot be reported outside the appointment period during a time when the member does not render service.

School Member Pay Rates

In accordance with Gov. Code section 20636.1, pay rate means the base pay of the member for services rendered on a full-time basis during normal working hours.

For classified members, full-time employment is 40 hours per week and shall be reported for all months of the year in which work is performed. Reporting the hourly pay rate for classified members is recommended, as positions are generally defined by service or duty days. The salary for positions does not generally represent a 40-hour pay rate equivalent when converted. Additionally, an hourly or daily pay rate should not be converted to a monthly equivalent, as this could result in incorrect final benefits for the member. If a contract employee is working outside the timeframe of the contract (e.g., summer session), use the salary schedule for the position worked.

For certificated members, pursuant to Gov. Code section 20962(a)(1), members may earn one year of service credit for services rendered and compensated in a fiscal year in full-time employment of one academic year. Reporting the compensation as equal payments may ensure that one year of service credit is granted.

Proper Reporting of Overtime Pay Rates for School Members

Gov. Code section 20636.1 requires all services rendered up to 40 hours per week be reported for non-certificated school members.

Gov. Code section 20635.1 indicates that overtime compensation is excluded from reporting. Schools commonly have employees who have a regular work week that is less than 40 hours per week. These employees may or may not be paid at a straight-time, hourly rate for those hours.

For any services rendered in excess of their regular work week, they receive an overtime rate of pay. To comply with Gov. Code section 20636.1, schools must report this employee to CalPERS for the hours worked over their normal work week, up to 40 hours per week. Even though the member is being paid an overtime rate, any hours worked between the regular work week and 40 hours per week are required to be reported to CalPERS at the straight-time hourly rate that corresponds with the salary schedule for that classification. All earnings for services rendered in excess of 40 hours per week should not be reported to CalPERS. Overtime rates should not be reported to CalPERS for non-certificated school employees in accordance with Gov. Code 20635.1.

Examples of proper and improper reporting follow.

These examples are for an employee being paid \$15.00 per hour for up to 35 hours per week (35 hours x 4 weeks = 140 hours); and \$22.50 per hour for hours from 36 to 40 per week (5 hours x 4 weeks = 20 hours). The \$22.50 per hour pay rate should not be reported to CalPERS.

All pay rates and earnings should reflect the straight time rate of \$15.00 per hour. In the correct example below, reporting to CalPERS may be consolidated on one line reflecting a \$15.00 hourly pay rate and total earnings of \$2,400.00.

EXHIBIT 15

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 7. Compensation (Refs & Annos)

West's Ann.Cal.Gov.Code § 20636.1

§ 20636.1. Definitions; provisions not applicable to new members

Effective: January 1, 2020
Currentness

(a) Notwithstanding [Section 20636](#), and [Section 45102 of the Education Code](#), “compensation earnable” by a school member means the payrate and special compensation of the member, as defined by subdivisions (b) and (c), and as limited by [Section 21752.5](#).

(b)(1) “Payrate” means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules. For purposes of this part, for classified members, full-time employment is 40 hours per week, and payments for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(A) “Payrate” shall include an amount deducted from a member's salary for any of the following:

(i) Participation in a deferred compensation plan.

(ii) Payment for participation in a retirement plan that meets the requirements of [Section 401\(k\)](#) or [403\(b\)](#) of Title 26 of the [United States Code](#).

(iii) Payment into a money purchase pension plan and trust that meets the requirements of [Section 401\(a\)](#) of Title 26 of the [United States Code](#).

(iv) Participation in a flexible benefits program.

(B) For the purposes of this section, “classified members” shall mean members who retain membership under this system while employed with a school employer in positions not subject to coverage under the Defined Benefit Program under the State Teachers' Retirement System.

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Respondent's Exhibit 15
Page 3 of 11

§ 20636.1. Definitions; provisions not applicable to new members, CA GOVT § 20636.1

(C) For the purposes of this section, and Sections 20962 and 20966, “certificated members” shall mean members who retain membership under this system while employed in positions subject to coverage under the Defined Benefit Program under the State Teachers' Retirement System.

(2) The computation for any leave without pay of a member shall be based on the compensation earnable by the member at the beginning of the absence.

(3) The computation for time before entering state service shall be based on the compensation earnable by the member in the position first held by the member in state service.

(c)(1) Special compensation of a school member includes any payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall:

(A) Identify the pay period in which the special compensation was earned.

(B) Identify each item of special compensation and the category under which that item is listed, as described in regulations promulgated by the board pursuant to paragraph (6) of subdivision (c), for example, the item of Uniform Allowance would be reported under the category of Statutory Items.

(C) Report each item of special compensation separately from payrate.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, provided that the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of any service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, shall not be special compensation unless regulations promulgated by the board specifically determine that value to be “special compensation.”

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes “special compensation” as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the

Attachment H
Respondent's Exhibit 15
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§ 20636.1. Definitions; provisions not applicable to new members, CA GOVT § 20636.1

maximum workweek or work period applicable to the employee under [Section 201](#) and following of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e)(1) As used in this part, “group or class of employment” means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. A single employee is not a group or class.

(2) Increases in compensation earnable granted to any employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, “final settlement pay” means any pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

(g) This section does not apply to a new member, as defined in [Section 7522.04](#).

Credits

(Added by Stats.2000, c. 1030 (A.B.2177), § 3. Amended by Stats.2009, c. 130 (A.B.966), § 22; Stats.2011, c. 440 (A.B.1028), § 2; Stats.2013, c. 526 (S.B.220), § 4; Stats.2017, c. 241 (S.B.525), § 6, eff. Jan. 1, 2018; Stats.2018, c. 92 (S.B.1289), § 108, eff. Jan. 1, 2019; Stats.2019, c. 330 (S.B.782), § 8, eff. Jan. 1, 2020.)

West's Ann. Cal. Gov. Code § 20636.1, CA GOVT § 20636.1
Current with urgency legislation through Ch. 84 of 2021 Reg.Sess.

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

West's Ann.Cal.Gov.Code § 20962

§ 20962. Year of service credit

Effective: January 1, 2010

Currentness

(a) One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

(1) One academic year of service for persons employed on an academic year basis by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.

(2) Ten months of service for persons employed on a monthly basis.

(3) Two hundred fifteen days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.

(4) One thousand seven hundred twenty hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.

(5) Nine months of service for state employees represented by State Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision.

(b) A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2. Amended by Stats.2000, c. 1030 (A.B.2177), § 7; Stats.2009, c. 130 (A.B.966), § 24.)

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§ 20962. Year of service credit, CA GOVT § 20962

Current with urgency legislation through Ch. 84 of 2021 Reg.Sess.

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Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

West's Ann.Cal.Gov.Code § 20966

§ 20966. Part-time service; calculation of retirement allowances

Effective: January 1, 2001
Currentness

For the purpose of calculating retirement allowances, credit for service rendered on a part-time basis in each fiscal year shall be based on the ratio that the service rendered bears:

- (a) To one academic year if rendered on an academic year basis, for members employed by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.
- (b) To 10 months if rendered on a monthly basis.
- (c) To 215 days if the service was rendered after June 30, 1951, or to 250 days if the service was rendered prior to July 1, 1951, for services rendered on a daily basis.
- (d) To 1,720 hours if the service was rendered after June 30, 1951, or to 2,000 hours if the service was rendered prior to July 1, 1951, for service rendered on an hourly basis.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2. Amended by Stats.2000, c. 1030 (A.B.2177), § 8.)

West's Ann. Cal. Gov. Code § 20966, CA GOVT § 20966
Current with urgency legislation through Ch. 84 of 2021 Reg.Sess.

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Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 12. Retirement from Employment (Refs & Annos)
Article 8. Employment After Retirement (Refs & Annos)

West's Ann.Cal.Gov.Code § 21221

§ 21221. Service without reinstatement or loss of benefits; offices and employments

Effective: January 1, 2013
Currentness

<For Executive Order N-84-20 (2019 CA EO 84-20), which suspends certain reinstatement and work hour limitations for retired persons, due to the COVID-19 pandemic, see Historical and Statutory Notes under Health and Safety Code § 50710.1.>

A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

- (a) As a member of any board, commission, or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3200) and Division 4.5 (commencing with [Section 6100](#)) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.
- (b) As a school crossing guard.
- (c) As a juror or election officer.
- (d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under [Section 21229](#) as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.
- (e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars (\$100) per month.
- (f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.

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§ 21221. Service without reinstatement or loss of benefits;..., CA GOVT § 21221

(g) Upon employment by a contracting agency to a position found by the governing body, by resolution, to be available because of a leave of absence granted to a person on payroll status for a period not to exceed one year and found by the governing body to require specialized skills. The temporary employment shall be terminated at the end of the leave of absence. Appointments under this section shall be reported to the board and shall be accompanied by the resolution adopted by the governing body.

(h) Upon interim appointment by the governing body of a contracting agency to a vacant position during recruitment for a permanent appointment and deemed by the governing body to require specialized skills or during an emergency to prevent stoppage of public business. A retired person shall only be appointed once to this vacant position. These appointments, including any made concurrently pursuant to [Section 21224](#) or [21229](#), shall not exceed a combined total of 960 hours for all employers each fiscal year. The compensation for the interim appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the vacant position divided by 173.333 to equal an hourly rate. A retired person appointed to a vacant position pursuant to this subdivision shall not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate. A retired annuitant appointed pursuant to this subdivision shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

(i) Upon appointment by the Administrative Director of the Courts to the position of Court Security Coordinator, a position deemed temporary in nature and requiring the specialized skills and experience of a retired professional peace officer.

Credits

(Formerly § 21151, added by Stats.1969, c. 1227, p. 2374, § 4, operative Dec. 1, 1969. Amended by Stats.1977, c. 505, p. 1634, § 1; Stats.1983, c. 639, § 8, eff. Sept. 1, 1983; Stats.1987, c. 122, § 1; Stats.1989, c. 192, § 2; Stats.1990, c. 29 (A.B.1594), § 2, eff. March 20, 1990, operative Jan. 1, 1990; Stats.1993, c. 1297 (S.B.53), § 20, operative July 1, 1994; Stats.1995, c. 760 (S.B.1356), § 1, eff. Oct. 11, 1995. Renumbered § 21221 and amended by Stats.1996, c. 906 (S.B.1859), § 138. Amended by Stats.1997, c. 951 (A.B.1595), § 6; Stats.2005, c. 328 (A.B.1166), § 9; Stats.2011, c. 440 (A.B.1028), § 8; Stats.2012, c. 41 (S.B.1021), § 13, eff. June 27, 2012; Stats.2012, c. 833 (S.B.987), § 8.)

West's Ann. Cal. Gov. Code § 21221, CA GOVT § 21221
Current with urgency legislation through Ch. 84 of 2021 Reg.Sess.

West's Annotated California Codes
Government Code (Refs & Annos)
Title 1. General
Division 4. Public Officers and Employees (Refs & Annos)
Chapter 10.7. Meeting and Negotiating in Public Educational Employment (Refs & Annos)
Article 4. Rights, Obligations, Prohibitions, and Unfair Practices (Refs & Annos)

West's Ann.Cal.Gov.Code § 3543.2

§ 3543.2. Scope of representation; requests to meet and negotiate

Effective: January 1, 2015
Currentness

(a)(1) The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by [Section 53200](#), leave, transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to [Section 3546](#), procedures for processing grievances pursuant to [Sections 3548.5](#), [3548.6](#), [3548.7](#), and [3548.8](#), the layoff of probationary certificated school district employees, pursuant to [Section 44959.5 of the Education Code](#), and alternative compensation or benefits for employees adversely affected by pension limitations pursuant to former Section 22316 of the Education Code, as that section read on December 31, 1999, to the extent deemed reasonable and without violating the intent and purposes of [Section 415 of the Internal Revenue Code](#).¹

(2) A public school employer shall give reasonable written notice to the exclusive representative of the public school employer's intent to make any change to matters within the scope of representation of the employees represented by the exclusive representative for purposes of providing the exclusive representative a reasonable amount of time to negotiate with the public school employer regarding the proposed changes.

(3) The exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent those matters are within the discretion of the public school employer under the law.

(4) All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, except that this section does not limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

(b) Notwithstanding [Section 44944 of the Education Code](#), the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding causes and procedures for disciplinary action, other than dismissal, including a suspension of pay for up to 15 days, affecting certificated employees. If the public school employer and the exclusive representative do not reach mutual agreement, [Section 44944 of the Education Code](#) shall apply.

(c) Notwithstanding [Section 44955 of the Education Code](#), the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding procedures and criteria for the layoff of certificated employees for

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§ 3543.2. Scope of representation; requests to meet and negotiate, CA GOVT § 3543.2

lack of funds. If the public school employer and the exclusive representative do not reach mutual agreement, [Section 44955 of the Education Code](#) shall apply.

(d) Notwithstanding [Section 45028 of the Education Code](#), the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding the payment of additional compensation based upon criteria other than years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, [Section 45028 of the Education Code](#) shall apply.

(e) Pursuant to [Section 45028 of the Education Code](#), the public school employer and the exclusive representative shall, upon the request of either party, meet and negotiate a salary schedule based on criteria other than a uniform allowance for years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, the provisions of [Section 45028 of the Education Code](#) requiring a salary schedule based upon a uniform allowance for years of training and years of experience shall apply. A salary schedule established pursuant to this subdivision shall not result in the reduction of the salary of a teacher.

Credits

(Added by Stats.1975, c. 961, p. 2254, § 2, operative July 1, 1976. Amended by Stats.1977, c. 606, p. 1991, § 3, eff. Sept. 7, 1977; Stats.1981, c. 100, p. 653, § 34; Stats.1981, c. 1093, p. 4205, § 18.2; Stats.1983, c. 498, § 128, eff. July 28, 1983; Stats.1989, c. 1004, § 4; Stats.1996, c. 959 (S.B.98), § 2; Stats.1998, c. 965 (A.B.2765), § 323; Stats.2014, c. 801 (A.B.1611), § 1, eff. Jan. 1, 2015.)

Footnotes

¹ Internal Revenue Code sections are in Title 26 of the U.S.C.A.
West's Ann. Cal. Gov. Code § 3543.2, CA GOVT § 3543.2
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West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 7. Compensation (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20636.1

§ 20636.1. Definitions; payrate and other compensation documents as public records

Effective: January 1, 2012 to December 31, 2013

(a) Notwithstanding Section 20636, and Section 45102 of the Education Code, “compensation earnable” by a school member means the payrate and special compensation of the member, as defined by subdivisions (b) and (c), and as limited by Section 21752.5.

(b)(1) “Payrate” means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. For purposes of this part, for classified members, full-time employment is 40 hours per week, and payments for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(A) “Payrate” shall include an amount deducted from a member's salary for any of the following:

(i) Participation in a deferred compensation plan.

(ii) Payment for participation in a retirement plan that meets the requirements of Section 401(k) or 403(b) of Title 26 of the United States Code.

(iii) Payment into a money purchase pension plan and trust that meets the requirements of Section 401(a) of Title 26 of the United States Code.

(iv) Participation in a flexible benefits program.

(B) For the purposes of this section, “classified members” shall mean members who retain membership under this system while employed with a school employer in positions not subject to coverage under the Defined Benefit Program under the State Teachers' Retirement System.

(C) For the purposes of this section, and Sections 20962 and 20966, “certificated members” shall mean members who retain membership under this system while employed in positions subject to coverage under the Defined Benefit Program under the State Teachers' Retirement System.

(2) The computation for any leave without pay of a member shall be based on the compensation earnable by him or her at the beginning of the absence.

(3) The computation for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in state service.

(c)(1) Special compensation of a school member includes any payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall identify the pay period in which the special compensation was earned.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, provided that the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of any service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, shall not be special compensation unless regulations promulgated by the board specifically determine that value to be “special compensation.”

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes “special compensation” as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 et seq. of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Any other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e)(1) As used in this part, “group or class of employment” means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. Under no circumstances shall one employee be considered a group or class.

(2) Increases in compensation earnable granted to any employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, “final settlement pay” means any pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

Credits

(Added by Stats.2000, c. 1030 (A.B.2177), § 3. Amended by Stats.2009, c. 130 (A.B.966), § 22; Stats.2011, c. 440 (A.B.1028), § 2.)

West's Ann. Cal. Gov. Code § 20636.1, CA GOVT § 20636.1
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§ 20962. Year of service credit, CA GOVT § 20962

West's Annotated California Codes
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Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

West's Ann.Cal.Gov.Code § 20962

§ 20962. Year of service credit

Effective: January 1, 2010
Currentness

(a) One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

(1) One academic year of service for persons employed on an academic year basis by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.

(2) Ten months of service for persons employed on a monthly basis.

(3) Two hundred fifteen days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.

(4) One thousand seven hundred twenty hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.

(5) Nine months of service for state employees represented by State Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision.

(b) A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2. Amended by Stats.2000, c. 1030 (A.B.2177), § 7; Stats.2009, c. 130 (A.B.966), § 24.)

Editors' Notes

OPERATIVE EFFECT

<Operation of provisions of Part 3 which are not in conformity with Internal Revenue Code § 415, see Government Code § 21762.>

Relevant Additional Resources

Additional Resources listed below contain your search terms.

HISTORICAL AND STATUTORY NOTES

Legislative intent of Stats.1995, c. 379 (S.B.541), not to make any substantive change in the law relating to rights and benefits, see Historical and Statutory Notes under Government Code § 20000.

Former Notes

Former § 20962, added by Stats.1991, c. 544 (S.B.1176), § 3, defining reduced worktime for partial service retirement for provisions providing for reduced worktime for partial service retirement, was repealed by Stats.1995, c. 379 (S.B.541), § 1. For disposition of the repealed subject matter, see the Disposition Table preceding Government Code § 20000. (If you are using an electronic publication, see Refs & Annos (References, Annotations, or Tables).)

For the source of this section's subject matter, see the Derivation Table preceding Government Code § 20000. (If you are using an electronic publication, see Refs & Annos (References, Annotations, or Tables).)

Derivation

Former § 20862, added by Stats.1974 c. 666, p. 1528, § 2, amended by Stats.1981, c. 737, p. 2896, § 3; Stats.1985, c. 176, § 6; Stats.1986, c. 637, § 2; Stats.1992, c. 1372 (S.B.1887), § 7.

Former § 20862, added by Stats.1945, c. 123, p. 596, § 1, amended by Stats.1951, c. 612, p. 1782, § 32.

Stats.1931, c. 700, p. 1446, § 46; Stats.1941, c. 957, p. 2554, § 2.5; Stats.1943, c. 640, p. 2265, § 11.

Notes of Decisions containing your search terms (0)

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West's Ann. Cal. Gov. Code § 20962, CA GOVT § 20962
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§ 20966. Part-time service; calculation of retirement allowances, CA GOVT § 20966

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Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

West's Ann.Cal.Gov.Code § 20966

§ 20966. Part-time service; calculation of retirement allowances

Effective: January 1, 2001
Currentness

For the purpose of calculating retirement allowances, credit for service rendered on a part-time basis in each fiscal year shall be based on the ratio that the service rendered bears:

- (a) To one academic year if rendered on an academic year basis, for members employed by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.
- (b) To 10 months if rendered on a monthly basis.
- (c) To 215 days if the service was rendered after June 30, 1951, or to 250 days if the service was rendered prior to July 1, 1951, for services rendered on a daily basis.
- (d) To 1,720 hours if the service was rendered after June 30, 1951, or to 2,000 hours if the service was rendered prior to July 1, 1951, for service rendered on an hourly basis.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2. Amended by Stats.2000, c. 1030 (A.B.2177), § 8.)

Editors' Notes**OPERATIVE EFFECT**

<Operation of provisions of Part 3 which are not in conformity with Internal Revenue Code § 415, see Government Code § 21762.>

Notes of Decisions containing your search terms (0)

View all 1

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§ 20966. Part-time service; calculation of retirement allowances, CA GOVT § 20966

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§ 21221. Service without reinstatement or loss of benefits;..., CA GOVT § 21221

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Chapter 12. Retirement from Employment (Refs & Annos)
Article 8. Employment After Retirement (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 21221

§ 21221. Service without reinstatement or loss of benefits; offices and employments

Effective: June 27, 2012 to December 31, 2012

A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

(a) As a member of any board, commission, or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3200) and Division 4.5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.

(b) As a school crossing guard.

(c) As a juror or election officer.

(d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under Section 21229 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.

(e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars (\$100) per month.

(f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.

(g) Upon employment by a contracting agency to a position found by the governing body, by resolution, to be available because of a leave of absence granted to a person on payroll status for a period not to exceed one year and found by the governing body to require specialized skills. The temporary employment shall be terminated at the end of the leave of absence. Appointments under this section shall be reported to the board and shall be accompanied by the resolution adopted by the governing body.

§ 21221. Service without reinstatement or loss of benefits;..., CA GOVT § 21221

(h) Upon interim appointment by the governing body of a contracting agency to a vacant position during recruitment for a permanent appointment and deemed by the governing body to require specialized skills or during an emergency to prevent stoppage of public business. A retired person shall only be appointed once to this vacant position. These appointments, including any made concurrently pursuant to Section 21224 or 21229, shall not exceed a combined total of 960 hours for all employers each fiscal year. The compensation for the interim appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the vacant position divided by 173.333 to equal an hourly rate. A retired person appointed to a vacant position pursuant to this section shall not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate. A retired annuitant appointed pursuant to this section shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

(i) Upon appointment by the Administrative Director of the Courts to the position of Court Security Coordinator, a position deemed temporary in nature and requiring the specialized skills and experience of a retired professional peace officer.

Credits

(Formerly § 21151, added by Stats.1969, c. 1227, p. 2374, § 4, operative Dec. 1, 1969. Amended by Stats.1977, c. 505, p. 1634, § 1; Stats.1983, c. 639, § 8, eff. Sept. 1, 1983; Stats.1987, c. 122, § 1; Stats.1989, c. 192, § 2; Stats.1990, c. 29 (A.B.1594), § 2, eff. March 20, 1990, operative Jan. 1, 1990; Stats.1993, c. 1297 (S.B.53), § 20, operative July 1, 1994; Stats.1995, c. 760 (S.B.1356), § 1, eff. Oct. 11, 1995. Renumbered § 21221 and amended by Stats.1996, c. 906 (S.B.1859), § 138. Amended by Stats.1997, c. 951 (A.B.1595), § 6; Stats.2005, c. 328 (A.B.1166), § 9; Stats.2011, c. 440 (A.B.1028), § 8; Stats.2012, c. 41 (S.B.1021), § 13, eff. June 27, 2012.)

West's Ann. Cal. Gov. Code § 21221, CA GOVT § 21221

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§ 3543.2. Scope of representation; requests to meet and negotiate, CA GOVT § 3543.2

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Chapter 10.7. Meeting and Negotiating in Public Educational Employment (Refs & Annos)
Article 4. Rights, Obligations, Prohibitions, and Unfair Practices (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 3543.2

§ 3543.2. Scope of representation; requests to meet and negotiate

Effective: [See Text Amendments] to December 31, 2014

(a) The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by Section 53200, leave, transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to Section 3546, procedures for processing grievances pursuant to Sections 3548.5, 3548.6, 3548.7, and 3548.8, the layoff of probationary certificated school district employees, pursuant to Section 44959.5 of the Education Code, and alternative compensation or benefits for employees adversely affected by pension limitations pursuant to Section 22316 of the Education Code, to the extent deemed reasonable and without violating the intent and purposes of Section 415 of the Internal Revenue Code. In addition, the exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent such matters are within the discretion of the public school employer under the law. All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, provided that nothing herein may be construed to limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

(b) Notwithstanding Section 44944 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding causes and procedures for disciplinary action, other than dismissal, including a suspension of pay for up to 15 days, affecting certificated employees. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44944 of the Education Code shall apply.

(c) Notwithstanding Section 44955 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding procedures and criteria for the layoff of certificated employees for lack of funds. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44955 of the Education Code shall apply.

(d) Notwithstanding Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding the payment of additional compensation based upon criteria other than years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 45028 of the Education Code shall apply.

§ 3543.2. Scope of representation; requests to meet and negotiate, CA GOVT § 3543.2

(e) Pursuant to Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon the request of either party, meet and negotiate a salary schedule based on criteria other than a uniform allowance for years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 45028 of the Education Code requiring a salary schedule based upon a uniform allowance for years of training and years of experience shall apply. A salary schedule established pursuant to this subdivision shall not result in the reduction of the salary of any teacher.

Credits

(Added by Stats.1975, c. 961, p. 2254, § 2, operative July 1, 1976. Amended by Stats.1977, c. 606, p. 1991, § 3, eff. Sept. 7, 1977; Stats.1981, c. 100, p. 653, § 34; Stats.1981, c. 1093, p. 4205, § 18.2; Stats.1983, c. 498, § 128, eff. July 28, 1983; Stats.1989, c. 1004, § 4; Stats.1996, c. 959 (S.B.98), § 2; Stats.1998, c. 965 (A.B.2765), § 323.)

West's Ann. Cal. Gov. Code § 3543.2, CA GOVT § 3543.2
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

EXHIBIT 17

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 7. Compensation (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20636.1

§ 20636.1. Definitions; compensation earnable, payrate, certificated and noncertificated members, special compensation, group or class of employment, and final settlement pay; payrate and other compensation documents as public records

Effective: January 1, 2001 to December 31, 2009

(a) Notwithstanding Section 20636, and Section 45102 of the Education Code, “compensation earnable” by a school member means the payrate and special compensation of the member, as defined by subdivisions (b) and (c), and as limited by Section 21752.5.

(b)(1) “Payrate” means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. For noncertificated members, where the normal work schedule is less than 40 hours per week, payments for additional services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(A) For the purposes of this section, “noncertificated members” shall mean members who retain membership under this system while employed with a school employer in positions not subject to coverage under the Defined Benefit Program under the State Teacher's Retirement System.

(B) For the purposes of this section, and Sections 20962 and 20966, “certificated members” shall mean members who retain membership under this system while employed in positions subject to coverage under the Defined Benefit Program under the State Teacher's Retirement System.

(2) The computation for any leave without pay of a member shall be based on the compensation earnable by him or her at the beginning of the absence.

(3) The computation for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in state service.

(c)(1) Special compensation of a school member includes any payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall identify the pay period in which the special compensation was earned.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, provided that the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of any service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, shall not be special compensation unless regulations promulgated by the board specifically determine that value to be "special compensation."

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes "special compensation" as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 et seq. of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Any other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e)(1) As used in this part, "group or class of employment" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work related grouping. Under no circumstances shall one employee be considered a group or class.

(2) Increases in compensation earnable granted to any employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, "final settlement pay" means any pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

Credits

(Added by Stats.2000, c. 1030 (A.B.2177), § 3.)

West's Ann. Cal. Gov. Code § 20636.1, CA GOVT § 20636.1
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20962

§ 20962. Year of service credit

Effective: [See Text Amendments] to December 31, 2000

One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

- (a) One academic year of service for persons employed on an academic year basis, under terms and conditions prescribed by the board.
- (b) Ten months of service for persons employed on a monthly basis.
- (c) Two hundred fifteen days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.
- (d) One thousand seven hundred twenty hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.
- (e) Nine months of service for state employees represented by State Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision. A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2.)

West's Ann. Cal. Gov. Code § 20962, CA GOVT § 20962
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

§ 20962. Year of service credit, CA GOVT § 20962

West's Annotated California Codes
 Government Code (Refs & Annos)
 Title 2. Government of the State of California
 Division 5. Personnel (Refs & Annos)
 Part 3. Public Employees' Retirement System (Refs & Annos)
 Chapter 11. Service Credit (Refs & Annos)
 Article 3. Computation of Service Credit (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20962

§ 20962. Year of service credit

Effective: January 1, 2001 to December 31, 2009

One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

- (a) One academic year of service for persons employed on an academic year basis by the , niversity of . aliforniaTthe . alifornia Jtate , niversity systemTfor school employees who are certificated membersTunder terms and conditions prescribed by the board3
- (b) 0en months of service for persons employed on a monthly basis3
- (c) 0wo hundred fifteen days of service after lune 95T2NS2Tand B55 days prior to luly 2T2NS2Tfor persons employed on a daily basis3
- (d) One thousand seven hundred twenty hours of service after lune 95T2NS2Tand B555 hours prior to luly 2T2NS2Tfor persons employed on an hourly basis3
- (e) Uine months of service for state employees represented by Jtate j argaining , nit 9 and subæct to the N2B pay plan or leave planTprovided a memorandum of understanding has been agreed to by the state employer and the recogniÆd employee organiÆation to become subæct to this subdivision37 fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section3

Credits

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West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20966

§ 20966. Part-time service; calculation of retirement allowances

Effective: [See Text Amendments] to December 31, 2000

For the purpose of calculating retirement allowances, credit for service rendered on a part-time basis in each fiscal year shall be based on the ratio that the service rendered bears:

- (a) To one academic year if rendered on an academic year basis.
- (b) To 10 months if rendered on a monthly basis.
- (c) To 215 days if the service was rendered after June 30, 1951, or to 250 days if the service was rendered prior to July 1, 1951, for services rendered on a daily basis.
- (d) To 1,720 hours if the service was rendered after June 30, 1951, or to 2,000 hours if the service was rendered prior to July 1, 1951, for service rendered on an hourly basis.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2.)

West's Ann. Cal. Gov. Code § 20966, CA GOVT § 20966
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
 Government Code (Refs & Annos)
 Title 2. Government of the State of California
 Division 5. Personnel (Refs & Annos)
 Part 3. Public Employees' Retirement System (Refs & Annos)
 Chapter 11. Service Credit (Refs & Annos)
 Article 3. Computation of Service Credit (Refs & Annos)

West's Ann.Cal.Gov.Code § 20966

§ 20966. Part-time service; calculation of retirement allowances

Effective: January 1, 2001
 Currentness

For the purpose of calculating retirement allowances, credit for service rendered on a part-time basis in each fiscal year shall be based on the ratio that the service rendered bears:

- (a) To one academic year if rendered on an academic year basis, for members employed by the University of California, the California State University system, or school employees who are certificated members, under terms and conditions prescribed by the board.
- (b) To 10 months if rendered on a monthly basis.
- (c) To 215 days if the service was rendered after June 30, 1951, or to 250 days if the service was rendered prior to July 1, 1951, for services rendered on a daily basis.
- (d) To 1,720 hours if the service was rendered after June 30, 1951, or to 2,000 hours if the service was rendered prior to July 1, 1951, for service rendered on an hourly basis.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2. Amended by Stats.2000, c. 1030 (A.B.2177), § 8.)

Editors' Notes

OPERATIVE EFFECT

<Operation of provisions of Part 3 which are not in conformity with Internal Revenue Code § 415, see Government Code § 21762.>

Notes of Decisions (1)

Attachment H
Respondent's Exhibit 17
Page 9 of 13

§ 20966. Part-time service; calculation of retirement allowances, CA GOVT § 20966

Westlaw Ann. Cal. Gov. Code § 20966, CA GOV'T § 20966
Current with urgency legislation through Ch. 145 of 2021 Reg. Sess

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§ 21221. Service without reinstatement or loss of benefits;..., CA GOVT § 21221

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 12. Retirement from Employment (Refs & Annos)
Article 8. Employment After Retirement (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 21221

§ 21221. Service without reinstatement or loss of benefits; offices and employments

Effective: [See Text Amendments] to December 31, 2005

A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

- (a) As a member of any board, commission, or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3200) and Division 4.5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.
- (b) As a school crossing guard.
- (c) As a juror or election officer.
- (d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under Section 21229 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.
- (e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars (\$100) per month.
- (f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.
- (g) Upon employment by a contracting agency to a position found by the governing body, by resolution, to be available because of a leave of absence granted to a person on payroll status for a period not to exceed one year and found by the governing body to require specialized skills. The temporary employment shall be terminated at the end of the leave of absence. Appointments under this section shall be reported to the board and shall be accompanied by the resolution adopted by the governing body.

§ 21221. Service without reinstatement or loss of benefits;..., CA GOVT § 21221

(h) Upon appointment by the governing body of a contracting agency to a position deemed by the governing body to be of a limited duration and requiring specialized skills or during an emergency to prevent stoppage of public business. These appointments, in addition to any made pursuant to Section 21224, shall not exceed a total for all employers of 960-hours in any calendar year. When an appointment is expected to, or will, exceed 960-hours in any calendar year, the governing body shall request approval from the board to extend the temporary employment. The governing body shall present a resolution to the board requesting action to allow or disallow the employment extension. The resolution shall be presented prior to the expiration of the 960-hour maximum for the calendar year. The appointment shall continue until notification of the board's decision is received by the governing body. The appointment shall be deemed approved if the board fails to take action within 60 days of receiving the request. Appointments under this subdivision may not exceed a total of one year.

(i) Upon appointment by the Administrative Director of the Courts to the position of Court Security Coordinator, a position deemed temporary in nature and requiring the specialized skills and experience of a retired professional peace officer.

Credits

(Formerly § 21151, added by Stats.1969, c. 122; , p. 23; 4, § 4, operative Dec. 1, 1969. Amended by Stats.19; ; , c. 505, p. 1634, § 18Stats.19B, c. 639, § B, eff. Sept. 1, 19B38Stats.19B, , c. 122, § 18Stats.19B, c. 192, § 28Stats.1990, c. 29 (A.M1594), § 2, eff. J arch 20, 1990, operative An. 1, 19908Stats.1993, c. 129; (S.M53), § 20, operative Quly 1, 19948Stats.1995, c. ; 60 (S.M1356), § 1, eff. Wct. 11, 1995. Renumbered § 21221 and amended by Stats.1996, c. 906 (S.M1B59), § 13B. Amended by Stats.199; , c. 951 (A.M1595), § 6.)

West's Ann. Cal. Gov. Code § 21221, CA GWT § 21221

Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

§ 3543.2. Scope of representation; requests to meet and negotiate, CA GOVT § 3543.2

West's Annotated California Codes
Government Code (Refs & Annos)
Title 1. General
Division 4. Public Officers and Employees (Refs & Annos)
Chapter 10.7. Meeting and Negotiating in Public Educational Employment (Refs & Annos)
Article 4. Rights, Obligations, Prohibitions, and Unfair Practices (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 3543.2

§ 3543.2. Scope of representation; requests to meet and negotiate

Effective: [See Text Amendments] to December 31, 2014

(a) The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by Section 53200, leave, transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to Section 3546, procedures for processing grievances pursuant to Sections 3548.5, 3548.6, 3548.7, and 3548.8, the layoff of probationary certificated school district employees, pursuant to Section 44959.5 of the Education Code, and alternative compensation or benefits for employees adversely affected by pension limitations pursuant to Section 22316 of the Education Code, to the extent deemed reasonable and without violating the intent and purposes of Section 415 of the Internal Revenue Code. In addition, the exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent such matters are within the discretion of the public school employer under the law. All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, provided that nothing herein may be construed to limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

(b) Notwithstanding Section 44944 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding causes and procedures for disciplinary action, other than dismissal, including a suspension of pay for up to 15 days, affecting certificated employees. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44944 of the Education Code shall apply.

(c) Notwithstanding Section 44955 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding procedures and criteria for the layoff of certificated employees for lack of funds. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44955 of the Education Code shall apply.

(d) Notwithstanding Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding the payment of additional compensation based upon criteria other than years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 45028 of the Education Code shall apply.

§ 3543.2. Scope of representation; requests to meet and negotiate, CA GOVT § 3543.2

(e) Pursuant to Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon the request of either party, meet and negotiate a salary schedule based on criteria other than a uniform allowance for years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 45028 of the Education Code requiring a salary schedule based upon a uniform allowance for years of training and years of experience shall apply. A salary schedule established pursuant to this subdivision shall not result in the reduction of the salary of any teacher.

Credits

(Added by Stats.1975, c. 961, p. 2254, § 2, operative July 1, 1976. Amended by Stats.1977, c. 606, p. 1991, § 3, eff. Sept. 7, 1977; Stats.1981, c. 100, p. 653, § 34; Stats.1981, c. 1093, p. 4205, § 18.2; Stats.1983, c. 498, § 128, eff. July 28, 1983; Stats.1989, c. 1004, § 4; Stats.1996, c. 959 (S.B.98), § 2; Stats.1998, c. 965 (A.B.2765), § 323.)

West's Ann. Cal. Gov. Code § 3543.2, CA GOVT § 3543.2

Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

EXHIBIT 18

§ 599.670. Conversion of Rates., 2 CA ADC § 599.670

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 1. Administrative Personnel
Chapter 3. Department of Human Resources
Subchapter 1. General Civil Service Rules
Article 5. Compensation

2 CCR § 599.670

§ 599.670. Conversion of Rates.

Monthly or hourly rates of pay may be converted from one to the other when the Department considers it advisable. In such conversion a 40-hour week is equivalent to a 173.33-hour month; a 44-hour week is equivalent to a 191-hour month; a 48-hour week is equivalent to a 208-hour month. Rates resulting from such conversions shall be rounded to the nearest cent.

Note: Authority cited: [Sections 18502, 19815.4\(d\) and 19826, Government Code](#). Reference: [Sections 19829 and 19851, Government Code](#).

HISTORY

1. Change without regulatory effect amending section and Note filed 10-13-2014 pursuant to [section 100, title 1, California Code of Regulations](#) (Register 2014, No. 42).

This database is current through 7/16/21 Register 2021, No. 29

2 CCR § 599.670, 2 CA ADC § 599.670

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§ 171.1. Calculating the Amount of Time Required to Satisfy..., 2 CA ADC § 171.1

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 1. Administrative Personnel
Chapter 1. State Personnel Board
Subchapter 1.3. Classifications, Examinations, and Appointments
Article 8. Examinations

2 CCR § 171.1

§ 171.1. Calculating the Amount of Time Required
to Satisfy Minimum Qualifications for Experience.

When determining whether an applicant satisfies the minimum amounts of time that may be required to satisfy the minimum qualifications for experience, as prescribed in the class specification, the following shall apply:

(a) The time required shall have been in a full-time job or its part-time equivalent. A full-time job is the maximum number of hours a person can spend on a job without a requirement that he or she be given overtime compensation or, where overtime is not applicable, the number of hours required for a person to receive full-time pay for the applicable work period.

(b) When calculating part-time equivalent experience toward satisfying the minimum amounts of full-time experience, 173.33 hours of actual time worked equals one month. To determine the years and months worked, an appointing power may use either 52 weeks to equal one year or 4.35 to equal the number of weeks in one month, whichever calculation results in greater time worked. As an example, an applicant has three years of qualifying part-time work experience at 10 hours per week. The 52-weeks yearly calculation would be 3 years x 52 weeks x 10 hours = 1560/173.33 = 9.00 months. The 4.35-weeks monthly calculation would be 3 years equals 36 months x 10 hours x 4.35 weeks = 1566/173.33 = 9.03 months. Because the 4.35-weeks monthly calculation results in greater time worked, the 4.35-week monthly calculation must be used.

(c) Where an applicant works in more than one job concurrently, the hours worked per week in each job shall be added together, if the experience gained in the jobs relates to the same or substantially the same requirements enumerated in the minimum qualifications. Calculating the total sum of the applicant's part-time equivalent experience toward satisfying the minimum amounts of full-time experience shall be in accordance with subdivision (b).

(d) To receive experience credit, the applicant's job responsibilities or duties must be performed on a routine basis, either daily, weekly, monthly, or certain times of the year. Experience which may have been gained as an occasional or incidental aspect of the applicant's job is not acceptable. If the applicant is a state employee and the experience in question was gained in an out-of-class assignment, section 212 of the Board's regulations shall apply.

(e) Overtime hours worked on the same job for which the employee is entitled to pay for those extra hours worked under the federal Fair Labor and Standards Act (29 U.S.C.A § 201 et seq.) shall be credited as additional time.

§ 171.1. Calculating the Amount of Time Required to Satisfy..., 2 CA ADC § 171.1

(f) An applicant shall receive credit for qualifying experience in a full-time or part-time job while enrolled in and attending a school, college, university, or similar institution, except where the experience is required as part of the applicant's educational curriculum and the minimum qualifications require those courses of study and/or related academic degree.

(g) If an applicant's position in state service has been reclassified, credit for time in the new class may be given from the date the reclassification was officially approved, even though the actual appointment did not occur until a later date.

Note: Authority cited: [Section 18701, Government Code](#). Reference: [Section 18931, Government Code](#).

HISTORY

1. New section filed 7-3-90; operative 8-2-90 (Register 90, No. 35).
2. Amendment of section heading and section filed 4-27-2017; operative 7-1-2017. Submitted to OAL for filing and printing only pursuant to [Government Code section 18211](#) (Register 2017, No. 17).

This database is current through 7/16/21 Register 2021, No. 29

2 CCR § 171.1, 2 CA ADC § 171.1

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§ 570.5. Requirement for a Publicly Available Pay Schedule., 2 CA ADC § 570.5

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 1. Administrative Personnel
Chapter 2. Board of Administration of Public Employees' Retirement System
Subchapter 1. Employees' Retirement System Regulations
Article 4. Contracts

2 CCR § 570.5

§ 570.5. Requirement for a Publicly Available Pay Schedule.

(a) For purposes of determining the amount of “compensation earnable” pursuant to [Government Code Sections 20630, 20636, and 20636.1](#), payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

(b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:

§ 570.5. Requirement for a Publicly Available Pay Schedule., 2 CA ADC § 570.5

- (1) Documents approved by the employer's governing body in accordance with requirements of public meetings laws and maintained by the employer;
- (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
- (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
- (4) Last payrate for the member in a position that was held by the member and that is listed on a pay schedule that conforms with the requirements of subdivision (a) of a former CalPERS employer.

Note: Authority cited: Sections 20120 and 20121, Government Code. Reference: Sections 20630, 20636 and 20636.1, Government Code.

HISTORY

1. New section filed 7-11-2011; operative 8-10-2011 (Register 2011, No. 28).

This database is current through 7/16/21 Register 2021, No. 29

2 CCR § 570.5, 2 CA ADC § 570.5

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EXHIBIT 19

2 CCR § 171.1

§ 171.1. Calculating the Amount of Time Required to Satisfy Minimum Qualifications for Experience.

Unless otherwise provided in the class specification adopted by the board, when determining whether an applicant has completed the minimum time required by the experience component in the minimum qualifications prescribed for the class, the following shall apply:

- (a) The calendar time required shall have been in a full-time job or work assignment. A full-time job or work assignment is the maximum number of hours an individual can spend on a job without a requirement that he/she be given overtime compensation or, where overtime is not applicable, the number of hours required for an individual to receive full-time pay for the applicable work period.
- (b) An applicant must have the required calendar time unless the applicant worked two different jobs concurrently. the time spent on two different qualifying jobs worked concurrently shall be added together to determine the total amount of qualifying experience.
- (c) Hours worked on the same job in excess of full-time (i.e., overtime hours) shall not be credited as additional time.
- (d) Less than full-time experience shall be credited based upon the percentage of full-time worked while employed less than full-time [e.g., half-time (50%) employment for six months equals three months of full-time experience].

HISTORY

1. New section filed 7-3-90; operative 8-2-90 (Register 90, No. 35).

§ 570.5. Requirement for a Publicly Available Pay Schedule., 2 CA ADC § 570.5

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 1. Administrative Personnel
Chapter 2. Board of Administration of Public Employees' Retirement System
Subchapter 1. Employees' Retirement System Regulations
Article 4. Contracts

2 CCR § 570.5

§ 570.5. Requirement for a Publicly Available Pay Schedule.

(a) For purposes of determining the amount of “compensation earnable” pursuant to [Government Code Sections 20630, 20636, and 20636.1](#), payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

(b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:

§ 570.5. Requirement for a Publicly Available Pay Schedule., 2 CA ADC § 570.5

- (1) Documents approved by the employer's governing body in accordance with requirements of public meetings laws and maintained by the employer;
- (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
- (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
- (4) Last payrate for the member in a position that was held by the member and that is listed on a pay schedule that conforms with the requirements of subdivision (a) of a former CalPERS employer.

Note: Authority cited: Sections 20120 and 20121, Government Code. Reference: Sections 20630, 20636 and 20636.1, Government Code.

HISTORY

1. New section filed 7-11-2011; operative 8-10-2011 (Register 2011, No. 28).

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2 CCR § 570.5, 2 CA ADC § 570.5

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EXHIBIT 20

§ 171.1

BARCLAYS CALIFORNIA CODE OF REGULATIONS

Title 2

open, nonpromotional basis. Each announcement shall state the title, salary range, and where appropriate, the duties of the class, the method of evaluating the education, experience, and personal qualifications of the competitors, such information as is required by the act and these rules, and such additional information as the executive officer may deem proper. An examination may be canceled by the executive officer at any time prior to the establishment of the employment list.

Note. Reference: Section 18950, Government Code.

History

1. Amendment filed 11-1-72, effective thirtieth day thereafter (Register 72, No. 45). For prior history, see Register 70, No. 47.
2. Amendment of NOTE filed 4-8-77, effective thirtieth day thereafter (Register 77, No. 15).

§ 171.1. Amount of Time Required to Meet Minimum Qualifications.

Unless otherwise provided in the class specification adopted by the board, when determining whether an applicant has completed the minimum time required by the experience component in the minimum qualifications prescribed for the class, the following shall apply:

a) The calendar time required shall have been in a full-time job or work assignment. A full-time job or work assignment is the maximum number of hours an individual can spend on a job without a requirement that he or she be given overtime compensation or, where overtime is not applicable, the number of hours required for an individual to receive full-time pay for the applicable work period.

b) An applicant must have the required calendar time unless the applicant worked two different jobs concurrently; the time spent on two different qualifying jobs worked concurrently shall be added together to determine the total amount of qualifying experience.

c) Hours worked on the same job in excess of full-time (i.e., overtime hours) shall not be credited as additional time.

d) Less than full-time experience shall be credited based upon the percentage of full-time worked while employed less than full-time (e.g., half-time (50%) employment for six months equals three months of full-time experience).

Note. Authority cited: Government Code Section 18701. Reference: Government Code Section 18931.

History

1. New section filed 7-3-90, operative 8-2-90 (Register 90, No. 35).

§ 172. General Qualifications.

All candidates for, appointees to, and employees in the state civil service shall possess the general qualifications of integrity, honesty, sobriety, dependability, industry, thoroughness, accuracy, good judgment, initiative, resourcefulness, courtesy, ability to work cooperatively with others, willingness and ability to assume the responsibilities and to conform to the conditions of work characteristic of the employment, and a state of health, consistent with the ability to perform the assigned duties of the class. Where the position requires the driving of an automobile, the employee must have a valid state driver's license, a good driving record and is expected to drive the car safely. The foregoing general qualifications shall be deemed to be a part of the personal characteristics of the minimum qualifications of each class specification and need not be specifically set forth therein. The board may prescribe alternative or additional qualifications for individual classes and such shall be made a part of the class specifications.

Note. Authority cited: Section 18701, Government Code. Reference: Sections 18931 and 18955, Government Code.

History

1. Amendment of NOTE filed 4-8-77, effective thirtieth day thereafter (Register 77, No. 15). For prior history, see Register 72, No. 39.
2. Amendment filed 11-20-87, operative 12-20-87 (Register 87, No. 48).

§ 172.1. Waiver of Additional Special Personal Characteristics.

An alternative or additional special personal characteristic stated in the specification for an individual class may, upon the recommendation of

the State Medical Officer, be waived for a "subject to proper placement" eligible for a specific position within the class wherein such waiver would not affect the satisfactory performance of the duties assigned to the specific position. Incumbents with "subject to proper placement" status may not transfer to another position within the class without a reevaluation of the incumbent's medical capabilities in relation to the new position. (Persons who are "subject to proper placement" have completed the medical examination, however, they have certain medical conditions that may hazardously conflict with the job duties or the performance required of most, but not all, positions within the classification.)

Note. Reference: Sections 18930 and 19253.5, Government Code.

History

1. New section filed 4-14-77, effective thirtieth day thereafter (Register 77, No. 16).

§ 172.2. Citizenship.

History

1. New section filed 12-24-67, effective thirtieth day thereafter (Register 68, No. 11).
2. Amendment filed 11-22-68 as an emergency, effective upon filing. Certificate of Compliance included (Register 68, No. 44).
3. Repealer filed 11-1-72, effective thirtieth day thereafter (Register 72, No. 45).

§ 172.3. Medical Examinations During Employment.

In accordance with Government Code Section 19253.5, the appointing power may require an employee to submit to a medical examination.

Note. Reference: Section 19253.5, Government Code.

History

1. Amendment of NOTE filed 4-8-77, effective thirtieth day thereafter (Register 77, No. 15). For prior history, see Register 70, No. 37.

§ 172.4. Definition of Psychological Screening.

Psychological screening is that part of the selection process whereby approval or disapproval for appointment to a peace officer position is based on a psychological evaluation performed by a qualified professional.

Note. Authority cited: Section 18701, Government Code. Reference: Section 18931, Government Code.

History

1. New section filed 2-22-88, operative 3-23-88 (Register 88, No. 10).

§ 172.5. Definition of Qualified Professional.

A qualified professional pursuant to Rule 172.4 shall be either 1) any licensed physician and surgeon or 2) any licensed psychologist who has a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders.

Note. Authority cited: Section 18701, Government Code. Reference: Section 10310, Government Code.

History

1. New Section filed 2-22-88, operative 3-23-88 (Register 88, No. 10). For history of former section 172.5, see Register 72, No. 28.

§ 172.6. Conduct of Psychological Screening.

The board shall be responsible for conducting psychological screening pursuant to Section 1(b) of Article VII of the Constitution of the State of California and Government Code Section 18931. No appointing power shall conduct psychological screening without board approval. Any request for approval must be submitted in writing to the board.

Note. Authority cited: Section 18701, Government Code. Reference: Section 18500, Government Code.

History

1. New section filed 2-22-88, operative 3-23-88 (Register 88, No. 10).

§ 172.7. Responsibility for Psychological Screening.

Upon the request of an appointing power and subject to board approval, the board shall conduct, or designate an appointing power to conduct, psychological screening of candidates for each class of public officers or employees declared by law to be peace officers. An appointing power designated by the board to conduct psychological screening shall do so in accordance with the procedures defined in Rules 172.8, 172.9, 172.10, and 172.11.

Barclays Official
**CALIFORNIA
CODE OF
REGULATIONS**

Title 2. Administration

Complete Title

Vol. 2

Published by

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BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

REVISED EDITION

This edition of *Barclays Official California Code of Regulations*, revised on April 1, 1990, has been published under the direction of the California Office of Administrative Law which is solely responsible for its contents. While every effort has been made to ensure accuracy, due to the size and scope of this revision, it is likely that users will find some instances where the regulations contained herein differ from those filed with the Secretary of State. Comments or questions regarding regulations published in this edition should be addressed to the State of California, Office of Administrative Law, 555 Capitol Mall, Suite 1290, Sacramento, CA 95814, (916) 323-6225. Errors reported will be promptly corrected in subsequent supplements.

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CODE SUPPLEMENTS

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§ 570.5. Requirement for a Publicly Available Pay Schedule., 2 CA ADC § 570.5

Barclays Official California Code of Regulations Currentness
Title 2. Administration
Division 1. Administrative Personnel
Chapter 2. Board of Administration of Public Employees' Retirement System
Subchapter 1. Employees' Retirement System Regulations
Article 4. Contracts

2 CCR § 570.5

§ 570.5. Requirement for a Publicly Available Pay Schedule.

(a) For purposes of determining the amount of “compensation earnable” pursuant to [Government Code Sections 20630, 20636, and 20636.1](#), payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

(b) Whenever an employer fails to meet the requirements of subdivision (a) above, the Board, in its sole discretion, may determine an amount that will be considered to be payrate, taking into consideration all information it deems relevant including, but not limited to, the following:

§ 570.5. Requirement for a Publicly Available Pay Schedule., 2 CA ADC § 570.5

- (1) Documents approved by the employer's governing body in accordance with requirements of public meetings laws and maintained by the employer;
- (2) Last payrate listed on a pay schedule that conforms to the requirements of subdivision (a) with the same employer for the position at issue;
- (3) Last payrate for the member that is listed on a pay schedule that conforms with the requirements of subdivision (a) with the same employer for a different position;
- (4) Last payrate for the member in a position that was held by the member and that is listed on a pay schedule that conforms with the requirements of subdivision (a) of a former CalPERS employer.

Note: Authority cited: Sections 20120 and 20121, Government Code. Reference: Sections 20630, 20636 and 20636.1, Government Code.

HISTORY

1. New section filed 7-11-2011; operative 8-10-2011 (Register 2011, No. 28).

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2 CCR § 570.5, 2 CA ADC § 570.5

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EXHIBIT 21

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

1 ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A Professional Law Corporation
2 Joshua E. Morrison State Bar No. 191440
JMorrison@aalrr.com
3 Jacquelyn Takeda Morenz State Bar No. 299687
JMorenz@aalrr.com
4 12800 Center Court Drive South, Suite 300
Cerritos, California 90703-9364
5 Telephone: (562) 653-3200
Fax: (562) 653-3333
6

7 Attorneys for Respondent
TUSTIN UNIFIED SCHOOL DISTRICT
8

9 **BOARD OF ADMINISTRATION**
10 **CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**
11

12 In the Matter of the Appeal Regarding Full-
Time Payrate Reporting of
13 TUSTIN UNIFIED SCHOOL DISTRICT,
14 Respondent.
15

OAH Case No. 2020090431
Agency Case No. 2020-0436
REQUEST FOR DISCOVERY
Date: January 28, 2021
Time: 10:00 a.m.
Location: CalPERS Orange Regional Office

17
18 TO COMPLAINANT CalPERS AND TO ITS ATTORNEYS OF RECORD:
19 Pursuant to Government Code section 11507.6, Respondent is making a request for the
20 following discovery:
21 1. The names and addresses of witnesses to the extent known to you, including, but
22 not limited to, those intended to be called by you to testify at the hearing; and
23 2. To inspect and make a copy of any of the following in the possession or custody or
24 under the control of CalPERS:
25 (a) A statement ["statements" include written statements by the person signed or
26 otherwise authenticated by him or her, stenographic, mechanical, electrical or other
27 recordings, or transcripts thereof, of oral statements by the person, and written
28 reports or summaries of these oral statements] of a person, other than the
respondent, named in the initial administrative pleading, or in any additional
pleading, when it is claimed that the act or omission of the respondent as to this
person is the basis for the administrative proceeding;

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

- 1 (b) A statement pertaining to the subject matter of the proceeding made by any
- 2 party to another party or person;
- 3 (c) Statements of witnesses then proposed to be called by the party and of other
- 4 persons having personal knowledge of the acts, omissions or events which are the
- 5 basis for the proceeding, not included in (a) or (b) above;
- 6 (d) All writings including things which CalPERS proposes to offer into evidence;
- 7 (e) Any other writing or thing which is relevant and which would be admissible in
- 8 evidence;
- 9 (f) Investigative reports made by or on behalf of CalPERS or other party pertaining
- 10 to the subject matter of the proceeding, to the extent that these reports (1) contain
- 11 the names and addresses of witnesses or of persons having personal knowledge of
- 12 the acts, omissions or events which are the basis for the proceeding, or (2) reflect
- 13 matters perceived by the investigator in the course of his or her investigation, or (3)
- 14 contain or include by attachment any statement or writing described in (a) to (e),
- 15 inclusive, or summary thereof.

11 3. Any regulation, policy, procedure, circular, internal memorandum, or any other

12 DOCUMENTS or ELECTRONIC DATA that RELATE TO the use of 173.333 as a divisor for

13 purposes of calculating payrates. "DOCUMENTS" means any typewritten or handwritten matter

14 or other expression of ideas, information, or images upon any tangible thing or property,

15 including, without limitation, writings, recordings, and photographs as defined by California

16 Evidence Code § 250, and ELECTRONIC DATA as defined below. "DOCUMENTS" also

17 include all originals and duplicates, as defined by the California Evidence Code, including all non-

18 identical copies whether different from the original by reason of any notation made on such copies

19 or otherwise. "ELECTRONIC DATA" means any information generated, recorded, preserved or

20 maintained by electronic means, including, but not limited to, information generated, recorded,

21 preserved or maintained on computer hard-drives, floppy disks, computer files, deleted computer

22 files, back-up computer files, magnetic tapes, compact disks, computer archives, computer

23 memory, e-mails, text messages, or any other form of computer readable storage media.

24 "RELATES TO" means, without limitation, relating to, constituting, concerning, mentioning,

25 referring to, describing, summarizing, evidencing, listing, relevant to, demonstrating, tending to

26 prove, disprove, or explain.

27 4. Any audit findings made by the CalPERS Office of Audit Services that RELATES

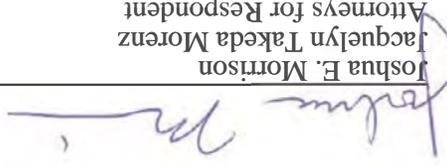
28 TO the use of 173.333 as a divisor for purposes of calculating payrates. "RELATES TO" means,

Excluded 21

B365

1 without limitation, relating to, constituting, concerning, mentioning, referring to, describing,
 2 summarizing, evidencing, listing, relevant to, demonstrating, tending to prove, disprove, or
 3 explain.
 4 5. Any administrative hearing decisions that RELATE TO the use of 173.333 as a
 5 divisor for purposes of calculating payrates. "RELATE TO" means, without limitation, relating
 6 to, constituting, concerning, mentioning, referring to, describing, summarizing, evidencing, listing,
 7 relevant to, demonstrating, tending to prove, disprove, or explain.
 8 This request for discovery constitutes a continuing request, and is intended to cover any
 9 and all discoverable materials that may in the future come into your possession. Respondent, in
 10 turn, will treat any request for discovery by the Complainant as a continuing request.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: 

Joshua E. Morrison
 Jacquelyn Takeda Morenz
 Attorneys for Respondent
 JUSTIN UNIFIED SCHOOL DISTRICT

Dated: September 30, 2020

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
 A PROFESSIONAL CORPORATION
 ATTORNEYS AT LAW
 12800 CENTER COURT DRIVE SOUTH, SUITE 300
 CERRITOS, CALIFORNIA 90703-9364
 TELEPHONE: (562) 653-3200
 FAX: (562) 653-3333

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and am not a party to the within action; my business address is 12800 Center Court Drive South, Suite 300, Cerritos, California 90703-9364.

On September 30, 2020, I served the following document(s) described as **REQUEST FOR DISCOVERY re Agency Case No. 2020-0436 / OAH Case No. 2020090431** on the interested parties in this action as follows:

(Copy - Via Overnight Mail):

Matthew G. Jacobs, General Counsel
Austa Wakily, Senior Attorney
California Public Employees' Retirement System
Lincoln Plaza North, 400 "Q" Street
Sacramento, CA 95811
T (916) 795-3675 / F (916) 795-3659

- BY MAIL:** I placed a true and correct copy of the document(s) in a sealed envelope for collection and mailing following the firm's ordinary business practices. I am readily familiar with the firm's practice for collection and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service in a sealed envelope with postage fully prepaid.
- BY OVERNIGHT COURIER:** I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed it to the parties shown herein. I placed the envelope or package at my place of employment in accordance with regular business practices for collection and overnight delivery.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 30, 2020, at Cerritos, California.

/s/ Jeannie K. Curtiss
Jeannie K. Curtiss

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

EXHIBIT 22



California Public Employees' Retirement System

Legal Office

P. O. Box 942707, Sacramento, CA 94229-2707 | Phone: (916) 795-3675 | Fax: (916) 795-3659

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

May 10, 2021

Ref. No. 2020-0436

Jacquelyn Takeda Morenz
Atkinson, Andelson, Loya, Ruud & Romo
10 River Park Place East, Ste. 240
Fresno, CA 93720-153

Subject: CALPERS' RESPONSE AND OBJECTION TO DISCOVERY - In the Matter of the Appeal Regarding Full-Time Payrate Reporting of TUSTIN UNIFIED SCHOOL DISTRICT, Respondent.

Dear Mrs. Morenz:

This letter is in response to Respondent Jerry A. Sanchez' request for discovery.

CALPERS objects to the discovery request on the grounds that CALPERS has not completed its investigation relating to this action, has not completed discovery in this action and has not completed preparation for hearing. As discovery proceeds, facts, information, witnesses, evidence, documents and things may be discovered which are not set forth in these responses but which may have been responsive to these discovery requests.

The following responses are based on the knowledge, information and belief of CALPERS at this time and are complete as to the best knowledge of CALPERS at this time. These responses are given without prejudice to subsequent revision or supplementation based upon any information, evidence and documentation which hereinafter may be discovered.

CALPERS reserves the right to refer to, to conduct discovery with reference to or to offer into evidence any and all facts, evidence, documents and things developed during the course of discovery and trial preparation, notwithstanding the reference to facts, evidence, documents and things in these responses.

CALPERS further objects to the discovery requests to the extent they seek information the release of which would be a violation of any individual's right of privacy under Article I, Section 1 of the California Constitution or any other constitutional, statutory or common law protection of privacy rights. CALPERS objects to these requests to the extent that they seek documents that are equally or more available to Respondents.

CALPERS also objects to these discovery requests to the extent that they seek information that another entity other than CALPERS is responsible for maintaining. CALPERS further objects to the discovery requests to the extent they seek information and/or documents that exceed the retention requirements.

CALPERS further objects to these requests on the grounds that they are unduly burdensome, patently oppressive and overbroad. CALPERS also objects to these requests on the grounds that they exceed the scope of permissible discovery under the Administrative Procedures Act.

Subject to and without waiving any objections, CALPERS produces the attached documents, Bate Stamped PERS 0001-0095.

CALPERS intends on calling the following witness at trial:

Samuel Camacho Jr., Associate Governmental Program Analyst, Compensation Compliance & Audit Resolution | Employer Account Management Division (EAMD), California Public Employees' Retirement System (CalPERS).

Sincerely,

Austa Wakily

Senior Attorney

Legal Office

AXW:djw

Enclosures

EXHIBIT 23

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL LAW CORPORATION

ATTORNEYS AT LAW

12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
(562) 653-3200 • (714) 826-5480FAX (562) 653-3333
WWW.AALRR.COMFRESNO
(559) 225-6700IRVINE
(949) 453-4260MARIN
(628) 234-6200PASADENA
(626) 583-8600PLEASANTON
(925) 227-9200RIVERSIDE
(951) 683-1122SACRAMENTO
(916) 923-1200SAN DIEGO
(858) 485-9526

OUR FILE NUMBER:

005718.00104
33123276.1

JMorrison@aalrr.com

June 2, 2021

VIA EMAIL AND FIRST CLASS MAILAusta Wakily, Senior Attorney
California Public Employees' Retirement System
Lincoln Plaza North
400 "Q" Street, Suite 3340
Sacramento, California 95811**Re: Meet and Confer Re Discovery**

Dear Austa:

On September 30, 2020, Respondent Tustin Unified School District ("District") served a Request for Discovery upon the California Public Employees' Retirement System ("CalPERS"). CalPERS did not respond within 30 days of the request as required by Government Code section 11507.6. On December 21, 2020, you requested an additional 2-week extension to provide CalPERS's response to the Request for Discovery. Although the District granted your request for an extension, you did not provide discovery responses within the 2-week deadline. Finally, on May 10, 2021, you sent CalPERS's Response and Objections to Discovery.

As set forth below, CalPERS's response did not specifically respond to each of the District's requests and contained improper, untimely objections. This letter is the District's attempt under Government Code section 11507.7 to informally meet and confer, as an alternative to filing a motion to compel.

DISTRICT'S REQUEST FOR DISCOVERY**Requests 2(e) and (3):**

The District requested any other writing or thing which is relevant and which would be admissible in evidence in the possession, custody, or under the control of CalPERS, including: "Any regulation, policy, procedure, circular, internal memorandum, or any other DOCUMENTS or ELECTRONIC DATA that RELATE TO the use of 173.333 as a divisor for purposes of calculating payrates."¹

¹ The following definitions apply to this request: "DOCUMENTS" means any typewritten or handwritten matter or other expression of ideas, information, or images upon any tangible thing or property, including, without limitation,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Austa Wakily, Senior Attorney
June 2, 2021
Page 2

Although CalPERS stated multiple boilerplate objections in its response, which are improper and untimely, CalPERS did not identify with particularity the specific document or evidence demanded as to which the objection was made. CalPERS did not respond or object directly to Request 2(e) or (3), but instead, merely produced 95 pages of documents, without indicating to which requests the documents are responsive to.

Furthermore, none of the 95 pages of documents produced by CalPERS appear to be responsive to Request (3). To the extent no documents were produced in response to Request (3), the District must assume there is no regulation, policy, procedure, circular, internal memorandum, or any other documents supporting CalPERS's preferred use of 173.333 as a divisor for purposes of calculating payrates. Accordingly, please clarify which documents (if any), or that no documents, are responsive to these requests.

Requests 2(e) and (4):

The District requested any other writing or thing which is relevant and which would be admissible in evidence in the possession, custody, or under the control of CalPERS, including: "Any audit findings made by the CalPERS Office of Audit Services that RELATES TO the use of 173.333 as a divisor for purposes of calculating payrates."²

Although CalPERS stated multiple boilerplate objections in its response, which are improper and untimely, CalPERS did not identify with particularity the specific document or evidence demanded as to which the objection was made. CalPERS did not respond or object directly to Request 2(e) or (4), but instead, merely produced 95 pages of documents, without indicating to which requests the documents are responsive to.

The 95 pages of documents produced by CalPERS contained only an audit finding made by CalPERS against the District. Request (4) was not limited to audit findings made against the District. Request (4) requested *any* audit findings made by CalPERS that relate to the use of 173.333 as a divisor for purposes of calculating payrates. The District is aware CalPERS has withheld documents in response to Request (4), and hereby demands that CalPERS produce all

writings, recordings, and photographs as defined by California Evidence Code § 250, and ELECTRONIC DATA as defined below. "DOCUMENTS" also include all originals and duplicates, as defined by the California Evidence Code, including all non-identical copies whether different from the original by reason of any notation made on such copies or otherwise. "ELECTRONIC DATA" means any information generated, recorded, preserved or maintained by electronic means, including, but not limited to, information generated, recorded, preserved or maintained on computer hard-drives, floppy disks, computer files, deleted computer files, back-up computer files, magnetic tapes, compact disks, computer archives, computer memory, e-mails, text messages, or any other form of computer readable storage media. "RELATES TO" means, without limitation, relating to, constituting, concerning, mentioning, referring to, describing, summarizing, evidencing, listing, relevant to, demonstrating, tending to prove, disprove, or explain.

² The following definition applies to this request: "RELATES TO" means, without limitation, relating to, constituting, concerning, mentioning, referring to, describing, summarizing, evidencing, listing, relevant to, demonstrating, tending to prove, disprove, or explain.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Austa Wakily, Senior Attorney
June 2, 2021
Page 3

documents in its possession, custody, or control, that are responsive. Accordingly, please clarify which documents (if any), or that no documents, are responsive to these requests.

Requests 2(e) and (5):

The District requested any other writing or thing which is relevant and which would be admissible in evidence in the possession, custody, or under the control of CalPERS, including: "Any administrative hearing decisions that RELATE TO the use of 173.333 as a divisor for purposes of calculating payrates."³

Although CalPERS stated multiple boilerplate objections in its response, which are improper and untimely, CalPERS did not identify with particularity the specific document or evidence demanded as to which the objection was made. CalPERS did not respond or object directly to Request 2(e) or (5), but instead, merely produced 95 pages of documents, without indicating to which requests the documents are responsive to.

Furthermore, none of the 95 pages of documents produced by CalPERS appear to be responsive to Request (5). Therefore, to the extent no documents were produced in response to Request (5), the District will assume there are no administrative hearing decisions that relate to the use of 173.333 as a divisor for purposes of calculating payrates. Accordingly, please clarify which documents (if any), or that no documents, are responsive to these requests.

The District must receive a response to this correspondence and/or supplemental disclosures to the discovery requests as indicated above by June 9, 2021. If we do not receive further and proper responses, or do not reach an otherwise acceptable agreement, the District will have no choice but to file and serve a motion to compel.

If you have any questions or would like to discuss further, please contact our office.

Sincerely,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Joshua E. Morrison
Jacquelyn Takeda Morenz

JEM:jlt

³ The following definition applies to this request: "RELATES TO" means, without limitation, relating to, constituting, concerning, mentioning, referring to, describing, summarizing, evidencing, listing, relevant to, demonstrating, tending to prove, disprove, or explain.

EXHIBIT 24



California Public Employees' Retirement System
Legal Office

P. O. Box 942707, Sacramento, CA 94229-2707 | Phone: (916) 795-3675 | Fax: (916) 795-3659
888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | www.calpers.ca.gov

July 12, 2021

Ref. No. 2020-0436

Jacquelyn Takeda Morenz
Atkinson, Andelson, Loya, Ruud & Romo
10 River Park Place East, Ste. 240
Fresno, CA 93720-153

Subject: CALPERS' RESPONSE AND OBJECTION TO DISCOVERY - In the Matter of the Appeal Regarding Full-Time Payrate Reporting of TUSTIN UNIFIED SCHOOL DISTRICT, Respondent.

Dear Mrs. Morenz:

This letter supplements CalPERS prior response to Respondent Tustin Unified School District's request for discovery.

CALPERS objects to the discovery request on the grounds that CALPERS has not completed its investigation relating to this action, has not completed discovery in this action and has not completed preparation for hearing. As discovery proceeds, facts, information, witnesses, evidence, documents and things may be discovered which are not set forth in these responses but which may have been responsive to these discovery requests.

The following responses are based on the knowledge, information and belief of CALPERS at this time and are complete as to the best knowledge of CALPERS at this time. These responses are given without prejudice to subsequent revision or supplementation based upon any information, evidence and documentation which hereinafter may be discovered.

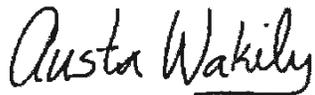
CALPERS reserves the right to refer to, to conduct discovery with reference to or to offer into evidence any and all facts, evidence, documents and things developed during the course of discovery and trial preparation, notwithstanding the reference to facts, evidence, documents and things in these responses.

CALPERS further objects to the discovery requests to the extent they seek information the release of which would be a violation of any individual's right of privacy under Article I, Section 1 of the California Constitution or any other constitutional, statutory or common law protection of privacy rights. CALPERS objects to these requests to the extent that they seek documents that are equally or more available to Respondents.

CALPERS also objects to these discovery requests to the extent that they seek information that another entity other than CALPERS is responsible for maintaining. CALPERS further objects to the discovery requests to the extent they seek information or documents that exceed the retention requirements.

CALPERS further objects to these requests on the grounds that they are unduly burdensome, patently oppressive and overbroad. CALPERS also objects to these requests on the grounds that they exceed the scope of permissible discovery under the Administrative Procedures Act. Subject to and without waiving any objections, CALPERS produces the attached documents, Bate Stamped PERS 096-886.

Sincerely,



Austa Wakily
Senior Attorney
Legal Office

EXHIBIT 25

January 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

365

February 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5			1	2	3	4
6	5	6	7	8	9	10
7	12	13	14	15	16	17
8	19	20	21	22	23	24
9	26	27	28	29		

365

March 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
9				1	2	3
10	4	5	6	7	8	9
11	11	12	13	14	15	16
12	18	19	20	21	22	23
13	25	26	27	28	29	30
31						

365

April 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
14	1	2	3	4	5	
15	8	9	10	11	12	
16	15	16	17	18	19	
17	22	23	24	25	26	27
18	29	30				

365

May 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18		1	2	3	4	5
19	6	7	8	9	10	11
20	13	14	15	16	17	18
21	20	21	22	23	24	25
22	27	28	29	30	31	

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June 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
22					1	2
23	3	4	5	6	7	8
24	10	11	12	13	14	15
25	17	18	19	20	21	22
26	24	25	26	27	28	29
30						

365

July 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	1	2	3	4	5	6
28	8	9	10	11	12	13
29	15	16	17	18	19	20
30	22	23	24	25	26	27
31	29	30	31			

365

August 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31			1	2	3	4
32	5	6	7	8	9	10
33	12	13	14	15	16	17
34	19	20	21	22	23	24
35	26	27	28	29	30	31

365

September 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
35						1
36	2	3	4	5	6	7
37	9	10	11	12	13	14
38	16	17	18	19	20	21
39	23	24	25	26	27	28
40	30					

365

October 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
40		1	2	3	4	5
41	7	8	9	10	11	12
42	14	15	16	17	18	19
43	21	22	23	24	25	26
44	28	29	30	31		

365

November 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
44					1	2
45	4	5	6	7	8	9
46	11	12	13	14	15	16
47	18	19	20	21	22	23
48	25	26	27	28	29	30

365

December 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
48						1
49	2	3	4	5	6	7
50	9	10	11	12	13	14
51	16	17	18	19	20	21
52	23	24	25	26	27	28
						29
						30
						31

365

- 1 Jan New Year's Day
- 16 Jan Martin Luther King Day
- 12 Feb Lincoln's Birthday
- 14 Feb Valentine's Day
- 20 Feb Presidents Day
- 21 Feb Mardi Gras Carnival
- 11 Mar Daylight Saving (Start)
- 17 Mar
- 1 Apr
- 6 Apr
- 8 Apr
- 9 Apr
- 5 May
- 13 May

- St. Patrick's Day
- April Fools' Day
- Good Friday
- Easter
- Easter Monday
- Cinco de Mayo
- Mother's Day

- 19 May Armed Forces Day
- 27 May Pentecost
- 28 May Memorial Day
- 28 May Pentecost Monday
- 14 Jun Flag Day
- 17 Jun Father's Day
- 4 Jul Independence Day

- 3 Sep Labor Day
- 11 Sep September 11th
- 17 Sep Citizenship Day
- 28 Sep Native American Day
- 8 Oct Columbus Day
- 16 Oct Boss's Day
- 20 Oct Sweetest Day

- 31 Oct Halloween
- 4 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 22 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve

January 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5		
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

May 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9		
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

June 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
22	23	24	25	26	27	28
29	30	31				

March 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

July 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31		

April 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

August 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	32	33	34	35		

September 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
36	37	38	39	40		

October 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
40	41	42	43	44		

November 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
44	45	46	47	48		

December 2013

Sun	Mon	Tue	Wed	Thu	Fri	Sat
49	50	51	52	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Calendar & Holidays **2013** **B379** **Calendar-365.com**

1 Jan New Year's Day	18 May Armed Forces Day	31 Oct Halloween
21 Jan Martin Luther King Day	19 May Pentecost	31 Oct Daylight Saving (End)
12 Feb Lincoln's Birthday	20 May Pentecost Monday	11 Nov Veterans' Day
12 Feb Mardi Gras Carnival	27 May Memorial Day	28 Nov Thanksgiving
14 Feb Valentine's Day	14 Jun Flag Day	7 Dec Pearl Harbor
18 Feb Presidents Day	16 Jun Father's Day	25 Dec Christmas Day
10 Mar Daylight Saving (Start)	4 Jul Independence Day	31 Dec New Year's Eve
17 Mar New Year's Day	18 May St. Patrick's Day	
29 Mar Martin Luther King Day	Good Friday	
31 Mar Lincoln's Birthday	Easter	
1 Apr Mardi Gras Carnival	April Fool's Day	
1 Apr Valentine's Day	Easter Monday	
5 May Presidents Day	Cinco de Mayo	
12 May Daylight Saving (Start)	Mother's Day	
2 Sep Labor Day	11 Sep September 11th	
17 Sep Citizenship Day	17 Sep Citizenship Day	
27 Sep Native American Day	27 Sep Native American Day	
14 Oct Columbus Day	14 Oct Columbus Day	
16 Oct Boss's Day	16 Oct Boss's Day	
19 Oct Sweetest Day	19 Oct Sweetest Day	

January 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1		1	2	3	4	
2	5	6	7	8	9	10
3	12	13	14	15	16	17
4	19	20	21	22	23	24
5	26	27	28	29	30	31

May 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18		1	2	3		
19	4	5	6	7	8	9
20	11	12	13	14	15	16
21	18	19	20	21	22	23
22	25	26	27	28	29	30
	31					

February 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5						1
6	2	3	4	5	6	7
7	9	10	11	12	13	14
8	16	17	18	19	20	21
9	23	24	25	26	27	28

June 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
23	1	2	3	4	5	6
24	8	9	10	11	12	13
25	15	16	17	18	19	20
26	22	23	24	25	26	27
27	29	30				

March 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
9						1
10	2	3	4	5	6	7
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14	30	31				

July 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27		1	2	3	4	5
28	6	7	8	9	10	11
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30	20	21	22	23	24	25
31	27	28	29	30	31	

April 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
14		1	2	3		
15	6	7	8	9	10	
16	13	14	15	16	17	
17	20	21	22	23	24	25
18	27	28	29	30		

August 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31					1	2
32	3	4	5	6	7	8
33	10	11	12	13	14	15
34	17	18	19	20	21	22
35	24	25	26	27	28	29
36	31					

September 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
36	1	2	3	4	5	6
37	7	8	9	10	11	12
38	14	15	16	17	18	19
39	21	22	23	24	25	26
40	28	29	30			

October 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
40			1	2	3	4
41	5	6	7	8	9	10
42	12	13	14	15	16	17
43	19	20	21	22	23	24
44	26	27	28	29	30	31

November 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
44						1
45	2	3	4	5	6	7
46	9	10	11	12	13	14
47	16	17	18	19	20	21
48	23	24	25	26	27	28
49	30					

December 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
49		1	2	3	4	5
50	7	8	9	10	11	12
51	14	15	16	17	18	19
52	21	22	23	24	25	26
	28	29	30	31		

- 1 Jan New Year's Day
- 20 Jan Martin Luther King Day
- 12 Feb Lincoln's Birthday
- 14 Feb Valentine's Day
- 17 Feb Presidents Day
- 4 Mar Mardi Gras Carnival
- 9 Mar Daylight Saving (Start)
- 17 Mar New Year's Day
- 1 Apr Martin Luther King Day
- 18 Apr Lincoln's Birthday
- 20 Apr Valentine's Day
- 21 Apr Presidents Day
- 5 May Mardi Gras Carnival
- 11 May Daylight Saving (Start)

- 17 May Armed Forces Day
- 26 May Memorial Day
- 8 Jun Pentecost
- 9 Jun Pentecost Monday
- 14 Jun Flag Day
- 15 Jun Father's Day
- 4 Jul Independence Day
- St. Patrick's Day
- April Fools' Day
- Good Friday
- Easter
- Easter Monday
- Cinco de Mayo
- Mother's Day

- 1 Sep Labor Day
- 11 Sep September 11th
- 17 Sep Citizenship Day
- 26 Sep Native American Day
- 13 Oct Columbus Day
- 16 Oct Boss's Day
- 18 Oct Sweetest Day
- 31 Oct Halloween
- 2 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 27 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve



- 1 Jan New Year's Day
- 19 Jan Martin Luther King Day
- 12 Feb Lincoln's Birthday
- 14 Feb Valentine's Day
- 16 Feb Presidents Day
- 17 Feb Mardi Gras Carnival
- 8 Mar Daylight Saving (Start)

- 17 Mar St. Patrick's Day
- 1 Apr April Fool's Day
- 3 Apr Good Friday
- 5 Apr Easter
- 6 Apr Easter Monday
- 5 May Cinco de Mayo
- 10 May Mother's Day

- 16 May Armed Forces Day
- 24 May Pentecost
- 25 May Memorial Day
- 25 May Pentecost Monday
- 14 Jun Flag Day
- 21 Jun Father's Day
- 4 Jul Independence Day

- 7 Sep Labor Day
- 11 Sep September 11th
- 17 Sep Citizenship Day
- 25 Sep Native American Day
- 12 Oct Columbus Day
- 16 Oct Boss's Day
- 17 Oct Sweetest Day

- 31 Oct Halloween
- 1 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 26 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve

January 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
53	1	2				
1	3	4	5	6	7	8
2	10	11	12	13	14	15
3	17	18	19	20	21	22
4	24	25	26	27	28	29
5	31					

May 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18	1	2	3	4	5	6
19	8	9	10	11	12	13
20	15	16	17	18	19	20
21	22	23	24	25	26	27
22	29	30	31			

February 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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June 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
22	1	2	3	4		
23	5	6	7	8	9	10
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March 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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10	6	7	8	9	10	11
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13	27	28	29	30	31	

July 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	1	2				
27	3	4	5	6	7	8
28	10	11	12	13	14	15
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31						

April 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
13						
14	3	4	5	6	7	
15	10	11	12	13	14	
16	17	18	19	20	21	22
17	24	25	26	27	28	29

August 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3	4	5	6
32	7	8	9	10	11	12
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34	21	22	23	24	25	26
35	28	29	30	31		

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September 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
35	1	2	3			
36	4	5	6	7	8	9
37	11	12	13	14	15	16
38	18	19	20	21	22	23
39	25	26	27	28	29	30

October 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
39						1
40	2	3	4	5	6	7
41	9	10	11	12	13	14
42	16	17	18	19	20	21
43	23	24	25	26	27	28
44	30	31				

November 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
44	1	2	3	4	5	
45	6	7	8	9	10	11
46	13	14	15	16	17	18
47	20	21	22	23	24	25
48	27	28	29	30		

365

December 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
48				1	2	3
49	4	5	6	7	8	9
50	11	12	13	14	15	16
51	18	19	20	21	22	23
52	25	26	27	28	29	30
						31

- 1 Jan New Year's Day
- 18 Jan Martin Luther King Day
- 9 Feb Mardi Gras Carnival
- 12 Feb Lincoln's Birthday
- 14 Feb Valentine's Day
- 15 Feb Presidents Day
- 13 Mar Daylight Saving (Start)
- 17 Mar New Year's Day
- 25 Mar Martin Luther King Day
- 27 Mar Mardi Gras Carnival
- 28 Mar Lincoln's Birthday
- 1 Apr Valentine's Day
- 5 May Presidents Day
- 8 May Daylight Saving (Start)
- 15 May Pentecost
- 16 May Pentecost Monday
- 21 May Armed Forces Day
- 30 May Memorial Day
- 14 Jun Flag Day
- 19 Jun Father's Day
- 4 Jul Independence Day
- 15 May Pentecost
- 16 May Pentecost Monday
- 21 May Armed Forces Day
- 30 May Memorial Day
- 14 Jun Flag Day
- 19 Jun Father's Day
- 4 Jul Independence Day
- 5 Sep Labor Day
- 11 Sep September 11th
- 17 Sep Citizenship Day
- 23 Sep Native American Day
- 10 Oct Columbus Day
- 15 Oct Sweetest Day
- 17 Oct Boss's Day
- 31 Oct Halloween
- 6 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 24 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve

January 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

May 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18	19	20	21	22	23	24
25	26	27				
28	29	30	31			

February 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

June 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
22	23	24	25	26	27	28
29	30	31				

March 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

July 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	31	

April 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

August 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	32	33	34	35		

September 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
35	36	37	38	39		

October 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
40	41	42	43	44		

November 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
44	45	46	47	48		

December 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
48	49	50	51	52	1	2

- 1 Jan New Year's Day
- 16 Jan Martin Luther King Day
- 12 Feb Lincoln's Birthday
- 14 Feb Valentine's Day
- 20 Feb Presidents Day
- 28 Feb Mardi Gras Carnival
- 12 Mar Daylight Saving (Start)
- 17 Mar New Year's Day
- 1 Apr Martin Luther King Day
- 14 Apr Lincoln's Birthday
- 16 Apr Valentine's Day
- 17 Apr Presidents Day
- 5 May Mardi Gras Carnival
- 14 May Daylight Saving (Start)

- 20 May Armed Forces Day
- 29 May Memorial Day
- 4 Jun Good Friday
- 5 Jun Pentecost
- 14 Jun Pentecost Monday
- 18 Jun Flag Day
- 4 Jul Father's Day
- 4 Jul Independence Day
- St. Patrick's Day
- April Fools' Day
- Good Friday
- Easter
- Easter Monday
- Cinco de Mayo
- Mother's Day

- 4 Sep Labor Day
- 11 Sep September 11th
- 17 Sep Citizenship Day
- 22 Sep Native American Day
- 9 Oct Columbus Day
- 16 Oct Boss's Day
- 21 Oct Sweetest Day
- 31 Oct Halloween
- 5 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 23 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve

365 January 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
1		1	2	3	4	5	6
2	7	8	9	10	11	12	13
3	14	15	16	17	18	19	20
4	21	22	23	24	25	26	27
5	28	29	30	31			

365 February 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
5					1	2	3
6	4	5	6	7	8	9	10
7	11	12	13	14	15	16	17
8	18	19	20	21	22	23	24
9	25	26	27	28			

365 March 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
9					1	2	3
10	4	5	6	7	8	9	10
11	11	12	13	14	15	16	17
12	18	19	20	21	22	23	24
13	25	26	27	28	29	30	31

365 April 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
14	1	2	3	4	5	6	7
15	8	9	10	11	12	13	14
16	15	16	17	18	19	20	21
17	22	23	24	25	26	27	28
18	29	30					

365 May 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
18			1	2	3	4	5
19	6	7	8	9	10	11	12
20	13	14	15	16	17	18	19
21	20	21	22	23	24	25	26
22	27	28	29	30	31		

365 June 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
22						1	2
23	3	4	5	6	7	8	9
24	10	11	12	13	14	15	16
25	17	18	19	20	21	22	23
26	24	25	26	27	28	29	30

365 July 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	1	2	3	4	5	6	7
28	8	9	10	11	12	13	14
29	15	16	17	18	19	20	21
30	22	23	24	25	26	27	28
31	29	30	31				

365 August 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
31				1	2	3	4
32	5	6	7	8	9	10	11
33	12	13	14	15	16	17	18
34	19	20	21	22	23	24	25
35	26	27	28	29	30	31	

365 September 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
35							1
36	2	3	4	5	6	7	8
37	9	10	11	12	13	14	15
38	16	17	18	19	20	21	22
39	23	24	25	26	27	28	29
40	30						

365 October 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
40		1	2	3	4	5	6
41	7	8	9	10	11	12	13
42	14	15	16	17	18	19	20
43	21	22	23	24	25	26	27
44	28	29	30	31			

365 November 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
44					1	2	3
45	4	5	6	7	8	9	10
46	11	12	13	14	15	16	17
47	18	19	20	21	22	23	24
48	25	26	27	28	29	30	

365 December 2018

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
48							1
49	2	3	4	5	6	7	8
50	9	10	11	12	13	14	15
51	16	17	18	19	20	21	22
52	23	24	25	26	27	28	29
1	30	31					

- 1 Jan** New Year's Day
- 15 Jan** Martin Luther King Day
- 12 Feb** Lincoln's Birthday
- 13 Feb** Mardi Gras Carnival
- 14 Feb** Valentine's Day
- 19 Feb** Presidents Day
- 11 Mar** Daylight Saving (Start)
- 17 Mar** St. Patrick's Day
- 30 Mar** Good Friday

- 1 Apr** April Fool's Day
- 1 Apr** Easter
- 2 Apr** Easter Monday
- 5 May** Cinco de Mayo
- 13 May** Mother's Day
- 19 May** Armed Forces Day
- 20 May** Pentecost
- 21 May** Pentecost Monday
- 28 May** Memorial Day

- 14 Jun** Flag Day
- 17 Jun** Father's Day
- 4 Jul** Independence Day
- 3 Sep** Labor Day
- 11 Sep** September 11th
- 17 Sep** Citizenship Day
- 28 Sep** Native American Day
- 8 Oct** Columbus Day
- 16 Oct** Boss's Day

- 20 Oct** Sweetest Day
- 31 Oct** Halloween
- 4 Nov** Daylight Saving (End)
- 11 Nov** Veterans' Day
- 22 Nov** Thanksgiving
- 7 Dec** Pearl Harbor
- 25 Dec** Christmas Day
- 31 Dec** New Year's Eve

January 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5		
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

365

February 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5					1	2
6	3	4	5	6	7	8
7	10	11	12	13	14	15
8	17	18	19	20	21	22
9	24	25	26	27	28	

365

March 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
9					1	2
10	3	4	5	6	7	8
11	10	11	12	13	14	15
12	17	18	19	20	21	22
13	24	25	26	27	28	29
14					30	

365

April 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
14						
15	7	8	9	10	11	12
16	14	15	16	17	18	19
17	21	22	23	24	25	26
18	28	29	30			

365

May 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18						
19	5	6	7	8	9	10
20	12	13	14	15	16	17
21	19	20	21	22	23	24
22	26	27	28	29	30	31

365

June 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
22						
23	2	3	4	5	6	7
24	9	10	11	12	13	14
25	16	17	18	19	20	21
26	23	24	25	26	27	28
27	30					

365

July 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27						
28	7	8	9	10	11	12
29	14	15	16	17	18	19
30	21	22	23	24	25	26
31	28	29	30	31		

365

August 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31						
32	4	5	6	7	8	9
33	11	12	13	14	15	16
34	18	19	20	21	22	23
35	25	26	27	28	29	30

365

September 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
36	1	2	3	4	5	6
37	8	9	10	11	12	13
38	15	16	17	18	19	20
39	22	23	24	25	26	27
40	29	30				

365

October 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
40						
41	6	7	8	9	10	11
42	13	14	15	16	17	18
43	20	21	22	23	24	25
44	27	28	29	30	31	

365

November 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
44						
45	3	4	5	6	7	8
46	10	11	12	13	14	15
47	17	18	19	20	21	22
48	24	25	26	27	28	29

365

December 2019

Sun	Mon	Tue	Wed	Thu	Fri	Sat
49						
50	8	9	10	11	12	13
51	15	16	17	18	19	20
52	22	23	24	25	26	27
1	29	30	31			

365

- 1 Jan New Year's Day
- 21 Apr Martin Luther King Day
- 12 Feb Lincoln's Birthday
- 14 Feb Valentine's Day
- 18 Feb Presidents Day
- 5 Mar Mardi Gras Carnival
- 10 Mar Daylight Saving (Start)
- 17 Mar New Year's Day
- 1 Apr Martin Luther King Day
- 19 Apr Lincoln's Birthday
- 21 Apr Valentine's Day
- 22 Apr Presidents Day
- 5 May Mardi Gras Carnival
- 12 May Daylight Saving (Start)

- 18 May Armed Forces Day
- 27 May Memorial Day
- 9 Jun Good Friday
- 10 Jun Pentecost Monday
- 14 Jun Flag Day
- 16 Jun Father's Day
- 4 Jul Independence Day
- St. Patrick's Day
- April Fools' Day
- Good Friday
- Easter
- Easter Monday
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- 2 Sep Labor Day
- 11 Sep September 11th
- 17 Sep Citizenship Day
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- 19 Oct Sweetest Day
- 31 Oct Halloween
- 3 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 28 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve

January 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1		1	2	3	4	
2	5	6	7	8	9	10
3	12	13	14	15	16	17
4	19	20	21	22	23	24
5	26	27	28	29	30	31

May 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
18					1	2
19	3	4	5	6	7	8
20	10	11	12	13	14	15
21	17	18	19	20	21	22
22	24	25	26	27	28	29
23	31					

February 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5						1
6	2	3	4	5	6	7
7	9	10	11	12	13	14
8	16	17	18	19	20	21
9	23	24	25	26	27	28
						29

June 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
23	1	2	3	4	5	6
24	7	8	9	10	11	12
25	14	15	16	17	18	19
26	21	22	23	24	25	26
27	28	29	30			

March 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
10	1	2	3	4	5	6
11	8	9	10	11	12	13
12	15	16	17	18	19	20
13	22	23	24	25	26	27
14	29	30	31			

July 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27			1	2	3	4
28	5	6	7	8	9	10
29	12	13	14	15	16	17
30	19	20	21	22	23	24
31	26	27	28	29	30	31

April 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
14			1	2		
15	5	6	7	8	9	10
16	12	13	14	15	16	
17	19	20	21	22	23	24
18	26	27	28	29	30	

August 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31						1
32	2	3	4	5	6	7
33	9	10	11	12	13	14
34	16	17	18	19	20	21
35	23	24	25	26	27	28
36	30	31				

September 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
36		1	2	3	4	5
37	6	7	8	9	10	11
38	13	14	15	16	17	18
39	20	21	22	23	24	25
40	27	28	29	30		

October 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
40				1	2	3
41	4	5	6	7	8	9
42	11	12	13	14	15	16
43	18	19	20	21	22	23
44	25	26	27	28	29	30
						31

November 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
45	1	2	3	4	5	6
46	8	9	10	11	12	13
47	15	16	17	18	19	20
48	22	23	24	25	26	27
49	29	30				

December 2020

Sun	Mon	Tue	Wed	Thu	Fri	Sat
49		1	2	3	4	5
50	6	7	8	9	10	11
51	13	14	15	16	17	18
52	20	21	22	23	24	25
53	27	28	29	30	31	

- 1 Jan New Year's Day
- 8 Mar Mardi Gras Carnival
- 12 Feb Valentine's Day
- 14 Feb Presidents Day
- 17 Feb Mardi Gras Carnival
- 20 Jan Martin Luther King Day
- 25 Feb Daylight Saving (Start)
- 31 Mar Daylight Saving (End)
- 1 Apr Lincoln's Birthday
- 5 May Daylight Saving (Start)
- 10 Apr Valentine's Day
- 10 May Daylight Saving (End)
- 12 Apr Presidents Day
- 13 Apr Mardi Gras Carnival
- 17 Feb Valentine's Day
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- 17 Oct Sweetest Day
- 31 Oct Halloween
- 1 Nov Daylight Saving (End)
- 11 Nov Veterans' Day
- 26 Nov Thanksgiving
- 7 Dec Pearl Harbor
- 25 Dec Christmas Day
- 31 Dec New Year's Eve

EXHIBIT 26

Nguyen, Hoai-Nam

From: Lau, Kevin <Kevin.Lau@calpers.ca.gov>
Sent: Wednesday, May 08, 2019 12:22 PM
To: Camacho Jr., Samuel; Sandness, Jennifer; Carl Piper; Nguyen, Hoai-Nam; Praveen Chaudhri
Cc: Hanson, Brad; Aisling Barrera
Subject: RE: Tustin USD Follow Up
Attachments: SKMBT_C45419050712470.pdf; 10-11 MGMT-CLASS_Revised 5.6.19.pdf

Hi All –

Thank you again for chatting with us today. The pay schedule from Monterey County School is a work in progress.

I think this is a creative solution. For the District's purposes, I think we can work on:

Monthly based on 21 Days: \$2359
 Monthly based on 40-Hour: \$2433.89
 Hourly: \$14.0417

Please let us know if we could provide any other clarification.

Thank you,

Kevin Lau | Compensation Compliance & Audit Resolution Manager | Compensation Compliance & Audit Resolution | Employer Account Management Division | California Public Employees' Retirement System | Office: (916) 795-2665 | Fax: (916) 795-9372

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-----Original Appointment-----

From: Lau, Kevin
Sent: Friday, May 03, 2019 8:57 AM
To: Lau, Kevin; Camacho Jr., Samuel; Sandness, Jennifer; Carl Piper; 'Nguyen, Hoai-Nam'; Praveen Chaudhri
Cc: Hanson, Brad; Aisling Barrera
Subject: Tustin USD Follow Up
When: Wednesday, May 08, 2019 11:00 AM-11:30 AM (UTC-08:00) Pacific Time (US & Canada).
Where: Room-LPN-2252B

Hi All –

Here is a WebEx invite for the conference call.

Thank you!

Do not delete or change any of the following text. --

Join Webex Meeting

Meeting number (access code): 923 230 134

Join from a video system or application

Dial 923230134@calpers.webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

+1-240-454-0887 United States Toll (San Jose)

[Global call-in numbers](#)

[Can't join the meeting?](#)

If you are a host, [go here](#) to view host information.

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2016/2017 SALARY SCHEDULE
CLASSIFIED BARGAINING UNIT EMPLOYEES

CLASSIFICATION TITLE	STEP #
Account Clerk I	39
Account Clerk II	37
Assistant Cook	12
Assistant Tradeperson	63
Associate PreSchool Educator	32
Athletic Fieldperson	38
Attendance Clerk	30
Attendance Specialist	34
Baker	21
Bilingual Testing Technician I	33
Bilingual Testing Technician II	31
Cafeteria Satellite Leadperson	16
Campus Safety Patrol Officer	42
Campus Supervisor	15
Career Guidance Technician	33
Certified Occupational Therapy Assistant	49
Certified Physical Therapy Assistant	38
Community Liaison Language Specialist I	33
Community Liaison Language Specialist II	31
Computer Accounting Technician	50
Contract Specialist/Buyer	51
Cook I	25
Cook II	20
Counseling Technician	28
Custodian	33
Data Input Clerk	21
Data Processing Technician	36
Deaf/Hard of Hearing Educational Interpreter(DHH)	36
Duplicating Production Operator	28
Electrician	58
Electronic Technician Assistant	56
Electronic Technician	59
Grounds Equipment Operator	42
Groundsperson	35
Head Custodian, Elementary	36
Head Custodian, Continuation / DO	36
Health Services Clerk	28
Health Services Technician	36
HVAC & Refrigeration Technician	58
Information Systems Specialist	56
IRC Clerk	30
Irrigation Specialist	45
Job Placement Specialist	39
Lead Cook	26
Lead Irrigation Specialist	52
Lead Offset Press Operator	40
Lead Payroll Clerk	48
Library Media Assistant	24
Library Media Specialist	32
Library Media Technician I	32
Library Media Technician II	24
Licensed Vocational Nurse	38
Locksmith	56
Maintenanceperson I	48
Mechanic	56

CLASSIFICATION TITLE	STEP #
Night Leadperson, High School	36
Nutrition Services Assistant I	10
Nutrition Services Assistant II	7
Occupational Therapist	91
Office Assistant I	28
Office Assistant II	21
Offset Press Operator	37
P.E. Equipmentperson	38
Painter	55
Paraeducator Behavior Interventionist	25
Paraeducator Bilingual	21
Paraeducator Community Liaison	25
Paraeducator Homeless/Immigrant Com. Liaison	25
Paraeducator PreSchool	16
Paraeducator Special Education	21
Paraeducator Teacher Assistant	16
Paraeducator Teacher Assistant Accompanist	16
Payroll Clerk	39
Physical Therapist	91
Plumber	58
Position Control Technician	45
PreSchool Educator	36
PreSchool Outreach Specialist	39
Purchasing Clerk	30
Purchasing Specialist	38
Receptionist	26
Records Clerk, High School	30
Records Technician	33
School Secretary I	44
School Secretary II	44
School Secretary III	40
Secretary I	14
Secretary II	12
Secretary III	19
Secretary IV	11
Senior Data Processing Tech	15
Senior Stock Clerk	12
Senior Word Processing Tech	10
Speech/Language Pathology /	10
Sprinkler Repair/Groundspers	10
Student Recovery Officer	30
Swimming Pool Maintenance	45
Swimming Pool Mechanic	55
Technologist I	60
Technologist II	40
Technologist III	36
Technology Specialist I	70
Technology Specialist II	58
Technology Specialist III	58
Translator	33
Warehouse Deliveryperson	38
Warehouse Foreperson	56
Welder	58
Word Processing Technician	35

Monthly = 2,359
 # of Days 21
 = 112,333
 # of hrs/day 8
 OK. = \$14.0417/hr
 Monthly = 2,359
 173.33 hrs
 = \$13.610
 Not using this
 Calculation

Bilingual Stipend
 Oral \$52/month, \$.37/hour; Oral and Written \$52/month, \$.49/hour

Night Differential
 \$60.40/month, \$.30/hour for employees whose regular work schedule commences on or after 12:00 noon and ends at 6:30 p.m. or later

Professional Growth
 \$13/month increase upon completion of three points.

Service Years	Total Monthly Stipend	Total Hourly Stipend
1 7th year	\$48	\$0.28
2 8th year	\$74	\$0.44
3 9th year	\$101	\$0.60
4 10th year	\$128	\$0.76
5 11th year	\$152	\$0.92
6 15th year	\$237	\$1.41
7 20th year	\$304	\$1.81
8 25th year	\$396	\$2.38

Board Approved: 3/27/2017
 Effective Date: 7/1/2016

CLASSIFIED MONTHLY SALARY SCHEDULE 2016/2017

Range/Step	(A)	(B)	(C)	(D)	(E)	(F)	Range/Step
7	2359	2478	2610	2741	2880	3024	7
8	2390	2511	2640	2777	2911	3063	8
9	2413	2545	2672	2807	2950	3100	9
10	2449	2572	2705	2841	2990	3137	10
11	2478	2610	2741	2880	3024	3175	11
12	2511	2640	2777	2911	3063	3221	12
13	2545	2672	2807	2950	3100	3261	13
14	2572	2705	2841	2990	3137	3300	14
15	2610	2741	2880	3024	3175	3342	15
16	2640	2777	2911	3063	3221	3386	16
17	2672	2807	2950	3100	3261	3429	17
18	2705	2841	2990	3137	3300	3468	18
19	2741	2880	3024	3175	3342	3509	19
20	2777	2911	3063	3221	3386	3557	20
21	2807	2950	3100	3261	3429	3603	21
22	2841	2990	3137	3300	3468	3645	22
23	2880	3024	3175	3342	3509	3693	23
24	2911	3063	3221	3386	3557	3734	24
25	2950	3100	3261	3429	3603	3782	25
26	2990	3137	3300	3468	3645	3830	26
27	3024	3175	3342	3509	3693	3876	27
28	3063	3221	3386	3557	3734	3928	28
29	3100	3261	3429	3603	3782	3978	29
30	3137	3300	3468	3645	3830	4027	30
31	3175	3342	3509	3693	3876	4077	31
32	3221	3386	3557	3734	3928	4123	32
33	3261	3429	3603	3782	3978	4176	33
34	3300	3468	3645	3830	4027	4225	34
35	3342	3509	3693	3876	4077	4278	35
36	3386	3557	3734	3928	4123	4334	36
37	3429	3603	3782	3978	4176	4391	37
38	3468	3645	3830	4027	4225	4447	38
39	3509	3693	3876	4077	4278	4501	39
40	3557	3734	3928	4123	4334	4560	40
41	3603	3782	3978	4176	4391	4617	41
42	3645	3830	4027	4225	4447	4670	42
43	3693	3876	4077	4278	4501	4731	43
44	3734	3928	4123	4334	4560	4787	44
45	3782	3978	4176	4391	4617	4851	45
46	3830	4027	4225	4447	4670	4912	46
47	3876	4077	4278	4501	4731	4974	47
48	3928	4123	4334	4560	4787	5031	48
49	3978	4176	4391	4617	4851	5094	49
50	4027	4225	4447	4670	4912	5159	50
51	4077	4278	4501	4731	4974	5226	51
52	4123	4334	4560	4787	5031	5293	52
53	4176	4391	4617	4851	5094	5358	53
54	4225	4447	4670	4912	5159	5422	54
55	4278	4501	4731	4974	5226	5490	55
56	4334	4560	4787	5031	5293	5554	56
57	4391	4617	4851	5094	5358	5627	57
58	4447	4670	4912	5159	5422	5699	58
59	4501	4731	4974	5226	5490	5774	59
60	4560	4787	5031	5293	5554	5842	60
61	4619	4848	5091	5345	5612	5893	61
62	4677	4911	5156	5415	5686	5969	62
63	4737	4974	5222	5484	5758	6045	63
64	4798	5038	5290	5554	5831	6123	64
65	4860	5103	5357	5626	5907	6203	65
66	4922	5169	5426	5697	5982	6281	66
67	4985	5234	5495	5770	6059	6362	67
68	5049	5301	5566	5845	6137	6445	68
69	5114	5369	5637	5919	6216	6526	69
70	5179	5438	5709	5996	6295	6611	70
91	6769	7108	7462	7836	8228	8640	91

CLASSIFIED HOURLY SALARY SCHEDULE 2016/2017

Range/Step	(A)	(B)	(C)	(D)	(E)	(F)	Range/Step
7	14.0417	14.7500	15.5357	16.3155	17.1429	18.0000	7
8	14.2262	14.9464	15.7143	16.5298	17.3274	18.2321	8
9	14.3831	15.1488	15.9048	16.7083	17.5595	18.4524	9
10	14.5774	15.3095	16.1012	16.9107	17.7976	18.6726	10
11	14.7500	15.5357	16.3155	17.1429	18.0000	18.8988	11
12	14.9484	15.7143	16.5298	17.3274	18.2321	19.1726	12
13	15.1488	15.9048	16.7083	17.5595	18.4524	19.4107	13
14	15.3095	16.1012	16.9107	17.7976	18.6726	19.6429	14
15	15.5357	16.3155	17.1429	18.0000	18.8988	19.8929	15
16	15.7143	16.5298	17.3274	18.2321	19.1726	20.1548	16
17	15.9048	16.7083	17.5595	18.4524	19.4107	20.4107	17
18	16.1012	16.9107	17.7976	18.6726	19.6429	20.6429	18
19	16.3155	17.1429	18.0000	18.8988	19.8929	20.8869	19
20	16.5298	17.3274	18.2321	19.1726	20.1548	21.1726	20
21	16.7083	17.5595	18.4524	19.4107	20.4107	21.4464	21
22	16.9107	17.7976	18.6726	19.6429	20.6429	21.6964	22
23	17.1429	18.0000	18.8988	19.8929	20.8869	21.9821	23
24	17.3274	18.2321	19.1726	20.1548	21.1726	22.2262	24
25	17.5595	18.4524	19.4107	20.4107	21.4464	22.5119	25
26	17.7976	18.6726	19.6429	20.6429	21.6964	22.7976	26
27	18.0000	18.8988	19.8929	20.8869	21.9821	23.0655	27
28	18.2321	19.1726	20.1548	21.1726	22.2262	23.3810	28
29	18.4524	19.4107	20.4107	21.4464	22.5119	23.6786	29
30	18.6726	19.6429	20.6429	21.6964	22.7976	23.9702	30
31	18.8988	19.8929	20.8869	21.9821	23.0655	24.2879	31
32	19.1726	20.1548	21.1726	22.2262	23.3810	24.5417	32
33	19.4107	20.4107	21.4464	22.5119	23.6786	24.8571	33
34	19.6429	20.6429	21.6964	22.7976	23.9702	25.1488	34
35	19.8929	20.8869	21.9821	23.0655	24.2679	25.4643	35
36	20.1548	21.1726	22.2262	23.3810	24.5417	25.7976	36
37	20.4107	21.4464	22.5119	23.6786	24.8571	26.1369	37
38	20.6429	21.6964	22.7976	23.9702	25.1488	26.4702	38
39	20.8869	21.9821	23.0655	24.2679	25.4643	26.7917	39
40	21.1726	22.2262	23.3810	24.5417	25.7976	27.1429	40
41	21.4464	22.5119	23.6786	24.8571	26.1369	27.4821	41
42	21.6964	22.7976	23.9702	25.1488	26.4702	27.7976	42
43	21.9821	23.0655	24.2679	25.4643	26.7917	28.1607	43
44	22.2262	23.3810	24.5417	25.7976	27.1429	28.4940	44
45	22.5119	23.6786	24.8571	26.1369	27.4821	28.8750	45
46	22.7976	23.9702	25.1488	26.4702	27.7976	29.2381	46
47	23.0655	24.2679	25.4643	26.7917	28.1607	29.6071	47
48	23.3810	24.5417	25.7976	27.1429	28.4940	29.9464	48
49	23.6786	24.8571	26.1369	27.4821	28.8750	30.3214	49
50	23.9702	25.1488	26.4702	27.7976	29.2381	30.7083	50
51	24.2679	25.4643	26.7917	28.1607	29.6071	31.1071	51
52	24.5417	25.7976	27.1429	28.4940	29.9464	31.5060	52
53	24.8571	26.1369	27.4821	28.8750	30.3214	31.8810	53
54	25.1488	26.4702	27.7976	29.2381	30.7083	32.2738	54
55	25.4643	26.7917	28.1607	29.6071	31.1071	32.6786	55
56	25.7976	27.1429	28.4940	29.9464	31.5060	33.0595	56
57	26.1369	27.4821	28.8750	30.3214	31.8810	33.4940	57
58	26.4702	27.7976	29.2381	30.7083	32.2738	33.9226	58
59	26.7917	28.1607	29.6071	31.1071	32.6786	34.3690	59
60	27.1429	28.4940	29.9464	31.5060	33.0595	34.7738	60
61	27.4940	28.8571	30.3036	31.8155	33.4048	35.0774	61
62	27.8393	29.2321	30.6905	32.2321	33.8452	35.5298	62
63	28.1964	29.6071	31.0833	32.6429	34.2738	35.9821	63
64	28.5595	29.9881	31.4881	33.0595	34.7083	36.4484	64
65	28.9286	30.3750	31.8869	33.4881	35.1607	36.9226	65
66	29.2976	30.7679	32.2976	33.9107	35.6071	37.3869	66
67	29.6726	31.1548	32.7083	34.3452	36.0655	37.8690	67
68	30.0536	31.5536	33.1310	34.7917	36.5298	38.3631	68
69	30.4405	31.9583	33.5536	35.2321	37.0000	38.8452	69
70	30.8274	32.3690	33.9821	35.6905	37.4702	39.3512	70
91	40.2917	42.3095	44.4167	46.6429	48.9762	51.4286	91

EXHIBIT 27

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Creditable Compensation Regulations ITEM NUMBER: 9

CONSENT: ATTACHMENT(S):

ACTION: DATE OF MEETING: September 11, 2013 / 30 mins.

INFORMATION: X PRESENTER(S): Ed Derman

PURPOSE OF THE ITEM

The purpose of this item is to provide the board an overview on CalSTRS creditable compensation and to provide a basis for initiating a process to adopt regulations that would provide guidance and clarification regarding the creditability of different types of compensation.

BACKGROUND

CalSTRS administers a hybrid retirement system that includes the Defined Benefit Program (a defined benefit plan), the Defined Benefit Supplement Program (a cash balance plan) and Pension2 (a voluntary defined contribution plan).

The service retirement benefit paid by the DB Program is based on a formula:

$$\text{Age Factor} \times \text{Final Compensation} \times \text{Service Credit}$$

Compensation that counts towards a CalSTRS retirement benefit is referred to as "creditable compensation." Final compensation is equal to the highest compensation that is creditable to the DB Program that the member would be paid for working in that position on a full-time basis. Service credit is equal to the ratio of the creditable compensation actually paid to a member to the creditable compensation that the member would be paid for working in that position on a full-time basis. The maximum amount of service credit a member can earn in a school year is 1.000. Consequently, the determination of creditable compensation is a very important component of the DB Program benefit.

Assembly Bill 2700

Prior to 2002–03, compensation that was creditable to CalSTRS was limited to regular salary. Bonuses and other remuneration in addition to salary were creditable only in limited situations when they were paid systematically and proportionately to all members of a class of employees. Overtime, summer school, and any other pay in addition to salary was specifically not reported to CalSTRS. In 2000, the board sponsored Assembly Bill 2700 (Chapter 1021, Statutes of 2000), in response to changes to the dynamics of the teaching profession since the 1970's. Beginning July 1, 2002, the type of compensation that would be reported and credited to CalSTRS substantially

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expanded. The general policy underlying the changes made by AB 2700 was that any compensation paid to a person who was performing creditable service would be reflected in a retirement benefit. Depending on the nature of the compensation, most compensation would be reflected in the DB Program benefit, while the remaining compensation would be reflected in a higher DBS account balance, in order to protect the integrity of the fund. For example, contributions for non-recurring pay and for service exceeding one year are credited to the member's Defined Benefit Supplement account.

Under current law, in order for compensation to be creditable to CalSTRS, the compensation must be paid for one of the following 10 activities in a position requiring a credential, under standards set by the Community Colleges Board of Governors or under an approved charter in a school that is eligible for state funding and performed for a K–12 public school, community college or charter school that has elected in its charter to be covered by CalSTRS:

1. The work of teachers, instructors, district interns, and academic employees employed in the instructional program for pupils, including special programs such as adult education, regional occupation programs, child care centers, and prekindergarten programs.
2. Education or vocational counseling, guidance, and placement services.
3. The work of directors, coordinators, and assistant administrators who plan courses of study to be used in California public schools, or research connected with the evaluation or efficiency of the instructional program.
4. The selection, collection, preparation, classification, demonstration, or evaluation of instructional materials of any course of study for use in the development of the instructional program in California public schools, or other services related to school curriculum.
5. The examination, selection, in-service training, or assignment of teachers, principals or other similar personnel involved in the instructional program.
6. School activities related to, and an outgrowth of, the instructional and guidance program of the school when performed in addition to other activities described in this section.
7. The work of nurses, physicians, speech therapists, psychologists, audiometrists, audiologists, and other school health professionals.
8. Services as a school librarian.
9. The work of employees who are responsible for the supervision of persons or administration of the duties described in this section.
10. The work of superintendents of California public schools.

In addition, prior DB Program members who become employed in a public school to perform service requiring membership in a different retirement system, such as CalPERS, can elect to have that future service covered by CalSTRS.

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Any compensation that is creditable to CalSTRS must be payable in cash to all persons in the same class of employees (defined as employees considered as a group because they are employed to perform similar duties, are employed in the same type of program, or share other similarities related to the nature of the work being performed). Moreover, any compensation paid in addition to salary must be payable to all members who are in the same class of employees in the same dollar amount, the same percentage of salary or the same percentage of the amount being distributed.

Consequently, compensation paid by an employer fits into one of three basic categories:

1. Not creditable. This type of compensation is not reportable to CalSTRS, and no CalSTRS retirement benefits are earned from such compensation. This includes, for example, fringe benefits and reimbursement of a job-related expense.
2. Creditable to the Defined Benefit Program. This includes most cash compensation, such as salary, paid to the entire class of employees. The compensation credited to the DB Program is reflected in the service credit and final compensation used to determine the DB Program benefit.
3. Creditable to the Defined Benefit Supplement Program. This includes non-recurring pay, such as a one-time payment for working for a district for 20 years, inconsistent end-of-career pay increases, and contributions for service in excess of one year. The compensation for which contributions are credited to the DBS Program do not affect DB Program service credit or final compensation.

Employer Guidance

Following the passage of AB 2700, CalSTRS engaged in extensive employer outreach to explain the changes in compensation reporting. Guidance was provided through Employer Directives and a Creditable Compensation Guide. The directives and guide provided general information and related examples. However, because the Creditable Compensation Guide was not legally binding, further dissemination, production and updates were discontinued. The guide has not been available to employers in several years, although copies of the guide have appeared on various employer web sites.

Over the years, employers have requested guidance in applying provisions to specific situations. Due to the variety of ways compensation is structured, it has become difficult to ensure consistent and uniform reporting of creditable compensation without providing more clarity and direction. Therefore, staff is seeking direction from the board to begin the rulemaking process to provide such clarity in formal regulations.

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DISCUSSION

The Teachers' Retirement Law provides broad authority to the board to determine creditable compensation, establish a class of employees and credit contributions to either the Defined Benefit Program or Defined Benefit Supplement accounts. Regulations provide CalSTRS a means to provide clarity around these determinations and to promote consistent understanding among employers. Any guidance provided in regulations would be prospective, enforceable only after the regulations take effect.

In staff's preliminary discussions with the employer community regarding the development of regulations for creditable compensation, employers have requested guidance in reporting stipends for additional assignments (for example, coaching). Most report the compensation as an additional assignment but use varying approaches to determine a full-time salary for the activity. Others report the compensation as a flat amount, which, if done improperly, could have the unintended consequence of inflating the member's final compensation. Moreover, there is a lack of understanding as to the meaning of "class of employees" as it relates to CalSTRS, which is essential to proper reporting of assignments and pay that are not offered to every employee in a class. Employers are also requesting clarity in reporting various allowances. Employers have expressed that they want to report accurately and need clear direction from CalSTRS.

Regulations that would clarify what constitutes a class of employees and creditable compensation could be effective as early as July 2014, with the first reading of the proposed text by the board in November 2013. Upon approval by the board, the regulations will be promulgated through the Office of Administrative Law.

The following projected timeline includes a public comment period that provides any interested party the opportunity to formally submit comments. In addition, staff will continue discussions with constituent groups and employers throughout the process.

- November 2013: Initial reading and request for board authority
- November 2013: Issue Notice of Proposed Rulemaking
- Through January 2014: 45-day public comment period
- January/February 2014: Public hearing
- April 2014: Adoption of regulations by the board
- Through June 2014: Office of Administrative Law review; printing by Secretary of State
- July 1, 2014: Regulations take effect

RECOMMENDATION

Staff recommends that the board direct staff to take steps toward initiating the rulemaking process for creditable compensation regulations.

EXHIBIT 28

BEFORE THE
TEACHERS' RETIREMENT BOARD
OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues
Against:

PRECEDENTIAL DECISION
Precedential Decision No.19-02

Walnut Creek School District,

Effective: December 5, 2019

Respondent.

Case No. STRS20160011
OAH No. 2018020144

On December 5, 2019, the Appeals Committee of the Teachers' Retirement Board, acting pursuant to Government Code section 11425.60 and Section 800 D of the Teachers' Retirement Board Policy Manual on Designating Precedential Decisions, designated the entirety of *In the Matter of the Statement of Issues Against: Walnut Creek School District* as a Precedential Decision.

The attached copy of the Notice of Decision and Order is a true and correct copy thereof as adopted and designated as precedential by the Appeals Committee.

Once a decision or part of a decision has been designated as a Precedential Decision, it is binding in future administrative adjudications unless the Appeals Committee has rescinded the designation. The Precedential Decision shall be added to an index containing all of CalSTRS' Precedential Decisions and will be publicized annually in the California Regulatory Notice Registry. The designation of a decision or part of a decision, or failure to designate a decision or part of a decision, as a precedential decision is not subject to judicial review.

Dated: December 12, 2019



Reina G. Minoya
Assistant General Counsel
Office of the General Counsel
California State Teachers' Retirement System

BEFORE THE
TEACHERS' RETIREMENT BOARD
OF THE STATE OF CALIFORNIAIn the Matter of the Statement of Issues
Against:

Walnut Creek School District

Respondent.

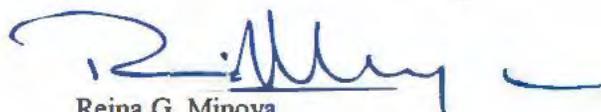
Case No. STRS20160011

OAH No. 2018020144

NOTICE OF DECISION AND ORDER

Pursuant to Government Code section 11517, subdivision (c)(2)(C), the attached proposed decision of the administrative law judge was adopted on March 29, 2019 by the Appeals Committee of the Teachers' Retirement Board of the State of California as its decision in the above-entitled matter. The Appeals Committee adopted the proposed decision with the following technical or other minor change, which do not affect the factual or legal basis of the proposed decision:

1. On page 3, paragraph 10, line 4, change "systematic" to "systemic."

Dated: April 2, 2019

Reina G. Minoya
Assistant General Counsel
Office of the General Counsel
California State Teachers' Retirement System

BEFORE THE
TEACHERS' RETIREMENT BOARD
STATE OF CALIFORNIA

CALSTRS LEGAL
FEE 1/2018
AMOUNT \$105

In the Matter of the Statement of Issues Against:

WALNUT CREEK SCHOOL DISTRICT,

Respondent.

Case No. STRS20160011
OAH No. 2018020144

PROPOSED DECISION

Administrative Law Judge Melissa G. Crowell, Office of Administrative Hearings, State of California, heard this matter on November 1, 2018, in Oakland, California.

Natalie P. Vance, Attorney at Law, Klinedinst PC, represented complainant Larry Jensen, Chief Auditor, California State Teachers' Retirement System.

Chesley D. Quaide, Attorney at Law, Atkinson, Andelson, Loya, Ruud & Romo, represented respondent Walnut Creek School District.

Evidence was received on November 1, 2018. The record was left open for the parties to submit written closing argument. Complainant's post-hearing brief was marked as Exhibit 8; respondent's post-hearing brief was marked as Exhibit R-29; complainant's post-hearing reply brief was marked as Exhibit 9; and, respondent's post-hearing reply brief was marked as Exhibit R-30. The record was closed and the matter was submitted for decision on December 20, 2018.

FACTUAL FINDINGS

1. This proceeding arises under the Teachers' Retirement Law. (Ed. Code, § 22000 et seq.) Respondent Walnut Creek School District (district) operates five elementary schools and one middle school. It is an employing agency for which creditable service is performed subject to coverage by the California State Teachers' Retirement Plan. (Ed. Code, § 22131.)

2. In March 2014, the Governing Board of the district approved a contract agreement for the 2013-2014 and 2014-2015 school years with the Walnut Creek Teachers'

Association. The contract agreement included a five percent, one-time off-salary schedule payment to certificated employees of the district based on their 2013-2014 salary. The district reports to CalSTRS through the Contra Costa County Office of Education (CCCOE). CCCOE reported the five-percent payment to CalSTRS in the employees' Defined Benefit (DB) accounts as special compensation.

3. In 2015, the Audit Division of the California State Teachers' Retirement System (CalSTRS) conducted an audit of the district for the period of July 1, 2013 through June 30, 2015.¹ The purpose of the audit was to determine if the district had complied with the Teachers' Retirement Law regarding creditable compensation reported to CalSTRS, and ultimately to protect the Teachers' Retirement Fund. In its draft and final audit reports, CalSTRS determined in Finding 2, the relevant finding to this proceeding, that the district should have reported the five-percent payment to the Defined Benefit Supplement (DBS) accounts of the sample employees.²

4. On January 25, 2018 complainant Larry Jensen issued a statement of issues in his capacity as Chief Auditor of the Audit Services Division of CalSTRS, asserting that the district had incorrectly reported the compensation to the DB program, and instead should have reported it to the DBS Program as required by Education Code section 22905, subdivision (b)(3). District filed a notice of defense, and this hearing followed.

Audit Reports

5. CalSTRS' Audit Services Division conducted an audit of membership, earnings, and other information reported by district to CalSTRS, and prepared a Draft Audit Report dated November 16, 2015. The audit was performed in accordance with standardized school district payroll audit procedures developed by CalSTRS. The conclusions contained in the Draft Audit Report were based on a comparison of district's membership and payroll reporting records and procedures, and the Teachers' Retirement Law criteria as they existed during the audit period.

6. CalSTRS sent the Draft Audit Report to the district and the impacted sample members. In the cover letter enclosing the Draft Audit Report, CalSTRS requested the district prepare a written response to the findings contained in the Draft Audit Report. After evaluating the written response, CalSTRS would then determine whether to revise or change the findings before finalizing the Draft Audit Report.

7. The District submitted its response to CalSTRS on December 15, 2015, in which it disagreed with Audit Finding 2. In reporting the one-time, off-salary schedule payment as creditable compensation toward the employees' DB accounts, the district relied

¹ The auditing authority is set forth in Education Code section 22206.

² The sample included both retired and active members. No member has appealed.

upon employer resources published by CalSTRS, as well as consultation with CCCOE and with CalSTRS, as further discussed below.

8. CalSTRS reviewed the materials submitted by district, and issued its Final Audit Report on January 12, 2016. CalSTRS maintained that the one-time off salary schedule payment should have been reported to the DBS Program pursuant to Education Code section 22905, subdivision (b)(3).

9. The audit determined that the erroneous reporting had the following impact on the Teachers' Retirement Fund:

The erroneously reported 2013-14 one-time off-schedule payments caused the annual compensation earnable for the five active members to be over reported to the DB Program, and caused each member's DBS account to be understated. Correct reporting will redirect approximately \$5,555 in contributions to the DBS accounts of the five active members.

This reporting error caused an overpayment of retirement benefits to the five sample retired members, and caused each member's DBS account to be understated. The five retired members monthly retirement allowance[s] are being overpaid by a total of approximately \$1,102. Future benefit overpayments could total approximately \$132,250 over 10 years. Correct reporting will redirect approximately \$3,801 in contributions to the DBS accounts of the five retired members.

10. CalSTRS directed the district to take corrective action regarding its reporting of the payments within 60 days. With respect to the sampled members, district was directed to "reverse out" the incorrectly reported earnings, and to work with the CCCOE to re-report these earnings directly to the DBS Program. As this was a "systematic issue," the district was directed to re-report "for all certificated employees who received this payment."

11. For the members who had retired, CalSTRS recalculated each member's monthly benefit using the correct final compensation amount, and reduced the monthly pension benefit that was being paid to the member in accordance with its audit finding. CalSTRS also began to deduct from the reduced benefit in order to collect the overpayment.

12. Staff Management Auditor Specialist Sharon Highsmith reviewed the draft audit to ensure it was accurate, and in compliance with the Teachers' Retirement Law. As explained by Highsmith, the DB account is where employers report salary, and is used to calculate a member's retirement benefit. The DBS account is where the employer reports additional income the employee has earned. At the time of retirement, the employee can take the money in the DBS account in either a lump sum or in the form of an annuity.

Because the off-salary schedule payment was made one time only, Highsmith concluded that Education Code section 22905, subdivision (b)(3), required it to be reported to the DBS program not the DB Program. Highsmith considered the materials and arguments submitted by district, but they did not alter her opinion that based on the Teachers' Retirement Law the off salary schedule payment was required to be reported to the DBS Program. The audit determination was based on Education Code section 22905, subdivision (b)(3). The audit determination was not based on regulations adopted by CalSTRS effective January 1, 2015,³ or materials published by CalSTRS for employers.

District's Evidence

13. Kevin Collins was the district's Chief Business Official from August 2011 to June 2016. Collins was involved in negotiating and developing the contract with the Walnut Creek Teachers' Association, and in determining the correct way to report the one-time payment to CalSTRS. It was important to Collins that he accurately report to the union how the one-time payment would be reported to CalSTRS. Collins also wanted to ensure district retirees did not have their pension benefit later reduced by CalSTRS because their final compensation had been erroneously calculated.

Collins had the initial "gut sense" that the payment should be reported to the DBS account, but to be sure he sought guidance from a variety of sources. The head of personnel services at CCCOE, Felicia Hill, advised him that based on her experience it should be reported to the DB account. He requested that she seek confirmation from CalSTRS. Hill corresponded with Michael Charles Higgins of the Employer Services Division of CalSTRS. Higgins advised Hill that that the one-time payment should be reported to the DB Program. Collins also consulted with an attorney for district, who gave him the same advice based on a review of the CalSTRS Employers Creditable Compensation Guide (Jan. 2006) (Guide). All the sources Collins believed he could count on – the district's attorney, CCCOE and CalSTRS - "pointed to the same answer," the DB Program.

14. Higgins testified at hearing. Higgins has been a CalSTRS employee in the Employer Services Division for 18 years. He has been an Associate Pension Program Analyst for eight to ten years.⁴

15. Higgins explained that the Guide was published by the Employer Services Division of CalSTRS as a resource for its employees as well as school district employers.

³ Effective January 1, 2015, CalSTRS adopted a series of regulations defining salary (Cal. Code Regs., tit. 5, § 27400), remuneration that is paid in addition to salary (Cal. Code Regs., tit. 5, § 27401), and compensation that is paid a limited number of times (Cal. Code Regs., tit. 5, § 27602).

⁴ Higgins is currently assigned to work on an information technology project in the division.

Section 3 of the Guide is a “Reporting Matrix Using Examples.” The Forward to the Guide contains a disclaimer with respect to the reporting examples: “The Reporting Matrix is intended to be a ready source of information but is not a legal document or substitute for the law. If differences appear between this document and the law, the law must take precedence.”

16. Higgins understood from Hill that the payment was a one-time bonus that was an off salary schedule payment. Higgins consulted the Guide, which defined an off schedule salary payment as a “one time payment made to a class of employees in lieu of increasing their base salary.” The Reporting Matrix section of the Guide contains a compensation scenario of an off salary schedule payment that is a bonus. The Guide provides that the compensation is reportable to the DB program. Based on this, Higgins advised Hill to report the compensation to the DB program.

17. Carol Lynn Hoy and Melody Lynne Wine were teachers who retired from the district in June 2015. Each of them engaged in substantial planning before making the decision to retire, including attending counseling sessions and obtaining benefit counseling estimates. In making the decision to retire, both of them relied on CalSTRS estimates, which included the five percent off salary schedule payment in the determination of their highest final compensation, and therefore the calculation of their pension benefit.

18. Hoy was “horrified” when she was notified of the audit determination that not only would her pension be reduced by \$244 per month, but she had been overpaid \$2,085.24, for which CalSTRS would deduct five percent of the monthly benefit until the overpayment was repaid in full. Wine had been overpaid approximately \$1,700, and her pension was reduced by \$213 per month. Had either of them known this would happen, they would not have retired when they did.

19. Wine and Hoy were advised on each retirement estimate they received that their monthly benefit was calculated “using assumptions and data provided by your employer, which are subject to change. It is your responsibility to ensure that the information is correct. This estimate is not binding upon you or CalSTRS and does not create any rights to benefits. If a conflict arises between the information provided by CalSTRS and the law, the law takes precedence.”

LEGAL CONCLUSIONS

1. Evidence Code section 500 provides that “[e]xcept as otherwise provided by law, a party has the burden of proof as to each fact the existence or nonexistence of which is essential to the claim for relief or defense that he is asserting.” “As in ordinary civil actions, the party asserting the affirmative at an administrative hearing has the burden of proof, including . . . the burden of persuasion by a preponderance of the evidence . . .” (*McCoy v. Bd. of Retirement* (1986) 183 Cal.App.3d 1044; Evid. Code, § 500.)

2. Education Code section 22905 governs how member and employer contributions on a member's compensation are to be credited. At all times relevant to this proceeding, Education Code section 22905 provided in relevant part:

(b) Except as provided in subdivision (f), member and employer contributions, exclusive of contributions pursuant to Section 22951, on a member's compensation under the following circumstances shall be credited to the member's Defined Benefit Supplement Account:

[¶] . . . [¶]

(3) Compensation that is paid for a limited number of times as specified by law, a collective bargaining agreement, or an employee agreement.

3. The District authorized a five percent one-time off-salary schedule payment for its teachers for the 2013-2014 school year pursuant to a collectively bargained employment contract. (Finding 2.) The payment was made on a one-time basis. Pursuant to the plain and unambiguous language of Education Code section 22905, subdivision (b)(3), the compensation was required to be reported to the DBS Program. Here, the district incorrectly reported the compensation to the DB Program, in contravention of the Teachers' Retirement Law. (Finding 8.) The reporting error impacts the Teachers' Retirement Fund. (Finding 9.) Cause therefore exists to require the district to "reverse out" the reporting and to re-report the compensation to the DBS Program.

4. District argues that the Teachers' Retirement Law was not clear in 2014 regarding how this type of compensation was to be reported. District asserts that the law did not become clear until the adoption of the 2015 regulations, in particular California Code of Regulations, title 5, section 27602, which addresses compensation that is paid a limited number of times. District argues that CalSTRS is applying this regulation to it retroactively, which is contrary to law.

The plain language of Education Code section 22905, subdivision (b)(3), provides that the one-time payment must be reported to the DBS Program. The evidence did not establish that CalSTRS applied the 2015 regulations in making its determination that district misreported the payment to the DB Program. To the contrary, the evidence establishes that in its audit, CalSTRS relied exclusively upon Education Code section 22905, subdivision (b)(3), as that section existed in 2014, to make the determination that the payment had been incorrectly reported.

5. District contends that CalSTRS should be barred by the doctrine of equitable estoppel from claiming that the 2014 one-time off-salary schedule payment must be credited to the DBS Program rather than the DB Program.

Pursuant to the doctrine of equitable estoppel, CalSTRS may be barred by its own errors from taking action against a member. In order for the doctrine to apply, the party asserting estoppel must establish the following elements: “(1) the party to be estopped must be apprised of the facts; (2) he must intend that his conduct shall be acted upon, or must so act that the party asserting the estoppel had a right to believe it was so intended; (3) the other party must be ignorant of the true facts; and (4) he must rely upon the conduct to his injury.” (*Driscoll v. City of Los Angeles* (1967) 678 Cal.2d 297, 305; accord *Crumpler v. Board of Administration* (1973) 32 Cal.App.3d 567, 581.) But even if all these elements are proven, equitable estoppel will not be applied against the government if to do so would effectively nullify a strong policy, adopted for the benefit of the public.” (*City of Long Beach v. Mansell* (1970) 3 Cal.3d 462, 493.) And in the public pension context, “no court has expressly invoked principles of equitable estoppel to contravene directly any statutory or constitutional limitations.” (*Longshore v. County of Ventura* (1979) 25 Cal.3d 14, 28; accord *City of Oakland v. Oakland Police and Fire Retirement System* (2014) 224 Cal.App. 4th 210, 243; *Chaidez v. Board of Administration* (2014) 223 Cal.App.4th 1425; see also *Medina v. Board of Retirement* (2003) 112 Cal.App.4th 864, 869.) Here, the Legislature has mandated in Education Code section 22905 that one-time off-salary schedule payments must be credited to the DBS account. The principles of equitable estoppel cannot be invoked in the manner requested by district as it would directly contravene a statutory limitation and provide for an unauthorized benefit. This is so notwithstanding the erroneous directives of CalSTRS and the harm caused to retired members by the mistaken reporting advice given to district. (*Chaidez v. Board of Administration, supra*, 223 Cal.App.4th at pp. 1431-1432 [pensioner misinformed and unaware of statute reducing his benefits because of time spent as a public official could not invoke equitable estoppel to obtain expected benefits].)

6. Citing *Welch v. California State Teachers' Retirement Bd.* (2012) 203 Cal.App.4th 1, 28, district argues that CalSTRS has the duty and obligation to correct its error in providing incorrect advice by crediting the one-time payments to the employees' DB account. Also citing *Welch*, district argues “it was an abuse of discretion for CalSTRS not to consider whether [Education Code] section 22308 applies to this case and how.” (*Welch, supra*, 203 Cal.App.3d at p. 28.) Each argument is without merit.

With respect to the latter contention, it is noted that it is in this administrative proceeding that the Board is giving consideration to whether there is cause to correct an error or omission pursuant to Education Code section 22308.

With respect to the former argument, the Board has discretion to correct certain errors or omissions made by a member or a beneficiary of the DB program. (Ed. Code, § 22308, subd. (a).) But, the Board cannot confer upon its members or beneficiary a benefit to which he or she is not entitled because of an error. (Ed. Code, § 22308, subd. (a)(2).) The Board also has the discretion to “correct all *actions* taken as a result of errors or omissions of the employer or this system,” meaning the Board can correct actions taken by CalSTRS. (Ed. Code, § 22308, subd. (c) [emphasis added].) In this case, CalSTRS awarded a higher pension benefit than allowed by law based on incorrect information provided to it by the district. CalSTRS discovered the district's reporting error during its audit, and directed that

corrections be made as authorized by Education Code section 22308, subdivision (c). Education Code section 22308, subdivision (c), does not vest the Board with the authority to otherwise "correct" what happened here in order to confer a pension benefit to which a member is not entitled. The *Welch* case does not hold to the contrary.

CALSTRS LEGAL

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AM 6:45:56

Conclusion

7. In Audit Finding 2, complainant properly determined that the district incorrectly reported the five percent one-time off salary schedule payment to the DB Program in violation of Education Code section 22905, subdivision (b)(3). The correction of this reporting error has resulted in a reduced pension benefit to retired employees of the district. The retired members are reasonably and understandably upset by their pension reduction, as they had nothing to do with the reporting error. Equally understandable is the district's consternation, as it exercised due diligence to get to the right answer for its employees, and relied on advice given to it by CalSTRS, both in their written materials and by their staff. Nevertheless, CalSTRS is required to take the steps necessary to ensure that pensions are calculated in accordance with the requirements of the Teachers' Retirement Law. The Teachers' Retirement Law was violated in the reporting of this one-time compensation. For that reason, Audit Finding 2 is sustained.

ORDER

The appeal of Walnut Creek School District from Audit Finding 2 is denied.

DATED: January 29, 2019

DocuSigned by:

Melissa G. Crowell

ACFB74A338CF4C8

MELISSA G. CROWELL
Administrative Law Judge
Office of Administrative Hearings

EXHIBIT 29

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

1 ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A Professional Law Corporation
2 Joshua E. Morrison State Bar No. 191440
JMorrison@aalrr.com
3 Jacquelyn Takeda Morenz State Bar No. 299687
JMorenz@aalrr.com
4 12800 Center Court Drive South, Suite 300
Cerritos, California 90703-9364
5 Telephone: (562) 653-3200
Fax: (562) 653-3333
6
7 Attorneys for Respondent
TUSTIN UNIFIED SCHOOL DISTRICT
8

9 **BOARD OF ADMINISTRATION**
10 **CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

12 In the Matter of the Appeal Regarding Full-
Time Payrate Reporting of
13 TUSTIN UNIFIED SCHOOL DISTRICT,
14 Respondent.
15

OAH Case No. 2020090431

Agency Case No. 2020-0436

NOTICE OF DEFENSE

Date: January 28, 2021

Time: 10:00 a.m.

Location: CalPERS Orange Regional Office

18 TO CalPERS: pursuant to Government code sections 11505 and 11506, a request for
19 hearing may be made by filing this Notice of Defense within 15 days after the Statement of Issues
20 was personally served or mailed, which occurred on September 22, 2020.

21 **NOTICE OF DEFENSE AND REQUEST FOR HEARING**

22 Respondent TUSTIN UNIFIED SCHOOL DISTRICT ("Respondent") has been served
23 with (1) Statement of Issues; and (2) Notice of Hearing. Respondent notes that CalPERS did not
24 include the Notice of Defense form as required by Government Code section 11505.

25 Pursuant to Government Code section 11506, subsection (c), by filing this Notice of
26 Defense within 15 days after service of the Statement of Issues, Respondent is entitled to a hearing
27 on the merits and the Notice of Defense shall be deemed a specific denial of all parts of the
28 accusation not expressly admitted. The undersigned is a representative of Respondent authorized

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

1 to act on its behalf.

2 Respondent TUSTIN UNIFIED SCHOOL DISTRICT sets forth the following objections
3 and affirmative defenses:

4 1. Pursuant to Government Code section 11506(a)(2), Respondent objects to the
5 Statement of Issues on the ground that it does not state acts or omissions upon which the agency
6 may proceed.

7 2. Pursuant to Government Code section 11506(a)(5), Respondent presents, by way of
8 defense, the information contained in the letter addressed to CalPERS dated December 10, 2019, a
9 true and correct copy of which is attached hereto as "Notice of Defense – Exhibit A."

10 3. Pursuant to Government Code section 11506(a)(6), Respondent objects to the
11 Statement of Issues on the ground that, under the circumstances, compliance with CalPERS's
12 interpretation of the term payrate and the requirement that payrate be based on the amount listed
13 on a publicly available pay schedule would require Respondent to materially violate its duty to
14 bargain payrates with the exclusive representatives of its employees pursuant to the Educational
15 Employment Relations Act.

16 4. As its First Affirmative Defense, Respondent alleges that CalPERS has not
17 provided any legal authority by way of a statute or regulation that requires employers of CalPERS
18 members to use the 173.33-hour divisor to convert monthly payrates into hourly payrates.

19 Respondent's mailing address, as required by Government Code section 11506(d) and for
20 purposes of identification and communication with CalPERS and its counsel is: Anthony Soria,
21 Chief Financial Officer, Tustin Unified School District, 300 South C Street, Tustin, CA 92780.

22 Respondent has retained the law firm of Atkinson, Andelson, Loya, Ruud and Romo for
23 this matter.

24 ATKINSON, ANDELSON, LOYA, RUUD & ROMO

25 Dated: September 30, 2020

26 B /: 
27 Joshua E. Morrison
28 Jacquelyn Takeda Morenz
Attorneys for Respondent
TUSTIN UNIFIED SCHOOL DISTRICT

NOTICE OF DEFENSE – EXHIBIT A

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

FRESNO
(559) 225-6700IRVINE
(949) 453-4260MARIN
(628) 234-6200PASADENA
(626) 583-8600A PROFESSIONAL LAW CORPORATION
ATTORNEYS AT LAW12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
(562) 653-3200 • (714) 826-5480FAX (562) 653-3333
WWW.AALRR.COMPLEASANTON
(925) 227-9200RIVERSIDE
(951) 683-1122SACRAMENTO
(916) 923-1200SAN DIEGO
(619) 485-9526OUR FILE NUMBER:
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25744435.1

December 10, 2019

*VIA EMAIL AND FIRST CLASS MAIL*Matthew Jacobs, General Counsel
California Public Employees' Retirement System
Legal Office
P.O. Box 942707
Sacramento, CA 94229-2707Re: **Tustin Unified School District – 2018 Payrate Increases Review**
CalPERS ID: [REDACTED] / Joh Number: 3P17-008

Dear Mr. Jacobs:

Our firm is legal counsel to the Tustin Unified School District ("District"). The purpose of this correspondence is to request that your office review — and reconsider -- the legal basis underlying Exception 4 in CalPERS's 2018 Payrate Increases Review of the District ("the Audit"), which pertains to calculation of hourly payrates.

As explained below, Exception 4 reflects the determination of CalPERS auditors that the District is bound to use a particular formula (monthly payrate divided by 173.33) when calculating hourly payrates for District employees in the CalPERS system, despite the fact this formula is not grounded in any statute or regulation.

The District is interested in resolving this matter without the need for a formal appeal, and believes your office may be able to assist in clarifying the legal issues presented by this matter in a way that may save all parties significant time and expense. We thank you in advance for your consideration of this letter and your anticipated response.

BACKGROUND

The District was among 64 public employers subject to the Audit. The CalPERS Office of Audit Services issued its Final Audit Report on December 6, 2018. (Relevant excerpts of the Final Audit Report are enclosed for your reference.) The Final Audit Report identifies six "exceptions" which apply to the District. Only Exception 4 remains unresolved. The District has obtained an extension of time, through December 31, 2019, to respond to Exception 4.

The District has a longstanding practice of adopting hourly and monthly salary schedules for classified employees. At all times relevant to this matter, the District's publicly available salary

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Matthew Jacobs, General Counsel
December 10, 2019
Page 2

schedules have clearly identified the applicable monthly and hourly payrates, and the District has paid its employees (and submitted contributions to CalPERS) on the basis of those payrates.

At issue in the Audit is the District's method of calculating hourly payrates. At all times relevant to this matter, the District's hourly payrates have been converted from the monthly payrates using a 21-day/month average (i.e. the monthly payrate is divided by 168, which represents the number of work hours in 21 days).

In Exception 4, CalPERS auditors determined that the District must instead calculate hourly payrates using 173.333 as a divisor, using the following formula:

$$52 \text{ weeks} * 40 \text{ hours/week} = 260 \text{ days/year}$$

$$260 \text{ days}/12 \text{ months per year} = 21.667 \text{ average days/month}$$

$$260 * 8 \text{ hours/day} = 2,080 \text{ hours/year}$$

$$2,080 \text{ hours}/12 \text{ months} = 173.33 \text{ average hours/month}$$

Because the District did not apply this precise formula when calculating the applicable hourly rate, CalPERS determined the District's monthly payrates were too low. As a result, CalPERS is presently insisting — in Exception 4 — that the District must adjust its monthly payrates upward (retroactive to 2012) to reflect an amount higher than was ever stated in the applicable monthly salary schedule.¹

In the alternative, CalPERS auditors have informally advised District personnel that they may resolve Exception 4 by reporting to CalPERS the amounts calculated using CalPERS's formula, even if those amounts are different from the amounts actually paid to employees. The auditors have suggested that in order to meet the requirements of Title 2, section 570.5 of the California Code of Regulations, the District could retroactively amend its salary schedules to contain two different payrates per classification: (1) the actual rate paid to employees based on the District's 21-day/month calculation, and (2) a higher rate reflecting the amount the employees would have

¹ Exception 4 states, in part: "The Agency did not correctly report full-time payrates for a sampled classified employee who retired in January 2015. Specifically, the reported payrates were not based on a 40-hour workweek for all months of a year as required by Government Code section 20636.1. For example, the Agency reported a monthly payrate of \$4,022 for the employee in the pay period ended August 31, 2012; however, the reported monthly payrate should have been \$3,915.60. The payrates reported for the retired sampled employee reflected a workweek of less than 40 hours and the payrates were not based on all 12 months of the year. The incorrect reporting resulted in decreases to the employees reported payrates that were not in compliance with Government Code section 20636.1." The \$4,022 monthly payrate includes \$213 of longevity pay, as identified in Exception 2 of the Final Audit Report. After subtracting the longevity pay, the District reported a monthly payrate of \$3,809.00 for the sampled retiree, which is consistent with the amount published on the salary schedule.

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Matthew Jacobs, General Counsel
December 10, 2019
Page 3

earned had the District applied CalPERS's preferred calculation method (which would then be reported to CalPERS).

LEGAL ARGUMENT

For the reasons explained below, the position taken by CalPERS auditors in this matter is not supported by any legal authority, as CalPERS lacks any basis in law to dictate a precise relationship between monthly and hourly payrates. Moreover, none of the options proposed by CalPERS auditors to resolve Exception 4 are viable, as they are neither compelled by logic nor consistent with existing law.

1. **There Is No Legal Authority Requiring the District to Use CalPERS's Proprietary Calculation Method.**

CalPERS auditors' insistence on the use of a particular method when calculating the hourly rate of pay is not codified in any statute or required by any regulation. In fact, the only reference to the 173.333-hour average in the Public Employees' Retirement Law ("PERL") is in a section that applies to retirees who return to service and are placed in interim appointments, which is not the case here. (Gov. Code, § 21221(h).) There is no other provision in the PERL or its implementing regulations that requires agencies who have contracted with CalPERS to calculate an hourly payrate using the calculation method identified by CalPERS auditors.

Nor is CalPERS's preferred calculation method the only reasonable means of calculating hourly payrates. Indeed, it is less precise than other alternatives. CalPERS's calculation method is not based on the actual number of days in a given year, but, instead, is based on an assumed 364-day year, which is plainly at odds with the actual calendar. Specifically, the CalPERS calculation method arrives at a 21.667-day average by assuming there are exactly 52 weeks (i.e. 364 days) in each year. However, this number is plainly imprecise, as there are actually 52.1429 weeks in a non-leap year, and 52.2857 weeks in a leap year.

In fact, there are numerous alternative methods of calculating an hourly payrate, including the following:

21.00-day average:

Work days in each month vary between 20-23 days. The average is 21.5 days, which rounds down to 21.

21.75-day average:

365 days/year – 104 weekend days/year = 261 work days/year.
261 work days/12 months = 21.75 days/month

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Matthew Jacobs, General Counsel
December 10, 2019
Page 4

22.00-day average:

Work days in each month vary between 20-23 days. The average is 21.5 days, which rounds up to 22.

Actual day-average:

Hourly employees could be paid by dividing the monthly rate by the actual number of days in each month. However, this would result in an inconsistent rate of pay for each month.

There is nothing in statute or regulation, moreover, which enshrines the 364-day year as a basis — let alone the sole permissible basis — for calculating hourly payrates. Presumably for this reason, we are advised by the Orange County Department of Education that they do not agree with CalPERS's position in this matter. We are further informed and believe that numerous other public employers calculating hourly payrates using divisors other than 173.333.

2. CalPERS Does Not Have Authority to Dictate the Amount the District Compensates Its Employees.

Through the Audit, CalPERS is insisting the District retroactively increase monthly payrates. While CalPERS may require that the District correctly report the compensation amounts actually paid to its employees in accordance with the PERL and its implementing regulations, CalPERS has no legal authority to dictate the amount the District pays its employees, let alone to mandate a retroactive increase in monthly payrates.

Rather, the amount employees are paid is governed by the publicly available salary schedule, which, with respect to represented employees (e.g. members of the CSEA bargaining unit) reflects the outcome of a collective bargaining process. (see Gov. Code, § 3543.2(a)(1).) In this case, the District paid its employees — and reported compensation to CalPERS — based on the exact payrates specified in its monthly and hourly pay schedules.

The informal proposal by CalPERS auditors that the District retroactively amend its salary schedules to reflect two different payrates per classification, including a rate that is different than the amount actually paid to employees, is not a viable option. The District is required to negotiate with the exclusive representative of its employees— pursuant to the Educational Employment Relations Act (“EERA”) — prior to adoption of a salary schedule. (Gov. Code, § 3543.2(a)(1).) The proposal by auditors that the District unilaterally amend salary schedules in this manner would violate the District's obligations under the EERA.

Furthermore, the auditors' proposal runs afoul CalPERS's own regulations, which define “compensation earnable” as the “payrate” amount listed on a publicly available pay schedule. (Cal. Code Regs., tit. 2, § 570.5.) Neither the PERL nor CalPERS's regulations authorize the District to adopt a salary schedule that reflects amounts other than what is actually paid to its

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Matthew Jacobs, General Counsel
December 10, 2019
Page 5

employees. The definition of "payrate" includes "the normal monthly rate of pay or base pay of the member *paid in cash* to similarly situated members of the same group or class..." Thus, the auditors' proposal that the District adopt an erroneous salary schedule and report erroneous amounts to CalPERS is inconsistent with the law.

REQUEST FOR CLARIFICATION

Despite multiple requests from the District, CalPERS auditors have identified no basis — aside from mere preference — to compel the District to maintain monthly payrates which are divisible by 173.33 to obtain an hourly payrate. Because there is no basis in law to compel the District to use this particular calculation method, we request your assistance in resolving this matter (i.e. by removing Exception 4 from the Audit) without need for a formal appeal.

Thank you for your consideration of this request. As a reminder, the District's current deadline to respond to CalPERS auditors regarding Exception 4 is December 31, 2019, though we have requested a brief additional extension. In the event the extension request is not approved, we would very much appreciate a response by December 18, 2019.

Sincerely,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Joshua E. Morrison

JEM/jlt:jkc

Enclosure: Excerpts from December 2018 Payrate Increase Review

Payrate Increases Review

CalPERS Office of Audit Services Public Agency Review

Job Number: P17-003

December 2018

Table of Contents

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Agency Reports.....	Appendix A

Table 1
Summary of individual Agency Exceptions – Listed in Order by OFAS Job Number

#	Agency	Pay Schedule Exception Type	Payrate Exception Type	Appendix Page Number
1	Oakland Unified School District	Time Base Approval Effective Date Revision Date Position Title	Additional Compensation Payrate Increase Excessive Payrate Payrate Adjustments Non-Reportable Payrate Pay Schedule	A-1
2	Alameda City Unified School District	Time Base	Additional Compensation Excessive Payrate Payrate Adjustments Full-Time Payrate	A-7
3	County School Service-Contra Costa County Schools	Approval	Payrate Increase Payrate Adjustments Full-Time Payrate	A-11
4	Fresno Unified School District	Time Base	Additional Compensation Excessive Payrate Full-Time Payrate	A-15
5	Panama-Buena Vista Union Elementary School District	Time Base Approval Document	Additional Compensation Payrate Adjustments Full-Time Payrate Incorrect Payrate Non Reportable Payrate	A-19
6	Montebello Unified School District	None	None	A-23
7	Monterey County Schools	Time Base Approval Incorrect Payrate	Additional Compensation Full-Time Payrate	A-25
8	Tustin Unified School District	Time Base Approval	Additional Compensation Excessive Payrate Payrate Adjustments Full-Time Payrate Non Reportable Payrate	A-29
9	Santee Elementary School District	None	Additional Compensation Excessive Payrate Payrate Adjustments	A-33
10	Lompoc Unified School District	Time Base Approval Revision Date	Additional Compensation Excessive Payrate Payrate Adjustments Full-Time Payrate Reduced Payrate Non Reportable Payrate	A-37
11	Rincon Valley Union Elementary School District	Time Base Approval Revision Date	Additional Compensation Pay Schedule	A-43
12	Oak Park Unified School District	Time Base	Payrate Increase Excessive Payrate Full-Time Payrate Pay Schedule	A-47

TUSTIN UNIFIED SCHOOL DISTRICT

Objective and Scope			
CalPERS ID	Job Number	Contract Date	Classification
[REDACTED]	3P17-008	March 1, 1949	Miscellaneous

The objective of our review was to determine whether increases to member payrates were granted to members and reported to CalPERS in compliance with the Public Employees' Retirement Law (PERL). Reporting active member payrates correctly is a necessary precursor to correctly calculating member benefits at retirement. Specifically, incorrect reporting could cause the following: miscalculation of a member's service credit, miscalculation of a member's retirement allowance, delays in processing a member's retirement benefits, inaccurate retirement estimates, incorrect payment of benefits, and hardship to retired members due to a reduction in benefits.

Payrates must be reported to CalPERS in accordance with Government Code sections 20636, 20636.1, 7522.34(a) and corresponding sections of the California Code of Regulations (CCR) section 570.5. Specifically, payrate is deemed as the normal monthly rate of pay or base pay of the member paid pursuant to a publicly available pay schedule for services rendered on a full-time basis during normal working hours. The publicly available pay schedules must meet criteria listed in CCR section 570.5. Payrates cannot include additional compensation such as special compensation, must be correctly calculated, must be accurately reported for the period earned, and cannot be granted or awarded to a member in connection with or anticipation of separation from employment.

The review was limited to the examination of a sample of active and/or retired employee records for the period July 1, 2012 to June 30, 2017. Unless otherwise specified, the Office of Audit Services (OFAS) did not review the Agency's compliance with the PERL with regard to any areas outside the scope described herein, including, but not limited to, reported earnings, special compensation, payroll information, member contributions, membership enrollment, or employment after retirement.

Results in Brief

#	Area	Exception	Observation
1	Pay Schedule	Approval / Time Base	The Agency did not maintain pay schedules in compliance with the Government Code and CCR. Specifically, the pay schedule in effect July 1, 2016 for Certificated Represented Employees did not include the time base for annual payrates. In addition, the pay schedule entitled "Classified Non-Bargaining Salary Schedule" in effect for Fiscal Years 2012-13, 2013-14 and 2015-16 did not include the time base for hourly payrates and were not duly approved and adopted by the Agency's governing body as required by CCR section 570.5.

TUSTIN UNIFIED SCHOOL DISTRICT

	Area	Exception	Observation
2	Payrates	Additional Compensation	The Agency reported payrates that included additional compensation for three sampled employees, two active and one who retired in January 2015. Specifically, one of the active employees and the retired employee had longevity pay added to their base payrate. The amounts ranged from \$.43 to \$.60 per hour for the active employee and \$207.00 to \$274.00 per month for the retired employee. The other active employee had a Masters Stipend added to their base payrate. The amounts ranged from \$222.20 to \$228.90 per month. The incorrect reporting resulted in an increase to the employees reported payrates that were not in compliance with Government Code section 20636.1.
3	Payrates	Excessive Payrate	The Agency reported excessive monthly payrates for a sampled active certificated employee. Specifically, the Agency added additional compensation for a Master's Stipend and also divided the annual salary by 10 months instead of 11 months. The base annual salary for the employee's position during the 2015-16 school year was \$85,948 and the employee worked 11 months during the year. The Agency reported a monthly base salary of \$8,594.80; however, the correct monthly payrate to report was \$7,813.45. The incorrect reported resulted in an increase to payrates reported that were not in compliance with Government Code section 20636.1. Government Code section 20630 states when compensation is reported to the board, the employer shall identify the pay period in which the compensation was earned regardless of when it is reported or paid.
4	Payrates	Full-Time Payrates	The Agency did not correctly report full-time payrates for a sampled classified employee who retired in January 2015. Specifically, the reported payrates were not based on a 40-hour workweek for all months of a year as required by Government Code section 20636.1. For example, the Agency reported a monthly payrate of \$4,022 for the employee in the pay period ended August 31, 2012; however, the reported monthly payrate should have been \$3,915.60. The payrates reported for the retired sampled employee reflected a workweek of less than 40 hours and the payrates were not based on all 12 months of the year. The incorrect reporting resulted in decreases to the employees reported payrates that were not in compliance with Government Code section 20636.1.

TUSTIN UNIFIED SCHOOL DISTRICT

	Area	Exception	Observation
5	Payrates	Non-Reportable Payrate	The Agency reported a payrate that was not reportable for the active certificated employee noted in Observation 3. Specifically, the Agency reported an hourly payrate of \$25.40 for time the employee spent attending a three-day planning and personal development workshop in July 2015. The payrate reported was not the normal rate of pay or base pay of the member and the payrate was not listed in the Agency's publicly available pay schedule as defined in Government Code section 20636.1.
6	Payrates	Payrate Adjustments	The Agency did not report a retroactive salary adjustment covering all months worked by an active employee. Specifically, the employee received a three percent salary increase in March 2017 retroactive to July 1, 2016. The Agency reported a retroactive salary adjustment back to September 1, 2016; however, the employee began working during the school year in August 2016. The incorrect reporting resulted in payrates reported that were not in compliance with Government Code section 20636.1. Government Code section 20630 states when compensation is reported to the board, the employer shall identify the pay period in which the compensation was earned regardless of when it is reported or paid.

Criteria

Under Government Code sections 20636, 20636.1 and 7522.34(a), payrate is deemed as the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal work hours, pursuant to a publicly available pay schedule.

Per CCR Section 570.5, a pay schedule, among other things, must:

- Be duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- Identify the position title for every employee position;
- Show the payrate as a single amount or multiple amounts within a range for each identified position;
- Indicate the time base such as hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- Indicate an effective date and date of any revisions;
- Be retained by the employer and available for public inspection for not less than five years; and
- Not reference another document in lieu of disclosing the payrate.

TUSTIN UNIFIED SCHOOL DISTRICT**Recommendation**

The Agency should ensure reported payrates are granted and reported to CalPERS in compliance with the PERL. The Agency should work with the CalPERS Employer Account Management Division to identify and make adjustments, if necessary, to any impacted active and retired member accounts pursuant to Government Code Section 20160.

Government Codes: § 20120, § 20121, § 20122, § 20160

Conclusion

OFAS limited this review to the areas specified in the objective and scope section of this report. Sample testing procedures provide reasonable, but not absolute, assurance that the Agency complied with the specific provisions of the PERL and CalPERS contract that were subject to this review. The results outlined in this report are based on information made available or otherwise obtained at the time this report was prepared. This report does not constitute a final determination with regard to the results noted within the report. The appropriate CalPERS divisions will notify the Agency of the final determinations and provide appeal rights, if applicable, at that time.

Summarized Response

The Agency partially disagreed with Observation 1, disagreed with Observation 4, and provided additional information. OFAS reviewed the information and revised Observation 4.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and am not a party to the within action; my business address is 12800 Center Court Drive South, Suite 300, Cerritos, California 90703-9364.

On September 30, 2020, I served the following document(s) described as **NOTICE OF DEFENSE re Agency Case No. 2020-0436 / OAH Case No. 2020090431** on the interested parties in this action as follows:

<i>(Original - Via Overnight Mail):</i>	<i>(Copy - Via OAH Secure e-File)</i>
Matthew G. Jacobs, General Counsel Austa Wakily, Senior Attorney California Public Employees' Retirement System Lincoln Plaza North 400 "Q" Street, Suite 3340 Sacramento, CA 95811 T (916) 795-3675 / F (916) 795-3659	Office of Administrative Hearings Los Angeles Regional Office 320 West Fourth Street, Suite 630 Los Angeles, CA 90013

- BY OVERNIGHT COURIER:** I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed it to the parties shown herein. I placed the envelope or package at my place of employment in accordance with regular business practices for collection and overnight delivery.
- BY ELECTRONIC FILING:** My electronic service address is JCurtiss@aalrr.com. I caused such documents to be e-Filed via OAH SECURE e-FILE.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 30, 2020, at Cerritos, California.

/s/ Jeannie K. Curtiss
Jeannie K. Curtiss

**IN THE MATTER OF THE APPEAL REGARDING FULL-TIME PAYRATE REPORTING
OF TUSTIN UNIFIED SCHOOL DISTRICT**

Tustin Unified School District's Exhibits

	DATE	DESCRIPTION	Marked	Admitted
1.	12/6/2018	CalPERS Payrate Increases Review		
2.	8/6/2018	District's Draft Audit Response (PERS 032-40)		
3.	4/22/2019	Email from Samuel Camacho regarding Observation 4 and recommended resolution options (PERS 050-51)		
4.	12/10/2019	Letter from AALRR to Matthew Jacobs, CalPERS General Counsel (PERS 073)		
5.	12/18/2019	Letter from Brad Hanson in response to AALRR letter (PERS 052-55)		
6.	2/19/2020	District's Notice of Appeal and exhibits (PERS 056-94) Exhibit A-excerpts from payrate review Exhibit B-approval of extension to respond to audit Exhibit C- December 10, 2019 AALRR's initial letter to CalPERS General Counsel Exhibit D-letter from Brad Hanson in response to AALRR letter Exhibit E – appeal extension		
7.		2012-13 SY – 2018-2019 SY classified salary schedules (TUSD 1249-1270)		
8.		Alane Pellereti pay assignment information (TUSD 1422-1425)		
9.	June 1999	CASBO Payroll Concepts (TUSD 1418-1419)		
10.	2006	CASBO Payroll Concepts (TUSD 1273-1417)		
11.	4/30/2019	Email from Praveen Chaudhri regarding District Days/Hours per Month (TUSD 1420-1421)		

	DATE	DESCRIPTION	Marked	Admitted
12.	8/8/2007	OCDE Letter to Tustin (TUSD 1272)		
13.	1/2020	What you need to know about CalPERS School Benefits (PERS 134-169)		
14.	6/2021	Public Agency & Schools Reference Guide (PERS 170, 283-285)		
15.		CA Government Code Sections (current)		
16.		CA Government Code Sections (effective 2012/13)		
17.		CA Government Code Sections (effective prior to 2009)		
18.		California Code of Regulations, Title 2, Sections (current)		
19.		California Code of Regulations, Title 2, Sections (effective 2012/13)		
20.		California Code of Regulations, Title 2, Section (effective 1990)		
21.	9/30/2020	District's discovery request to CalPERS		
22.	5/10/2021	CalPERS discovery response		
23.	6/2/2021	AALRR meet and confer letter		
24.	7/21/2021	CalPERS supplemental discovery response		
25.		Annual Calendars		
26.	5/8/2019	Email correspondence Kevin Lau		
27.	9/11/2013	CalSTRS meeting notes re creditable compensation regulations		
28.	12/5/2019	CalSTRS Decision No. 19-02		
29.	9/30/2020	District's Notice of Defense		

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A PROFESSIONAL LAW CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

1 ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A Professional Corporation
2 Joshua E. Morrison State Bar No. 191440
jmorriso@aalrr.com
3 Jacquelyn Takeda Morenz State Bar No. 299687
jmorenz@aalrr.com
4 12800 Center Court Drive South, Suite 300
Cerritos, CA 93641
5 Telephone 562-653-3200
Fax: 562-653-3333

6 Attorneys for TUSTIN UNIFIED SCHOOL DISTRICT

7
8 BEFORE THE OFFICE OF ADMINISTRATIVE HEARINGS
9 CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
10 STATE OF CALIFORNIA

11 In the Matter of the Appeal Regarding
Full-Time Payrate Reporting of:
12 TUSTIN UNIFIED SCHOOL
13 DISTRICT,
14
15 Respondent.

Case No. 2020090431

**TUSTIN UNIFIED SCHOOL
DISTRICT'S REQUEST FOR
OFFICIAL NOTICE**

16
17 Pursuant to Government Code section 11515 and Evidence Code section 451, the TUSTIN
18 UNIFIED SCHOOL DISTRICT (hereinafter referred to as "District") respectfully requests that
19 this OFFICE OF ADMINISTRATIVE HEARING take official notice of the following documents,
20 true and correct copies of which are attached hereto:

- 21 1) Former California Government Code section 20636.1 (effective January 1,
22 2001 to December 31, 2009)
- 23 2) Former California Government Code section 20636.1 (effective January 1,
24 2012 to December 31, 2013)
- 25 3) Former California Government Code section 20962 (effective January 1,
26 1996, December 31, 2000)
- 27 4) Former California Government Code section 20962 (effective January 1,
28

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL LAW CORPORATION
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- 1 2001 to December 31, 2009)
- 2 5) Former California Government Code section 20966 (effective January 1,
- 3 1996 to December 31, 2000)
- 4 6) Former California Government Code section 21221 (effective January 1,
- 5 1998 to December 31, 2005)
- 6 7) Former California Government Code section 21221 (effective June 27,
- 7 2012 to December 31, 2012)
- 8 8) Former California Government Code section 3543.2 (effective January 1,
- 9 1999 to December 31, 2014)
- 10 9) Former California Code of Regulation, Title 2, section 171.1 (effective
- 11 August 2, 1990 to June 30, 2017)

12 Pursuant to Government Code section 11515 and Evidence Code section 452, the District
13 respectfully requests that this OFFICE OF ADMINISTRATIVE HEARING take official notice of
14 the following documents, true and correct copies of which are attached hereto.

- 15 10) In the Matter of Statement of Issues Against Walnut Creek School District,
- 16 Precedential Decision No. 19-02
- 17 11) CalSTRS September 11, 2013 Regular Board Meeting Minutes, Item No. 9
- 18 (Creditable Compensation Regulations)

20 Dated: September 1, 2021

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

21 By: 
22 Joshua H. Morrison
23 Jacquelyn Takeda Morenz
24 Attorneys for TUSTIN UNIFIED SCHOOL
25 DISTRICT

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 7. Compensation (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20636.1

§ 20636.1. Definitions; compensation earnable, payrate, certificated and noncertificated members, special compensation, group or class of employment, and final settlement pay; payrate and other compensation documents as public records

Effective: January 1, 2001 to December 31, 2009

(a) Notwithstanding Section 20636, and Section 45102 of the Education Code, “compensation earnable” by a school member means the payrate and special compensation of the member, as defined by subdivisions (b) and (c), and as limited by Section 21752.5.

(b)(1) “Payrate” means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. For noncertificated members, where the normal work schedule is less than 40 hours per week, payments for additional services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed. “Payrate,” for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(A) For the purposes of this section, “noncertificated members” shall mean members who retain membership under this system while employed with a school employer in positions not subject to coverage under the Defined Benefit Program under the State Teacher's Retirement System.

(B) For the purposes of this section, and Sections 20962 and 20966, “certificated members” shall mean members who retain membership under this system while employed in positions subject to coverage under the Defined Benefit Program under the State Teacher's Retirement System.

(2) The computation for any leave without pay of a member shall be based on the compensation earnable by him or her at the beginning of the absence.

(3) The computation for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in state service.

(c)(1) Special compensation of a school member includes any payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall identify the pay period in which the special compensation was earned.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, provided that the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of any service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, shall not be special compensation unless regulations promulgated by the board specifically determine that value to be "special compensation."

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes "special compensation" as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 et seq. of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Any other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e)(1) As used in this part, "group or class of employment" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work related grouping. Under no circumstances shall one employee be considered a group or class.

B432

(2) Increases in compensation earnable granted to any employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, "final settlement pay" means any pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

Credits

(Added by Stats.2000, c. 1030 (A.B.2177), § 3.)

West's Ann. Cal. Gov. Code § 20636.1, CA GOVT § 20636.1

Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

B432

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 7. Compensation (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20636.1

§ 20636.1. Definitions; payrate and other compensation documents as public records

Effective: January 1, 2012 to December 31, 2013

(a) Notwithstanding Section 20636, and Section 45102 of the Education Code, "compensation earnable" by a school member means the payrate and special compensation of the member, as defined by subdivisions (b) and (c), and as limited by Section 21752.5.

(b)(1) "Payrate" means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours. For purposes of this part, for classified members, full-time employment is 40 hours per week, and payments for services rendered, not to exceed 40 hours per week, shall be reported as compensation earnable for all months of the year in which work is performed. "Payrate," for a member who is not in a group or class, means the monthly rate of pay or base pay of the member, paid in cash and pursuant to publicly available pay schedules, for services rendered on a full-time basis during normal working hours, subject to the limitations of paragraph (2) of subdivision (e).

(A) "Payrate" shall include an amount deducted from a member's salary for any of the following:

(i) Participation in a deferred compensation plan.

(ii) Payment for participation in a retirement plan that meets the requirements of Section 401(k) or 403(b) of Title 26 of the United States Code.

(iii) Payment into a money purchase pension plan and trust that meets the requirements of Section 401(a) of Title 26 of the United States Code.

(iv) Participation in a flexible benefits program.

(B) For the purposes of this section, "classified members" shall mean members who retain membership under this system while employed with a school employer in positions not subject to coverage under the Defined Benefit Program under the State Teachers' Retirement System.

(C) For the purposes of this section, and Sections 20962 and 20966, "certificated members" shall mean members who retain membership under this system while employed in positions subject to coverage under the Defined Benefit Program under the State Teachers' Retirement System.

(2) The computation for any leave without pay of a member shall be based on the compensation earnable by him or her at the beginning of the absence.

(3) The computation for time prior to entering state service shall be based on the compensation earnable by him or her in the position first held by him or her in state service.

(c)(1) Special compensation of a school member includes any payment received for special skills, knowledge, abilities, work assignment, workdays or hours, or other work conditions.

(2) Special compensation shall be limited to that which is received by a member pursuant to a labor policy or agreement or as otherwise required by state or federal law, to similarly situated members of a group or class of employment that is in addition to payrate. If an individual is not part of a group or class, special compensation shall be limited to that which the board determines is received by similarly situated members in the closest related group or class that is in addition to payrate, subject to the limitations of paragraph (2) of subdivision (e).

(3) Special compensation shall be for services rendered during normal working hours and, when reported to the board, the employer shall identify the pay period in which the special compensation was earned.

(4) Special compensation may include the full monetary value of normal contributions paid to the board by the employer, on behalf of the member and pursuant to Section 20691, provided that the employer's labor policy or agreement specifically provides for the inclusion of the normal contribution payment in compensation earnable.

(5) The monetary value of any service or noncash advantage furnished by the employer to the member, except as expressly and specifically provided in this part, shall not be special compensation unless regulations promulgated by the board specifically determine that value to be "special compensation."

(6) The board shall promulgate regulations that delineate more specifically and exclusively what constitutes "special compensation" as used in this section. A uniform allowance, the monetary value of employer-provided uniforms, holiday pay, and premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 et seq. of Title 29 of the United States Code shall be included as special compensation and appropriately defined in those regulations.

(7) Special compensation does not include any of the following:

(A) Final settlement pay.

(B) Payments made for additional services rendered outside of normal working hours, whether paid in lump sum or otherwise.

(C) Any other payments the board has not affirmatively determined to be special compensation.

(d) Notwithstanding any other provision of law, payrate and special compensation schedules, ordinances, or similar documents shall be public records available for public scrutiny.

(e)(1) As used in this part, "group or class of employment" means a number of employees considered together because they share similarities in job duties, work location, collective bargaining unit, or other logical work-related grouping. Under no circumstances shall one employee be considered a group or class.

(2) Increases in compensation earnable granted to any employee who is not in a group or class shall be limited during the final compensation period applicable to the employees, as well as the two years immediately preceding the final compensation period, to the average increase in compensation earnable during the same period reported by the employer for all employees who are in the same membership classification, except as may otherwise be determined pursuant to regulations adopted by the board that establish reasonable standards for granting exceptions.

(f) As used in this part, "final settlement pay" means any pay or cash conversions of employee benefits that are in excess of compensation earnable, that are granted or awarded to a member in connection with or in anticipation of a separation from employment. The board shall promulgate regulations that delineate more specifically what constitutes final settlement pay.

Credits

(Added by Stats.2000, c. 1030 (A.B.2177), § 3. Amended by Stats.2009, c. 130 (A.B.966), § 22; Stats.2011, c. 440 (A.B.1028), § 2.)

West's Ann. Cal. Gov. Code § 20636.1, CA GOVT § 20636.1
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20962

§ 20962. Year of service credit

Effective: [See Text Amendments] to December 31, 2000

One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

- (a) One academic year of service for persons employed on an academic year basis, under terms and conditions prescribed by the board.
- (b) Ten months of service for persons employed on a monthly basis.
- (c) Two hundred fifteen days of service after June 30, 1951, and 250 days prior to July 1, 1951, for persons employed on a daily basis.
- (d) One thousand seven hundred twenty hours of service after June 30, 1951, and 2,000 hours prior to July 1, 1951, for persons employed on an hourly basis.
- (e) Nine months of service for state employees represented by State Bargaining Unit 3 and subject to the 9-12 pay plan or leave plan, provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision. A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2.)

West's Ann. Cal. Gov. Code § 20962, CA GOVT § 20962
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20962

§ 20962. Year of service credit

Effective: January 1, 2001 to December 31, 2009

One year of service credit shall be granted for service rendered and compensated in a fiscal year in full-time employment for any of the following:

- (a) One academic year of service for persons employed on an academic year basis by the university of California for school employees who are certificated members under terms and conditions prescribed by the board of education
- (b) Ten months of service for persons employed on a monthly basis
- (c) Two hundred fifteen days of service after June 95 and 155 days prior to July 21 for persons employed on a daily basis
- (d) One thousand seven hundred twenty hours of service after June 95 and 1,720 hours prior to July 21 for persons employed on an hourly basis
- (e) Nine months of service for state employees represented by a bargaining unit and subject to the N-2B pay plan or leave plan provided a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this subdivision. A fractional year of credit shall be given for service rendered in a fiscal year in full-time employment for less than the time prescribed in this section.

Credits

Added by Stats 394 (Jan 3, 2002) amended by Stats 555 (July 3, 2004)

West's Annotated California Government Code, § 20962, as amended by current with urgency legislation through Stats of 2009, Reg. 3

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 11. Service Credit (Refs & Annos)
Article 3. Computation of Service Credit (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 20966

§ 20966. Part-time service; calculation of retirement allowances

Effective: [See Text Amendments] to December 31, 2000

For the purpose of calculating retirement allowances, credit for service rendered on a part-time basis in each fiscal year shall be based on the ratio that the service rendered bears:

- (a) To one academic year if rendered on an academic year basis.
- (b) To 10 months if rendered on a monthly basis.
- (c) To 215 days if the service was rendered after June 30, 1951, or to 250 days if the service was rendered prior to July 1, 1951, for services rendered on a daily basis.
- (d) To 1,720 hours if the service was rendered after June 30, 1951, or to 2,000 hours if the service was rendered prior to July 1, 1951, for service rendered on an hourly basis.

Credits

(Added by Stats.1995, c. 379 (S.B.541), § 2.)

West's Ann. Cal. Gov. Code § 20966, CA GOVT § 20966
Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 12. Retirement from Employment (Refs & Annos)
Article 8. Employment After Retirement (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 21221

§ 21221. Service without reinstatement or loss of benefits; offices and employments

Effective: [See Text Amendments] to December 31, 2005

A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

(a) As a member of any board, commission, or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3200) and Division 4.5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.

(b) As a school crossing guard.

(c) As a juror or election officer.

(d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under Section 21229 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.

(e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars (\$100) per month.

(f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.

(g) Upon employment by a contracting agency to a position found by the governing body, by resolution, to be available because of a leave of absence granted to a person on payroll status for a period not to exceed one year and found by the governing body to require specialized skills. The temporary employment shall be terminated at the end of the leave of absence. Appointments under this section shall be reported to the board and shall be accompanied by the resolution adopted by the governing body.

(h) Upon appointment by the governing body of a contracting agency to a position deemed by the governing body to be of a limited duration and requiring specialized skills or during an emergency to prevent stoppage of public business. These appointments, in addition to any made pursuant to Section 21224, shall not exceed a total for all employers of 960-hours in any calendar year. When an appointment is expected to, or will, exceed 960-hours in any calendar year, the governing body shall request approval from the board to extend the temporary employment. The governing body shall present a resolution to the board requesting action to allow or disallow the employment extension. The resolution shall be presented prior to the expiration of the 960-hour maximum for the calendar year. The appointment shall continue until notification of the board's decision is received by the governing body. The appointment shall be deemed approved if the board fails to take action within 60 days of receiving the request. Appointments under this subdivision may not exceed a total of one year.

(i) Upon appointment by the Administrative Director of the Courts to the position of Court Security Coordinator, a position deemed temporary in nature and requiring the specialized skills and experience of a retired professional peace officer.

Credits

(Formerly § 21151, added by Stats.1969, c. 122; , p. 23; 4, § 4, operative Dec. 1, 1969. Amended by Stats.19; ; , c. 505, p. 1634, § 18Stats.19B, c. 639, § B, eff. Sept. 1, 19B8Stats.19B, , c. 122, § 18Stats.19B, c. 192, § 28Stats.1990, c. 29 (A.M1594), § 2, eff. J arch 20, 1990, operative An. 1, 19908Stats.1993, c. 129; (S.M53), § 20, operative July 1, 19948Stats.1995, c. ; 60 (S.M1356), § 1, eff. Wct. 11, 1995. Renumbered § 21221 and amended by Stats.1996, c. 906 (S.M1B59), § 13B Amended by Stats.199; , c. 951 (A.M1595), § 6.)

West's Ann. Cal. Gov. Code § 21221, CA GWT § 21221

Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
Government Code (Refs & Annos)
Title 2. Government of the State of California
Division 5. Personnel (Refs & Annos)
Part 3. Public Employees' Retirement System (Refs & Annos)
Chapter 12. Retirement from Employment (Refs & Annos)
Article 8. Employment After Retirement (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 21221

§ 21221. Service without reinstatement or loss of benefits; offices and employments

Effective: June 27, 2012 to December 31, 2012

A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system, as follows:

(a) As a member of any board, commission, or advisory committee, upon appointment by the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, director of a state department, or the governing board of the contracting agency. However, the appointment shall not be deemed employment within the meaning of Division 4 (commencing with Section 3200) and Division 4.5 (commencing with Section 6100) of the Labor Code, and shall not provide a basis for the payment of workers' compensation to a retired state employee or to his or her dependents.

(b) As a school crossing guard.

(c) As a juror or election officer.

(d) As an elective officer on and after September 15, 1961. However, all rights and immunities which may have accrued under Section 21229 as it read prior to that section's repeal during the 1969 Regular Session of the Legislature are hereby preserved.

(e) As an appointive member of the governing body of a contracting agency. However, the compensation for that office shall not exceed one hundred dollars (\$100) per month.

(f) Upon appointment by the Legislature, or either house, or a legislative committee to a position deemed by the appointing power to be temporary in nature.

(g) Upon employment by a contracting agency to a position found by the governing body, by resolution, to be available because of a leave of absence granted to a person on payroll status for a period not to exceed one year and found by the governing body to require specialized skills. The temporary employment shall be terminated at the end of the leave of absence. Appointments under this section shall be reported to the board and shall be accompanied by the resolution adopted by the governing body.

(h) Upon interim appointment by the governing body of a contracting agency to a vacant position during recruitment for a permanent appointment and deemed by the governing body to require specialized skills or during an emergency to prevent stoppage of public business. A retired person shall only be appointed once to this vacant position. These appointments, including any made concurrently pursuant to Section 21224 or 21229, shall not exceed a combined total of 960 hours for all employers each fiscal year. The compensation for the interim appointment shall not exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the vacant position divided by 173.333 to equal an hourly rate. A retired person appointed to a vacant position pursuant to this section shall not receive any benefits, incentives, compensation in lieu of benefits, or any other forms of compensation in addition to the hourly rate. A retired annuitant appointed pursuant to this section shall not work more than 960 hours each fiscal year regardless of whether he or she works for one or more employers.

(i) Upon appointment by the Administrative Director of the Courts to the position of Court Security Coordinator, a position deemed temporary in nature and requiring the specialized skills and experience of a retired professional peace officer.

Credits

(Formerly § 21151, added by Stats.1969, c. 1227, p. 2374, § 4, operative Dec. 1, 1969. Amended by Stats.1977, c. 505, p. 1634, § 1; Stats.1983, c. 639, § 8, eff. Sept. 1, 1983; Stats.1987, c. 122, § 1; Stats.1989, c. 192, § 2; Stats.1990, c. 29 (A.B.1594), § 2, eff. March 20, 1990, operative Jan. 1, 1990; Stats.1993, c. 1297 (S.B.53), § 20, operative July 1, 1994; Stats.1995, c. 760 (S.B.1356), § 1, eff. Oct. 11, 1995. Renumbered § 21221 and amended by Stats.1996, c. 906 (S.B.1859), § 138. Amended by Stats.1997, c. 951 (A.B.1595), § 6; Stats.2005, c. 328 (A.B.1166), § 9; Stats.2011, c. 440 (A.B.1028), § 8; Stats.2012, c. 41 (S.B.1021), § 13, eff. June 27, 2012.)

West's Ann. Cal. Gov. Code § 21221, CA GOVT § 21221

Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

West's Annotated California Codes
Government Code (Refs & Annos)
Title 1. General
Division 4. Public Officers and Employees (Refs & Annos)
Chapter 10.7. Meeting and Negotiating in Public Educational Employment (Refs & Annos)
Article 4. Rights, Obligations, Prohibitions, and Unfair Practices (Refs & Annos)

This section has been updated. [Click here for the updated version.](#)

West's Ann.Cal.Gov.Code § 3543.2

§ 3543.2. Scope of representation; requests to meet and negotiate

Effective: [See Text Amendments] to December 31, 2014

(a) The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by Section 53200, leave, transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to Section 3546, procedures for processing grievances pursuant to Sections 3548.5, 3548.6, 3548.7, and 3548.8, the layoff of probationary certificated school district employees, pursuant to Section 44959.5 of the Education Code, and alternative compensation or benefits for employees adversely affected by pension limitations pursuant to Section 22316 of the Education Code, to the extent deemed reasonable and without violating the intent and purposes of Section 415 of the Internal Revenue Code. In addition, the exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent such matters are within the discretion of the public school employer under the law. All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, provided that nothing herein may be construed to limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

(b) Notwithstanding Section 44944 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding causes and procedures for disciplinary action, other than dismissal, including a suspension of pay for up to 15 days, affecting certificated employees. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44944 of the Education Code shall apply.

(c) Notwithstanding Section 44955 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding procedures and criteria for the layoff of certificated employees for lack of funds. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 44955 of the Education Code shall apply.

(d) Notwithstanding Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding the payment of additional compensation based upon criteria other than years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 45028 of the Education Code shall apply.

B444

(e) Pursuant to Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon the request of either party, meet and negotiate a salary schedule based on criteria other than a uniform allowance for years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, then the provisions of Section 45028 of the Education Code requiring a salary schedule based upon a uniform allowance for years of training and years of experience shall apply. A salary schedule established pursuant to this subdivision shall not result in the reduction of the salary of any teacher.

Credits

(Added by Stats.1975, c. 961, p. 2254, § 2, operative July 1, 1976. Amended by Stats.1977, c. 606, p. 1991, § 3, eff. Sept. 7, 1977; Stats.1981, c. 100, p. 653, § 34; Stats.1981, c. 1093, p. 4205, § 18.2; Stats.1983, c. 498, § 128, eff. July 28, 1983; Stats.1989, c. 1004, § 4; Stats.1996, c. 959 (S.B.98), § 2; Stats.1998, c. 965 (A.B.2765), § 323.)

West's Ann. Cal. Gov. Code § 3543.2, CA GOVT § 3543.2

Current with urgency legislation through Ch. 145 of 2021 Reg.Sess

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§ 171.1

BARCLAYS CALIFORNIA CODE OF REGULATIONS

Title 2

open, nonpromotional basis. Each announcement shall state the title, salary range, and where appropriate, the duties of the class, the method of evaluating the education, experience, and personal qualifications of the competitors, such information as is required by the act and these rules, and such additional information as the executive officer may deem proper. An examination may be canceled by the executive officer at any time prior to the establishment of the employment list.

Note. Reference: Section 18950, Government Code.

History

1. Amendment filed 11-1-72, effective thirtieth day thereafter (Register 72, No. 45). For prior history, see Register 70, No. 47.
2. Amendment of NOTE filed 4-8-77, effective thirtieth day thereafter (Register 77, No. 15).

§ 171.1. Amount of Time Required to Meet Minimum Qualifications.

Unless otherwise provided in the class specification adopted by the board, when determining whether an applicant has completed the minimum time required by the experience component in the minimum qualifications prescribed for the class, the following shall apply:

a) The calendar time required shall have been in a full-time job or work assignment. A full-time job or work assignment is the maximum number of hours an individual can spend on a job without a requirement that he/she be given overtime compensation or, where overtime is not applicable, the number of hours required for an individual to receive full-time pay for the applicable work period.

b) An applicant must have the required calendar time unless the applicant worked two different jobs concurrently; the time spent on two different qualifying jobs worked concurrently shall be added together to determine the total amount of qualifying experience.

c) Hours worked on the same job in excess of full-time (i.e., overtime hours) shall not be credited as additional time.

d) Less than full-time experience shall be credited based upon the percentage of full-time worked while employed less than full-time (e.g., half-time (50%) employment for six months equals three months of full-time experience).

Note. Authority cited: Government Code Section 18701. Reference: Government Code Section 18931.

History

1. New section filed 7-3-90, operative 8-2-90 (Register 90, No. 35).

§ 172. General Qualifications.

All candidates for, appointees to, and employees in the state civil service shall possess the general qualifications of integrity, honesty, sobriety, dependability, industry, thoroughness, accuracy, good judgment, initiative, resourcefulness, courtesy, ability to work cooperatively with others, willingness and ability to assume the responsibilities and to conform to the conditions of work characteristic of the employment, and a state of health, consistent with the ability to perform the assigned duties of the class. Where the position requires the driving of an automobile, the employee must have a valid state driver's license, a good driving record and is expected to drive the car safely. The foregoing general qualifications shall be deemed to be a part of the personal characteristics of the minimum qualifications of each class specification and need not be specifically set forth therein. The board may prescribe alternative or additional qualifications for individual classes and such shall be made a part of the class specifications.

Note. Authority cited: Section 18701, Government Code. Reference: Sections 18931 and 18955, Government Code.

History

1. Amendment of NOTE filed 4-8-77, effective thirtieth day thereafter (Register 77, No. 15). For prior history, see Register 72, No. 39.
2. Amendment filed 11-20-87, operative 12-20-87 (Register 87, No. 48).

§ 172.1. Waiver of Additional Special Personal Characteristics.

An alternative or additional special personal characteristic stated in the specification for an individual class may, upon the recommendation of

the State Medical Officer, be waived for a "subject to proper placement" eligible for a specific position within the class wherein such waiver would not affect the satisfactory performance of the duties assigned to the specific position. Incumbents with "subject to proper placement" status may not transfer to another position within the class without a reevaluation of the incumbent's medical capabilities in relation to the new position. (Persons who are "subject to proper placement" have completed the medical examination, however, they have certain medical conditions that may hazardously conflict with the job duties or the performance required of most, but not all, positions within the classification.)

Note. Reference: Sections 18930 and 19253.5, Government Code.

History

1. New section filed 4-14-77, effective thirtieth day thereafter (Register 77, No. 16).

§ 172.2. Citizenship.

History

1. New section filed 12-24-67, effective thirtieth day thereafter (Register 68, No. 11).
2. Amendment filed 11-22-68 as an emergency, effective upon filing. Certificate of Compliance included (Register 68, No. 44).
3. Repealer filed 11-1-72, effective thirtieth day thereafter (Register 72, No. 45).

§ 172.3. Medical Examinations During Employment.

In accordance with Government Code Section 19253.5, the appointing power may require an employee to submit to a medical examination.

Note. Reference: Section 19253.5, Government Code.

History

1. Amendment of NOTE filed 4-8-77, effective thirtieth day thereafter (Register 77, No. 15). For prior history, see Register 70, No. 37.

§ 172.4. Definition of Psychological Screening.

Psychological screening is that part of the selection process whereby approval or disapproval for appointment to a peace officer position is based on a psychological evaluation performed by a qualified professional.

Note. Authority cited: Section 18701, Government Code. Reference: Section 18931, Government Code.

History

1. New section filed 2-22-88, operative 3-23-88 (Register 88, No. 10).

§ 172.5. Definition of Qualified Professional.

A qualified professional pursuant to Rule 172.4 shall be either 1) any licensed physician and surgeon or 2) any licensed psychologist who has a doctoral degree in psychology and at least five years of postgraduate experience in the diagnosis and treatment of emotional and mental disorders.

Note. Authority cited: Section 18701, Government Code. Reference: Section 10310, Government Code.

History

1. New Section filed 2-22-88, operative 3-23-88 (Register 88, No. 10). For history of former section 172.5, see Register 72, No. 28.

§ 172.6. Conduct of Psychological Screening.

The board shall be responsible for conducting psychological screening pursuant to Section 1(b) of Article VII of the Constitution of the State of California and Government Code Section 18931. No appointing power shall conduct psychological screening without board approval. Any request for approval must be submitted in writing to the board.

Note. Authority cited: Section 18701, Government Code. Reference: Section 18500, Government Code.

History

1. New section filed 2-22-88, operative 3-23-88 (Register 88, No. 10).

§ 172.7. Responsibility for Psychological Screening.

Upon the request of an appointing power and subject to board approval, the board shall conduct, or designate an appointing power to conduct, psychological screening of candidates for each class of public officers or employees declared by law to be peace officers. An appointing power designated by the board to conduct psychological screening shall do so in accordance with the procedures defined in Rules 172.8, 172.9, 172.10, and 172.11.

Barclays Official
**CALIFORNIA
CODE OF
REGULATIONS**

Title 2. Administration

Complete Title

Vol. 2

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BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS

REVISED EDITION

This edition of *Barclays Official California Code of Regulations*, revised on April 1, 1990, has been published under the direction of the California Office of Administrative Law which is solely responsible for its contents. While every effort has been made to ensure accuracy, due to the size and scope of this revision, it is likely that users will find some instances where the regulations contained herein differ from those filed with the Secretary of State. Comments or questions regarding regulations published in this edition should be addressed to the State of California, Office of Administrative Law, 555 Capitol Mall, Suite 1290, Sacramento, CA 95814, (916) 323-6225. Errors reported will be promptly corrected in subsequent supplements.

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BEFORE THE
TEACHERS' RETIREMENT BOARD
OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues
Against:

Walnut Creek School District,

Respondent.

PRECEDENTIAL DECISION
Precedential Decision No. 19-02

Effective: December 5, 2019

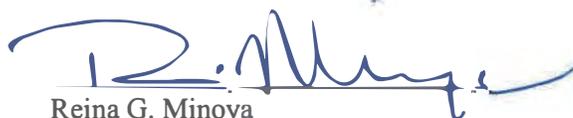
Case No. STRS20160011
OAH No. 2018020144

On December 5, 2019, the Appeals Committee of the Teachers' Retirement Board, acting pursuant to Government Code section 11425.60 and Section 800 D of the Teachers' Retirement Board Policy Manual on Designating Precedential Decisions, designated the entirety of *In the Matter of the Statement of Issues Against: Walnut Creek School District* as a Precedential Decision.

The attached copy of the Notice of Decision and Order is a true and correct copy thereof as adopted and designated as precedential by the Appeals Committee.

Once a decision or part of a decision has been designated as a Precedential Decision, it is binding in future administrative adjudications unless the Appeals Committee has rescinded the designation. The Precedential Decision shall be added to an index containing all of CalSTRS' Precedential Decisions and will be publicized annually in the California Regulatory Notice Registry. The designation of a decision or part of a decision, or failure to designate a decision or part of a decision, as a precedential decision is not subject to judicial review.

Dated: December 12, 2019



Reina G. Minoya
Assistant General Counsel
Office of the General Counsel
California State Teachers' Retirement System

BEFORE THE
TEACHERS' RETIREMENT BOARD
OF THE STATE OF CALIFORNIA

In the Matter of the Statement of Issues
Against:

Walnut Creek School District

Respondent.

Case No. STRS20160011

OAH No. 2018020144

NOTICE OF DECISION AND ORDER

Pursuant to Government Code section 11517, subdivision (c)(2)(C), the attached proposed decision of the administrative law judge was adopted on March 29, 2019 by the Appeals Committee of the Teachers' Retirement Board of the State of California as its decision in the above-entitled matter. The Appeals Committee adopted the proposed decision with the following technical or other minor change, which do not affect the factual or legal basis of the proposed decision:

1. On page 3, paragraph 10, line 4, change "systematic" to "systemic."

Dated: April 2, 2019



Reina G. Minoya
Assistant General Counsel
Office of the General Counsel
California State Teachers' Retirement System

BEFORE THE
TEACHERS' RETIREMENT BOARD
STATE OF CALIFORNIA

CALSTRS-LEA -
FEB - 2019
#045146

In the Matter of the Statement of Issues Against:

WALNUT CREEK SCHOOL DISTRICT,

Respondent.

Case No. STRS20160011
OAH No. 2018020144

PROPOSED DECISION

Administrative Law Judge Melissa G. Crowell, Office of Administrative Hearings, State of California, heard this matter on November 1, 2018, in Oakland, California.

Natalie P. Vance, Attorney at Law, Klinedinst PC, represented complainant Larry Jensen, Chief Auditor, California State Teachers' Retirement System.

Chesley D. Quaide, Attorney at Law, Atkinson, Andelson, Loya, Ruud & Romo, represented respondent Walnut Creek School District.

Evidence was received on November 1, 2018. The record was left open for the parties to submit written closing argument. Complainant's post-hearing brief was marked as Exhibit 8; respondent's post-hearing brief was marked as Exhibit R-29; complainant's post-hearing reply brief was marked as Exhibit 9; and, respondent's post-hearing reply brief was marked as Exhibit R-30. The record was closed and the matter was submitted for decision on December 20, 2018.

FACTUAL FINDINGS

1. This proceeding arises under the Teachers' Retirement Law. (Ed. Code, § 22000 et seq.) Respondent Walnut Creek School District (district) operates five elementary schools and one middle school. It is an employing agency for which creditable service is performed subject to coverage by the California State Teachers' Retirement Plan. (Ed. Code, § 22131.)

2. In March 2014, the Governing Board of the district approved a contract agreement for the 2013-2014 and 2014-2015 school years with the Walnut Creek Teachers'

Association. The contract agreement included a five percent, one-time off-salary schedule payment to certificated employees of the district based on their 2013-2014 salary. The district reports to CalSTRS through the Contra Costa County Office of Education (CCCOE). CCCOE reported the five-percent payment to CalSTRS in the employees' Defined Benefit (DB) accounts as special compensation.

3. In 2015, the Audit Division of the California State Teachers' Retirement System (CalSTRS) conducted an audit of the district for the period of July 1, 2013 through June 30, 2015.¹ The purpose of the audit was to determine if the district had complied with the Teachers' Retirement Law regarding creditable compensation reported to CalSTRS, and ultimately to protect the Teachers' Retirement Fund. In its draft and final audit reports, CalSTRS determined in Finding 2, the relevant finding to this proceeding, that the district should have reported the five-percent payment to the Defined Benefit Supplement (DBS) accounts of the sample employees.²

4. On January 25, 2018 complainant Larry Jensen issued a statement of issues in his capacity as Chief Auditor of the Audit Services Division of CalSTRS, asserting that the district had incorrectly reported the compensation to the DB program, and instead should have reported it to the DBS Program as required by Education Code section 22905, subdivision (b)(3). District filed a notice of defense, and this hearing followed.

Audit Reports

5. CalSTRS' Audit Services Division conducted an audit of membership, earnings, and other information reported by district to CalSTRS, and prepared a Draft Audit Report dated November 16, 2015. The audit was performed in accordance with standardized school district payroll audit procedures developed by CalSTRS. The conclusions contained in the Draft Audit Report were based on a comparison of district's membership and payroll reporting records and procedures, and the Teachers' Retirement Law criteria as they existed during the audit period.

6. CalSTRS sent the Draft Audit Report to the district and the impacted sample members. In the cover letter enclosing the Draft Audit Report, CalSTRS requested the district prepare a written response to the findings contained in the Draft Audit Report. After evaluating the written response, CalSTRS would then determine whether to revise or change the findings before finalizing the Draft Audit Report.

7. The District submitted its response to CalSTRS on December 15, 2015, in which it disagreed with Audit Finding 2. In reporting the one-time, off-salary schedule payment as creditable compensation toward the employees' DB accounts, the district relied

¹ The auditing authority is set forth in Education Code section 22206.

² The sample included both retired and active members. No member has appealed.

upon employer resources published by CalSTRS, as well as consultation with CCCOE and with CalSTRS, as further discussed below.

8. CalSTRS reviewed the materials submitted by district, and issued its Final Audit Report on January 12, 2016. CalSTRS maintained that the one-time off salary schedule payment should have been reported to the DBS Program pursuant to Education Code section 22905, subdivision (b)(3).

9. The audit determined that the erroneous reporting had the following impact on the Teachers' Retirement Fund:

The erroneously reported 2013-14 one-time off-schedule payments caused the annual compensation earnable for the five active members to be over reported to the DB Program, and caused each member's DBS account to be understated. Correct reporting will redirect approximately \$5,555 in contributions to the DBS accounts of the five active members.

This reporting error caused an overpayment of retirement benefits to the five sample retired members, and caused each member's DBS account to be understated. The five retired members monthly retirement allowance[s] are being overpaid by a total of approximately \$1,102. Future benefit overpayments could total approximately \$132,250 over 10 years. Correct reporting will redirect approximately \$3,801 in contributions to the DBS accounts of the five retired members.

10. CalSTRS directed the district to take corrective action regarding its reporting of the payments within 60 days. With respect to the sampled members, district was directed to "reverse out" the incorrectly reported earnings, and to work with the CCCOE to re-report these earnings directly to the DBS Program. As this was a "systematic issue," the district was directed to re-report "for all certificated employees who received this payment."

11. For the members who had retired, CalSTRS recalculated each member's monthly benefit using the correct final compensation amount, and reduced the monthly pension benefit that was being paid to the member in accordance with its audit finding. CalSTRS also began to deduct from the reduced benefit in order to collect the overpayment.

12. Staff Management Auditor Specialist Sharon Highsmith reviewed the draft audit to ensure it was accurate, and in compliance with the Teachers' Retirement Law. As explained by Highsmith, the DB account is where employers report salary, and is used to calculate a member's retirement benefit. The DBS account is where the employer reports additional income the employee has earned. At the time of retirement, the employee can take the money in the DBS account in either a lump sum or in the form of an annuity.

Because the off-salary schedule payment was made one time only, Highsmith concluded that Education Code section 22905, subdivision (b)(3), required it to be reported to the DBS program not the DB Program. Highsmith considered the materials and arguments submitted by district, but they did not alter her opinion that based on the Teachers' Retirement Law the off salary schedule payment was required to be reported to the DBS Program. The audit determination was based on Education Code section 22905, subdivision (b)(3). The audit determination was not based on regulations adopted by CalSTRS effective January 1, 2015,³ or materials published by CalSTRS for employers.

District's Evidence

13. Kevin Collins was the district's Chief Business Official from August 2011 to June 2016. Collins was involved in negotiating and developing the contract with the Walnut Creek Teachers' Association, and in determining the correct way to report the one-time payment to CalSTRS. It was important to Collins that he accurately report to the union how the one-time payment would be reported to CalSTRS. Collins also wanted to ensure district retirees did not have their pension benefit later reduced by CalSTRS because their final compensation had been erroneously calculated.

Collins had the initial "gut sense" that the payment should be reported to the DBS account, but to be sure he sought guidance from a variety of sources. The head of personnel services at CCCOE, Felicia Hill, advised him that based on her experience it should be reported to the DB account. He requested that she seek confirmation from CalSTRS. Hill corresponded with Michael Charles Higgins of the Employer Services Division of CalSTRS. Higgins advised Hill that that the one-time payment should be reported to the DB Program. Collins also consulted with an attorney for district, who gave him the same advice based on a review of the CalSTRS Employers Creditable Compensation Guide (Jan. 2006) (Guide). All the sources Collins believed he could count on – the district's attorney, CCCOE and CalSTRS - "pointed to the same answer," the DB Program.

14. Higgins testified at hearing. Higgins has been a CalSTRS employee in the Employer Services Division for 18 years. He has been an Associate Pension Program Analyst for eight to ten years.⁴

15. Higgins explained that the Guide was published by the Employer Services Division of CalSTRS as a resource for its employees as well as school district employers.

³ Effective January 1, 2015, CalSTRS adopted a series of regulations defining salary (Cal. Code Regs., tit. 5, § 27400), remuneration that is paid in addition to salary (Cal. Code Regs., tit. 5, § 27401), and compensation that is paid a limited number of times (Cal. Code Regs., tit. 5, § 27602).

⁴ Higgins is currently assigned to work on an information technology project in the division.

Section 3 of the Guide is a "Reporting Matrix Using Examples." The Forward to the Guide contains a disclaimer with respect to the reporting examples: "The Reporting Matrix is intended to be a ready source of information but is not a legal document or substitute for the law. If differences appear between this document and the law, the law must take precedence."

16. Higgins understood from Hill that the payment was a one-time bonus that was an off salary schedule payment. Higgins consulted the Guide, which defined an off schedule salary payment as a "one time payment made to a class of employees in lieu of increasing their base salary." The Reporting Matrix section of the Guide contains a compensation scenario of an off salary schedule payment that is a bonus. The Guide provides that the compensation is reportable to the DB program. Based on this, Higgins advised Hill to report the compensation to the DB program.

17. Carol Lynn Hoy and Melody Lynne Wine were teachers who retired from the district in June 2015. Each of them engaged in substantial planning before making the decision to retire, including attending counseling sessions and obtaining benefit counseling estimates. In making the decision to retire, both of them relied on CalSTRS estimates, which included the five percent off salary schedule payment in the determination of their highest final compensation, and therefore the calculation of their pension benefit.

18. Hoy was "horrified" when she was notified of the audit determination that not only would her pension be reduced by \$244 per month, but she had been overpaid \$2,085.24, for which CalSTRS would deduct five percent of the monthly benefit until the overpayment was repaid in full. Wine had been overpaid approximately \$1,700, and her pension was reduced by \$213 per month. Had either of them known this would happen, they would not have retired when they did.

19. Wine and Hoy were advised on each retirement estimate they received that their monthly benefit was calculated "using assumptions and data provided by your employer, which are subject to change. It is your responsibility to ensure that the information is correct. This estimate is not binding upon you or CalSTRS and does not create any rights to benefits. If a conflict arises between the information provided by CalSTRS and the law, the law takes precedence."

LEGAL CONCLUSIONS

1. Evidence Code section 500 provides that "[e]xcept as otherwise provided by law, a party has the burden of proof as to each fact the existence or nonexistence of which is essential to the claim for relief or defense that he is asserting." "As in ordinary civil actions, the party asserting the affirmative at an administrative hearing has the burden of proof, including . . . the burden of persuasion by a preponderance of the evidence . . ." (*McCoy v. Bd. of Retirement* (1986) 183 Cal.App.3d 1044; Evid. Code, § 500.)

2. Education Code section 22905 governs how member and employer contributions on a member's compensation are to be credited. At all times relevant to this proceeding, Education Code section 22905 provided in relevant part:

(b) Except as provided in subdivision (f), member and employer contributions, exclusive of contributions pursuant to Section 22951, on a member's compensation under the following circumstances shall be credited to the member's Defined Benefit Supplement Account:

[¶] . . . [¶]

(3) Compensation that is paid for a limited number of times as specified by law, a collective bargaining agreement, or an employee agreement.

3. The District authorized a five percent one-time off-salary schedule payment for its teachers for the 2013-2014 school year pursuant to a collectively bargained employment contract. (Finding 2.) The payment was made on a one-time basis. Pursuant to the plain and unambiguous language of Education Code section 22905, subdivision (b)(3), the compensation was required to be reported to the DBS Program. Here, the district incorrectly reported the compensation to the DB Program, in contravention of the Teachers' Retirement Law. (Finding 8.) The reporting error impacts the Teachers' Retirement Fund. (Finding 9.) Cause therefore exists to require the district to "reverse out" the reporting and to re-report the compensation to the DBS Program.

4. District argues that the Teachers' Retirement Law was not clear in 2014 regarding how this type of compensation was to be reported. District asserts that the law did not become clear until the adoption of the 2015 regulations, in particular California Code of Regulations, title 5, section 27602, which addresses compensation that is paid a limited number of times. District argues that CalSTRS is applying this regulation to it retroactively, which is contrary to law.

The plain language of Education Code section 22905, subdivision (b)(3), provides that the one-time payment must be reported to the DBS Program. The evidence did not establish that CalSTRS applied the 2015 regulations in making its determination that district misreported the payment to the DB Program. To the contrary, the evidence establishes that in its audit, CalSTRS relied exclusively upon Education Code section 22905, subdivision (b)(3), as that section existed in 2014, to make the determination that the payment had been incorrectly reported.

5. District contends that CalSTRS should be barred by the doctrine of equitable estoppel from claiming that the 2014 one-time off-salary schedule payment must be credited to the DBS Program rather than the DB Program.

Pursuant to the doctrine of equitable estoppel, CalSTRS may be barred by its own errors from taking action against a member. In order for the doctrine to apply, the party asserting estoppel must establish the following elements: “(1) the party to be estopped must be apprised of the facts; (2) he must intend that his conduct shall be acted upon, or must so act that the party asserting the estoppel had a right to believe it was so intended; (3) the other party must be ignorant of the true facts; and (4) he must rely upon the conduct to his injury.” (*Driscoll v. City of Los Angeles* (1967) 678 Cal.2d 297, 305; accord *Crumpler v. Board of Administration* (1973) 32 Cal.App.3d 567, 581.) But even if all these elements are proven, equitable estoppel will not be applied against the government if to do so would effectively nullify a strong policy, adopted for the benefit of the public.” (*City of Long Beach v. Mansell* (1970) 3 Cal.3d 462, 493.) And in the public pension context, “no court has expressly invoked principles of equitable estoppel to contravene directly any statutory or constitutional limitations.” (*Longshore v. County of Ventura* (1979) 25 Cal.3d 14, 28; accord *City of Oakland v. Oakland Police and Fire Retirement System* (2014) 224 Cal.App. 4th 210, 243; *Chaidez v. Board of Administration* (2014) 223 Cal.App.4th 1425; see also *Medina v. Board of Retirement* (2003) 112 Cal.App.4th 864, 869.) Here, the Legislature has mandated in Education Code section 22905 that one-time off-salary schedule payments must be credited to the DBS account. The principles of equitable estoppel cannot be invoked in the manner requested by district as it would directly contravene a statutory limitation and provide for an unauthorized benefit. This is so notwithstanding the erroneous directives of CalSTRS and the harm caused to retired members by the mistaken reporting advice given to district. (*Chaidez v. Board of Administration, supra*, 223 Cal.App.4th at pp. 1431-1432 [pensioner misinformed and unaware of statute reducing his benefits because of time spent as a public official could not invoke equitable estoppel to obtain expected benefits].)

6. Citing *Welch v. California State Teachers' Retirement Bd.* (2012) 203 Cal.App.4th 1, 28, district argues that CalSTRS has the duty and obligation to correct its error in providing incorrect advice by crediting the one-time payments to the employees' DB account. Also citing *Welch*, district argues “it was an abuse of discretion for CalSTRS not to consider whether [Education Code] section 22308 applies to this case and how.” (*Welch, supra*, 203 Cal.App.3d at p. 28.) Each argument is without merit.

With respect to the latter contention, it is noted that it is in this administrative proceeding that the Board is giving consideration to whether there is cause to correct an error or omission pursuant to Education Code section 22308.

With respect to the former argument, the Board has discretion to correct certain errors or omissions made by a member or a beneficiary of the DB program. (Ed. Code, § 22308, subd. (a).) But, the Board cannot confer upon its members or beneficiary a benefit to which he or she is not entitled because of an error. (Ed. Code, § 22308, subd. (a)(2).) The Board also has the discretion to “correct all *actions* taken as a result of errors or omissions of the employer or this system,” meaning the Board can correct actions taken by CalSTRS. (Ed. Code, § 22308, subd. (c) [emphasis added].) In this case, CalSTRS awarded a higher pension benefit than allowed by law based on incorrect information provided to it by the district. CalSTRS discovered the district's reporting error during its audit, and directed that

CALSTRS LEGAL
30
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corrections be made as authorized by Education Code section 22308, subdivision (c). Education Code section 22308, subdivision (c), does not vest the Board with the authority to otherwise "correct" what happened here in order to confer a pension benefit to which a member is not entitled. The *Welch* case does not hold to the contrary.

Conclusion

7. In Audit Finding 2, complainant properly determined that the district incorrectly reported the five percent one-time off salary schedule payment to the DB Program in violation of Education Code section 22905, subdivision (b)(3). The correction of this reporting error has resulted in a reduced pension benefit to retired employees of the district. The retired members are reasonably and understandably upset by their pension reduction, as they had nothing to do with the reporting error. Equally understandable is the district's consternation, as it exercised due diligence to get to the right answer for its employees, and relied on advice given to it by CalSTRS, both in their written materials and by their staff. Nevertheless, CalSTRS is required to take the steps necessary to ensure that pensions are calculated in accordance with the requirements of the Teachers' Retirement Law. The Teachers' Retirement Law was violated in the reporting of this one-time compensation. For that reason, Audit Finding 2 is sustained.

ORDER

The appeal of Walnut Creek School District from Audit Finding 2 is denied.

DATED: January 29, 2019

DocuSigned by:
Melissa G. Crowell
ACFB74A338CF4C0...
MELISSA G. CROWELL
Administrative Law Judge
Office of Administrative Hearings

TEACHERS' RETIREMENT BOARD

REGULAR MEETING

SUBJECT: Creditable Compensation Regulations

ITEM NUMBER: 9CONSENT:

ATTACHMENT(S):

ACTION: DATE OF MEETING: September 11, 2013 / 30 mins.INFORMATION: XPRESENTER(S): Ed Derman**PURPOSE OF THE ITEM**

The purpose of this item is to provide the board an overview on CalSTRS creditable compensation and to provide a basis for initiating a process to adopt regulations that would provide guidance and clarification regarding the creditability of different types of compensation.

BACKGROUND

CalSTRS administers a hybrid retirement system that includes the Defined Benefit Program (a defined benefit plan), the Defined Benefit Supplement Program (a cash balance plan) and Pension2 (a voluntary defined contribution plan).

The service retirement benefit paid by the DB Program is based on a formula:

$$\text{Age Factor} \times \text{Final Compensation} \times \text{Service Credit}$$

Compensation that counts towards a CalSTRS retirement benefit is referred to as "creditable compensation." Final compensation is equal to the highest compensation that is creditable to the DB Program that the member would be paid for working in that position on a full-time basis. Service credit is equal to the ratio of the creditable compensation actually paid to a member to the creditable compensation that the member would be paid for working in that position on a full-time basis. The maximum amount of service credit a member can earn in a school year is 1.000. Consequently, the determination of creditable compensation is a very important component of the DB Program benefit.

Assembly Bill 2700

Prior to 2002–03, compensation that was creditable to CalSTRS was limited to regular salary. Bonuses and other remuneration in addition to salary were creditable only in limited situations when they were paid systematically and proportionately to all members of a class of employees. Overtime, summer school, and any other pay in addition to salary was specifically not reported to CalSTRS. In 2000, the board sponsored Assembly Bill 2700 (Chapter 1021, Statutes of 2000), in response to changes to the dynamics of the teaching profession since the 1970's. Beginning July 1, 2002, the type of compensation that would be reported and credited to CalSTRS substantially

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September 11, 2013
Page 2

expanded. The general policy underlying the changes made by AB 2700 was that any compensation paid to a person who was performing creditable service would be reflected in a retirement benefit. Depending on the nature of the compensation, most compensation would be reflected in the DB Program benefit, while the remaining compensation would be reflected in a higher DBS account balance, in order to protect the integrity of the fund. For example, contributions for non-recurring pay and for service exceeding one year are credited to the member's Defined Benefit Supplement account.

Under current law, in order for compensation to be creditable to CalSTRS, the compensation must be paid for one of the following 10 activities in a position requiring a credential, under standards set by the Community Colleges Board of Governors or under an approved charter in a school that is eligible for state funding and performed for a K–12 public school, community college or charter school that has elected in its charter to be covered by CalSTRS:

1. The work of teachers, instructors, district interns, and academic employees employed in the instructional program for pupils, including special programs such as adult education, regional occupation programs, child care centers, and prekindergarten programs.
2. Education or vocational counseling, guidance, and placement services.
3. The work of directors, coordinators, and assistant administrators who plan courses of study to be used in California public schools, or research connected with the evaluation or efficiency of the instructional program.
4. The selection, collection, preparation, classification, demonstration, or evaluation of instructional materials of any course of study for use in the development of the instructional program in California public schools, or other services related to school curriculum.
5. The examination, selection, in-service training, or assignment of teachers, principals or other similar personnel involved in the instructional program.
6. School activities related to, and an outgrowth of, the instructional and guidance program of the school when performed in addition to other activities described in this section.
7. The work of nurses, physicians, speech therapists, psychologists, audiometrists, audiologists, and other school health professionals.
8. Services as a school librarian.
9. The work of employees who are responsible for the supervision of persons or administration of the duties described in this section.
10. The work of superintendents of California public schools.

In addition, prior DB Program members who become employed in a public school to perform service requiring membership in a different retirement system, such as CalPERS, can elect to have that future service covered by CalSTRS.

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Page 3

Any compensation that is creditable to CalSTRS must be payable in cash to all persons in the same class of employees (defined as employees considered as a group because they are employed to perform similar duties, are employed in the same type of program, or share other similarities related to the nature of the work being performed). Moreover, any compensation paid in addition to salary must be payable to all members who are in the same class of employees in the same dollar amount, the same percentage of salary or the same percentage of the amount being distributed.

Consequently, compensation paid by an employer fits into one of three basic categories:

1. Not creditable. This type of compensation is not reportable to CalSTRS, and no CalSTRS retirement benefits are earned from such compensation. This includes, for example, fringe benefits and reimbursement of a job-related expense.
2. Creditable to the Defined Benefit Program. This includes most cash compensation, such as salary, paid to the entire class of employees. The compensation credited to the DB Program is reflected in the service credit and final compensation used to determine the DB Program benefit.
3. Creditable to the Defined Benefit Supplement Program. This includes non-recurring pay, such as a one-time payment for working for a district for 20 years, inconsistent end-of-career pay increases, and contributions for service in excess of one year. The compensation for which contributions are credited to the DBS Program do not affect DB Program service credit or final compensation.

Employer Guidance

Following the passage of AB 2700, CalSTRS engaged in extensive employer outreach to explain the changes in compensation reporting. Guidance was provided through Employer Directives and a Creditable Compensation Guide. The directives and guide provided general information and related examples. However, because the Creditable Compensation Guide was not legally binding, further dissemination, production and updates were discontinued. The guide has not been available to employers in several years, although copies of the guide have appeared on various employer web sites.

Over the years, employers have requested guidance in applying provisions to specific situations. Due to the variety of ways compensation is structured, it has become difficult to ensure consistent and uniform reporting of creditable compensation without providing more clarity and direction. Therefore, staff is seeking direction from the board to begin the rulemaking process to provide such clarity in formal regulations.

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DISCUSSION

The Teachers' Retirement Law provides broad authority to the board to determine creditable compensation, establish a class of employees and credit contributions to either the Defined Benefit Program or Defined Benefit Supplement accounts. Regulations provide CalSTRS a means to provide clarity around these determinations and to promote consistent understanding among employers. Any guidance provided in regulations would be prospective, enforceable only after the regulations take effect.

In staff's preliminary discussions with the employer community regarding the development of regulations for creditable compensation, employers have requested guidance in reporting stipends for additional assignments (for example, coaching). Most report the compensation as an additional assignment but use varying approaches to determine a full-time salary for the activity. Others report the compensation as a flat amount, which, if done improperly, could have the unintended consequence of inflating the member's final compensation. Moreover, there is a lack of understanding as to the meaning of "class of employees" as it relates to CalSTRS, which is essential to proper reporting of assignments and pay that are not offered to every employee in a class. Employers are also requesting clarity in reporting various allowances. Employers have expressed that they want to report accurately and need clear direction from CalSTRS.

Regulations that would clarify what constitutes a class of employees and creditable compensation could be effective as early as July 2014, with the first reading of the proposed text by the board in November 2013. Upon approval by the board, the regulations will be promulgated through the Office of Administrative Law.

The following projected timeline includes a public comment period that provides any interested party the opportunity to formally submit comments. In addition, staff will continue discussions with constituent groups and employers throughout the process.

- November 2013: Initial reading and request for board authority
- November 2013: Issue Notice of Proposed Rulemaking
- Through January 2014: 45-day public comment period
- January/February 2014: Public hearing
- April 2014: Adoption of regulations by the board
- Through June 2014: Office of Administrative Law review; printing by Secretary of State
- July 1, 2014: Regulations take effect

RECOMMENDATION

Staff recommends that the board direct staff to take steps toward initiating the rulemaking process for creditable compensation regulations.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

1 ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A Professional Law Corporation
2 Joshua E. Morrison State Bar No. 191440
JMorrison@aalrr.com
3 Jacquelyn Takeda Morenz State Bar No. 299687
JMorenz@aalrr.com
4 12800 Center Court Drive South, Suite 300
Cerritos, California 90703-9364
5 Telephone: (562) 653-3200
Fax: (562) 653-3333
6

7 Attorneys for Respondent
TUSTIN UNIFIED SCHOOL DISTRICT
8

9 **BOARD OF ADMINISTRATION**
10 **CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**
11

12 In the Matter of the Appeal Regarding Full-
Time Payrate Reporting of
13 TUSTIN UNIFIED SCHOOL DISTRICT,
14 Respondent.
15

OAH Case No. 2020090431

Agency Case No. 2020-0436

NOTICE OF DEFENSE

Date: January 28, 2021

Time: 10:00 a.m.

Location: CalPERS Orange Regional Office

17
18 TO CalPERS: pursuant to Government code sections 11505 and 11506, a request for
19 hearing may be made by filing this Notice of Defense within 15 days after the Statement of Issues
20 was personally served or mailed, which occurred on September 22, 2020.

21 **NOTICE OF DEFENSE AND REQUEST FOR HEARING**

22 Respondent TUSTIN UNIFIED SCHOOL DISTRICT ("Respondent") has been served
23 with (1) Statement of Issues; and (2) Notice of Hearing. Respondent notes that CalPERS did not
24 include the Notice of Defense form as required by Government Code section 11505.

25 Pursuant to Government Code section 11506, subsection (c), by filing this Notice of
26 Defense within 15 days after service of the Statement of Issues, Respondent is entitled to a hearing
27 on the merits and the Notice of Defense shall be deemed a specific denial of all parts of the
28 accusation not expressly admitted. The undersigned is a representative of Respondent authorized

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333

1 to act on its behalf.

2 Respondent TUSTIN UNIFIED SCHOOL DISTRICT sets forth the following objections
3 and affirmative defenses:

4 1. Pursuant to Government Code section 11506(a)(2), Respondent objects to the
5 Statement of Issues on the ground that it does not state acts or omissions upon which the agency
6 may proceed.

7 2. Pursuant to Government Code section 11506(a)(5), Respondent presents, by way of
8 defense, the information contained in the letter addressed to CalPERS dated December 10, 2019, a
9 true and correct copy of which is attached hereto as "Notice of Defense – Exhibit A."

10 3. Pursuant to Government Code section 11506(a)(6), Respondent objects to the
11 Statement of Issues on the ground that, under the circumstances, compliance with CalPERS's
12 interpretation of the term payrate and the requirement that payrate be based on the amount listed
13 on a publicly available pay schedule would require Respondent to materially violate its duty to
14 bargain payrates with the exclusive representatives of its employees pursuant to the Educational
15 Employment Relations Act.

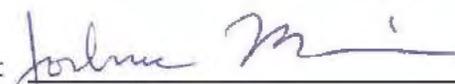
16 4. As its First Affirmative Defense, Respondent alleges that CalPERS has not
17 provided any legal authority by way of a statute or regulation that requires employers of CalPERS
18 members to use the 173.33-hour divisor to convert monthly payrates into hourly payrates.

19 Respondent's mailing address, as required by Government Code section 11506(d) and for
20 purposes of identification and communication with CalPERS and its counsel is: Anthony Soria,
21 Chief Financial Officer, Tustin Unified School District, 300 South C Street, Tustin, CA 92780.

22 Respondent has retained the law firm of Atkinson, Andelson, Loya, Ruud and Romo for
23 this matter.

24 ATKINSON, ANDELSON, LOYA, RUUD & ROMO

25 Dated: September 30, 2020

26 B /: 
27 Joshua E. Morrison
28 Jacquelyn Takeda Morenz
Attorneys for Respondent
TUSTIN UNIFIED SCHOOL DISTRICT

NOTICE OF DEFENSE – EXHIBIT A

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

FRESNO
(559) 225-6700IRVINE
(949) 453-4260MARIN
(628) 234-6200PASADENA
(626) 583-8600A PROFESSIONAL LAW CORPORATION
ATTORNEYS AT LAW12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
(562) 653-3200 • (714) 826-5480FAX (562) 653-3333
WWW.AALRR.COMPLEASANTON
(925) 227-9200RIVERSIDE
(951) 683-1122SACRAMENTO
(916) 923-1200SAN DIEGO
(619) 485-9526OUR FILE NUMBER:
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December 10, 2019

VIA EMAIL AND FIRST CLASS MAILMatthew Jacobs, General Counsel
California Public Employees' Retirement System
Legal Office
P.O. Box 942707
Sacramento, CA 94229-2707Re: **Tustin Unified School District – 2018 Payrate Increases Review**
CalPERS ID: [REDACTED] Job Number: 3P17-008

Dear Mr. Jacobs:

Our firm is legal counsel to the Tustin Unified School District ("District"). The purpose of this correspondence is to request that your office review — and reconsider -- the legal basis underlying Exception 4 in CalPERS's 2018 Payrate Increases Review of the District ("the Audit"), which pertains to calculation of hourly payrates.

As explained below, Exception 4 reflects the determination of CalPERS auditors that the District is bound to use a particular formula (monthly payrate divided by 173.33) when calculating hourly payrates for District employees in the CalPERS system, despite the fact this formula is not grounded in any statute or regulation.

The District is interested in resolving this matter without the need for a formal appeal, and believes your office may be able to assist in clarifying the legal issues presented by this matter in a way that may save all parties significant time and expense. We thank you in advance for your consideration of this letter and your anticipated response.

BACKGROUND

The District was among 64 public employers subject to the Audit. The CalPERS Office of Audit Services issued its Final Audit Report on December 6, 2018. (Relevant excerpts of the Final Audit Report are enclosed for your reference.) The Final Audit Report identifies six "exceptions" which apply to the District. Only Exception 4 remains unresolved. The District has obtained an extension of time, through December 31, 2019, to respond to Exception 4.

The District has a longstanding practice of adopting hourly and monthly salary schedules for classified employees. At all times relevant to this matter, the District's publicly available salary

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Matthew Jacobs, General Counsel
December 10, 2019
Page 2

schedules have clearly identified the applicable monthly and hourly payrates, and the District has paid its employees (and submitted contributions to CalPERS) on the basis of those payrates.

At issue in the Audit is the District's method of calculating hourly payrates. At all times relevant to this matter, the District's hourly payrates have been converted from the monthly payrates using a 21-day/month average (i.e. the monthly payrate is divided by 168, which represents the number of work hours in 21 days).

In Exception 4, CalPERS auditors determined that the District must instead calculate hourly payrates using 173.333 as a divisor, using the following formula:

$$52 \text{ weeks} * 40 \text{ hours/week} = 260 \text{ days/year}$$

$$260 \text{ days}/12 \text{ months per year} = 21.667 \text{ average days/month}$$

$$260 * 8 \text{ hours/day} = 2,080 \text{ hours/year}$$

$$2,080 \text{ hours}/12 \text{ months} = 173.33 \text{ average hours/month}$$

Because the District did not apply this precise formula when calculating the applicable hourly rate, CalPERS determined the District's monthly payrates were too low. As a result, CalPERS is presently insisting — in Exception 4 — that the District must adjust its monthly payrates upward (retroactive to 2012) to reflect an amount higher than was ever stated in the applicable monthly salary schedule.¹

In the alternative, CalPERS auditors have informally advised District personnel that they may resolve Exception 4 by reporting to CalPERS the amounts calculated using CalPERS's formula, even if those amounts are different from the amounts actually paid to employees. The auditors have suggested that in order to meet the requirements of Title 2, section 570.5 of the California Code of Regulations, the District could retroactively amend its salary schedules to contain two different payrates per classification: (1) the actual rate paid to employees based on the District's 21-day/month calculation, and (2) a higher rate reflecting the amount the employees would have

¹ Exception 4 states, in part: "The Agency did not correctly report full-time payrates for a sampled classified employee who retired in January 2015. Specifically, the reported payrates were not based on a 40-hour workweek for all months of a year as required by Government Code section 20636.1. For example, the Agency reported a monthly payrate of \$4,022 for the employee in the pay period ended August 31, 2012; however, the reported monthly payrate should have been \$3,915.60. The payrates reported for the retired sampled employee reflected a workweek of less than 40 hours and the payrates were not based on all 12 months of the year. The incorrect reporting resulted in decreases to the employees reported payrates that were not in compliance with Government Code section 20636.1." The \$4,022 monthly payrate includes \$213 of longevity pay, as identified in Exception 2 of the Final Audit Report. After subtracting the longevity pay, the District reported a monthly payrate of \$3,809.00 for the sampled retiree, which is consistent with the amount published on the salary schedule.

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December 10, 2019
Page 3

earned had the District applied CalPERS's preferred calculation method (which would then be reported to CalPERS).

LEGAL ARGUMENT

For the reasons explained below, the position taken by CalPERS auditors in this matter is not supported by any legal authority, as CalPERS lacks any basis in law to dictate a precise relationship between monthly and hourly payrates. Moreover, none of the options proposed by CalPERS auditors to resolve Exception 4 are viable, as they are neither compelled by logic nor consistent with existing law.

1. **There Is No Legal Authority Requiring the District to Use CalPERS's Proprietary Calculation Method.**

CalPERS auditors' insistence on the use of a particular method when calculating the hourly rate of pay is not codified in any statute or required by any regulation. In fact, the only reference to the 173.333-hour average in the Public Employees' Retirement Law ("PERL") is in a section that applies to retirees who return to service and are placed in interim appointments, which is not the case here. (Gov. Code, § 21221(h).) There is no other provision in the PERL or its implementing regulations that requires agencies who have contracted with CalPERS to calculate an hourly payrate using the calculation method identified by CalPERS auditors.

Nor is CalPERS's preferred calculation method the only reasonable means of calculating hourly payrates. Indeed, it is less precise than other alternatives. CalPERS's calculation method is not based on the actual number of days in a given year, but, instead, is based on an assumed 364-day year, which is plainly at odds with the actual calendar. Specifically, the CalPERS calculation method arrives at a 21.667-day average by assuming there are exactly 52 weeks (i.e. 364 days) in each year. However, this number is plainly imprecise, as there are actually 52.1429 weeks in a non-leap year, and 52.2857 weeks in a leap year.

In fact, there are numerous alternative methods of calculating an hourly payrate, including the following:

21.00-day average:

Work days in each month vary between 20-23 days. The average is 21.5 days, which rounds down to 21.

21.75-day average:

$365 \text{ days/year} - 104 \text{ weekend days/year} = 261 \text{ work days/year.}$
 $261 \text{ work days}/12 \text{ months} = 21.75 \text{ days/month}$

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

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Page 4

22.00-day average:

Work days in each month vary between 20-23 days. The average is 21.5 days, which rounds up to 22.

Actual day-average:

Hourly employees could be paid by dividing the monthly rate by the actual number of days in each month. However, this would result in an inconsistent rate of pay for each month.

There is nothing in statute or regulation, moreover, which enshrines the 364-day year as a basis — let alone the sole permissible basis — for calculating hourly payrates. Presumably for this reason, we are advised by the Orange County Department of Education that they do not agree with CalPERS's position in this matter. We are further informed and believe that numerous other public employers calculating hourly payrates using divisors other than 173.333.

2. CalPERS Does Not Have Authority to Dictate the Amount the District Compensates Its Employees.

Through the Audit, CalPERS is insisting the District retroactively increase monthly payrates. While CalPERS may require that the District correctly report the compensation amounts actually paid to its employees in accordance with the PERL and its implementing regulations, CalPERS has no legal authority to dictate the amount the District pays its employees, let alone to mandate a retroactive increase in monthly payrates.

Rather, the amount employees are paid is governed by the publicly available salary schedule, which, with respect to represented employees (e.g. members of the CSEA bargaining unit) reflects the outcome of a collective bargaining process. (see Gov. Code, § 3543.2(a)(1).) In this case, the District paid its employees — and reported compensation to CalPERS — based on the exact payrates specified in its monthly and hourly pay schedules.

The informal proposal by CalPERS auditors that the District retroactively amend its salary schedules to reflect two different payrates per classification, including a rate that is different than the amount actually paid to employees, is not a viable option. The District is required to negotiate with the exclusive representative of its employees— pursuant to the Educational Employment Relations Act (“EERA”) — prior to adoption of a salary schedule. (Gov. Code, § 3543.2(a)(1).) The proposal by auditors that the District unilaterally amend salary schedules in this manner would violate the District's obligations under the EERA.

Furthermore, the auditors' proposal runs afoul CalPERS's own regulations, which define “compensation earnable” as the “payrate” amount listed on a publicly available pay schedule. (Cal. Code Regs., tit. 2, § 570.5.) Neither the PERL nor CalPERS's regulations authorize the District to adopt a salary schedule that reflects amounts other than what is actually paid to its

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Matthew Jacobs, General Counsel
December 10, 2019
Page 5

employees. The definition of "payrate" includes "the normal monthly rate of pay or base pay of the member *paid in cash* to similarly situated members of the same group or class..." Thus, the auditors' proposal that the District adopt an erroneous salary schedule and report erroneous amounts to CalPERS is inconsistent with the law.

REQUEST FOR CLARIFICATION

Despite multiple requests from the District, CalPERS auditors have identified no basis — aside from mere preference — to compel the District to maintain monthly payrates which are divisible by 173.33 to obtain an hourly payrate. Because there is no basis in law to compel the District to use this particular calculation method, we request your assistance in resolving this matter (i.e. by removing Exception 4 from the Audit) without need for a formal appeal.

Thank you for your consideration of this request. As a reminder, the District's current deadline to respond to CalPERS auditors regarding Exception 4 is December 31, 2019, though we have requested a brief additional extension. In the event the extension request is not approved, we would very much appreciate a response by December 18, 2019.

Sincerely,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO



Joshua E. Morrison

JEM/jlt:jkc

Enclosure: Excerpts from December 2018 Payrate Increase Review

Payrate Increases Review

CalPERS Office of Audit Services
Public Agency Review

Job Number: P17-003

December 2018

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Table 1
Summary of individual Agency Exceptions – Listed in Order by OFAS Job Number

#	Agency	Pay Schedule Exception Type	Payrate Exception Type	Appendix Page Number
1	Oakland Unified School District	Time Base Approval Effective Date Revision Date Position Title	Additional Compensation Payrate Increase Excessive Payrate Payrate Adjustments Non-Reportable Payrate Pay Schedule	A-1
2	Alameda City Unified School District	Time Base	Additional Compensation Excessive Payrate Payrate Adjustments Full-Time Payrate	A-7
3	County School Service-Contra Costa County Schools	Approval	Payrate Increase Payrate Adjustments Full-Time Payrate	A-11
4	Fresno Unified School District	Time Base	Additional Compensation Excessive Payrate Full-Time Payrate	A-15
5	Panama-Buena Vista Union Elementary School District	Time Base Approval Document	Additional Compensation Payrate Adjustments Full-Time Payrate Incorrect Payrate Non Reportable Payrate	A-19
6	Montebello Unified School District	None	None	A-23
7	Monterey County Schools	Time Base Approval Incorrect Payrate	Additional Compensation Full-Time Payrate	A-25
8	Tustin Unified School District	Time Base Approval	Additional Compensation Excessive Payrate Payrate Adjustments Full-Time Payrate Non Reportable Payrate	A-29
9	Santee Elementary School District	None	Additional Compensation Excessive Payrate Payrate Adjustments	A-33
10	Lompoc Unified School District	Time Base Approval Revision Date	Additional Compensation Excessive Payrate Payrate Adjustments Full-Time Payrate Reduced Payrate Non Reportable Payrate	A-37
11	Rincon Valley Union Elementary School District	Time Base Approval Revision Date	Additional Compensation Pay Schedule	A-43
12	Oak Park Unified School District	Time Base	Payrate Increase Excessive Payrate Full-Time Payrate Pay Schedule	A-47

TUSTIN UNIFIED SCHOOL DISTRICT

Objective and Scope			
CalPERS ID	Job Number	Contract Date	Classification
[REDACTED]	3P17-008	March 1, 1949	Miscellaneous

The objective of our review was to determine whether increases to member payrates were granted to members and reported to CalPERS in compliance with the Public Employees' Retirement Law (PERL). Reporting active member payrates correctly is a necessary precursor to correctly calculating member benefits at retirement. Specifically, incorrect reporting could cause the following: miscalculation of a member's service credit, miscalculation of a member's retirement allowance, delays in processing a member's retirement benefits, inaccurate retirement estimates, incorrect payment of benefits, and hardship to retired members due to a reduction in benefits.

Payrates must be reported to CalPERS in accordance with Government Code sections 20636, 20636.1, 7522.34(a) and corresponding sections of the California Code of Regulations (CCR) section 570.5. Specifically, payrate is deemed as the normal monthly rate of pay or base pay of the member paid pursuant to a publicly available pay schedule for services rendered on a full-time basis during normal working hours. The publicly available pay schedules must meet criteria listed in CCR section 570.5. Payrates cannot include additional compensation such as special compensation, must be correctly calculated, must be accurately reported for the period earned, and cannot be granted or awarded to a member in connection with or anticipation of separation from employment.

The review was limited to the examination of a sample of active and/or retired employee records for the period July 1, 2012 to June 30, 2017. Unless otherwise specified, the Office of Audit Services (OFAS) did not review the Agency's compliance with the PERL with regard to any areas outside the scope described herein, including, but not limited to, reported earnings, special compensation, payroll information, member contributions, membership enrollment, or employment after retirement.

Results in Brief

#	Area	Exception	Observation
1	Pay Schedule	Approval / Time Base	The Agency did not maintain pay schedules in compliance with the Government Code and CCR. Specifically, the pay schedule in effect July 1, 2016 for Certificated Represented Employees did not include the time base for annual payrates. In addition, the pay schedule entitled "Classified Non-Bargaining Salary Schedule" in effect for Fiscal Years 2012-13, 2013-14 and 2015-16 did not include the time base for hourly payrates and were not duly approved and adopted by the Agency's governing body as required by CCR section 570.5.

TUSTIN UNIFIED SCHOOL DISTRICT

	Area	Exception	Observation
2	Payrates	Additional Compensation	The Agency reported payrates that included additional compensation for three sampled employees, two active and one who retired in January 2015. Specifically, one of the active employees and the retired employee had longevity pay added to their base payrate. The amounts ranged from \$.43 to \$.60 per hour for the active employee and \$207.00 to \$274.00 per month for the retired employee. The other active employee had a Masters Stipend added to their base payrate. The amounts ranged from \$222.20 to \$228.90 per month. The incorrect reporting resulted in an increase to the employees reported payrates that were not in compliance with Government Code section 20636.1.
3	Payrates	Excessive Payrate	The Agency reported excessive monthly payrates for a sampled active certificated employee. Specifically, the Agency added additional compensation for a Master's Stipend and also divided the annual salary by 10 months instead of 11 months. The base annual salary for the employee's position during the 2015-16 school year was \$85,948 and the employee worked 11 months during the year. The Agency reported a monthly base salary of \$8,594.80; however, the correct monthly payrate to report was \$7,813.45. The incorrect reported resulted in an increase to payrates reported that were not in compliance with Government Code section 20636.1. Government Code section 20630 states when compensation is reported to the board, the employer shall identify the pay period in which the compensation was earned regardless of when it is reported or paid.
4	Payrates	Full-Time Payrates	The Agency did not correctly report full-time payrates for a sampled classified employee who retired in January 2015. Specifically, the reported payrates were not based on a 40-hour workweek for all months of a year as required by Government Code section 20636.1. For example, the Agency reported a monthly payrate of \$4,022 for the employee in the pay period ended August 31, 2012; however, the reported monthly payrate should have been \$3,915.60. The payrates reported for the retired sampled employee reflected a workweek of less than 40 hours and the payrates were not based on all 12 months of the year. The incorrect reporting resulted in decreases to the employees reported payrates that were not in compliance with Government Code section 20636.1.

TUSTIN UNIFIED SCHOOL DISTRICT

	Area	Exception	Observation
5	Payrates	Non-Reportable Payrate	The Agency reported a payrate that was not reportable for the active certificated employee noted in Observation 3. Specifically, the Agency reported an hourly payrate of \$25.40 for time the employee spent attending a three-day planning and personal development workshop in July 2015. The payrate reported was not the normal rate of pay or base pay of the member and the payrate was not listed in the Agency's publicly available pay schedule as defined in Government Code section 20636.1.
6	Payrates	Payrate Adjustments	The Agency did not report a retroactive salary adjustment covering all months worked by an active employee. Specifically, the employee received a three percent salary increase in March 2017 retroactive to July 1, 2016. The Agency reported a retroactive salary adjustment back to September 1, 2016; however, the employee began working during the school year in August 2016. The incorrect reporting resulted in payrates reported that were not in compliance with Government Code section 20636.1. Government Code section 20630 states when compensation is reported to the board, the employer shall identify the pay period in which the compensation was earned regardless of when it is reported or paid.

Criteria

Under Government Code sections 20636, 20636.1 and 7522.34(a), payrate is deemed as the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal work hours, pursuant to a publicly available pay schedule.

Per CCR Section 570.5, a pay schedule, among other things, must:

- Be duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- Identify the position title for every employee position;
- Show the payrate as a single amount or multiple amounts within a range for each identified position;
- Indicate the time base such as hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- Be posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- Indicate an effective date and date of any revisions;
- Be retained by the employer and available for public inspection for not less than five years; and
- Not reference another document in lieu of disclosing the payrate.

TUSTIN UNIFIED SCHOOL DISTRICT**Recommendation**

The Agency should ensure reported payrates are granted and reported to CalPERS in compliance with the PERL. The Agency should work with the CalPERS Employer Account Management Division to identify and make adjustments, if necessary, to any impacted active and retired member accounts pursuant to Government Code Section 20160.

Government Codes: § 20120, § 20121, § 20122, § 20160

Conclusion

OFAS limited this review to the areas specified in the objective and scope section of this report. Sample testing procedures provide reasonable, but not absolute, assurance that the Agency complied with the specific provisions of the PERL and CalPERS contract that were subject to this review. The results outlined in this report are based on information made available or otherwise obtained at the time this report was prepared. This report does not constitute a final determination with regard to the results noted within the report. The appropriate CalPERS divisions will notify the Agency of the final determinations and provide appeal rights, if applicable, at that time.

Summarized Response

The Agency partially disagreed with Observation 1, disagreed with Observation 4, and provided additional information. OFAS reviewed the information and revised Observation 4.

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and am not a party to the within action; my business address is 12800 Center Court Drive South, Suite 300, Cerritos, California 90703-9364.

On September 30, 2020, I served the following document(s) described as **NOTICE OF DEFENSE re Agency Case No. 2020-0436 / OAH Case No. 2020090431** on the interested parties in this action as follows:

(Original - Via Overnight Mail):

(Copy - Via OAH Secure e-File)

Matthew G. Jacobs, General Counsel
Austa Wakily, Senior Attorney
California Public Employees' Retirement System
Lincoln Plaza North
400 "Q" Street, Suite 3340
Sacramento, CA 95811
T (916) 795-3675 / F (916) 795-3659

Office of Administrative Hearings
Los Angeles Regional Office
320 West Fourth Street, Suite 630
Los Angeles, CA 90013

- BY OVERNIGHT COURIER:** I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed it to the parties shown herein. I placed the envelope or package at my place of employment in accordance with regular business practices for collection and overnight delivery.
- BY ELECTRONIC FILING:** My electronic service address is JCurtiss@aalrr.com. I caused such documents to be e-Filed via OAH SECURE e-FILE.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 30, 2020, at Cerritos, California.

/s/ Jeannie K. Curtiss
Jeannie K. Curtiss

ATKINSON, ANDELSON, LOYA, RUUD & ROMO
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
12800 CENTER COURT DRIVE SOUTH, SUITE 300
CERRITOS, CALIFORNIA 90703-9364
TELEPHONE: (562) 653-3200
FAX: (562) 653-3333