

Employer Account Management Division (EAMD) Compensation Compliance Review & Audit Resolution

The EAMD Compensation Compliance Review & Audit Resolution Units are dedicated to delivering excellent customer service by providing resources and education to our stakeholders, ensuring reported compensation and contribution data is accurate, timely, and in compliance with the Public Employees' Retirement Law (PERL).

We Need Your Help

Properly reporting compliant compensation and payroll is extremely critical to ensure that benefits are calculated accurately and paid in a timely manner. By working together, CalPERS and your agency can minimize the time and cost for reporting, analyzing, and adjusting payroll in the myCalPERS system so that member benefits are not delayed.

Employing agencies are responsible for:

- ✓ Reporting payroll timely and accurately
- ✓ Reporting only compensation provided under the PERL
- ✓ Identifying the proper type and category of special and/or pensionable compensation items
- ✓ Reporting special compensation separately from pay rate
- ✓ Identifying the earned period for all compensation – No lump sums
- ✓ Ensuring pay schedules, labor agreements, etc., are readily available on your website or upon request
- ✓ Responding timely to add Compensation Compliance Review Unit (CCRU) inquiries
- ✓ Contacting CCRU regarding any questionable compensation items prior to reporting – we can help prevent erroneous reporting

Examples of Misreported Items of Compensation

Longevity Pay:

Please do not combine this item with other criteria, such as employee performance or level of education.

Holiday Pay:

Not all holiday pay is reportable. As defined in the California Code of Regulations (CCR), it is only reportable for employees who work in positions that require scheduled staffing without regard to holidays.

Temporary Upgrade Pay (TUP):

Agencies erroneously report the additional compensation that is paid to employees for working partially in a higher position while continuing in their regular position during the same timeframe. Payments of this nature do not qualify as TUP.

Final Settlement Pay (FSP):

FSP is defined as any pay in excess of compensation earnable that is paid in connection with or in anticipation of a separation from employment. Typically, this compensation is granted or awarded to employees pursuant to a termination agreement, severance package, or “golden parachute.” FSP is specifically excluded under the PERL and is therefore not reportable to CalPERS.

Items Not Listed in CCR Sections 571 & 571.1

Any item that is not included under these regulations and does not meet the exclusive definitions provided therein does not qualify as compensation earnable or pensionable compensation and is not reportable.

Relevant Statutes & Regulations

Government (Gov.) Code Sections

Section No.	Title	Purpose
20160	Criteria for Correction	CalPERS' Duty to Correct Errors
20221	Information to be Furnished to the Board	CalPERS' Requests for Information
20630	Compensation	General Definition
20636	Compensation Earnable	Reportable Compensation for Classic State & Public Agency
20636.1	Compensation Earnable - Schools	Reportable Compensation for Schools
20691	Employer Payment of Member Contributions - Schools or Contracting Agencies	Permits employers to pay member contributions on behalf of employees
7522.34	Pensionable Compensation	Definition of compensation for PEPPRA (State, Public Agency, School)

CCR Sections

Section No.	Title	Purpose
569	Employer Paid Member Contributions	§ 20636
570	Final Settlement Pay	§ 20636
570.5	Requirements for Publicly Available Pay Schedule	§§ 20636 & 20636.1
571	Definition of Special Compensation (Classic)	§§ 20636 & 20636.1
571.1	Pensionable Compensation (PEPPRA)	§ 7522.34
572	Employees Not in a Group or Class of Employment	§§ 20636 & 20636.1

Online Resources

Available at www.calpers.ca.gov:

PERL

Reference Guides

- State Reference Guide - For State Agencies
- Public Agency and Schools Reference Guide - For Public and School Employers

Important Circular Letters

No. 200-064-14	<u>Common Misreported Items of Compensation</u>
No. 200-050-16	<u>Statutory and Regulatory Requirements for Compensation Earnable and Publicly Available Pay Schedules</u>
No. 200-060-16	<u>Reportable Compensation and Settlement Agreements</u>
No. 200-013-17	<u>Commonly Misreported Special Compensation Items for Schools</u>
No. 200-064-17	<u>Public Employees' Pension Reform Act (PEPRA) of 2013 Adoption of Pensionable Compensation Regulations</u>
No. 200-047-19	<u>Compensation for Settlement Agreements</u>
No. 200-049-19	<u>Reportability of Coaching Stipends</u>
No. 200-003-20	<u>Statutory and Regulatory Requirements for Publicly Available Pay Schedules</u>
No. 200-019-20	<u>Common Issues on Special Compensation Reporting and Labor Agreements</u>
No. 200-040-20	<u>Information on Furloughs</u>

Employer Leadership Dialogue Events

A great opportunity for your leaders and decision makers to engage with CalPERS senior leadership on the topics that matter to you, including reportable compensation. These small venue sessions are designed to provide timely information and discussion at a senior management level.

In accordance with current public health guidelines, we've postponed all in-person Employer Leadership Dialogues and plan to provide virtual meetings.

Employer Account Management Division
Compensation Compliance & Review Unit
P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or **888-225-7377**)
EAMD_CCRU_OUTREACH@calpers.ca.gov